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## Mexico

### Agricultural Situation

#### Weekly Highlights & Hot Bites, Issue #27

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#### **Report Highlights:**

**Sugar Blockades Will Continue\*Farmers Protest in Mexico City\*Peasants Threaten to Close Highways\*More Poultry Imports for 2003?\*President Fox Counters Critics of His Business-Oriented Farm Policy\*Widening the U.S. Market for Mexican Avocados?**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
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## **SUGAR BLOCKADES WILL CONTINUE**

Sugar farmers from across the nation continue the blockade of the central offices of the Secretariats of Agriculture (SAGARPA) and Economy (SE) demanding the payment of 4.5 billion pesos owed them by sugar refineries for the 2000 to 2001 harvest. A credit was authorized through SAGARPA for about 1,700,000 pesos (US\$182,796). According to the local news, only 832,000 pesos (US\$86,462) have been paid. The farmers have vowed to continue the blockades until all payments have been received. In addition to the lack of payment, the industry told the SE that they do not agree with NAFTA and WTO rulings against the Mexican dumping duties for high fructose imports (HFCS). The sugar industry maintains that HFCS imports are a threat to the industry. Sugar cane producers will go to the Senate to look for a solution. (Source: *El Financiero, Reforma*, 8/7/01)

## **FARMERS PROTEST IN MEXICO CITY**

Thousands of farmers marched through the Mexican capital on Wednesday demanding subsidies and a halt to free trade, posing the most direct challenge yet to President Vicente Fox's eight-month-old administration. The march, on Mexican revolutionary Emiliano Zapata's birthday, was a show of force for the "old Mexico," opposed to the new, entrepreneurial nation that businessman Fox has promised. Even the protesters' rhetoric harkened back to Zapata's 1910-1917 Revolution, which created the communal farms ("Ejidos") that served as the political backbone of the former ruling party, whose 71-year reign Fox ended in last year's elections. Streams of farmers in straw hats and cowboy boots chanted, "Zapata Lives! The struggle continues!" as they fanned out across the world's second-largest city to blockade government offices and shut down a half-dozen major boulevards. (Source: *Novedades*, 8/9/01)

## **PEASANTS THREATEN TO CLOSE HIGHWAYS**

On August 9, 2001, a delegation of 20 agriculture producers was received by the Secretary of Agriculture, Javier Usabiaga. He apologized to the leaders of the various domestic rural organizations and committed to establish a negotiation table next Tuesday, August 14, in an attempt to find solutions to the problems that agricultural growers face (coffee and rice producers, among others). After six hours of walking more than 11 miles, the leaders and peasants coming from 16 states met with Secretary Usabiaga in the alternative building of the Agriculture Ministry (SAGARPA). Reportedly, approximately 16,000 farmers marched through the Mexican capital and only a group of 4,000 arrived at the headquarters of SAGARPA. It should be noted, however, that according to some newspapers, there were no more than 1,300 demonstrators. Secretary Usabiaga recognized the Agrarian Congress farm group (Congreso Agrario Permanente) as valid speakers of the agriculture growers. The rural leaders, on the other hand, threatened to close highways in September as there is a great insurgent movement in the whole country. Lastly, the Secretary said that there has not been a reduction in the Secretariat's budget nor lack of spending. (Source: *Novedades*, 8/09/2001)

## **MORE POULTRY IMPORTS FOR 2003?**

In an interview with David Goldstein from Pilgrim's Pride Mexico, he was quoted as saying that the company will become an important middleman of imported chicken cuts for 2003, when NAFTA will open the borders on chicken trade between the U.S. and Mexico. He based his prediction on the fact that poultry production in Mexico is 15 to 20 percent more costly than in the United States. Furthermore, he said the U.S. has the advantage of having cheaper grain feed volumes for the poultry industry. Due to the preference of the U.S. consumer for chicken white meat, chicken quarters (leg and thighs) are sold at competitive prices in Mexico, making Mexico in 2003 an attractive option for U.S. poultry producers. (Source: *Mercado Agropecuario*, 7/30/01)

## **PRESIDENT FOX COUNTERS CRITICS OF HIS BUSINESS-ORIENTED FARM POLICY**

On Tuesday, July 7, 2001, President Vicente Fox called for the nation's embattled farmers to consider themselves businessmen, and adopt new technology and crops to confront one of the worst agricultural crises in recent decades. Fox spoke before a friendly crowd of small farm owners, even as a group of communal farmers gathered for a Wednesday, July 8 demonstration to protest low coffee, sugar and grain prices. Marking a departure from decades of paternalistic farm policy in Mexico, Fox said that farm owners who pulled themselves up by their own bootstraps would get more attention than those who staged protests. Touting "an entrepreneurial attitude on the farm," Fox promised to eliminate "the corruption, paternalism, political favoritism and bureaucracy" that has characterized the government's subsidy and farm trade policies. "Instead of asking for handouts, we're talking about what we can contribute as modern farmers in a new century. That kind of statement," Fox indicated, "is going to get a better response from us than any street demonstration. "Protesters are demanding more subsidies, but Fox said Mexico's hands are tied in that area." You're talking about a billion dollars a day in agricultural subsidies in developed nations," Fox said. "That's not an area in which Mexico is going to be able to compete." (Source: *Novedades, El Universal, The News*, 8/07/2001)

## **WIDENING THE U.S. MARKET FOR MEXICAN AVOCADOS?**

Mexico's Secretary of Economy, Luis Ernesto Derbez, confirmed after last week's negotiations with U.S. counterpart Robert Zoellick, that the shipping season to export Mexican avocados to the U.S. will be extended by two months and the list of approved States expanded to thirty-one. Derbez stated that the November-February shipping season will be extended up to the end of April. He also announced that the original list included nineteen approved States and the District of Columbia, where Mexican avocados are currently distributed, will include twelve additional States. These States are: Colorado, Idaho, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah and Wyoming. (Source: *Reforma*, 8/07/01)

FAS/Mexico Note: According to official information published in the Federal Register on July 13, 2001, the Proposed Rule which establishes the Mexican Hass Avocado Import Program, is proposing to amend the regulations governing the importation of avocados to expand the number of States in which they may be distributed. Also, the amendment will propose increasing the length of the shipping season by two months. This amendment established a 60-day comment period through September 11, 2001. Extension of the shipping season and expansion of the

approved States list cannot be confirmed until the above-mentioned Proposed Rule complies with all legal procedures prior to its publication as a Final Rule. Unofficial information provided by APHIS/Mexico indicates the dates of the public hearings will be held in Denver, CO (Aug. 14), Escondido, CA (Aug. 16), Homestead, FL (Aug. 21) and Austin, TX (Aug.23).

#### REMINDER FOR PUBLIC COMMENTS ON PENDING PROPOSED REGULATIONS

PROY-NOM-066-FITO-2001: Proposal for modification of the Mexican Official rule concerning requirements and phytosanitary specifications for the transportation of avocado fruits for export and domestic market, dated July 10, 2001. **Deadline for Comments: September 8, 2001.**

PROY-NOM-079-FITO-2000: Requirements and phytosanitary specifications for the production and mobilization of propagative material free of tristeza virus and other types of viruses associated with citrus, dated July 12, 2001. **Deadline for Comments: September 10, 2001.**

Mexican Official NORM NOM-060-ZOO-1999: Specifications for the transformation of animal products and their use in animal feed, dated June 28, 2001. **Final Rule Effective August 27, 2001.**

#### REPORTS SUBMITTED RECENTLY BY FAS/MEXICO

Report #	Title	Date Sent
MX1119	Weekly Highlights & Hot Bites, Issue #26	8/2/01
MX1120	Livestock Annual Report	8/1/01
MX1121	Mexico's Monthly Crop Update	8/1/01

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