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Report Highlights:

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 - **DROUGHT-RESISTANT "SUPER BEAN" CREATED**
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 - **MEXICO TO IMPORT 1,200,000 CHRISTMAS TREES**
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Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

Welcome to Hot Bites from Mexico, a weekly review of issues of interest to the U.S. agricultural community. The topics covered in this report reflect developments in Mexico that have been garnered during travel around the country, reported in the media, or offered by host country officials and agricultural analysts. Readers should understand that press articles are included in this report to provide insights into the Mexican "mood" facing U.S. agricultural exporters. Significant issues will be expanded upon in subsequent reports from this office.

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MEXICO'S PRESIDENT-ELECT NAMES CABINET

On Friday November 24, President-elect Felipe Calderon named several close allies from his conservative National Action Party to lead his administration's anti-poverty efforts, which are considered crucial to winning the support of millions of poor Mexicans who voted for his opponent. As Calderon announced the appointments, supporters of the fiery leftist Andres Manuel Lopez Obrador protested outside the headquarters of the incoming government. On November 20, Lopez Obrador, who claims the July 2 presidential elections were compromised by fraud, staged a ceremony in which he swore himself in as Mexico's "legitimate" president, and named members of his own unofficial government. Calderon won by less than 1 percent in a race that laid bare Mexico's deep divide between rich and poor. In his bid to strengthen his government's grip on power, the president-elect has tried to adopt some of Lopez Obrador's proposals.

On Friday, November 17, Calderon appointed Dr. Jose Angel Cordoba, a National Action congressman, as Health Secretary. He asked the surgeon to set up a universal health care program, which Lopez Obrador had proposed. Beatriz Zavala, a National Action congresswoman from southeastern Yucatan state, was appointed Social Development Secretary. In accepting, she said, "...without social justice we cannot complete the path toward democracy that Mexicans embarked on just a few years ago." Alberto Cardenas, former Environment Secretary under outgoing President Vicente Fox, will head the Agriculture Department. Cardenas, previously governor of the western state of Jalisco, was one of three members of the ruling National Action Party who sought the party's presidential nomination. Calderon beat him in the primaries. Josefina Vazquez, who stepped down as Fox's social development secretary to run Calderon's campaign, will run the country's Education Department. Calderon also named Juan Rafael Elvira, an assistant prosecutor in the federal Environment Department, as Secretary of Environment. Abelardo Escobar, an agronomist, will continue in his position as Mexico's agrarian reform secretary. On Tuesday, November 21, Calderon named six government technocrats, many with U.S. degrees, to head up his economic team, which he said will focus on job creation. "We Mexicans know that an orderly, competitive economy is indispensable in combating poverty and inequality and the best way to do that is the generation of dignified, well-paid jobs," Calderon said Friday. He added that his government's social policy will ensure every child, "...has the same opportunities," pointing out that some 20 million Mexicans live in extreme poverty, a fact that "angers, hurts and offends the entire society." Calderon takes office Dec. 1. (Sources: Associated Press, El Financiero, Reforma, El Universal; 11/24/2006)

DROUGHT-RESISTANT "SUPER BEAN" CREATED

Mexican researchers from the Biotechnology Center of the Morelos State University have developed a "super bean", capable of withstanding the most severe drought. Named "Lazarus", in reference to the biblical character, the seed was developed without altering its genomic structure. Project leader Gabriel Iturriaga commented that the new variety produces more biomass and is able to withstand three weeks without water. "The *rhizobium* bacteria triggers a chemical reaction in the plant, allowing it to produce more mass and resist drought," he explained. The challenge now is to make further tests on a greater scale. The project is expected to take three years before going commercial. Similar research might be developed for other crops like soybeans and peanuts. (CRONICA, NOV. 13)

CONGRESS SPEEDS UP WORK ON BIO-FUELS LAW

Mexico's Congress is speeding up the study and approval of current projects for the bio-fuels law that could boost ethanol production and consumption, as an alternative for the corn and sugarcane industries. The idea is to take advantage of the world's current demand for the fuel additive. Congressman Agustin Mollinedo announced that the bio-fuels law will eliminate uncertainty for the sugar industry, especially in the face of the full implementation of NAFTA in 2008. He emphasized that ethanol production will demand larger cultivated surfaces and additional processing plants, which will stimulate rural investment and employment, thus improving rural economies. (EL SOL DE MEXICO, NOV. 14)

MEXICO TO IMPORT 1,200,000 CHRISTMAS TREES

Manuel Reed, director of the National Forestry Commission (CONAFOR), announced that Mexico will import more than 1.2 million Christmas trees this year in order to satisfy the domestic demand of two million trees per year. The trees, mainly from the United States and Canada, will be imported following established procedures and will include an international phytosanitary certificate. The imported trees are mostly pines, Douglas-firs, and Sacred-firs. Reed stated that Christmas tree plantations have been helpful in stemming illegal logging in Mexico. He added that natural trees can also be transformed into organic fertilizer, while plastic trees can become an environmental threat because they are not biodegradable. (UNOMASUNO, NOV. 15)

REPORTS RECENTLY SUBMITTED BY FAS/MEXICO CITY

NUMBER	TITLE	DATE
MX6099	Mexico Establishes 2006 Additional Out-of-Quota Milk Powder Imports	11/24/06
MX6098	Citrus Annual	11/15/06
MX6097	New Requirements for The Import of Wines and Liquors	11/15/06
MX6096	Auction of Permits to Import Dairy Preparations Set for December 2006	11/14/06
MX6095	Mexico Authorized More Crossing Points for Specific Products	11/08/06
MX6094	Final Dumping Duties for Red & Golden Delicious	11/06/06
MX6093	Weekly Highlights and Hot Bites #42	11/04/06
MX6092	Dairy Annual	11/01/06
MX6091	Weekly Highlights and Hot Bites #41	10/27/06
MX6090	Strawberry Annual	10/31/06
MX6089	Solid Wood Products Annual	10/31/06
MX6088	Trade Policy Monitoring Report	10/24/06

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