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## **Sugar Industry Travails**

*by Steven Ranieri*

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During the 1989-90 harvest cycle, Mexico imported 1.3 million metric tons of sugar. Sugar imports for calendar year 1990 are estimated at 1 million MT. Output per worker has deteriorated in the past three years, from 107 MT in the 1985-86 harvest to the current 90 MT. Sugarcane growers are currently heavily indebted. Sinaloa state senator Salvador Esquer Apodaca has asserted that poor sugar harvests in the past three years were the outcome of inclement weather, mainly drought. He has predicted that by 1993, Mexico will produce enough sugarcane to meet domestic needs, and to resume exports. Isidro Pulido Reyes, leader of the National Cane Growers Union an affiliate of the National Campesino Confederation (CNC), and Angel Martinez Fernandez, president of Mexico's smallholder cane growers association, disagree. According to Pulido, unless the government doubles its price floor to about 92,752 pesos (about US\$32) per ton, and provides low-interest credit for capital investment and operational costs, the gap between domestic consumption and output will only grow wider. Fernandez argues that Mexico is forced to import sugar because domestic growers have cut back on production due to low prices. The government, he says, caused the problem by setting the price for cane far below production costs. As of late October, the 1990/91 harvest was on hold. Employees at several large plantations decided to strike in an attempt to pressure the government for higher prices, and cheaper credit. According to *El Financiero* (10/10/90), 35,000 workers are employed in 65 sugar mills nationwide. (Sources: *Notimex*, 09/13/90; *El Financiero*, 10/10/90, 10/22/90; *The Mexico City News*, 11/05/90)

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