

11-7-1990

On National "food Deficit"; Private Sector Leaders Call For Return To Agricultural Subsidies & Protectionism

Steven Ranieri

Follow this and additional works at: <https://digitalrepository.unm.edu/sourcemex>

Recommended Citation

Ranieri, Steven. "On National "food Deficit"; Private Sector Leaders Call For Return To Agricultural Subsidies & Protectionism." (1990). <https://digitalrepository.unm.edu/sourcemex/37>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

On National "food Deficit"; Private Sector Leaders Call For Return To Agricultural Subsidies & Protectionism

by Steven Ranieri

Category/Department: General

Published: Wednesday, November 7, 1990

According to the Oct. 30 issue of *El Financiero*, the Salinas de Gortari administration's financial sector policies have been anathema for Mexican agricultural producers. In the past two years, cultivated area financed by traditional sources of farm credit Banrural, the FIRA, and commercial banks has plummeted by 50%, from 6 to 3 million ha. Alberto Santos de Hoyos, manager of Galletera Mexicana (GAMESA), told reporters Oct. 28 that Mexico's 10 million metric tons of food imports this year will cost the government an estimated \$4 billion. In the new world of finance, interest rates on agricultural loans are among the highest available, averaging about 36% per annum. US farmers are charged "only" 12% on average for commercial bank loans. Over one million Mexican farmers have outstanding loans totaling \$2.9 billion. Meanwhile, government agricultural subsidies of all kinds are quickly being eliminated. Price floors for major grain crops and other basic foodstuffs are now determined by world market commodity prices, rather than domestic production costs. Also on Oct. 30 daily newspapers *La Jornada* and *El Nacional* reported that Mexican agriculture is engulfed in crisis. Farmers throughout the country are refusing to harvest sugarcane, sorghum, corn and other crops until the government provides higher price guarantees. Some growers who decided to harvest their crops have been unable to sell, result of processors having access to imports. Next year's crops are in jeopardy since growers have no profits to invest in the next cycle, and agricultural credit is not available. In its Oct. 31 issue, *El Financiero* reported that private sector leaders are calling on the government to turn back the clock on its economic liberalization policies affecting agriculture. The National Agricultural Council, Mexican Businesspersons Council, Mexican Employers Confederation, National Chamber of Commerce Confederation, and the Mexican Stock Exchange Association agree that agricultural producers are laboring under severe disadvantages, given that Washington has not reciprocated by removing tariffs and other trade restrictions, including subsidies for agro-exports. In addition, the five organizations call for the participation of Mexican producer groups in bilateral and multilateral trade negotiations. (Sources: *Notimex*, 10/28/90; *El Financiero*, 10/30/90, 10/31/90; *La Jornada*, *El Nacional*, 10/31/90)

-- End --