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Agricultural Self-sufficiency Hindered By Export Promotion Policies

by Steven Ranieri

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According to Felipe Torres Torres, professor at the National Autonomous University's (UNAM) Economic Research Institute, government export promotion policies are anathema for attempts to achieve agricultural self-sufficiency. Torres mentioned the case of beef: although Mexico exports cattle, 30% of the beef consumed in Mexico City is imported. Torres said that food consumption has declined in the past four years, particularly among low-income households. Seafood and eggs have been largely eliminated from the diets of middle-class households. Since 1985, he added, egg consumption has plummeted. Between 1980 and 1989, government funding for agriculture dropped 70%; rural credit provided by state-run banks fell by 55%; and, commercial bank loans to farmers declined 27%. Meanwhile, farm price support levels fell an average 40%, and guaranteed prices were eliminated for eight basic products. Agricultural input prices rose by 116% in the 10-year period, and cattle producers' costs increased 130%. The results of export promotion policies at the expense of agriculture, said Torres, are apparent. At present, 5.5 million ha. of arable land are lying idle. Since 1980, irrigated land area has declined by 4.5 million ha. (Source: Excelsior, 02/08/91)

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