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Tortilla Price Dispute Continues Into December

by Carlos Navarro

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The dispute between the government and producers of corn tortillas continued into late December, with some shops raising their prices despite a government crackdown on violators of the latest Economic Stability Pact (PECE). Despite news reports to the contrary, Trade Secretary Jaime Serra Puche said on Dec. 17 that the Trade Secretariat (Secretaria de Comercio y Fomento Industrial, SECOFI) had not authorized price increases for corn tortillas. Nevertheless, industry representatives insisted that SECOFI had approved the increase in prices from 750 pesos (about US$0.23) per kg. to 1,300 pesos (US$0.41) in Mexico City and 1,800 pesos (US$0.57) in the rest of Mexico. In other developments: Dec. 16: The Mexican Workers Confederation (Confederacion the Trabajadores Mexicanos, CTM) asked the Federal Consumer Protection Office (Procuraduria Federal del Consumidor, PROFECO) to impose heavy fines or even close tortilla shops that raised their prices. A CTM spokesperson said the working class depends on affordable food prices. Dec. 17: PROFECO official Alfredo Baranda Garcia gave his assurances that violators would be prosecuted to the full extent of the law. He said PROFECO had found many cases where tortilla prices had been raised to about 1,000 pesos (US$0.31) without permission. He disputed earlier press reports that tortilla producers were given permission to raise prices to that level. Tortilla producers in Baja California Sur state began a strike to protest the fines and closures of tortilla factories. In Monterrey, another 50 producers suspended operations in protest while in the states of Jalisco and Puebla tortilla producers have threatened an indefinite strike until the prices are officially raised. Javier Contreras Padilla, general secretary of the National Corn Producers Union (Union de Productores de Maiz) said more than 6 million metric tons of corn per year is sold to intermediaries by campesinos since marketing mechanisms are absent for the campesinos to sell directly to the tortilla industry. These intermediaries bring about an increase in the price of corn for the tortilla industry. Contreras also noted that corn producers are finding it increasingly difficult to break even since energy and other production costs have been rising while the price of corn authorized by SECOFI remains the same. (Sources: Notimex, 12/16/92, 12/17/92; La Jornada, El Financiero, 12/18/92; El Financiero International, 12/28/92)

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