

2-7-2007

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## Recommended Citation

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## Labor, Farm Groups Rally to Demand End to Spiraling Food Prices

*by LADB Staff*

*Category/Department: Mexico*

*Published: 2007-02-07*

Mexico's independent labor and agricultural organizations are pushing President Felipe Calderon's administration to adopt urgent measures beyond those the executive has already taken to stop the rise in the price of basic foodstuffs. A half-dozen coalitions, including the Union Nacional de Trabajadores (UNT) and the Congreso Agrario Permanente (CAP), organized a massive demonstration in Mexico City on Jan. 31 to emphasize their point to the government.

The rally attracted tens of thousands of demonstrators to the capital's huge Zocalo square. Other rally organizers included the Coalicion Ciudadana Nacional (CCN), the Frente Sindical Mexicano (FSM), the Consejo Nacional de Organizaciones Rurales y Pesqueras (CONAORP), and the Frente Amplio Progresista (FAP). Participants asked the Calderon administration to take immediate steps to halt the spiraling costs of basic foodstuffs, including tortillas, chicken, eggs, beef, and milk. The spike in corn prices greatly increased the cost of livestock feed, which has had a spillover effect on livestock and dairy products.

Calderon has taken some steps to halt the rising cost of tortillas, which is linked to a spike in global corn prices as a result of strong demand by US producers of ethanol fuel (see NotiCen, 2007-02-01). These steps include an agreement with some private manufacturers to set a ceiling for tortilla prices, a reduction of restrictions on corn imports, and a crackdown on price gouging (see SourceMex, 2007-01-31).

The measures have had mixed results, since not all tortilla producers subscribed to the price ceiling. Without the cooperation of these producers, there is little Calderon can do to contain prices without massive outlays for subsidies.

The administration is making good on its promise to crack down on unfair market prices. In early February, the Procuraduria General de la Republica (PGR) seized 118,000 metric tons of corn allegedly being stowed away in warehouses in Jalisco state to drive prices higher. The PGR did not release the names of the companies hoarding the corn but said the operation was the result of an investigation by the federal consumer protection agency (Procuraduria Federal del Consumidor, PROFECO).

Still, some labor organizations say the steps taken by the Calderon government are insufficient to help the poor in Mexico. "There is a lack of initiative on the part of the federal government to halt the rise in the price of basic foodstuffs, which could ruin the lives of 20 million Mexicans who live in extreme poverty," a CAP spokesperson told reporters. He noted that the price of these goods has increased by 50% in recent months.

## *Critics want change in economic structure*

Participants at the rally raised the deeper issue of whether Mexico's neoliberal economic system was meeting the needs of the population. "While other countries are looking for alternatives to neoliberal policies, in Mexico, the government has lagged behind and insisted on applying a model that, after a quarter century, has shown its inefficiency and inequality," said the main declaration, read by former television personality Veronica Velasco.

Some critics say the current problems in the tortilla market go back to the administration of former President Carlos Salinas de Gortari, who watered down Mexico's system of subsidies in favor of a more market-oriented approach (see SourceMex, 1992-08-12, 1992-08-19, and 1993-10-06). "In the opinion of many producers and retailers, the crisis in the corn-tortilla marketing chain did not begin at the end of 2006 but in 1988, when the neoliberal government decided to dismantle all the infrastructure that was supporting the agriculture sector," said the Mexico City daily newspaper Milenio Diario. "That hole was filled by the big corporations, which today are accused of monopolizing the market."

The rally participants chastised Calderon for continuing the neoliberal policies of his predecessors. "The policies of 'public charity' must be abandoned in favor of recognizing the rights of the entire citizenry," said the declaration. Still, rally organizers said they would initially not take a confrontational approach with the Calderon administration but rather seek direct dialogue with the president to ask for the negotiation of a new social pact. "We ask the president to enter into a dialogue with us so we can define the structural changes that we need," UNT leaders said. "If we find a solution, we are more than willing to negotiate; if not, we're going to have to intensify our protests."

The Calderon administration has already begun reaching out to the agriculture sector by launching a series of consultations on a new rural pact. Critics say, however, that the preliminary proposals that have been floated are no different from those that already exist in an agricultural agreement negotiated with the Fox administration (Acuerdo Nacional para el Campo, ANC) and in the sustainable development law (Ley de Desarrollo Rural Sustentable).

Through the ANC, the Fox administration sought to lessen the impact of reduced agricultural imports by boosting financial assistance to Mexico's farm sector and developing other mechanisms to assist agriculture producers (see SourceMex, 2003-04-23). Ex-presidential candidate sparks some controversy The FAP, a center-left coalition of political parties, helped organize the event but also had to accede to demands of other organizers that ex-presidential candidate Andres Manuel Lopez Obrador not be allowed to speak.

The protest organizers said they wanted to present the rally as free of alignment with any political party, and some were concerned that a Lopez Obrador speech would jeopardize that goal. "The idea is that we concentrate on the general objectives of the march and not on personalities," CAP president Gerardo Sanchez said in radio interview. The larger labor organizations, the Confederacion de Trabajadores de Mexico (CTM), the Congreso del Trabajo (CT), and the Confederacion Revolucionaria de Obreros y Campesinos (CROC), did not sponsor the

demonstration but said their members were free to participate on the condition that Lopez Obrador not be the main speaker.

The UNT and others easily accepted this condition. "Lopez Obrador is going to participate in the rally as just another citizen," said UNT president Francisco Hernandez Juarez. Lopez Obrador, who lost the 2006 presidential race to Calderon by an extremely narrow margin, claims that the Fox government and the PAN committed fraud and that he is the country's legitimate president (see SourceMex, 2006-08-30 and 2006-09-20).

Lopez Obrador did have an opportunity to present his positions in a 30-minute speech after the rally ended. Speaking to a large crowd that remained after the rally to listen to his speech, Lopez Obrador spelled out five actions that his "legitimate government" would take to address the crisis. He said he would enact an emergency salary increase, implement a program of direct subsidies to producers of basic foodstuffs, cancel the scheduled opening of Mexico's agriculture sector under the North American Free Trade Agreement (NAFTA) in 2008, create a special subsidy to reduce the price of tortillas, and go after monopolies. (Sources: The Herald-Mexico City, 01/30/07; Agencia de noticias Proceso, 01/24/07, 01/29/07, 01/31/07; El Financiero, 01/30/07, 01/31/07, 02/01/07; The New York Times, Reuters, The Chicago Tribune, Associated Press, 02/01/07; The Christian Science Monitor, 02/02/07; Reforma, 01/31/07, 02/01/07, 02/02/07; Excelsior, 01/18/07, 01/31/07, 02/01/07, 02/05/07; El Economista, 01/18/07, 01/26/07, 01/30/06, 02/01/07, 02/05/07, 02/06/07; La Jornada, 01/18/07, 01/26/07, 01/30/07, 01/31/07, 02/01/07, 02/02/07, 02/05/07, 02/07/07; Cronica de Hoy, 01/18/07, 01/31/07, 02/01/07, 02/02/07, 02/07/07; Milenio Diario, 01/25/07, 01/26/07, 01/30/07, 01/31/07, 02/01/07, 02/02/07, 02/05/07, 02/07/07; El Universal, 01/31/07, 02/01/07, 02/07/07; Notimex, 02/01/07, 02/07/07)

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