

Dateline Mexico by Rubén Cota

Food supply: fantasy vs. fact

As a food crisis of global proportions looms, Mexico debates whether to produce food, or import it.

An underground factional battle is currently shaping up inside the Mexican government over whether the country will produce its own basic food requirements or not. On the one side are those who believe that food self-sufficiency and sovereignty are inseparable concepts. On the other are those who believe that food sovereignty does not necessarily require self-sufficiency; their argument is that with enough financial help, sufficient food can be purchased abroad.

Unfortunately, the first side has its head buried in the sand, while the other is in apparent cahoots with the very forces committed to the destruction of both Mexico's sovereignty and self-sufficiency. What neither faction acknowledges is the very real threat of starvation on a global scale, as the international financiers and the food cartels they operate are not only *not* providing financing for food and other basic import requirements, but are deliberately draining whatever resources remain to countries like Mexico for providing for their own needs.

The pro-sovereignty group is weakly represented by Mexico's secretary of agriculture and water resources, Jorge de la Vega Domínguez. The second, the "financial faction," by trade and industry secretary Jaime Serra Puche.

The most open and public manifestation of this struggle was De la Vega's statements in early March, before the National Popular Forum for the Modernization of the Countryside. At that event, attended by cabinet members, state governors, and private

sector leaders, the agriculture secretary demanded to know "if we are prepared to fight for self-sufficiency in certain basic food products, or to produce other kinds of high-priced goods for export in exchange for food imports."

One month after issuing his challenge, the agriculture secretary has only seen a delay in the setting of goals and policies for food production for 1989, a delay which will have serious negative repercussions on the spring-summer production cycle this year.

Secretary De la Vega himself has shown that he hasn't the slightest idea how to address this crisis situation. In statements to the daily *Novedades* of March 12, he admitted, "I don't see any way that agriculture can recover this year." The deputy secretary of agriculture, Sergio Reyes Osorio, has added that "this year will be more critical than 1988," and that the only thing of which he is sure, is that "if the proper attention is not paid, the import of basic food products—which this year will reach 8 million tons—will have to be increased."

Meanwhile, spokesmen for the other faction insist that conditions are ripe for a food import policy. José Manuel Pasalagua, trade director for the state company Conasupo (Compañía Nacional de Subsistencias Populares), which is the entity responsible for importing 40-50% of Mexico's food imports, declared that 95% of purchases abroad are being carried out through preferential-rate credits contracted earlier through the Commodity Credit Corporation (CCC), an agency

of the United States Department of Agriculture. Pasalagua said that the CCC annually provides \$4.9 billion worth of credit, of which Mexico has access to \$1.2 billion, "which reflects the political willingness of the neighbor to the north to collaborate in assuring a supply of basic products for our market."

According to Hector Olea, director of the Commerce Ministry's international department, Mexico will ask to be declared a net food importer within the GATT, should the elimination of agricultural subsidies by his department be approved. Olea said that this would be "the only way to alleviate the damage the nation would suffer."

The Commerce Ministry meanwhile is continuing to use the weapon of food imports against producers who are demanding price increases for their products, by alleging that indiscriminate food imports have contributed to reducing internal inflationary pressures, thus eliminating the need for price hikes.

However, the most direct effect of the import policy has been to set up a vicious cycle of destruction of national productive capacity, which in turn causes increased imports, and so on. For example, milk production has fallen 27% in the past two years; of 180 pasteurization plants that existed in 1985, only 41 still operate. Milk imports in 1988 represented 30% of national consumption. Pork production in only eight months has lost 50% of its market, and the inventory of swine has gone in six years from more than 16 million to less than 8 million head. Chicken imports represented 20% of national consumption last year, while thousands of chicken farms have been bankrupted. The same with eggs, and even beef. Five million tons of corn will be imported in 1989, leaving Mexico's producers bankrupt.