



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 10/15/2003

GAIN Report Number: MX3139

Mexico

Agricultural Situation

Weekly Highlights & Hot Bites, Issue #47

2003

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Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

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Welcome to Hot Bites from Mexico, a weekly review of issues of interest to the U.S. agricultural community. The topics covered in this report reflect developments in Mexico that have been garnered during travel around the country, reported in the media, or offered by host country officials and agricultural analysts. Readers should understand that press articles are included in this report to provide insights into the Mexican "mood" facing U.S. agricultural exporters. Significant issues will be expanded upon in subsequent reports from this office.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

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MEDICAL VETERINARIAN SIGNATURE REQUIREMENT LIFTED

Through an official letter dated September 24, 2003, from the General Director of Agricultural Health Inspection of the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA), all Offices of Agricultural Health Inspection (OISA) located at the border points of entry to Mexico were notified to accept the original health certificate signed by a medical veterinarian **OR** other professional official designated by the responsible authority of the country of origin of the products to be exported to Mexico. SAGARPA had earlier indicated that it would require a veterinarian to sign all health certificates for meat products starting October 12, 2003. (Source: OAA/Mexico City, 10/15/03)

MEXICO'S AGRICULTURAL INSPECTION PROCEDURES TO CHANGE

On October 2, 2003, an official letter was sent from the Office of the Director General of Agricultural Health Inspection at the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) notifying all offices of Agricultural Health Inspection (OISA) at the border points of entry to Mexico of the new procedures for taking samples of meat and poultry products entering Mexico as of November 1, 2003. A GAIN report will be issued shortly with full details of this new procedure. (Source: OAA/Mexico City, 10/15/03)

MEXICO HAS AN AGRICULTURAL TRADE BALANCE SURPLUS WITH THE UNITED STATES

According to a newspaper report, Mexico's agricultural balance of trade has a surplus of US\$531 million dollars with the United States. The Secretariat of Agriculture indicated that during the first half of 2003, agricultural exports from Mexico to the United States increased by 10.6 percent compared with the same period of time in 2002. Fifty Seven percent of horticultural products, 17 percent of beverages and 18.2percent of fruits that are imported by the United States originate in Mexico. Tomatoes, table grapes, peppers, zucchini, beer and tequila are the main products consumed in the United States. (Source: *Universal*, 10/14/03)

THE SENATE IS CONCERNED OVER THE BIO-TERRORISM LAW

The Mexican Senate approved an agreement whereby the federal government will apply the necessary strategies to prevent the closing of the U.S. market to Mexican produce due to the enforcement of the Bio-terrorism Law. This agreement requests the different Secretaries of

Economy, Agriculture, Health, Treasury and Budget to implement an urgent inter-institutional strategy to avoid any blockades to food exports. (Source: *Reforma*, 10/15/03)

MEXICAN IMPORTS OF MILK POWDER MAY DROP IN THE FUTURE

Fluid milk production for CY 2004 (Jan.-Dec.) is forecast to increase by 2.6 percent over the previous year's estimate. This forecast assumes that the modernization and improved herd management by large dairies will continue to boost overall production. Also, estimated NFDM imports for CY 2003 will remain steady due to domestic fluid milk production increase. This could indicate a future trend that NFDM imports will quite possibly decrease or become stagnant in the coming years due to expected increases in domestic fluid milk production. According to government estimates, the Mexican population consumes 28 percent of raw milk, and about 24 percent of the population obtains subsidized milk under the government's social program. Thus, 52 percent of total milk consumption is practically outside the loop of private pasteurization plants. The first case represents a severe health problem, and the second case a heavy monetary burden that discourages domestic milk producers. The consumption of pasteurized milk and dairy products is 48 percent of total consumption, however, due to urban expansion, this percentage could increase if the income level of the population is improved. (Source: OAA/Mexico City, 10/15/03)

REPORTS RECENTLY SUBMITTED BY FAS/MEXICO CITY

Number	Title	Date
MX3133	Mexico's Requirement of Signature by Medical Veterinarian on U.S. Health Certificates Lifted	10/9/03
MX3134	Weekly Highlights & Hot Bites Issue #46	10/9/03
MX3135	Sugar Semi-Annual Report	10/10/03
MX3136	Forest Products Annual Report	10/10/03
MX3137	Strawberries Annual Report	10/14/03

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