



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 10/28/2003

GAIN Report Number: MX3145

Mexico

Agricultural Situation

Weekly Highlights & Hot Bites, Issue #49

2003

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

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STARBUCKS ARRIVES AT ATO, U.S. AGRICULTURAL EXPORTS PROJECTED TO GROW

Starbucks coffee has joined the ATO Mexico City team at our Jaime Balmes address in Polanco. The projected increase in caffeine consumption by ATO staff, due to the high-octane joe served by the Seattle-based firm, will raise office productivity an estimated 10-20 percent. This jump in productivity will lead to an increase in U.S. agricultural exports to Mexico of a projected .01 percent from 2002, or about US\$700,000 dollars. (Source: ATO Mexico City, 10/23/03)

THE GOM WILL REVIEW COMPENSATORY DUTIES FOR IMPORTED APPLES FROM THE UNITED STATES

On October 23, 2003, the Secretariat of Economy (SE) published a resolution in the *Diario Oficial* (Federal Register) indicating that it will initiate a review of the final compensatory duty imposed on imported U.S. Red and Golden Delicious apples. Several U.S. companies requested a review of the 46.58 percent compensatory duty imposed during August 2002. The time frame for the investigation will be from January to July 2003. There will be 28 working days before the resolution becomes law, beginning October 22, 2003, so that domestic producers, importers, and exporters can appear before the SE to present relevant information regarding this resolution. (Source: *Diario Oficial*, 10/21/03)

MORE ON COMPENSATORY DUTIES ON U.S. IMPORTED APPLES

After the Secretariat of Economy published a resolution on October 23, indicating that it will initiate a review of the final compensatory duty imposed on imported U.S. Red and Golden Delicious apples, Mexican apple producers stated they will submit, within the next 25 days, proof to substantiate their claim that some U.S. companies continue dumping practices. (Source: *Reforma*, 10/24/03)

USABIAGA SAYS THE U. S. BIOTERRORISM LAW WON'T AFFECT MEXICO

Secretary of Agriculture, Livestock, Rural Development, Fisheries and Foodstuffs (SAGARPA), Javier Usabiaga Arroyo, stated that more fresh products from Mexico are going to be exported to the United States. The big U.S. commercial companies are interested in increasing eggplant, grape and orange purchases, among other products of high consumption in the United States. The goal, he said, is that exports increase seven percent

annually during the next three years. Secretary Usabiaga guaranteed that these exports won't decrease nor will they be affected by the Bioterrorism Law. (Source: *La Jornada*, 10/15/03)

U.S. BIOTERRORISM LAW VS MEXICAN COMPETITIVENESS

Alejandro Ramos-Gil, President of the Confederation of Associations of Customs Agents of the Mexican Republic, indicated that the United States' Bioterrorism Law, which will be required for doing business in Mexico beginning December 12, 2003, will cause increases of up to 15 percent in the cost of export procedures. He also predicted that exports will fall and there will be less competitiveness of some Mexican products. He added that only one percent of Mexican companies are prepared to fulfill these requirements, therefore 40,000 companies will be adversely affected. (Source: *El Universal*, *El Financiero*, and *Millenio*, 10/23/03)

THE BATTLE IN MEXICO VS TRANSGENIC CORN

Environmentalists and rural organizations are pressing the Government of Mexico (GOM) to implement stronger controls on transgenic corn imports coming from the United States. These groups denounced imports that supposedly are only for industrial purposes, which contaminate native varieties, and that are used to develop new ones. The pressure on the GOM increased in the last few weeks after the Protocol of Cartagena, which allows importers to reject transgenic products, went into effect. (Source: *Excelsior*, 10/23/03)

MANGO EXPORTS INCREASE IN 2003

The Association of Packers for Mangoes for Export indicated that mango exports to the United States increased 9.6 percent during 2003 compared to 2002. During 2003, Mexican mango packing plants exported 40,366,987 boxes of mangoes compared to 36,829,084 boxes in 2002. There are 62 packing plants with thermo treatment facilities and quality control at the orchards in different states in Mexico. (Source: *Reforma*, 10/27/03)

REPORTS RECENTLY SUBMITTED BY FAS/MEXICO CITY

| Number | Title | Date |
|--------|--|----------|
| MX3141 | Weekly Highlights & Hot Bites Issue #47 | 10/21/03 |
| MX3142 | Review of Compensatory Duties for Imported Apples From the United States | 10/22/03 |
| MX3143 | Mexico Considering Support Program for Dry Beans | 10/22/03 |
| MX3144 | Mexico Announces Sampling Procedures for Animal and Poultry Products | 10/22/03 |

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