



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

**Date:** 12/19/2002

**GAIN Report Number:** MX2173

## Mexico

### Agricultural Situation

### Mexico's Agricultural Armor Package

2002

**Approved by:**

William L. Brant  
U. S. Embassy

**Prepared by:**

Lisa Anderson

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**Report Highlights:**

On November 18, 2002, the Government of Mexico officially published details of the agricultural armor package it initially announced it would be designing in August 2002. The package includes several proposed new bills, some changes to current laws, introduction of new regulations and standards, and new programs to support production agriculture. Very few of these measures have actually been enacted yet as most will have to undergo the rule making process or be submitted for congressional approval. It remains to be seen whether these measures will adversely impact trade or not.

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

In response to increasing pressure from Mexican producer groups to protect Mexican agriculture, the Mexican Secretaries of Agriculture and Economy announced in August 2002 that they would be designing a series of measures to make the Mexican agricultural sector more competitive. In November 2002, that package of measures was officially announced.

**Background:** Mexican producer groups have been concerned for quite some time about 2003, the penultimate stage of NAFTA in which tariffs on most agricultural products will be eliminated. With the passage of the U.S. Farm Bill in May 2002, this concern was further heightened. While these concerns are mostly groundless, due to the fact that 90 percent of tariffs on agricultural products are already very low – between 1-2 percent – and that U.S. spending on production agriculture has not increased in four years, the perception remains within Mexico that 2003 will be a ruinous year for Mexican agriculture as it will not be able to compete with the “flood” of “heavily subsidized” U.S. agricultural imports. As a result, the Fox Administration chose to address some producer groups’ concerns in the form of an “agricultural armor” package. The Ministries of Agriculture (SAGARPA) and Economy (SE), those ministries under whose authority most of the measures fall, have stated repeatedly that the measures are not meant to be protectionist; rather they are designed to make Mexican agriculture more competitive.

**FAS Analysis:** The agricultural armor package includes several proposed new bills, some changes to current laws, introduction of new regulations and standards, and new programs to support production agriculture, but does not give much detail on any of these. New legislative and administrative measures call for revision of the Foreign Trade Law to allow domestic producers more expeditious recourse to protection in cases of unfair commercial practices, and better inter-agency cooperation. Of special concern are the proposed sanitary and phytosanitary, food safety and quality measures. These include the establishment of a new regulatory agency for grain quality; product traceability; a country-of-origin labeling scheme; increased inspection and control on imported products; transformation of voluntary quality standards into enforceable quality standards; and the establishment of quality destination grades for imported grains. A new support program for production agriculture is also established, wherein target prices and direct payments/ton are established and based on average yields.

Although many measures do provide the Government of Mexico (GOM) with more wherewithal to enact potentially trade-restrictive actions, the GOM views its actions as being WTO consistent and in line with other laws, standards, and procedures that the United States and other developed countries have. Moreover, the Mexican government does not have a lot of financial resources with which to support the agricultural sector, and is using what means it does have – the ability to change laws, regulations, and standards -- as one of the principal means of supporting Mexican agricultural interests. Very few of these measures have actually been enacted yet as most will have to undergo the rule making process or be submitted for congressional approval. All will be dependent on whether or not SAGARPA or SE have the budgetary resources to implement them. It remains to be seen whether these measures will adversely impact trade or not.

The following is an official translation of the GOM’s agricultural armor package.

## AGRICULTURAL AND FISHERIES SECTORIAL-STRENGTHENING POLITICAL ACTIONS

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### I. Frame of Reference

1. During the last decade, the Agricultural and Fisheries Sector both in Mexico and worldwide has been engaged in a process of globalization, aperture and structural adjustments.
2. Mexico's heterogeneous sector is abundant because of the productive traits it has from the variety of regions, climatic conditions, productive unit sizes, property types, and differentiated levels of productivity and social arrangements in the rural sector.
3. Production levels in nearly all the areas of activity have increased in these past years, as well as exports, showing diversification of products and geographic destinations. The social and natural resource base lets us estimate improved sector performance. However, there are other areas where additional efforts can be undertaken, such as:
  - a) Developing the agricultural and livestock markets, which currently have deficiencies in detriment of farmers.
  - b) Disloyal competition causing direct unbalancing effects in different markets.
  - c) Basic infrastructure development.
  - d) Accessing technology and capital to ignite new competitive investments.
  - e) Promoting farmer economic organization to face the problems of minifundium and production scales that are economically unfeasible.
  - f) Training, market business capacity and vision.
  - g) Combining the economic agents that form the agrifood chains.
4. The Agricultural Sector cannot separate itself from farmer globalization and decision-making, since international market opening is at the juncture stage. In light of this, the Agricultural Sector reveals its strengths and weaknesses, and the Federal Government has the obligation to set the measures that will increase competitiveness.
5. Coordinating the participation between different productive chain links and the Federal, State and Municipal government levels is essential to provide the correct mechanisms to strengthen the Sector as it faces globalization.
6. The Federal Government has implemented structure programs during this Administration to assist the Agricultural Sector; however, the Government also understands the need to reinforce these programs with further steps. To fulfill this goal, it holds permanent consultations with farmer organizations.

7. On the other hand, the Government recognizes the international Agricultural and Fisheries market's situation, as well as the conclusion of NAFTA's period of transition -when full removal of tariffs on agricultural products begins on January 1, 2003-, with the exclusion of corn, beans, sugar and powder milk.
8. In order to strengthen the Sector so it can face the challenges it lives, a set of legislative, budget and administrative measures have been designed jointly with the Legislative Branch and the Secretary of Agriculture, Livestock, Rural Development, Fishery and Food (SAGARPA), Secretary of Economy, Secretary of Social Development (SEDESOL), Secretary of the Environment and Natural Resources (SEMARNAT), Secretary of Health, and the Secretary of Finances and Public Credit (SHCP). These measures take into account different farming sectors:
  - a) Farmers with marketable, highly technified and placeable surpluses.
  - b) Medium size farmers likely to generate surplus, and medium or low technification.
  - c) Self-consumption farmers.
9. These measures are compatible with Mexico's rights and obligation acquired through international trade agreements.

## II. Goals

10. To ensure the feasibility and competitiveness of the Mexican Agricultural Sector in an open economy context, and to reduce the rural environment's regional disparities.
11. To promote agricultural production through the rational exploitation of natural resources, in order to cover internal market requirements as much as possible through National production, according to soil capability, while preserving the activity's sustainability.
12. Promote the Country's rural development with sustainable, territorial, and comprehensive actions, clearly emphasizing on improving the rural population's quality of life.

## III. Strategies

13. Aiming to overcome structural features, specially poverty, to develop possibilities for the inhabitants of rural areas, and to use the opportunities provided by the social and farming composition as well as by the preferential access that Mexico enjoys in the most important export markets, public policies will reinforce the promotion of agricultural businesses, and strengthen the competitiveness of the agrifood chains and diversification of farm sources of employment. Government support plays a complementary role on farmer income, pursuant to a point of view of equality and shared responsibility, and provides the conditions needed to reach international competitive standards.

14. The following actions have been designed to reach these goals:

- Integrate the chains of production so farmers can keep as much as they can from the added values, to strengthen their income.
- Promote the production and productivity of those agricultural products where Mexico shows trade deficits and/or export potential, seeking to increase balances in regional markets.
- Promote farmer economic organization.
- Foster an efficient rural financial and risk management system, to impact and improve access conditions, making sure the system has financial brokers that call for a high level of farmer participation.
- Strengthen the programs of quality and health to create the conditions needed to bring about order in agricultural markets.
- Increased use of the installed capacity for agricultural industry processing.

#### **IV. Legislative and Regulatory Initiatives**

15. Starting in November 2002, Congress will discuss a series of reform initiatives applicable to the Foreign Trade Act to modify the legal framework so disloyal trade practices can be covered promptly.

16. A bill to amend the Federal Metrology and Standardization Act will be submitted to Congress during the first 2003 session to facilitate and expedite the adoption of quality and labeling compulsory standards to meet competitive trade practices.

17. The Fisheries' Act Standards and Regulations are being reviewed, adapting them to a globalized environment; proposals will be submitted to the National Board of Aquaculture and Fisheries for their review during the first session in 2003

18. A Bill to create the new "Financiera Rural" was sent to Congress, and approval thereof is expected this year. This Institution will help provide self-sustainable rural credits, focusing on shared responsibility between Government and farmers, providing financing at competitive rates.

19. We are working concurrently with the Bank of Mexico, the Secretary of Finance, and the National Banking and Securities Commission to design the regulatory framework of the new rural financing brokers. The special rules for Limited Purpose Financial Corporations (SOFOLLES) are available, and are designed by inter-institutional consensus. The rules for Cajas Rurales are also being planned.

20. To provide medium term stability to farmers and other economic agents participating in the Sector, multi-annual budgets, as set forth in the Sustainable Rural Development Act, are needed. Parallel amendments have to be proposed to the Legislative Branch.
21. A Rural Storage Bill is being developed jointly with SHCP, to provide access to agricultural product marketing credits. It will be submitted to Congress in the first quarter of 2003.
22. A package of fiscal incentives for individuals and corporations will be submitted to promote direct investment in farming and in related services, such as port infrastructure, cold networks, storage, TIF infrastructure and transportation networks.
23. We have the Federal Act on Human and Animal Food Consumption Marketing Information to provide certainty and promote agricultural and fisheries' market laws.

#### **V. Administrative Improvement Actions**

24. Based on the Sustainable Rural Development Act and other applicable laws, institutional coordination has increased to help:
  - Fight commercial technical smuggling and tariff avoidance, as well as to help comply with rules of origin, quality and health.
  - Adapt tariff sections to Mexican quality standards for agricultural products.
  - Expedite the ruling process on disloyal trade practice cases.
  - Strengthen labeling regulations on agricultural products.
  - Generate, inform and train users on information use.

#### **VI. Health, Non-Toxicity and Quality.**

These powers are exclusive of the Executive Branch, and the following actions are provided:

25. To avoid problems related to health issues, plant health, animal health and non-toxicity, imported products will be controlled by increasing inspection levels through the “Rojo-Operativo”, jointly with the General Office of Customs and the Federal Commission on Health Risk Prevention.
26. Traceability of imported products, knowing their point of origin, point of entrance and point of destination. These transit routes are defined in each import certificate.
27. Application of standards of quality and non-toxicity to agricultural products and subproducts, adapting them to the prevailing trade practices so they can become reference points for trade transactions.

28. Farming organizations will help define the Standard of quality, thereby contributing to new market regulations. These instruments will apply both to national production trade as well as to imported products.
29. Setting foundations with SAGARPA, Secretary of Health, SEMARNAT and the Secretary of Economy, for issues on health, non-toxicity, environmental impact, quality standards and foreign trade, to guarantee activity congruency and opportunity to all players.
30. Operating the National Standardization and Inspection Service on Agricultural and Storage Products, to safe-keep the interest of grain importers by point of destination certification, as well as by certifying the grain quality stored in national warehouses. On the other hand, the quality certification of fruit and produce will be implemented together with the Dispute Resolution Corporation, the arbitration mechanism to help decrease those differences that cannot be resolved between parties.
31. Amendments to tax laws are being promoted before Congress so that fees levied by the National Agrifood Health, Non-Toxicity and Quality Service (SENASICA) for services rendered can be used to increase hedging and improve the quality of attention provided to users.
32. Professionals and businesses approved by the private sector to apply regulations on health, non-toxicity and quality of agrifoods will be used to expedite program implementation.
33. Priority is given to procedures with other countries to recognize plague and disease-free zones, and health and non-toxicity programs, to use the trade agreements that Mexico has signed.

## **VII. Actions to Strengthen the Productive Sector's Competitiveness**

34. Farmer income is based on the size of the plot, yield per hectare, income from market sales and government support. These are an important complement to farmer income, yet are not the correct instrument to solve structure problems such as the minifundium, decrease in productivity and barriers to access capital and technology.
35. SAGARPA's policies are such that all transactions are carried out at market prices in order to maintain the feasibility of the productive chains and integrate them through agriculture-by-contract schemes. The priority is to increase production, productivity and reach higher levels of profitability.

### **A. Grains and Oilseeds**

36. A scheme will be provided to guarantee income per ton of grains and oilseeds (Target Income) during a five-year fiscal term, in order to provide certainty to farmers as well as to the economic agents participating in the Sector.

37. Target Income has three components:

- a) PROCAMPO, stated in tonnage.
- b) Income from markets
- c) Additional aid to reach Target Income, in case PROCAMPO and market income are not enough.

38. These schemes provide certainty to farmers and offer the rational usage of public resources, promoting productive diversification and generating incentives for rural capitalization. The following actions are designed to help reach these goals:

- a) The Target Income program takes into account a wide variety of crops, and will be instrumented throughout the Country that has marketable surplus. Through strategic planning, and through State participation, other grains and oilseeds will be included. Target Income is referenced against Quality Standards.

Crop	Target Income (weight/tonnage)
Corn	1,650.0
Wheat	1,800.0
Sorghum	1,270.0
Safflower	3,300.0
Canola	3,500.0
Cotton <sup>1/</sup>	14,700.0
Rice	2,100.0
Soy	3,000.0
Triticale	1,800.0

<sup>1/</sup> Tonnage of feather cotton equivalent to 64 dls/quintal.

- b) To recognize each region's productivity, and in order to pay out the aid, the average yield per crop from every Rural Development Support Center (CADER) will be taken into account, furthering yield recognition from every site. Yield determination will be under the care of the National Institute of Forest, Agricultural and Fishery Research (INIFAP) using a shared responsibility scheme with other Government agencies.
- c) Since recognition per hectare is not homogenous, regionalization in order to calculate PROCAMPO stated in tons, will be determined with the support from several government agencies.
- d) PROCAMPO will continue paying a set rate per hectare. PROCAMPO is stated in tons and its corresponding regionalization, the purpose being to incorporate it into the Target Income calculation.
- e) Starting in 2004, farmers who Benefit from PROCAMPO, and who are organized according to regionalization, can choose from the following modes of payment:
  - i) PROCAMPO per hectare, as has been up to now.



- ii) PROCAMPO per tonnage. Rates will be the result of payment per tonnage multiplied by the yield from each region. This is an incentive to increase yields as well as to have farmers organize themselves.
  - f) PROCAMPO rates for Spring-Summer cycles (SS) 2002 and Fall-Winter (FW) 2002/2003 are 873 pesos per hectare, and 905 pesos per hectare for SS 2003 and FW 2003/2004.
  - g) The 2 million 500 thousand farmers with plots under five hectares registered temporarily with PROCAMPO (rounded out to one hectare), will receive higher payments, 1,030 pesos per hectare for SS 2003 and FW 2003/2004. This measure requires an additional budget of 850 million pesos.
  - h) Criteria for surface and beneficiary eligibility are being defined for countercycle aid. An alternate roster of grain and oilseed farmers is in the Works to include those that are not registered with PROCAMPO so they can participate in the Target Income scheme.
39. All aid to grain and oilseed farmers will be given through individual contracts. The number of signed contracts has increased between farmers and SAGARPA, in order to provide total transparency, control budgets, and establish shared responsibility.
40. The budget assigned to support farmer Target Income (including price hedging), direct and complementary aid, as well as productive reconversion) is de 16,993.7 million pesos.

## B. Livestock Sector

41. Livestock Production Support Programs are being reinforced to:

- Encourage investment in infrastructure, machinery, equipment and breeding stock, production and storing units updating, and product transformation.
- Promote technical training and adoption of technology

These two programs have a budget of 701 million pesos

- Promote development of Federal Inspection Type units (TIF), as well as TIF slaughterhouses. This program has a budget of 100 million pesos for 2003. A similar budget was assigned in 2002.

42. The following programs will also be included:

- Stockfarming Productivity Program (PROGAN), to increase grazing land quality and provide more forage to productive units. This is to improve natural resources and summering.

At least 800 thousand units will be incorporated in the next four years. Subsequent aid will be conditioned to actions undertaken to increase forage production. Aid will mark a difference by regions and will be linked to summering coefficients. The program will have a 5 million-peso budget for 2003 – 2006.

- A National Individual Cattle Recognition Identification System will be set up to help the food safety schemes and to fight rustling. The first stage includes bovine cattle and will have 60 million pesos (2003), the second stage (2004-2006), will include swine, sheep and goats.
- Access to national forage will be guaranteed at low competitive prices per contract. Producers will have to sign contracts with agriculture farmers to satisfy quality requirements. The Federal Government will provide resources to guarantee operation feasibility and give farmers additional support so they can sell to the livestock purchases at international prices, plus trade bases, at the port or border offering the best logistic conditions to supply consumer zones. Resources will be in the order of 1,200 million pesos.

43. Aid to this Sector is conditioned to compliance of applicable measures trying to harmonize animal health throughout the Country.

#### C. Access to Input at Competitive Prices

44. Standardization at 30 cents per kilowatt-hour for the agricultural sector eliminating consumer ranges. This means spending 5,700 million pesos from CFE. SAGARPA will give 40 million pesos more.

45. Promoting irrigation and water savings with a 5% payment assistance for energy usage to new Projects in the first year. 120 million pesos will be provided.

46. Access to diesel at competitive prices for the agricultural sector. SHCP will announce this before December 20.

47. Financial aid so that organized producers can access fertilizers, chemicals and biological products at competitive prices.

#### D. Financing Under Competitive Terms

48. As part of the sector's strategy for development, tax aid plays a complementary role. To increase growth and promote agricultural activity updating, credit has to be the key lever. Creative financial schemes have to be reproduced in Mexico and follow prevailing conditions. Specific actions include:

- Restructuring and redimensioning FIRAs, to guarantee credit as the formula to help multiply the impact on resources directed to sector financing, in order to consolidate the growth of the credit granted out, as seen during the last two years.
- Schemes that help provide farmers with risk management mechanisms (price hedging and insurance) are being furthered and will have a budget of 848.2 million pesos.

- This Administration will participate in the shared responsibility to use agricultural credits, sharing the risk in short, medium and long term financing, decreasing costs associated to bank brokerage for long term credits. Support applies when settling credit to promote payment culture. A budget of 500 million pesos is available and will help increase credit for up to 12,500 million pesos .
  - Funds will continue being created with State Government guarantees, to lever new players in rural financing, thus directing 200 million pesos to create and capitalize rural SOFOLES and State trusts.
  - A financial scheme for large crops will be handled so that grain and oilseed producers can have credits for production and liquidity, to help them achieve a more organized marketing of their crops. This scheme has been approved by the FIRA's technical committee, and is a SAGARPA initiative. The budget is 641.6 million pesos to create guarantee trusts, and up to 7,000 million pesos more can be provided for financing.
  - These new schemes, are the Government's efforts to extend the financial system to the rural areas.
  - Marketing credit (factoring) to provide competitiveness to National production.
49. To help form and update agricultural businesses, the Federation's Expense Budget (PEF) will have more resources to help access complementary financing, i.e., risk capital and shared risk schemes. These resources total 361 million pesos from the equity from Fondo de Capitalización e Inversión Rural (FOCIR), and 75 million pesos from the Shared Trust Risk (Fideicomiso de Riesgo Compartido (FIRCO)).

#### E. Agricultural and Fisheries Product Consumer Promotion

50. Have campaigns to promote consumer use of Mexican agricultural and fisheries products to place them in the consumer's mind, which will allow for product recognition, providing better prices to the farmers. The purpose is to bring the farmer and end consumer closer.
51. Advertising campaigns so that consumers can identify the quality stamps that the market has such as TIF, which increase a product's added value, and promote using the Official Stamp "México Calidad Selecta", to place national products with the consumer and help him or her tell the difference between imported and national products.
52. Strengthen promotional campaigns abroad, following a quality and harmlessness strategy, to place Mexican products, through coordinated efforts between Public Agencies.
53. Diversify the export destination to areas of greater potential. Mexico enjoys preferential treatment in many markets, and the challenge is to use it, Promotion programs will be strengthened, such as PROEXPORTA.

54. The program called “Programa de Promoción con Co-participación de los Productores”, will be institute, where the Federal Government will provide resource to farmer activity, through trusts formed in internal markets as well as abroad.

55. These schemes will have 66 million pesos, plus resources contributed by farmers and agents from the agrifood chains.

#### F. Government Agencies and Restructuring of Agricultural and Fisheries Markets.

56. DICONSA and LICONSA will lead national purchases, strengthening the internal market with more participation and long-term commercial commitment with farmers.

#### G. Safety in Internal Market Supply.

57. Production promotion strategies designed to decrease current import levels of agricultural products will show gradual results. This Administration’s current foreign trade policy understands the complementary nature of imports, and is careful to make sure that they do not displace National production. In addition to the measures implemented to help fight disloyal trade practices, other schemes are available to help supply the internal market:

- SAGARPA and the Secretary of Economy guarantee that import limits will complement National production.
- Define and publish credits assigned to minimum levels of NAFTA, by December 2002, at the latest to provide certainty to the sectors.
- Import limits on the livestock sector, which will have an annual validity. Allocations will be given by business or farmer organization and will follow allotment schemes as per the audited use.
- New alternatives to forage imports from third countries will be analyzed (Most Favored Nation) so that Mexico does not become the trading businesses’ captive market, from the NAFTA partners.

### **VIII. Integrating Actions for a Sustainable Rural Development.**

58. Rural development depends on increasing economic capacity and sponsoring the access to the correct levels of education, training, information, scientific and technological development, efficient technologies adoption, health, housing, culture and recreation.

59. This wholesome concept represents one of the key efforts of coordination between the Federal Executive Branch agencies, whose responsibilities are described in the Sustainable Rural Development Act set forth in the Programa Especial Concurrente (PEC) 2002-2006.

60. Thus, as of 2003, one of the key measures contemplated in the Agricultural and Fisheries Sectorial-Strengthening Political Actions will be the implementation of the Sustainable Rural

Development policy in Mexico through PEC, in which all public policy instruments and actions are included an which impact the rural areas.

61. Resources set for 2003 for rural development are of 102,563 million pesos, 3.9 percent more in real terms against what was spent in 2002 (24.9% more in real terms in relation to 2000). They are operated through 57 government programs implemented by the 13 State Secretaries and by the Presidency's Office of Indigenous Peoples Representation.
62. Understanding all the resources needed to help lead the Sustainable Rural Development of the Country, this budget will help implement actions to cover social conditions, labor conditions, productive infrastructure conditions, environment and other agrarian aspects that distress the farmer population, as shown in the table bellow:

Expenses for PEC Expense Budget Project for 2003  
(Million pesos)

Concept	2003	
	mop	%
TOTAL	102,562.9	100.0
Social Condition	46,207.0	45.1
Labor Conditions	3,535.9	3.4
Agrarian Aspects	2,637.2	2.6
Productive Activities	38,053.4	37.1
Basic and Productive Infrastructure	8,335.7	8.1
Environment	3,792.8	3.7

Fuente: SHCP

#### Actions Directed to Rural Populations of Relatively Minor Development

63. PEC resources are directed to improving the lowest income sectors in the rural areas of the country to improve social conditions so they can access a higher level of wellbeing and fulfill their living expectations, under justice, equality and freedom.
64. Sixteen programs are designed to cover the development programs of the indigenous communities, agricultural education, training, social infrastructure, workers, food programs, rural housing, campesino women, compensatory actions for education and health. These programs will have a budget of 46,207.0 million pesos representing the highest percentage (45 percent) of resources operated by PEC in 2003.
65. Worker conditions will be taken care of through social program, training, job support, worker mobility, aiming to help temporary migrant workers to Canada and other countries. Resources in the amount of 3,535.9 million pesos.
66. PEC has resources totaling 38,053.4 million pesos, representing 37 per cent of the total. Most of these resources support productive actions to the groups that needed the most (women, indigenous, youth and elderly) and population located in the farthest regions of the Country.

20,448.6 million pesos representing 53.7 percent of the total amount directed to the productive areas.

67. For low-income producers, the SAGARPA actions represent employment, self-employment and diversity of economic activities, by forming rural businesses that provide suitable payment. With a budget of 1,249.0 million pesos, 6,560 projects of investment will be given to the underdeveloped population. These actions have to be added to those from Fondo Nacional de Empresas Sociales (FONAES), Secretary of Economy, SEDESOL and the Secretary of Agrarian Reform, with a budget of 1,102.8 million pesos.
68. SAGARPA stimulated increases to productivity and scale economies, through support to consolidate production units, integrating 580 thousand producers and economic organizations, with a budget of 346.1 million pesos, providing training, technical aid, through 498.7 million pesos, to benefit 250 thousand production units of relatively low rural development. The actions undertaken by FONAES, Secretary of Economy, SEDESOL, SEMARNAT and Secretary of Agrarian Reform, have a budget of 470 million pesos.

#### The Rural Society's Participation in Public Policies.

69. Different agencies that promote the rural society's participation in decision-making are strengthened.
70. The Mexican Council for Sustainable Rural Development has been working since March 2002, and will have 32 State Councils for Sustainable Rural Development. In 2003, all Municipal Councils will be formed. Currently 1,164 have been formed. Several Product-System Committees have been formed for those productive chains considered as basic and strategic, highlighting produce such as avocado, mango and citrics, dairy products, pork, bovine and poultry. These agencies complement and strengthen the State's actions, thereby supporting rural development, and promoting the shared responsibility between Government and society, while inserting democracy to decision-making process.