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

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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CALDERON VISITS CANADA TO TALK ABOUT TRADE

Canadian Prime Minister Stephen Harper praised his Mexican counterpart, President-elect Felipe Calderon, during a two-day visit to Ottawa. "(Calderon) is a principled man with a political and economic vision for Mexico that is grounded in realism," Harper said during a news conference before the two North American leaders began a working lunch. The trip to Canada was Calderon's first outside Latin America as president-elect. Ironically, the visit began on the same day that U.S. President George W. Bush signed legislation approving the construction of a 700-mile (1,125 kilometers) fence on the U.S. – Mexican border. Calderon said the United States was making "a grave mistake" and compared the fence proposal to the Berlin Wall. Harper offered cautious support to Calderon's criticism of the U.S. border wall, saying his government has presented its own arguments against the construction of physical barriers. Canada has also complained to the U.S. government about a new U.S. law that will require Canadians to carry passports when crossing into the United States. A similar law for people traveling from Mexico goes into effect in January. Besides addressing disagreements with their shared neighbor, Calderon and Harper discussed how to convert the Mexico-Canada Competitiveness Alliance into a tool to strengthen their bilateral relationship. Bilateral trade and mechanisms to improve the North American Free Trade Agreement were also high on the agenda. Calderon flew to Ottawa on Wednesday night. On Thursday, in addition to meeting with Harper, the president-elect met with opposition party leaders from the Canadian Parliament. On Friday, Calderon met with forestry and environmental experts, business leaders, and leaders of Parliament. (Source: El Universal; 10/27/2008)

MEXICO: POTENTIAL MARKET FOR CRANBERRY PRODUCTS

According to a local press report, Ocean Spray is consolidating their marketing efforts in Mexico. Ocean Spray, which commercializes products manufactured from cranberries, is investigating the market possibilities for distributing concentrated cranberry juice. The company's representative in Mexico also indicated that they expect that cranberry juice mixed with apple or grape juice will become popular among younger consumers. (Source: Financiero 10/26/06)

MEXICO ATTENDED THE 2006 PMA FRESH SUMMIT

Mexican Undersecretary of Agriculture, Francisco Lopez Tostado, and the General Coordinator for ASERCA, Blanca G. Villarelo, opened the MexBest Pavillion at the 2006 PMA Fresh Fruit Summit in San Diego last week. On hand were 110 Mexican companies and Mexican agricultural producer associations. SAGARPA officials report that Mexican producers will realize about \$12 billion in agricultural and fisheries exports during 2006. Among the most important products exhibited in the MexBest pavilion were: avocados, grapefruits, persian and key limes, bell peppers, hot peppers, sauces, several varieties of bananas, several varieties of tomatoes, onions, coriander, zucchini, cauliflower, and carrots. (Source: SAGARPA bulletin No. 268/06 10/22/06)

NEW PRODUCT FOR THE DOMESTIC MARKET: LIQUID EGGS

Mexican agribusiness firm, Avibel, has announced the launch of a new product line, liquid eggs. Avibel president, Cesar de Anda, indicated that liquid egg products are already popular in the U.S. and Europe, and his firm is responding to market demand in Mexico. Liquid eggs come in half-liter and one-liter tetrapak packages, and will be marketed to health-conscious middle-income consumers. De Anda indicated that this product line is intended only for domestic consumption and not for export purposes. The firm projected that by 2007 Avibel liquid egg production will be about 100,000 eggs per day. (Source: Reforma 10/24/06)

MEXICO STILL UNABLE TO EXPORT POULTRY MEAT TO THE U.S.

When the NAFTA was signed in 1993 the Mexican poultry industry expected that the trade agreement would make available to them a large and lucrative market for Mexican poultry exports. However, those hopes have been dashed, and the long process of validating the sanitary integrity of the Mexican poultry slaughter operations has prevented Mexico from taken advantage of the U.S. market. Sergio Chavez, Director of the Mexican Poultry Association, affirmed that as long as Mexico does not have the opportunity to export, the promised gains from the free trade agreement cannot be realized. Although one plant is very close to being approved for export, it is still not clear when the entire country will be able to export poultry meat to the U.S. and other important markets. (Source: Financiero 10/23/06)

EXPERTS FAIL TO SEE ETHANOL'S ROLE IN MEXICO

Francisco Mere, General Director of Agriculture Trusteeships of the Mexican Central Bank, stated that even if Mexico passes a law mandating ethanol additives in gasoline, there is not enough sugar cane or corn available in the country to produce it in sufficient volumes. "Let us give a very clear example: If the cars of Monterrey, Guadalajara, and Mexico City are required to use 10 percent sugar cane ethanol in their fuel, it would mean that the entire Mexican sugar crop would be dedicated to ethanol production," Mere stated. He emphasized that the use of sugar cane and corn ethanol is an attractive sector in the United States, however, Mexico does not have the same resource base as the U.S., thus it is not as viable an option here. (Source: Reforma; 10/21/2006)

FARMERS DEMAND EXCLUSION OF CORN FROM THE NORTH AMERICA FREE TRADE AGREEMENT

Upon conclusion of the national meeting of corn producer organizations, farm leaders made a strong declaration in defense of corn, and the importance of food sovereignty in Mexico. The declaration states that starting on the first day of 2007, the new administration will face a, "...growing movement within the rural sector in opposition to the NAFTA agriculture chapter." As a first step, the rural organizations are getting organized and will present a unified front in order to pressure the Mexican Congress "to end its passivity" towards the Mexican federal government's policies, which are aimed at dismantling "domestic corn production capacity" and which "condemn" Mexico to food dependency. (Source: La Jornada; 10/21/2006)

REPORTS RECENTLY SUBMITTED BY FAS/MEXICO CITY

NUMBER	TITLE	DATE
MX6088	Trade Policy Monitoring Report	10/24/06
MX6087	Weekly Highlights and Hot Bites #40	10/20/06
MX6086	Mexico Announces the Sugar & Sugar Syrup TRQ for MY 2005-2007	10/16/06
MX6085	Sugar Semiannual	10/16/06
MX6084	Weekly Highlights and Hot Bites #39	10/13/06
MX6083	Weekly Highlights and Hot Bites #38	10/2/06
MX6082	Weekly Highlights and Hot Bites #37	9/25/06

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