

Dateline Mexico by Josefina Menéndez

Reverse field in agriculture

Food consumption levels are down, and the government has quietly abandoned the goal of self-sufficiency in basic grains.

Unprecedented unrest has swept the agricultural sector in the wake of a late-October government decision to increase farm guarantee prices only 20 percent. The increase is supposed to compensate for increases in costs of production since May—a six-month period in which the prices of these inputs has in many cases increased more than 50 percent.

In Jalisco, farmers blocked the Pan-American highway. In Tamaulipas, on the border with Texas, sorghum and soya farmers threatened to destroy the entirety of their crops within one week if the government did not increase the guarantee prices. Similar protests multiplied across the country.

The agricultural crisis includes almost every area of basic production. The fall in milk and egg production and consumption is probably the most calamitous, given the importance of the protein in these items for average diets which include little or no meat.

The costs of production have so surpassed official milk prices in the northwest, one of the richest agricultural belts in the country, that the amount of milk reaching the market has dropped in half. Several-block-long lines of milk purchasers waiting for scarce supplies have become a common sight on city streets.

Milk producers around Mexico City report that their production has fallen by up to 75 percent, and that they are close to slaughtering the rest of their milk herds to pay remaining bills. One of their key problems: lack

of imported parts for mechanized equipment on the farms. All of this in a situation where normal milk production—6.5 million liters per day—is only 35 percent of minimum established standards for milk consumption in a healthy society.

The poultry industry as a whole is running at only 60 percent of capacity, a recent study reports, and fully 20 million of the 52 million egg-laying hens in the country are in danger of being liquidated because of soaring costs. While egg prices have approximately doubled in the last year, over the same period the costs of inputs went from 9,600 pesos-per-ton to 24,000 pesos-per-ton.

Current demand for eggs in the country is 140,000 cases per day. But so many small and medium-sized producers have folded that 80,000 cases of these are no longer produced within the country. Egg imports jumped from 175 million eggs in 1982 to an estimated 244 million eggs this year, in an attempt to close part of the gap.

Because of bad weather in 1981-82, and the squeeze on producers imposed by IMF austerity policy, Mexico is importing record amounts of basic grains. José Ernesto Costemalle, head of the government food storage and distribution agency, Conasupo, declared Nov. 8 that by the end of the year, Mexico will have imported 10.5 million tons of grain, at a value of \$1.9 billion. This means one out of every three-and-a-half dollars of imports goes for food.

Behind the scenes, there is a change in government thinking as significant as the change in production levels. In a word: The government is quietly abandoning the long-held policy goal of becoming self-sufficient in basic grains, and instead is encouraging even greater dependence on the outside for these supplies.

The shift is toward encouraging agricultural exports at whatever cost, in order to bring in more of the dollars that are needed to pay the debt. Whereas under the previous administration, the goal was "Food Self-Sufficiency," the new slogan soon to go into circulation is "Food Sovereignty." The latter euphemism means that revenues from exports of food equal or surpass the costs of importing other food. The major food exports are vegetables and fruits from the central part of the country and the northwest; some cattle, and seafood.

The difference is not a matter of semantics. The previous administration correctly viewed the growing dependence on foreign supply of basic grains (such as corn for tortillas, the Mexican staple) as a national security issue: What would happen if the United States (which supplies almost all that grain) were to use that dependence as a pressure tactic? Food warfare has been high in the arsenal of Henry Kissinger and similar Malthusian geopoliticians since at least the mid-1970s.

As part of this reversal in agro policy, the Bank of Mexico has worked out a quiet deal, my sources inform me, with the Agriculture Ministry to channel fully 60 percent of the new agricultural credit next year into export crops.

Nationalists in and outside the government have not yet started to scream about these changes. But watch for agricultural policy to become a hot item soon.