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Global Agricultural Information Network

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Presidential Candidates Speak on Agriculture

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Approved By:

Erik W. Hansen

Prepared By:

Benjamin Juarez & Erik W. Hansen

Report Highlights:

On May 19, 2012, the newspaper “Reforma” published an article where it asked five questions related to agriculture to the three leading Mexican presidential candidates. Below is a courtesy (unofficial) translation of the article.

General Information:

Presidential Candidates Answer 5 Questions related to Agriculture

On May 19, 2012, the newspaper “*Reforma*” published an article where it asked five questions related to agriculture to the three leading Mexican presidential candidates.

1. Josefina Vazquez Mota of the ruling center-right National Action Party (PAN)
2. Enrique Peña Nieto of the center-left Institutional Revolutionary Party (PRI)
3. Andres Manuel Lopez Obrador of the left Democratic Revolutionary Party (PRD)

An unofficial translation of the article follows:

1. Productivity in *Ejidros remains low. What needs to be done?**

The *ejido* is a form of communal ownership of land (social property) with its roots in Aztec traditions. Social property is controlled by a traditional community assembly, which determines allocation of parcels and other resources, and not by a single property owner. In Mexico, social ownership of land is actually increasing over time.

Josefina Vazquez Mota (JVM)

I will strengthen the agricultural credit policy so that farmers can have access to more tractors, machinery, equipment and fertilizers. The only way to ensure national food security is to provide capital to the countryside to increase productivity and competitiveness.

I will launch the most ambitious training program (knowledge and technologies) and promote reconversion of crops to increase the productive capacity of traditional agriculture in the *ejidos*. With the support of the research conducted at universities, I will highly expand the use of new seed varieties that are resistant to pests, herbicides and frost as well as less water-demanding seed varieties and seeds that produce crops with higher nutritional content. With the later, I will ensure the safeguard of a national seed bank that allows us to preserve our biodiversity and our natural country wealth.

The goal is to promote a second "green revolution" in the country. I will strengthen the support that the small producers receive through PROCAMPO and PROGAN. I will keep subsidies for electricity in pumping equipment as well as for diesel for agricultural use for low-income producers.

I will promote protected agriculture (greenhouses) in the regions of the country that are vulnerable to drought and will give an unprecedented boost to irrigation technology. I will maintain an annual rate of 700,000 hectares of cropland under the highest level of technology available. I will strengthen the venture capital fund for agricultural development in the country and will expand insurance coverage against catastrophic events in the agricultural sector. I shall support the formation of supply chains and create new ways to link markets.

Enrique Peña Nieto (EPN)

A priority is to reactivate the Mexican countryside to make it more fair, productive and profitable to ensure the country's food security and promote rural development.

It requires, no doubt, inserting more resources into the countryside: increase funding and technical and management training in productive activities, mechanize agriculture with tractors, encourage irrigation technology to promote more efficient water use, support the construction of greenhouses, expand the network of risk insurance against the effects of climate change, create an information system on preferences and market prices accessible to all producers, encourage the productive reconversion towards high value crops, etc. All these programs must be attractive and operative on small plots in the country which are the majority.

Andrés Manuel López Obrador (AMLO)

Productivity in the agriculture sector is low but it should not be attributed to the type of land tenure. The cause is the abandonment of the countryside over the last 30 years by the PRI and PAN governments. These governments opted to import food products rather to produce them in Mexico. Today we buy from abroad around 40 percent of the food we consume. The countryside practically does not have economic growth and there are huge inequalities.

Our government will rescue the countryside and look for food sovereignty; asserting the constitutional right to food with a long term policy that consider our socio-economic, cultural, and agro-ecological production heterogeneity. We must harmonize social, private and public interests to promote sustainable production of our own food and exported products for economic and social justice reasons. We must preserve our natural resources, focus on climate change mitigation, public safety and national sovereignty. We will promote the huge potential productivity in different *ejidos*, communities and private property, putting special attention to small and medium production units representing over 80% of the total.

Our proposal includes: a) develop a multi-year rural budget, with production-oriented and regional impact; b) all production units will have access to credit at preferential rates with comprehensive risk management; c) remunerative agriculture product prices with market access, d) promote grower organizations as a matter of public interest; e) technical supports, f) link public research and productive regional strategies all through the food chain, and g) support growers by eliminating certain taxes and reducing the price of gasoline, diesel, gas and electricity.

2. What do you propose doing to give more certainty to landholders (property rights)?

JVM

Ensuring the security of land tenure is a necessary condition to transform the Mexican countryside and make it more productive and generate the wealth that millions of rural families require in our country, many of who live in conditions of increased poverty and marginalization. It is imperative to support the rule of law to guarantee property rights. Moreover, it is essential to not only complete the titling process (and regulations) of land ownership which started a long time ago but also to eliminate areas in Mexico where property rights issues remain tense. The goal is to have land owners concerned with the status of their land to focus on reactivating agricultural production with the confidence and certainty that they are rightful owners of their land.

EPN

I think the best way is to provide legal certainty - clear rules. Without it, there is no contract that is worth its salt for investors. We must consolidate the rule of law. I am convinced that without government credibility there is no chance of economic growth. The fundamental is the existence of a clear legal framework with a growth commitment.

For example, we need a clear strategy to strengthen the rule of law - to avoid customs corruption, stop smuggling and the importing of products that are undervalued or triangulated – and to consolidate the country's public records. There are many areas where we have to improve upon but the principle is the same: to strengthen the rule of law.

AMLO

I will uphold and respect the three forms of land tenure enshrined in our Constitution: the community, the *ejido* and private property. Also, I will ensure the rule of law and push for a new state policy to rescue the countryside focusing on food sovereignty and strengthening a social climate of healthy living and public safety.

While most people living in the rural areas have been given titles deeds and certificates, (95% of the *ejido* land and communities have certificates and title deeds), much remains for us to do to give legal certainty to the agricultural sector. There still exist many agrarian land disputes that have to be resolved through dialogue. Landholders and residents have uncertainty. There are hundreds of thousands of small owners who have not been addressed by agricultural policies. It is necessary to give legal certainty in the field, preserving the land and natural resources, promoting greater participation of the agrarian, social and private persons.

3. Free market or price supports and subsidies?

JVM

In global agriculture, market prices do not apply. All developed countries heavily subsidize their farmers because food production is considered a strategic priority for those nations. Among the many supports and subsidies offered by developed countries to their producers are target prices or price supports and other supports that range from technical assistance to marketing. Several developed countries even provide export subsidies!

These subsidies and supports have an international classification accepted by all countries that belong to the World Trade Organization. They are divided into supports and direct subsidies that do not distort prices and some that do distort prices. Mexico grants various support payments and direct subsidies, such as Procampo and other marketing supports, insurance coverage and hedging supports offered by the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA), through the Support Services for Agricultural Marketing (ASERCA) and a sort of guaranteed prices offered by SAGARPA to producers through the income objective support program.

The problem, however, is that these supports reach only a small part of domestic producers and are

concentrated in the areas of greatest agricultural development, such as Sinaloa, Sonora and Tamaulipas, while the bulk of producers that are small and medium-sized do not benefit from them.

Therefore it is necessary to redesign these programs and direct them to the most lagging regions and focus the programs so that they increase efficiency, competitiveness and profitability of millions of farmers in our country.

EPN

Subsidies only where they are needed and justified. In general, it is healthy to promote free market competition.

At the same time, subsidies are a tool that should be used only in focused and well-defined purposes ensuring that their application is progressive, meaning that benefits the lower income population.

AMLO

The failure of free trade policies in Mexico requires us to make a substantive change to rescue the countryside and achieve food sovereignty - the latter without returning to the past paternalistic ways or any kind of statism. Our country needs real solutions that put aside both ideological fundamentalism and the adoption of external models. We need more society, more state and more market.

We will take appropriate decisions, in an autonomous and sovereign way, with dialogue and consultation with the agricultural sectors always focusing on public and national interests, with practical and rational judgment. While there is no such thing as perfect markets, and even less-so in the food industry, State constitutional intervention is required to promote and develop markets - really free markets, competitive, and inclusive with social and environmental responsibility. We must protect our domestic market and our food sovereignty against anticompetitive practices and unfair trade and other threats.

In the case of basic grains, we will establish minimum-guaranteed price/income as in other developed and emerging countries, which will be related to market prices and production costs plus an appropriate profit. ASERCA will operate as a buyer of last resort and will manage a strategic basic grain reserve through third parties. We will change public and budget policies implemented by the previous PRI and PAN governments. We will promote rural, multi-year budget provision of productive public investment, where producers will be recognized as productive and legal subjects.

4. How would you reduce red tape in the countryside?

JVM

With the creation of expanded electrical and internet connectivity it will be possible to simplify unprecedented regulatory procedures. The expansion of connectivity will allow most government procedures to be made electronically, paperless and without personal contact with officials.

This strategy will be complemented with specific actions to reach more distant places and bring

government closer to the people. Addressing and resolving the red tape associated with Mexican families in the countryside will be another priority.

EPN

I repeat it: we will promote an effective government not only to promote the profitability and productivity in the countryside but in all economic sectors.

What do I mean? A government that promotes simplification and deregulation. A government that is an ally of entrepreneurs, that works towards facilitating economic growth; one that is not a barrier and (of course) a source of corruption.

The key is to have clear rules. A clear framework of rules that encourage investment. A predictable legal framework that is reliable and consistent. Key objectives: respect for property, facilitate business start-ups, clarity in law enforcement, public safety and fighting corruption.

AMLO

We have to rely more on people. Distrust and corruption feed the existence of red tape and burdensome paperwork. But the largest presence of corruption and inefficiency are, in principle, in the highest levels of government. We will initiate an austere and professional government. We fight corruption from top down.

To reduce red tape in the countryside we propose the following: a) reorient the rural budget to productive public investment projects of regional impact. This will boost social and private investment and reduce direct subsidies, individualized, dispersed clientele subsidies that are captured by a minority of farmers. This will significantly reduce the amount and number of support programs to private property and therefore will reduce the paperwork; b) decentralize most support programs to states and municipalities to ensure that decisions are closer to the people; c) promote public sector-government alliances for guidance, implementation, evaluation and supervision of rural budget and government programs which will foster a citizen oversight, transparency and accountability at all levels; d) encourage producer organizations respecting their autonomy and plurality in order to have stronger rural citizenship that looks out for their rights and; e) we will eliminate appointments in ministries, departments and federal delegations in terms of party membership as is currently done. Highly qualified public servants with experience and records of accomplishment in the sector will be appointed that are committed to the countryside.

5. How would you solve the water problem in the rural areas?

JVM

Water is a vital resource for well-being of all Mexicans. This has been recognized when the right to access, provision and water sanitation were consecrated in our Constitution. The problem is that, currently, water is considered as an inexhaustible resource with prices that do not reflect its scarcity and encourage irrational use of this resource.

It is important to establish a management model to reduce the overexploitation of our aquifers, I will require that whoever pollutes or wastes water pays for it - enforcing the National Water Law (LAN). I will push for the strengthening of water banks to ensure that through a rights market, information is available on supply and demand of water in different regions.

Also, I will look for efficient water use in the countryside - a sector which makes heavy use of this resource. For the latter, I will strengthen modernization programs and automation of irrigation systems. I will increase the uptake capacity of this vital liquid, mainly in the south-southeastern part of the country. Additionally, I will move forward in the treatment of 100 percent of wastewater for agricultural production and I will promote a transparent pricing policy that reflects the real value of the resource to benefit the less fortunate that currently pay the highest prices. I will press on for a system of incentives that reward municipalities and industries for their collaboration to clean water. I will move forward in the automation and modernization of irrigation infrastructure to increase productivity and make more sustainable use of water.

EPN

Access to potable water for the whole population and comprehensive management of resources are issues of great relevance. It is unacceptable that where there is a greater abundance of water, as the Mexican Southeast, there is less access to potable water services.

It is urgent to support an integrated water management system. We are facing a supply problem with water and need to develop schemes to deal with it such as capturing rainwater so that it is a resource and not a threat, reuse and recycle water and treat discharges to reintegrate them into the environment. It is also essential to achieve an integrated watershed management system with participation and collaboration between authorities and users.