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Report Highlights:

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- *THE SUGAR-HFCS DISPUTE CONTINUES...
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Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

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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.

DISCLAIMER: Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

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MEXICO SUSPENDS MORATORIUM TO PLANT TRANSGENIC CORN FOR EXPERIMENTAL PURPOSES

The GOM decided to suspend the moratorium, in place since 1998, on planting transgenic corn for experimental purposes. The Director of International Affairs of the Agriculture Ministry, Victor Manuel Villalobos, stated that this decision was made after a consensus among the Secretariat members of the Inter-Secretarial Commission and Genetically Modified Organisms (CIBIOGEM). Villalobos said the moratorium would continue, however, on the planting of transgenic corn for commercial purposes. He also said that, as when the "de facto" moratorium was initiated five years ago without any official announcement, it is now cancelled in the same manner. (Source: *El Financiero*, 11/04/03)

THE SUGAR-HFCS DISPUTE CONTINUES....

According to a local newspaper article, two letters have been sent urging the Mexican and U.S. governments to find a solution to the sugar-HFCS dispute. One letter addressed to Luis Ernesto Derbez, Secretary of Foreign Affairs in Mexico, is from Richard C. Lugar, President of the Foreign Affairs Committee of the U.S. Senate; the other letter addressed to Robert Zoellick, U.S. Trade Representative, is from Bob Goodlatte, President of the Agricultural Committee of the U.S. House of Representatives. Both letters requested an immediate solution to the sugar-HFCS dispute and indicated that the U.S. Congress is becoming impatient with the current impasse. (Source: *Financiero*, 11/03/03)

ECONOMY MINISTRY DISCARDS CHANGES IN MEXICAN EXPORT STANDARDS

The General Director of Standards of the Economy Secretariat, Miguel Aguilar-Romo, stated that the new U.S. regulations on food imports should be considered as a security matter and not as a trade issue. He discarded the notion that as a result of these regulations, which will go into effect on December 12, 2003, the Mexican authorities will be forced to modify the current standards because of security reasons. (Source: *El Financiero*, 11/03/03)

U.S. LAW ON BIO TERRORISM BUREAUCRATIZES MEXICAN EXPORTS

Some in the GOM say that the U.S. Bio Terrorism law contains rules that could bureaucratize the export process and create problems for Mexican agricultural exporters. Officials of the Economy Secretariat, however, argue that this law should be in accordance with NAFTA as well as with the World Trade Organization provisions. (Source: *El Universal*, *El Financiero*, and *Milenio*, 10/27/03)

PROPOSED RULE ON COUNTRY OF ORIGIN LABELING

The Mexican National Association of Food Producers (AMEPA) published an e-mail article on AMS's proposed rule on Country of Origin Labeling. According to the article, Country of Origin Labeling will be required on fresh beef, pork and lamb; fresh and frozen fruits and vegetables; wild and farm-raised seafood; and peanuts. The rules under which a food item can be labeled "Product of the United States" were also outlined. The article stated that USDA published the proposed regulations late because of the controversy surrounding Country of Origin Labeling in the United States. The article concluded that this controversy caused the U.S. Congress to prohibit USDA from expending funds on the implementation of the regulations, thereby putting into doubt the actual application of the proposed rule. (Source: *AMEPA News*, 11/6/03)

IT WOULD BE "SUICIDE" TO SUSPEND SIGNING NEW FREE TRADE AGREEMENTS

Alina Aldape, Deputy Coordinator of the Foreign Trade Businessman Organisms (COECE) stated that it could be suicide for Mexico to suspend its strategy of continuing to sign free trade agreements. She pointed out that China and the United States have begun the strategy of negotiating free trade agreements. She stated that Mexico could no longer base its foreign trade in just one country (the United States). She also said that the competitive advantages that Mexico obtained ten years ago through NAFTA have been vanishing because of the free trade agreements that the United States has signed with other countries. (Source: *El Financiero*, 11/03/03)

REPORTS RECENTLY SUBMITTED BY FAS/MEXICO CITY

Number	Title	Date
MX3150	Weekly Highlights & Hot Bites Issue #50	11/4/03
MX3151	Mexico Promulgates the Cartagena Protocol on Bio Safety	11/10/03

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