Dateline Mexico by Josefina Menéndez

Mexico faces 1985 food crisis

There is not one pound of beef to be found in Mexico City's markets—and 18 million people live there.

The consequences of Mexico's self-imposed "IMF conditionalities" are clearly out of the control of the Mexican government and have become a dangerous menace on the eve of the mid-term elections. The government's economic and financial policies have followed the parameters imposed by the International Monetary Fund and the international banks to such a degree that, today, there is not a pound of beef to be found in Mexico City's markets.

With the new year, a drastic increase in gas prices was accepted; the effects of an increased mini-devaluation (the daily official "slippage" of the peso on the exchange markets was hiked from 13 to 17 centavos a day) passed by Congress last December began to be felt; and the consequences of having sacrificed industry and agriculture with high interest rates and in general the domestic costs of high debt service on foreign obligations, hit with full force. But people are becoming increasingly aware that financial and economic policy in Mexico is not aimed at solving anything, but designed to impose a "structural change," as stated every other day by Planning Secretary Carlos Salinas de Gortari.

Two vital cases exemplify this: the scarcity of beef for internal consumption, and the collapse of agricultural production.

Some officials are offering "Asian ways" to inhabitants of Mexico City: "If people in our country dislike horse meat, though they gladly swallow pork, consumption of which is riskier and dirtier, gradually people will have to get used to eating cat meat, and, if necessary, rat meat, as they do in some Asiatic countries," stated Dr. Luís Llescas Ambriz, a nutrition specialist in Mexico City's General Hospital.

Since Jan. 1, in Mexico City with its 18 million inhabitants, there is no beef in the markets. According to press reports, a miserable total of 20 to 30 beef carcasses daily goes into the Federal District. To cover the consumption of luxury restaurants, newborn calves and breeding stock are being slaughtered; that is, the cattle reserves are being used up.

In the face of this dramatic scarcity, the government decreed a shutdown of exports. But the domestic selling price of meat does not compare with the export prices of Mexico's best meat. The cattle ranchers are asking a minimum increase of 40% in the price per kilogram, which would rise to 630 pesos wholesale and 1,200-1,300 pesos to the consumer.

The chief of government's Central Supply Depot, Demetrio Sodi de la Tijera, denounced the cattlemen and their spokesmen for wanting to "blackmail the government and force it to raise the stipulated price of meat by 450 pesos per kilo." He warned that "the government will not capitulate in its commitment to maintain low prices for the consumer."

But this is not only speculative hoarding. To maximize its trade surplus, Mexico has been devaluing like crazy, and internal prices (except for labor) have been systematically "dollarized" (indexed to the dollar exchange rate). Thus, cattlemen do not want to sell for fewer pesos than they get from exporting their product, because at the same time the inputs they need have become dollarized, too.

Alfredo Jimenes Villarreal, the president of the National Cattlemen's Confederation, called a press conference where he limited himself to reading a communiqué, refusing to answer any questions. The cattlemen deny that "it is the cattle producers who are falling into speculative practices," although they complain that "traditionally we have been prohibited from issuing and making our opinion felt in fixing the just price for our production."

He said that there now exist 6 million head of cattle ready to be slaughtered in the country, but it is a question of meeting them halfway and buying "at the fair prices which result from analysis and the cost structures." But IMF policy is to eliminate whatever in any way could be regarded as "subsidies" in agriculture, while tight credit policies have sent financial costs through the sky.

The dairymen of Comarca Lagunera (a region comprising areas in the states of Coahuila and Durango) are in the same situation and are also demanding a 40% increase in the price of milk.

But this is not the only grave problem hitting Mexico. Aside from the farm disasters in the wake of freezing temperatures across the northern states, the unexpected heavy rainfall of the second week of January destroyed 100,000 hectares of grain which were planted and ready to be harvested in the three states of Nayarit, Sinaloa, and Guerrero alone. In Sinaloa and Nayarit there are 50,000 disaster victims, in addition to the 400 disaster stricken families in southern Sonora.