

Dateline Mexico by Carlos Cota Meza

Farm crisis hits Sonora

What the Nazi-communist PAN party didn't do to this rich agricultural state, the economic cabinet will.

Until recently, the northern Mexican state of Sonora, an agricultural state *par excellence*, boasted the motto that "in Sonora there is no crisis," but the situation has changed dramatically. What the dope-running, Nazi-communist National Action Party (PAN) failed to do in its terrorist electoral campaign—turn Sonora into a hotbed of sedition—is about to be accomplished by the federal economic cabinet, by obeying every order of the International Monetary Fund. The result will be to encourage the one crop lucrative enough to withstand the IMF strictures, illegal drugs.

Sonora producers were shocked to discover, as they prepared for fall-winter planting, that starting Oct. 1, interest rates for credit extended by the federal agricultural bank, Banrural, had been drastically hiked, from 28% to 40%. This new blow hit on top of a series of problems which range from low price supports, to higher seed costs and skyrocketing other inputs.

What follows is a report on a *single day* of statements by various sectors. It shows that the economic cabinet in Mexico City has simultaneously placed a bomb under the food supply and social situation in the country—and lit the fuse.

In separate appeals, the Union of Farm Laborers of the Coast of Hermosillo and the National Union of Agricultural Workers, asked for the hike in interest rates to be rescinded. Both groups argued that the measure "will add to inflation and increase the costs of production."

Equally important, the Association of Farmers' Organizations of the North of Sonora demanded that farmers participate in setting electricity rates, since a new increase for this month is planned, "which will seriously hurt the producer because it will go toward increasing the costs of production." In Sonora, for years special low electricity rates have been fixed by the government, because the water pumps for the irrigated agriculture that accounts for the state's exceptional productivity are electrical, and the seasonal extremes of hot and cold weather requires higher energy consumption than elsewhere.

Beef: "The lack of financial resources to support the livestock industry can mean harmful consequences for the future of this activity," according to the Regional Cattlemen's Union of Sonora president, Ing. Sergio Torres Serrano. "The credits from the nationalized banks," he went on, "are shut off to cattlemen, who can only get direct loans at interest rates of 72%. Such financing is prohibitive for cattle-raising activity, which can't absorb these costs." The Fund Instituted in Relation to Agriculture—FIRA—has upped interest rates to 59% for borrowers labeled "Other Types of Producers."

Cotton: The technical secretary of the Union of Laborers of the Coast of Hermosillo, Ing. Ortiz López, has asked for a new price for the cotton crop, noting that this year there will be no problem of manpower, thanks to the "low hectareage that was

achieved this year." Ortiz stated that "they trust that a reference price will be set for wheat, which fulfills the function for which it was created. . . ." He also exposed the government-fixed guaranteed prices for agricultural products as geared only to allow the farmer to meet his loan repayment obligations, and warned that "it will not be long before what happened to cotton will happen to wheat: It will stop being profitable," because of the high costs added by interest rates.

Soybeans: Conasupo, the federally owned food distribution agency, announced that it will buy soybeans at 88,000 pesos per ton. This affects the harvest in the states of Sonora, Sinaloa, Chiapas, and Tabasco. The announcement upset a number of farmers' associations, both cooperative and private, since they consider that the minimum acceptable price is 100,000 pesos per ton, in order to make a 30% profit, needed for the next planting.

The new manager of the northwest regional branch Banrural, Ing. Héctor Marcué Diego, has taken a hard line. Assuming office, he confirmed the announcement of the new interest rates that institution will collect, and said that his administration in the northwest will center "especially on overdue loan portfolios." This means that the bank administration will be limited to trying to collect old debts—and that the creditors are far, far beyond technical bankruptcy.

Awareness is taking hold among Sonoran producers that President de la Madrid must declare a moratorium on the foreign debt and abandon IMF "adjustment programs." Otherwise, by the spring-summer season, the most high-technology, productive agriculture in Mexico will be set back by 30 years—with everything that means for the country's nutrition and social stability.