

MEXICO : ESTIMATES OF SUPPORT TO AGRICULTURE

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DEFINITIONS AND SOURCES

Country Total Support Estimate (TSE) and derived indicators in **Table 1** cover all agricultural production, i.e. all agricultural commodities produced in the country. Definitions of basic data sets refer to the specific programmes applied in the country. For the Producer Support Estimates (PSE) and Consumer Support Estimates (CSE), where relevant the description of policy measures indicates where the policies are related to specific commodities. "MPS commodities", which vary across countries, are those for which market price support is explicitly calculated in Table 4.

Table 2 provides a breakdown of the total PSE into four categories reflecting the flexibility given to farmers regarding which commodity to produce within the various policy measures. These categories are: Single Commodity Transfers (SCT); Group Commodity Transfers (GCT); All Commodity Transfers (ACT); and Other Transfers to Producers (OTP). All data sets in Table 2 come from Tables 1 and 3 where definitions are included.

Producer Single Commodity Transfers (PSCT) by commodity in **Table 3** are calculated only for the commodities produced in the country within a common set of commodities (wheat, maize, barley, oats, rice, sorghum, soybeans, sunflower, rapeseed, sugar, milk, beef and veal, pigmeat, poultry meat, sheep meat, wool and eggs), provided that the value of production of that commodity exceeds 1% of the total value of production in the country concerned. The "non-common set commodities" used to increase the coverage for the grossing up include beans (frijol), tomatoes and coffee (café verde). All data sets in the calculation of PSCT by commodity come from Tables 1 and 4 where definitions are included.

Market Price Support (MPS) and Consumer Single Commodity Transfer (CSCT) by commodity in **Table 4** are calculated for the following commodities: wheat, maize, barley, sorghum, rice, soybeans, sugar, milk, beef and veal, pigmeat, poultry meat, eggs, dry beans, tomatoes and coffee. Definitions are provided only for basic data sets from which all the other data sets in this table are derived, following the formula indicated in each commodity table.

Definitions of the indicators, criteria of classification of programmes included, and methods of calculation can be seen in OECD, Methodology for the measurement of support and use in policy evaluation [<http://www.oecd.org/agr/policy>].

TABLE 1. Mexico : Total Support Estimate

Definitions:

I. Total value of production (at farm gate): Total agricultural production valued at farm gate prices, i.e. value (at farm gate) of all agricultural commodities produced in the country [1].

I.1. Of which share of MPS commodities (%): Share of commodities for which MPS is explicitly calculated (in Table 4) in the total value of agricultural production.

II. Total value of consumption (at farm gate): Consumption of all commodities domestically produced valued at farm gate prices, and estimated by increasing the value of consumption (at farm gate) of the MPS commodities according to their share in the total value of agricultural production [(II.1) / (I.1) x100].

II.1. Of which MPS commodities: Sum of the value of consumption (at farm gate prices) of the MPS commodities as indicated in Table 4.

III.1 Producer Support Estimate (PSE): Associated with total agricultural production, i.e. for all commodities domestically produced [Sum of A to G; when negative, the amounts represent an implicit or explicit tax on producers].

A. Support based on commodity outputs

A.1. Market Price Support: On quantities domestically produced (excluding for on-farm feed use -- excess feed cost) of all agricultural commodities, estimated by increasing the MPS for the MPS commodities (sum of the MPS for the MPS commodities listed in the rows below) according to their share in the total value of agricultural production [$(\sum \text{MPS commodities}) / (I.1) \times 100$].

A.2. Payments based on output:

ASERCA marketing payments: per-tonne payment provided by ASERCA (Support Services for Agricultural Marketing) to domestic rice producers and -since 2001- to producers of maize, wheat sorghum, barley, canola copra, peanuts, cotton and safflower, for given domestic produced quantities in some States. Payment rates per tonne are set on the basis of the gap between a guaranteed price and the estimated market price at the beginning of the season. Calculated on a crop year basis and associated with rice. Although payments to an individual may be limited directly by a maximum yield per hectare on which payments will be made or indirectly by the unrelated limits to land ownership, there is no explicit limit to the payments per individual in the program itself. These transfers are included in wheat SCT (Table 3.1), maize SCT (Table 3.2), barley SCT (Table 3.3), sorghum SCT (Table 3.4), rice SCT (Table 3.5), and soyabeans SCT (Table 3.6), respectively.

Use of labels: Production limits: NO; Variable payment rates: YES; Input constraints: NO.

ALIANZA FONDO DEL CAFÉ. It provides payments to producers based on a target price system, up to a maximum of USD 200 per tonne on a maximum

2 tonnes per hectare. There is no limit to the payments. These transfers are included in coffee SCT (Table 3.15).

Use of labels: Production limits: NO; Variable payment rates: YES; Input constraints: NO.

PACE payments: Per-tonne payment provided through the PACE (Programme to Support the Marketing in Ejidos) by CONASUPO (National Basic Foods Company) to ejidatarios producing maize and beans in non-irrigated areas (up to 50 tonnes per producer), to help them pack, transport and sell their crops to CONASUPO stores. This programme was discontinued in 1996. Calculated on a crop year basis and associated with maize and beans. These transfers are included in the maize SCT (Table 3.2) and dry beans SCT (Table 3.13), respectively.

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO.

B. Payments based on input use

B.1. Variable input use

Energy payments: concessions or payments on energy use consisting of a partial refund to farmers of a special tax on energy, including fuel or electricity. Calculated on a fiscal year basis. Since 2003, the diesel programme gives payments to reduce the price of diesel used in agricultural activities. Since 2003, the electricity programme provides payments to reduce the price of electricity used in agricultural activities. The individual limit for a producer is a function of the producer's choice of activity and an estimate of the energy costs of the practices employed. These transfers are included in ACT (Table 2).

Use of labels: Production limits: YES; Variable payment rates: YES; Input constraints: NO.

Seed payments: Budget expenditure to promote the use of improved seeds.

_Until 1991, government transfers to PRONASE (National Seed Production Company; for all type of seeds). These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Since 1996, budget expenditure on the:

_kg per kg programme[1] (kilo por kilo, maize and beans seeds). These transfers are included in maize and beans GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_ the Nopal programme [1] (programa nopalero, maize seeds). These transfers are included in the maize SCT (Table 3.2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_ *the masal selection programme [1] (selección masal, nopal seeds)*. These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Fertiliser payments: Until 1993, budget expenditure on FERTIMEX (Mexican Fertiliser Company) for delivery of fertilisers to the farmgate at subsidised prices, including transportation and storage costs. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Fertiliser program [1] (programa de fertilizantes): Payments for the purchase of fertilisers. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Pesticide payments: In 1993-95, budget expenditure on ASERCA to reduce the price of pesticides to cotton producers. These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Insurance payments: Budgetary expenditure on ANAGSA (National Agricultural Insurance Company) and, since 1991, AGROASEMEX (Mexican Agricultural Insurance Company) to cover subsidised insurance premia for grains, beans, oilseeds and livestock production. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Irrigation maintenance payments: Tariff rate rebate for electricity use for groundwater pumping, plus budget expenditure on operation and maintenance of irrigation schemes. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Feed payments: Budget expenditure to cover CONASUPO deficit associated with certain sales of domestic and imported feed (sorghum, maize and oilseeds, and, since 1991 and until 1998, only maize) at a price equivalent to or below the purchase price. In addition, until 1991, public expenditure on ALBAMEX (Mexican Compound Feed Company) to provide compound feed to livestock producers at subsidised prices. These transfers are included in sorghum, maize, oilseeds GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Machinery payments: Until 1991, budget expenditure on SESA (Ejido Services) to rent agricultural machinery to low-income farmers at subsidised prices. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Land and building tax concessions: Gross asset tax exemption for farmers whose income is below 20 times the minimum wage and 50 per cent reduction for farmers above that income. No data available. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Value added tax concessions: VAT refund to producers for the purchase of farm inputs and the payment of services. No data available. These transfers would be included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Oat programme [1] (programa avenero): Payments to cover part of the price of variable inputs for oat producers. These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

B.2 Fixed capital formation

Interest concessions: Difference between the market interest rate (*tasa de interes activa de mercado*) and the rate actually charged to farmers by BANRURAL (National Rural Credit Bank), FIRA (Trust Fund for Agriculture), FICART, FINA, FIDAZUCAR and FIMAIA multiplied by the volume of loans outstanding, plus half of budget expenditure on FIRCO (Trust Fund for Shared Risk).

_For BANRURAL and FIRA, only the share of total crops and total livestock products in total lending is considered. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: YES; Input constraints: NO.

_FICART, FIRCO and PRONASOL. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: YES; Input constraints: NO.

_FINA, FIDAZUCAR and FIMAIA (payments for sugar production). These transfers are included in sugar SCT (Table 3.7).

Use of labels: Production limits: NO; Variable payment rates: YES; Input constraints: NO.

Debt write-offs: Budget expenditure on ANAGSA to cover insurance payoffs which absorbed a major share of BANRURAL bad loans. In addition, since 1991, budget expenditure on various trust funds to cover bad loans restructuring (with very favourable terms) in agriculture: FIRCAVEN (Trust Fund to Restructure the

Overdue Portfolio of BANRURAL) in 1991-92; FIDELIQ (Trust Fund for the Liquidation of Auxiliary Institutions and Organisations) in 1992; SIRECA (System for the Restructuring of Agricultural Overdue Portfolio) in 1994; FINAPE (Agricultural, Livestock and Fisheries Loan Support Programme) and FOPYME (Support programme for Small and Medium-Sized Firms) since 1996. [No data available on all these programmes]. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

PROCAMPO Capitaliza: per hectare payment to farmers through the PROCAMPO (Programme of Direct Support to the Countryside) based on areas that were planted in the three years prior to the spring/summer 1993 growing season with maize, beans, wheat, sorghum, rice, soyabeans, safflower, cotton or barley. By arrangement with certain financial institution, producer can receive present value of future entitlements for investment projects. These transfers are included in ACT (Table 2). Additional details about PROCAMPO under E2.

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Capital grants: Budget expenditure on several programs under ALIANZA:

Ferti-irrigation [1] (ferti-irrigación) and Irrigation techniques [1] (Tecnificación de la agricultura por riego con bombeo): For the purchase and installation of modern water-saving irrigation equipments to promote more efficient use of water. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Mechanisation [1] (mecanización) For the purchase and repair of tractors and other agricultural machinery. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Alternative crops [1] (cultivos alternativos) For helping to plant alternative crops. These transfers are included in alternative crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Post-harvest equipment [1] (Equipamientos post-cosecha) To share the investment cost on post-harvest equipment (grain dryers, packaging machines) in Guanajuato. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Saline soil rehabilitation [1] (recuperación de suelos salinos) To purchase drainage equipment to improve the quality of saline soils in Baja California and Sonora. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Land conservation [1] (mejoramiento y conservación de suelos) To finance soil analyses in Chiapas, Edo. De Mexico and Jalisco. [More information is needed on the implementation of this programme]. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Prairies improvement [1] (establecimiento de praderas) For investment on fences, drinking troughs, stables, etc. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Livestock improvement [1] (ganado mejor) For the purchase of quality cattle. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Milk programme [1] (programa lechero) For investments in buildings, basic infrastructure and milking equipment for cattle. These transfers are included in milk SCT (Table 3.8).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Genetic improvement [1] (mejoramiento genético) For the purchase of quality males and artificial insemination for cows, sheep and goats. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Bee keeping [1] (programa apícola) To help low income producers to purchase beehives, queen bees, and for pest control and melting machines. These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Livestock repopulation [1] (re poblamiento del ganado) For the purchase of good quality beef cows in Yucatán. These transfers are included in beef and veal SCT (Table 3.9).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Pig improvement [1] (re poblamiento porcícola) For the purchase of improved strains of pigs in Yucatán. These transfers are included in pigmeat SCT (Table 3.10).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Productive infrastructure rehabilitation [1] (rehabilitación de infraestructuras productivas) For investment in small agro-industry equipment at the farm level. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Poultry support [1] (fomento avícola): For investment in poultry farms. These transfers are included in poultrymeat SCT (Table 3.11).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Rural equipment [1]: A set of programs to help low income farmers in poor regions to buy low cost agricultural equipment, livestock packages, technology, demonstration plots, small enterprises, family gardens, micro-projects in arid zones and micro-projects for women. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Development of indigenous areas [1] (desarrollo sustentable de zonas indígenas): Payments to native Indian producers and their families for marketing infrastructure and micro-projects to alleviate poverty. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Heavy machinery (adquisición de maquinaria pesada): For purchasing heavy machines. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Better young horses [1] (potrillo mejor): For the acquisition of good quality horses (state program). These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Agriculture / irrigation infrastructure [1] (infraestructura hidroagícola): For purchasing and installing small irrigation infrastructures. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Livestock infrastructure [1] (infraestructura agropecuaria): For purchasing and installing small infrastructure in livestock farms. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Purchase of calves [1] (adquisición de vaquillas): For purchasing calves. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Support to CNA programmes (Apoyo a otros programas de la CNA): Support to various programmes jointly implemented with the National Water Commission (CNA). (rehabilitation of irrigation districts, development of plots, efficient use of water and power, efficient use of infrastructure, and co-ordination of CNA programmes). These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Fuerte Mayo program [1] (Desarrollo fuerte mayo): On-farm irrigation infrastructure in specific areas of the states of Sonora and Sinaloa. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Light machinery [1] (modulo de maquinaria para bordos): For purchasing light machinery. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Technical Improvements of Irrigation [1] (Tecnificación de la agricultura de riego por bombeo): Payments to improve irrigation infrastructure. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Basic livestock infrastructure [1] (Infraestructura básica ganadera): Payments for livestock producers to buy basic feeding infrastructure for the dry season. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Technical assistance to micro-credits [1] (asistencia técnica al microfinanciamiento): creation of local financing services in poor rural areas. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Fund for Micro-credits for rural women [1] (FOMMUR): interest concessions for small credits for women in rural areas. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Fondo de apoyo a la competitividad (since 2003): payments for the purchase of capital inputs. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Apoyos para acceder al sistema financiero (since 2003): payments to facilitate the access of farmers to financing. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Fomento a la inversión y capitalización. Since 2003, group of ALIANZA programmes that reduce the costs of investment in agriculture. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Desarrollo Ganadero. Since 2003, group of ALIANZA programmes that reduce the costs of investment in the livestock sector. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

Desarrollo de proyectos agropecuarios integrales. Since 2003, payments to introduce new technology in the primary processing in livestock farms. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

B.3. Based on use of on-farm services

Extension:

- Budget expenditure on FEAGA (Technical Assistance and Loan Guarantee Trust Fund). These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

- *INCA RURAL* (National Institute of Training in Rural Areas) Transfers to this institute to facilitate monitoring and evaluation of extension programmes. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

- half of the expenditure on FIRCO (Trust Fund for Shared Risk). These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

- *Genetic improvement*: Until 1992, budget expenditure on FOGAN (Livestock Fund) which provided artificial insemination services and imported high quality breeding stock. These transfers are included in beef and veal SCT (Table 3.9).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

- *Rastros TIF programme*: Since 2003, payments to incentive the slaughter of cows in certificated slaughtering houses. These transfers are included in beef and veal SCT (Table 3.9).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

- *Desarrollo de capacidades en el medio rural (PRODESCA)*: Since 2003, this programme finances technical assistance on production techniques and marketing. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

- *ALIANZA programmes*:

_Training and extension (capacitación y extensión) and elementary technical assistance [1] (programa elemental de asistencia técnica) to finance technical assistance to producers. These transfers are included in all crops (because before allocated to crops) GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_Heavy machinery maintenance [1] (recuperación y mantenimiento de maquinaria pesada and Maquinaria reconstruida) to help producers repair their heavy machinery and infrastructure in Chihuahua and Querétaro. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_State programmes [1] on marketing and quality circles (Programas estatales de Apoyo a la comercialización & Círculos de calidad): Payments to help producers to improve the quality and marketing of their products. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_Mobilisation control and Regional livestock projects (control de movilización & desarrollo regional de proyectos agropecuarios: [1]) To provide technical assistance to producers to apply livestock development projects. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_Supervision and evaluation [1]: Expenditure on supervision and evaluation of Alianza programs. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_Pest control [1]: Budget expenditure on *plant protection (sanidad vegetal)*. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_Disease control [1]: Budget expenditure on *animal health (salud animal)*. These transfers are included in all livestock GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_Payments for oil-palm [1]: Payment for oil palm producers (palma and coco) to help them purchase improved seeds and participate in pest control programmes. Calculated on a fiscal year basis. These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_Women in rural development [1]: Technical assistance to women willing to undertake agricultural production projects. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

_Elementary Program of Technical Assistance (PEAT) [1]: Payments to producers to help them purchase technical assistance. These transfers are included in all crops (because before allocated to grains) GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO.

C. Payments based on current area planted/animal numbers/revenues/incomes

C. 1. Single commodities

Payments for soybeans [1] (oleaginosas): per hectare payment for soybeans producers to help them purchase seeds. Calculated on a fiscal year basis. These transfers are included in soybeans SCT (Table 3.6).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Coffee program [1] (programa del café): payment per hectare to coffee producers to alleviate poverty in indigenous communities, with a limit per farm, for farm improvements, pest control, technology transfer and extension. Calculated on a fiscal year basis. These transfers are included in coffee SCT (Table 3.15).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Payments for rubber[1] (programa del Hule-apoyo directo): per hectare payment for the first three years of production for small rubber plantations in poor rural communities. Calculated on a fiscal year basis. These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Payments for cocoa [1] (cacao): payments per hectare with a limit of five hectares per producer in Oaxaca, Chiapas, Guerrero and Tabasco. Calculated on a fiscal year basis. These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Payments for cotton [1] (apoyo al algodón): payments per hectare with a limit of five hectares per producer. Calculated on a fiscal year basis. These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Payments [1] (Fomento al Algodón) These transfers are included in the other SCT (Table 3.16).

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Payments [1] (Programa del Café, centralizado). These transfers are included in coffee SCT (Table 3.15).

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

C.2. Specific groups of commodities

Payments for strategic crops [1](cultivos estratégicos): payments per hectare to help growers to purchase plants of fruits, flowers, and industrial crops to take advantage of agroclimatic conditions in Michoacán. Calculated on a fiscal year basis. These transfers are included in fruits, flowers and industrial crops GCT (Table 2).

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Fruit production [1] (fomento frutícola): payments based on area planted with a limit per farmer with the objective of purchasing inputs. Calculated on a fiscal year basis. These transfers are included in fruits GCT (Table 2).

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Payments for citrus [1] (programa de cítricos): per hectare payment for citrus producers in Yucatán and San Luís Potosí to help them improve pest management in their farms. These transfers are included in citrus GCT (Table 2).

Use of labels: Production limits: YES; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area.

Disaster payments:

-Budgetary expenditure on food assistance provided by CONASUPO (National Basic Foods Company), and since 1996 by SAGAR (Agricultural Ministry) and the states, to producers of specific crops that have been affected by climatic hazard, paid per ha and based on loss of output. Calculated on a fiscal year basis. These transfers are included in all crops GCT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: YES; Input constraints: NO. Payment eligibility based on area.

Since 2003, PIASRE (Programa Integral de Agricultura Sostenible y Recoverion Productiva en zonas de siniestralidad recurrente) provides payments triggered by meteorological disasters. Due to lack of data on the share of per hectare and per head payments, the entire program is in AC.

Use of labels: Production limits: NO; Variable payment rates: YES; Input constraints: NO. Payment eligibility based on area or animal numbers.

C.3. All commodities

Income tax concessions: Income tax exemption for farmers whose income level is below 20 times the minimum wage, and 50 per cent tax concession for farmers above that income level. For farmers that do some manufacturing process, the tax concession is 25 per cent. [No data available]. These transfers would be included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on income.

Programme of temporary employment in poor areas (programa de empleo temporal en zonas de extrema pobreza): Minimum wage paid to producers or workers to participate in community works in extremely poor areas during period of low agricultural activity. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on income.

D. Payments based on current area planted/animal numbers/revenues/incomes – production required

PROGAN. Since 2003, payments attributed to beef. Cross-compliance conditions, such as stocking density and traceability measures, are imposed. These transfers are included in beef and veal SCT (Table 3.9).

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: YES. Payment eligibility based on animal numbers.

E. Payments based on current area planted/animal numbers/revenues/incomes – production not required

E.1. Variable rates

E.2. Fixed rates

PROCAMPO tradicional: per hectare payment to farmers through the PROCAMPO (Programme of Direct Support to the Countryside) based on areas that were planted in the three years prior to the spring/summer 1993 growing season with maize, beans, wheat, sorghum, rice, soyabeans, safflower, cotton or barley. Eligibility is retained if producers devote land to any agricultural or forestry activity, or place it in an approved environmental programme. The rate of payment is the same for all eligible producers, but the rate of each year depends on the amount of money provided to the programme for distribution. Recipients are obliged to report their land use, so the amount per crop is calculated on a crop year basis by taking the rate times the area planted to each of the crops.

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area. With production exception.

Basic Crops [1] (fomento de cultivos basicos): a program in ALIANZA with similar requirements than Procampo payments and treated similarly.

Use of labels: Production limits: NO; Variable payment rates: NO; Input constraints: NO. Payment eligibility based on area. With production exception.

F. Payments based on non-commodity criteria

F.1. Long-term resource retirement

Programa de adquisicion de derechos de uso del agua (since 2003): payments for renouncing of water rights by farmers. These transfers are included in ACT (Table 2).

Use of labels: Production limits: NO; Input constraints: YES.

F.2. Specific non-commodity output

F.3. Other non-commodity criteria

G. Miscellaneous payments

III.2 Percentage PSE $[100 \times (\text{III.1}) / ((\text{I}) + (\text{Sum of A2 to G}))]$

III.3 Producer NPC: For all agricultural commodities the Producer NPC is estimated as a weighted average of the producer NPC calculated for the individual MPS commodities and shown in Table 4. For each commodity Producer NPC = [domestic price received by producers (at the farm gate) + unit payments based on output] / border price (also at the farm gate). **[The total PNP is not in the Table 1 of the country template, but we will include it in the version for the public website]**

III.4 Producer NAC $[1 / (100 - (\text{III.2})) \times 100]$

IV. General Services Support Estimate (GSSE): total budgetary expenditure to support general services provided to agriculture [Sum of H to N].

H. Research and development

Research Institutions: Budget expenditure on INIFAP (National Institute for Forestry, Agricultural and Livestock Research) and IMTA (Mexican Institute of Water Technology).

Research projects: Budget expenditure on *technology transfer [1] (transferencia de tecnología)*.

I. Agricultural schools

Budget expenditure on Agricultural Technical Institutes and Vocational Agricultural Schools.

J. Inspection services

Budget expenditure on CONASAG (National Phytosanitary and Sanitary Commission) and on *quarantine control [1] (Programas estatales-Control cuarentenario)*. [No data available for the former]

K. Infrastructure

Public expenditure on infrastructure in rain fed areas, on rural roads and on the protection of river beds.

L. Marketing and promotion

Budget expenditure on ASERCA activities to diffuse commodity price and market information and to promote the development of regional markets, on FOCIR (Rural Sector Capitalisation and Investment Fund) since 1993, and on CONAFRUT (National Fruit Commission) until 1992.

ALIANZA programmes:

Since 1996, budgetary expenditure on the following programs was:

- *Studies and projects [1] (estudios y proyectos agropecuarios)* To cover part of the costs of studies on technical and economic viability of projects on marketing.
- *Primary agro-industry development [1] (Desarrollo agroindustrial primario):* To reduce the cost of purchasing first processing machinery and building for agro-industry. [More information is needed on the implementation of this programme].
- *Export promotion [1] (promocion de exportaciones)* For promotion of quality standards, farmers'organisations and certification units.
- *Agricultural information [1] (información agropecuaria)* To co-ordinate statistics of the agricultural sector.
- *Marketing support [1] (apoyo a la comercializacion):* For promotion of local products in the national market and facilitating access to other programs like those by ASERCA.

- *Marketing enterprises in the social sector [1] (PROFECA)*: To promote associations of farmers in order to improve the marketing of grains.
- *Since 2003:Fortalecimiento de los sistemas producto* Since 2003, group of ALIANZA programmes facilitating the participation of farmers in the marketing chain.
- *Fortalecimiento de empresas y organización (PROFEMOR)*. Since 2003, payments to facilitate the creation of firms or organizations dealing with the marketing of agricultural products.
- *Programa de apoyo para la integración de los mercados y fomento a las exportaciones agroalimentarias (PROEXIN/PROEXPORTA)*. Expenditure on fairs and promotion of Mexican agricultural products.
- *Sistema de información para desarrollo rural sustentable (SNIDRUS)*. Expenditure on sustaining a network of offices collecting information on local sustainable development and some related publications.

PROSAP (since 2003): support to farmers associations

PROMOAGRO / PROEXPORTA (since 2003): payments to finance campaigns and actions to facilitate exports.

M. Public stockholding

Budget expenditure to cover CONASUPO operation and maintenance costs of public stockholding estimated at 30 per cent of total budget expenditure on CONASUPO until 1995. Since 1996 BORUCONSA has played this role until it was closed in 1999.

N. Miscellaneous

1. National expenditure

Budget expenditure on CONAZA (National Commission for Arid Zones) for erosion control, drinking water supply and rural housing.

Budget expenditure on various programmes of assistance provided to poor rural families by SEDESOL (Secretariat for Social development) through the National Solidarity programme until 1994 and, since 1995, the Poverty Alleviation Programme (national fund to support enterprises in solidarity, regional solidarity fund for the development of the indigenous communities).[No data available].

2. Sub-national expenditure

Rural development. From 1990 to 1994, expenditure by PRONASOL (Regional Solidarity Fund for the Development of Indigenous Communities) financed by State budgets.

V.1 Consumer Support Estimate (CSE): Associated with agricultural production, i.e. for the quantities of commodities domestically produced, excluding the quantities used on-farm as feed -- excess feed cost. [Sum of O to R; when negative, the amounts represent an implicit tax on consumers].

O. Transfers to producers from consumers: Associated with market price support on all domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production $[(O.1) / (I.1) \times 100]$.

O.1. Of which MPS commodities: Sum of the values of transfers from consumers to producers associated with market price support for the MPS commodities as calculated in Table 4.

P. Other transfers from consumers: Transfers to the budget associated with market price support on the quantities imported of domestically produced commodities, estimated by increasing the transfers calculated for the MPS commodities according to their share in the total value of production $[(P.1) / (I.1) \times 100]$.

P.1. Of which MPS commodities: Sum of the transfers to the budget associated with market price support on the quantities imported of the MPS commodities as calculated in Table 4.

Q. Transfers to consumers from taxpayers

Q.1. Commodity specific transfers to consumers: Sum of commodity specific transfers from taxpayers to consumers (farm gate level) from commodity MPS tables (Table 4).

Q.2. Non-commodity specific transfers to consumers: Sum of non-commodity specific transfers from taxpayers to consumers (farm gate level). The descriptions of policies inducing non-commodity specific transfers are provided below:

ASERCA: Budget expenditure on per-tonne payments to wheat millers, compound feed processors, and the vegetable oil industry to help them purchase the domestic production of wheat, sorghum, soybeans and other oilseeds at concerted prices, as a way to provide support to producers. The rate of payment varies according to the States to facilitate marketing in areas distant from the main consumption centres. Calculated on a crop year basis.

CONASUPO: Budget expenditure to cover CONASUPO deficit associated with sales of domestic and imported foodstuff -- maize, beans, wheat, rice and oilseeds, and, from 1990 to 1998, maize and beans -- at a price equivalent to or below the purchase price, plus budget expenditure on FERRONALES (National Railway Company) associated with the transport of CONASUPO grains from producing/import areas to processing/storage places at a preferential rate. Calculated on a fiscal year basis. [No data available on FERRONALES].

FIDELIST: Budget expenditure on FIDELIST (Trust Fund for Tortilla Subsidy Payments) to provide free one kg of maize tortillas daily to 2 million low-income families in urban areas. Calculated on a fiscal year basis and provided only to maize.

LICONSA: Budget expenditure on LICONSA (CONASUPO Industrial Milk) to sell at subsidized prices four liters of milk a week per child to 5 million children in low-income families in rural areas. Calculated on a fiscal year basis and provided only to milk.

DICONSA: Budget expenditure on DICONSA (CONASUPO Commercial Distribution and Promotion) to cover the difference between the price of maize and maize flour purchased from CONASUPO and the lower selling price to rural consumers. Calculated on a fiscal year basis and provided only to maize. [No data available].

R. Excess Feed Cost: Associated with market price support on quantities domestically produced and used on-farm as feed as calculated in Table 4. [Sum of excess feed costs in the MPS tables (Table 4) for feed crops.]

V.2 Percentage CSE $[100 \times (V.1) / ((II) + (Q))]$

V.3 Consumer NPC: For all agricultural commodities the Consumer NPC is estimated as a weighted average of the consumer NPC calculated for the individual MPS commodities and shown in Table 2. For each commodity Consumer NPC = domestic price paid by consumers (at the farm gate)/ border price (also at the farm gate).).). **[The total CNPC is not in the Table 1 of the country template, but we will include it in the version for the public website]**

V.4 Consumer NAC $[(1 / (100 -(V.2)) \times 100]$

VI. Total Support Estimate $[(III.1) + (IV) + (Q)]$ and $[(S) + (T) - (U)]$

S. Transfers from consumers $[(O)+(P)]$

T. Transfers from taxpayers $[(III.1)-(O)+(IV)+(Q)]$

U. Budget revenues $[(P)]$

Sources:

Secretariat of Agriculture and Rural Development (SAGAR), unpublished.

Secretariat of Agriculture and Rural Development (SAGAR), *Informe de labores*, Mexico, D.F.

Secretariat of Agriculture and Rural Development (SAGAR), *Programas y proyectos en apoyo al campo*, 1997, Mexico, D.F.

Secretariat of Finance and Public Credit (SHCP), unpublished.

Support Services for Agricultural Marketing (ASERCA), *Claridades Agropecuarias*.

Note:

[1]. All these programmes are part of the *Alliance for Agriculture (Alianza para el Campo)*.

TABLE 2. MEXICO: Breakdown of PSE by commodity specificity and other transfers

All data sets in Table 2 come from Tables 1 and 3 where definitions are included.

Definitions:

I. Single commodity transfers (SCT): the annual monetary value of gross transfers from policies linked to the production of a single commodity such that the producer must produce the designated commodity in order to receive the payment. This includes broader policies where payments are specified on a per-commodity basis. SCT is also available by commodity. [Sum of commodity SCTs from Table 3]

Percentage SCT: is the commodity SCT expressed as a share of gross farm receipts for the specific commodities (including support in the denominator). This indicator can be expressed for the total SCT (Table 2), or for a specific commodity (Table 3).

$$\%SCT = 100 * SCT / (\text{value of production}_{COM} + A2_{COM} + B_{COM} + C1_{COM} + D_{COM})$$

$$\text{Share in Total PSE (\%): } SCT_{SHARE} = 100 * SCT / PSE$$

II. Group commodity transfers (GCT): the annual monetary value of gross transfers from policies whose payments are made on the basis that one or more of a designated list of commodities is produced. That is, a producer can choose among a set of allowable commodities to produce and receive a payment that does not vary with respect to this decision. [GCT = B_{GROUP} + C₂ + D_{GROUP}]

$$\text{Share in Total PSE (\%): } GCT_{SHARE} = 100 * GCT / PSE$$

Transfers to specific groups of commodities: The GCT involve to the following groups of commodities: crops, livestock, fruits, flowers, industrial crops and alternative crops.

III. All commodity transfers (ACT): the annual monetary value of gross transfers from policies that place no restrictions on the commodity produced but require the recipient to produce some commodity of their choice. [ACT = C₃ + B_{ALL} + D_{ALL}]

$$\text{Share in Total PSE (\%): } ACT_{SHARE} = 100 * ACT / PSE$$

IV. Other Transfers to Producers (OTP): the annual monetary value of gross transfers made under policies that do not fall in the above three cases (SCT, GCT, ACT). That is, payments that do not require any commodity production at all. [OTP = E + F + G]

$$\text{Share in Total PSE (\%): } OTP_{SHARE} = 100 * OTP / PSE$$

$$\text{V. Total PSE: } PSE = A+B+C+D+E+F+G = SCT + GCT +ACT + OTP$$

$$\text{Percentage PSE: } \%PSE = 100 * PSE / \text{value of agr. production} + A.2. + B + C + D + E + F +G)$$

TABLE 3. MEXICO : Producer Commodity Specific Transfers by commodity

Tables 3.1 to 3.15, provide information on Producer Single Commodity Transfers (PSCT) for the following commodities: wheat, maize, barley, sorghum, rice, soyabean, sugar, milk, beef and veal, pigmeat, poultry, eggs, dry beans, tomatoes, and coffee. All data sets in the calculation SCT by commodity come from Tables 1 and 4 where definitions are included.

Definitions:

I. Level of production: Data from Table 4 (Market price support table)

II. Value of production (at farm gate): Data from Table 4 (Market price support table)

III. Producer Single commodity transfers: Sum of transfers to specific commodity in categories A, B, C1 and D.

A. Support based on commodity outputs

A1. Market Price Support [Data from Table 4]

A2. Payments based on output

Data from Table 1 – see the policies providing payments based on output (A.2) to the specific PSE commodity, in the definitions in Table 1.

B. Payments based on input use [B1+B2+B3]

B1. Variable input use

Data from Table 1 – see the policies providing payments based on variable input use (B.1) to the specific PSE commodity, in the definitions in Table 1.

B2. Fixed capital formation

Data from Table 1 – see the policies providing payments based on fixed capital formation (B.2) to the specific PSE commodity, in the definitions in Table 1.

B3. On-farm services

Data from Table 1 – see the policies providing payments based on on-farm services (B.3) to the specific PSE commodity, in the definitions in Table 1.

C1. Payments based on current A/An/R/I, production required, single commodity"

Data from Table 1 – see the policies providing payments based on current A/An/R/I, single commodity (C.1) to the specific PSE commodity, in the definitions in Table 1.

D. Payments based on non-current A/An/R/I, production required

Data from Table 1 – see the policies providing payments based on non-current A/An/R/I, production required (D) to the specific PSE commodity, in the definitions in Table 1.

IV. Percentage SCT : %SCT =100*(III)/((II)+(A.2)+(B)+(C.1)+(D))

TABLE 4. MEXICO :Producer Support Estimate by commodity

Definitions:

1. Level of production

Wheat (trigo grano), **Maize** (maíz grano), **Barley** (cebada grano), **Sorghum** (sorgo grano), **Rice** (arroz palay), **Soyabeans** (soya), **Dried beans** (frijol), **Tomatoes** (jitomate) and **Coffee** (café verde): Total farm level production during the crop year [1].

Sugar: Total level of production of sugar cane (cana de azucar) and refined sugar during the crop year [1], [2] and [3]. A ratio sugar cane / refined sugar is calculated from these series.

Milk (leche de bovino): Total level of production in litres as reported by SAGAR [4], multiplied by a coefficient of 1.031 / 1000 to express in tonnes.

Beef and Veal (carne de bovino en canal) and **Pigmeat** (carne de porcino en canal): Gross indigenous production expressed in carcass weight, including exports of live animals in carcass weight equivalent [4], minus imports of live animals in carcass weight equivalent [20].

Poultrymeat (aves): Gross indigenous production, live weight (chicken and turkey) expressed in carcass weight [4].

Eggs (huevo): Total egg production in tonnes [4].

2. Producer price

Wheat: Weighted average of administered prices of wheat (precio piso de bodega) in the AW and SS seasons [1]. Since 2001 there are not administered prices and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [4].

Maize: Average of administered prices of white maize in AW and SS seasons [6]. For 1990-1995 yellow maize price was also considered in the weighted average (5% of total). Since 2001 there are not administered prices and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [4].

Barley: Average of administered prices for AW and SS seasons [7]. Since 2001 there are not administered prices and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [4].

Sorghum: Average of administered prices for AW and SS seasons [7]. Since 2001 there are not administered prices and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [4].

Rice: Average of administered prices for paddy rice for AW and SS seasons [7]. Since 2001 there are not administered prices and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [4].

Soyabean: Average of administered prices for paddy rice for AW and SS seasons [7]. Since 2001 there are not administered prices and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [4].

Raw sugar: Until 1994, annual average of monthly wholesale price of raw sugar (mascabado) from Camara Nacional de Industrias Azucareras; since then "precio de referencia de azucar base standard KABE from COAZUCAR with a correction coefficient from an average of overlapping years * 0.926.

Sugar cane: Average producer price of sugar cane, [2] (until 1989) and [3] since 1990.

Milk: Average producer price of milk [1].

Beef and veal: Weighted average wholesale price carcass equivalent (Precio medio ponderado en canal), reduced by a producer / wholesale margin of 30%. [1] and [8].

Pigmeat: Weighted average wholesale price carcass equivalent (Precio promedio ponderado en canal) reduced by a wholesale / producer margin of 30% [7].

Poultrymeat: Weighted average price carcass equivalent (Producer price of processed poultry ("roscicero") provided by SAGAR [1] from the "Union Nacional de Avicultores".

Eggs: Producer price of white eggs provided by SAGAR from the "Union Nacional de Avicultores" [1].

Dried beans: Average of prices paid to producers for AW and SS seasons [4].

Tomatoes: Average producer price in rural areas (precio medio rural) [1] corrected by a producer / wholesale margin of 15% [16].

Coffee: Average producer price in rural areas (precio medio rural) [1].

3. Level of consumption

Wheat (trigo grano), **Maize** (maíz grano), **Barley** (cebada grano), **Sorghum** (sorgo grano), **Rice** (arroz palay), **Soyabeans** (soya), **Rice** (arroz palay), **Dried beans** (frijol) and **Tomatoes** (jitomate): Apparent consumption defined as production plus imports minus exports [4] and [9].

Sugar: Sum of industrial and household consumption of refined sugar [10] (up to 1993) [3].

Milk: Apparent consumption defined as production plus imports minus exports [1] and [4].

Beef and veal, pigmeat, poultrymeat and eggs: Domestic apparent consumption in carcass weight equivalent, defined as gross indigenous production plus total imports minus total exports [5] and [7].

Coffee: Apparent consumption defined as production plus imports minus exports [17].

4. Reference prices

Wheat: Simple average of the US hard red winter (HRW) No 2 [11] and the US soft red winter (SRW) No 2 [12] (farmer's price). A transportation cost to Gulf of 12 US\$/t is added.

Maize: US export price (Gulf) of yellow maize [11]. Weighted average of yellow and white maize with a 95% weight to white maize, and the white maize price being calculated by adding a 20% quality premium to the US export price of yellow maize. A transportation cost to Gulf of 31 US\$/t is added.

Barley: US barley price in MN as SS2R designated barley [11] plus transportation cost to gulf of 1.3 US\$ per bushel.

Sorghum: US export price [11]. A transportation cost to Gulf of 12 US\$/t. is added.

Rice: Until 1993, Gulf medium grain price [13]; since 1994, Fob Houston long grain [11], multiplied by a factor correction of 0.89 from an average of overlapping years, and converted from milled rice price into paddy equivalent price by multiplying by a technical coefficient of 0.66 [7] until 1993, and 0.5 from 1994 onwards. A transportation cost to Gulf of 12 US\$/t. is added.

Soyabean: US export price Gulf [11]. A transportation cost to Gulf of 12 US\$/t. is added.

Sugar: World Raw sugar price, contract 11, FOB Caribbean [14].

Milk: Farm gate price of milk, calendar year, actual fat content (x%) in New Zealand, plus transport cost for butter and skimmed milk powder in milk equivalent (56kg and 82kg per tonne of milk, respectively) from New Zealand to Mexico (Pnz), adjusted to fat content (y%) in Mexico [15], the reference price being $(Pnz) * [(x\%)+(y\%)]/2 * (x\%)$.

Beef and veal: Australian production price plus transport costs from Australia to US. Data from Australian PSE database.

Pigmeat and poultrymeat: US producer price minus unit export subsidies (see US section) plus constant transport costs of 80\$ per tonne.

Eggs: US producer price minus unit export subsidies (see US section) plus transport costs to Canada (75C\$ constant).

Dried beans: United States Pinto dry beans [11].

Tomatoes: Unit export value to the United States [18].

Coffee: United States composite green price [11].

Sources:

[1] Secretaria de Agricultura, Ganaderia y Desarrollo Rural (SAGAR): Servicio de Informacion y Estadistica agroalimentaria y pesquera".

[2] SAGAR: "Boletín estadístico azucarero".

[3] Comité de la Agroindustria Azucarera (COAZUCAR).

[4] Informes del Gobierno.

[5] OECD: AGLINK Database.

[6] Data directly provided by CONASUPO.

[7] Smin-CEA-SAGAR.

[8] Confederacion Nacional de Ganaderos (CNG): "Mexico ganadero".

[9] SAGAR: "Historical Agricultural Series: 1925-1997".

[10] Sexto Informe del Gobierno. 1994.

[11] USDA Outlook series, by commodity (e.g. wheat, feed grains, rice, etceteras).

[12] International Wheat Council: "World Grain Statistics".

- [13] FAO. Commodity Price statistics.
- [14] USDA Sugar and Sweetener Outlook.
- [15] Liconsa.
- [16] Turkey PSE database.
- [17] Report from the International Coffee Organisation.
- [18] Secretaría e Hacienda y Crédito Público.
- [19] Canadian Cereals and Oilseeds Review.
- [20] **Subsecretaria de Negociaciones Comerciales Internacionales**