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MARKET STUDY FOR AGRICULTURAL EQUIPMENT, SEEDS AND RELATED CHEMICALS IN MEXICO

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MARKET STUDY FOR AGRICULTURAL EQUIPMENT, SEEDS AND RELATED CHEMICALS IN MEXICO

This market guide booklet has been prepared with the problems inherent to the initiating exporter in mind. However it is not exhaustive; individual circumstances, interest and needs will dictate how companies should tailor their approach and strategy to the Mexican market. While every attempt has been made to ensure accuracy in this study, no responsibility can be accepted for errors or omissions.

Further assistance can be obtained by addressing requests directly to the Commercial Division of the Canadian Embassy in Mexico City located at Calle Schiller No. 529, Colonia Polanco, 11560 México, D.F. Telephone 254-32-88, telex 177 1191 and fax (sending from Canada) 011 (525) 545-17-69; or the Latin American Division Department of External Affairs, Industry Science and Technology Canada, 125 Sussex Drive, Ottawa, Ontario, K1A 0G2, Phone 9950460 Fax (613) 996-06-77.

MARKET STUDY FOR AGRICULTURAL EQUIPMENT, SEEDS AND RELATED CHEMICALS IN MEXICO

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1. BACKGROUND

Agriculture has traditionally been one of Mexico's most important economic activities, reaching far into its past. By the end of the 19th. century, agricultural production accounted for 73% of Mexico's total production and 69% of total employment. As a result of the country's industrialization process, industrial and urban development have grown at a relatively higher rate than agricultural development. Urban population was only 33% in 1930 and increased to 52% in 1980, with the consequent drop in rural population. Agriculture presently accounts for 8% of total GDP.

Mexico comprises a total area of 196.4 million hectares (ha), which can be divided into the following climates: very humid 2.5%, humid 13.4%, semidry 37.7%, dry 27.6% and very dry 18.8%. Lands considered to be cultivable for agricultural production are estimated at 23 million ha., of which six million ha. are irrigated land and 17 million ha. are rainfed areas. The latter represent 75% of total harvestable surfaces, but only account for approximately 50% of the value of agricultural output. Irrigated areas represent only 40% of Mexico's potential of 15 million ha. During the 1975-1985 period, the total planted area has ranged from 14.8 million ha. to 24 million ha., while 1986 and 1987 have shown a use of 22 million ha., which dropped to 18.6 million ha. in 1988 and 19.5 million ha. in 1989. Of these, 77% were in rainfed areas.

Because of difficult terrain conditions, only some 70% of total cultivable land, or 16 million ha., can be mechanized, of which 11.2 million ha. are rainfed and 4.8 million ha. are irrigated lands. The remainder has to be either worked with animal traction or by hand. Government policy has tended to favor rainfed over irrigated agriculture, mostly because it is in the hands of the poorer sectors of the population. These lands have a great potential to become more fertile and productive through the use of improved technologies such as irrigation methods, drainage, machinery and equipment, high quality seeds and fertilizers, many of which are of imported origin.

Mexican agriculture operates under both public and private land tenure systems. Approximately 47% of the country's farmland is under private ownership. These farms have an average parcel size ranging from 20 to 100 ha. and are limited to a maximum of 100 ha. of irrigated land or 200 ha. of rainfed land. Private farms have led the country in mechanization and are the prime buyers of agricultural machinery. They also account for an estimated 75% of total agricultural output. The "ejidos" and communal farms, which comprise 53% of the agricultural land base and 84% of rural population, are areas originally expropriated by the government and distributed to low income farmers for their use. Ejidos usually range from one to five ha. of land per person and are mostly located in rainfed areas. The majority of ejidos are worked by individual families, but some are either worked collectively or leased to private farmers to attain economies of scale.

2. ECONOMIC ENVIRONMENT

Over the past two years, Mexican economic policy has featured a tough anti-inflationary program called the Economic Solidarity Pact, combining traditional austerity measures (tight fiscal and monetary policies) and unorthodox measures (price, wage and exchange rate controls). The program has been successful in reducing inflation, from an annual 159.2% in 1987 to 51.7% in 1988 and 20.3% by 1989. The general criteria for Mexico's macroeconomic policy in 1990, are to consolidate and fortify the progress made in price stabilization, to reaffirm gradual and sustained economic recuperation, to increase investment, both national and foreign, and to improve living standards.

Mexico's gross domestic product (GDP), after increasing 3.7% and 2.7% during 1984 and 1985 respectively, declined by 3.5% in 1986. In 1987, it increased a moderate 1.5% and an additional 1.1% in 1988. Domestic economic activity recovered for the third consecutive year in 1989 with an estimated growth rate of 3.0% to reach \$200 billion (1). With an 84.5 million population, per capita GDP is estimated at Cdn\$2,550. During the 1990-1994 period GDP is expected to maintain an average annual growth rate of 2%-3%.

In an effort to revitalize and open the Mexican economy, the Mexican Government undertook a series of structural changes, including the accession to the General Agreement on Tariffs and Trade (GATT) on August 24, 1986 leading to an extensive trade liberalization process: import permits were eliminated on all but 325 of the total 11,960 tariff items based on the recently adopted Harmonized System. Official import prices are no longer applicable, nor the 5% export development tax, and import duties were lowered from a maximum of 100% in 1982 to 20% in January 1988. The automotive and computer industries are also being opened up, through the elimination of prior import permits, to allow free entry of products in these industries.

According to official data from the Mexican Secretariat of Commerce and Industrial Development (SECOFI), Mexico's trade balance in 1989 dropped to a \$644.8 million deficit, down from a surplus of \$1.75 billion in 1988 and \$8.4 billion in 1987. Total exports increased 10.7% in 1989, from \$20.57 billion in 1988 to \$22.8 billion. Imports increased 23.9% from \$18.9 billion to \$23.4 billion, having already increased 48% from \$12.2 billion in 1988. During 1989, imports of consumer products grew 82%, while those of intermediate goods increased by 17% and capital goods by 18%. Total Mexican imports from Canada increased 24% in 1989 and amounted to Cdn\$603 million, while total Mexican exports to Canada were valued at Cdn\$1,698 million. Mexico and Canada have traditionally been strong trading partners. According to Mexican figures, in 1989, 1.9% of Mexico's imports came from Canada, while 1.2% of its exports were to Canada. This makes Canada Mexico's fifth largest exporter and sixth largest importer.

1. NOTE: All values in this report, unless otherwise stated, (Mexican pesos Mex\$, Canadian dollars Cdn\$, etc.) are quoted in United States dollar equivalents.

3. MARKET ASSESSMENT

3.1 AGRICULTURAL MACHINERY AND EQUIPMENT

Total apparent consumption of agricultural machinery, equipment, accessories and parts amounted to \$225.1 million in 1988, up 46% over 1987 levels. This was mostly due to a 134% increase in imports because of reduced restrictions and a stable local currency, in addition to an increased public credit availability. Despite a further increase in imports in 1989, total apparent consumption shows a slight decrease for that year because of a reduction in local production. The market size is expected to grow to \$273.1 million by 1994, at an average annual rate of five percent, in view of a recovering economic growth rate and government support to agriculture.

TABLE 1
TOTAL APPARENT CONSUMPTION OF
AGRICULTURAL MACHINERY AND EQUIPMENT
(millions of U.S. dollars)

	1986	1987	1988	1989	1994p
Production	104.5	111.7	121.2	116.4	140.5
+ Imports	45.9	50.6	118.4	122.3	165.5
-Exports	4.0	6.7	14.5	20.4	32.9
TOTAL	146.4	153.6	225.1	218.3	273.1

Source: Import and export data by SECOFI

Domestic production of agricultural machinery and accessories increased significantly between 1967, when the first companies entered the Mexican market, and 1985, when production reached a peak of \$243 million. This growth was the result of government promotion policies oriented towards the development of Mexico's industry and import substitution. As the market contracted due to poor demand, scarce financing resources and high inflation rates, local production decreased and several companies actually left the Mexican market. This trend has further continued as a result of the increased competition from imported machinery and equipment, which in 1988 and 1989 reached very high levels.

Imports, both of new but particularly of used equipment, have traditionally been a very important source of supply and represented 53% of total apparent consumption in 1988 and 56% in 1989. Agricultural machinery imports surged in 1988, increasing by an unprecedented 134% from the previous year's dollar value level, while local production showed a very moderate growth. The share of imports in the total market significantly decreased during the 1982 economic crisis, as a result of a scarcity of foreign currency, extremely restrictive trade barriers and a general decline in demand. Starting in 1985, this situation has changed dramatically. Dollars are not only freely available, but at a more favorable exchange rate since it has remained fairly constant since 1988, import duties have been reduced considerably and import permits are no longer required on

the importation of agricultural machinery. Table 2 shows imports (new and used) by category between 1987 and 1989.

TABLE 2
IMPORTS OF AGRICULTURAL MACHINERY
(thousands of U.S. dollars)

	1987	1988	1989
Tractors	16,799	45,029	36,293
Soil preparation and cultivation equipment	3,674	7,354	9,000
Parts	1,212	2,235	2,329
Harvesting equipment	10,485	27,861	32,499
Forage and mowing equipment	3,466	11,972	12,586
Parts	2,522	3,750	4,099
Other equipment	2,290	2,692	2,746
Spraying equipment	4,448	9,110	10,824
Milking & dairy machinery	2,428	5,269	4,860
Poultry equipment	688	1,652	5,449
Agricultural aviation	2,554	1,524	1,638
TOTAL	50,566	118,448	122,323

Source: Import and export data by SECOFI

With an 80% import market share, the U.S. is and has traditionally been the number one supplier of agricultural equipment to Mexico. This predominance has mostly been due to geographical proximity and the familiarity of Mexican users with U.S. made equipment. A significant number of American firms have established their presence in Mexico through joint-venture agreements and/or by establishing a reputable distributor or representative in Mexico. This has made servicing and the availability of spare parts easier and cheaper. At the same time, a very large quantity of used machinery is being brought into the country across the U.S.-Mexico border duty free. Unfortunately, this trade is not officially documented and no data are available on the total value of these transactions. Other countries exporting agricultural equipment to Mexico include Brazil (6%), West Germany (4%), Israel, France, Spain, England, Canada and Argentina. Table 3 lists Canadian imports from and exports to Mexico.

TABLE 3
CANADIAN TRADE OF AGRICULTURAL MACHINERY
WITH MEXICO
(thousands of Canadian dollars)

	IMPORTS FROM MEX 1988	EXPORTS TO MEX 1988	IMPORTS FROM MEX 1989	EXPORTS TO MEX 1989
Irrigation equipment	101		90	
Soil preparation eqpt.		52	196	6
Parts		31	6	89
Foraging & mowing eqpt.	49	9	70	
Parts	7	13	10	168
Other				3
Dairy eqpt.		3		
Poultry eqpt.				58
Tractors		75	25	
*Aviation		4,426		964
TOTAL	157	4,609	397	1,288

Note:* Includes all helicopters; not only those for agricultural use.

Source: Statistics Canada - International Trade Division

Total Canadian exports to Mexico amounted to Cdn\$4.6 million in 1988, Cdn\$4.4 million of which corresponded to helicopters. Agricultural equipment exports were Cdn\$183,000 in 1988 and Cdn\$324,000 in 1989, mostly of soil preparation equipment and parts, and of parts for forage and harvesting equipment. Total volume, however, is still small and Canadian manufacturers of agricultural equipment could take advantage of the growing Mexican market to place larger volumes in Mexico by marketing their products more aggressively.

3.1.1 Tractors

Tractors are the principal element of agricultural mechanization, since mechanical traction is involved in most agricultural activities, from soil preparation to harvest. The total number of tractors operating in Mexico is estimated at 152,000 units, based on a 14 year average life. Approximately half of these were in irrigated areas. The states of Chihuahua and Sinaloa have the largest number of tractors and the country's northern zone concentrates 41% of all units, followed by the central zone (23%). Mexico has one tractor for every 150 ha., as compared to one for every 50 ha. in the U.S. This indicates that Mexico still has a major potential demand for tractors in most areas of the country. According to a study prepared by the Ministry of Agriculture and Hydraulic Resources (Secretaría de Agricultura y Recursos Hidráulicos - SARH), of the total area open for cultivation of 23 million ha., 16 million ha. can be mechanized based on the characteristics of the terrain. This includes the total irrigated area plus 63% of the rainfed area. In order to cover the basic equipment needs for these areas, including the substitution of old machinery and the mechanization of new areas without increasing the mechanization levels of existing areas, 16,000 to 20,000 tractors will need to be either produced or imported annually in the next five years. The ranges of the motor size

needed were calculated as follows: 30-59 HP 14%, 60-89 HP 67%, 90-125 HP 18% and 126-150 HP 1%, however these seem on average too low, as measured by actual sales, which are within the larger motor size categories. This is probably due to the fact that most tractors are still purchased by large producers in the irrigated areas. Unfortunately, no data are available on imports of used machinery, since these may be smaller in size.

The Mexican tractor industry was created as a result of the 1964 Law for the Promotion of New and Necessary Industries, which granted tax incentives for the establishment of new industries. Between 1967 and 1968, four manufacturers began operating in Mexico: International Harvester (I.H.), John Deere (J.D.), Massey Ferguson (M.F.) and Ford. Siderúrgica Nacional (Sidena), a wholly Mexican owned company, was created in 1974 to assemble motors for Ford tractors. It also produces a small 31 HP tractor based on Soviet technology. International Harvester was liquidated in 1983 and stopped selling in Mexico. Massey Ferguson retired from the market in 1985, selling its technology license to Agromak, a company which was purchased by Fábrica de Tractores Agrícolas (FTA) in 1985. Ford sells its tractors to FTA, a joint venture between Nafinsa, the government industrial development bank, and Ford. Nafinsa is presently negotiating the sale of its share in FTA to private investors. Massey Ferguson has reentered the Mexican market in a joint-venture with Sidena. The domestic tractor industry is estimated to employ some 2,000 workers.

Following is a list of tractors sold locally, by brand, and the number of units imported.

BRAND	1983	1984	1985	1986	1987	1988	1989	JAN-JUN 1990
FTA	3,683	4,576	5,700	4,523	3,211	4,639	4,793	1,788
J.D.	1,315	2,345	4,362	2,499	2,616	3,525	3,990	2,258
SIDENA	0	1,171	1,419	992	498	748	546	260
M.F.	2,621	3,042	1,294	0	0	498	694	736
I.H.	262	0	0	0	0	0	0	0
TOTAL DOMESTIC	7,881	11,134	12,775	8,014	6,325	9,410	10,023	5,042
IMPORTS	3,661	1,580	3,470	1,857	1,615	3,330	3,490	NA
TOTAL	11,542	12,714	16,245	9,871	7,940	12,740	13,513	

Source: Asociación Mexicana de la Industria Automotriz, SECOFI

The number of tractor models supplied increased until 1976, when 17 models of five brands existed. Since then, these were reduced to seven models and further increased to eight by the introduction of the Massey Ferguson tractor distributed by Sidena. The majority of sales, or 48%, are in the 75 HP to 85 HP range, down from 65% in 1987. Only 3% correspond to the small 30 HP tractor manufactured by Sidena, while sales of the larger 150-160 HP represent 11%. Imported equipment is mostly in the medium and large categories, that is 80-100 HP and 140 HP and over, and used and rebuilt equipment. Starting in 1988, FTA and J.D. took advantage of the elimination of the prior import license requirement on agricultural tractors to import several models. FTA is presently importing its 7610 and 6610 models from Brazil, while J.D. imported models 1050, 4250, 4450, 4755, 4650 and 2755HC in 1989 and the 4250, 4755 and 770 in 1990.

The models and power of tractors sold in Mexico were as follows between 1987 and 1990:

BRAND	MODEL	HP	1987	1988	1989	1990
FTA	6600	77	3,211	3,633	3,670	1,267
	6610M	84	0	766	637	302
	7610M	102	0	176	358	173
	TW25	160	0	64	128	46
JD	2555	72	432	386	0	0
	2755	94	1,485	2,380	3,155	1,760
	4455	153	699	759	835	498
SIDENA	310M	31	307	319	376	167
	7200D	72	142	38	0	0
	7500	72	49	391	170	93
MF	MF392	86	0	498	694	736

Source: Asociación Mexicana de la Industria Automotriz
M = imported

J.D. has discontinued the production of its 2555 model, substituting it for the more powerful 2755 and at the same time, it has diversified this line with a turbo, high clearance and other variations. FTA began the production of the TW-25 160 HP model in 1988 and it also produces two models for export only: the 77 HP model 5900 and the 105 HP 7610 model. The motor of its 6600 model is presently assembled by Sidena. Massey Ferguson reentered the Mexican market in 1988 with its MF-392 model assembled by Sidena.

3.1.2 Soil preparation and cultivation equipment

This market segment includes ploughs, disc harrows, rock pickers, scarifiers, cultivators, weeders, levellers, hoes, seeders, planters, transplanters, manure spreaders, fertilizer distributors, cutting machines and any equipment combining two or more of the above functions, such as seeder-manure spreaders, stone removers and seeders, etc., in addition to parts for these items. Sales of these products are closely related to sales of tractors, since many of them are designed to be attached to tractor PTOs. It is estimated that three to four accessories are sold for each tractor and that their turnover is of approximately five years. The accessories more commonly used are ploughs, harrows, planting and seeding machines, cultivating and soil preparation machines.

Total imports of this type of equipment doubled between 1987 and 1988 and increased another 22% in 1989 to \$9.0 million. Parts and accessories for this equipment, mostly discs, also increased over twofold between 1987 and 1989, when they amounted to \$2.3 million (see Table 2). Imports represent between 15% and 20% of total apparent consumption. Domestic production has played an important role in this segment which, in general, is among the less sophisticated technologically. Mexican exports in this segment amounted to \$4.2 million in 1989 and represented over 20% of total exports of

agricultural equipment during that year. Imported equipment consists mostly of large sized ploughs (over 30" in diameter), planting and seeding machines of the more sophisticated type, seeders and combined seeder manure spreaders with grain drills, as well as discs. U.S. equipment has clearly dominated in this segment with a 97% import market share, followed by minor imports from Israel, Spain, France and West Germany.

There are at least 300 domestic producers of accessories and machinery in this category in Mexico, most of which are small workshops, which assemble and manufacture machines based on American designs, since these are most commonly used. Some of the larger Mexican companies in this segment are Abastecedora de Maquinaria (AMSA), Agrometálica Michoacana, Commag, Durable, HH, Iamex (FTA), Implementos Universales, Indiana, John Deere, Kimball, Massey Ferguson, New Holland, Sembradoras Z, Swecomex and Vázquez.

3.1.3 Harvesting equipment

The largest item in this category is combined harvester-threshers (combines), followed by other harvesters. These two represent 85% of total imports within this category and combines alone 67%. Other items included under this heading are threshing machines, potato diggers and other root or tuber harvesting equipment, sugar cane harvesters, maize pickers and threshers, gleaner-binders for tractors and cotton pickers.

Most of Mexico's agricultural products can be harvested mechanically. However, combines are mostly used to harvest wheat, rice, soya, safflower, sorghum, barley and oats. In general, these products are no longer harvested manually, while corn, beans, sugarcane and cotton still are. This also holds true for fruits, vegetables and legumes, although mechanical pickers and field processors are also used.

Based on the 1985 inventory of combines (the latest available), a total of 9,700 units were in operation throughout the country, covering a total work-area of 3.7 million ha. Of the total, 47% were in good physical and mechanical conditions, 48% in fair and 5% in bad condition. Three fourths of combines were owned by private landowners, 15% by "ejidos" and 10% by government agencies leasing out the equipment. The states concentrating the largest numbers of combines were the Northern states of Chihuahua, Sonora, Sinaloa, Tamaulipas and Baja California, in addition to Guanajuato, which together account for 67% of all machines. The main brands used in Mexico were John Deere (51%), Massey Ferguson (22%), International Harvester (9%), Allis Chalmers (8%), Class (3%) and New Holland (2%).

This balance between brands has probably changed since then, as practically only John Deere has continued to sell combines regularly, even though it stopped its production in 1987. Allis Chalmers also temporarily closed its plant but reopened it in 1989 to manufacture equipment for export. This means that all equipment sold in Mexico since 1987 is of imported origin. Following is a table listing combine sales by brand since 1984:

YEAR	J.D.	M.F.	I.H.	A.C.	CLASS	TOTAL
1984	205	-	-	88	35	328
1985	476	5	50	172	176	879
1986	152	-	-	54	-	206
1987	69	-	-	2	-	71
1988	111	-	-	-	-	111
1989	91	-	-	-	-	91
1990e	103	-	-	4	-	107

Source: Based on trade interviews

Total imports of harvesting equipment increased 166% in 1988, to a value of \$27.9 million and another 11% in 1989. U.S. made equipment dominates, with a 91% market share, but some machines are imported from Brazil and Spain. Local production of harvesting equipment accounts for approximately 45% of total apparent consumption, while the remainder is supplied by imports. Exports are minimal, amounting to \$250,000 in 1989. These consist of small combines and other small harvesting machines.

3.1.4 Forage and mowing equipment

This category includes mowers, including cutter bars to be mounted on tractors, haymaking machines, straw and fodder balers and baler presses. Total imports of the above items increased over 2 1/2 times between 1987 and 1988 and a moderate 5% in 1989 to \$12.6 million. Here again, the U.S. dominates the market with a 66% share, however West Germany and France also ship mowers and baler-presses to Mexico. Local production of this type of equipment is almost non-existent, except for some mowing equipment manufactured by John Deere. Other brand names sold in Mexico are New Holland, Massey Ferguson, Heston and Gehl.

3.1.5 Spraying and irrigation equipment

Included under this segment are finned sprinklers, portable dusters and sprayers, self-propelled cannons for agricultural irrigation and self-propelled dusters and sprayers. Here again, imports have shown an upward trend, from \$4.4 million in 1987 to \$9.1 million in 1988 and \$10.8 million in 1989, of which 76% came from the U.S. and 7% from West Germany.

This sector has received special attention from the government, which considers improved irrigation methods and the use of fertilizers and pesticides to be key factors in increasing national productivity. This is why domestic production has increased its participation in total apparent consumption from 5% to 40%, while exports reached \$1.4 million in 1989.

The need to expand agricultural irrigation systems has been recognized both by producers and the authorities. Considerable amounts have been invested to increase irrigated areas through the opening of new wells, the building of new dams and the expansion of existing ones. However, budget cuts initiated in 1983 have limited government investment in irrigation projects. At present, Mexico has 125 dams to cover agricultural water requirements, which supply 35 billion cubic meters of water to over 5 million ha. of irrigated lands. Even though Mexico's agriculture still depends in its most

part on rains, irrigation will become increasingly important in the future, in particular in the Northern area.

3.1.6 Agricultural aviation

Mexican farmers use agricultural airplanes and helicopters for seeding, particularly of rice, wheat, soya, sorghum and forage, and to apply solid or liquid fertilizers, herbicides, fungicides and insecticides. The states in Mexico with the highest demand for aerial services, due to the extension of the terrain, are Baja California, Sonora, Sinaloa, Tamaulipas and the Bajío, which comprises the states of Aguascalientes, Jalisco, Michoacán, Guanajuato and Querétaro. At present, the total fleet of airplanes and helicopters for agricultural use in operation is estimated at 700 units. Total apparent consumption of this type of equipment is made up exclusively of imported products, since none are manufactured locally. Total imports were valued at \$2.6 million in 1987 and decreased to \$1.5 million in 1988 and \$1.6 million in 1989. Of these, 93% were from the U.S. and the remainder from France. The planes more used in Mexico include Cessna, Piper Bravo, as well as Lycoming motors.

3.1.7 Poultry and dairy equipment

Over 70% of total demand for products under these categories are of imported origin, since local production is limited to simple equipment, such as feeding and watering units. Products such as incubators and brooders, drinking and feeding troughs, nest boxes, egg washers, sorters, graders and handlers are imported. Imports of poultry equipment have increased dramatically from \$700,000 in 1987 to \$1.7 million in 1988 and \$5.4 million in 1989, in particular those of incubators and feeding troughs and nest boxes. Over 90% of this equipment is brought from the U.S., followed by Israel. Mexico has a poultry population of approximately 122.2 million heads and produces 815,000 tons of eggs a year. It is also a major exporter of poultry products, which almost doubled in 1989 and created the conditions for increased imports.

According to the National Union of Milk Producers, the number of dairy cows is 720,000 animals, while dual purpose (dairy/meat) cattle is over four million head. Mexico's annual milk production presently is five billion liters and is expected to increase to 8 billion by 1994, basically through the importation of cattle. Only some 30% of total milk production is further transformed into cheese, yoghurt and other milk derivatives, while the remainder is either pasteurized (40%) or consumed as raw milk (30%). Imports of milking and dairy machines, homogenizers, milk treating machines and pipelines have increased, from \$2.4 million in 1987 to \$5.3 million in 1988 as a result of government support to this industry, mostly through credits to purchase cows. Major plants are substituting old equipment and smaller producers are mechanizing their facilities as their stables grow. The most important suppliers of dairy equipment are the U.S. (75%), Switzerland, Holland, Sweden and Spain.

3.2 SEEDS

In addition to agricultural machinery and equipment, Mexico imports a substantial amount of seeds for planting. Total import of seeds were as follows in 1988 and 1989:

TABLE 4
MEXICAN IMPORTS OF SEEDS
(\$000 dollars)

	1988	1989
Forage & turf seeds	14,691	14,291
Leguminous vegetable seeds	842	1,279
Other vegetable & fruit seeds	25,413	23,897
Field crop seeds	18,804	112,887
Other seeds	4,044	1,668
TOTAL	63,794	154,022

As can be seen from Table 4, the most important category was field crop seeds in 1989, in particular grain sorghum (35% of total imports), soybean (29%) and corn (9%), in addition to seed wheat and sunflower. Vegetable and fruit seeds include onion (3%), sweet corn (2%), squash (1.6%), tomato (1.3%), cucumber (1%), as well as pepper, watermelon, lettuce, radish, beet and spinach. Forage and turf seeds include alfalfa (6%), ryegrass (1%), sudangrass and clover. Leguminous vegetable seeds consist mostly of beans, lentils and peas. The great majority of seed imports are from the U.S. Canada practically does not export seeds to Mexico, but rather cereals, fresh or chilled fruits and vegetables, leguminous vegetables and oilseeds.

Domestic production of seeds is dominated by the government-owned National Producer of Seeds (Productora Nacional de Semillas - Pronase), which covers approximately 30% of the country's demand for seeds, with an annual production of 130,000 tons of certified seeds. Some private companies also produce seeds in Mexico, as well as multinational companies, which import seeds and multiply them locally.

TABLE 5
PRODUCTION OF CERTIFIED SEEDS BY PRONASE
(tons)

	1986	1987	1988p	1989e
Sesame	27	9	32	53
Cotton	0	1,002	1,113	828
Rice	11,065	10,223	8,021	15,139
Safflower	1,807	1,927	2,082	2,216
Barley	1,621	4,026	717	195
Beans	15,780	12,441	6,740	9,531
Corn	18,490	15,558	12,111	14,495
Sorghum	1,637	1,715	1,953	2,527
Soya	8,228	5,741	4,318	18,528
Wheat	41,723	45,960	35,659	38,924
Other	1,428	5,809	4,502	1
TOTAL	101,806	104,411	77,248	102,437

Source: Primer Informe de Gobierno, C. Salinas de Gortari, 1989
p= preliminary figures; e=estimated

3.3

AGRICULTURAL CHEMICALS AND FERTILIZERS

Total apparent consumption of agricultural chemicals is estimated at approximately 30 to 35 thousand tons of plant protecting agents a year, divided into insecticides (48%), fungicides (24%), herbicides (19%) and fumigants (9%), in addition to seven million tons of fertilizers. Approximately 70% of Mexico's apparent consumption of these products is manufactured locally. In the case of fertilizers, these are almost totally produced by the government-owned Fertimex. Local fertilizer production amounts to 4.8 million tons. Mexico, mostly through Fertimex, is also a major exporter of agricultural chemicals. Total exports of fertilizers were \$14.7 million in 1987, \$22 million in 1988 and \$26.3 million in 1989, mostly of urea (45%) and diammonium phosphate (52%). Exports of insecticides, fungicides and herbicides amounted to an additional \$14.6 million in 1989.

TABLE 6
MEXICAN FERTILIZER PRODUCTION AND IMPORTS
(000 metric tons)

	1987	1988	1989
PRODUCTION			
Ammonia sulphate	1,568	1,446	1,161
Ammonia nitrate	156	213	177
Ammonia anhydride	345	337	340
Urea	1,345	1,234	1,348
Simple superphosphate	233	231	228
Triple superphosphate	355	206	148
DAP	326	384	440
Other	814	688	923
TOTAL	5,142	4,739	4,765
IMPORTS			
Urea	132.1	27.1	0
Triple superphosphate	21.7	5.5	0
Diammonic phosphate	64.1	0	0
Potassium chloride	132.1	155.3	105.0
Potassium sulphate	0	26.9	0
NPK complex	0	39.0	0
Phosphoric rock	1,272.5	1,618.0	2,070.0
Other	109.6	13.0	373.6
TOTAL	1,732.1	1,884.8	2,548.6

Source: Primer Informe de Gobierno, C. Salinas de Gortari, 1989

Mexico's imports of agricultural chemicals, including insecticides, herbicide preparations, fungicides, plant growth regulators, pesticides, fertilizers and fumigants, amounted to \$49.1 million in 1987 and further increased from \$53.8 million in 1988 to \$67.1 million in 1989. Imports of fertilizers have remained relatively constant during these three years, while those of other chemicals have increased significantly. Nitrogenous fertilizer imports have decreased from \$12.1 million to \$4.8 million due to a gradual reduction in urea imports because of increased local production. Phosphate

fertilizers have also decreased because of lower superphosphate imports. Potash fertilizer imports, on the other hand, increased, led by potassium chloride and sulphate.

TABLE 7
MEXICAN IMPORTS OF AGRICULTURAL CHEMICALS
(\$000 dollars)

	1987	1988	1989
Fertilizers			
Animal or vegetable	203	249	310
Nitrogenous	12,057	8,084	4,759
Phosphates	3,458	1,280	282
Potash	9,482	18,733	17,292
Other	9,769	5,781	14,279
TOTAL fertilizers	34,969	34,127	36,922
Insecticides	8,033	7,401	11,395
Fungicides	2,745	5,289	10,711
Herbicides	3,354	7,032	8,033
GRAND TOTAL	49,101	53,849	67,061

Source: Import data by SECOFI

The U.S. supplies 75% of total imports of fertilizers and 58% of insecticides, fungicides and herbicides. It is followed by West Germany, Switzerland, Italy, Denmark, Israel, France, the Soviet Union and the U.K. Canada is a major supplier of potassium chloride to Mexico, of which it exported Cdn\$14.9 million and Cdn\$2.1 million in 1988 and 1989 respectively, in addition to insecticides and fungicides. Some of the largest companies in this market are Bayer, Ciba Geigy, Du Pont, Union Carbide, Transquímica, Shell, Hoechst, ICI and Velsicol.

TABLE 8
CANADIAN EXPORTS OF AGRICULTURAL CHEMICALS TO MEXICO
(Cdn \$000)

	1988	1989
Potassium chloride	14,823	2,107
Mineral or chemical fertilizers	3	
Insecticides	103	
Fungicides	4	22
TOTAL	14,933	2,129

Source: Statistics Canada - International Trade Division

4. GOVERNMENT AGRICULTURAL POLICY

The Mexican government has traditionally been committed to agriculture, since it is a supplier of basic food products for the entire population, a major exporter and the way of life of a large population group. President Salinas' administration has stressed the need to modernize Mexico's agricultural sector in order to increase its production and productivity. Two concrete and ambitious initiatives have been taken to achieve this: decentralizing decision-making towards the states and redefining the appropriate role of government in the agricultural sector and reshaping its institutions accordingly, basically to allow farmers to determine their production programs and in general to assume a more autonomous role. Both cooperative farmers and private growers are being asked to share more of the burden of financing, maintaining basic agricultural infrastructure and contracting technical services, while, at the same time, the government has reduced its role in subsidized financing and crop insurance and has reduced real public spending on agriculture to cover basic infrastructure, such as dams, irrigation systems and warehousing. The government's agriculture and livestock insurance agency (Aseguradora Nacional Agrícola y Ganadera - ANAGSA) was declared bankrupt in early 1990 and has been substituted by Agro-Asemex, a special program managed by a large public and privately owned insurance firm, while other private insurance companies will also carry crop insurance programs. A parallel plan is to encourage self funded reinsurance facilities among groups of producers. The reduction in the federal budget assigned to agriculture during president Salinas' administration can be seen from the following table.

TABLE 9
MEXICAN FEDERAL PUBLIC INVESTMENT IN RURAL DEVELOPMENT
(millions of 1980 pesos)

YEAR	MM MEX\$	% OF BUDGET
1975	42,683	15.8%
1980	84,718	17.4%
1985	28,947	9.2%
1986	17,022	8.8%
1987	22,408	8.3%
1988	14,218	6.1%
1989	15,140	8.9%

Most, if not all, credits granted to farmers are, in one way or another subsidized. The Central Bank (Banco de México) created the Trusts Instituted in Relation to Agriculture (FIRA) to fund agricultural credits through discount facilities granted to the nationalized banking system, to guarantee credits to low income producers, to provide or reimburse costs for technical assistance and to give training on new technologies. All of these with the objective to increase agricultural production and productivity, stimulate import substitution, generate employment in rural areas and mechanize Mexico's agriculture. The offices of FIRA, previously located in Mexico City, have been moved to Morelia, within the Bajío area, in the decentralization effort policy. Additionally, the development banks, in particular the National Bank for Rural Credit (Banrural) which was specifically created to finance agriculture, directly finance farmers. Combined, FIRA and Banrural

allocated nearly \$2.2 billion in 1989 to agricultural production, down from \$2.6 billion in 1988. Credits financed approximately 49% of total crops planted, in particular of grains and pulses. For 1990, there will be roughly \$3 billion available from both institutions, targeted in particular to food grains (corn, rice, wheat) and dry beans.

The following table lists total credits by FIRA and Banrural (development banks) and by commercial banks (Bancomer, Banamex, Banca Serfin, Banco Mexicano Somex and Multibanco Comermex as the most important ones).

TABLE 10
MEXICAN CREDIT TO AGRICULTURE
(billions of 1978 Mexican pesos)

YEAR	DEVELOPMENT BANKS	COMMERCIAL BANKS	TOTAL
1983	30.0	25.7	55.7
1984	32.1	33.6	65.7
1985	32.4	31.0	63.5
1986	25.0	19.2	44.3
1987	16.9	17.8	34.7
1988	25.6	25.1	50.7
1989	28.3	32.2	60.5

Other prospective policy changes include: Shifting public spending from the north to the poorer less irrigated south; emphasizing smaller-scale projects in hydraulic infrastructure and roads, co-financed by the users, aimed at producing immediate productivity gains, instead of major public works; promoting an efficient utilization of resources through World Bank-funded programs (The World Bank has granted a \$400 million credit to the Secretariat of Agriculture and Hydraulic Resources to be channeled to rural development, agricultural irrigation and drainage); trying to reduce disparity between producers, through the organization of producer groups and focusing on government assistance to the middle third of growers with a greater potential for expansion; exploring more aggressively joint ventures between communal, non-transferable "ejido" lands and private growers and investors to encourage greater capital flows towards the former, potentially productive areas. Some state that an agricultural futures market, with option prices, is planned, based on Chicago Exchange prices.

Several processes have been set in motion to make agriculture a more attractive investment: guaranteed prices for most basic products have been increased, bringing them to within 20% of world prices compared to 70% in the early 1980s. Ultimately, only four basic crops -corn, rice, wheat and beans- are to have guarantee prices in order to reinforce market derived supply and distribution prices. Through the general move from import substitution policies towards export oriented policies, the discrimination against agriculture and towards manufacturing will be reduced and investors will discover new, profitable opportunities to explore in the agricultural sector. The government's commodity import and distribution agency, Conasupo, is expected to continue ceding market share to the private sector and gradually narrow its role to buying from the more isolated producers and reselling at subsidized prices to those consumers truly in need. Ultimately, the government will continue to determine prices for corn and beans, while

the private sector will dominate purchasing and import decisions, in particular as import permit requirements are eliminated on certain agricultural products, such as oilseeds, wheat, beans and other basic commodities. Azúcar, the government sugar company, Tabamex, its tobacco company, and the Mexican Coffee Institute are being either liquidated or sold to private investors, thereby reducing government involvement.

5. MEXICO'S AGRICULTURE

Mexico can be divided into three major agricultural regions according to land use, land tenure and equipment utilization:

The Northern region is the leader of Mexican agriculture and in itself generates over 30% of Mexico's agricultural production (see Location Map). The North-Pacific (encompassing the states of Baja California Norte and Sur, Sonora, Sinaloa and Nayarit) region consists mainly of fertile irrigated lands with a high mechanization level. This region concentrates 40% of total water for irrigation. Land tenure is mostly private ownership and of relatively large extensions. Production is influenced by the relative proximity of the U.S., and uses highly sophisticated equipment and large sized machinery. The most important crops in this area include wheat, cotton, soya, sesame, safflower, sorghum, chickpeas, barley, alfalfa, rice, grapes and horticultural products. In the North-Center (Chihuahua and Durango) and Center-North (Zacatecas, San Luis Potosí, Aguascalientes) regions, a more limited development of irrigation facilities has made agriculture less versatile than elsewhere in the north, even though 27% of the country's water for irrigation is concentrated in this area. Ejidos are more common in these regions. The most important crops here are corn, beans, oats, alfalfa and vegetables. The Northeast's (Coahuila, Nuevo León, Tamaulipas) vast, semi-arid pastureland makes that region particularly suited for livestock production.

The Center (Jalisco, Colima, Michoacán, Guanajuato, Querétaro, Hidalgo, Mexico, Tlaxcala and Puebla) zone accounts for 43% of the country's agricultural production. Communal land tenure or "ejidos" dominate this area and parcels are usually small, ranging from 0 to 20 ha. This area, which includes the fertile and increasingly irrigated Bajío zone, is the largest in extension and concentrates over half of Mexico's agricultural labor force. It enjoys mild weather, fertile land and high annual rainfall, encouraging rainfed rather than irrigated agriculture. This region is the second largest consumer of agricultural machinery and equipment, particularly of small and medium sizes. Main crops harvested in this area include corn, sorghum, beans, wheat, barley, coffee, sugarcane, fruits and vegetables, such as broccoli, cauliflower, green peas, avocados, oranges, limes, bananas, mangoes and potatoes.

A humid and rainy tropical climate prevails in the Gulf (Veracruz), Southwest (Guerrero, Oaxaca, Chiapas) and Peninsula (Tabasco, Campeche, Yucatán, Quintana Roo) zones. Rainfed "ejido" lands are common in this area, as well as small privately owned parcels. Production methods are mostly labor intensive and for self-subsistence rather than commercialization. Agriculture in this region is poorly developed despite good potential, except in the state of Veracruz, where crops are highly diversified. The region's physical characteristics are particularly diverse, ranging from steep, eroded slopes to tropical forests and jungles. Crops include the basic corn and beans, as well as cotton, coffee, rice, sugarcane, cocoa, henequen and tropical fruits.

Mexico's production of the most important crops between 1986 and 1989 was as follows:

TABLE 11
MEXICAN CROP PRODUCTION 1986-1989
(000 metric tons)

CROP	1986	1987	1988p	1989e
Rice	360	390	300	319
Beans	1,085	1,023	857	1,072
Corn	11,721	11,607	10,600	14,145
Wheat	4,770	4,415	3,665	4,690
Sesame	59	51	34	43
Safflower	161	219	247	176
Soya	709	828	226	784
Cottonseed	225	414	491	266
Sorghum	4,833	6,298	5,895	5,647
Barley	515	617	350	466

Source: Primer Informe de Gobierno, C. Salinas de Gortari, 1989
p=preliminary; e=estimated

In addition to these basic crops, Mexico produces coffee, sugarcane, tobacco, copra, peanuts, sunflower seed, cocoa, henequen, vegetables, such as chickpeas, potatoes, onions, avocados, tomatoes and green peppers, fruits including watermelons, cantaloupes, oranges, limes, tangerines, apples, strawberries, mangoes, bananas, pineapples and grapes.

For the past four seasons, Mexico's total crop production has remained at close to the same level. Crops are planted on approximately 22 million ha., of which a little less than 70% is devoted to grains and oilseeds.

In 1989, agricultural production was basically stagnant. A combination of poor climatic conditions, economic factors and inefficient production techniques have brought the industry to decline and decapitalization. Harvested area for grains, oilseeds, and pulses declined by approximately 4%. The largest reduction was seen in the harvested area for wheat, from 10.5 million ha. to 10.1 million ha. Production declined 4% in 1989, in particular that of corn, sorghum, dry beans and cotton. Total grain production remained stagnant, while the output of oilseeds, in particular of safflower and cottonseed, increased to a record level mostly in response to high support prices. Other products that showed increases in 1989 were wheat, barley and rice. Production is expected to rise in 1990, assuming that normal weather conditions prevail. The increase in guarantee prices of certain crops, namely corn, dry beans and soybeans, and incentives for export crops, particularly fruits and vegetables, have resulted in the shift in resources from the less lucrative grains and oilseeds.

Imports of agricultural products increased significantly, despite growing conditions which allowed some crops to recover from the 1988 drought. In 1987 and 1988, agricultural trade accounted for 11% and 6% respectively of Mexico's overall trade surplus. In 1989, however, total agricultural exports, even though they increased from

\$1,399 million to \$1,462 million, could not counterbalance the adverse effect of a 25% increase in imports, from \$1,396 million to \$1,747 million. The ensuing \$285 million trade deficit represented 44% of the country's total trade deficit. The predominant agricultural products imported were feed grains, wheat, oilseeds, vegetable oils and planting seeds. Additionally Mexico's imports of processed foods and beverages increased from \$1,233 million in 1988 to \$2,014 million in 1989, while exports decreased from \$1,363 million to \$1,268 million. The U.S. accounts for some 80% of Mexico's imports, while Canada, Australia and Argentina are the other major suppliers. Canadian exports to Mexico of agricultural/food products were Cdn\$152 million in 1988, while imports amounted to Cdn\$127 million. Canada's major exports were canola seed, skim milk powder, wheat, breeding cattle, pork and beef offals and pork cuts. Principal Canadian imports from Mexico were fresh coffee, tomatoes, melons, peppers and orange juice.

TABLE 12
MEXICO'S PRINCIPAL IMPORTS AND EXPORTS
OF AGRICULTURAL PRODUCTS
 (000 tons)

	1988 IMPORTS	1989 IMPORTS	1988 EXPORTS	1989 EXPORTS
Corn	3,303	3,649		
Sorghum	1,147	2,665		
Barley	8	125		
Soya beans	1,098	1,110		
Oilseeds	363	414		
Rubber	60	65		
Wheat	1,192	428	170	230
Fruits	22	63	626	727
Spices	6	5	22	11
Vegetables	33	55	862	862
Coffee			155	245
Tomatoes			467	439
Cotton			89	89
Chickpeas			52	59
Sesame			31	32
Tobacco			10	12
Ixtle			9	13

Source: Comercio Exterior, June 1990

According to estimated figures for 1989, Mexico's total livestock population is made up of 25.6 million beef cattle, 15.3 million hogs, 118.2 million broiler chickens, 67 million layers, 4 million turkeys, 10 million goats and 5.7 million sheep. Total annual meat production is 624,860 tons of beef, 714,000 tons of pork, 531,352 tons of chicken, 14,396 tons of turkey, 31,143 tons of goat and 20,145 tons of mutton. Egg production averages was 815,000 tons. The most important livestock producing states are Jalisco, Veracruz, Mexico, Michoacán, Sonora, Puebla, Chiapas, Chihuahua, Durango, Sonora and Sinaloa.

Beef cattle numbers rose four percent in 1989, mainly because of good forage and feed supplies. Mexico's cattle industry has undergone fundamental changes through the

reduction in export taxes on steers to stimulate beef production and investment, and the elimination of import permits on livestock. Swine animal numbers increased in 1989, recovering from the previous year's cholera outbreak and due to lower tariff levels. Mexico's exports of livestock increased from \$203 million in 1988 to \$212 million in 1989, while imports decreased from \$182 million to \$87 million. At the same time, meat exports remained constant at \$25 million, while imports rose from \$273 million to \$297 million, equivalent to 253 thousand tons.

6. MARKET ACCESS

Sales in Mexico are usually made through local agents and distributors, normally operating on a commission basis. Decisions should be taken on whether to use an agent, joint venturing or licensing with a Mexican company. Mexico's market is highly competitive and companies which maintain an active presence in the market and establish a good track record by virtue of product performance, competitive price and service will do well.

All suppliers of equipment or services, whether local or foreign, to a Mexican Government entity must be registered with the Secretariat of Programming and Budget (SPP) and with the Purchasing Department of the agency itself. All purchases over a specified minimum are subject to open tender bidding.

As a result of Mexico's accession to GATT, the Mexican Government has gradually opened the economy to international suppliers. Import duties have been lowered from a maximum 100% in 1983, to 20% since December, 1988. The official import price system has been totally eliminated and import permits are required on only 325 of the total 11,950 items in the Mexican Tariff Act, none of which correspond to equipment for this industry. Mexico adopted the Harmonized System of Tariff Nomenclature on July 1, 1988.

The import conditions for agricultural machinery and equipment have improved significantly as a result of this commercial liberalization. Maximum duty rates have been reduced to 20% and prior import permits are no longer required on items in this category, neither new nor used.

Imports of agricultural machinery and equipment are subject to a 0% to 20% ad valorem duty assessed on the F.O.B. invoice value. In addition, a 0.8% customs processing fee is assessed on the invoice value. A 15% value added tax is then assessed on the cumulative value of invoice plus the above taxes.

There are no official metric requirements applicable to imports into Mexico. However, since the metric system of units is by law the official standard of weights and measures in Mexico, importers will usually require metric labeling for packaged goods, although the English system is also used. Dual labeling is acceptable. Imported products should be labeled in Spanish containing the following information: name of the product, trade name and address of the manufacturer, net contents, serial number of equipment, date of manufacture, electrical specifications, precautionary information on dangerous products, instructions for use, handling and/or product conservation and mandatory standards. Mexico adheres to the International System of Units (SI). Electrical

standards are the same as in Canada. Electric power is 60 cycles with normal voltage being 110, 220 and 400. Three phase and single phase 230 volt current is also available.

Prepared by:
Caroline Vêrut
for the Canadian Embassy
Mexico City
August 1990

WHEN SELLING TO THE MEXICAN GOVERNMENT AND ITS AGENCIES, IT IS
REQUIRED TO HAVE REGISTRY NUMBER AS FOREIGN SUPPLIER.
FOLLOWING IS RELATED INFORMATION.

REGISTRATION WITH SECRETARIA DE PROGRAMACION Y PRESUPUESTO

(SPP)

Following is a summary of Registration Procedures for Canadian Companies wishing to sell to the Mexican Government and its decentralized agencies.

Note: Registration procedures now cannot be done by the foreign (Canadian) supplier, and must be done by the company's official local agent/representative in Mexico.

To obtain registry, the following documents should be submitted to the Registro de Proveedores Office of the Secretaría de Programación y Presupuesto (SPP) (Ministry of Planning and Budgeting) located at the following address:

Registro de Contratistas y
Proveedores de la Administración
Pública Federal S.P.P.
Av. San Antonio Abad No. 124 - Piso 1
Col. Tránsito
06380 México, D.F.

- a) Applications for registration of foreign supplier forms SPP in original and 3 copies, all signed separately.
- b) A copy of the company's balance sheet and profit and loss statement with data not older than two months with respect to the date of application entry into the Foreign suppliers registry, also translated into Spanish and legalized by the Mexican Consulate.
- c) Copy of power of company's legal representatives in Canada notarized, and certified by Mexican Consul (documents mentioning full name of person or persons, legally authorized to sign documents on behalf of company showing his (their) signature.
- d) Copy of agency/representative contract in Mexico notarized and then certified by Mexican Consul.
- e) Copy of a document that proves and guarantees legal existence of company in Canada.
A certificate of incorporation from a Canadian -

Chamber of Commerce or Industry Chamber. This letter must be presented in its original form and must state that interested company has been legally incorporated in accordance to the laws of the country and must include the date of incorporation. The letter cannot be more than six months old from the date it was issued. In addition it must be translated into Spanish and legalized by the Mexican Consulate.

- f) Limited power to local agent to act on behalf of foreign firm on disputes and collection matters.
 - g) A photocopy of sample past invoices for each product to be supplied duly translated and legalized by the Mexican Consulate with the date and the names of the buyer and the seller underlined and highlighted.
2. Once application forms and supporting documents are approved, registration number is issued in two to four weeks time. To claim registration number, foreign firm's representative will have to present original and copy of HD-1 form "Declaración General de Pago de Derechos" duly paid.
3. To obtain HD-1 forms.
As first step, payment of \$366,000 Mexican Pesos (as of April 1990 and rate subject to changes) should be made at any office of the Secretaría de Hacienda y Crédito Público (SHCP) in cash, or with Mex. Peso bank draft in favor of the "TESORERIA DE LA FEDRACION" payable through a Mexican bank located in Mexico City and should be accompanied by four (4) payment forms DH1. Each form should be signed separately. Forms can be obtained at any SHCP's offices.

IMPORTANT

TO AVOID REFUSAL OF APPLICATIONS

- I Copies of documents b, c, d, e, f, g, must be translated into Spanish by certified local translator if done in Mexico. However if documents b, c, d, e, f, g and respective translations are done into Spanish in Canada, these do not have to be done by certified translator, as above, but documents and translations must be duly notarized, and then certified by nearest Mexican Consul in your area.
- II Original and copies of application forms must be signed separately by company's legal representative.

III Corporate name should appear exactly the same in all documents: (i.e.: spelling, company names which have changed over the years).

Legal representative's signature should be signed separately on following documents:

- . DH-1 Payment forms
- . Registry application forms (both pages)
- . Power of legal representative of company in Canada.
- . Copy of agency/representative contract in Mexico.
- . Limited power to local agent.

While every effort has been made to provide the above information accurately, the Canadian Embassy cannot assume responsibility for errors, omissions or subsequent changes in procedure which may occur.

Information
updated April/90
Canadian Embassy
Mexico City

APPENDIX II

TRADE ASSOCIATIONS

ASOCIACION MEXICANA DE SEMILLEROS, A.C.

Av. Nuevo León No. 209 - 601/602

Col. Hipódromo Condesa

06170 México, D.F.

Tel: 516-0957, 516-0293

Telex: 1775869 TIMXME (Seed Producers/Distributors Ass'n.)

ASOCIACION DE AVICULTORES DEL VALLE DE MEXICO, A.C.

2a. Cerrada de Antonio Maceo 7 - 108/109

Col. Tacubaya

11870 México, D.F.

Tel: 516-2748

Fax: 515-3592 (Poultry Producers Ass'n. in Valley of Mexico)

ASOCIACION MEXICANA DE LA INDUSTRIA DE PLAGUICIDAS
Y FERTILIZANTES, A.C.

Av. San Antonio 256 - Piso 8

Col. Mixcoac

03910 México, D.F.

Tel: 598-9095 (Pesticides/Fertilizer Industry Ass'n.)

ASOCIACION NACIONAL DE ESPECIALIDADES EN CIENCIAS AVICOLAS

Hacienda Canutillo 8 - 4

Col. Villa Quietud

04960 México, D.F.

Tel: 673-6447, 673-6557 (Poultry Science Specialties Ass'n.)

ASOCIACION MEXICANA DE DISTRIBUIDORES DE MAQUINARIA, A.C.

Tenayuca 107

Col. Narvarte

03020 México, D.F.

Fax & Tel: (011-525)575-1011 (Machinery Distributors Ass'n.)

ASOCIACION MEXICANA DE RIEGO, A.C.

Homero 534 - Piso 7

Col. Polanco

11560 México, D.F.

Tel: 531-6131, 531-8033 (Mexican Irrigation Ass'n.)

APPENDIX III

LIST OF POTENTIAL AGENTS/REPRESENTATIVES

Ing. Emilio Chávez Guzmán
PROVEEDOR AGRICOLA E INDUSTRIAL DE MEXICO, S.A.
Gral. Cano 140 y 142
Col. Chapultepec Tacubaya
11870 México, D.F.
Tel: 515-0813, 516-3168

Lic. Javier Bretón
MAQUINARIA AGRICOLA DE PUEBLA, S.A.
Av. 25 Poniente 3324
Puebla, Pue.
Tel: (22)400-888
Telex: 178383 MAPME

Sr. Francisco García Rascón
CANA-MEX BUSINESS ASSOCIATION
Av. Ejército Nacional 1112, Piso 1
Col. Polanco Los Morales
11510 México, D.F.
Tel: 395-3388, 250-4366
Telex: 1763103 HANDME

Ing. Jesús Castillo Sojo
José Ma. Rico 606 - 702
Col. Del Valle
03100 México, D.F.
Tel: 524-9128

Lic. Jesús González Schmall
COMMAG, S.A.
Siderurgia y Carlos B. Zetina
Manzana 16, Lote 1
55340 Xalostoc, Estado de México
Tel: 569-2185, 569-6612

Sr. H. Ernst Deutsch
SERVICIOS RIMOSA, S.A. DE C.V.
Av. González Camarena 25, Esq. Graham Bell
Col. Industrial Cuamantla
Cuautitlán Izcalli
Estado de México
Tel: 872-3725
Telex: 171313 SRMI

Lic. Augusto Jiménez Von Roehrich
CONSULTORES INTERNACIONALES, S.C.
José María Rico 55
Col. Del Valle
03100 México, D.F.
Tel: 660-0948, 660-1073, 660-1323, 660-1198

Ing. Carlos Diez de Sollano
DIEZ DE SOLLANO, S.A. de C.V.
Av. Acueducto 597
Col. Ticomán
07330 México, D.F.
Tel: 586-0088, 586-0204, 586-0619, 754-3227
Telex: 1762224 DIEZME

Mr. Alan Kingsbury Skinner
DISTRIBUCION EJECUTIVA, S.A.
Río Guadiana 23 - Piso 7
Col. Cuauhtémoc
06500 México, D.F.
Tel: 546-6011, 566-1433
Telex: 1771463 DESAME

Sr. Guy P. Kruse
MERCATOR AGRICOLA, S.A.
Zaragoza 280, Local 12
Col. Guerrero
06300 México, D.F.
Tel: 583-0098, 535-6196, 546-5165

Ing. René Martínez Cumming
TOFT MEXICANA, S.A. de C.V.
Parque de los Remedios 47
Col. El Parque
53390 Naucalpan, Estado de México
Tel: 211-0162, 211-0171, 211-0187

Ing. Fernando Correa Mota
SERVIAGRICOLA DEL BAJIO, S.A. de C.V.
Acueducto 113
Col. Calesa
76020 Querétaro, Qro.
Tel: (463)20425
Telex: 121669 CERVME

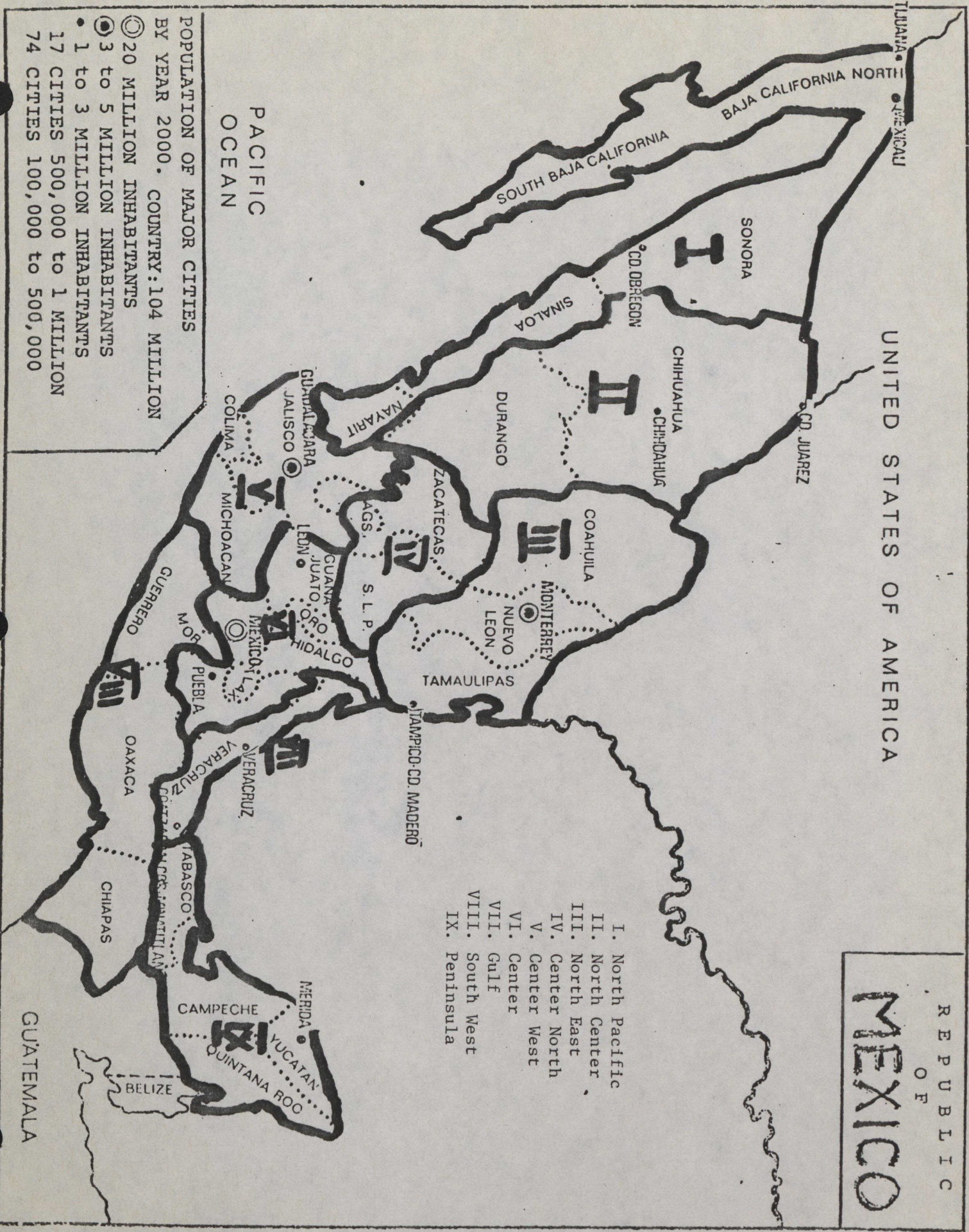
ABASTECEDORA AVICOLA GANADERA, S.A.
Calle Cuatro 216 - 3
Col. Granjas San Antonio
09070 México, D.F.
Tel: 685-1100, 685-7915

SERVICIOS EJIDALES, S.A. de C.V.
Nueva York 115, Piso 8
Col. Nápoles
03810 México, D.F.
Tel: 523-4543, 523-4980, 523-4289

GRUPO LALOS, S.A.
Tlascalala 107 - 303
Col. Hipódromo de la Condesa
06170 México, D.F.
Tel: 553-8672

CENTRO INTERMAQ, S.A. de C.V.
Nuevo León 213 - 503
Col. Hipódromo de la Condesa
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