Canada

OPPORTUNITIES IN MEXICO: AGRICULTURAL TECHNOLOGY, MACHINERY AND EQUIPMENT

MARKET PROFILE - MEXICO

Team Canada • Équipe Canada

Department of Foreign Affairs and International Trade
Ministère des Affaires étrangères et du Commerce international
Latin America & Caribbean Bureau

Opportunities in Mexico: Agricultural Technology, Machinery and Equipment was developed jointly by the Department of Foreign Affairs and International Trade (DFAIT) and Prospectus Inc.

This market profile is designed to provide an overview of the market for **agricultural technology, machinery and equipment** in Mexico. Although efforts have been made to avoid errors and inaccuracies in this document, it is not intended to be used as the only source of market information on this sector. We encourage the reader to use this publication as one of several resources for commercial dealings with Mexico.

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OPPORTUNITIES IN MEXICO:

AGRICULTURE TECHNOLOGY, MACHINERY AND EQUIPMENT

Export *i* MEXICO

Mexico


UNITED STATES
GULF OF MEXICO
PACIFIC OCEAN
El Centro
San Diego
Tijuana
Mexicali
Nogales
Nogales
El Paso
Ciudad Juárez
Sonora
Hermosillo
Baja California Norte
Baja California Sur
Chihuahua
Coahuila
Piedras Negras
Eagle Pass
Laredo
Nuevo Laredo
Nuevo León
Monterrey
Torreón
McAllen
Brownsville
Matamoros
Reynosa
Sinaloa
Durango
Altamira
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Tamaulipas
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Veracruz
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Tabasco
Salina Cruz
Chiapas
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Progreso
Mérida
Quintana Roo
1. Aguascalientes
2. Guanajuato
3. Querétaro
4. Hidalgo
5. Estado de México
6. Morelos
7. Tlaxcala
N
★ Mexico City
● City, e.g., Guadalajara
State, e.g., Durango
Ports of Entry
Land Entry
Water
Airports
0 kms 480

The North American Free Trade Agreement (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of close to 361 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of more than $7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico was just under $6.5 billion in 1995 and is expected to exceed $8 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from $452 million in 1992 to over $1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to the International Trade Centres (see Where To Get Help) or contact the InfoCentre at:

Tel.: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink:* (613) 944-4500
InfoCentre Bulletin Board (IBB):
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Internet: http://www.dfait-maeci.gc.ca

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Mexico's Agricultural Revolution

Agrarian Reform

The ownership and use of land have been a source of conflict throughout Latin America since the Spanish conquest. There is ongoing conflict between the agrarian poor and the landed elite. This is true whether the latter are represented by *latifundistas*, owners of large estates, or modern agri-business corporations.

The wealthy *hacienda* owners of the colonial period were mostly *Criollos*, Mexican-born people of Spanish descent. They prospered through the exploitation of native peoples through the systems of *encomienda*, collection of tribute, and *repartimiento*, servile labour. Independence from Spain in 1821 did little to change the distribution of land and wealth. The exploitation of rural peoples increased during the reign of Porfirio Díaz (1874-1910), leading to a series of regional insurrections.

Land reform became a primary goal of the Mexican Revolution which began in 1910. Revolutionary leaders sought to break up the large estates, and redistribute the land to the people in the form of *ejidos*. The *ejido* system gave peasant farmers a plot of land that was communally owned but individually maintained. Plots were handed down to the next generation, but could not be sold or rented. *Ejido* plots were intended to be large enough to provide food for family consumption and for limited exchange for subsistence goods. But they were never expected to be significant commercial operations.

The constitution of 1917 institutionalized the *ejido*, but it was not until the presidency of Lázaro Cárdenas (1934-1940) that large-scale land redistribution actually began. Cárdenas distributed twice as much land as all of his predecessors combined, giving property rights to nearly one-third of the Mexican population. This transferred power from the landed elite to the leaders of the rural communities and the institutions of the reform, especially the leading political party, known as the *Partido Revolucionario Institucional (PRI)*, Institutional Revolutionary Party.

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Since the early '90s, Mexican government programs have been aimed at fostering an agricultural revolution, with more private ownership, larger farms and better technology.

The Mexican agricultural sector is in the midst of a massive revolution. But by all accounts, it has not been a very successful revolution. Policy reforms designed to modernize and restructure the sector have so far failed to take hold. Agricultural production fell by 32 percent in 1995. During the 1996 spring planting, two million hectares were taken out of production. And according to the *Confederación Nacional Ganadera (CNG)*, National Cattle Ranchers Association, Mexico's cattle herds declined by almost half during 1995.

These outcomes were partly the result of short-run problems. An extended drought continued to devastate northeastern Mexico during 1995. And the devaluation of the peso in December 1994 doubled the peso prices of imported inputs. The devaluation reduced imports of agricultural commodities and boosted sales of exported fresh fruits and vegetables, cotton, and coffee, leading to the first agricultural trade surplus since 1987. But at the same time, the economic crisis cut deeply into domestic demand and drove interest rates to prohibitive levels. The result was declining agricultural stocks, a shift towards low-productivity production methods, and the virtual abandonment of purchases of new technology. Agricultural gross domestic product (GDP) fell by 15 percent in 1995, compared with a drop of about 10 percent for the overall economy. This situation will change as renewed government efforts to restructure the sector are put into place. Mexico has no choice but to modernize this sector if it is to feed its rapidly growing population, now estimated at about 100 million. International lending institutions have earmarked substantial funds to help. Industry observers are cautiously optimistic that the market for imported agricultural technology will improve as a result.

The agricultural sector has always been a source of difficult problems for the Mexican government. After the revolution, which began in 1910, there was a massive redistribution of land, as the nation's huge *haciendas* were broken up. This land was redistributed to the peasants in the form of *ejidos*, communal land holdings. Only the smallest farms remained in the hands of private owners. Small farmers, including communal *ejidatarios*, are known as *campesinos*, country people. Most of them barely operate at a subsistence level. About 90 percent work plots smaller than 5 hectares, and 40 percent have less than 1 hectare. Nationally, the

Agrarian Reform

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After World War II, the Mexican government tried unsuccessfully to set a food policy that would meet the needs of rural peasants while simultaneously fostering the growth of large-scale agro-business to provide export earnings from cash crops. Massive irrigation schemes were implemented, and parts of the industry were modernized. Feed grains and fruits and vegetables were produced for export, replacing traditional crops such as corn and beans. These staples were in turn imported and provided to the rural poor at subsidized prices. Increased public investment in irrigation and technological advances were primarily responsible for doubling Mexican agricultural production between 1946 and 1965. But the population also doubled over this period. Despite an increase in public spending on agriculture from 9.2 percent of the federal budget in 1940 to 18.2 percent in 1985, Mexico had become a net importer of food by 1970.

The consistent failure of previous policies led to a radical change beginning in the early 1990s. Article 27 of the Mexican constitution was amended in 1992 to implement a four-point agrarian reform. No further communal land distribution will be done. *Ejidos* can form joint ventures with each other and with outside investors. A system of agrarian law courts was established, and *ejidatarios* can now obtain clear title to their property.

A second element in the government's reform program was the elimination of government subsidies that allowed for artificially low consumer prices of basic goods. These subsidies have been replaced by temporary per-hectare income supports for small farmers. Together, land reform and the restructuring of subsidies are intended to modernize Mexico's agricultural sector so it can compete in the newly liberalized trade environment.

average farm is only about 5 hectares. Over the years, the communal lands have had to support a growing population, further reducing efficiency. A 500 hectare *ejido* might be divided between 300 families, each with its own small plot.

Policies implemented after the revolution further promoted inefficiency. Since the *ejidatarios* did not have title to the land, they had little incentive to invest and could not sell, rent or combine their holdings. In the decades that followed, government policies focussed on subsidizing the sector to keep people in the countryside and to provide the industrial centres with a reliable supply of domestically produced food. As a result, Mexico's agricultural sector uses almost one-quarter of its employed labour force to produce less than 9 percent of GDP. In contrast, Canada's agricultural sector uses 3.6 percent of those employed in the workforce to produce 2.3 percent of GDP.

Two major changes were implemented by the Salinas administration. In late 1991, Article 27 of the Mexican constitution was amended to give holders of *ejidos* title to their land. This allowed the land to be sold, combined or used as collateral for loans. Then, in October 1993, the government implemented the *Procampo* program, which replaced commodity price supports with direct grants for each hectare planted in one of nine basic crops. The objective of both of these changes was to reorganize the agricultural sector according to market principles.

So far, these reforms have not been successful. The ability to borrow against land was of little use given interest rates averaging more than 50 percent during 1995. There has been some backlash against the prospect of privatization of communal lands, most notably in the state of Chiapas, where an armed revolt began in 1994. The *campesinos* have a deeply rooted preference for growing corn and beans, and many lack the resources to switch to other crops. In October 1995, the Zedillo administration unveiled an expanded rural support program called *Alianza para el Campo*, Rural Alliance. It continues the *Programa de Apoyos Directos al Campo (Procampo)* and expands it to include livestock producers for the first time. It provides subsidies for new technology and decentralizes the administration of farm programs. Combined with the gradual recovery of the Mexican economy, *Alianza para el Campo* is expected to create substantial new opportunities for foreign suppliers of agricultural technology, equipment and services over the medium term.

The Agricultural Sector

Small family farms, 90 percent of them smaller than 5 hectares, coexist with modern agri-business operations.

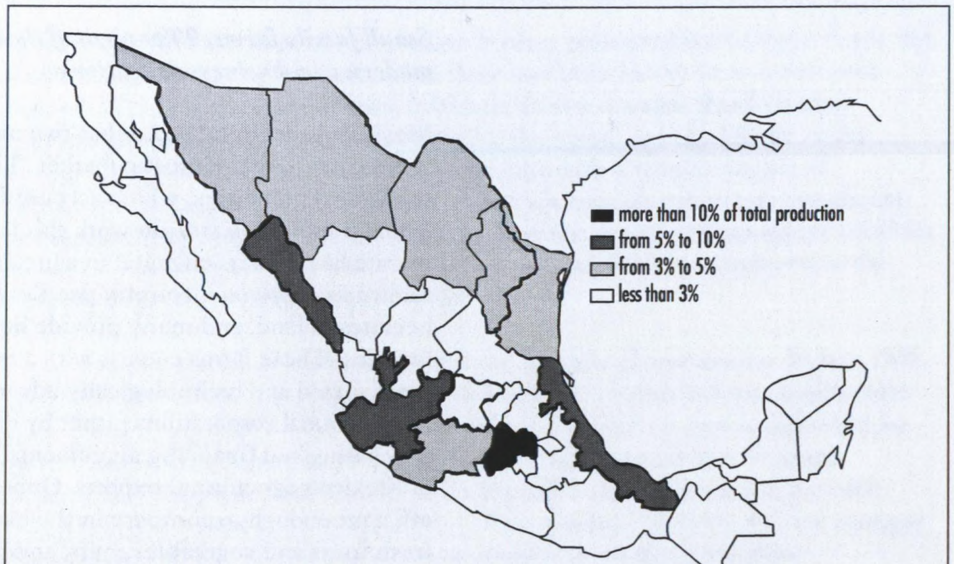
Mexico's agricultural sector has two major components. Small, labour-intensive farms cater to the domestic market. These operations include about 28,000 *ejidos*, communal properties, which account for about half of Mexico's total land area. About 3 million *ejidatarios* work this land. There are also about 3 million small private landowners engaged in agriculture. Small farmers in both categories are known as *campesinos*, country people. About 90 percent of them has less than 5 hectares of land, and many provide little more than subsistence for their own families. These farms coexist with a much smaller number of large-scale, highly mechanized and technologically-advanced operations. They are often linked to multinational corporations either by direct investment, or indirectly though purchasing and financing agreements. These large farms are responsible for most of Mexico's agricultural exports. Only about 20 percent of all Mexican farms are efficient enough to compete in the external market. Mexico's leading exports are fresh fruits and vegetables, nuts, and plantation crops such as coffee and sugar.

Government-owned corporations that were previously involved in sugar and coffee production have been privatized. The *Compañía Nacional de Subsistencias Populares (Conasupo),* National Grain Distribution Company, has been sharply scaled back. According to agricultural experts interviewed for this study, in mid-1996 approximately 70 percent of the agricultural industry consisted of small family farms, and about 30 percent was agri-business operations. The latter includes multinational enterprises as well as *ejidos* and small farms which have pooled resources to create viable businesses. It is this part of the sector that is in a position to take advantage of the export opportunities created by the peso devaluation.

Mexico has about 18 million hectares of cultivated land. Crop production varies greatly between regions, depending mostly on rainfall conditions. About one-third of the cultivated area is irrigated. There are six major crops: corn, beans, wheat, sugar cane, coffee and sorghum. Corn and beans are Mexico's traditional staples and they account for about half of all cultivated land. Sorghum is used domestically as poultry and pork feed.

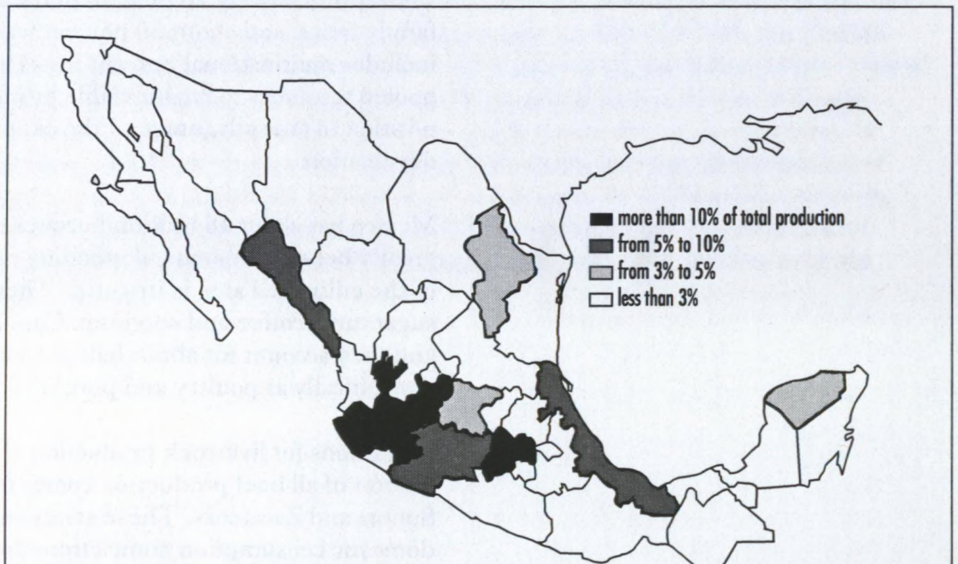
Conditions for livestock production are found throughout Mexico. About one-quarter of all beef production comes from four states: Chihuahua, Durango, Sonora and Zacatecas. These states are export oriented. Most production for domestic consumption comes from the central and southern tropical plains of Veracruz, Tabasco and Chiapas. Livestock production is much better developed than farming, and there are many vertically-integrated companies that service both the domestic and international markets.

Cattle Production by State
Percentage



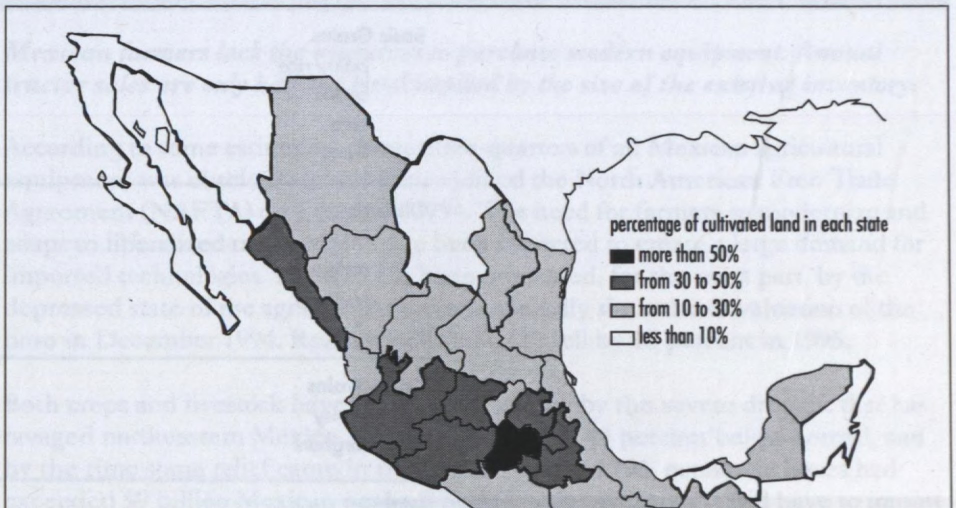
Source: *Universidad de Guadalajara*, 1996.

Pork Production by State
Percentage



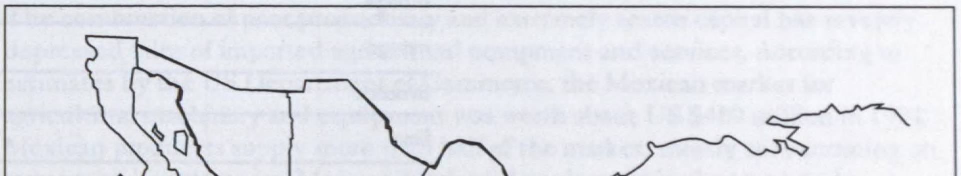
Source: *Universidad de Guadalajara*, 1996.

Cultivated Land
Percentage



Source: *Universidad de Guadalajara*, 1996.

Irrigated Land
Percentage



Source: *Universidad de Guadalajara*, 1996.

CULTIVATED LAND: GRAINS AND OILSEEDS 1994

THOUSANDS OF HECTARES

Basic Grains	**12,637**
palay rice	97
beans	2,325
corn	9,200
wheat	1,015
Oilseeds	**587**
sesame	25
cottonseed	176
cartamo	87
soy	299
Other Grains	**1,569**
barley	137
sorghum	1,432
Total	**14,793**

Source: *Presidencia de la República, Informe de Gobierno*, 1994.

CULTIVATED LAND: FRUIT, 1994

THOUSANDS OF HECTARES

orange	275
mango	120
avocado	87
lime	82
banana	77
apple	60
grape	43
peach	41
nuez encarcelada	38
melon	30
watermelon	25
mandarin	11
pineapple	6
strawberry	5
Total	**900**

Source: *Presidencia de la República, Informe de Gobierno*, 1994.

The Agricultural Technology, Machinery and Equipment Market

Mexican farmers lack the resources to purchase modern equipment. Annual tractor sales are only half the level implied by the size of the existing inventory.

According to some estimates, about three-quarters of all Mexican agricultural equipment was obsolete when Mexico joined the North American Free Trade Agreement (NAFTA) on 1 January 1994. The need for farmers to modernize and adapt to liberalized trade might have been expected to create a large demand for imported technologies. But this has been prevented, for the most part, by the depressed state of the agricultural sector, especially since the devaluation of the peso in December 1994. Real agricultural GDP fell by 15 percent in 1995.

Both crops and livestock have been badly harmed by the severe drought that has ravaged northeastern Mexico. In 1995, rainfall was 40 percent below normal, and by the time some relief came in the late summer of 1996, economic losses had exceeded $9 billion Mexican pesos. The Mexican government will have to import US $2 billion worth of corn, wheat, sorghum, soy beans and barley in 1996 to make up the shortfall. Some 300,000 head of cattle died as a result of the drought, and millions more are in poor condition. Many low-weight animals were sold to US producers at panic prices. According to the *Confederación Nacional Ganadera (CNG)*, National Cattle Ranchers Association, Mexico's cattle herds stood at just over 3 million in late 1995, half of the 1994 level.

The combination of poor productivity and extremely scarce capital has severely depressed sales of imported agricultural equipment and services. According to estimates by the US Department of Commerce, the Mexican market for agricultural machinery and equipment was worth about US $480 million in 1994. Mexican producers supply more than half of the market, mostly concentrating on tractors and implements. More sophisticated equipment is almost entirely imported. The US Department of Commerce estimates the market for equipment for agri-business, the high-technology market segment, at US $27 million in 1994. Import penetration was estimated at 85 percent. Canada's share of the agri-business import market was placed at about 4 percent.

The data for agri-business equipment is probably more reliable than for all agricultural equipment because the equipment tends to be specialized. Machinery used in small-scale agriculture and livestock raising is not necessarily identified as agricultural in the trade statistics. Also, some imported equipment is re-exported to other Latin American countries.

There is a small market for agricultural services. Mexico has inadequate resources to conduct agricultural research and to disseminate information to farmers. The *Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar),* Secretariat of Agriculture, Livestock and Rural Development, operates almost 1,000 support centres throughout the country. But budgets have been cut as a result of the economic crisis, and new cost-effective approaches are needed.

There is no reliable data on domestic production of specific types of agricultural equipment. Industry observers maintain that tractor sales provide a good indication of the overall state of the market. Farmers are believed to eventually purchase implements worth about 40 percent of the value of their tractors. Tractors are also used by livestock producers, especially since most of them also grow feed.

TRACTORS

The Mexican market for tractors was estimated at 10,000 units in 1994. In 1995, sales fell by 60 percent to 3,800. New Holland and John Deere each control an estimated 40 percent of the market. Other significant firms include *Tractores Sidena*, which manufactures under the Massey Ferguson name, and Case International.

Tractors are used to cultivate only about half of all sown land in Mexico. The inventory of tractors in 1990 stood at just under 180,000 units of which only about 150,000 were in use. This works out to about 34 active farmers for every tractor. Given the expected life span of about ten years for one tractor, a normal program of replacement would imply a market of almost 20,000 units annually. But the 1994 market was only half that level. About half of all equipment in the inventory is technologically obsolete or in poor condition. Only about 10 percent of the 1993 inventory consisted of tractors with more than 90 horsepower and 14 percent had less than 60 horsepower.

Poor productivity is not the only outcome. Equipment not designed for the crop involved can also damage it, making it unsuitable for export. Experts say that Mexico requires a minimum of 60,000 tractors to replace obsolete machines and double that number to become fully mechanized.

Sales approaching these levels are not feasible unless there is a massive injection of capital into the sector. In particular, innovative financing mechanisms to give small farmers access to credit are needed. New government programs are moving in that direction, but most observers think the resources involved are inadequate.

FOREIGN TRADE

Mexico's imports of agricultural equipment fell by half in the year after the peso devaluation.

It is impossible to measure precisely the volume of Mexican imports of agricultural equipment. Equipment used for both agricultural and non-agricultural purposes may be classified under other headings in the trade classification system. In particular, tractors are difficult to classify according to their intended use. Services are not included in the official trade data.

The numbers shown here are official Mexican customs data for products that are clearly agricultural. In some categories, forestry equipment is included. The statistics describing Canada's exports to Mexico prior to the implementation of the North American Free Trade Agreement (NAFTA) are known to be underestimates. Many transshipments via the US were previously recorded as coming from the US. The NAFTA certificates of origin, in use since January 1994, have corrected much of this problem and some of the increase between 1993 and 1994 is attributable to reporting differences. But Canadian value-added included in products with final assembly in the US is still likely to be recorded as US-origin.

Mexico's imports of agricultural equipment increased by 57 percent to reach US $201 million in 1994, the first year of the NAFTA. The gain was broadly based but the largest increases were for cultivation equipment, harvesting equipment, and for dairy and poultry production. Reductions were posted for equipment related to primary food processing.

The economic crisis of 1995 had a devastating effect on the market. Imports fell to US $90 million, almost 30 percent lower than the pre-NAFTA level of 1993. Products that escaped the crisis were mainly those used for primary processing. This reflects the fact that the products that benefitted most from the devaluation generally require some form of cleaning, sorting or processing.

The United States accounts for about three-quarters of the import market. Canada's share is very small, but gradually improving. The overall market share rose from about half of one percent in 1993 to about 1.5 percent in 1995. Since sales were only about US $1.2 million in 1995, it is possible that much of the apparent improvement is due to reporting changes under NAFTA. The most important Canadian exports are tractors, which made up 42 percent of 1995 sales. Other important products include machinery and parts for soil cultivation.

Mexican Imports of Agricultural Machinery
US $'000s

	World			USA			Canada		
	1993	1994	1995	1993	1994	1995	1993	1994	1995
Hand tools	6,385	7,575	3,546	1,374	1,577	575	3	16	3
Plows	1,729	1,347	570	1,175	1,171	496	272	16	0
Disc harrows	2,129	2,119	780	1,974	1,820	718	0	138	26
Other harrows and cultivators	5,125	5,555	1,806	4,603	4,653	1,723	19	44	14
Seeders, planters and transplanters	209	641	155	202	530	93	2	0	2
Fertilizer distributors	1,460	2,775	1,094	1,353	2,694	972	14	17	37
Other machinery for soil preparation or cultivation	2,581	8,187	3,880	1,695	4,661	2,716	6	115	122
Parts for soil preparation or cultivation machinery	1,254	5,635	3,154	412	3,233	2,215	0	35	116
Straw or fodder balers	96	208	238	93	208	238	0	0	0
Combine harvester-threshers	23,513	26,735	1,746	23	26,380	1,534	0	212	4
Root or tuber harvesting machines	14	128	44	11	128	44	0	0	0
Other harvesting machinery	987	2,429	2,180	945	1,639	1,450	7	0	0
Machines for cleaning, sorting or grading eggs, fruit or other produce	5,556	8,910	4,085	5,476	8,397	3,814	0	45	0
Parts for harvesting or threshing machinery, mowers, balers and machines for cleaning, sorting or grading produce	7,137	7,784	3,161	5,375	7,198	2,944	9	55	14
Milking machines	1,797	4,483	936	1,186	3,548	371	0	0	0
Dairy machinery	5,351	11,307	4,325	3,530	4,224	1,640	0	0	0
Parts of milking machines and dairy machinery	2,212	2,178	1,440	1,760	1,778	1,029	101	6	0
Presses, crushers and machinery used for wines, cider, fruit juices	745	1,268	954	313	823	621	0	0	0
Parts for presses, crushers and machinery used for wines, cider, fruit juices, etc.	247	109	227	92	88	200	0	0	0
Machinery for preparing animal feeds	3,422	6,157	7,047	2,674	3,741	4,347	0	400	0
Poultry-keeping machinery	6,352	19,756	9,001	5,900	18,164	8,062	16	69	11
Other machinery fitted with mechanical or thermal equipment	6,059	13,259	4,956	5,712	9,676	2,025	77	790	176
Parts of poultry-keeping machinery or poultry incubators and brooders	611	1,099	663	342	842	562	10	65	25
Parts for other machinery fitted with mechanical or thermal equipment	760	1,023	1,084	694	929	588	24	4	42
Machines for cleaning, sorting or grading seed, grain or dried vegetables	2,319	3,424	4,525	1,630	2,402	1,602	0	77	102
Machinery used in the milling industry	3,473	5,089	4,723	2,888	2,942	1,414	60	9	0
Parts for machines for cleaning, sorting or grading seed, grain or dried vegetables	1,537	1,104	1,269	1,021	745	826	0	0	0
Tractors	34,488	50,453	22,280	26,848	33,613	16,148	42	308	510
Totals	**127,548**	**200,737**	**89,869**	**79,301**	**147,804**	**58,967**	**662**	**2,421**	**1,204**

Source: *Banco Nacional de Comercio Exterior (Bancomext)*, Mexico's Foreign Trade Commission.

Customers

Over the medium term, newly assembled commercial farms and ranches offer the best prospects for most Canadian suppliers.

The Mexican government maintains an official register of owners of agricultural land, which includes more than 3 million individuals. There are roughly another 3 million farmers with rights to *ejidos*, communal farms. In 1993, when the government registered grain and oilseed producers for *Procampo* subsidies, it identified 3.3 million producers. The vast majority of these farmers operate at a subsistence level, using labour-intensive techniques, and are not considered good prospects for sales of imported technology.

The larger corporate farms are the principal customers for advanced agricultural technology, equipment and services. Corporations have traditionally been the main vehicle for avoiding the 100-hectare constitutional limit on the size of private land holdings. They include some large Mexican companies, most notably *Mexagro Internacional* and *Grupo Pulsar*. But many large agricultural operations are tied to multinational enterprises with locked-in lines of supply. Canadian companies are most likely to participate in this market through their customers in the United States.

The most promising customers, for suppliers new to the Mexican market, are operators of newly assembled larger farms. This category is expected to grow gradually as land holdings are aggregated under Mexico's land reforms. Modernization is typically part of such projects, and government programs are in place to financially assist in this aggregation and modernization process. These operators are also more likely to buy equipment from regional distributors instead of directly from the US-based manufacturers who dominate the market.

Among existing operations, livestock and poultry producers are considered better prospects than crop producers. According to US Department of Commerce estimates, about 30 percent of poultry producers use the most advanced technology, and another 30 percent are partially modernized. About 40 percent of livestock producers and 55 percent of dairy producers were estimated to use advanced technology.

The constitutional amendment that enabled the assembly of larger farms became effective in late 1991, but most observers believe that real change will take many years. The old law had not been aggressively enforced, and access to capital has long been the most serious obstacle to farm mechanization. In fact, foreclosures on overdue loans to farmers had been a serious national problem long before the peso devaluation of December 1994. At the end of 1993, farm debt accounted for half of all overdue debts with Mexican banks.

Under the land reforms, *ejidos* can be aggregated in a number of ways. First, the ability to use communal land as collateral could make it feasible for small farmers to combine and mechanize their operations. Second, the law now allows corporations to buy communal land from *ejidatarios* who obtain title to the land they occupy. Third, the law allows *ejidos* to "associate" with private investors, including foreign investors.

The latter approach is most likely to result in change over the medium term as a result of government support for the formation of *agroasociaciones*. These agricultural joint ventures combine the resources of small farmers and allow them to contract collectively with large buyers. For example, the Mexican conglomerate *Grupo Pulsar* has signed joint venture deals with many small tobacco farmers.

Typically, the *agroasociaciones* receive financial help from the buyer, but they are also supported by the *Fondo de Capitalización e Inversión del Sector Rural (Focir)*, the Rural Capitalization and Investment Fund. *Focir* was designed to coordinate the efforts of *Fondo para la Infraestructura Rural y Agropecuaria (FIRA)*, the Fund for Rural Infrastructure and Farming, the *Nacional Financiera (Nafinsa)*, National Development Bank, *Banco Nacional de Crédito Rural (Banrural)*, Rural Credit Bank and *Banco Nacional de Comercio Exterior (Bancomext)*, Mexico's Foreign Trade Commission. Under the program, *agroasociaciones* can receive loans, loan guarantees, technical support and help with export promotion. *Focir* may also purchase up to 25 percent of an agricultural company's capital stock for a term of 5 to 7 years. Both *ejidatarios* and *pequeños proprietarios*, small proprietors, are eligible. The focus of the program is on promoting commercial viability and export capabilities.

So far, however, the reforms have failed to bring about sweeping change. In some cases, deals have fallen apart because of an inability to agree on mutually agreeable terms. For example, Monterrey-based *Gamesa*, which is 80 percent owned by PepsiCo, failed in its bid for a joint venture with several farmers in the state of Nuevo León. According to a report in *México Business*, *Gamesa* had offered tractors, irrigation systems and technology in exchange for half of future earnings.

COMPETITORS

Multinational enterprises dominate both local production and the import market for agricultural equipment.

DOMESTIC COMPETITORS

Domestic manufacturers of machinery for crop production concentrate mainly on tractors and basic implements. They supply about half the market. Mexican companies also claim about half the market for equipment for raising livestock. Multinational enterprises dominate local production, and they import more sophisticated equipment. The most popular domestically-produced tractor models are in the range of 77 horsepower to 94 horsepower.

The two most important manufacturers are New Holland and John Deere, each of which controls roughly 40 percent of the agricultural equipment market.

New Holland, a joint venture between Fiat and a group of Mexican investors, manufactures tractors and foraging equipment in the state of Querétaro. Fiat acquired New Holland, which was previously known as *Fábrica de Tractores Agrícolas*, from Ford in 1993. According to media reports, the company's Italian managing director has had problems with the network of approximately 45 distributors that sells its products throughout Mexico. Some distribution and sales offices have closed as a result and the remaining operations are not exclusive to New Holland. In April 1996, New Holland announced a new financing program in cooperation with the *Banco Nacional de Crédito Rural (Banrural)*, Rural Credit Bank. The company provides loan guarantees, combined with a 12 percent discount. For its part, *Banrural*, promises three-day turnaround on credit applications. This deal is sanctioned by the government under the *Alianza para el Campo*, Rural Alliance Program.

John Deere manufactures a variety of tractors and agricultural implements in Mexico. The company will invest US $155 million in Mexico during 1996, compared to $50 million in 1995. Company executives recently announced that John Deere will manufacture diesel motors in a plant in Torreón, Coahuila. John Deere has also formed a technology alliance with Hitachi to export tractors and excavators from Mexico to Australia, the United States and South America. John Deere's Mexican operation includes an equipment leasing company.

Massey-Ferguson produces in Mexico through a joint venture with the state-owned company *Tractores Sidena*, which operates under the Massey-Ferguson name. The remaining domestic producer is *Universal Tractores de México.*

Many foreign companies have subsidiaries or joint ventures in Mexico to manufacture or distribute equipment for raising livestock, producing milk and eggs, and for primary food processing. They are too numerous to list here, but they are listed along with national agricultural machinery producers in the *Directorio Canacintra*, published by the *Cámara Nacional de la Industria de la Transformación (Canacintra)*, the National Chamber of the Manufacturing Industry. The directory is available to registered users over the Internet.

FOREIGN COMPETITORS

American suppliers accounted for about three-quarters of the import market in 1994, with an even higher share in some product markets. The US share fell to about two-thirds in 1995, however, because American products were disproportionately hurt by the economic crisis. Case International equipment is actively promoted by Mexican distributors. Caterpillar has developed close relations with the major regional distributors of heavy machinery in Mexico and its leasing operation is well established. But it has focussed on equipment for the construction and mining industries. According to recent reports, it no longer sells new equipment or parts for agricultural use.

Japan has increased its profile in Mexico with a technical assistance program. Since Japanese producers specialize in equipment for small-to medium-sized farms they are expected to be an important competitor in the future.

Since the advent of the North American Free Trade Agreement (NAFTA), Canadian producers have increased their market share from about 0.5 percent in 1993 to about 1.5 percent in 1995. Sales in 1994 were about US $2.4 million but fell to half that level in 1995. Canadian sales of tractors increased sharply in 1995, in spite of the economic crisis. While total tractor imports fell by more than half, Canadian sales rose by 67 percent to reach US $510,000. This was 42 percent of Canada's agriculture equipment exports to Mexico, and 2.2 percent of the tractor market. Combines, threshing machinery, and milking machinery are other areas of relative strength. According to some reports, Canadian companies are considering entering the market for used equipment which has so far not been developed in Mexico.

Trends and Opportunities

Economic crisis and drought have left the Mexican agriculture sector in a state of disarray. But there are still opportunities for niche products provided that suppliers can provide both financing and service.

The Economic Crisis

Mexico entered 1995 in a climate of serious economic crisis. The peso was sharply devaluated during the last week of 1994, and by mid-January it stood at roughly half of its former value relative to the US dollar. As a result, imports were sharply cut and Mexico registered its first agricultural trade surplus since 1987. Unfortunately, most of the agriculture sector was not able to increase production sufficiently to take advantage of the export boom fueled by the cheap peso. Exports of fresh fruits and vegetables increased by 40 percent and 46 percent respectively. Coffee exports doubled. But more than 80 percent of the cultivated area is planted in grains and oilseeds, which, in general, are not internationally competitive. Overall, agricultural GDP fell by 15 percent during 1995, compared with 10 percent for the overall economy. Mexico is expected to register a small deficit in agricultural trade in 1996.

Prior to the devaluation, livestock producers and farmers were eager to purchase state-of-the-art equipment, and went into dollar-dominated debt to do so. The devaluation increased the debt burden (in pesos) and drove interest rates to prohibitive levels. This forced many producers and farmers out of the market or at the least severely limited their purchasing power. The *Consejo Directivo*, steering committee of the *Confederación Nacional Ganadera (CNG)*, National Cattle Ranchers Association, estimates that about one-fifth of all livestock producers went bankrupt or were bought out by larger concerns.

Despite the financial constraints caused by the crisis, producers and farmers are aware of their need to update and become more competitive. It is well understood that modernization is a prerequisite for participation in the booming export market.

The crisis has made access to credit vital to survival. Distributors or producers of machinery who can offer long-term credit will enjoy a substantial competitive advantage. Several tractor producers are participating in the *Programa de Apoyos Directos al Campo (Procampo)* financing scheme.

Drought

Much of Mexico has suffered from a severe drought now in its fifth year. The northern states of Chihuahua, Tamaulipas, Nuevo León, Durango, Sinaloa, Zacatecas, Jalisco and Coahuila have suffered the most and by June 1996 they had received emergency funds totaling $1.5 billion Mexican pesos. Northern Mexico normally has a dry climate, but precipitation was 40 percent lower than normal in 1995. Although this area is the most heavily irrigated in Mexico, the severity and duration of the drought have had severe impacts on agriculture throughout the region.

The crops most heavily affected by the drought are beans, wheat and other grains. Livestock production has also been devastated. During the 1994-1995 season, an estimated 700,000 cattle died due to the drought, most of them in the state of Chihuahua. Large numbers of low-weight cattle have been exported at distress prices, due to the lack of feed. An estimated 1.2 million head were exported prematurely. The drought has also greatly increased Mexican imports of feed from the United States as Mexican law prohibits the use of domestic corn as feed.

Product and Service Opportunities

The best opportunities are in equipment used for export-oriented production. This includes implements for the cultivation of tomatoes, fresh fruits and vegetables, tobacco and cotton.

Canadian manufacturers may have a competitive advantage in equipment for wheat and other grains. Mexican grain production has been declining, but the government is determined to help domestic grain producers. Since government assistance is now focussed on profitability rather than income support, this gives an advantage to leading-edge, but cost-effective, equipment.

There is also a market for agricultural services in Mexico. Budget cutbacks as a result of the devaluation have reduced the ability of the government and agriculture associations to conduct research and promulgate best-practice technologies. Cost-effective methods of delivering these services, possibly by adapting existing Canadian technologies, will find niche markets throughout Mexico. In addition, *Fondo para la Infraestructura Rural y Agropecuaria (FIRA)*, the Fund for Rural Infrastructure and Farming, finances feasibility studies of agricultural development projects.

Equipment for Raising Livestock

Higher livestock productivity is being pursued through improved herd genetics, and the Mexican market in this area is slowly gaining ground against the US-dominated import market. Other methods include controlled and technical grazing systems, improved pastures, and higher levels of horizontal and vertical integration.

Embryos and sperm are typically imported. The few Mexican suppliers are usually local ranches using imported equipment. Mexican veterinarians are considered to be well trained and prepared for handling insemination technology. The use of bio-genetics has created a demand for embryo and sperm storage facilities as well as lab equipment.

Pork

Vertically-integrated producers include *Alpro*, *Lancer*, *Kowi*, *Pisa*, and *Aric Fuerte Mayo*.

Products in demand include a range of genetics, feeding and slaughtering equipment:

- semen and embryo storage containers
- vaccines
- crop machines
- electric feeders
- packaging machines
- freezers
- refrigerated vehicles
- mating/birth cells

Poultry

Vertically-integrated groups include *Bachoco*, *Unixasa*, Pilgrim's Pride and *Tyson/Trasgo*. *Tyson* and Pilgrim's Pride use American technology. Products in demand include:

- incubators with a capacity of up to 120,000 eggs
- automated feeders and climate control systems
- packaging machines
- freezers
- refrigerated vehicles
- coups/cages

Beef

State associations provide technical advice to cattle ranchers who often combine their purchases and pool facilities. Products in demand include:

- semen and embryo storage containers
- vaccines

IRRIGATION

The land area under cultivation in Mexico is variously reported as 18 or 19 million hectares. The lower number is cited in government studies published in 1996 and reflects land that has been taken out of production during the recent four-year drought.

According to a recent study by the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)*, Secretariat of Agriculture, Livestock and Rural Development, 6.1 million hectares of farmland depend upon irrigation. Another six million hectares are considered of seasonal good quality and the rest is ranked as "erratic," with slopes greater than four percent.

The irrigated area has been expanded by 760 percent from only about 800,000 hectares in 1926. This is considered by agricultural experts to underlie virtually all of the increases in agricultural output Mexico has achieved over this period. Although irrigated lands are only a third of the total cultivated area, they contribute 55 percent of agricultural GDP, 70 percent of agricultural exports and 80 percent of sectoral employment.

Considering these facts, it is not surprising that the government's plans for modernizing the sector include an ambitious irrigation program. Within *Sagar*, this effort is primarily the responsibility of the *Programa de Ferti-irrigación*, Program for Irrigation.

As with other aspects of the government's new agricultural strategy, improving profitability is now the guiding principle for resource allocation. According to *Sagar* statistics, in 1994 28 percent of the cultivated area was unprofitable because the value of harvests did not cover the costs of production. The profitability of irrigated land has fallen further than non-irrigated land in recent years because of the removal of subsidies on electric power and water. Overall, 31 percent of irrigated land was rated as unprofitable in 1994, and 75 percent was rated as not internationally competitive. These proportions are much higher for some crops. In the case of oilseeds, for example, 72 percent is rated as unprofitable and 89 percent is non-competitive.

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- crop machines
- automatic holding pens
- packaging machines
- freezers
- refrigerated vehicles

MILK

Large companies include *Leche Industrializada Conasupo (Liconsa)*, *LaLa*, *Alpura*, *Boreal*, *Baden*, *San Marcos*, *Carnation de México* and *Clavel*. State and regional associations also coordinate production and distribution by small *ejidos*, collective farms. Products in demand include:

- semen and embryo storage containers
- vaccines
- crop machines
- electric feeders
- electric fences
- pasteurizing equipment
- milking machines
- cooling tanks with capacities from 500 to 5000 gallons
- milk silos
- pneumatic and electric pulsators and pumps
- holding pens of the "harrybow" type
- magnetic motion sensors
- distribution trucks with tanks
- packaging of the "Tetra-Pak" type

These products were mentioned by industry participants during interviews conducted in July 1996. Demand may be bolstered by a new government initiative which is intended to make Mexico nearly self-sufficient in milk by 2000. The plan is to boost production by 10 percent per year, through higher prices and the promotion of new technology. Mexico imports 10 million litres of milk per day, making it the world's largest milk importer.

The use of state-of-the-art milking equipment has been met with some skepticism in Mexico. The government has announced a new initiative to increase milk production by 10 percent per year through higher prices and the promotion

Irrigation

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Since the goal of the government's strategy is to increase international competitiveness, new investments in irrigation will be allocated to the areas where they are most likely to increase earnings. The expansion will require considerable research involving a consideration of both technical costs and improved yields as well as an assessment of the environmental consequences of new irrigation projects. Conducting all of these assessments will necessarily require imported expertise. Since many agricultural areas are not electrified, innovative systems such as those using photovoltaic technologies are under consideration.

The government of Ernesto Zedillo initiated a new water development program called *Programa Hidráulico 1995-2000* early in its term. The program calls for the expenditure of about $1.7 billion Mexican pesos on irrigation projects by the end of the century. *Sagar* estimates average irrigation costs at about US $9,000 per hectare. Responsibility for irrigation is being decentralized to some 80 irrigation districts. All of the proposed projects are in 10 states: Chihuahua, Colima, Michoacán, Durango, Guerrero, Hidalgo, Oaxaca, Sinaloa, San Luis Potosí, Veracruz.

of technology. But Mexican milk producers tend to identify with modern – but not state-of-the-art – producers in New England. Their operations are typically about the same size as their Mexican counterparts and tend to favour traditional methods. Mexican producers have yet to be convinced that the large investment needed for state-of-the-art technology increases productivity sufficiently to warrant the expense.

Equipment for Raising Crops

Field Equipment

Large farms usually sell their crops to big food processing companies, and receive advances during production. They are therefore better able to finance purchases than small farms. Groups which use such buying schemes include *Nestlé*, *Kellogg*, *Clemente Jacques*, *Del Monte*, and *Hérdez*, *La Costeña*. Most of these companies are vertically integrated.

The average age of the tractor inventory is somewhere between 8 and 12 years and many vehicles are out of service because of a lack of parts. There are no major suppliers of used equipment in Mexico. This market is served partially by local *deshuesaderos*, literally, "collectors of bones." Spare parts are often sent to be copied by foundries and machine shops. Improvising spare parts or repairs out of parts originally not intended for the equipment in question is also very common and is known as *fabricación hechiza*.

Groups of *ejidos* often band together to purchase one tractor, or the spare parts needed to keep one going, and then share the equipment. Livestock producers commonly raise at least some of their own feed and are also potential customers for field equipment.

Opportunities in this area are limited mainly to companies providing both financing and local service support. According to industry observers, Canadian and US companies who have investigated the market see emerging opportunities for used equipment and parts.

Insecticides, Fertilizers and Seeds

Farm groups supported by large food processing companies often receive their insecticides, fertilizers and seeds directly from the consortium or through state associations. Alternatively, they purchase from suppliers having long-term agreements with the consortium. The best-known national suppliers of insecticides and fertilizers are Dupont, Monsanto, Bayer, *Fertinal*, Schultz and Ciba-Geigy. To comply with regulations concerning the use of pesticides on exported products these companies typically import their material from the US or Canada.

Government intervention in the agricultural sector has gradually shifted away from price regulation and towards promotion of modernization and market principles.

Agriculture policy is the responsibility of the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)*, Secretariat of Agriculture, Livestock and Rural Development. The secretariat was reorganized and renamed after the Zedillo administration came to power in December 1994. Previously it was known as *Secretaría de Agricultura y Recursos Hidraúlicos (SARH)*, Secretariat of Agriculture and Water Resources. The *Sagar* has stated that the major goal of government policy in this sector is increased mechanization.

Government programs include financial assistance for infrastructure development and new equipment purchases as well as training and technical assistance. *Sagar* has joined the federal government's decentralization effort by giving a larger role in rural development to 176 district offices located throughout the country. There are also efforts underway to coordinate federal and state agricultural programs.

PROCAMPO AND THE RURAL ALLIANCE

In October 1995, the Zedillo administration announced the *Alianza para el Campo*. Literally, this means "alliance for the countryside," but it is more usually translated as Rural Alliance or Farm Alliance Program. The goal of this program is to consolidate and expand government programs in the sector. Nonetheless, the 1996 budget of $18 billion Mexican pesos for agricultural programs is lower than the $14 billion Mexican pesos spent in 1995 when inflation is taken into account.

Rural Alliance builds upon a previous program known as *Programa de Apoyos Directos al Campo (Procampo)*, which was announced by the Salinas administration in October 1993. That program was the centrepiece of the previous government's effort to introduce market forces into the sector, and to rationalize crop production. Traditionally, farmers have specialized in the most heavily subsidized crops, notably corn and beans.

Initially, *Procampo* applied to farmers growing nine basic crops: corn, sorghum, wheat, soybeans, cotton, rice, barley, safflower and dry beans. These crops accounted for 90 percent of the planted area, and 43 percent of the value of production in 1991. Farmers with land planted in these crops received $330 Mexican pesos per hectare for the 1993-94 season. The amount increased to $440 Mexican pesos per hectare for the 1995-96 season. The plan applies only to land that was included in a special agricultural census conducted in 1993. The directory of eligible recipients includes 3.3 million producers. Payments are based on the average area planted in the specified crops over the three years ending in 1992. During the transition program, satellite images were used to verify claims. Once they qualified for *Procampo*, the eligible areas were fixed, and farmers were free to grow other crops on the subsidized land in response to market forces. The land has to remain in production, but there has been an allowance for conservation practices.

All of this was designed to promote market-driven activity, without subsidizing the conversion of land traditionally used for other purposes. The maximum subsidy is for 100 hectares, which is the most that an individual can own under the Constitution. The stated objective of this policy was to limit benefits to corporate farms, which can be much larger.

A major goal of *Procampo* was the gradual removal of price supports to comply with the requirement of Article 704 of the North American Free Trade Agreement (NAFTA), by which member countries agreed to move towards agricultural support measures with "minimal or no trade-distorting or production effects." Given the gradual removal of import duties on agricultural products under NAFTA, it would have been impossible for Mexico to maintain prices that exceed international levels. Domestic corn, for example, sold for three times the international level in 1993. *Procampo* has estimated that in 1991, the price support system involved $7.7 billion Mexican pesos in government transfer payments and $2.2 billion Mexican pesos in transfers from consumers to producers.

Another goal was to provide income support for subsistence farmers. Previously, few of them benefitted from the subsidies because little of their crop was sold for cash. In its first year, *Procampo* distributed $11.7 billion Mexican pesos in subsidies, and virtually none of it went to large farms.

Although the original plan envisioned sales at international prices by the end of the 1994-95 season, corn was still partly subsidized in mid-1996. Full removal of all price supports are expected by the end of the year. The remaining supports are administered by *Compañía Nacional de Subsistencias Populares (Conasupo)*, the National Grain Distribution Company.

Procampo was designed as a 15-year program, with benefits phased out gradually over the last five years. *Alianza para el Campo* commits the government to continue this plan, with future benefits indexed for inflation based on 1995-96 levels. It expands *Procampo* to include benefits for livestock producers. It also includes a new program called *Produce*, which provides input and technology subsidies. *Produce* aims to reduce the cost of domestically-produced tractors by 40 percent: a 20-percent federal subsidy, 10 percent from the state, and 7 to 15 percent from tractor manufacturers. All of the major tractor producers have agreed to the program.

A new export-promotion program is also part of *Alianza para el Campo.* Federal government agricultural programs will be decentralized to regional offices and the states. A permanent *Comisión Intersecretarial para Asuntos de Agricultura,* Inter-Agency Agricultural Commission, will coordinate the remaining federal functions. The *Produce* program will provide subsidies of up to 50 percent for the purchase of agricultural production and agricultural equipment as well as for pasture improvement and fencing for ranches.

BANRURAL

Rural Alliance Program will also make bank loans more readily available. *Fondo para la Infraestructura Rural y Agropecuaria (FIRA),* the Fund for Rural Infrastructure and Farming, a unit of the *Banco de México,* Bank of Mexico, will now be allowed to support agricultural loans through the commercial banks and through *Banco Nacional de Crédito Rural (Banrural),* Rural Credit Bank. *Banrural* has been criticized as ineffective by agricultural experts, and access to greater resources with less bureaucracy is expected to improve it substantially. In April 1996, New Holland, a tractor manufacturer, signed an agreement with *Banrural* to guarantee loans for purchases of its equipment. It also offered a 15-percent discount under the *Produce* program.

TARIFFS

NAFTA immediately eliminated Mexican tariffs on the vast majority of agricultural implements produced in Canada. For a small number of products, including some types of dryers, grain elevators, weighing machinery and spraying appliances, tariffs are being reduced gradually and will be eliminated by 1998. For an even smaller number of products, including mechanical tubular lifters, tariffs will be eliminated by 2003. Tariff elimination under NAFTA gives Canadian producers a distinct advantage over producers from outside North America whose products are subject to tariffs ranging from 10 to 20 percent.

LABELLING, STANDARDS, CERTIFICATE OF ORIGIN

Many products are covered by Mexico's system of official standards. In these cases, a *Norma Oficial Mexicana (NOM)* certificate must be obtained from the *Secretaría de Comercio y Fomento Industrial (Secofi),* Secretariat of Commerce and Industrial Development, prior to importation. Products must be tested by an accredited Mexican laboratory, although under a phase-out provision, Canadian laboratories will be able to do this in the future.

Technically, these requirements apply to the importer, but as a practical matter the onus is on the exporter because the certificate of compliance is required before the goods can cross the border. The list of products subject to this requirement is constantly being revised, and prospective exporters should depend on their Mexican customers or distributors to keep them informed of the requirements. Products covered by *NOMs* include a variety of inputs used in agricultural production.

ANTI-DUMPING MEASURES

The Mexican agricultural sector has been disrupted by a number of anti-dumping charges. These have had a generally negative impact on the market for agricultural equipment and technology.

Mexican beef producers have brought an anti-dumping suit against American beef imports. This case is currently being considered by *Secofi*. This case is considered critical because the US is the leading source of beef imports to Mexico. In June 1995, *Secofi* ruled that imports from the European Economic Union were being dumped, and observers expect a similar ruling against US exporters.

Sagar has asked the *Instituto Socioeconómico, Estadístico, y Procesamiento de Datos (Isei)*, Institute of Socioeconomic Statistics and Procedures, to cooperate with the *Instituto Nacional de Investigaciones Forestales, Agrícolas y Pecuarias (INIFAP)*, National Institute of Forestry, Agriculture and Livestock Research, to conduct an econometric study to disprove claims that Mexico has been dumping tomatoes in the United Sates. US non-tariff barriers have reportedly reduced Mexican tomato exports by almost one-third. Other products affected by non-tariff barriers are green peppers, carnations and chrysanthemums.

MARKET ENTRY STRATEGIES

Establishing a long-term presence in Mexico is an essential element in any market entry strategy for agricultural equipment and technology.

The ability to provide after-sales service and a reliable supply of replacement parts is important for any durable good. But it is critical in a market where expensive equipment may be used for ten years longer that it would be in Canada. And the fact that Mexican farmers have not generally adopted preventative maintenance strategies means that parts and service requirements tend to be urgent.

Many Canadian companies have found that a partnership or joint venture with a Mexican company is the best way to establish a local presence. Generally, this requires training of Mexican staff. Promotional literature, manuals and training programs must be prepared in Spanish. Companies that can provide financing — especially through leasing — have a distinct advantage in this market.

Most agricultural equipment is sold through distributors who generally have close ties to the local agricultural associations. This is a very regionalized activity and, in most cases, Canadian manufacturers will be most successful by developing relationships with distributors in each target region. Few are in a position to effectively serve the entire country, and most will require financing in order to maintain an inventory.

In general, Canada enjoys an excellent reputation for high-quality products and technological expertise. But individual Canadian suppliers are not well known in the agricultural sector. Establishing a profile and making contacts is therefore usually the first step for a company contemplating a move into Mexico.

Successful firms often make their first contacts by attending trade shows in Mexico. *AgroMéxico*, sponsored by the American Feed Industry Association, attracted 225 companies to its 1996 show, which included machinery and other equipment. *Conferencia Internacional sobre Ganado Lechero*, International Conference on Dairy Livestock, includes exhibitions of dairy equipment and other inputs. Companies that cannot commit the resources required for a full exhibit can often participate through Canada Information Booths operated by DFAIT at many major shows.

Contacting Mexican agricultural associations is another good approach. Most farmers are members and many associations publish directories. They are regionally focussed, and most help their members to evaluate alternative technologies. Government agricultural experts, especially in the regional offices of *Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)*, Secretariat of Agriculture, Livestock and Rural Development, are also good contacts. *Sagar* operates a television channel distributed by cable to almost 1,000 support centres throughout the country. It accepts private advertising on its TV programs and in its magazines.

CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE (DFAIT)

DFAIT is the Canadian federal government department most directly responsible for trade development. The **InfoCentre** should be the first contact point for advice on how to start exporting. It provides information on export-related programs and services, acts as an entry point to DFAIT's trade information network, and can provide copies of specialized export publications and market information to interested companies.

InfoCentre
Tel.: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink:* (613) 944-4500
InfoCentre Bulletin Board (IBB):
Tel.: 1-800-628-1581 or (613) 944-1581
Internet: http://www.dfait-maeci.gc.ca

*FaxLink is a faxback system which provides summaries on a range of Mexican markets. It must be contacted through your fax machine. Dial from your fax phone and follow the voice prompt instructions.

The Mexico Division, Latin America and Caribbean Bureau promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City, as well as in the satellite offices in Monterrey and Guadalajara. Trade commissioners can provide a range of services including introducing Canadian companies to potential customers in Mexico, advising on marketing channels, assisting those wishing to participate in trade fairs, helping to identify suitable Mexican firms to act as agents, and compiling strategic business intelligence on potential foreign customers.

Latin America and Caribbean Bureau — Mexico Division (LMR)
Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 996-5547
Fax: (613) 996-6142

INTERNATIONAL TRADE CENTRES (ITCs)

International Trade Centres have been established across the country as a convenient point of contact to support the exporting efforts of Canadian firms. The centres operate under the guidance of DFAIT and all have resident trade commissioners. They help companies determine whether or not they are ready to export, assist firms with market research and planning, provide access to government programs designed to promote exports, and arrange for assistance from the trade commissioners in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

Newfoundland	International Trade Centre P.O. Box 8950 Atlantic Place 215 Water Street Suite 504 St. John's, NF A1B 3R9 Tel.: (709) 772-5511 Fax: (709) 772-2373
Prince Edward Island	**International Trade Centre** P.O. Box 1115 Confederation Court Mall 134 Kent Street Suite 400 Charlottetown, PE C1A 7M8 Tel.: (902) 566-7443 Fax: (902) 566-7450
Nova Scotia	International Trade Centre P.O. Box 940, Station M 1801 Hollis Street Fifth Floor Halifax, NS B3J 2V9 Tel.: (902) 426-7540 Fax: (902) 426-2624
New Brunswick	International Trade Centre P.O. Box 1210 1045 Main Street Unit 103 Moncton, NB E1C 1H1 Tel.: (506) 851-6452 Fax: (506) 851-6429

Quebec

International Trade Centre
5 Place Ville-Marie
Suite 800
Montreal, PQ H3B 2G2
Tel.: (514) 283-6328
Fax: (514) 283-8794

Ontario

International Trade Centre
Dominion Public Building
1 Front St. West
Fourth Floor
Toronto, ON M5J 1A4
Tel.: (416) 973-5053
Fax: (416) 973-8161

Manitoba

International Trade Centre
P.O. Box 981
400 St. Mary Avenue
Fourth Floor
Winnipeg, MB R3C 4K5
Tel.: (204) 983-5851
Fax: (204) 983-3182

Saskatchewan

International Trade Centre
The S.J. Cohen Building
119-4th Avenue South
Suite 401
Saskatoon, SK S7K 5X2
Tel.: (306) 975-5315
Fax: (306) 975-5334

International Trade Centre
1919 Saskatchewan Drive
Sixth Floor
Regina, SK S4P 3V7
Tel.: (306) 780-6124
Fax: (306) 780-6679

Alberta
**Edmonton office is also responsible for Northwest Territories*

International Trade Centre
Canada Place
9700 Jasper Avenue
Room 540
Edmonton, AB T5J 4C3
Tel.: (403) 495-2944
Fax: (403) 495-4507

International Trade Centre
510-5th Street S.W.
Suite 1100
Calgary, AB T2P 3S2
Tel.: (403) 292-6660
Fax: (403) 292-4578

British Columbia
**Vancouver office is also responsible for the Yukon*

International Trade Centre
P.O. Box 11610
300 West Georgia Street
Suite 2000
Vancouver, BC V6B 6E1
Tel.: (604) 666-0434
Fax: (604) 666-0954

World Information Network for Exports (WIN Exports)

WIN Exports is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides users with information on the capabilities, experience and interests of more than 24,000 Canadian exporters. For general information, call (613) 944-4WIN(4946); to register on WIN Exports, call (613) 996-2057, or fax 1-800-667-3802 or (613) 944-1078.

Program for Export Market Development (PEMD)

PEMD is DFAIT's primary export promotion program. It supports a variety of activities to help Canadian companies expand into export markets.

PEMD shares up to 50 percent of eligible expenses. Program financial assistance is a repayable contribution, not a grant, and must be approved in advance. Funded activities include:

- Market Development Strategies, which consist of a package of support for visits, trade fairs, and market support initiatives, under one umbrella of the company's marketing plan.
- New to Exporting Companies, which provides a vehicle for these companies to seek out individual export opportunities, either through a market identification visit or participation in an international trade fair.
- Capital Projects Bidding for specific projects outside Canada involving international competition/formal bidding procedures.
- Trade Association Activities undertaken by non-sales national trade or industry associations on behalf of their member companies.

For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance through this program, call the International Trade Centre nearest you. In Quebec, PEMD is administered by the 13 regional offices of the Federal Office of Regional Development (FORD Q), listed separately below.

International Financing

DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFIs). Canadian exporters and trade associations can access market data, obtain a better understanding of the competition, and determine if an IFI-funded market opportunity is practical and worth pursuing. DFAIT can provide information and advice on the availability of Canadian government-funded assistance programs and can assist companies in developing effective export marketing. For further information, contact:

International Financing Division
Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 944-0910
Fax: (613) 943-1100

Technology Inflow Program (TIP)

Managed by DFAIT and delivered domestically by the Industrial Research Assistance Program, National Research Council, TIP is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. Industry Canada (IC) also helps in program promotion. TIP officers respond to requests to identify technology sources and opportunities for cooperation between Canadian and foreign firms. The Program also helps Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies, as well as how to negotiate to acquire them. For information, call (613) 993-5326.

Industry Canada (IC)

IC was created with a broad mandate to make Canada more competitive by fostering the growth of Canadian businesses, by promoting a fair and efficient marketplace for business and consumers, and by encouraging commercial ventures in scientific research and technology. In the area of small business, it has been given specific responsibility to:

- develop, implement and promote national policies to foster the international competitiveness of industry; the enhancement of industrial, scientific and technological development; and the improvement in both the productivity and efficiency of industry;
- promote the mobility of goods, services, and factors of production within Canada;
- develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;
- develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the Government of Canada; and
- promote and provide support services for the marketing of Canadian goods, services and technology.

The regional offices of IC work directly with Canadian companies to promote industrial, scientific and technological development. They help clients recognize opportunities in a competitive international marketplace by providing services in the areas of business intelligence and information as well as trade and market development. IC also promotes and manages a portfolio of programs and services.

The following are areas in which IC regional offices have special competence:

- access to trade and technology intelligence and expertise;
- entry points to national and international networks;
- industry-sector knowledge base;
- co-location with International Trade Centres connected to DFAIT and Canadian posts abroad;
- client focus on emerging and threshold firms; and
- business intelligence.

Manufacturing and Processing Technologies Branch
Industry Sector
Industry Canada
Tenth Floor, East Tower
235 Queen Street
Ottawa, ON K1A 0H5
Tel.: (613) 954-3193
Fax: (613) 941-2463

Business Service Centre
Industry Canada
235 Queen Street
First Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 941-0222
Fax: (613) 957-7942

NAFTA Information Desk
Industry Canada
235 Queen Street
Fifth Floor, East Tower
Ottawa, ON K1A 0H5
Fax: (613) 952-0540

STRATEGIS

Canada's largest business web site, Strategis, gives business direct access to the latest information on specific industries, export opportunities, company capabilities, international intelligence and business contacts via the Internet. It also includes information on new technologies and processes, management experts, market services, government programs, micro-economic research and much more. In addition to these information resources, Strategis provides businesses with easy access to Industry Canada experts. Canadian companies will be able to browse the site to find out about market opportunities in Canada and abroad, new state-of-the-art technologies, key alliances, training resources and government programs. The International Business Information Network, one section of the site, contains first-hand information on products in demand, market conditions, competitors and business opportunities abroad.

Strategis
Industry Canada
235 Queen Street
Ottawa, ON K1A 0H5
Tel.: (613) 954-5031
Fax: (613) 954-1894
Internet : http://www.hotline.service@strategis.ic.gc.ca/

REVENUE CANADA

Revenue Canada, Trade Administration Branch provides service and information on NAFTA regulations in English, French and Spanish. Revenue Canada publications and customs notices are also available by calling or faxing the NAFTA Information Desk.

NAFTA Information Desk
Revenue Canada, Trade Administration Branch
555 Mackenzie Avenue
First Floor
Ottawa, ON KIA 0L5
Tel.: 1-800-661-6121, or (613) 941-0965
Fax: (613) 952-0022

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)

An important possible source of financing for Canadian ventures in Mexico is the special fund available through CIDA under the Industrial Cooperation Program (INC). This program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licensing arrangements. INC supports the development of linkages with the private sector in Mexico by encouraging Canadian enterprises to share their skills and experiences with partners in Mexico and other countries. A series of INC mechanisms help enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Mexico.

There are five INC mechanisms that help eligible Canadian firms to conduct studies and that provide professional guidance and advice to potential clients. Where a project involves environmental improvement, technology transfer, developmental assistance to women, job training or job creation, early contact with CIDA's Industrial Cooperation Division is suggested. An important CIDA criterion is that the project creates jobs in Mexico without threatening jobs in Canada. In fact, most CIDA-assisted projects have produced net increases in Canadian jobs. For more information, contact:

Industrial Cooperation Division
Canadian International Development Agency
200 Promenade du Portage
Hull, PQ K1A 0G4
Tel.: (819) 997-7905
Fax: (819) 953-5024

ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)

Atlantic Canadian companies seeking to develop exports to Mexico may be eligible for assistance from the ACOA. The Agency works in partnership with entrepreneurs from the Atlantic region to promote self-sustaining economic activity in Atlantic Canada.

ACOA provides support to businesses as they look to expand existing markets through the development of marketing plans. Efforts include monitoring trade opportunities arising from global economic change, communications efforts to promote the region, trade missions and associated activities, as well as better coordination with federal and provincial bodies that influence trade and investment opportunities. For more information, contact:

Atlantic Canada Opportunities Agency
Blue Cross Centre
644 Main Street
P.O. Box 6051
Moncton, NB E1C 9J8
Tel.: 1-800-561-7862
Fax: (506) 851-7403

THE FEDERAL OFFICE OF REGIONAL DEVELOPMENT (QUEBEC), (FORD Q)

FORD Q is a federal regional economic development organization. Through its commitment to provide services tailored to its clients, FORD Q supports the development of the economic potential of all regions of Quebec and the creation of viable jobs by promoting a business climate in which small- and medium-sized enterprises (SMEs) can grow and prosper. FORD Q uses the relevant and sought-after expertise of the federal government to work with the entrepreneurial spirit of Quebecers in every region and improve their competitive position. It also seeks, through strategic activities and partnerships in the community, to improve the business climate, an essential factor in the growth of SMEs.

FORD Q provides one-stop access to federal services and programs aimed at SMEs, particularly with regard to innovation, research and development (R&D), design, market development and entrepreneurship. Through its 13 Small Business Access Centres, FORD Q provides access to Team Canada export services and programs in the areas of awareness, export preparation, information, networking, advice and counselling, funding and access to funding.

In terms of access to funding, PEMD, with the exception of the component on preparing projects for submission, is delivered through the Small Business Access Centres. IDEA-SME, a FORD Q program, can also support firms during the export process. In addition, through alliances with banks, Small Business Access Centre advisors can facilitate access to funding for foreign marketing strategy projects.

Small Business Access Centre
Abitibi/Témiscamingue
906 5th Avenue
Val d'Or, PQ J9P 1B9
Tel.: (819) 825-5260
Fax: (819) 825-3245

Small Business Access Centre
Bas Saint-Laurent/Gaspésie/Îles-de-la-Madeleine
212 Belzile Street
Suite 200
Rimouski, PQ G5L 3C3
Tel.: (418) 722-3282
Fax: (418) 722-3285

Small Business Access Centre
Bois-Francs
Place du Centre
150 Marchand Street
Suite 502
Drummondville, PQ J2C 4N1
Tel.: (819) 478-4664
Fax: (819) 478-4666

Small Business Access Centre
Côte-Nord
701 Laure Boulevard
Suite 202B
P.O. Box 698
Sept-Îles, PQ G4R 4K9
Tel.: (418) 968-3426
Fax: (418) 968-0806

Small Business Access Centre
Estrie
1335 King Street West
Suite 303
Sherbrooke, PQ J1J 2B8
Tel.: (819) 564-5904
Fax: (819 564-5912

Small Busines Access Centre
Île de Montréal
800 Place Victoria Tower
Suite 3800
P.O. Box 247
Montreal, PQ H4Z 1E8
Tel.: (514) 283-2500
Fax: (514) 496-8310

Small Business Access Centre
Laval/Laurentides/Lanaudière
Tour du Triomphe II
2540 Daniel-Johnson Boulevard
Suite 204
Laval, PQ H7T 2S3
Tel.: (514) 973-6844
Fax: (514) 973-6851

Small Business Access Centre
Mauricie
Immeuble Bourg du Fleuve
25 des Forges Street
Suite 413
Trois-Rivières, PQ G9A 2G4
Tel.: (819) 371-5182
Fax: (819) 371-5186

Small Business Access Centre
Montérégie
Complexe Saint-Charles
1111 Saint-Charles Street West
Suite 411
Longueuil, PQ J4K 5G4
Tel.: (514) 928-4088
Fax: (514) 928-4097

Small Business Access Centre
Nord-du-Québec
800 Place Victoria Tower
Suite 3800
P.O. Box 247
Montreal, PQ H4Z 1E8
Tel.: (514) 283-5174
Fax: (514) 283-3637

Small Business Access Centre
Outaouais
259 Saint-Joseph Boulevard
Suite 202
Hull PQ J8Y 6T1
Tel.: (819) 994-7442
Fax: (819) 994-7846

Small Business Access Centre
Quebec City/Chaudière/Appalaches
905 Dufferin Avenue
Second Floor
Quebec City, PQ G1R 5M6
Tel.: (418) 648-4826
Fax: (418) 648-7291

Small Business Access Centre
Saguenay/Lac-Saint-Jean
170 Saint-Joseph Street South
Suite 203
Alma, PQ G8B 3E8
Tel.: (418) 668-3084
Fax: (418) 668-7584

Western Economic Diversification Canada (WD)

WD is responsible for federal economic development activities in Western Canada. The Department works in partnership with the western provinces, business, industry associations and communities to stimulate the western Canadian economy.

WD's "New Directions" program will work to enhance the export position of western companies by boosting their competitiveness in domestic and global markets.

The Department no longer provides repayable loans to individual companies, but seeks new innovative partnerships within both the public and private sectors. These partnerships will address the needs of small- and medium-sized enterprises for information, business services and capital, particularly for high growth industries critical to Western Canada's economic diversification.

One of WD's new products focused on export development is the International Trade Personnel Program. This federal-provincial initiative links export-focused western firms with recent post-secondary graduates. The program accomplishes two important socio-economic goals: it gives companies the extra person-power they need to penetrate new markets, and it gives recent graduates valuable work experience. Under the new program, the length of export-development projects may vary from one to three years. Approved projects will be eligible for assistance ranging from C $7,500 for one year, to a maximum of C $37,500 per graduate over the three-year period. For more information, contact:

Western Economic Diversification Canada
The Cargill Building
240 Graham Avenue
Suite 712
P.O. Box 777
Winnipeg, MB R3C 2L4
Tel.: (204) 983-4472
Fax: (204) 983-4694

Export Development Corporation (EDC)

EDC helps Canadian exporters compete in world markets by providing a wide range of financial and risk management services, including export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees.

EDC's products fall into four main categories:

- export credit insurance, covering short- and medium-term credits;
- performance-related guarantees and insurance, providing cover for exporters and financial institutions against calls on various performance bonds and obligations normally issued either by banks or surety companies;
- foreign investment insurance, providing political risk protection for Canadian investments abroad; and
- export financing, providing medium- and long-term export financing to foreign buyers of Canadian goods and services.

EDC has established relationships with leading commercial and public sector institutions in Mexico and Latin America. For more information on the range of services available, please refer to the customer teams below.

Base and Semi-Manufactured Goods Team:
Tel.: (613) 598-2823
Fax: (613) 598-2525

Consumer Goods Team:
Tel.: (613) 597-8501
Fax: (613) 598-2525

Emerging Exporters Team:
Tel.: 1-800-850-9626
Fax: (613) 598-6871

Financial Institutions Team:
Tel.: (613) 598-6639
Fax: (613) 598-3065

Forestry Team:
Tel.: (613) 598-2936
Fax: (613) 598-2525

Engineering and Professional Team:
Tel.: (613) 598-3162
Fax: (613) 598-3167

Industrial Equipment Team:
Tel.: (613) 598-3163
Fax: (613) 597-8503

Information Technologies Team:
Tel.: (613) 598-6891
Fax: (613) 598-6858

Transportation Team:
Tel.: (613) 598-3164
Fax: (613) 598-2504

For information on the full range of EDC services, contact any of the following EDC offices:

Ottawa
Export Development Corporation
151 O'Connor Street
Ottawa, ON K1A 1K3
Tel.: (613) 598-2500
Fax: (613) 598-6858

Vancouver
Export Development Corporation
One Bentall Centre
505 Burrard Street
Suite 1030
Vancouver, BC V7X 1M5
Tel.: (604) 666-6234
Fax: (604) 666-7550

Calgary
Export Development Corporation
510-5th Street S.W.
Suite 1030
Calgary, AB T2P 3S2
Tel.: (403) 292-6898
Fax: (403) 292-6902

Winnipeg
Export Development Corporation
330 Portage Avenue
Eighth Floor
Winnipeg, MB R3C 0C4
Tel.: (204) 983-5114
Fax: (204) 983-2187

Toronto
Export Development Corporation
National Bank Building
150 York Street
Suite 810
P.O. Box 810
Toronto, ON M5H 3S5
Tel.: (416) 973-6211
Fax: (416) 862-1267

London
Export Development Corporation
Talbot Centre
148 Fullarton Street
Suite 1512
London, ON N6A 5P3
Tel.: (519) 645-5828
Fax: (519) 645-5580

Montreal
Export Development Corporation
Tour de la Bourse
800 Victoria Square
Suite 4520
P.O. Box 124
Montreal, PQ H4Z 1C3
Tel.: (514) 283-3013
Fax: (514) 878-9891

Halifax
Export Development Corporation
Purdy's Wharf, Tower 2
1969 Upper Water Street
Suite 1410
Halifax, NS B3J 3R7
Tel.: (902) 429-0426
Fax: (902) 423-0881

National Research Council (NRC)

Canadian companies hoping to succeed in the Mexican marketplace may require additional technology to improve their competitiveness. The NRC works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council manages the Industrial Research Assistance Program (IRAP), a national network for the diffusion and transfer of technology.

The IRAP network, working primarily with small- and medium-sized Canadian firms, supports the process of developing, accessing, acquiring, implementing and using technology throughout Canadian industry. IRAP has a 50-year history of providing technical advice and assistance to Canadian firms and has acquired a reputation as one of the most flexible and effective federal programs. IRAP takes advantage of the advice of industrial technology advisors who are situated in more than 165 different locations within approximately 90 communities across Canada, including numerous provincial technology centres, the NRC's own laboratories and research institutes, federal government departments, and technology transfer offices in Canadian universities. For further information, contact:

Industrial Research Assistance Program
National Research Council
Montreal Road
Building M-55
Ottawa, ON K1A 0R6
Tel.: (613) 993-1790
Fax: (613) 952-1079

Canadian Commercial Corporation (CCC)

CCC, a Crown corporation, provides Canadian exporters with valuable assistance when they are selling to any foreign government, or to an international organization. In such sales, CCC acts as a prime contractor and guarantor for the sale of Canadian goods and services to the foreign customer.

CCC certifies the Canadian exporter's financial and technical capabilities, and guarantees to the foreign buyer that the terms and conditions of the contract will be met. CCC's participation in a sale provides Canadian suppliers with the tangible backing of their own government, enhancing their credibility and competitiveness in the eyes of foreign customers. This can often lead to the negotiation of more advantageous contract and payment terms.

The Progress Payment Program, developed by CCC in cooperation with Canada's financial institutions, makes pre-shipment export financing more accessible to small- and medium-sized exporters. The program allows an exporter to draw on a special line of credit, established by his or her principal banker for a particular export sale. In most instances, the borrowing costs will approximate those associated with a typical demand line of credit. The program is available for transactions with foreign government and private sector buyers.

For more information about CCC and its programs, contact:

Canadian Commercial Corporation
50 O'Connor Street
Eleventh Floor
Ottawa, ON K1A 0S6
Tel.: (613) 996-0034
Fax: (613) 995-2121

Key Contacts in Canada

Business and Professional Associations

Prairie Implement Manufacturers Association
2152 Scarth Street
Regina, SA S4P 2H6
Tel.: (306) 522-2710
Fax: (306) 781-7293

Canadian Council for the Americas (CCA)
The Council is a non-profit organization formed in 1987 to promote business interests in Latin American as well as Caribbean countries. The CCA promotes events and programs targetted at expanding business and building networking contacts between Canada and the countries of the region.

Canadian Council for the Americas
Executive Offices
360 Bay Street
Suite 300
Toronto, ON M5H 2V6
Tel.: (416) 367-4313
Fax: (416) 367-5460

Alliance of Manufacturers and Exporters Canada
99 Bank Street
Suite 250
Ottawa, ON K1P 6B9
Tel.: (613) 238-8888
Fax: (613) 563-9218

Alliance of Manufacturers and Exporters Canada
75 International Boulevard
Fourth Floor
Etobicoke, ON M9W 6L9
Tel.: (416) 798-8000
Fax: (416) 798-8050

The Canadian Chamber of Commerce
55 Metcalfe Street
Suite 1160
Ottawa, ON K1P 6N4
Tel.: (613) 238-4000
Fax: (613) 238-7643

Forum for International Trade Training Inc.
155 Queen Street
Suite 608
Ottawa, ON K1P 6L1
Tel.: (613) 230-3553
Fax: (613) 230-6808

Language Information Centre
240 Sparks Street RPO
Box 55011
Ottawa, ON K1P 1A1
Tel.: (613) 523-3510

Open Bidding Service
P.O. Box 22011
Ottawa, ON K1V 0W2
Tel.: 1-800-361-4637 or (613) 737-3374
Fax: (613) 737-3643

Canadian Standards Association
178 Rexdale Blvd.
Etobicoke, ON M9W 1R3
Tel.: (416) 747-4000
Fax: (416) 747-4149

Standards Council of Canada
45 O'Connor Street
Suite 1200
Ottawa, ON K1P 6N7
Tel.: (613) 238-3222
Fax: (613) 995-4564

Mexican Government Offices in Canada

The Embassy of Mexico and Mexican consulates can provide assistance and guidance to Canadian companies in need of information about doing business in Mexico. For more information, contact:

Embassy of Mexico
45 O'Connor Street
Suite 1500
Ottawa, ON K1P 1A4
Tel.: (613) 233-8988
Fax: (613) 235-9123

Mexican Consulate in Ottawa
45 O'Connor Street
Suite 1500
Ottawa, ON K1P 1A4
Tel.: (613) 233-6665
Fax: (613) 235-9123

Other Mexican Consulates General in Canada

Consulate General of Mexico
2000 Mansfield Street
Suite 1015
Montreal, PQ H3A 2Z7
Tel.: (514) 288-2502/4916
Fax: (514) 288-8287

Consulate General of Mexico
199 Bay Street
Suite 4440
P.O. Box 266, Station Commerce Court West
Toronto, ON M5L 1E9
Tel.: (416) 368-2875/8141/1847
Fax: (416) 368-8342

Consulate General of Mexico
810-1130 West Pender Street
Vancouver, BC V6E 4A4
Tel.: (604) 684-3547/1859
Fax: (604) 684-2485

Mexican Foreign Trade Commissions

Banco Nacional de Comercio Exterior (Bancomext) is the Mexican Foreign Trade Commission and has offices in Canada. It offers credits, export guarantees and counselling services to Mexican companies seeking to do business in Canada.

Mexican Banks with Offices in Canada

Banco Nacional de México (Banamex), *Banca Serfin* and *Banca Confia* are private-sector banks which offer specialized services through their international trade information centres. The centres participate in a computerized communications network with access to numerous economic, governmental and financial databases throughout the world. These banks are located throughout Mexico and maintain offices in Toronto.

Banco Nacional de México (Banamex)
1 First Canadian Place
Suite 3430
P.O. Box 299
Toronto, ON M5X 1C9
Tel.: (416) 368-1399
Fax: (416) 367-2543

Banca Serfin
BCE Place
Canada Trust Tower
161 Bay Street
Suite 4360
P.O. Box 606
Toronto, ON M5J 2S1
Tel.: (416) 360-8900
Fax: (416) 360-1760

Banca Confia
150 York Street
Suite 408
Toronto, ON M5H 3A9
Tel.: (416) 955-9233
Fax: (416) 955-9227

Canadian Government Departments and Services in Mexico

Trade and Economic Division The Embassy of Canada in Mexico

The Trade and Economic Division of the Canadian Embassy in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well-informed about the market and will respond in whatever measures possible to support a Canadian firm's presence in Mexico.

Trade and Economic Division
The Embassy of Canada in Mexico
Schiller No. 529
Col. Polanco
11560 México, D.F.
México
Tel.: (52-5) 724-7900
Fax: (52-5) 724-7982

Canadian Consulate
Edificio Kalos, Piso C-1
Local 108-A
Zaragoza y Constitución
64000 Monterrey, Nuevo León
México
Tel.: (52-8) 344-3200
Fax: (52-8) 344-3048

Canadian Consulate
Hotel Fiesta Americana
Local 30-A
Aurelio Aceves No. 225
Col. Vallarta Poniente
44110 Guadalajara, Jalisco
México
Tel.: (52-3) 616-6215
Fax: (52-3) 615-8665

Key Contacts in Mexico

Government Departments

Secretariat of Agriculture, Livestock and Rural Development
Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)
Av. Insurgentes Sur No. 476, Piso 13
Col. Roma Sur
06760 México, D.F.
México
Tel.: (52-5) 584-0990/8190
Fax: (52-5) 582-0268

Inter-Agency Agricultural Commission
Comisión Intersecretarial para Asuntos de Agricultura
Subsecretaría de Planeación de la Sagar
Av. Insurgentes Sur No. 476, Piso 13
Col. Roma Sur
06760 México, D.F.
México
Tel.: (52-5) 584-0990/8190
Fax: (52-5) 582-0268

Secretariat of Commerce and Industrial Development Industrial and Agricultural Division
Secretaría de Comercio y Fomento Industrial (Secofi)
Dirección General de Negociaciones Industriales y Agropecuarias
Av. Alfonso Reyes No. 30, Piso 18
Col. Condesa
06140 México, D.F.
México
Tel.: (52-5) 729-9146/9147
Fax: (52-5) 729-9352

National Grain Distribution Company
Compañía Nacional de Subsitencias Populares (Conasupo)
Av. Insurgentes Sur No. 4891, Piso 4
Col. Hipódromo Condesa
06100 México, D.F.
México
Tel.: (52-5) 722-7333/7301/7300/7200
Fax: (52-5) 722-7312

Nacional Financiera S.N.C. (Nafinsa)
Av. Insurgentes Sur No. 1971, Torre 4, Piso 13
Col. Guadalupe Inn
01020 México, D.F.
México
Tel.: (52-5) 325-6000, 661-4044
Fax: (52-5) 661-8481

Rural Credit Bank
Banco Nacional de Crédito Rural, S.N.C. (Banrural)
Av. Agrarismo No. 227
Col. Escandón
11800 México, D.F.
México
Tel.: (52-5) 230-1601, 271-5209
Fax: (52-5) 271-5519

Bank of Mexico
Banco de México
Av. 5 de Mayo No. 2
Col. Centro
06059 México, D.F.
México
Tel.: (52-5) 237-2000
Fax: (52-5) 273-2370

Rural Capitalization and Investment Fund
Fondo de Capitalización e Inversión del Sector Rural (Focir)
Dirección Adjunta de Promoción de Negocios
Alfonso Reyes No. 115
Col. Condesa
06140 México, D.F.
México
Tel.: (52-5) 272-1881/1641, 515-6431/6451
Fax: (52-5) 272-1689

Fund for Rural Infrastructure and Farming
Fondo para la Infraestructura Rural y Agropecuaria (FIRA)
Banco de México
Av. 5 de Mayo No. 2
Col. Centro
06059 México, D.F.
México
Tel.: (52-5) 237-2000
Fax: (52-5) 273-2370

Mexican Foreign Trade Commission
Banco Nacional de Comercio Exterior S.N.C. (Bancomext)
Camino a Santa Teresa No. 1679
Col. Jardines del Pedregal
01900 México, D.F.
México
Tel.: (52-5) 652-8422
Fax: (52-5) 652-9408

Informe del Gobierno
Presidencia del la República
Dirección de Información Internacional
Av. Presa Salinillas No. 370, Piso 4
Col. Irrigación
11200 México, D.F.
México
Tel.: (52-5) 395-6700/6300 to 63007
Fax: (52-5) 395-6790/6796

Industry Associations and Chambers

National Cattle Ranchers Association
Confederación Nacional Ganadera (CNG)
Av. Mariano Escobedo No. 714
Col. Anzurez
11590 México, D.F., Del. Miguel Hidalgo
México
Tel.: (52-5) 254-3210/3245/3218/1953/2574
Fax: (52-5) 254-1953/2574

National Institute of Forestry, Agriculture and Livestock Research
Instituto Nacional de Investigaciones Forestales, Agrícolas y Pecuarias (INIFAP)
Av. Serapio Randón No. 83
Col. San Rafael
06470 México, D.F.
México
Tel.: (52-5) 546-4027, 566-3638
Fax: (52-5) 566-3799

National Chamber of the Manufacturing Industry
Cámara Nacional de la Industria de la Transformación (Canacintra)
Av. San Antonio No. 256
Col. Nápoles
03849 México, D.F.
México
Tel.: (52-5) 563-3400, 598-6988
Fax: (52-5) 598-8044

National Chamber of the Forest Products Industry
Cámara Nacional de la Industria Forestal (CNIF)
Viaducto Miguel Alemán No. 277
Col. Escandón
11800 México, D.F.
México
Tel.: (52-5) 273-0986, 273-0004
Fax: (52-5) 273-0933

Mexican Association of Machinery Distributors
Asociación Mexicana de Distribuidores de Maquinaria, A.C.
Tenayuca No. 107
Col. Vértiz Narvarte, Del. Benito Juárez
03900 México, D.F.
México
Tel.: (52-5) 604-8807/8654
Fax: (52-5) 604-6328, 605-2877

National Association of Dairymen
Asociación Nacional de Productores de Leche (Anple)
Melchor Ocampo No. 405, Piso 2
Col. Anzures, interior 201
11590 México, D.F.
México
Tel.: (52-5) 255-1833/1874
Fax: (52-5) 255-1582

Dairy Cattle Breeders Association
Asociacón de Criadores Holstein-Friestan de México
Arteaga No. 76 Altos
Col. Centro Histórico
76000 Querétaro, Querétaro
México
Tel.: (52-42) 12-0269
Fax: (52-42) 24-3933

MEXICAN COMPANIES

Grupo Pulsar
Plaza Comercial las Villas
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Editorial A o Dos Mil, S.A.
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Lacticinios
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Benjamín Franklin No. 134
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HELP US TO SERVE YOU BETTER

We are interested in your views on this publication. Please take a few minutes to respond to the questions below.

1. What is your overall opinion of this publication?

   ☐ **very useful**
   ☐ **useful**
   ☐ **moderately useful**
   ☐ **not useful**

2. Please provide your assessment of each of the following aspects of this publication.

   a) Quality of text discussion (mark one only):

   ☐ **excellent**
   ☐ **good**
   ☐ **fair**
   ☐ **poor**

   b) Presentation of information (mark one only):

   ☐ **excellent**
   ☐ **good**
   ☐ **fair**
   ☐ **poor**

   c) Use of graphics and other visual aids (mark one only):

   ☐ **excellent**
   ☐ **good**
   ☐ **fair**
   ☐ **poor**

3. If this publication were updated, revised and re-issued in the future, would you be interested in receiving a copy?

   ☐ **yes, very interested**
   ☐ **probably interested**
   ☐ **no, not interested**
   ☐ **not sure**

4. How did you find the structure and format of this publication?

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   ☐ **confusing and difficult to follow**

5 For your purposes, did this publication provide a sufficiently complete treatment of the subject(s) reviewed?

   ☐ **yes, definitely**
   ☐ **to some extent**
   ☐ **no**
   ☐ **can't say/don't know**

6. This publication would have been more useful to me if it had (mark all that apply):

   ☐ **provided more qualitative information**
   ☐ **provided less quantitative information**
   ☐ **made greater use of graphs, charts and tables**
   ☐ **contained a longer textual discussion**
   ☐ **contained a shorter textual discussion**
   ☐ **used more examples, case studies, company profiles**

7. In your opinion, was there important information missing from this publication?

   ☐ **yes — please specify:**

   ____
   ____
   ____

8. Are there any issues relevant to the subject of this publication that you would like to have seen covered in more detail?

   ____
   ____
   ____

9. Please offer any suggestions for improving the next version of this publication.

   ____
   ____
   ____

10. Will this publication assist you in your business development?

   ☐ **yes** ☐ **no**

11. a) Does your company currently export?

   ☐ **Yes, go to 11 b)**
   ☐ **No, go to 11 c)**

   b) If yes, to which foreign markets?

   ☐ **U.S.A.** ☐ **Europe** ☐ **Japan**
   ☐ **Mexico** ☐ **Latin America**
   ☐ **Other (please specify)**______________

   c) If not, are you planning to export within the next 12 months?

   ☐ **Yes, where?**

   ☐ **U.S.A.** ☐ **Europe** ☐ **Japan**
   ☐ **Mexico** ☐ **Latin America**
   ☐ **Other (please specify)**______________

12. What is the approximate size of your company?

   ☐ **under $1 million**
   ☐ **$1 to 5 million**
   ☐ **$5 and $10 million**
   ☐ **over $10 million**

To discuss this evaluation may we contact you? If so,

Name: ______________________________
Company: ______________________________
Address: ______________________________
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Please return the completed survey by fax to (613) 996-6142 or to the address below:

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