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Global Agricultural Information Network

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Mexico Plans to Address Exceptional Drought

Report Categories:

Agricultural Situation

Agriculture in the Economy

Agriculture in the News

Climate Change

Food Security

National Plan

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Report Highlights:

The President of Mexico, Felipe Calderon, signed a Decree for *Actions to Mitigate the Drought that Several Entities are Experiencing* on January 25, 2012. The federal expenditures associated with the decree and budgeted for 2012 include nearly 34 billion pesos (U.S. \$2.4 billion) to mitigate the effects of the severe drought; some of which will be directed at Mexico's agricultural sector.

General Information:

Introduction: This report summarizes an announcement published in Mexico's *Diario Oficial* (Federal Register) on January 25, 2012, to mitigate the effects of the current drought that is persisting through most of Mexico and is the worst in the country's recorded history.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Title: Agreement by which instructions are given for actions to mitigate the effects of the drought that several entities are experiencing.

Executive Summary:

During a speech in the state of Zacatecas on January 24, 2012, the President of Mexico, Mr. Felipe Calderon, explained that as a result of climate change, Mexico has experienced the most severe drought in the last 70 years (Note: recorded official information does not exist prior to this time. End note.). The drought has affected over 1,200 municipalities across 19 states. The five most severely affected states are Chihuahua, Coahuila, Durango, San Luis Potosí and Zacatecas. Drought, he explained, not only affects family income but also the productive (i.e., agricultural) sector. In 2011, approximately 1.5 million hectares of cropland was damaged and over 60,000 head of cattle were lost.

In his speech, the President said the federal government's priority is to ensure the supply of drinking water and basic food requirements for all families affected by the drought. As a result of the drought, the President signed a [*Decree For Actions To Mitigate The Drought That Several Entities Are Experiencing*](#), that was published in the Federal Register on January 24, 2012. In anticipation of continued drought throughout 2012, the Mexican federal budget includes nearly 34 billion pesos (U.S. \$2.4 billion) in support. This unprecedented reserve will be allocated to and expended by several federal agencies and a bank focusing on development.

The [*strategy*](#) is summarized in several measures and is published in the Presidency blog. This strategy entered into force on January 25, 2012, and includes several federal agencies and secretariats, including: Social Development (SEDESOL); Environment and Natural Resources (SEMARNAT); Finance (SH); Economy (SE); Agriculture, Livestock, Food and Fisheries (SAGARPA); Health (SALUD); National Water Commission (CONAGUA); and National Commission for Arid Lands (CONAZA). A summary of the planned actions include:

1. SEDESOL and CONAGUA will expedite emergency water delivery with water tanks and cisterns for drought-stricken communities.
2. CONAGUA has increased the activities to improve the management of basins and aquifers. A temporary program for rehabilitating and constructing wells for domestic use will be implemented.
3. President Calderón instructed SEMARNAT, SH, and SE to adjust existing legislation so that the

federal government is enabled to directly allocate funds without having to wait for state government contributions as stipulated by law. Federal resources will therefore be immediately invested in hydro-agricultural infrastructure, drinking water, drainage and sewage works.

4. President Calderon instructed SEMARNAT that under the exemptions provided by law, it should not require environmental impact analysis of CONAGUA works dealing with this emergency, so that construction may be sped up.
5. SALUD will reinforce monitoring and surveillance of risks and diseases associated with drought. It will help state governments, within their respective fields of competence, to guarantee the provision of medical services and medication supplies required by affected municipalities.
6. SAGARPA and CONAZA will speed up the delivery of funds allocated for the creation of small-scale infrastructure projects for water capture and storage in order to be ready for this year's anticipated rainfall. The President ordered CONAGUA to increase supervision and inspection in order to close down construction work or building of wells built without permission.
7. Resources will be provided to guarantee the country's food supplies. In particular, SE will increase subsidies for the corn flour (nixtamal) milling industry ([See GAIN Report MX1036](#)) and will expand the import quota for dry beans ([See GAIN Report MX2003](#)).
8. SAGARPA and SH will continue promoting catastrophic insurance coverage with the strong support of the federal government throughout 2012. The President has instructed AGROASEMEX to ensure that damage assessment and compensation payments are carried out swiftly and fairly. The government will intensify efforts to increase agricultural insurance coverage.
9. The development bank will continue supporting drought-affected states under preferential conditions and as expeditiously as possible in order to maintain liquidity and stimulate the economy.
10. The President has instructed SH to authorize drought-related program and project budgets as soon as possible, without carrying out cost-benefit analyses, as stipulated by the law in the event of emergencies.

Furthermore, the Secretariat of the Interior, in coordination with other secretariats and states, will issue natural disaster declarations for the most drought-affected municipalities. In addition, the Secretariats of the Interior and SH will establish a special reserve fund within the Fund for Natural Disasters (FONDEN) to ensure the timely allocation and expenditure of funds.

The Infrastructure and Safety Support Fund, established in the 2012 Federal Budget, will provide financing for agricultural, forest, aquaculture and fishing development.

According to the President, the federal budget includes nearly 34 billion pesos (U.S. \$2.4 billion) to address the drought and is allocated as follows:

- Supply water for human consumption - 2.15 billion pesos (U.S. \$153.5 million).
- Provide food supplies to meet essential needs - 785 million pesos (U.S. \$56.0 million).
- Family income protection programs - 725 million pesos (U.S. \$51.7 million).
- Employment support programs, mainly temporary employment programs, in affected areas - 750 million pesos (U.S. \$53.5 million).
- Programs, particularly farm support, to maintain production capacity in various programs

already in progress under SAGARPA - over 14 billion pesos (U.S. \$1.0 billion).

- Programs for water management and the sustainable use of natural resources (e.g., reactivation of wells and modernization of irrigation canals to prevent evaporation or seepage) - 4 billion pesos (U.S. \$285.7 million).
- Insurance coverage programs to pay insured farmers that had damage in 2011 and those likely to have claims in 2012 - 2.8 billion pesos (U.S. \$200 million).
- Financing programs - 8.4 billion pesos (U.S. \$600 million).

For More Information:

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Report Number	Subject	Date Submitted
MX2003	Mexico Looks to Increase Imports of Dry Beans	1/18/2012
MX1036	Mexico Updates Support Program for Corn-Dough (Nixtamal)	5/6/2011
MX1032	Sustainable Modernization of Traditional Agriculture... MasAgro	4/27/2011
MX1012	Hard Freeze Damages Sinaloa Corn and Produce	2/11/2011

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.