

## MEXICO: ESTIMATES OF SUPPORT TO AGRICULTURE

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### DEFINITIONS AND SOURCES

**Table 1. Agricultural Support Estimates / Total Transfers** contain country Total Support Estimate (TSE) and derived indicators, which cover all agricultural production, i.e. all agricultural commodities produced in the country. Definitions of basic data sets refer to the specific programmes applied in the country. For the Producer Support Estimate (PSE) and Consumer Support Estimate (CSE), each policy measure is classified according to implementation criteria, which include: the *transfer basis* of support (output, input, area/animal numbers/receipts/income, and non-commodity criteria); whether support is based on *current or non-current basis*; whether *production is required or not* to receive payment. Each policy measure is also assigned several “labels” indicating additional implementation criteria. “MPS commodities”, which vary across countries, are those for which the market price support is explicitly calculated in Tables 4.1 – 4.15.

**Table 2. Breakdown of PSE by Commodity and Other Transfers** provides a breakdown of the total PSE into four categories reflecting the flexibility given to farmers regarding which commodity to produce within the various policy measures. These categories are: Single Commodity Transfers (SCT); Group Commodity Transfers (GCT); All Commodity Transfers (ACT); and Other Transfers to Producers (OTP). All data sets in Table 2 come from Tables 1 and 3.1 – 3.15 where definitions are included.

**Tables 3.1 – 3.15 Producer Single Commodity Transfers** contain producer SCT by commodity, which are calculated for Mexico for the following commodities: wheat, maize, barley, oats, rice, sorghum, soybeans, sunflower, rapeseed, sugar, milk, beef and veal, pig meat, poultry meat, sheep meat, wool and eggs provided that the value of production of that commodity exceeds 1% of the total value of production. In addition, SCT for “other commodities” is also calculated, which covers transfers *to single commodities other than MPS commodities*. All data sets in the calculation of producer SCT by commodity come from Tables 1 and 4.1-4.15 where definitions are included.

**Tables 4.1 – 4.15** contain **Market Price Support (MPS)** and **Consumer Single Commodity Transfers** (consumer SCT) by commodity, calculated for the same set of commodities as **Tables 3.1 to 3.15**. Definitions are provided only for basic data sets from which all the other data sets in this table are derived.

All values for all years are expressed in nominal units of local currency, Mexican *peso*.

Definitions of the indicators, criteria for classification of policy transfers included in support estimation, and methods of calculation are contained in [the PSE Manual](#) (*OECD’s Producer Support Estimate and Related indicators of Agricultural Support: Concepts, Calculations, Interpretation and Use*).

**TABLE 1. Mexico: Agricultural Support Estimate**

***Definitions:***

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

*I.1. Of which share of MPS commodities (%):* Share of commodities for which MPS is explicitly calculated (in Tables 4.1 to 4.15) in the total value of agricultural production.

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

*II.1. Of which MPS commodities:* Sum of the value of consumption (at farm gate prices) of the MPS commodities as indicated in Tables 4.1 to 4.15.

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

***A. Support based on commodity outputs***

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

***A.2. Payments based on output:***

*ASERCA marketing payments (Ingreso Objetivo):* per tonne payment provided in various years by ASERCA (Support Services for Agricultural Marketing) to producers of rice, maize, wheat, sorghum, barley, canola, copra, peanuts, cotton, safflower, sunflower, and soya beans for given domestically produced quantities in some States. Payment rates per tonne are set on the basis of the gap between a guaranteed price and an estimated market price at the beginning of the season. Although payments to an individual producer may be limited directly by a maximum yield per hectare on which payments will be made, or indirectly by the unrelated limits to land ownership, there is no explicit limit to the payments per individual producer in the programme itself. These transfers are calculated on a crop year basis.

Period: From 1991 for rice and from 2001 for the other commodities, except if indicated otherwise.

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

Included in the SCTs for the crops listed above.

*ALIANZA FONDO DEL CAFÉ*: payments to producers based on a target price system, up to a maximum of USD 200 per tonne on a maximum of two tonnes per hectare. There is no limit to the payments.

Period: 2002-05

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

Included the SCT for Coffee.

*PACE Marketing payments / ASERCA*: Up to 2009, per tonne payment provided by CONASUPO (National Basic Foods Company) through the Programme to Support the Marketing in Ejidos (PACE) to *ejidatarios* producing maize and beans in non-irrigated areas (up to 50 tonnes per producer) to help them pack, transport and sell the crops to CONASUPO stores. This programme was discontinued in 1996, but reinstated in 2005. As of 2010, includes *ad hoc* payments by ASERCA to corn, sorghum, beans, and wheat producers under *Support Related to Specific Marketing Problems (Incentivos a Problemas Específicos de Comercialización)*. Criteria to grant these payments include, among others, regional excess supplies, low domestic and (or) international prices, and low profit levels. Calculated on a crop year basis.

Period: PACE – 1986-95 and 2005-10; *ad hoc* payments – 2010-Present

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

Included in the SCTs for crops listed above.

*ASERCA marketing payments for citrus*: per ton payments provided through ASERCA to citrus producers. Calculated on a crop year basis.

Period: 2007-08

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

Included in the SCT for Other commodities.

*Stabilization Fund Milk Marketing*: per ton payment to milk producers to compensate for low prices.

Period: 2008-09 and 2012.

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

Included in the SCT for Milk.

*Sugar price support*: per ton payment to sugar producers to compensate for low prices.

Period: 2008

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

Included in the SCT for Sugar.

*ASERCA marketing payments for milk:* per ton payments provided through ASERCA to milk producers. Calculated on a crop year basis.

Period: 2008-09 and 2012

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

Included in the SCT for Milk.

## ***B. Payments based on input use***

### ***B.1. Variable input use***

#### **Energy payments**

*Electricity Programme:* partial refund to farmers of a special tax on electricity. Since 2003, the electricity programme provides payments to reduce the price of electricity used in agricultural activities. The data on refunds are available since 2001. Calculated on a fiscal year basis.

Period: 2001 - Present

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

Included in the ACT.

*Support for diesel use in agriculture (Estímulo al diesel de uso agropecuario):* concessions or payments on energy use representing a partial refund to farmers of a special tax on diesel fuel. The individual limit by producer is a function of producer's activity and the estimated energy cost of the practices employed. The data on refunds are available since 2003. The refunds were terminated in 2013, but re-instated in 2016; however, no refunds were effectively implemented in 2016. Calculated on a fiscal year basis.

Period: 2003-13 and 2016-Present.

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

Included in the ACT.

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

*PRONASE:* transfers to PRONASE (National Seed Production Company).

Period: 1986-95

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

Included in the SCT for All Crops.

*ALIANZA "Kilo por Kilo" Programme [1]* (maize and beans).

Period: 1996-2002

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

Included in the GCT for Maize and Beans.

*ALIANZA Nopal Programme [1] (Programa Nopalero):* payments for nopal seeds.

Period: 1996-98

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

Included in the SCT for Other Products.

*ALIANZA Masal Selection Programme [1] (Selección Masal),* payments to small farmers for the use of seeds best suited to production capacity of this group of farmers.

Period: 1997

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

Included in the SCT for Other Commodities.

### Fertilizers

*FERTIMEX fertiliser payments:* Until 1993, budget allocations to FERTIMEX (Mexican Fertiliser Company) for the sale of fertilisers at subsidised prices to farmers, including transportation and storage costs.

Period: 1986-1995

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

Included in the GCT for All Crops.

*Fertiliser Programme [1] (Programa de Fertilizantes):* payments for the purchase of fertilisers.

Period: 1998-2000

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

Included in the GCT for All crops.

### Other

*Pesticide payments:* budget expenditure on ASERCA to reduce the price of pesticides to cotton producers.

Period: 1993-96

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

Included in the SCT for Cotton.

*Insurance premium subsidies (Subsidio a la Prima del Seguro Agropecuario):* Up to 1990, budgetary expenditure on ANAGSA (National Agricultural Insurance Company), and since 1991, AGROASEMEX (Mexican Agricultural Insurance Company). Subsidy is provided for insurances covering grains, beans, oilseeds and livestock products.

Period: 1986-Present

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

Included in the ACT.

*Irrigation maintenance:* tariff rebate for electricity used for groundwater pumping, plus budget expenditure on operation and maintenance of small irrigation schemes.

Period: 1986-2007

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

Included in the GCT for All Crops.

*Feed payments:* budget expenditure to cover CONASUPO deficit due to sales of certain domestic and imported feed (sorghum, maize and oilseeds, and, since 1991 and until 1999, only maize) at a price equivalent to or below purchase price. In addition, until 1991, public expenditure on ALBAMEX (Mexican Compound Feed Company) to provide compound feed to livestock producers at subsidised prices.

Period: 1986-99

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

Included in the GCT for Sorghum, Maize, and Oilseeds.

*Machinery rental:* budget expenditure on SESA (*Ejido Services*) to rent agricultural machinery to low-income farmers at subsidised prices.

Period: 1984-1991

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

Included in the GCT for All Crops.

*ALIANZA Oat Programme [1] (Programa Avenero):* payment to oat producers covering part of variable input cost.

Period: 1996-98

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

Included in the SCT for Other Commodities.

*ASERCA subsidies for price hedging and contracting (Cobertura de Precios, previously, Agricultura por Contrato):* ASERCA payment to producers of agricultural and livestock products to reduce the cost of contracting in the futures markets. Products included: cotton, coffee, safflower, maize, sorghum, soya beans, wheat, beef, pork, oranges, oats, barley, feed crops, sunflower, and, up to 2013, also cattle (feeder cattle and cattle for slaughter) and pigs (lean pigs).

Period: Data available since 2005

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

Included in the SCTs for the products listed above.

*Land and building tax concessions:* exemption on Gross Asset Tax for farmers with income below 20 times the minimum wage and 50% reduction for farmers above that income.

[No data available].

*Value added tax concessions:* VAT refund to producers for the purchase of farm inputs and the payment of services.

[No data available].

## *B.2 Fixed capital formation*

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

...*BANRURAL and FIRA:* only the share of total crops and total livestock products in total lending is considered.

Period: 1986-2000

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

Included in the ACT.

...*FICART, FIRCO and PRONASOL.*

Period: 1986-2009

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

Included in the ACT.

...*FINA, FIDAZUCAR and FIMAIA:* payments for sugar production.

Period: 1986-2000

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

Included in the SCT for Sugar.

*PROCAMPO Capitaliza:* per hectare payment to farmers within PROCAMPO (Programme of Direct Support to Countryside) based on areas planted to maize, beans, wheat, sorghum, rice, soya beans, safflower, cotton or barley in three years prior to the spring-summer 1993 growing season. This facility was designed to enable farmers to scale up future PROCAMPO payments and use them as loan collateral when applying for loans at financial institutions. As PROCAMPO was originally scheduled to remain effective until 2008, a farmer who registered in PROCAMPO in 2003 could receive guaranteed payments during at least the following five years. Further detail on PROCAMPO are contained under the heading E. Payments based on current area planted/animal numbers/revenues/incomes – production not required.

Period: 2003-10

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

Included in the ACT.

Capital grants (in the framework of ALIANZA programmes):

...*Ferti-irrigation and Irrigation techniques [1] (Ferti-irrigación y Tecnificación de la agricultura por riego con bombeo)*: assistance for purchase and installation of modern water-saving irrigation equipment to promote more efficient use of water.

Period: 1996-2001

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

Included in the GCT for All Crops.

...*Mechanisation [1] (Mecanización)*: assistance for purchase and repair of tractors and other agricultural machinery.

Period: 1998-2002

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

Included in the GCT for All Crops.

...*Alternative crops [1] (Cultivos alternativos)*: assistance for planting of alternative crops.

Period: 1997-2002

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

Included in the GCT for Alternative Crops.

...*Post-harvest equipment [1] (Equipamientos post-cosecha)*: cost-sharing of investments for post-harvest equipment (grain dryers, packaging machines) in Guanajuato.

Period: 1997-2002

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

Included in the GCT for All Crops.

...*Saline soil rehabilitation [1] (recuperación de suelos salinos)*: assistance for purchase of drainage equipment to improve the quality of saline soils in Baja California and Sonora. Included in the GCT for All Crops.

Period: 1996-2002

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

...*Land conservation [1] (Mejoramiento y conservación de suelos)*: financing of soil tests in Chiapas, Edo. De Mexico and Jalisco.

Period: 1996-2000

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

Included in the GCT for All Crops.



...*Prairies improvement [1] (Establecimiento de praderas)*: investment on fences, drinking troughs, stables, etc.

Period: 1996-2002

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

Included in the GCT for All Livestock.

...*Livestock improvement [1] (Ganado Mejor)*: assistance for purchase of quality cattle.

Period: 1996-2002

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

Included in the GCT for All Livestock.

...*Milk programme [1] (Programa Lechero)*: assistance for investments in buildings, basic infrastructure and milking equipment for cattle.

Period: 1996-2002

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

Included in the SCT for Milk.

...*Genetic improvement [1] (Mejoramiento genético)*: assistance for purchase of quality males and artificial insemination for cows, sheep and goats.

Period: 1996-2002

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

Included in the GCT for All Livestock.

...*Bee Keeping Programme [1] (Programa Apícola)*: assistance to low income producers for purchase beehives, queen bees, and for pest control and melting machines.

Period: 1996-2002

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

Included in the SCT for Other Commodities.

...*Livestock repopulation [1] (Repoblamiento del ganado)*: assistance for purchase of good quality beef cows in Yucatán.

Period: 1997-99

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

Included in the SCT for Beef and Veal.

...*Pig improvement [1] (Repoblamiento porcícola)*: assistance for purchase of improved strains of pigs in Yucatán.

Period: 1997-2002

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

Included in the SCT for Pig meat.

...*Rehabilitation of productive infrastructure [1] (Rehabilitación de infraestructuras productivas)*: investment assistance for small agro-industry equipment at the farm level.

Period: 1997-99

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

Included in the ACT.

...*Poultry support [1] (Fomento Avícola)*: investment assistance for poultry farms.

Period: 1996-2001

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

Included in the SCT for Poultry Meat.

...*Rural equipment [1]*: set of programmes to help low income farmers in poor regions to buy low cost agricultural equipment, livestock packages, technology, demonstration plots, small enterprises, family gardens, and micro-projects in arid zones and micro-projects for women.

Period: 1996-2001

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

Included in the ACT.

...*Development of indigenous areas [1] (Desarrollo sustentable de zonas indígenas)*: payments to native Indian producers and their families for marketing infrastructure and micro-projects to alleviate poverty.

Period: 1997-2001

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

Included in the ACT.

...*Acquisition of heavy machinery (Adquisición de maquinaria pesada)*: assistance for purchase of heavy machines.

Period: 1997-99

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

Included in the ACT.

...*Better young horses [1] (Potrillo Mejor)*: assistance for acquisition of good quality horses (state program).

Period: 1997-88

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

Included in the SCT for Other Commodities.

...*Irrigation infrastructure for agriculture / [1] (Infraestructura hidroagropecuaria)*: assistance for purchase and installation of small irrigation infrastructures.

Period: 1997-2000

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

Included in the GCT for All Crops.

...*Livestock infrastructure [1] (Infraestructura agropecuaria)*: assistance for purchase and installation of small infrastructure in livestock farms.

Period: 1996-2000

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

Included in the GCT for All Livestock

...*Purchase of calves [1] (adquisición de vaquillas)*: assistance for purchase of calves.

Period: 1996

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

Included in the GCT for All Livestock.

...*Support to CNA programmes (Apoyo a otros programas de la CNA)*: financing of various programmes implemented jointly with the National Water Commission (CNA) (rehabilitation of irrigation districts, development of plots, efficient use of water and power, efficient use of infrastructure, and co-ordination of CNA programmes).

Period: 1997-2002

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

Included in the ACT

...*Fuerte Mayo Programme [1] (Desarrollo fuerte mayo)*: on-farm irrigation infrastructure in specific areas of Sonora and Sinaloa states.

Period: 1998-2002

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

Included in the GCT for All crops.

...*Light machinery [1] (Modulo de maquinaria para bordos)*: assistance for purchase of light machinery.

Period: 1996

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

Included in the ACT.

...*Technical improvement of irrigation [1] (Tecnificación de la agricultura de riego por bombeo)*: assistance for improvement of irrigation infrastructure.

Period: 1998-2002

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

Included in the GCT for All Crops.

...*Basic infrastructure for livestock production [1] (Infraestructura básica ganadera)*: assistance to livestock producers for purchase of basic feeding infrastructure for dry season.

Period: 1999-2002

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

Included in the GCT for All Livestock.

...*Technical assistance for micro-credit [1] (Asistencia técnica al microfinanciamiento)*: creation of local finance services in poor rural areas.

Period: 2000

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

Included in the ACT.

...*Fund for Micro-Credit for Rural Women [1] (FOMMUR)*: interest concessions for small credit to women in rural areas.

Period: 1996-2002

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

Included in the ACT.

...*Support for acquisition of capital inputs (Fondo de apoyo a la competitividad)*.

Period: 2003-07

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

Included in the ACT.

...*Support for small farmers' access to finance*: budgetary allocations to facilitate access of smallholders and poor farmers to credit. Includes various programmes since 2003, with most of the funds within these programmes used for cash guarantees" ("garantías líquidas") on loans granted to small farmers by commercial and, in some cases, development banks. The programmes subsequently covered since 2003: PAASFIR (*Programa de Apoyo para Acceder al Sistema Financiero Rural*) in 2003-07,

PIDEFIMER (*Programa de Inducción y Desarrollo de Financiamiento al Medio Rural*) in 2008-10; FOINI (*Fondo de Inducción a la Inversión en Localidades de Alta y Muy Alta Marginación*) in 2011-13; and Acceso al Financiamiento Productivo y Competitivo as of 2014, constituting part of SAGRAPA's Programme for Agro-Food Productivity and Competitiveness (*Programa de Productividad y Competitividad Agroalimentaria*)..

Period: 2003-Present

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

Included in the ACT

...*ALIANZA – Investment promotion and capitalisation (Fomento a la inversión y capitalización)*: ALIANZA programmes to reduce cost of investment in agriculture.

Period: 2003-07

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

Included in the ACT.

... *ALIANZA – Development livestock production (Desarrollo Ganadero)*: ALIANZA programmes to reduce cost of investment in the livestock sector.

Period: 2003-07

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

Included in the GCT for All Livestock.

...*Development of integrated agricultural projects (Desarrollo de proyectos agropecuarios integrales)*: assistance for introduction of new technologies for primary processing on livestock farms.

Period: 2003-07

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

Included in the GCT for All Livestock.

*Investments in Productive Assets – Agriculture*: group of programmes providing co-financing of investment. In 2010-13, includes the corresponding shares of spending within MASAGRO programme (*Sustainable modernization of traditional agriculture*) and PRODEZA (*Development programme for arid zones*). From 2014, also covers other programmes supporting investments: (i) *Sistema Nacional de Agroparques*; (ii) *Productividad Agroalimentaria*; (iii) *Programa de Apoyo para la Productividad de la Mujer Emprendedora (PROMETE)*; (iv) *Fondo para el Apoyo a Proyectos Productivos en Núcleos Agrarios (FAPPA)*; (v) *Agroproducción Integral*; and (vi) *Desarrollo de Clúster Agroalimentario*.

Period: 2008-Present

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

Included in the ACT.

*Investments in productive assets – Livestock:* group of programmes providing co-financing of investment related to livestock production.

Period: 2008-Present

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

Included in the GCT for All Livestock.

*Rural development expenditure (on farm):* all ALIANZA programmes providing investment co-financing related to rural development. 50% of total spending within these programmes is allocated to on-farm investment.

Period: 2008-Present

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

Included in the ACT.

*Investment in small holdings producing maize and beans – PROMAF:* co-financing of investments made by small producers in marginal areas.

Period: 2008-Present

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

Included in the GCT for Maize and Beans.

*Productive reconversion of crops:* co-financing of investment for reconversion of production to more profitable agricultural products.

Period: 2008-Present

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

Included in the GCT for All Crops.

*Technical irrigation and protected agriculture:* investment on on-farm irrigation for sustainable use for water. Support covers 50% of the costs of the investment.

Period: 2009-Present

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

Included in the GCT for All Crops.

*Support to producers in humid tropical areas:* support for acquisition of productive assets and access to credit for producers in humid tropical areas. Since 2011, integrated into the Strategic Project for South East Mexico (see below).

Period: 2009-10

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

Included in the ACT.

*Strategic Project for South –Southeastern Mexico (Desarrollo Productivo Sur-Sureste):* support for acquisition of productive assets and access to credit to producers in South and South East regions of Mexico.

Period: 2009-Present

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

Included in the ACT.

*Support for technological improvement of cane sugar production:* support for investment in technologies to improve profitability of sugar cane growing.

Period: 2009-10

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

Included in the SCT for Sugar.

*Support to on-farm investment in highly marginal and poor areas:* assistance related to water infrastructure and human capital development. Up to 2013, provided within *Strategic Programme for Food Security (PESA)*, and since 2014, within the Programme for Support of Small farmers (*Programa de Apoyo a Pequeños Productores*).

Period: 2010-Present

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

Included in the ACT.

*Debt write-offs:* budget expenditure on ANAGSA to cover insurance payoffs which absorbed a major share of BANRURAL bad loans. In addition, since 1991, budget expenditure on various trust funds to cover bad loans restructuring (with very favourable terms) in agriculture: FIRCAVEN (Trust Fund to Restructure the Overdue Portfolio of BANRURAL) in 1991-92; FIDELIQ (Trust Fund for the Liquidation of Auxiliary Institutions and Organisations) in 1992; SIRECA (System for the Restructuring of Agricultural Overdue Portfolio) in 1994; FINAPE (Agricultural, Livestock and Fisheries Loan Support Programme) and FOPYME (Support programme for Small and Medium-Sized Firms) since 1996

[No data available].

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

#### *Extension:*

...*FEGA:* budget expenditure on FEGA – Technical Assistance and Loan Guarantee Trust Fund.

Period: 1986-1997

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

Included in the ACT.

...*INCA RURAL* – National Institute for Training in Rural Areas: Transfers to this institute to facilitate monitoring and evaluation of extension programmes.

Period: 1986-2013

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

Included in the ACT.

*FIRCO – Trust Fund for Shared Risk*: 50% of the total amount of the budgetary financing to FIRCO is allocated to this item.

Period: 1986-2009

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

Included in the ACT.

*TIF Programme*: payments for delivery of animals to Federally Inspected Slaughterhouses (*Tipo Inspección Federal – TIF*).

Period: 2003-Present

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

Included in the SCTs for Beef and Veal, Pig meat, and Other commodities.

*Genetic improvement*: budget expenditure on FOGAN (Livestock Fund) which provided artificial insemination services and imported high quality breeding stock..

Period: 1986-1992

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

Included in the SCT for Beef and Veal

*Capacity building in rural areas*: support for technical assistance, training, and adoption of new technologies. In the most recent period, provided under various consecutive programmes: PRODESCA (Programme for Development of Rural Capacities) in 2011-13, PIDETEC (Innovation, Technological Development and Education Programme) in 2014-15. As of 2016, PIDETEC components have been integrated various other programmes, such as the Programme for Development of Agriculture (*Programa de Fomento a la Agricultura*), Programme for Development of Livestock Production (*Programa de Fomento Ganadero*), and Programme for Development of Fisheries (*Programa de Fomento a la Productividad Pesquera*).

Period: 2003-Present

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

Included in the ACT.



### Plant and animal Health

*Plant health programmes:* expenditures on general plant health programmes implemented by the Mexican Animal and Plant Sanitary Agency (*Servicio Nacional de Sanidad, Inocuidad y Calidad Agroalimentaria – SENASICA*). ALIANZA programmes not included.

Period: 1986-Present

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

Included in the GCT for All Crops.

*Animal health programmes:* expenditures on general animal disease programmes implemented by the Mexican Animal and Plant Sanitary Agency (*Servicio Nacional de Sanidad, Inocuidad y Calidad Agroalimentaria – SENASICA*); ALIANZA programmes not included.

Period: 1986-Present

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

Included in the GCT for All Livestock.

### ALIANZA programmes:

*...Training and extension (Capacitación y extensión) and elementary technical assistance [1] (Programa elemental de asistencia técnica):* assistance to producers for technical assistance to producers.

Period: 1996-2000

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

Included in the GCT for All Crops.

*... Maintenance of heavy machinery [1] (Recuperación y mantenimiento de maquinaria pesada and Maquinaria reconstruida):* assistance to producers for repair their heavy machinery and infrastructure in Chihuahua and Querétaro.

Period: 1996-2000

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

Included in the ACT.

*... State programmes [1] for marketing and quality circles – All Products (Programas estatales de Apoyo a la Comercialización y Círculos de Calidad):* payments to help agricultural producers to improve the quality and marketing of farm products.

Period: 1996-2000

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

Included in the ACT.

... *State programmes [1] for marketing and quality circles – Livestock (Programas estatales de Apoyo a la Comercialización y Círculos de Calidad)*: payments to help livestock producers to improve the quality and marketing of livestock products

Period: 1996-2000

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

Included in the GCT for All Livestock.

...*Mobilisation control and regional livestock projects [1] (Control de Movilización y Desarrollo Regional de Proyectos Agropecuarios)*: technical assistance to producers related to implementation of livestock development projects.

Period: 1998-2002

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

Included in the GCT for All Livestock.

...*Supervision and evaluation [1]*: expenditure on supervision and evaluation of AIANZA programmes.

Period: 1996-2000

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

Included in the ACT.

...*Pest and disease control - Crops [1]*: expenditure on plant protection (*sanidad vegetal*).

Period: From 1996-2007

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

Included in the GCT for All Crops.

...*Disease control – Livestock [1]*: expenditure on animal health (*salud animal*).

Period: From 1996-2007

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

Included in the GCT for All Livestock.

...*Support to palm oil producers [1]*: payment for oil palm producers to help them purchase improved seeds and participate in pest control programmes. Calculated on a fiscal year basis.

Period: 1996-2002

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

Included in the SCT for Other Commodities.

...*Women in Rural Development [1]*: technical assistance to women willing to undertake agricultural production projects.

Period: 1999-2002

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

Included in the ACT.

...*Elementary Program for Technical Assistance (PEAT) [1]*: payments to producers to help them purchase technical assistance.

Period: 1997-2002

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

In the GCT for Grains.

*Capacity building for farmer organisations*: assistance to farmer organisations for building leadership and management capacities. Provided beyond the technical assistance and training within PRODESCA and PIDITEC programs and is oriented towards very small subsistence farmers. Currently, these payments are grouped under the Integrated Programme for Rural Development (*Programa Integral de Desarrollo Rural*).

Period: 2008-Present

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

Included in the ACT.

*Farm planning and outlook*: payments covering part of the costs related to marketing and business planning studies. Measure to be discontinued in 2017.

Period: 2008-16

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

Included in the ACT.

*Technical assistance and extension*: payments covering part of the costs of technical assistance and extension services.

Period: 2011-Present

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

Included in the ACT.

*Certification and verification of organic product (Certificación para la Productividad Agroalimentaria (Programa de Productividad y Competitividad Agroalimentaria))*: assistance for training and conformity assessment, and promotes the National Organic Product labelling.

Period: 2014-Present

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

Included in the ACT.

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

#### ***ALIANZA programmes***

*...Payments for soybeans [1] (oleaginosas):* per hectare payment for soybeans producers to help them purchase seeds. Calculated on a fiscal year basis.

Period: 1998

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in SCT for Soya Beans.

*...Coffee programme [1] (Programa del Café):* per hectare payment to coffee producers to alleviate poverty in indigenous communities, with a limit per farm, for farm improvements, pest control, technology transfer and extension. Calculated on a fiscal year basis.

Period: 1996-2000

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the SCT for Coffee

*...Payments for rubber [1] (Programa del Hule – apoyo directo):* per hectare payment for the first three years of production for small rubber plantations in poor rural communities. Calculated on a fiscal year basis.

Period: 1996-2000

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the SCT for Other Commodities.

*...Payments for cacao [1]:* per hectare payments within a limit of five hectares per producer in Oxaca, Chiapas, Guerrero and Tabasco. Calculated on a fiscal year basis.

Period: 1996-2002

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the SCT for Other commodities.

*...Payments for cotton [1]:* per hectare payments within a limit of five hectares per producer. Calculated on a fiscal year basis.

Period: 1998-2000

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the SCT for Cotton.

*...Development of cotton growing [1] (Fomento al Algodón).*

Period: 1998 and 2002

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the SCT for Cotton.

...*Coffee Programme, centralised [1] (Programa del Café, centralizado).*

Period: 2000-01

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the SCT for Coffee.

...*Development of fruit production [1] (Fomento frutícola):* payments based on area planted with a limit per farmer to assist purchase of inputs. Calculated on a fiscal year basis.

Period: 1997-99

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the GCT for Fruits.

...*Programme for Citruses [1] (Programa de Cítricos):* per hectare payment to citrus producers in Yucatán and San Luís Potosí to help them improve pest management in their farms.

Period: 1997-2002

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the GCT for citruses.

...*Strategic crops [1] (cultivos estratégicos):* per hectare payments to assist growers to purchase plants of fruits, flowers, and industrial crops to take advantage of agroclimatic conditions in Michoacán. Calculated on a fiscal year basis.

Period: 1996-2002

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the GCT for Fruits, Flowers, and Industrial Crops.

*Disaster payments – CONASUPO:* budgetary expenditure on food assistance provided by CONASUPO (National Basic Foods Company), and since 1996 by SAGAR (Agricultural Ministry) and the states, to producers of specific crops that have been affected by climatic hazard, paid per ha and based on loss of output. Calculated on a fiscal year basis.

Period: Data available for the period 1988 - 2004

Use of labels: Production and payment limits: YES; Variable payment rates: YES; Input constraints: NO. Payment base: area.

Included in the GCT for All Crops.

*Soil and water conservation payments:* per hectare payments for actions related to soil and water conservation. Beneficiaries have to demonstrate the use of funds for these purposes. Provided consequently within the Integrated Programme for Sustainable Agriculture and Productive Reconversion in Zones of Recurrent Climatic Risks (*Programa Integral de Agricultura Sostenible y Recoversion Productiva en Zonas de Siniestralidad Recurrente - PIASRE*), then within the Programme for Sustainable Use of Soil and Water (*Conservación y Uso Sustentable de Suelo y Agua – COUSSA*), and as of 2016, within the Productive Infrastructure for Sustainable Use of Soil and Water (*Infraestructura Productiva para el Aprovechamiento Sustentable de Suelo y Agua – IPASSA*).

Period: 2003-Present

Use of labels: Production and payment limits: NO; Variable payment rates: YES; Input constraints: YES. Payment base: area.

Included in the ACT.

*Programme for Temporary Employment in Poor Areas (Programa de Empleo Temporal en Zonas de Extrema Pobreza)*: minimum wage paid to farmers or farm workers to participate in community works in extremely poor areas during the period of low agricultural activity.

Period: 1997-2003

Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO. Payment base: income.

Included in the ACT.

*Disaster payments – CADENA*: payments triggered by meteorological disasters. Provided by the Programme for Natural Disasters in the Agricultural Sector (*Componente de Atención a Desastres Naturales en el Sector Agropecuario*).

Period: 2008-Present

Use of labels: Production and payment limits: NO; Variable payment rates: YES; Input constraints: NO. Payment base: area.

Included in the ACT.

*Porcine Programme: ad hoc* per head payments in 2014 and 2015.

Period: 2014-15

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: animal numbers.

Included in the SCT for Pig meat.

*Income tax concessions*: income tax exemption for farmers whose income level is below 20 times the minimum wage and a 50% tax concession for farmers above that income level. For farmers that do some manufacturing process, the tax concession is 25%.

[No data available].

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

*PROGAN Productive (Programme to Improve Livestock Productivity)*: per head payments with cross-compliance conditions, such as stocking density and animal traceability.

Period: 2003-Present

Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: YES. Payment base: animal numbers.

Included in the SCT for Beef and Veal.

*PROAGRO Productive (Programme for Promotion of Agricultural Productivity)*: PROCAMPO was transformed into Productive PROAGRO in 2014, The beneficiaries of PROAGRO payments are divided into three groups: self-consumption farmers (up to 5 hectares of rain fed land or 0.2 hectares of irrigated land); transition farmers (from 5 to 20 hectares, or 0.2 to 5 for irrigated land); and commercial farmers (more than 20 or 5 hectares of rain fed or irrigated land). The amount of payment differs for each type of farm. Farmers are required to plant in order to receive the

payments. Unlike PROCAMPO, these payments are linked to specific actions to improve land productivity (“vinculación productiva”). Farmers have to provide proof that the payment had been used for technical, productive, organisational or investment improvements, such as purchase of machinery, certified seeds, fertilisers, restructuring, insurance, or price hedging.

Period: 2013-Present

Use of labels: Production and payment limits: YES; Variable payment rates: NO; Input constraints: NO. Payment base: area.

Included in the ACT.

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

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

Period: 1994-2012

Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO. Payment base: area. Production exceptions: NO.

Included in the OTC.

*Support for basic crops [1] (Fomento de Cultivos Basicos)*: a program in ALIANZA with similar requirements and procedures as for PROCAMPO payments. Basic crops include: maize, beans, wheat, rice, sorghum, soybeans, cotton, barley, and cartamo.

Period: 1996-97

Use of labels: Production and payment limits: NO; Variable payment rates: NO; Input constraints: NO. Payment base: area. Production exception: YES.

Included in the OTC.

***F. Payments based on non-commodity criteria***

***F.1. Long-term resource retirement***

*Programme for Acquisition of Water Use Rights (Programa de Adquisición de Derechos de Uso del Agua)*: payments for cession of water rights by farmers.

Period: 2003-2006

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

Included in the OTC.

*F.2. Specific non-commodity output*

*F.3. Other non-commodity criteria*

**G. Miscellaneous payments**

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

**III.3 Producer NPC:** For all agricultural commodities the Producer NPC is estimated as a weighted average of the producer NPC calculated for the individual MPS commodities and shown in Table 4. For each commodity Producer NPC = [domestic price received by producers (at the farm gate) + unit payments based on output] / border price (also at the farm gate). A Total PNP is calculated for the electronic data product.

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

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

**H. Agricultural Knowledge and Innovation System**

**H.1. Agricultural Knowledge Generation**

Research Institutions:

*National Institute for Forestry, Agricultural and Livestock Research – INIFAP.*

Period: 1986-Present

*Mexican Institute of Water Technology – IMTA.*

Period: 1986-Present

*Agricultural and Livestock Statistics Service – SIAP:* Budgetary funding to SIAP, corresponding to the development and production of statistics on agriculture.

Period: 2002-08

**H.2. Agricultural Knowledge Transfer**

*H.2.a.education:*

*Agricultural Technical Institutes and Vocational Agricultural: Schools* Budget expenditure on Agricultural Technical Institutes and Vocational Agricultural Schools.

Period: 1986-Present

*H.2.b.extension services:*

*ALIANZA – Technology Transfer [1] (Transferencia de Tecnología).*

1996-Present.

**I. Inspection and control**



### ***I.1.Agricultural Product Safety and Inspection***

*National Phytosanitary and Sanitary Commission – CNSA / CONASAG:* Expenditure is allocated in equal parts (33%-33%-33%) to I1, I2 and I3.

Period: Data available since 1996

### ***I.2.Pest and Disease Inspection and Control***

*ALIANZA – State Programmes for Quarantine Control [1] (Programas Estatales – Control cuarentenario).*

Period: 1997-2000

*National Phytosanitary and Sanitary Commission – CNSA / CONASAG:* Expenditure is allocated in equal parts (33%-33%-33%) to I1, I2 and I3.

Period: 1996-Present

### ***I.3. Input Control***

*National Seed Inspection Service – SNIC*

Period: 1997-2009

*National Phytosanitary and Sanitary Commission – CNSA / CONASAG:* Expenditure is allocated in equal parts (33%-33%-33%) to I1, I2 and I3.

Period: 1996-Present

## ***J. Development and Maintenance of Infrastructure***

### ***J.1. Hydrological Infrastructure***

*Small Irrigation:* Public expenditure on small infrastructure for irrigation.

Period: 1986-2013

*Large Irrigation:* Public expenditure on large infrastructure for irrigation.

Period: 1986-Present

*Small water infrastructure:* Public expenditure on small water infrastructure undertaken by communities and municipalities.

Period: 2010-13

### ***J.2. Storage, Marketing and other Physical Infrastructure***

*Livestock infrastructure:* In recent period, expenditures for drilling of wells for livestock drinking.

Period: 1986-Present

### ***J.3. Institutional Infrastructure***

*Support to farmers organisations* – Provided within the following subsequent programmes: Programme for Support of Social Organisations in the Agricultural and Fisheries Sector (*Programa de Apoyo a Organizaciones Sociales Agropecuarias y Pesqueras – PROSAP*) in 2003-09; Programme for Support the Participation of Stakeholders in Rural Development (*Programa de Apoyo a la Participación de Actores para el Desarrollo Rural*) in 2010,

Programme for Support to Project Integration (*Programa de Apoyos para la Integración de Proyectos*) in 2011-13, Project Integration (*Integración de Proyectos*) as of 2014.

Period: 2003-Present

#### ***J.4.Farm Restructuring***

*Rural Sector Capitalisation and Investment Fund (Fondo de Capitalización e Inversión del Sector Rural – FOCIR).*

Period: 1993-2010

#### ***K. Marketing and promotion***

##### ***K.1. Collective Schemes for Processing and Marketing***

*ALIANZA – marketing and promotion programmes:* aggregates budgetary expenditure on the following programmes.

Period: 1996-2007

*Studies and agricultural projects [1] (Estudios y proyectos agropecuarios):* covers the cost of studies on technical and economic viability of projects related to marketing.

*Primary agro-industry development [1] (Desarrollo agroindustrial primario):* To reduce the cost of purchasing first processing machinery and building for agro-industry. [More information is needed on the implementation of this programme].

*Export promotion [1] (Promoción de exportaciones):* Promotion of quality standards, farmers' organisations and certification units.

*Agricultural information [1] (Información agropecuaria):* To co-ordinate statistics of the agricultural sector.

*Marketing support [1] (apoyo a la comercialización):* For promotion of local products in the national market and facilitating access to other programmes like those by ASERCA.

*Marketing enterprises in the social sector [1] (PROFECA):* To promote associations of farmers in order to improve the marketing of grains.

*Fortalecimiento de los sistemas product:* a group of ALIANZA programmes facilitating the participation of farmers in the marketing chain.

*Fortalecimiento de empresas y organización (PROFEMOR):* Payments to facilitate the creation of firms or organizations dealing with the marketing of agricultural products.

*Programa de apoyo para la integración de los mercados y fomento a las exportaciones agroalimentarias (PROEXIN/PROEXPORTA):* Expenditures on fairs and promotion of Mexican agricultural products.

*Sistema de información para desarrollo rural sustentable (SNIDRUS):* Expenditure on a network of offices collecting information on local sustainable development and on some related publications.

*National Fruit Commission – CONAFRUT:* The total expenditure on CONAFRUT is allocated to sub-headings K1 and K2 in 50%-50% proportion.

Period: 1986-92

*ASERCA – Marketing and promotion programmes:* Budget expenditure on ASERCA activities to diffuse commodity price and market information and to promote the development of regional markets.

Period: 1991-2008

## ***K.2. Promotion of Agricultural Products***

*Export promotion* – Funding for campaigns and actions to promote exports. Currently, provided within the Export Promotion Programme (*Programa de Fomento a las Exportaciones*).

Period: 2003-Present

National Fruit Commission – *CONAFRUT*: Total amount of expenditures on CONAFRUT is allocated in 50%-50% proportion to the sub-headings *K1. Collective Schemes for Processing and Marketing* and *K2. Promotion of agricultural products*.

Period: 1986-1992

## ***L. Cost of Public Stockholding***

*CONASUPO*: Budget expenditure to cover CONASUPO operation and maintenance costs of public stockholding estimated at 30% of total budget expenditure on CONASUPO up to 1995. Starting from 1996, BORUCONSA has performed these functions until its closure in 1999.

Period: 1986-1998

## ***M. Miscellaneous***

*Rural roads*

Period: 1996-2010

*National Commission for Arid Zones – CONAZA*

Period: 1986-2008

*SEDESOL*: Budget expenditure on various programmes of assistance provided to poor rural families by SEDESOL (Secretariat for Social development) through the National Solidarity programme until 1994 and, since 1995, the Poverty Alleviation Programme (national fund to support enterprises in solidarity, regional solidarity fund for the development of the indigenous communities).

[No data available].

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

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

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

***O. Other transfers from consumers:*** Transfers to the budget associated with market price support on the quantities imported of domestically produced commodities, estimated by increasing the transfers

calculated for the MPS commodities according to their share in the total value of production  $[(O.1) / (I.1) \times 100]$ .

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

***P. Transfers to consumers from taxpayers***

*P.1. Commodity-specific transfers to consumers:* Sum of commodity specific transfers from taxpayers to consumers (farm gate level) from commodity Tables 4.1 to 4.15, including:

Trust Fund for Tortilla Subsidy Payments – *FIDELIST*: Budget expenditure to provide for free one kg of maize tortillas daily to 2 million low-income families in urban areas. Calculated on a fiscal year basis. Commodity allocation: Maize.

Period: 1986-2003

Social Programme for Milk Supply (*Programa Social de Abasto de Leche*): Budget expenditure on milk sales at reduced prices to disadvantaged families by state-owned company LICONSA (Leche Industrializada CONASUPO). The Programme currently covers elderly people, pregnant women, young women, and handicapped people. Calculated on a fiscal year basis. Commodity allocation: Milk.

Period: 1986-Present

*Payments to grain processors – ASERCA:* Per tonne payments to wheat millers, processors of compound feeds, and vegetable oil industry to compensate them for purchase of domestic wheat, sorghum, soybeans and other oilseeds, rice, maize and cotton, at agreed prices, as part of price support to farmers. Commodity allocation: commodities listed above.

Period: 1986-2000

*Exports and freights payments – ASERCA:* Payment for wheat, maize and sorghum, varying by State to facilitate marketing in areas distant from the main consumption centres. Calculated on a crop year basis. Commodity allocation: commodities listed above.

Period: wheat – 2005-12; maize – 2005-09, 2015; sorghum – 2007-08, 2015.

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

*Supply of Basic Foodstuffs Programme (Programa de Abasto Social):* Budget expenditure to cover deficits associated with sales of domestic and imported foodstuffs – maize, beans, wheat, rice and oilseeds (only maize and beans between 1990 and 1998 – at prices equivalent to or below the purchase price. Allocated to all commodities.

Period: 1989-Present

*SEDESOL's Food Programme of (Programa Alimentario):* Cash transfers for food purchase within programmes of social assistance implemented by the Mexican Secretariat of Social Development (*Secretaría de Desarrollo Social – SEDESOL*). Allocated to all commodities.

Period: 2012-Present

***Q. Excess Feed Cost:*** Associated with market price support on quantities domestically produced and used on-farm as feed as calculated in Table 4. [Sum of excess feed costs in the MPS Tables 4.1 to 4.15 for feed crops.]

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

**V.3 Consumer NPC:** For all agricultural commodities the Consumer NPC is estimated as a weighted average of the consumer NPC calculated for the individual MPS commodities and shown in Table 2. For each commodity Consumer NPC = domestic price paid by consumers (at the farm gate)/ border price (also at the farm gate). ).

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

**VI. Total Support Estimate**  $[(III.1) + (IV) + (P)]$  and  $[(R) + (S) - (T)]$

**R. Transfers from consumers**  $[(N) + (O)]$

**S. Transfers from taxpayers**  $[(III.1) - (N) + (IV) + (P)]$

**T. Budget revenues**  $[(O)]$

**Sources:**

Budgetary information is provided directly to the OECD Secretariat by the Mexican Ministry of Agriculture, Livestock, Rural Development and Fisheries (SAGARPA) and is based on the following principal sources:

Mexican Ministry of Finance: *Cuenta de la Hacienda Pública Federal*, Secretaría de Hacienda y Crédito Público (SHCP)

Mexican Ministry of Agriculture, Livestock, Rural Development and Fisheries: *Estado del Ejercicio Presupuestal*, Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (SAGARPA)

Mexican Ministry of Finance: *Presupuesto de Egresos de la Federación*, Secretaría de Hacienda y Crédito Público (SHCP).

**Note:**

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

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

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

### **Definitions**

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

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

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

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

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

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

**Transfers to specific groups of commodities:** The GCT is calculated for Mexico for the following groups of commodities: crops, livestock, fruits, flowers, industrial crops and alternative crops.

**III. All commodity transfers (ACT):** the annual monetary value of gross transfers from policies that place no restrictions on the commodity produced but require the recipient to produce some commodity of their choice. [ACT = C<sub>ALL</sub> + B<sub>ALL</sub> + D<sub>ALL</sub>]

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

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

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

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

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

### TABLE 3. MEXICO : Producer Single Commodity Transfers

Tables 3.1 to 3.15, provide information on Producer Single Commodity Transfers (PSCT) for the following commodities: wheat, maize, barley, sorghum, rice, soya beans, sugar, milk, beef and veal, pig meat, poultry, eggs, dry beans, tomatoes, and coffee. Table 3.16 provide information on PSCT for all the other commodities. All data sets in the calculation SCT by commodity come from Tables 1 and 4.1-4.15 where definitions are included.

#### Definitions

**I. Level of production:** Data from respective commodity tables 4.1 – 4.15 (Market price support tables)

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

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

#### *A. Support based on commodity outputs*

*A1. Market Price Support* [Data from Table 4]

*A2. Payments based on output*

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

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

*B1. Variable input use*

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

*B2. Fixed capital formation*

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

*B3. On-farm services*

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

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

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

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

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

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

**TABLE 4. MEXICO : Market Price Support and Consumer Single Commodity Transfers**

## **Definitions**

### **1. Level of production**

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

**Sugar**: Total quantity of production of sugar cane (cana de azucar) [1] and quantity of production of refined sugar [4] during the crop year. A ratio between quantity of sugar cane produced and quantity of refined sugar produced is calculated based on these series and used to express all quantities in Table 4 for sugar in sugar cane equivalent.

**Milk** (leche de bovino): Total level of production in litres [1], multiplied by a coefficient of 1.031 / 1000 to express in tonnes.

**Beef and Veal** (carne de bovino en canal) and **Pig meat** (carne de porcino en canal): Gross indigenous production expressed in carcass weight [1].

**Poultry meat** (aves): Gross indigenous production, live weight (chicken and turkey) expressed in carcass weight [2].

**Eggs** (huevo): Total egg production in tonnes [2].

### **2. Producer prices**

**Wheat**: Up to 2000, weighted average of administered prices of wheat (precio piso de bodega) in the autumn-winter and spring-summer seasons. Since 2001, no administered prices are applied and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [3].

**Maize**: Up to 2000, average of administered prices of white maize in autumn-winter and spring-summer seasons. For 1990-1995 yellow maize price was also considered in the weighted average (5% of total). Since 2001, no administered prices are applied and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [3].

**Barley**: Up to 2000, average of administered prices for autumn-winter and spring-summer seasons. Since 2001, no administered prices are applied and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [3].

**Sorghum**: Up to 2000, average of administered prices for autumn-winter and spring-summer seasons. Since 2001, no administered prices are applied and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [3].

**Rice**: Up to 2000, average of administered prices for paddy rice for autumn-winter and spring-summer seasons. Since 2001, no administered prices are applied and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [3].

**Soya beans**: Up to 2000, average of administered prices for paddy rice for autumn-winter and spring-summer seasons. Since 2001, no administered prices are applied and price paid to producer is used (Precios de granos y oleaginosas pagados al productor) is used [3].

**Sugar cane**: Average producer price of sugar cane [4]. **Note**: Market Price Differential for sugar is estimated as the difference between the wholesale price for raw sugar and the reference price for raw sugar. This differential is divided by the ratio raw sugar price-to-sugar cane price to express it sugar cane equivalent. **Wholesale price** for raw sugar used for the calculation of the Market Price Differential is: Up to 1994, annual average of monthly wholesale price of raw sugar (mascabado)



from *Camara Nacional de Industrias Azucareras*; since 1995, "precio de referencia de azucar base standard KABE" [4], with a correction coefficient from an average of overlapping years of 0.926.

**Milk:** Average producer price of milk [1].

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

**Pig meat:** Weighted average wholesale price carcass equivalent (Precio promedio ponderado en canal), reduced by a producer-to-wholesale margin of 30% [1].

**Poultry meat:** Weighted average "producer price of processed poultry ("rosterero"), carcass equivalent [2].

**Eggs:** Producer price of white eggs [2].

**Dried beans:** Average of producer prices for autumn-winter and spring-summer seasons [1].

**Tomatoes:** Average producer price in rural areas (precio medio rural) [1], reduced by producer-to-wholesale margin.

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

### 3. Level of consumption

**Wheat** (trigo grano), **Maize** (maíz grano), **Barley** (cebada grano), **Sorghum** (sorgo grano), **Rice** (arroz palay), **Soyabeans** (soya), **Rice** (arroz palay), **Dried beans** (frijol) and **Tomatoes** (jitomate): Apparent consumption defined as production plus imports minus exports [1] and [5].

**Sugar:** Sum of industrial and household consumption of refined sugar [4], expressed in sugar cane equivalent.

**Milk:** Apparent consumption defined as production plus imports minus exports [1] and [5].

**Beef and veal, pig meat, poultry meat and eggs:** Domestic apparent consumption in carcass weight equivalent, defined as gross indigenous production, plus total imports, minus total exports [8].

**Coffee:** Apparent consumption defined as production plus imports minus exports [1] and [5].

### 4. Reference prices

**Wheat:** Up to 2013: Simple average of the US hard red winter (HRW) No 2 [10] and the US soft red winter (SRW) No 2 [11] (farmer's price). A transportation cost to Gulf of 12 USD/t is added; as of 2014: IGC quotations for US hard red winter (HRW) wheat and soft red winter (SRW) wheat, f.o.b. Gulf [12].

**Maize:** Up to 2013: US export price (Gulf) of yellow maize [10]. Weighted average of yellow and white maize with a 95% weight to white maize, and the white maize price being calculated by adding a 20% quality premium to the US export price of yellow maize. A transportation cost to Gulf of 31 USD/t is added; as of 2014: IGC quotations for US maize export price (3YC) f.o.b. Gulf [12]

**Barley:** Up to 2014: US barley price in MN as SPRING-SUMMER2R designated barley [11] plus transportation cost to gulf of 1.3 USD per bushel; for 2015: price for malting barley from Canadian Wheat Board (CWB), CWB PRO (per tonne), in store Vancouver or St. Lawrence, Select CW Two-Row, Annual Pool, 26 February (received by mail) [13]; for 2016: the same price is applied as in 2016 due to a lack of information.

**Sorghum:** Up to 2013: US export price [10]. A transportation cost to Gulf of 12 USD/t. is added; as of 2014: IGC quotations for US sorghum export price f.o.b. Gulf [12].

**Rice:** Up to 1993: Gulf medium grain price [14]; from 1994 to 2013: f.o.b. Houston long grain [10], multiplied by a factor correction of 0.89 from an average of overlapping years, and converted from milled rice price into paddy equivalent price by multiplying by a technical coefficient of 0.66 until 1993, and 0.5 from 1994 onwards. A transportation cost to Gulf of 12 USD/t is added; as of 2014: IGC quotations for US rice export price (No 2. 4% Broken), f.o.b. Gulf [12].

**Soya beans:** Up to 1993: US export price Gulf [10]. A transportation cost to Gulf of 12 USD/t. is added; as of 2014: IGC quotations for US soya bean export price (2Y), f.o.b. Gulf [12].

**Sugar:** World raw sugar price, FOB Caribbean [15].

**Milk:** Mexican border prices of butter and SMP converted into a milk equivalent border price, using technical coefficients, minus average processing margin, calendar year milk (average margin is calculated using processing margins for Australia, the European Union, New Zealand and the United States). The border price of butter is the average c.i.f. unit value of Mexican imports of butter (NCM 040500) [1], the border price of SMP is the average c.i.f. unit value of Mexican imports of skimmed milk powder (NCM 040210) [1]. For detailed explanation of the procedure to calculate milk equivalent border price, see Annex 4.1 of the PSE Manual [www.oecd.org/agriculture/PSE](http://www.oecd.org/agriculture/PSE).

**Beef and veal:** Australian sale yard prices of livestock [16], plus transport costs from Australia to the United States.

**Pig meat and poultry meat:** US producer price minus unit export subsidies ([9], US database), plus constant transport costs (80 US dollars per tonne).

**Eggs:** US producer price minus unit export subsidies ([9], US database), plus transport costs to Canada (80 US dollars per tonne).

**Dried beans:** US Pinto dry beans [17].

**Tomatoes:** Unit export value to the United States [1].

**Coffee:** International Coffee Organization composite indicator price [18].

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