

Grupo Maseca

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Grupo Maseca is the largest producer of corn flour and tortilla in the world. My purpose here is to comment on the farm structure in Mexico.

First, in Mexico we have a different typology of farms by their size and net income than in the United States and Canada because our small farms have less than 5 hectares and represent up to 80 percent of the farmers nationwide. These farms include almost 4 million farmers, which means around 22 million people directly depending on those farmers, living in the rural area. These people are hardly sustained by their farm activity income, so they have to migrate to the nearest city or to the United States, and we think that this is going to be the main dispute issue between Mexico and the NAFTA partners. So the first thing we have to do is to stop this migration, for that is the better way to develop the farmers and their regions.

But how are we going to do that? The answer seems to be simple: We have to educate the farmer, so he can be able to take his own decisions to produce and be competitive in the new scenario, using all the available economic, human and natural resources, from their own stock and from the government.

The main issue that is going to be the first restriction for structural change in our country is *inside the human being*; let me put it this way. Mexico has all these marginal farmers, almost four million, with almost nothing but their land, and a huge human potential. But the potential is dormant; so we need a process to wake up this potential, change farmers attitudes and make things happen. For that we need an external agent, we call him promoter, and we have to teach him a method that is going to facilitate the farmers attitude change. For the success of this process, we have to introduce some key actions:

- the first is *confidence*, confidence among promoter, farmer and all the other actors of the supply or value chain;

- the second is *communication*, both ways, between farmer and promoter;
- the third is *reflection*, that the farmer understands his situation and is willing to change it;
- the fourth is to construct a project which ensures the farmer and the promoter are the major facilitators of the process;
- the fifth is evaluation and feed back of the whole process.

It has been argued that the problem in Mexico is caused by deficiencies in hard technology. But my point is that the main constraint is caused by the soft technologies; the problem and the solutions are inside the human being. If we don't get that point, financial and machinery resources are not going to save the situation, and the poverty in Mexico is going to be deeper. That means that migration will be the main controversial issue in the North America Free Trade Agreement.