

## **World Trade Situation and Policy Updates**

### **The Mexican Government Expropriates 27 Sugar Mills**

The Mexican government officially announced on Monday, September 3, that it will expropriating 27 failing sugar mills. In a decree published in the official government bulletin (Diario Oficial), President Vicente Fox explained that the sugar mills were being expropriated "for reasons of public utility" to ensure continued sugar production that has averaged over 4.5 million tons per year. This is the first step to organize and restructure the national sugar sector. All of the expropriated sugar mills represent about 50 percent of sugar production in Mexico. The government of Mexico will use up to \$3 billion pesos (\$327 million dollars) to keep the mills operating and prepare the mills for sale. The Secretariat of Treasury indicated that the mills will be sold in 18 months to either local or foreign buyers or a combination of the two.

### **Canada Bans "Eat Fruits and Vegetables - 5 a Day - For Better Health" Logo and "U.S. Nutrition Facts" Box on Pre-packaged Fresh Fruits and Vegetables**

On August 27, 2001, the Canadian Food Inspection Agency (CFIA) issued a memorandum prohibiting the use of the logo "Eat Fruits and Vegetables - 5 a Day - For Better Health" on pre-packaged fresh fruits and vegetables. Furthermore, the memorandum reminds U.S. shippers that the "Nutrition Facts" box is not permissible on pre-packaged produce. Starting immediately, CFIA will begin issuing warnings to Canadian receivers, and starting December 1, 2001, will begin stricter enforcement, including detention of product until the label is brought into compliance. U.S. industry groups have written letters requesting that Canada re-evaluate their position or extend the deadline to enable U.S. industry time to discuss the issue with the Canadian government. U.S. industry representatives claim that shippers simply cannot comply with the new ruling in time to meet the deadline, and that this ruling will cost the industry millions in re-packaging costs and will disrupt the supply of fruits and vegetables to Canadian consumers.

### **First Food for Progress Shipment of Dehydrated Potatoes Approved for Tajikistan**

USDA will donate 450 metric tons of dehydrated potatoes (flakes) to Care and Save the Children under USDA's Food for Progress Program. This is the first time that dehydrated potatoes has been approved under this program. Care plans to implement a maternal child health nutrition program distributing small packets of food to mothers. Save the Children plans an institutional program to feed preschool children. The food donation comes at a particularly important time given the fact that many Tajikistanis suffer from dietary deficiencies and that the country is in its second year of a drought. The dehydrated potatoes will be distributed between October 2001 and September 2002.