

Major Food Assistance Programs in Mexico

The principles guiding the development of food assistance programs in Mexico are found in the National Development Plan 1995-2000. The objectives of the plan are to promote equal opportunities and conditions of equality to ensure that the population enjoys individual and social rights; to raise the level of well-being and the quality of life; and to reduce poverty and social exclusion. The efforts are oriented toward the development of the productive capacity of individuals and communities and are directed toward the regions with the greatest development need.

The social development strategy has two approaches that are necessarily inter-related:

1. Universal access policies concerning education, health, social security, and housing.
2. Poverty reduction policies oriented toward the most vulnerable social groups and those whose living conditions prevent them from having access to the benefits of development.

One part of the plan is the Program to Overcome Poverty 1995-2000. The program seeks to reduce the incidence of extreme poverty in the medium term, giving priority to the regions and the groups that need it the most. Therefore, a series of comprehensive and complementary actions are proposed to support individuals and families during key moments of their life cycle to break the intergenerational transmission of poverty. To achieve this, the program is based on three fundamental policies: development of coordinated and relevant actions to increase the capacity of individuals and families; construction of basic municipal infrastructure; and encouragement of productive activities that increase income and employment. The goal is to integrate these policies sufficiently for a comprehensive strategy to overcome extreme poverty.

We now review the five largest food assistance programs in Mexico: LICONSA, DICONSA, DIF, FIDELIST, and Progresa. While DIF is an autonomous agency, the other four programs are in the Secretaria de Desarrollo Social (SEDESOL). Previously, LICONSA, DICONSA, and FIDELIST were in the Secretaria de Agricultura (SAGAR).²

LICONSA

The oldest existing Mexican food assistance program, LICONSA was started in 1965 to safeguard the health of children. The LICONSA program provides milk powder and liquid milk at subsidized prices to low-income families. In 1997, the milk program distributed 11 percent of total

domestic milk consumption, benefiting over 2 million children in rural areas and 3.4 million children in urban areas. The distribution mechanism is through “cards” that entitle poor children living in marginal zones³ to buy 4 liters of milk per child/per week at discounted prices. In Mexico City, the allowance is for 8 liters of milk. In 1998, the price of milk for program participants was 25 percent lower than the market price.

Beginning in 1991, LICONSA increased its coverage to children 12 years of age and younger in low-income families (children of up to 2 years of age can obtain infant formula). The program previously had served children 5 years of age and younger. LICONSA distributes milk through LICONSA agents, DICONSA stores, and private retail shops. LICONSA also supplies milk powder to DIF.

DICONSA

DICONSA was created in 1972 to distribute basic commodities (corn, beans, rice, sugar, corn flour), powdered milk (in cooperation with LICONSA), and tortilla products at subsidized prices to people living in marginal urban and rural areas. DICONSA’s operations have grown significantly over time. In 1976, DICONSA operated 1,500 rural stores; by 1997, there were 23,344 DICONSA rural stores, benefiting 31.2 million consumers. Over 82 percent of total DICONSA sales take place in rural areas, and 18 percent occur in marginal urban areas and special programs.

In 1995, DICONSA’s selling prices were 19 percent lower than market prices in rural areas, and 13 percent lower in urban areas. DICONSA also has a targeted program to directly subsidize the price of corn tortillas through preferential prices to close to 5 million low-income consumers.

DICONSA’s programs also include the Rural Procurement Program to supply subsidized basic commodities in rural areas and the Urban Procurement Program (PAZPU) to supply basic commodities in the cities.

DIF

The National Scheme for the Integrated Development of the Family (DIF) began in 1972 and was designed to increase the nutritional intake and welfare of the poor. Currently DIF manages five different food consumption programs: the Food Rations Program (PRA), Food Assistance to Families Program (PASAF), Popular Kitchens and Integral Services Units (COPUSI), the School Breakfast Program, and the Community Breakfast Program.

The most important, the Food Rations Program, provides milk powder, corn tortillas, and beans to over 7.3 million individuals, half of whom are children. The Food Assistance to Families Program provides monthly food baskets to 1.7 million families in extreme poverty located in rural, indige-

² For a historical perspective on food assistance programs in Mexico, see Yañez-Zazueta, 1997.

³ Marginal zones are defined as relatively poorer areas in Mexico.

nous, and marginal urban areas. The Popular Kitchens and Integral Services Units Program provides an “integrated package” of food, health, and educational services throughout the country to rural and indigenous populations; the program benefited 256,425 people in 1997. The School Breakfast Program provides free breakfasts to school children located in the poor districts of the four largest cities, and to elderly, destitute, and handicapped people in social assistance centers. In 1997, the program benefited 2.6 million school children per day with 20 percent of the breakfasts distributed in Mexico City. The Community Breakfasts Program provides free breakfasts to children under 5 years of age and expecting and lactating mothers in rural and indigenous areas with fewer than 1,000 inhabitants.

FIDELIST (Trust Fund for the Liquidation of the Tortilla Subsidy)

In 1984, CONASUPO created the tortibonos food stamp program, a targeted program to directly subsidize the price of corn tortillas at preferential prices to low-income families in urban areas. Until 1990, CONASUPO distributed tortibonos directly to 2.5 million families at prices below the official consumer price ceilings (50 percent lower than the retail price), principally through DICONSA retail stores in low-income urban neighborhoods.

In 1990, the tortibonos program was replaced by the Program to Subsidize the Consumption of Tortilla (Tortilla sin Costo), to provide 2.1 million low-income households with tortilla stamps to obtain 1 kilo of free tortillas per day from the tortilla manufacturer. The free tortillas distributed through this program represented 3 percent of the total annual corn consumption in Mexico and about 50 percent of the daily household consumption. In 1997, over 1.9 million kilograms of tortillas were distributed. To control the volume distributed through tortibonos and the allocation of subsidies, the program adopted the use of “smart electronic cards” in 1992, implemented through DICONSA’s retail stores and the Trust Fund for Tortilla Subsidy Payments (FIDELIST). Since 1995, FIDELIST has been managed by SEDESOL (Secretaria de Desarrollo Social).

Progresa

Progresa is the most recent food assistance program implemented by the Mexican Government. Initiated in 1997, it

links food assistance to health and education programs. Currently benefiting over 400,000 urban and rural families in 12 States, the goal is for full coverage of the country within the next few years.

Progresa has three linked components:

1. Education

The Government provides scholarships and financial support for school supplies to encourage children to attend school. In addition, the Government plans to increase the coverage and improve the quality of education by training teachers and improving school equipment.

Scholarships are granted to each child in families covered by Progresa. The scholarships include school equipment or the financial support to obtain them and are given every 2 months throughout the school year. The higher the grade, the higher the amount distributed. Beginning in the first grade of secondary school, girls receive a higher allowance than boys. The scholarships are meant to ensure school attendance and to reduce the incentives to seek jobs at a young age or, in the case of girls, to do housework before completing their basic education.

2. Health

The coverage of health services is enhanced by equipping and training health-care providers. A basic free health services package is provided, and a nutritional supplement is given to all pregnant women and nursing mothers and to children less than 2 years old to decrease the number of undernourished children. Health self-care by the families is fostered through education and training in the areas of health, nutrition, and hygiene.

3. Nutrition

Financial support of 110 pesos per month is granted to the families to supplement their income. To help ensure that the money is used for food, this money is distributed to the female head of the household. This amount is indexed to inflation so the purchasing power remains the same. Through education and information, families are encouraged to spend this money in a manner that will yield the most improvement in nutrition and well-being. Beneficiaries must make compulsory visits to health services, and parents must attend health courses.