

committee to inspect members' parcels and render a report. The agency field inspectors would make spot checks periodically to assure that the committees were observing the regulations of the insurance agency. A procedure similar to this is presently being used with good results by one group that receives credit from the Impulsora de Puebla.

- (e) to cooperate more closely with the credit banks and the Puebla Project. The bank managers and the Project coordinator saw their relations with the director of the crop insurance agency gradually deteriorate during 1972 and 1973. The primary reason for this weakened relationship seems to be the questions asked by the Project staff regarding the operating procedures of the insurance agency. Near the end of 1972, for example, the Project coordinator invited the bank managers and the insurance agency director to work with him in finding a way to modify certain procedures of the insurance agency that were very troublesome to the farmers. The director of the insurance agency, however, showed little inclination to cooperate. The only accomplishment of the meeting was the decision to consider parcels separated by more than 1 km as different units for insurance purposes. Increased cooperation between the agency director and the representatives of other agricultural institutions in Puebla is essential to a more effective crop insurance program.

## THE NATIONAL MARKETING AGENCY

The National Marketing Agency (CONASUPO) was established in 1962 with the following objectives: (a) to improve rural family income through support prices for different agricultural products; (b) to maintain reserves of basic foods with which to meet possible shortages; and (c) to regulate prices in consumer markets of basic foods to protect the low-income population.

Until 1971, CONASUPO purchased maize in the Puebla area and stored it in the central warehouses of the National Storage Agency (ANDSA). During 1968-1970, however, CONASUPO constructed rural warehouses at 15 locations throughout the Project area. Since 1971, CONASUPO has purchased maize at these warehouses without restrictions as to grain color or minimum quantity per producer. It has paid the official price of \$75.20/ton for grain containing 14 percent moisture or less. Prior to the harvest in 1973, the official price was increased to \$96/ton.

The purchasing procedure of CONASUPO is relatively simple. An employee receives the maize from the producer at the warehouse, weighs it, and determines the moisture content. If the grain contains more than 14 percent moisture, its weight is adjusted to that moisture content. A sales slip is prepared showing the weight of grain received and its value. The farmer presents the sales slip to the cashier and receives his payment.

One problem with this procedure, as far as farmers are concerned, is that the cashier is normally present at the warehouse only 2 days per week. This means that farmers often have to make a second trip to the warehouse in order to get paid. For this reason, and the inconvenience of having to haul their grain to the warehouse, most farmers continue to sell their maize to the village grain merchant. The network of CONASUPO buyers, nonetheless, serves to keep the price paid by the local buyer from falling much below the official price.

Table 7.3 shows the amounts of maize purchased in 1971-1972 and 1972-1973 at the 15 rural warehouses, as well as the amounts sold to local consumers. Purchases in these 2 years account for a small part of the total maize sold in the area, indicating that most farmers sold to local buyers. The amounts purchased in 1972-1973 were much lower than in 1971-1972, probably because the price offered by local buyers that year was above \$75.20/ton, due to a general shortage of maize throughout the country.

TABLE 7.3. Metric tons of maize purchased and sold by Conasupo at the rural warehouses in the Puebla area.

Name of warehouse	Purchases		Sales	
	1971-72	1972-73	1971-72	1972-73
Magdalena	1463	675	7.4	18.7
Ocotitlán	141	45	..	..
Tlaxco	6485	3606	14.9	74.9
Coatepec	742	192	..	56.6
Malacatepec	191	105	..	96.8
Benito Juárez	1077	343	..	67.7
Teotlalcingo	281	283	84.6	0.9
Tlautla	2660	1932	..	13.1
El Verde	751	73	4.5	34.3
Acozautla	590	34	..	2.6
Tepeaca	3643	1278	..	210.7
San Andrés Cholula	1534	..	..	..
Emiliano Zapata	..	460	..	29.1
Guadalupe Zaragoza	..	20	..	4.4
Santiago Coltzingo	..	7	..	..
Total	19,558	9,053	111.4	609.8