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Voluntary - Public

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Auction of Permits to Import Dairy Preparations for December 18

Report Categories:

Dairy and Products

Trade Policy Monitoring

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Report Highlights:

On December 18, 2009, Mexico's Secretariat of Economy will conduct an auction to allocate permits (*cupos*) to the Mexican private sector to import 12,000 metric tons (MT) of dairy preparations from MFN trading partners within a duty-free tariff-rate quota (TRQ).

General Information:

Introduction: This report summarizes the official announcement published in Mexico's "*Diario Oficial*" (Federal Register) on November 19, 2009, which is related to the original agreement published by SE on December 29, 2008, in which Mexico's Secretariat of Economy (SE) published the total TRQ

for dairy preparations to be imported during 2009.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: On December 18, 2009, at 10:30 a.m., SE will conduct an auction to allocate permits (*cupos*) to the Mexican private sector to import 12,000 MT of milk powder preparations duty-free from WTO-member countries. This auction complies with Mexico's commitments under the Uruguay Round agreement and reflects GOM efforts to ensure the availability of raw dairy materials for the domestic industry. The details of the auction are as follows:

HTS#	Description	Total Qty. for Auction (MT)	Max. Qty. per Importer (MT)	Auction No.
1901.90.05	Dairy preparations containing milk solids exceeding 50%, by weight, except those included under HS code 1901.90.04	12,000	1,200	010/2009

This auction will take place at SE offices, which are located at Insurgentes Sur # 1940, Col. Florida, Delegacion Alvaro Obregon, Mexico City, and any Mexican legal entity or person can obtain the documents to participate in the auction at any SE office.

This publication is related to Mexico's announcement in the *Diario Oficial* (Federal Register) on December 29, 2008, which allowed a total TRQ import of 44,200 MT from countries with Most Favored Nation (MFN) status in 2009. This publication stated that the remaining 32,200 MT could be assigned directly to government companies (10,000 MT), industrial companies (21,200 MT) and industrial companies with no prior TRQ import records (1,000 MT).

Products under HS code 1901.90.05 are preparations (dairy blends) produced from cheeses, dry milk, butter, and other dairy based products, containing more than 50% of milk solids by weight. Solids may be either butterfat or solids not fat, or both. The definition does not include items covered under other HS codes, such as butter, dry milk, powder or cheese, and specifically excludes items under HS code 1901.90.04, which contain more than 10% milk solids and are consumer packed; hence, 1901.90.05 excludes consumer packed products.

FAS/Mexico Note: This is NOT an invitation for bids to purchase selected dairy products. Rather, it is an auction for the right to import the listed product duty-free from WTO countries. Mexican importers who are granted TRQ allocations will likely be looking to import products shortly after the auction is announced. U.S. milk products will continue to be granted unlimited duty-free access to the Mexican market under the NAFTA. This TRQ allocation should not affect U.S exports to Mexico unless the prices offered by MFN countries are lower than U.S dairy product prices.

Important Dates

1. Publication Date: November 19, 2009.
2. Public bidding date: December 18, 2009

Other Relevant Reports

MX9073 Livestock and Products Annual

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/LIVESTOCK%20AND%20PRODUCTS%20ANNUAL_Mexico_Mexico_10-4-2009.pdf

MX9072 Dairy and Products Annual report

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/DAIRY%20AND%20PRODUCTS%20ANNUAL_Mexico_Mexico_10-2-2009.pdf

Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.economia.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.