

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Mexico

Post: Mexico

Economia Announces First Bid Date for Sugar Imports

Report Categories:

Sugar

Agriculture in the Economy

Policy and Program Announcements

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Report Highlights:

On August 6, 2009, the Secretariat of Economy (SE) published a regulation in the *Diario Oficial* (Federal Register) that will allow the importation of 393,000 MT of sugar to enter under a preferential tariff rate quota (report MX9049). Recently, the SE published a second announcement that opens the public bid process for the first 100,000 MT of refined sugar. The public bid will be held on September 2, and sugar can be imported through the end of 2009.

General Information:

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The following report summarizes an announcement from the Secretariat of Economy that authorizes the first public bid for sugar to take place on September 2, 2009, which is in compliance with the August 6, 2009, announcement.

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.

The Secretariat of Economy (SE) announces the first public bid to allocate 100,000 MT of sugar

Important Dates:

1. Publication Date: August 13, 2009
2. Enforcement Date: August 17, 2009
3. Public bid Date: September 2, 2009

FAS/Mexico’s Executive Summary: As established in the August 6, 2009, announcement, the sugar quota must be allocated periodically - within the August-December timeframe - based upon the assessment of a domestic sugar deficit. Thus, on August 13, 2009, the Secretariat of Economy (SE) published the process for carrying out the first public bid to allocate the following quantity:

H.T.S.	Description	Units	Quantity to allocate	Maximum amount per participant	Date & hour of public bid
1701.99.01					
1701.99.02	Refined Sugar	MT	90,000	20,000	Sep. 2, 2009
1701.99.99					

H.T.S.	Description	Units	Country of origin	Quantity to allocate	Maximum amount per participant	Date & hour of public bid
1701.99.01						
1701.99.02	Refined Sugar	MT	Nicaragua	10,000	20,000	Sep. 2, 2009
1701.99.99						

- The total amount allocated to a single participant in both public bids cannot exceed 20,000 MT.

Previously, Mexico was authorized to import a maximum of 393,000 MT of sugar (353,000 MT from all countries and subject to a specific tariff except the United States) plus 39,300 MT from Nicaragua during the rest of 2009 (see MX9049).

This is a public bid available to all interested parties that are established in Mexico.

FAS Comments: Due to lower domestic sugar production, and expected low inventories at the end of the marketing year, the GOM will allow the first bid for 100,000 MT of sugar to take place. According to government officials, the sugar imports through TRQs will help decrease speculation and hoarding of sugar by private companies and wholesale markets, which have caused price increases in sugar and other foods. Companies using sugar to produce pastries, candies, cookies, soda drinks, fruit juices and yoghurt have been feeling the impact of higher sugar prices.

According to information of SNIIM from the Secretariat of Economy, from January to August 2009, wholesale sugar prices increased over 70 percent for standard sugar and about 47 percent for refined sugar. The Secretariat of Agriculture anticipates that with the increase in sugar imports, there should be enough supplies to last until October when the new sugar harvest begins.

Mexico: Average Wholesale Sugar Prices 2007-2009								
<i>Units: 50 Kg. Bulk/Pesos</i>								
MONTH	STANDARD			Change % (08-09)	REFINED			Change% (08-09)
	2007	2008	2009		2007	2008	2009	
January	361.40	276.20	272.75	(1.25)	412.55	323.53	329.50	1.85
February	344.95	260.17	272.88	4.89	403.50	313.25	329.33	5.13
March	347.12	260.98	289.20	10.81	400.24	309.42	339.07	9.58
April	341.00	273.50	329.00	20.29	398.81	325.00	357.34	9.95
May	332.30	255.13	337.17	32.16	389.94	316.33	395.00	24.87
June	323.00	248.88	371.20	49.15	384.16	307.83	429.33	39.44
July	321.00	267.20	424.13	58.75	383.13	322.67	451.67	39.98
August	306.50	261.67	465.25	77.80	380.84	329.17	484.58	47.21
September	288.12	262.60	N/A	N/A	366.40	332.43	N/A	N/A
October	280.40	264.50	N/A	N/A	351.73	331.75	N/A	N/A
November	272.12	264.25	N/A	N/A	331.99	330.42	N/A	N/A
December	292.00	280.60	N/A	N/A	333.16	334.94	N/A	N/A

CIF Mexico City
Source: Servicio Nacional de Informacion de Mercados SNIIM-ECONOMIA
http://www.economia-sniim.gob.mx/Sniim-an/e_SelAzu.asp