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Expected Tariff Rate Quota for Sugar

Report Categories:

Sugar

Agriculture in the Economy

Agriculture in the News

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Report Highlights:

The Secretariat of Economy (SE) published [two announcements](#) proposing a 150,000 metric tons (MT) sugar tariff rate quota (TRQ), 159,000 metric tons raw value, for the purposes of balancing the domestic sugar supply with imports and stabilizing sugar prices. Ninety percent of the quota can be imported from any country, but 10 percent must originate from Nicaragua at zero duty. The effective date of the announcement has not been published.

General Information:

Introduction: This report summarizes two announcements that SE proposed to the Federal Regulatory Improvement Commission ([COFEMER](#)) on June 7, 2011, to allow 150,000 MT of sugar to be imported under a TRQ, of which 15,000 will be allocated to Nicaragua at zero duty. The function of COFEMER is to ensure transparency in the drafting of federal regulations and to promote the development of cost effective regulations that produce the greatest net benefit. COFEMER is an autonomous administrative and technical organization under SE.

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.

First Announcement Title: Agreement that Announces a Sugar Tariff Rate-Quota and Allotment Mechanism to Import Sugar in 2011.

Second Announcement Title: Agreement that Announces a Sugar Tariff Rate-Quota and Allotment Mechanism to Import Sugar Originating from the Republic of Nicaragua in 2011.

Summary: SE is proposing a 150,000 MT sugar TRQ. According to the announcements, 15,000 MT will be allocated to Nicaragua on a duty free basis and 135,000 MT can be imported from all countries subject to the specific tariffs listed below:

Table 1. Mexico: Sugar Import Tariffs

Harmonized Tariff System	Item	Tariff for all Countries Dollars/Kg
1701.11.01	Sugar whose sucrose content by weight, in the dry state, has a polarization equal to or higher than 99.4, but less than 99.5 degrees.	0.01448199
1701.11.02	Sugar with a dry sucrose content that has polarization equal to or higher than 96, but not exceeding 99.4 degrees <ul style="list-style-type: none">• With polarization equal to or higher than 96.0, but not exceeding 96.99 degrees.• With polarization equal to or higher than to 97.0, but not exceeding 97.99 degrees.• With polarization equal to or higher than 98.0, but not exceeding 98.99 degrees.• With polarization equal to or higher than 99.0, but not exceeding 99.09 degrees.• With polarization equal to or higher than 99.1, but not exceeding 99.19 degrees.• With polarization equal to or higher than 99.2, but not	0.01377928 0.01398596 0.01419264 0.01439932

	exceeding 99.29 degrees. <ul style="list-style-type: none"> • With polarization equal to or higher than 99.3, but not exceeding 99.39 degrees. 	0.01441999 0.01444065 0.01446132
1701.99.01	Sugar with a dry sucrose content that has polarization equal to or higher than 99.5, but not exceeding 99.7 degrees <ul style="list-style-type: none"> • With polarization equal to or higher than 99.5, but not exceeding 99.59 degrees. • With polarization equal to or higher than 99.6, but not exceeding 99.69 degrees. 	0.03650266 0.03652333
1701.99.02	Sugar, with a dry sucrose content that has polarization of 99.7, but not exceeding 99.9 degrees. <ul style="list-style-type: none"> • With polarization equal to or higher than 99.7, but not exceeding 99.79 degrees. • With polarization equal to or higher than 99.8, but not exceeding 99.89 degrees. 	0.03654400 0.03656466
1701.99.99	Sugar, others <ul style="list-style-type: none"> • With polarization equal to or higher than 99.9, but not exceeding 99.99 degrees. • With polarization equal to or higher than 100 degrees. 	0.03658533 0.03660600

SE anticipates that sugar demand will exceed available domestic supplies in the second half of 2011. Due to this situation and the recent rise of sugar prices affecting both the competitiveness of the processing sector that uses sugar as an input and the purchasing power of consumers, SE considered it necessary to establish an import TRQ to balance the sugar market demand.

The mechanism to assign this quota stipulates that half of the TRQ will be assigned to the industry using sugar as a raw material in production processes through a public tender. The other half of the quota will be assigned to all other industries or companies.

The TRQ will be allocated through a public tender where:

- a) 75,000 MT (7,500 MT for Nicaragua) will be allocated to individuals and companies that use sugar in production process (through IMMEX and PROSEC ^[i] programs) and,
- b) 75,000 MT (7,500 MT for Nicaragua) will be allocated to all other individuals and companies.

The bidding process will be published in the *Diario Oficial* (Federal Register) at least 20 days before the start of the registration period.

The quota certificates that will be issued will be nominative and will be in force until December 31, 2011.

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work

<http://www.youtube.com/user/ATOMexicoCity>

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX1029	Sugar Annual Report	04/15/2011
MX0071	Formal Announcement of Sugar TRQ	10/13/10
MX0069	Sugar TRQ for 100,000 MT Expected	10/1/10

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.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.

^[i] IMMEX - Decree for the Development of the Manufacturing, Maquila and Export Services Industry. Mexican re-export program.
PROSEC – Decree to establish different Sector Promotion Programs.