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## Mexico

**Post:** Mexico

### Mexico Announces 2011 Import TRQ for Dairy Preparations

**Report Categories:**

Dairy and Products

Trade Policy Monitoring

Policy and Program Announcements

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**Report Highlights:**

On December 17, 2010, Mexico's Secretariat of Economy (SE) announced it will allow a total of 44,200 metric tons of dairy product preparations (dairy blends) to be imported from any country in the world under a mixed allocation (direct & public bid) scheme. U.S. dairy blends have unlimited duty-free access under NAFTA.

**General Information:**

**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.

This report summarizes the official announcement published in Mexico's *Diario Oficial* (Federal Register) on December 17, 2010.

SE announced in the Federal Register a TRQ for dairy blends under Mexico's General Import and Export Tax Law. This announcement recognizes that the production of domestic dairy blends is insufficient to meet the needs of the Mexican milk powder processors. The exporters of any country may supply products under this TRQ. Importers will be eligible to import, duty free, these products provided that they have obtained a TRQ certificate issued by SE. This TRQ will be in effect from January 6, 2011, until December 31, 2011. U.S. dairy blends continue to have unlimited duty-free access under NAFTA.

Products under HTS code 1901.90.05 are dairy blends produced from cheeses, dry milk, butter, and other dairy based products containing more than 50 percent 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 HTS codes, such as butter, dry milk powder or cheese, and specifically excludes items under HS code 1901.90.04, which contain more than 10 percent milk solids and are consumer packed; hence, 1901.90.05 excludes consumer-packed products.

<b>H.T.S. Number and Product</b>	<b>MFN TRQ for 2011</b>
1901.90.05 Dairy product preparations based on a content of over 50 percent solids in weight, except those under tariff classification 1901.90.04	44,200 MT

The mechanism through which the TRQ will be allocated is:

<b>Beneficiaries</b>	<b>Allocation Mechanism</b>	<b>Quantity (MT)</b>	<b>Application period</b>
<b>A.</b> Public sector company supplying milk to low-income consumers.	Direct	10,000	January 6, 2011 to November 30, 2011
<b>B.</b> Private sector businesses that use dairy blends as an input and have previously received quota allocations.	Direct	21,200	15 business days from January 6, 2011
<b>C.</b> Private sector businesses that use dairy blends as an input and have not previously received quota allocations.	Direct	1,000	15 business days from January 6, 2011
<b>D.</b> All interested parties.	Public bid	12,000	In compliance with the rules of the corresponding public bid procedures

Direct allocation will be authorized to the Public Sector Company and private companies —with or without previous experiences in the allocation process— who use dairy blends in their production

processes. Public allocation will be authorized for interested parties that comply with the correspondent public bid rules. The applications for the request of allocation of the quota (import permits) must be submitted using form SE-03-011-1 at the General Directorate of Foreign Trade of SE.

Once the quantity to be imported is allocated under the TRQ, SE will issue the import permits to the authorized companies. The expiration date of the quota is December 31, 2011.

**FAS/Mexico Analysis:** The TRQ is equal to previous years' levels issued by Mexico. Thus, U.S. dairy blends will not face additional international competition in the Mexican market and will continue to be granted unlimited duty-free access to the Mexican market under NAFTA.

This is NOT an invitation for bids to purchase selected dairy products. Rather, it is an auction of the right to import the listed product duty free. Thus, the auction is limited to Mexican companies within the dairy industry who use dairy products in their production processes.

### Important Dates

- 1. Publication Date:** December 17, 2011
- 2. Implementation Date:** January 6, 2011
- 3. Validity Period:** January 6, 2011 until December 31, 2011

### For More Information

**FAS/Mexico Web Site:** We are available at [www.mexico-usda.com](http://www.mexico-usda.com) or visit the FAS headquarters' home page at [www.fas.usda.gov](http://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
MX0053	Import Beef Duties Eliminated	08/10/10
MX0064	Livestock and Products Annual	09/17/10
MX0075	Dairy and Products Annual	10/18/10
MX0090	New SENASICA System for Import Requirement Sheets (HRZ's)	12/03/10

**Useful Mexican Web Sites:** (SAGARPA) is Mexico's equivalent to the U.S. Department of Agriculture. Their website can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx). SE is the Mexican equivalent to the U.S. Department of Commerce and their website can be found at [www.economia.gob.mx](http://www.economia.gob.mx). SALUD is the Mexican equivalent to the U.S. Food and Drug Administration and their website can be found at [www.salud.gob.mx](http://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.