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Mexico Announces Support Program for Corn-Dough

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Grain and Feed

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Report Highlights:

On July 20, 2010, Mexico's Secretariat of Economy (SE) announced the operational guidelines by which SE will provide economic support to the *nixtamal* [1] milling industry through the PROMASA program (please see [MX9035](#)). The objective of PROMASA is to boost the competitiveness of the industrial corn milling sector.

^[1] *Nixtamal* is ground corn cooked with limestone to improve digestibility by humans, after cooking in this manner, the corn may be milled into flour for making dough for flatbreads.

Executive Summary:

On July 20, 2010, Mexico's Secretariat of Economy (SE) announced the new operational guidelines establishing the mechanism by which SE will provide economic support to the *nixtamal* milling industry through the PROMASA program, from July 21 to December 31, 2010. It is a routine announcement that updated these operational guidelines for PROMASA (please see [MX9035](#)).

General Information:

Introduction: This report summarizes the operational criteria for the Support Program for the *Nixtamal* Milling Industry published in Mexico's *Diario Oficial* (Federal Register) on July 20, 2010.

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

Title of the Announcement: "Criteria for the Operation of the Nixtamal Milling Industry Support Program (PROMASA); under the Guidance of the Industry Competitiveness Promotion Program (PROIND), for the fiscal year 2010".

Type of Regulation: Operational

Important Dates:

- 1. Publication Date:** July 20, 2010
- 2. Effective Date:** July 21, 2010

Eligible Commodities: Corn-dough, made from *nixtamal*, to make tortillas

Reason for Program:

According to this announcement, PROMASA is part of the Industry Competitiveness Promotion Program (PROIND), which is an institutional strategy of the Government of Mexico (GOM) to promote the competitiveness of various industrial sectors. Specifically, SE pointed to the following factors in its decision to implement the PROMASA program.

- The GOM has undertaken various measures to ensure an adequate tortilla supply for the Mexican population. Therefore, it is necessary to continue implementing measures to help to maintain this trend.
- The *nixtamal* milling industry has a significant impact on employment generation and in the production of a vital commodity for Mexican families.
- PROMASA is part of a strategy designed to boost the competitiveness of the industrial corn- *nixtamal* sector this fiscal year.

Program Objectives:

According to the announcement the main objectives of the program are to maintain production of the corn-*nixtamal* industry for the manufacture of corn tortillas and to mitigate the impact of increased prices of raw materials.

Program Features:

In order to achieve the general objectives of the PROMASA program, SE will provide support for production of up to 18,653.85 metric tons (MT) of corn-*nixtamal* dough per month.

The support per kilogram of corn-*nixtamal* dough for tortillas will be determined as follows:

- Support of 0.60 pesos per kilogram of corn-*nixtamal* dough, to small and medium enterprises,
- Support of 0.50 pesos per kilogram of corn-*nixtamal* dough, to low-income consumers (REPECO)

PROMASA grants these supports understanding that every kilogram of corn produces 1.8 kilograms of *nixtamal*-dough, requiring 0.0035 liters of gas and 0.040 kilowatt hours of electricity.

PROMASA will be in place until December 31, 2010, subject to available budget established by the Secretariat of Finance (SHCP).

The published operational guidelines further detail additional aspects of the program such as eligibility criteria and the requirements for intermediate producers. In addition, it states the application requirements, support amounts, goals and impacts, categories and subcategories of supports, the approval process of applications, performance indicators, and the delivery of monetary resources.

The “target population” of this program is defined as individuals with businesses or corporate entities from the corn *nixtamal* industry whose goals are the development of industrial corn-*nixtamal* sector.

For More Information:

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.

Useful Mexican Web Sites:

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.se.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.