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Voluntary Public

Date: 10/25/2011

GAIN Report Number: MX1078

Mexico

Post: Mexico

Mexico Announces a New Sugar TRQ for MY 2011-12

Report Categories:

Sugar

Agriculture in the News

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Report Highlights:

The Secretariat of Economy (SE) published two announcements in the Diario Oficial, on October 20, 2011, for a sugar tariff-rate quota (TRQ) for 150,000 metric tons (MT) (159,000 metric tons raw value (MT-RV) for the purposes of balancing domestic sugar availability with imports and contributing to sugar price stabilization. Ninety percent of the quota can be imported from any country (135,000 MT), but 10 percent of the quota must originate from Nicaragua (15,000 MT), at zero duty.

General Information:

Introduction: This report summarizes two announcements by the Secretariat of Economy (SE) published on October 20, 2011 to allow a total of 150,000 metric tons of sugar to be imported under a tariff rate-quota, of which 15,000 will come from Nicaragua.

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.

Title: Agreement that announces a sugar tariff rate-quota and allotment mechanism to import sugar in 2011 and January 2012.

Agreement that announces a sugar tariff rate-quota and allotment mechanism to import sugar originating from the Republic of Nicaragua in 2011 and January 2012.

Summary: The Secretariat of Economy (SE) announced in the *Diario Oficial* (Federal Register), on October 20, 2011 a sugar import tariff-quota (TRQ) for 150,000 MT. According to the announcements, [15,000 MT](#) are allocated to Nicaragua on a duty free basis, and [135,000 MT](#) of sugar can be imported from all countries, subject to the specific tariff listed below:

H.T. SYSTEM	ITEM	Tariff for all Countries Dollars/Kg
1701.11.01	Sugar whose content of sucrose by weight, in the dry state, has a polarimeter reading equal or higher to 99.4, but less than 99.5 degrees.	0.01448199
1701.11.02	Sugar with a dry sucrose content that has a polarization equal or higher to 96 but not exceeding 99.4 degrees <ul style="list-style-type: none">▪ With polarization equal or higher to 96.0 but not exceeding 96.99 degrees.▪ With polarization equal or higher to 97.0 but not exceeding 97.99 degrees.▪ With polarization equal or higher to 98.0 but not exceeding 98.99 degrees.▪ With polarization equal or higher to 99.0 but not exceeding 99.09 degrees.▪ With polarization equal or higher to 99.1 but not exceeding 99.19 degrees.▪ With polarization equal or higher to 99.2 but not exceeding 99.29 degrees.▪ With polarization equal or higher to 99.3 but not exceeding 99.39 degrees.	0.01377928 0.01398596 0.01419264 0.01439932 0.01441999 0.01444065.

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

The SE had determined by August (see [MX1065](#)) that demand for sugar would exceed available domestic supplies by the beginning of the 2011/12 sugar cycle (October 2011 through January 2012), reducing available inventories. Due to this situation and to try to reduce domestic prices for sugar that affect both the competitiveness of the productive 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.

The mechanism to assign this quota is stipulating that half of the amount would be assigned to the industry using sugar as a raw material in production processes through a public tender. The other half of the quota would be assigned to industries or companies different from the ones importing the first half of the TRQ.

The TRQ will be allocated through a public tender where:

- 75,000 MT (7,500 MT for Nicaragua) will be allocated to individuals and companies that use sugar in their production process (through IMMEX and PROSEC^[i] programs) and,
- 75,000 MT (7,500 MT for Nicaragua) will be allocated to individuals and companies different from the ones above.

The bidding process will be published in the *Diario Oficial* at least 20 days before the start of the registration period and will set the date when the tender information will be made available.

The quota certificates to be issued will be nominative, transferable, and will be in force until January 31, 2012.

Important Dates

1. **Publication Date:** October 20, 2011.
2. **Effective Date:** October 21, 2011
3. **In Force:** until January 31, 2012

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
MX1065	Mexico to Consider Additional Sugar TRQs	8/15/2011
MX1048	Expected Tariff Rate Quota for Sugar	6/13/2011
MX1029	2011 Sugar Annual: Sugar and Sugar Cane Production Forecast Stable with HFCS Consumption Grows	4/15/2011
MX0081	Sugar Reference Price	11/9/2010
MX0071	Mexico Formally Announces 100K MT Sugar TRQ	10/18/2010
MX0069	TRQ for Sugar Expected	10/4/2010
MX0068	Sugar, Sugar Cane, and HFCS Situation	10/4/2010

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx and Mexico's equivalent to the U.S. 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.

^[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.