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GAIN Report

Global Agricultural Information Network

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Mexico

Post: Mexico

Mexico Puts Last Two State-Owned Sugar Mills Up for Sale

Report Categories:

Agricultural Situation

Agriculture in the News

Sugar

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Report Highlights:

On June 13, 2016, the Mexican Service of Administration and Disposition of Assets (SAE) published an announcement in the *Diario Oficial* (Federal Register) containing the public tender for the last two state-owned sugar mills. These mills have been managed by the Fund of Expropriated Sugar Sector Businesses (FEESA), a fund created to administer the government expropriated sugar mills, since 2001.

General Information:

Introduction: This report summarizes an announcement by the Service of Administration and Disposition of Assets (SAE) published in Mexico's *Diario Oficial* (Federal Register) on June 13, 2016, containing the public tenders for the sale of the last two state-owned sugar mills.

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: [Announcement of the public](#) tender LPEM No.01/16 for the sale of portfolios formed by industrial units that work as sugar mills.

Executive Summary:

On June 13, 2016, SAE published the public tender of the last two state-owned sugar mills that are managed by the Fund of Expropriated Sugar Sector Businesses (FEESA), which was created to administer the government expropriated sugar mills. The mills are El Potrero and San Miguelito, both in the State of Veracruz. Both mills are being sold as a single unit.

In September 2015, SAE published a notice offering five state-owned sugar mills for sale (see GAIN report MX5038). Three mills out of the five were sold: Plan de San Luis mill in San Luis Potosi was sold to Grupo PIASA, El Modelo mill in Veracruz was sold to Grupo Porres, and La Providencia mill in Veracruz was sold to Beta San Miguel.

The package or portfolio for sale is offered as follows:

PORTFOLIO	MILLS	ADDRESS	VALUES	Percentage of the national domestic market *
1	El Potrero	Calle Principal s/n, Centro, Villa General Miguel Alemán, Atoyac, Veracruz, C.P. 94965	Price without V.A.T.: \$1,241,460,593.35 M.N.	3.9%
	San Miguelito	Km. 2 Carretera Córdoba – Amatlán, Buena Vista, Córdoba, Veracruz, C.P. 94680	V.A.T.: \$ 148,539,406.65 M.N. BASE PRICE SALE: \$1,390,000,000.00 pesos	

The announcement also contains a detailed calendar of events and indicates that the opening offers and selections will take place on August 26, 2016, after which selected buyers will have until October 4,

2016 to pay the agreed price. There are also deadlines for registering to participate in the sale and to provide a deposit.

Participants of the tender can be a corporation or an individual, Mexican or foreign, State or municipal governments, or their agencies, provided the legal framework that governs them expressly permits it.

Important Dates

- 1. **Publication Date:** June 13, 2016.
- 2. **Opening tenders and determinations:** August 26, 2016

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX 6016	Sugar Annual Report	04/15/2016
MX 5038	Mexico puts Last Five State-Owned Sugar Mills Up for sale	09/10/2015
MX 5025	Four Mexican State-Owned Sugar Mills Sold	06/15/2015

For More Information

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Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.