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Mexico Announces Reliable Importer Program for Meat and Poultry

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Report Highlights:

On May 28, 2010, Mexico published in the Diario Oficial (Federal Register) a new Reliable Importer Program for meat and poultry imports. This voluntary program will allow shipments of imported meat and poultry to forego sanitary inspection at the border, and instead be inspected at the destination, reducing logistical bottlenecks at border inspection points. This program reflects an ongoing effort to streamline the import inspection process to improve trade between the United States and Mexico.

Executive Summary: On May 28, 2010, the Health, Safety, and Agro-Food Quality National Service (SENASICA), an agency of Secretariat of Agriculture, Livestock, Rural Development, Fishery and Food (SAGARPA), published in Mexico's *Diario Oficial* (Federal Register) the new Reliable Importer Program for meat and poultry meat imports. The program was implemented on May 29, 2010, one day after publication. The program will allow shipments of imported meat and poultry to forego the routine sanitary inspection at the border, and instead to be fully inspected at the destination, a federally inspected establishment (TIF).

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.

Introduction

This report summarizes the official announcement on the "Reliable Importer" program published in Mexico's *Diario Oficial* (Federal Register) on May 28, 2010.

On May 28, 2010, the Health, Safety, and Agro-Food Quality National Service (SENASICA), an agency of Secretariat of Agriculture, Livestock, Rural Development, Fishery and Food (SAGARPA) published the final rule establishing the Reliable Importer Program. The purpose of the program is to allow shipments of imported meat and poultry to forego the routine sanitary inspection at the border, and instead be fully inspected at the destination, a federally inspected establishment (TIF).

To participate in the program, Mexican importers must:

- submit a written request to SENASICA,
- operate in conjunction with a TIF establishment, and
- comply with requirements of the program.

Background

On January 14, 2010, SENASICA published a proposed rule outlining the Reliable Importer Program. In accordance with Mexican law, the proposal was subject to a 60 day comment period, during which all interested parties had an opportunity to provide comments and feedback to SENASICA. The final rule was published in Mexico's *Diario Oficial* (Federal Register) on May 28, 2010, and went into effect one day after publication on May 29, 2010.

The purpose of the program is to allow shipments of imported meat and poultry to forego the routine sanitary inspection at the border, and instead be fully inspected at the destination, a TIF establishment. A program requirement is the shipment must be destined for a TIF establishment. Any importer may apply to participate in the program and must be approved by SENASICA.

The program still requires the shipment of imported meat and poultry to be transported to a Mexican Verification and Inspection Point (VIP) at the border. There, SENASICA will inspect two pallets

from the load to verify that product is properly labeled and that product matches the information contained on the export documents. SENASICA will issue an animal health import certificate, seal the trailer, and the product will proceed to the destination plant. When the load arrives at the destination TIF establishment, SENASICA will conduct the normal sanitary inspection to ensure that the product meets the import requirements outlined in NOM-030-ZOO-1995. Once the shipment has met the import requirements, the SENASICA inspector will clear the load, allowing the product to be sold or processed.

Comment

This program reflects SENASICA's ongoing effort to streamline the import inspection process to improve trade between the United States and Mexico. When implemented, this program is expected to free up scarce resources and alleviate logistical bottlenecks at border inspection points for program participants since product will undergo full inspection at the destination plant rather than at the border. FAS Mexico will monitor implementation of this program and ensure that market access for U.S. meat and poultry products is not impeded.

Unofficial Translation of Reliable Importers Final Rule

FRANCISCO JAVIER MAYORGA CASTAÑEDA, Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food, based on articles 35 section IV of the Federal Public Administration General Law; 40. Administrative Procedures Federal Law; 60 sections I, II, III, V, VI, XI, XIII, XXII, XXV y XXXII, 24, 27, 32, 42, 156 and 157 of the Federal Animal Health Law; 20, sections XIX y XXVI, 40, 60, sections I y XXIII, y 49, sections I, II, III, IV and VII of the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food Internal Regulations

Taking into account the publication in the Federal Register (Diario Oficial) on July 25, 2007, the Decree, by which the Federal Animal Health Law was issued. This federal law provides regulations to prevent introduction of material that does not comply with established sanitary standards;

In accordance with Federal Animal Health Law, the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food has the authority to inspect, products regulated by the aforementioned law, and to outline an applicable import procedure to safeguard animal health, and to prevent the entry of merchandise that could harm food safety. This import procedure should not go against the economic development of the country;

As a result of the trade agreements that our country has signed since 1994, commercial imports have substantially increased. Imports of meat products represent 40 percent of commercial operations. This has led to the need for a better animal and plant inspection system to address agricultural imports and at the same time minimizing the risk of introduction of exotic diseases of quarantine importance that could affect national agricultural production or undermine Mexican consumers' health;

Based on the above principles established by Mexican law, the National Service of Agro Alimentary Health, Safety, and Quality (SENASICA) considered establishing a zoosanitary quality code for reliable importers. This system/scheme will recognize users that have imported products of animal origin, working with responsibility, commitment, and complying with sanitary and food safety

standards, to protect national agricultural wealth and the health of consumers. The use of this code will reduce inspection time through proportional adjustment in the inspection procedure, speeding up the release, at the point of entry, of shipments destined for federal inspected (TIF) plants: The result of a faster import process will be an increased level of competitiveness, generating confidence to the sanitary authority, prestige and sanitary safety to the reliable user and its customers, as well as confidence in the certification systems of the country of origin and foreign authorized facilities, and optimize resources due to inspection efforts on products that are not backed up by the reliable user, in the meantime the federal inspected (TIF) plant system will be strengthened, granting product healthiness, safety and traceability. This is achieved with a systematized closure of the administrative procedure, through a radio frequency device, this will also consolidate the import traceability system, and therefore I have issued the following:

Agreement to Establish A Zoosanitary Quality Code for Reliable Importers

ARTICLE 1. The zoosanitary quality code for reliable importers (UCON) has been established for imports of meat, carcasses, viscera and offal, voluntarily presented in accordance with the requirements and specifications established in the applicable regulation and in this Agreement. This is to facilitate verification procedures without zoosanitary risks.

ARTICLE 2. The UCON code can be obtained by importers who send imported shipments to a federally inspected (TIF) plant. Once the product enters the TIF facility, an official DVM and/or an Authorized Third Party Specialist will perform the verification and inspection for meat, carcasses, viscera and offal, following the procedure established in "NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at Animal Health Inspection Points."

ARTICLE 3. The aforementioned individuals mentioned in the previous article, who voluntarily wish wish to obtain the UCON code need to have available the following:

- a. Importers name or denomination, address and Federal Taxpayers Registry.
- b. Customs broker name or customs representative authorized to conduct foreign trade operations.
- c. Listing of destination TIF, including name, number, address, name or authorization code, certification number, id or official id number of Official DVM or Authorized Third Party Specialist responsible for performing verification of NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at Animal Health Inspection Points.

Federally Inspected TIF establishments must have:

- I. Equipment to perform verification and sampling of imported shipments.
- II. A Zoosanitary Certification Center, coordinated by an Approved Certification Body, this body will have to write an agreement with SENASICA to take actions in the implementation of the Project for the traceability of agricultural products.

SENASICA will verify that the importer meets in the requirements of this article.

ARTICLE 4. If approved, SENASICA will grant, within a period of 5 working days, after the importer applies: the UCON code, codes for the TIF, codes for the Official DVM and/or the Third

Party Authorized Specialist, these codes will be used to validate the Animal Health Import Certificate, SENASICA will also provide equipment to complete the paperwork using the radio frequency device.

Once the code has been granted, the importer must sign a letter, stating that the importer is committed to perform random inspections when the product arrives at the federally inspected TIF establishment and also commits to finalize the paperwork using the radio frequency device.

Likewise, the importer must have available, upon request, records and controls which will be implemented at the facility, for the acceptance of imported meat products, carcasses, viscera and offal. These procedures need to be verified by SENASICA to confirm compliance with NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at the animal health inspection points and with compliance requirements establishes in this agreement

ARTICLE 5. The quality code for reliable importers is valid for one year. Assuming that during the previous calendar year, there were no violations mentioned in Article 9. If the importer incurs a violation as stated in Article 9, SENASICA will verify corrective measures implemented by importer in order to renew the importer's code.

ARTICLE 6. Importer will be able to use the code whenever import shipments have as final destination a TIF establishment, in such cases, shipments will be selected at random for inspection at the border entry-point or upon arrival to the TIF establishment, as specified in NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at Animal Health Inspection Points.

ARTICLE 7. The radio frequency device will be used to finalize the paperwork at the destination TIF establishment, accessing the electronic traceability system via web, and this procedure will be established by the Ministry, entering the device code and comparing the system data with the data provided in the import health certificate.

ARTICLE 8. If product is inspected and rejected, at the destination TIF establishment, action will be taken as stated in section 7 of NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at animal health inspection points. Likewise, SENASICA will instruct that one of the following measures be undertaken: return the load to the country of origin, destruction, redirect to a rendering plant or donation, if rejection is due to causes described in sections 7.2 and 7.3 of the aforementioned NOM.

ARTICLE 9. Failure to comply with the provisions will result in the following actions, and the TIF establishment and/or the importer will be notified immediately. Prior to delisting a TIF establishment or cancelation of the quality code; the TIF establishment and/or the importer will have 3 working days to present an argument to explain the situation.

A. Cause for action against the importer:

- I. Not providing the Ministry with updated information referred to in article 3.
- II. Presenting false information in order to obtain the quality code.

- III. Omitting or altering documents pertaining to import operations or using false documentation.
- IV. Failure to comply with requirements established in this agreement.
- V. As per the request of the importer.

B. Cause for action against the TIF:

- I. Failure to comply with record and control procedures for accepting meat products, viscera and offal as established in NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at animal health inspection points and in this Agreement.
- II. Failure to have at least one Official DVM and or Third Party Authorized Specialist, who has the responsibility to finalize the paperwork using the radio frequency device, based on the date stated on the Animal Health Import Certificate, as stated in this Agreement.
- III. Omitting or altering documents pertaining to import operations or using false documentation.
- IV. Failure to comply with the requirements established in this agreement.
- V. Failure to finalize the paperwork using the radio frequency devices, without justification to SENASICA.
- VI. Not having available, corresponding records and controls of imports under this system for one year as well as 3 monthly reports signed by the Official DVM and or Third Party Authorized Specialist.
- VII. Failure to perform verification as established in NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at animal health Inspection points.

ARTICLE 10. Official DVM and or Third Party Authorized Specialist is obliged to:

- I. Verify that the Animal Health Import Certificate has the radio frequency device and that the import shipment arrival sealed.
- II. Verify fulfillment of regulations established in NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at animal health inspection points and in this Agreement.
- III. Complete paperwork using the radio frequency device at the TIF destination, based on the date of the Animal Health Import Certificate.
- IV. Maintain records and corresponding controls for imports under this system, as well as monthly reports.
- V. Immediate written notification to SENASICA of irregular findings in documentation or merchandise.

ARTICLE 11. At least once a year, SENASICA will verify that federally inspected TIF establishment complies with the requirements established in this Agreement and in NOM-030-ZOO-1995, Mexican Official STANDARD NOM-030-ZOO-1995, Specifications and Procedures for the Inspection of Imported Meat, Carcasses, Viscera and Offal at animal health inspection points.

ARTICLE 12. Any importers' code which have been cancelled or a TIF establishment that has been delisted due to irregularities mentioned in article 9 may be reinstated, once SENASICA has performed an analysis and once irregularities have been corrected. The importer and/or federally inspected TIF

establishment needs to provide SENASICA with a correction plan.

ARTICLE 13. SENASICA will perform all inspection and surveillance activities required to verify compliance of all voluntary general provisions dispositions and of applicable regulations.

ARTICLE 14. The Certifying Body, will cooperate with the Ministry to follow-up on compliance with of this Agreement, and has the obligation to notify the Ministry failure to comply with the regulations established in this Agreement, and will notify the Ministry of findings in the federally inspected TIF establishment.

TRANSITIONAL

FIRST. This Agreement will go into effect one day after it is published in the Diario Oficial de la Federacion. May 14, 2010. Mexico, D.F. – Signed by Francisco Javier Mayorga Castañeda, Minister of Agriculture, Livestock, Rural Development, Fisheries and Food.

END TRANSLATION

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