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Tyson to Undergo Separate Review of Compensatory Beef Duties

Report Categories:

Livestock and Products

Policy and Program Announcements

Trade Policy Monitoring

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Report Highlights:

On March 5, 2010, the Secretariat of Economy (SE) published in the *Diario Oficial* a preliminary resolution regarding compensatory import duties imposed on U.S. beef imports from Tyson Fresh Meats, Inc. The GOM has affirmed the import duties on products originating from Tyson Fresh Meats, Inc. and will continue investigating the need to maintain the duties for an additional five years.

General Information:**Introduction:**

This report summarizes a decree from SE announcing the preliminary resolution regarding compensatory import duties imposed on U.S. beef exported to Mexico from Tyson Fresh Meats, Inc. (formerly IBP, Inc.) published in the *Diario Oficial* on March 5, 2010.

Disclaimer:

This summary is based on a cursory review of 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: Preliminary Resolution of the Review of Imposed Compensatory Duties on Fresh, Chilled and Frozen Boneless Beef Meat Imports, originating from Tyson Fresh Meats, Inc. located in the United States of America. These goods are classified HTS codes 0201.30.01 and 0202.30.01.

Type of Ruling: Preliminary Resolution Regarding the Imposed Compensatory Duties

Important Dates

1. Publication Date: March 5, 2010
2. Enforcement Date: March 6, 2010
3. Due date to present additional information to SE: April 21, 2010, at 14:00 hrs.

Products Affected: Imported U.S. beef cuts from Tyson Fresh Meats Inc. under HTS codes: 0201.30.01 and 0202.30.01.

Agency in Charge: Secretariat of Economy

Summary: SE published in the *Diario Oficial* on March 5, 2010, a preliminary resolution for the review of compensatory import duties imposed on U.S. beef classified under HTS codes 0201.30.01 and 0202.30.01 originating from Tyson Fresh Meats, Inc. SE affirmed the import duties of US \$0.13/kg on imports of boneless beef produced by Tyson Fresh Meats Inc. Furthermore, SE will continue to investigate the need to maintain these import duties for another five years on products from Tyson Fresh Meats, Inc.

All Mexican processors and importers of boneless beef from Tyson Fresh Meats, Inc. can present additional information to SE within 30 working days beginning on March 6, 2010.

The additional information presented to SE is required to be presented to all parties of the review in a non-confidential manner.

FAS/Mexico Comments:

SE is conducting a review of the compensatory import duties on U.S. beef exported to Mexico from products originating from Tyson Fresh Meats, Inc. as requested by the company. The findings of this review for the time period of January 1 - December 31, 2008, could modify the compensatory import duties for products originating from Tyson Fresh Meats, Inc.

However, on April 28, 2010, SE will begin the mandatory review of all compensatory import duties placed on imports of U.S. beef classified under HTS codes 0201.30.01 and 0202.30.01. Before April 28, 2010, SE will publish in the *Diario Oficial* a notice announcing the expiration of the compensatory import duties and request input from any Mexican processors or importers regarding the continuation of the compensatory import duties for additional five years. If no Mexican processors submit comments regarding the continuation of compensatory import duties, all compensatory import duties would end, including those for Tyson Fresh Meats, Inc.

On the other hand, if SE receives input from the Mexican meat sector, SE will conduct a review of the compensatory import duties currently in place. However, since Tyson Fresh Meats, Inc. has requested a separate review, its products would be excluded from the overall industry review. If conducted, the industry review would investigate possible dumping practices by the U.S. industry. If new tariffs are imposed as a result of the findings of this investigation, these new tariffs would become effective beginning April 28, 2010, and would remain in place for five years.

Background:

On April 28, 2000, SE published in the *Diario Oficial* its final decision on an antidumping case against exporters of U.S. beef and edible beef offals by imposing a complex set of specific duties on most beef carcasses and cuts, including a duty of US \$0.13/kg on boneless beef produced by IBP, Inc (HTS codes 0201.30.01 and 0202.30.01).

On October 20, 2004, SE published a notice changing the duties as the result of a final decision issued by a bi-national panel on March 15, 2004. The final decision of the Panel confirmed the resolution which applied the compensatory import duties on meat products from IBP, Inc. Furthermore, the change of ownership of IBP Inc. did not abolish these duties; thus, the duties would apply to products from Tyson Fresh Meats, Inc.

After the mandatory review of the duties, on April 24, 2006, SE published in the *Diario Oficial* a resolution stating the duties would continue for an additional five years beginning April 28, 2005.

On April 21, 2009, SE published in the *Diario Oficial* a notice announcing a review of the compensatory import duties on U.S. beef exported to Mexico for products originating from Tyson Fresh Meats, Inc. as requested by the company.

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.

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FAS Mexico Web Site:

We are available at <http://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.

Other Relevant Reports Submitted by FAS/Mexico City

MX 0060 Final Decision in Antidumping case against U.S. Beef

MX 1082 Mexico's Final Resolution on the Evasion of Compensatory Duties on Beef Imports

MX 9033 Review of Compensatory Beef Duties