



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 12/16/2002

GAIN Report Number: MX2171

Mexico

Grain and Feed

Mexico Announces Unilateral TRQs on Feed Grains

2002

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Report Highlights:

On December 16, 2002, the Secretariat of Economy published TRQs for feed grains such as wheat (durum) and other types of wheat, as well as for alfalfa, alfalfa meal, and straw and cereals husk. This is a non-NAFTA TRQ, which is available to all countries, has a zero import duty and no assigned volume limit.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1], [MX]

Introduction: This report summarizes an announcement published in Mexico's "*Diario Oficial*" (Federal Register) on December 16, 2002.

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.

FAS/Mexico's Executive Summary: The Secretariat of Economy (SE) announced on December 16, 2002, in the *Diario Oficial* (Mexican Federal Register) a unilateral (i.e., worldwide) 2003 TRQ for imported feed grains, including wheat (durum); other (wheat); straw and cereal husk; alfalfa and alfalfa meal and others (forage seeds, except meals or flour). This TRQ will be valid until December 31, 2003. The SE will assign the grain feed TRQ by direct allocation to the animal feed and livestock companies that received the 2002 NAFTA tariff rate corn quota. Also, the Cattlemen Regional Unions that fulfill the requirements of the Law of Cattle Organizations will be able to receive this TRQ, when they provide the documents required in the annex of this notice. It should be noted that the announcement does not indicate the volume of the TRQ, but rather specifies that it will depend on the import needs of imported grain and on the domestic availability of corn and other feed grains.

H.S. Code	Description	TRQ 2003
1001.90.01	Wheat (durum)	According to needs of import of grains and availability of grains in the region (corn and other forage ones)
1001.90.99	Other (wheat)	
1213.00.01	Straw and raw cereals husk	
1214.10.01	Alfalfa meal and alfalfa pellets	
1214.90.01	Alfalfa	
1214.90.99	Other (forage seeds, except meal or pellets)	

Related Trade Issues: According to the industry, this type of TRQ has been in existence for several years but has never been used. This TRQ, however, could also be considered an alternative supply source through which Mexico could meet its increasing demand for feed grains. Despite Mexico's inability to expand its feed grain production, especially for corn and sorghum, there is continued political pressure from several groups against the granting of additional TRQs for U.S. corn. In 2002, for example, Mexican legislators approved a 10-percent reduction in the volume of TRQs for U.S. corn, compared to the volume granted in 2001. Therefore, if in 2003, the SE continues to respond to political pressure to not issue enough over-quota corn TRQs to meet demand, the animal feed and livestock industries have the option to import additional feed grains through a unilateral TRQ, which has no import duty or volume limit assigned to it.

Title: Notice to announce the unilateral tariff rate quota for feed grains.

Important Dates:

- 1. Publication Date:** December 16, 2002
- 2. Effective Date:** Until December 31, 2003

Agency in Charge: Secretariat of Economy

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Internet Connections

FAS Mexico Web Site: We are available at <http://www.atomexico.gob.mx> or visit our headquarter's home page at <http://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.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.