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## Mexico

### Poultry and Products

### Final Safeguard on Chicken Leg Quarters

2003

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**Report Highlights:**

The Secretariat of Economy published on July 25, 2003, in the *Diario Oficial* (Federal Register) a decree imposing bilateral safeguard measures on imported U.S. chicken leg quarters.

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

**Introduction:** This report summarizes a poultry safeguard announcement published in Mexico's "*Diario Oficial*" (Federal Register) on July 25, 2003.

**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) published on July 25, 2003, in the *Diario Oficial* (Federal Register), a decree imposing bilateral safeguard measures on imported U.S. chicken leg quarters (CLQs), classified under tariffs 0207.13.03 and 0207.14.04. SE announced that for the period July 25, 2003 to December 31, 2003, Mexico will issue import licenses providing duty free access for 46,950 MT of CLQs to the northern border line, and the border region. (See definitions at the end). This tariff-rate quota (TRQ) will be administered as in the past by direct allocation. SE established a 98.8 percent duty for all other U.S. CLQs exports to Mexico. This safeguard will be in place for 5 years and the tariff will be phased down to zero in 2008. Mexico will not impose or apply any other requirements or restrictions on any imports of the U.S. CLQs in excess of the duty free quantity established. The decree indicates that the safeguard and the TRQ were established with the objective of maintaining a degree of protection for the domestic industry that is equivalent to the 2001 level of protection.

**Title:** Decree by which SE imposes bilateral safeguard measures on imported U.S. chicken leg quarters, classified under tariffs 0207.13.03 and 0207.14.04 of the General Import and Export Tax Tariff Law, independently of the country of origin.

#### Important Dates

1. **Publication Date:** July 25, 2003
2. **Effective Date:** July 25, 2003

#### Additional information:

The tariff phase down schedule and the 1 percent increase of the TRQ per year for CLQs are shown in the following table.

| YEAR                    | TRQ (MT) | TARIFF | OVER QUOTATARIFF |
|-------------------------|----------|--------|------------------|
| 2003<br>(July/December) | 46,950   | 0      | 98.8             |
| 2004                    | 101,000  | 0      | 79.0             |
| 2005                    | 102,010  | 0      | 59.3             |
| 2006                    | 103,030  | 0      | 39.5             |
| 2007                    | 104,060  | 0      | 19.8             |
| 2008                    | 0        | 0      | 0                |

Mexico will allow any imports of U.S. CLQs in excess of the duty free TRQ quantities established in the agreement to enter and be sold throughout Mexico. Effective January 1, 2008, Mexico will provide full duty free access and eliminate the import license requirements for U.S. CLQs.

Due to concerns about the presence of Low Path Avian Influenza (LPAI) in certain U.S. states in 2002, the Secretariat of Agriculture (SAGARPA) through the Mexican Animal Health authorities established LPAI import policy regulations for imported poultry products. A key

provision required that all raw poultry, hatching and table eggs destined for retail sale originate from AI free states, and come from flocks that have undergone two tests for LPAI using the agar gel immunodiffusion (AGID) procedure and the hemagglutination inhibition (HI) test. As part of the deal to reach the safeguard, and based on conclusions generated in a technical meeting on LPAI between Mexico and the United States, on July 17, 2003, SAGARPA sent a letter to the Animal and Plant Health Inspection Service indicating that the HI test requirement had been eliminated. SAGARPA is currently in the process of revising its import requirements to reflect this change and it is expected that the new requirements coupled with the issuance of new import permits will be in place during the week of July 28.

**Definitions:**

**The northern border line is defined as** -- The Mexican territory between the international line with the United States and a 20 km parallel line from the International limit, including a portion of the state of Sonora and the Gulf of Mexico, and the municipality of Cananea, Sonora.

**The border region is defined as** -- Includes the states of Baja California, Baja California Sur, Quintana Roo (Puerto Morelos -Cancun). and a portion of the state of Sonora; the southern border region along with Guatemala and the municipalities of Comitan de Dominguez, Chiapas and Salina Cruz, Oaxaca.

**Background:**

SE published on January 22, 2003, in the *Diario Oficial* (Federal Register), a decree imposing provisional bilateral safeguard measures on imported U.S. CLQs, classified under tariffs 0207.13.03 and 0207.14.04. SE established a 98.8 percent duty on U.S. CLQs exports to Mexico, and also established a minimum TRQ of 50,000 MT that would be in effect until July 22, 2003. This TRQ was administered as in 2001, by direct allocation to the border region and northern borderline (See report MX3012).

**For More Information:**

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**Internet Connections**

*FAS Mexico Web Site:* We are available at <http://www.fas-la.com/mexico> 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](http://www.sagarpa.gob.mx) and Mexico's equivalent of the Department of Commerce (SE) can be found at [www.se.gob.mx](http://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.