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Mexico

Grain and Feed

MEXICO'S NEW OVER QUOTA IMPORT TARIFF FOR YELLOW CORN

2004

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Report Highlights:

This report is in addition to MX4093. On July 22, 2004, Mexico's Secretariat of Economy (SE) announced in the Mexican Federal Register the new over-quota import tariff for yellow corn. This tariff will be effective July 23, 2004 and will remain in force until December 31, 2004. Officials of the SE stated that the 2004 NAFTA Tariff Rate Quota (3,359.2 MMT) for corn has not been filled yet.

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

This report is in addition to MX4093. On July 22, 2004, the Secretariat of Economy (SE) announced in Mexico's "*Diario Oficial*" (Federal Register) the new NAFTA over-quota tariffs for 2004 for yellow corn imports.

The decree states that, in accordance with the Sixth Transitory Article of the Federal Income Law for the 2004 Fiscal Exercise, and when the NAFTA Tariff Rate Quota (TRQ) for corn has been filled, the following over-quota import tariff will apply for the remainder of 2004:

TARIFF LINE	DESCRIPTION	UNIT	AD-VALOREM
1005.90.03	YELLOW CORN	Kg	1

This new tariff is in effect the day after the date of the publication, which, in this case, is Friday, July 23, 2004; it will remain in force until December 31, 2004.

According to the announcement, the domestic corn supply currently is insufficient to match domestic demand. Also, it indicates that the import duty will be applicable only to those commodities (i.e., yellow corn) that have had import certificates ("cupo") issued by the SE.

At the same time, SE officials stated that the 2004 corn TRQ (3,359.2 MMT) has not been filled yet. Approximately 367,000 MT still have yet to be allocated by the SE. The officials stated that in the next few days this amount should be allocated among importers of the starch industry, breakfast cereal manufacturers, corn flour millers (white corn) and snack food manufacturing companies. They also pointed out that the announcement to importers of the NAFTA over-quota would probably be announced during the second week of August and that it would only apply to yellow corn.

The breakdown by sector of Mexico's 2004 corn import allocations as of June 30, 2004 is as follows:

Sector	Total Allocation As of June 30, 2004 (MT)
Starch Industry	1,113,665
Breakfast Cereal Manufacturers	103,058
Livestock (feeders, growers & feed millers)	1,534,784
Corn Flour Millers (Human Consumption)	202,259
Snack Fries mfg companies	39,447
“Comercializadoras” (Tortilla Makers)	0
Government	0
TOTAL	2,993,213

Source: Secretariat of Economy (SE)