



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 02/04/2005

GAIN Report Number: MX5012

Mexico

Dairy and Products

Mexico Announces the TRQ for Milk Powder Imports from WTO Member Countries

2005

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Report Highlights:

On January 24, 2005, Mexico's Secretariat of Economy (SE) announced it will allow 80,000 metric tons of Milk Powder to be imported from countries with Most Favored Nation (MFN) status, under Mexico's World Trade Organization (WTO) commitment for 2005.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
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Introduction: This report summarizes two official announcements published in Mexico's "*Diario Oficial*" (Federal Register) on January 24, 2005.

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 in the "*Diario Oficial*" (Federal Register) the tariff-rate quota (TRQ) for milk powder under its WTO commitment. This announcement recognizes that domestic milk powder production is insufficient to meet the needs of domestic processors of dairy products. This TRQ is in effect until July 15, 2005. All countries with MFN status may supply milk powder under this TRQ at a tariff of zero. 48,000 metric tons of the total are reserved for imports by the public sector for use in the government's low-cost milk program. Under a separate announcement to be published at a later date, the public sector will be allowed to import, duty-free, an additional amount of 55,369 MT of milk powder for 2005 under the NAFTA commitment.

H.S. Number and Product	MFN TRQ for 2005
0402.10.01 Milk in powder or tablets, containing not over 1.5 percent by weight of butterfat. Without sugars or sweeteners.	80,000 MT
Total TRQ	80,000 MT

The mechanism through which the TRQ will be allocated is:

Direct allocation to authorized companies who use milk powder in their production processes. The applications for the request of allocation of the cupos (import permits) must be submitted in form SE-03-011-1 at the General Directorate of Foreign Trade of SE.

Once the quantity to be imported is allocated under the TRQ, SE will issue the cupos to the authorized companies. The permit must be used to import the milk powder or must be returned to the issuing office within 15 days following the expiration date of its validity period.

FAS/Mexico Note: This is NOT an invitation for bids to purchase selected dairy products. Rather, it is an auction of the right to import the listed product duty free. Thus, the auction is limited to Mexican companies within the dairy industry who use dairy products in their production processes. Mexican importers who are granted the *cupos* will likely be looking to import products shortly after the auction is announced, if not earlier.

Important Dates

- 1. Publication Date:** January 24, 2005
- 2. Implementation Date:** January 24, 2005
- 3. Validity Period:** Up to July 15, 2005

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FAS Mexico Web Site: We are available at <http://www.fas-la.com> or visit 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.sagar.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.sde.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.