



Voluntary Report - Voluntary - Public Distribution

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Report Name: Mexico Coffee Import Programs

Country: Mexico

Post: Mexico City

Report Category: Trade Policy Monitoring

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Report Highlights:

In addition to preferential tariffs within the United States-Mexico-Canada Agreement (USMCA), Mexico has two coffee import programs managed by the Secretariat of Economy in which U.S. exporters may participate. This summary of programs 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.

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Sectoral Promotion Program for Coffee

The Sectoral Promotion Program for Coffee aims to increase competitiveness of the national production chain in international markets, and to promote trade and competitiveness with other countries. This program provides benefits to companies that manufacture coffee related products in Mexico. It allows a company to import inputs under tariff code 9802.0022.00 with zero duty.

Tariff codes included in this program are 0901.12 (Not Roasted, Decaffeinated), 0901.21 (Roasted, Not Decaffeinated), 0901.22 (Roasted, Decaffeinated), and 2101.11.99 (instant coffee without essences). In order to utilize this benefit, the company must file an import permit with the <u>Secretariat of Economy</u> following the <u>application format</u> for authorization and expansion of sectoral promotion programs. This <u>program</u> is valid through September 30, 2024, and will be renewed annually until further notice. Program participants must inform the Secretariat of Economy annually of any trade carried out under this program.

Duty Free Import Quota for Coffee

The Secretariat of Economy manages a duty free import quota for green coffee (0901.11.02), roasted and ground coffee in 40-gram containers (0901.21.01, 0901.22.01), and coffee substitutes containing coffee (except coffee cascara) (0901.90.99), with the goal of increasing coffee bean and capsule availability in Mexico. This <u>program</u> is valid until September 30, 2024. The request for allocation of the quota must be submitted in the format for <u>direct allocation of import and export quota</u> to the Secretariat of Economy. Further information about import quotas can be found <u>here</u>.

| HS Code | Nico | Description | Import Tariff Percentage * | | | |
|--------------|------|-----------------|----------------------------|--|--|--|
| Green Coffee | | | | | | |
| 0901.11.02 | 01 | Robusta Variety | 20 | | | |
| 0901.11.02 | 99 | Others | 20 | | | |
| 0901.12.01 | 00 | Decaffeinated | 20 | | | |

Tariff Codes, Trade Identification numbers (NICO) and General Import Tariffs for Coffee

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| | Roasted Coffee | | | | | | | |
|------------|----------------|--------------------------------------|----|--|--|--|--|--|
| 0901.21.01 | 00 | Not decaffeinated | 45 | | | | | |
| 0901.22.01 | 00 | Decaffeinated | 45 | | | | | |
| 0901.90.99 | 00 | Coffee substitutes containing coffee | 45 | | | | | |

| 2939.30.04 | 01 | Caffeinated | Exempt |
|------------|----|----------------------|--------|
| 2939.30.04 | 02 | Caffeine salt | Exempt |
| 2939.30.04 | 99 | Other caffeine salts | Exempt |

| 2101.11.02 | 00 | Concentrated liquid extract of coffee, even frozen | 45 |
|------------|----|---|----|
| 2101.11.99 | 01 | Instant coffee without essences | 45 |
| 2101.11.99 | 99 | Preparations with basis of coffee | 45 |
| 2101.12.01 | 00 | Coffee Extracts, Essences And Concentrates And Preparations Of These Extracts | 45 |

| 2101.30.01 00 Chicory, Roasted, And Other Ro Coffee Substitutes And Extracts. Essences And Concentrates The | , |
|---|---|
|---|---|

| 9802.00.22 00 Sectoral Promotion Program for the Coffee Industry | Exempt |
|--|--------|
|--|--------|

*Source General Law of Imports and Exports 2020

Coffee Exports to Mexico under USMCA

USMCA allows for a preferential zero tariff for coffee imported within rules of origin regulations. General tariffs for importation **not** fulfilling rules of origin regulations are shown in Table 1.

Coffee Rules of Origin, Chapter 4 USMCA

1. Roasted Coffee

"A change to heading 09.01 from any other chapter"

For issuing certificates of origin, coffee (including roasted or decaffeinated) must meet the criteria of being "Fully Obtained or Produced" merchandise, which implies that a plant or plant product must be grown, cultivated, harvested, or collected within a USMCA country.

2. Instant Coffee

"A change to tariff item 2101.11.aa from any other chapter, provided that the non-originating coffee of Chapter 9 constitutes no more than 60 percent by weight of the good"

The aforementioned implies that for the purpose of issuing a certificate of origin, instant coffee (without flavors) may contain coffee from a USMCA country, and where appropriate, coffee from any other part of the world, of conformity with the weight tolerance limit (no more than 60 percent of the dry weight) established by the rule of origin.

3. Extracts, essences and concentrates of coffee and preparations based on these extracts, essences or concentrates or based on coffee (except instant coffee, unflavored)

"A change to heading 21.01 from any other chapter"

The aforementioned implies that for the purpose of issuing a certificate of origin, coffee extracts, essences, concentrates and preparations based on these extracts, and essences or concentrates based on coffee (except instant coffee, without flavoring), may contain coffee from a USMCA country or coffee from any other part of the world without applying a weight tolerance limit if processing was carried out in a USMCA country.

If USMCA rules of origin are not fulfilled, applicable tariffs in table 1 will apply. For other countries without an existing trade agreement with Mexico, applicable tariffs in table 1 will apply. Table 2 illustrates tariffs as negotiated under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership signatories.

Table 2. Comprehensive and Progressive Agreement for Trans-Pacific Partnership Tariff Schedule

| Colombia | | | | | | | | | |
|----------|------|------|------|------|------|------|------|------|-----------|
| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | From 2030 |
| 65.0 | 65.0 | 65.0 | 65.0 | 65.0 | 52.0 | 39.0 | 26.0 | 13.0 | 0.0 |

| Chile and Peru | | | | | | | | | |
|----------------|------|------|------|------|------|------|------|------|-----------|
| 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | From 2030 |
| 72.0 | 72.0 | 72.0 | 72.0 | 72.0 | 57.6 | 43.2 | 28.8 | 14.4 | 0.0 |

| Australia, Canada, Japan, New Zealand and Singapore | | | | | | | |
|---|------|-----------|--|--|--|--|--|
| 2020 | 2021 | From 2022 | | | | | |
| 50.4 | 43.2 | 36.0 | | | | | |

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| Vietnam | | | | | | |
|---------|------|-----------|--|--|--|--|
| 2021 | 2022 | From 2023 | | | | |
| 50.4 | 43.2 | 36.0 | | | | |

Attachments:

No Attachments.