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Sugar

Annual

2001

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Report Highlights:

Mexican sugar production for MY 2001/02 is forecast at 5.0 MMT, assuming good weather conditions. Domestic consumption is expected to increase after several years of flat consumption. Sugar exports are forecast at 510,000 MT, however, final exports will depend on the amount of Mexico's sugar duty-free access to the U.S. sugar market under NAFTA.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
, MX

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SECTION I. SITUATION AND OUTLOOK

ECONOMIC SITUATION AND OUTLOOK:

Mexico's 2001 economic prospects augur continuing growth. It will be a good year, but not exceptional, because of the slowdown of the U.S. economy. Therefore Mexico's exports to the U.S. could likely drop. The Fox Administration faces several challenges that call for fundamental structural changes. Appropriately implemented, they would enhance Mexico's ability to withstand the harmful effects of external economic shocks.

The outlook for the Mexican economy for 2001 remains positive although real growth may be a little more than half of what it was in 2000. Since final domestic demand and exports will remain strong, GDP growth could average 3.8 percent in 2001. This performance would be a far cry from the unsustainable 7.1 percent real growth recorded in 2000. Inflation in 2001 may be slightly lower than it was in 2000. The average was 8.9 percent last year, and forecasters are predicting 7.9 percent for 2001.

Mexico's economic growth depends on its export market, essentially the United States. Ninety percent of Mexico's exports, including half of its manufacturing output, are exported to the United States. In 2000, Mexico exported \$166.4 billion, a 22.0 percent increase over 1999. Exports may increase by 11.0 percent in 2001, reflecting the slow-down of the U.S. economy. Mexico's most dynamic export sector, the maquiladora plants, assembles goods for the U.S. market. The import needs of the sector explain the 22.9 percent in imports in 2000, to \$174.4 billion. Imports may rise to by 18.0 percent in 2001, to \$206 billion.

Personal consumption continues to fuel Mexico's economic growth. Demand for goods and services, including imports, grew by about 10 percent in real terms in 2000. That figure may average 8 percent in 2001. Since the U.S. economic slowdown will force exporters to reduce their margins, they will try to keep costs down, including labor costs. The government has proposed a value-added tax on exempt products and services. All these factors will crimp personal demand in 2001.

Mexico's external accounts may cause concern in 2001. In 2000, its current account deficit totaled \$19 billion, 3.3 percent of GDP. But for high oil prices, that deficit might have been 4.7 percent of GDP in 2000. The current account deficit rose in each of the last six years except 1998. Forecasters agree that the decline in U.S. economic growth, and possibly in international oil prices, will again widen Mexico's current account deficit in 2001. The effect could be a 11.0/1.0 peso/US\$ exchange rate by the end of the year, about 13 percent depreciation relative to the average rate of 9.5 in 2000. Since Mexico's exports enabled it to accumulate \$2.8 billion in international reserves (\$33.6 billion) in 2000, a less dynamic export environment and a lower level of foreign short- and long-term capital inflows, especially from the United States, could result in a stable reserve level in 2001.

The Fox Administration aims to pursue conservative fiscal and monetary policies. It will encounter difficulty in achieving a balanced budget in the absence of legislative support. In December 2000, the Fox Administration proposed a fiscal deficit of 0.5 percent of GDP in 2001. Congress decided that the target should be 0.65 percent. Mexico's fiscal deficit was 1.0 percent of GDP in 2000.

The fiscal deficit approved by the Congress is complicating the Fox Administration's task of achieving sustainable 7.0 percent economic growth and measurable improvement in living standards, which President Fox promised during the presidential campaign. Financing such a deficit puts upward pressure on domestic interest

rates. The result will be lower domestically driven fixed capital investment, with reduced employment and personal income. At the same time, higher domestic interest rates attract foreign capital. Such flows, even if neutralized, strengthen the peso and reduce the competitiveness of Mexican exports while making imports more attractive. Without fundamental change, the net effect could be a run on the peso, such as happened in December 1994. Avoiding calls for major structural changes in public finance, in labor legislation, and in the energy sector, the opposition-dominated Congress seems reluctant to approve the necessary changes.

Mexico's ability to absorb the effects of the U.S. economic slowdown, and possibly of a fall in oil prices, will determine whether Mexico will maintain buoyant economic growth during Fox's administration. Mexico's expansion of trade with its non-NAFTA partners could mitigate the effects of the U.S. slowdown. In particular, Mexico's free trade agreement with the European Union could initiate robust growth in Mexican exports to Europe. Europe's demand for manufactured imports could be critical to Mexico in the event of a prolonged economic downturn in the United States, given that Mexico's oil exports account for less than 10.0 percent of its total exports.

Oil-related revenues remain important to Mexico. Since they account for about 30 percent of government budgetary revenue, the Government of Mexico has a strong interest in cooperating with the OPEC producers to ensure that the price of oil remains at what they consider an acceptable level. The Government assumes that Mexico will obtain \$18.0 per barrel for its oil exports in 2001 and that it will export an average of 1.750 million barrels per day. The government's yield will be about \$11.5 billion in 2001. (Source: Embassy's Economics Section: JPG 012901)

SUGAR PRODUCTION

The industry and the sugarcane growers have not yet set a sugar production estimate for MY 2001/02 (November- October). The forecast of sugar production, however, is expected to be at a conservative volume of 5.0 million metric tons (MMT) raw value. This forecast is based on the relatively good weather experienced during the growing season. Planted sugarcane area for MY 2001/02 is forecast to be very similar to MY 2000/01 area. The domestic industry's financial problems and low international sugar prices do not allow for an increase in area planted. In fact, the industry plans to maintain the current area devoted to sugarcane. Credit to replace old cane areas is almost non-existent now that FINA (Mexican Sugar Financing Institution) has closed. Furthermore, the industry does not have credit to finance sugarcane production and has very little resources to maintain the mills and fund normal operating expenses.

Virtually all sugarcane goes to the production of centrifugal sugar. The sugarcane harvest occurs between December and May. Cane yields are forecast to be almost 70 MT/Ha due to expected good weather conditions and more efficient production techniques. Similarly, sugar yields are increasing due to improvements in harvesting and milling techniques. Sugarcane costs of production vary according to the region, ranging from 10,000 to 12,000 pesos/ha. (US\$1,031 to \$1,2037/ha.).

Sugar production for MY 2000/01 has been revised downward to 4.8 MMT due the industry's deficitary maintenance and the late start up of the harvesting season due to a general sugarcane workers strike after failing to reach a deal with employers for a wage increase and retirement benefits. Although the industry will try to extend the time to make up for the weeks lost in November/December 2000, expected rainfall during May/June might keep sugar production as forecasted. Therefore, the production estimates for sugarcane, as well as for area harvested were revised downward. Milling yields for MY 2000/01 are expected to be at approximately 11 percent, slightly under the mill yield of 11.5 percent of MY 1999/00.

To maintain area planted and prevent high sugar inventories, the sugar industry is considering diverting excess cane production to ethanol production. In an effort to assist the sugar industry, a trust fund was created for the purpose of exploring alternative uses for sugar. This ethanol project is the first to be funded by the trust fund. Some tests were done in the city of Guadalajara with good results, however, more tests need to be done.

The sugar industry in Mexico faces excess capacity and financial problems as most mill owners have large debts. The industry insists that the mills' increased debt (approximately 1.5 million dollars) and inability to service that debt is due to decreased domestic sugar consumption and low international sugar prices coupled with increasing production costs. According to the industry, refined sugar production costs are on average approximately US\$500/MT and standard sugar production costs are on average US\$440/MT, when world sugar prices are half those amounts. These difficulties contributed to the industry's petition for antidumping protection against imports of U.S. high fructose. In fact, several sugar mills have experienced serious financial problems since the privatization of the sugar industry in 1988-1992.

The sugar industry is requesting the Mexican government to provide a financial support program to reorganize the sugar domestic market for MY 2000/01. This support is essential to keep up with the sugar payments to the growers. During MY 1999/00 a financial assistance program was worked out with the help of Bancomext, Mexico's EXIMBANK. The Secretariats of Economy (SDE) and of Agriculture, Livestock, Rural Development, Fisheries and Food, (SAGARPA) indicated they are preparing a financial program of approximately US\$350 millions to finance sugar inventories for MY 2000/01 and help the restructuring of the sugar industry in the mid and long terms. The sugarcane growers are demanding the financial program because some sugar mills in need of cash flow are selling sugar under the production costs at approximately 175 pesos/50 kg bag (US\$18.05/50kg). Such a practice, however, hurts the overall income of the growers because they receive a fixed percentage of the price of standard sugar according to a set formula (see Sugar Prices).

On the other hand, SAGARPA announced on March 30, 2001, rules to manage the Special Support Fund Program for the Investment in Sugarcane. According to the announcement this program is focused on solving production and productivity problems of the productive chain of sugarcane by funding the purchase of equipment and machinery to increase efficiency in production costs. The resources of this program are specifically destined to capitalize sugarcane growers and help them modernize the sugarcane harvest process. The rules of this program indicate that this direct support will be granted on a one-time basis. The federal support will consist of 10 percent of the price of the equipment per grower (up to a maximum of 20,000 pesos (US\$2,062)) or for each of the members of the productive group. The implementation, operation, performance and follow up of this program will be supported by SAGARPA, fifteen State Governments, State Agricultural Councils and the Countryside Alliance Trust Fund Technical Committee. Once the legal documents are signed with each of the states participating in the program, SAGARPA will publish in its Web page the support amounts agreed with each entity.

For all these reasons there have been attempts to regulate and reorganize the industry. Some new laws have been proposed in the House of Representatives from different political parties. A proposal (Law for the Sugarcane Agroindustry) was presented on December, 2000, to the House of Representatives by the PRD Party. In summary, this proposed law declares that the development of the national sugar agroindustry, which means that the whole chain of production from planting, industrialization and trading of sugarcane is of national interest. For this reason the government will promote the capitalization of the sugarcane sector by building infrastructure, providing support and incentives to production, providing information about the latest technological devices, and providing the opportunity for lines of credit to finance production and storage, among other incentives. This proposed law will try to generate the conditions to begin a comprehensive restructuring of the sugar sector by giving producers and the industry clear legal status.

This Law intends to create a National Sugar Institute that will be responsible for the development of policies, the strategic planning of the sector, domestic reserves, the establishment of a financial strategy that promotes the development of the sugarcane sector, the promotion of trade, the determination of reference prices to pay for sugarcane, the distribution of sugar export quotas per mill agreed to in the different trade agreements, among other activities that regulate relations between sugarcane producers and the mills. (See report MX1003.)

HFCS PRODUCTION

Mexico has two plants producing high fructose corn syrup (HFCS), one in Jalisco and another in Queretaro, producing HFCS-42 and HFCS-55, respectively. Some of the corn used for HFCS production is imported from the United States under the NAFTA tariff rate quota (TRQ). Thus far, the SDE has authorized the wet-milling industry to import 560,000 MT of U.S. yellow corn for the first quarter of CY 2001. In CY 2000, the wet-milling industry imported a total of 1,758,672 MT of U.S. corn under the TRQ. In an effort to reduce dependency on U.S. imported corn, however, the HFCS industry in Mexico is contracting for more domestically grown yellow corn. Data on Mexican production of HFCS is not published by official sources, and companies treat it as confidential information. Sources indicate, however, that HFCS production for CY 2001 will be similar to that of 2000, ranging from 250,000 to 300,000 MT, which is said to displace 230,000-250,000 MT of sugar. Domestic production of HFCS-55 has virtually been flat due to the Mexican government's high compensatory duties imposed on imported HFCS-90, which is needed to produce HFCS-55. The main users of HFCS will continue to be the bakery, food processing, fruit and juice canning and soft drink industries.

SUGAR AND HFCS CONSUMPTION

Sugar consumption for MY 2001/02 is forecast to increase slightly to 4.53 MMT from MY 2000/01 consumption of 4.48 MMT. The sugar industry maintains that sugar consumption has been growing slowly, despite improved consumer purchasing power, because increased usage of alternative sweeteners, both imported and domestic, have displaced sugar. The soft drink industry indicates that growth in soda consumption is expected to continue for CY 2001, therefore it will have to keep its prices competitive to maintain market share. Sources indicate that refined sugar consumption by the soft drink industry for CY 2001 will be approximately 1.0 to 1.2 MMT, similar to CY 2000. According to sources, the soda industry is using more standard sugar than refined sugar to keep sodas from price hikes. Some private sources have indicated that the soft drink industry has not increased the use of HFCS because of the availability of low-priced sugar. Therefore, the MY 2001/02 HFCS consumption forecast for this industry ranges from 200,000 to 250,000 MT. Other industry sources, however, indicate that HFCS consumption for the soda industry could be higher. The remainder of HFCS, about 250,000 MT, is used by the bakery, juice, and yogurt industries. Sugar consumption for MY 1999/00 and 2000/01 remain unchanged at 4.48 MMT.

SUGAR TRADE

The sugar export forecast for MY 2001/02 is approximately 510,000 MT. This outlook, however, is tempered by the final results of actual sugar production, substitution by alternative domestic and imported sweeteners, and the amount of duty-free access Mexico will have in the U.S. sugar market under NAFTA. It is important to note that domestic sugar prices, although low, are higher than international prices. Therefore, the sugar industry considers exports as a double-edged sword — they are necessary to reduce storage costs, but unprofitable due to low international prices. The sugar export estimate for MY 2000/01 was revised downward based on recent information. This estimate contemplates FY 2001 tariff-rate quotas for sugar, where Mexico was allocated 105,788 MT of quota to comply with the United States' NAFTA obligation and the U.S. WTO TRQ of 7,258 MT. Mexico still believes it should have complete access for all of its excess sugar. The total amount of access

of sugar to the U.S. market under NAFTA is still being debated. Negotiations between both governments are under way to agree on the shipping patterns of the allocation. The Mexican industry has been exporting excess sugar on a per mill-quota basis to prevent downturns in domestic sugar prices.

The Mexican export data for MY 1999/00 show approximately 294,000 MT of sugar exported, but according to private sources between 500,000 to 530,000 MT of sugar were exported. The reasoning behind this, is that SDE recognized that certain industries had the right to import sugar without duties to reexport with further processing. Having excess sugar supplies available in Mexico, SDE negotiated with the Mexican industry and domestic sugar was sold to the exporting companies at a price between domestic and world sugar prices, and this sugar was considered as exported sugar. This same strategy could be used for MY 2000/01.

According to the industry, sugar imports for MY 2000/01 will be almost nil as in MY 1999/00 given the current high sugar inventories. The 2001 NAFTA tariff for imports of U.S. sugar is US\$0.3166 per kg. The import tariff for third countries is US\$0.3958 per kg. (See tariff table in Section II.)

Most Mexican sugar is still exported under the Temporary Export Program (TEP). Under TEP, exporters receive an exemption from the export tax if they pledge to import an equivalent amount of sugar within the year when there is a shortfall in domestic market. Such imports are duty free. When there are high sugar stocks, most of the exports are declared as final by the Mexican government. Consequently, sugar mills are then released from the contingent obligation to re-supply an equivalent amount of sugar to the domestic market.

SUGAR PRICES

Sugarcane producers in Mexico are paid based on a reference price for standard sugar. The SDE announced in the Diario Oficial (Federal Register) on November 30, 2000, the wholesale reference price of a ton of standard sugar for MY 2000/2001, which increased to 4,428.24 pesos (US\$466.13/MT) from 4,295.21 pesos (US\$442.80/MT) in MY 1999/00. This translates to approximately 2,524.09 pesos/MT to the growers for MY 2000/01 compared to MY 1999/00 price of 2,448 pesos/MT. The formula indicates that growers receive 57 percent of the wholesale reference price of a ton of standard sugar. This announcement also indicated that the reference price would be modified if the export volume to the US market increases.

HFCS TRADE

As the result of the Mexican sugar industry's antidumping case, since January 23, 1998, U.S. HFCS entering Mexico must pay compensatory duties of up to US\$100.60/MT on HFCS-42 and US\$175.50/MT on HFCS-55. These compensatory duties have to be paid in addition to the 2001 normal 3 percent *ad-valorem* duty. These duties apply to the following HTS Numbers: 1702.40.99; 1702.50.01; 1702.60.01; 1702.60.02; and 1702.60.99. Compensatory duties restricted HFCS imports in 1997 and 1998, but imports have increased slowly since that time. Mexican trade data shows that Mexico increased imports approximately 17 percent of HFCS in 1999. HFCS imports for 2000 decreased 9.5 percent to approximately 312,000 MT. HFCS imports for 2001 are expected to increase slightly. Imported HFCS prices for 2000 averaged US\$230/MT on a dry basis.

Regarding developments of the HFCS antidumping case, on September 20, 2000, Mexico published a revision to the Final Resolution to reflect the World Trade Organization (WTO) dispute settlement panel determinations. The NAFTA panel, however, is still competent to continue revision procedures even in spite of modifications Mexico followed according to WTO determinations. Therefore the final resolution of the NAFTA panel is expected by May 28, 2001.

STOCKS

Sugar inventories for MY 2001/02 are forecast at 555,000 MT, however, the level will depend on the final market access for Mexican sugar under NAFTA. Sugar inventories for MY 2000/01 remain unchanged, reflecting a late start up of the harvesting season due to a worker's strike and expected lower sugar production. Sugar inventories for MY 1999/00 were revised upward based on trade sources that indicated less sugar volume exported than expected.

OTHER TRADE AGREEMENTS

A free trade agreement was signed between Mexico and the European Union (EU) and went into effect on July 1, 2000. This agreement is expected to strengthen Mexico's strategic position in the world trade. One of the agricultural products negotiated in the agreement is sugar molasses. The EU will allow 275,000 MT under a quota access to the EU market on a zero tariff basis. According to the industry, Mexico has not yet shipped any molasses to the EU market.

Also, Mexico signed on March 6, 2000, a free trade agreement with Israel. According to the sugar industry, unlimited Mexican sugar access was negotiated with Israel. Since Israel imports sugar from other sources, it is uncertain what the amount of sugar Mexico will be able to export.

SECTION II. STATISTICAL TABLES

CENTRIFUGAL SUGAR TABLE

PSD Table						
Country	Mexico					
Commodity	Centrifugal Sugar		(1000 MT)			
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
	11/1999		11/2000		11/2001	
Beginning Stocks	665	665	585	630	0	550
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	4977	4977	4987	4830	0	5050
TOTAL Sugar Production	4977	4977	4987	4830	0	5050
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	5642	5642	5572	5460	0	5600
Raw Exports	0	0	0	0	0	0
Refined Exp.(Raw Val)	575	530	540	428	0	510
TOTAL EXPORTS	575	530	540	428	0	510
Human Dom. Consumption	4482	4482	4482	4482	0	4535
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	4482	4482	4482	4482	0	4535
Ending Stocks	585	630	550	550	0	555
TOTAL DISTRIBUTION	5642	5642	5572	5460	0	5600

SUGARCANE FOR CENTRIFUGAL TABLE

PSD Table						
Country	Mexico					
Commodity	Sugarcane for Centrifugal				(1000 HA) (1000 MT)	
	Revised 2000		Preliminary 2001		Forecast 2002	
	Old	New	Old	New	Old	New
Market Year Begin	11/1999		11/2000		11/2001	
Area Planted	730	730	730	730	0	730
Area Harvested	600	600	630	620	0	630
Production	42101	42101	44000	42700	0	44000
TOTAL SUPPLY	42101	42101	44000	42700	0	44000
Utilization for Sugar	42101	42101	44000	42700	0	44000
Utilizatn for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	42101	42101	44000	42700	0	44000

TRADE MATRICES

SUGAR (JAN-DEC)

SUGAR Subheading 1701		UNITS: METRIC TONS	
EXPORTS FOR 2000 TO:		IMPORTS FOR 2000 FROM:	
U.S.	211,738	U.S.	25,377
OTHER		OTHER	
UNITED KINGDOM	54,654	BRAZIL	2,732
TOTAL OF OTHER	54,654	TOTAL OF OTHER	2,732
OTHERS NOT LISTED	21,903	OTHERS NOT LISTED	2,192
GRAND TOTAL	288,295	GRAND TOTAL	30,301

SOURCE: Global Trade Information Services, Inc. World Trade Atlas Mexico Edition, December 2000.

NOTE: EXPRESSED VALUES FOR H.S. 1701 CONSOLIDATES THE FOLLOWING SUBHEADINGS:

**1701.11.01 1701.11.02 1701.11.03 1701.11.99 1701.12.01 1701.12.99 1701.91.00 1701.91.01
1701.99.01 1701.99.02 1701.99.03 & 1701.99.99**

HFCS (JAN-DEC)

HFCS Subheading 1702.40.00		UNITS: METRIC TONS	
EXPORTS FOR 2000 TO:		IMPORTS FOR 2000 FROM:	
U.S.	5	U.S.	0
OTHERS NOT LISTED	284	OTHERS NOT LISTED	0
GRAND TOTAL	289	GRAND TOTAL	0

HFCS Subheading 1702.40.01		UNITS: METRIC TONS	
EXPORTS FOR 2000 TO:		IMPORTS FOR 2000 FROM:	
U.S.	0	U.S.	588
OTHERS NOT LISTED	0	OTHERS NOT LISTED	58
GRAND TOTAL	0	GRAND TOTAL	646

HFCS Subheading 1702.40.99		UNITS: METRIC TONS	
EXPORTS FOR 2000 TO:		IMPORTS FOR 2000 FROM:	
U.S.	0	U.S.	5,612
OTHERS NOT LISTED	0	OTHERS NOT LISTED	12,559
GRAND TOTAL	0	GRAND TOTAL	18,171

SOURCE: Global Trade Information Services, Inc. World Trade Atlas Mexico Edition, December 2000.

HFCS Subheading 1702.60.00		UNITS: METRIC TONS	
EXPORTS FOR 2000 TO:		IMPORTS FOR 2000 FROM:	
U.S.	1,634	U.S.	941
OTHERS NOT LISTED	2,977	OTHERS NOT LISTED	0
GRAND TOTAL	4,611	GRAND TOTAL	941

HFCS Subheading 1702.60.01		UNITS: METRIC TONS	
EXPORTS FOR 2000 TO:		IMPORTS FOR 2000 FROM:	
U.S.	0	U.S.	277,240
OTHERS NOT LISTED	0	OTHERS NOT LISTED	2,398
GRAND TOTAL	0	GRAND TOTAL	279,638

HFCS Subheading 1702.60.99		UNITS: METRIC TONS	
EXPORTS FOR 2000 TO:		IMPORTS FOR 2000 FROM:	
U.S.	0	U.S.	3,794
OTHERS NOT LISTED	0	OTHERS NOT LISTED	283
GRAND TOTAL	0	GRAND TOTAL	4,077

SOURCE: Global Trade Information Services, Inc. World Trade Atlas Mexico Edition, December 2000.

SUGAR PRICES

SUGAR PRICES*						
Units: 50 Kg. Bulk / Pesos						
Month	Standard		Change %	Refined		Change %
	1999	2000		1999	2000	
January	222.59	220.61	(0.89)	250.22	259.02	3.52
February	214.45	207.89	(3.06)	251.28	252.5	0.49
March	195.14	207.75	6.46	241.93	250.11	3.38
April	184.23	201.33	9.28	239	248.45	3.95
May	184.54	219.23	18.80	233.35	245.58	5.24
June	223.55	216.75	(3.04)	242.83	237.48	(2.20)
July	220.27	232.14	5.39	251.83	244.47	(2.92)
August	207.16	232.22	12.10	243.62	246.61	1.23
September	211.56	230.60	9.00	239.71	245.91	2.59
October	224.71	224.57	(0.06)	271.33	245.09	(9.67)
November	242.96	243.21	0.10	267.38	259.57	(2.92)
December	228.98	263.77	15.19	263.02	271.48	3.22
* Prices F.O.B. Mill						

SOURCE: FIDEICOMISO PARA EL MERCADO DE AZÚCAR "FORMA" - SAGARPA

1999AVG. EXCHANGE RATE US\$1.00 = \$9.55 PESOS

2000 AVG. EXCHANGE RATE US\$1.00 = \$9.40 PESOS

SUGAR PRICES*						
Units: 50 Kg. Bulk / Pesos						
Month	Standard		Change %	Refined		Change %
	2000	2001		2000	2001	
January	220.61	248.89	12.82	259.02	276.98	6.93
February	207.89	234.25	12.60	252.5	274.56	8.74
March	207.75	208.67	0.44	250.11	266.54	6.57
April	201.33	N/A	N/A	248.45	N/A	N/A
May	219.23	N/A	N/A	245.58	N/A	N/A
June	216.75	N/A	N/A	237.48	N/A	N/A
July	232.14	N/A	N/A	244.47	N/A	N/A
August	232.22	N/A	N/A	246.61	N/A	N/A
September	230.60	N/A	N/A	245.91	N/A	N/A
October	224.57	N/A	N/A	245.09	N/A	N/A
November	243.21	N/A	N/A	259.57	N/A	N/A
December	263.77	N/A	N/A	271.48	N/A	N/A
* Prices F.O.B. Mill						

SOURCE:. FIDEICOMISO PARA EL MERCADO DE AZÚCAR "FORMA" -SAGARPA

2000 AVG. EXCHANGE RATE US\$1.00 = \$9.40 PESOS

MARCH 15, 2001 EXCHANGE RATE US\$1.00 = \$9.63 PESOS

TARIFFS

MEXICAN SUGAR IMPORT TARIFFS FOR 2001		
H.T.S. TARIFF # SUBHEADING	NAFTA TARIFFS FOR U.S. COMMODITIES DOLLARS/KG.	SPECIFIC TARIFF FOR THIRD COUNTRY COMMODITIES DOLLARS/KG.
1701.11.01	0.3166	0.39586
1701.11.99	0.3166	0.39586
1701.12.01	0.3166	0.39586
1701.12.99	0.3166	0.39586
1701.91.01	0.3166	0.39586
1701.99.01	0.3166	0.39586
1701.99.99	0.3166	0.39586
1702.90.01	0.3166	0.39586
1806.10.01	0.3166	0.39586
2106.90.05	0.3166	0.39586

SOURCE: SECRETARY OF ECONOMY

HFCS COMPENSATORY DUTIES			
Company	HFCS-42	HFCS-55	HFCS-90/95
Dollars/ MT			
ADM	63.8	55.4	55.4
CARGILL	100.6	175.5	175.5
CPC	93.4	75.9	75.9
STANLEY	100.6	90.3	90.3
OTHERS	100.6	175.5	175.5

SOURCE: SECRETARY OF ECONOMY