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Mexico Opens Unilateral TRQs for Beef and Rice

Report Categories:

Livestock and Products

Grain and Feed

Trade Policy Monitoring

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Report Highlights:

On March 1, 2017, the Secretariat of Economy (SE) published in Mexico's Federal Register ("*Diario Oficial*" – DOF) an agreement establishing the specific provisions governing the unilateral tariff rate quotas (TRQs) that were published on June 8, 2016 in the DOF. The new TRQs will allow 200,000 metric tons (MT) of beef and 150,000 MT of rice from any origin to enter Mexico duty-free.

General Information:

Disclaimer: This summary is based on a cursory review of the subject announcements 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.

Title: [Agreement by which the tariff rate quotas for importing beef and rice are disclosed.](#)

Products Affected:

- Fresh, chilled, and frozen beef,
- Paddy, husked, milled, broken, and other rice.

Important Dates:

1. **Publication Date:** March 1, 2017.
2. **Enforcement Date:** March 2, 2017.

Justification to Establish TRQs:

The arguments to justify the implementation of the unilateral TRQs are the following:

- The TRQ was established in order to have available mechanisms to address situations that may affect the availability and access to the aforementioned products, in order to guarantee supply and protect the income of Mexican families, contributing to the stability of the national market for the benefit of consumers.
- According to the National Consumer Price Index calculated by the National Institute of Statistics and Geography (INEGI), consumer beef prices increased by 55.19 percent in the period from December 2011 to December 2016, mainly due to a reduction in domestic availability and as a result of the growth of Mexico's beef meat exports to the United States and a decline in the level of imports.
- According to SE's analysis, between 2012 and 2016, the average annual growth rate of rice production was 8.58 percent. However, this increase in domestic rice production was insufficient as 82.62 percent of the apparent domestic consumption was covered by imports, mainly from a single supplier country.

Additionally, SE indicates that the procedure to allocate the unilateral TRQs will be "first-come, first-serve," which guarantees the distribution of the quota under fair conditions of competition, transparency, and economy, since it generates lower costs to the compared to a public bidding mechanism.

Operation of the Quotas:

Article 1, establishes the volume for importing beef and rice under the unilateral TRQs published in the DOF on June 8, 2016 as follows:

HTS	Description	Volume (Metric Tons)	Period
0201.10.01	Carcasses or half carcasses of bovine animals, fresh or chilled	200,000	Until December 31, 2017.
0201.20.99	Bone-in meat, fresh or chilled		
0201.30.01	Deboned meat, fresh or chilled		
0202.10.01	Carcasses or half carcasses, frozen		
0202.20.99	Other bone-in meat, frozen		
0202.30.01	Deboned meat, frozen		
1006.10.01	Paddy rice	150,000	
1006.20.01	Husked rice		
1006.30.01	Semi-milled or wholly milled rice, whether or not polished or glazed		
1006.30.99	Other		
1006.40.01	Broken rice		

Importers may request permission from SE to import these products under the TRQ. There is a maximum quota allocation of 30,000 MT for beef and 10,000 MT for rice per requestor.

The current non-quota tariff rates are 20 percent for fresh or chilled beef, 25 percent for frozen beef, nine percent for paddy rice, and 20 percent for other rice.

For additional information on the original June 8, 2016 quota announcement, please see GAIN Report [MX6025](#).

For More Information

Visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.