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## Mexico

**Post:** Mexico

### Mexico Announces 2011 TRQ for Milk Powder Imports from WTO Members

**Report Categories:**

Dairy and Products

Trade Policy Monitoring

Policy and Program Announcements

WTO Notifications

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**Report Highlights:**

On December 17, 2010, Mexico's Secretariat of Economy (SE) announced it would allow a total of 80,000 metric tons (MT) of milk powder to be imported duty free from Most Favored Nations (MFN) as part of its World Trade Organization (WTO) commitments. Of this amount, 40,000 MT is allocated to the public sector, 37,086 MT is allocated to the private sector and 2,913 MT is allocated specifically to the Southern Border Region. This TRQ will be in effect from January 6, 2011 until December 31, 2011. U.S. milk powder will continue to be granted unlimited duty-free access to the Mexican market under NAFTA.

## General Information:

**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.

This report summarizes the official announcements published in Mexico's *Diario Oficial* (Federal Register) on December 17, 2010.

SE announced the TRQ for milk powder in the Federal Register as part of its WTO commitments. This announcement establishes the allocation mechanism which is to complement domestic supply for Mexican milk powder processors. This TRQ will be in effect from January 6, 2011 until December 31, 2011.

| H.T.S. Number and Product  | MFN TRQ for 2011 |
|--|------------------|
| 0402.10.01 Milk in powder or tablets, containing not over or equal to 1.5 percent by weight of butterfat. Without sugars or sweeteners | 80,000 MT        |
| 0402.21.01 Milk in powder or tablets, containing over 1.5 percent by weight of butterfat. Without sugars or sweeteners                 |                  |

The mechanism through which the TRQ will be allocated is:

| Beneficiaries   | Allocation Mechanism | Quantity (MT) | Application Period  |
|---|----------------------|---------------|---|
| A) Public sector businesses supplying milk to the low-income consumers.   | Direct               | 40,000        | From January 6, 2011 up to November 30, 2011                                    |
| B) Private sector businesses that use milk powder as an input and have previously received TRQ allocations.                   | Direct               | 36,0864       | *15 business days from January 6, 2011<br>*15 business days from August 1, 2011 |
| C) Private sector businesses that use powder milk as an input and have not previously received TRQ allocations.               | Direct               | 1,000         | *15 business days from January 6, 2011<br>*15 business days from August 1, 2011 |
| D) Business parties that hold a border company located in Quintana Roo State or in the southern border region with Guatemala. | Direct               | 2,913         | From January 6, 2011 up to February 28, 2011                                    |

Direct allocation will be authorized to:

- A. The public sector company in charge of supplying milk to low-income consumers,
- B. Companies that use milk powder in their production processes with previous experience in the allocation process,
- C. Companies that use milk powder in their production processes without previous experience in the allocation process,
- D. Business parties that hold a Border Company Registry located in Quintana Roo state or in the southern border region with Guatemala.

The applications for the request of allocation of the *cupos* (import permits) must be submitted using form SE-03-011-1 to the General Directorate of Foreign Trade of SE. Once the quantity to be imported is allocated under the TRQ, SE will issue the import permits to the authorized companies.

**FAS/Mexico Analysis:** This action of SE is based on its commitments to the WTO, and this TRQ is equal to previous years' levels issued by Mexico. Thus, U.S. milk powder will not face additional international competition in the Mexican market and U.S. firms will continue to be granted unlimited duty-free access to the Mexican market under NAFTA.

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 process.

#### **Important Dates**

- 1. Publication Date:** December 17, 2011.
- 2. Implementation Date:** January 6, 2011
- 3. Validity Period:** Up to December 31, 2011

#### **For More Information**

**FAS/Mexico Web Site:** We are available at [www.mexico-usda.com](http://www.mexico-usda.com) or visit the FAS headquarters' home page at [www.fas.usda.gov](http://www.fas.usda.gov) for a complete selection of FAS worldwide agricultural reporting.

**FAS/Mexico YouTube Channel:** Catch the latest videos of FAS Mexico at work  
<http://www.youtube.com/user/ATOMexicoCity>

#### **Other Relevant Reports Submitted by FAS/Mexico:**

| <b>Report Number</b> | <b>Subject</b>  | <b>Date Submitted</b> |
|----------------------|---|-----------------------|
| MX0053               | Import Beef Duties Eliminated                             | 08/10/10              |
| MX0064               | Livestock and Products Annual                             | 09/17/10              |
| MX0075               | Dairy and Products Annual                                 | 10/18/10              |
| MX0090               | New SENASICA System for Import Requirement Sheets (HRZ's) | 12/03/10              |

**Useful Mexican Web Sites:** (SAGARPA) is Mexico's equivalent to the U.S. Department of

Agriculture. Their website can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx). SE is the Mexican equivalent to the U.S. Department of Commerce and their website can be found at [www.economia.gob.mx](http://www.economia.gob.mx). SALUD is the Mexican equivalent to the U.S. Food and Drug Administration and their website can be found at [www.salud.gob.mx](http://www.salud.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.