

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary    Public

**Date:** 12/30/2011

**GAIN Report Number:** MX1105

## Mexico

**Post:** Mexico

### **2012 Milk Powder TRQ Announced... Limited Effect Forecast on U.S.**

**Report Categories:**

Dairy and Products

Agriculture in the News

Policy and Program Announcements

Agricultural Situation

**Approved By:**

Adam Branson

**Prepared By:**

Gabriel Hernandez

**Report Highlights:**

On December 30, 2011, 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. This TRQ will be in effect from December 31, 2011, until December 31, 2012. 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 30, 2011.

SE announced in the Federal Register that Mexico would allow, during 2012, a total of 80,000 metric tons (MT) of milk powder to be imported duty free from MFNs 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 December 31, 2011 until December 31, 2012.

H.T.S. Number and Product	MFN TRQ for 2012
0402.10.01 Milk in powder or tablets, containing not more than 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 more than 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 low-income consumers,	Direct	40,000	From December 31, 2011 up to November 30, 2012
B. Private sector businesses that use milk powder as an input and have previously received TRQ allocations.	Direct	36,086.4	-15 business days from December 31, 2011 -15 business days from August 1, 2012
C. Private sector businesses that use milk powder as an input and have not previously received TRQ allocations.	Direct	1,000	-15 business days from December 31, 2011 -15 business days from August 1, 2012
D. Business parties that hold a Border Company Registry located in the State of Quintana Roo or along the southern border region with Guatemala.	Direct	2,913.6	From December 31, 2011 up to February 29, 2012

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 is based on WTO commitments 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 30, 2011.
2. **Implementation Date:** December 31, 2011
3. **Validity Period:** Up to December 31, 2012

#### Author Defined:

**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.

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

Report Number	Subject	Date Submitted
<a href="#">MX1083</a>	2012 Dairy and Products Annual: MY2012 Forecast Flat	11/14/2011
<a href="#">MX1076</a>	Mexico Eliminates Trucking Retaliation Tariffs Against Ag. Products	10/21/2011
<a href="#">MX1042</a>	Market Concentration in Selected Agricultural and Food Subsectors	5/25/2011
<a href="#">MX1019</a>	Mexico Consolidates Labeling Requirements for Milk and Hams	3/16/2011
<a href="#">MX0096</a>	Mexico Announces 2011 Import TRQ for Dairy Preparations	12/20/2010
<a href="#">MX0095</a>	Mexico Announces 2011 TRQ for Milk Powder Imports from WTO Members	12/20/2010
<a href="#">MX0084</a>	Guidelines to Harmonize Import Inspection of Agricultural Products	11/15/2010
<a href="#">MX0076</a>	New Mexican Regulation for Milk and Milk Products	10/18/2010

**Useful Mexican Web Sites:** Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx), equivalent to the U.S. Department of Commerce (SE) can be found at [www.economia.gob.mx](http://www.economia.gob.mx) and equivalent to the U.S. Food and Drug Administration (SALUD) 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.

