

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Mexico

Post: Mexico

Mexico Announced Guidelines for Sugar Export Licenses

Report Categories:

Sugar

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Report Highlights:

On February 6, 2015, the Secretariat of Economy (SE) published the guidelines for Mexican sugar export licenses required in the antidumping and countervailing duty suspension agreements (Agreements) in the *Diario Oficial* (Federal Register). The governments of the United States and Mexico signed the Agreements on December 19, 2014.

General Information:

Introduction: This report summarizes an announcement by the Secretariat of Economy (SE) in Mexico’s *Diario Oficial* on February 6, 2015, containing the guidelines that Mexico will follow to issue export licenses for sugar destined to the United States and other third countries.

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.

Title: Agreement Where Sugar Exports are Subjected to Prior Authorization Permits

Executive Summary:

On October 28, 2014, the United States and Mexico initialed draft agreements to avoid antidumping and countervailing duties on U.S. sugar imports from Mexico. On December 19, 2014, both governments signed the two suspension Agreements. According to the Agreements, Mexico is responsible for controlling the volume of sugar exported to the United States through export licenses. Mexico will use these licenses to ensure that exports do not exceed the maximum amount allowed for export to the United States in each quarter, and to manage total Mexican sugar exports throughout each October-September cycle. SE will assign a quota to each of the sugar mills in Mexico that registers to export sugar to the United States.

Mexico will notify the U.S. authority in March of each year whether Mexico will export the entire pre-determined sugar quota.

The following H.T.S. sugar products will be subject to an export license when destined for export.

H.T. SYSTEM	ITEM
1701.12.01	Sugar, with a dry sucrose content that has a polarization equal or higher than 99.4 but not exceeding 99.5 degrees.
1701.12.02	Sugar, with a dry sucrose content that has a polarization equal or higher than 96 but not exceeding 99.4 degrees.
1701.12.03	Sugar, with a dry sucrose content that has polarization not exceeding 96 degrees.
1701.13.01	Cane sugar specified in Note 2 of the Chapter subheading.

Table 1. Mexico. Sugar included in the Quota

H.T. SYSTEM	ITEM
1701.14.01	Sugar, with a dry sucrose content that has polarization equal or higher than 99.4 but not exceeding 99.5 degrees.
1701.14.02	Sugar, with a dry sucrose content that has polarization equal or higher than 96 but not exceeding 99.4 degrees.
1701.14.03	Sugar, with a dry sucrose content that has polarization not exceeding 96 degrees.
1701.91.01	Containing added flavoring or coloring matter.
1701.99.01	Sugar, with a dry sucrose content that has a polarization equal or higher than 99.5 but not exceeding 99.7 degrees
1701.99.02	Sugar, with a dry sucrose content that has a polarization equal or higher than 99.7 but not exceeding 99.9 degrees.
1701.99.99	Sugar. others
1702.90.01	Liquid refined sugar and inverted sugar.

The export quota of each sugar cycle will be determined in metric tons raw value based on CONADESUCA’s (National Committee for the Sustainable Development of Sugar Cane) estimates and the needs of the United States as determined by the Agreements’ calculations and the World Agricultural Supply and Demand Estimates (WASDE). Each year, the amount of the quota will be announced in the *Diario Oficial* in the months of July, September, December, and March. For this present cycle, the December 2014 WASDE and CONADESUCA’s information will be considered to assign the first export limit to be exported and will be published in the *Diario Oficial* no later than February 11, 2015.

The export quotas allotment will be directly assigned: 95 percent of them to mills that reported production to CONADESUCA the previous sugar cycle; and 5 percent to the new applicants. Mills can apply for sugar export licenses beginning on February 12, 2015. On February 17, 2015, U.S. Customs will require export licenses in order to release the shipment to the U.S. importer. Mills that have already exported sugar to the United States since December 19, 2014, must notify SE by February 27, 2015, to have that amount discounted from their quota allotment. The information of quota allocations and export licenses will be published in the following page: www.siicex.gob.mx

VALIDITY OF THE SUGAR EXPORT LICENSES
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30 Calendar days - From issuing date, if the shipment of Mexican sugar is not destined for the United States.

30 Calendar days - From issuing date, when the destination is the United States, but sugar must derive from products other than cane sugar or beets.
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90 Calendar days - From issuing date or September 30 of the current sugar cycle (whichever comes first) when the destination is the United States and the sugar derives form sugar cane or beets.

The Suspension Agreements establish the following limits:

- No more than 53 percent of Mexico’s total exports to the United States can be refined sugar

- Mexico cannot export more than 30 percent of its export limit to the United States from the months of October to December
- Mexico can export no more than 55 percent of its export limit to the United States from the months of October to March
- The SE can suspend sugar exports to the United States when exports would result in an insufficient supply of sugar available on the Mexican domestic market.

Important Dates

1. Publication Date: February 6, 2015.

2. Effective Date: February 6, 2015.

For More Information

FAS/Mexico Web Site: We are available at <http://www.mexico-usda.com.mx> or 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.