

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: 2/13/2012

GAIN Report Number: MX2008

Mexico

Post: Mexico

Mexico Looks to Source More Beans

Report Categories:

Agricultural Situation

Food Security

Grain and Feed

Approved By:

Erik W. Hansen

Prepared By:

Benjamin Juarez and Erik W. Hansen

Report Highlights:

The Mexican Government has increased a recently-released tariff rate quota (TRQ) for beans from 100,000 MT to 150,000 MT for 2012. This report summarizes changes to the mechanism of importing dry beans under the TRQ published in Mexico's Federal Register (*Diario Oficial*) on February 4, 2012. As of February 13, 2012, only the United States, Canada, Nicaragua, Argentina, Bolivia, Brazil and Colombia have protocols set up to export dry beans to Mexico.

General Information:

Introduction: This report summarizes a recent change to the procedure for importing dry beans under the tariff rate quota (TRQ) published in Mexico's Federal Register (*Diario Oficial*) on February 4, 2012. The Mexican Government increased the TRQ for dry beans from 100,000 MT to 150,000 MT for 2012. It should be noted that the new TRQ for 50,000 metric tons (MT) is in addition from the recently announced 100,000 MT TRQ (see 2012 GAIN report [MX2003](#) "*Mexico Looks to Increase Imports of Dry Beans*"). The Mexican Secretariat of Economy (SE) will administer the TRQ for WTO-member countries that have protocols set up to export dry beans to Mexico. As of February 8, 2012, only the United States, Canada, Nicaragua, Argentina, Bolivia, Brazil and Colombia are permitted to export dry beans to Mexico.

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. SE's official announcement in Spanish can be found at: http://dof.gob.mx/nota_detalle.php?codigo=5232673&fecha=04/02/2012

Title: "Agreement modifying the procedure for importing dry beans under a tariff rate quota."

FAS/Mexico's Executive Summary: On February 4, 2012, the SE published in the Federal Register changes to the procedures for importing dry beans TRQ announcement for WTO-member countries for 2012.

The TRQ will be allocated on a "first come, first serve" basis. According to the announcement, the measure is intended to help keep prices low for Mexican families and to stimulate domestic food production. The agreement states that based recent calculations of the domestic dry beans supply show that there will be a major deficit of beans in 2012. Also, the SE published in the Federal Register on January 13, 2012, an a TRQ for 100,000 MT of dry beans to combat the poor harvests in 2011 resulting from a prolonged drought in roughly half of Mexico's territory. As result, the Mexican Government has extended the TRQ for dry beans from 100,000 MT to 150,000 MT.

The modification to the allocation of the TRQ will be as follow:

- 90,000 MT will be limited to private importers and public entities established in Mexico that have participated in at least one public auction conducted in 2005, 2006 and/or 2007 and received a TRQ allocation under the North America Free Trade Agreement (NAFTA) or the Free Trade Agreement with Nicaragua. In addition, private importers and public entities that meet the requirement under the modified Tariff of the General Import and Export Law, which established a TRQ on dry beans (H.S. 0713.33.02, 071333.03 and 071333.99) from 2008 onward; and public entities that run social programs that supply dry beans to the needy.

- the additional 39,600 MT be allocated only in 2012 among private importers and companies that have submitted applications for allocation on January 16, 2012 and that have not been assigned. The

allocation will be in the order of receipt published in the page www.siicex.gob.mx until the TRQ is filled. The amount to be allocated shall be the lesser of the amount requested and 10,000 MT. Also, public entities responsible of the social welfare program of dry beans will be directly allocated 6,000 MT.

- 10,000 MT for those importers that do not comply with the profile stated in the previous provision.

Only in 2012 an additional 4,400 MT will be allocated among importers who do not comply with the profile stated in the previous provision that requested for allocation on January 16, 2012 and that have not been assigned. The allocation will be in the order of receipt published in the page www.siicex.gob.mx until terminating the additional TRQ.

In either case, TRQ participants will be able to request new allocations as long as they have used up at least 75 percent of their previous allocations.

Market Access for Dry Beans in Mexico: As of February 1, 2012, contacts at Mexico's National Service of Health, Food Safety, and Food Quality (SENASICA) confirmed that they had authorized the following three countries to export beans to Mexico: Bolivia, Brazil and Colombia. These three countries have now complied with all of Mexico's phytosanitary requirements. The documents to apply for SENASICA health permits or Requirements Sheet ("*Hoja de Requisitos*") were made available the on February 6, 2012.

Clearance for Bolivia, Brazil and Colombia to export dry beans to Mexico clearly coincides with the new TRQ of 50,000 MT of dry beans open to countries outside of NAFTA and Nicaragua. Sources stated that the Mexican Government is looking to source from as many countries as possible due to a drought that has devastated Mexico's domestic dry bean production. Market analysts have indicated the US growers have significant dry beans for sale but at very high prices (along with excellent quality). Argentina also has some dry beans available but also at high prices. Thus, Mexico is looking to source from additional countries.

For More Information

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

| Report Number | Subject | Date Submitted |
|------------------------|---|----------------|
| MX2003 | Mexico Looks to Increase Imports of Dry Beans | 1/18/2012 |
| MX1101 | December Grain and Feed Update - Bean Production Forecast Lower | 12/22/11 |
| MX1095 | Rice Production Forecast Lower | 12/12/11 |
| MX1059 | Grain and Feed July Update | 7/25/2011 |
| MX1048 | Grain and Feed June Update | 6/20/2011 |
| MX1043 | Grain and Feed May Update -- Sorghum Situation | 5/25/2011 |
| MX1033 | Grain and Feed April Update | 4/29/2011 |

| | | |
|------------------------|--|-----------|
| MX1017 | 2011 Grain and Feed Annual | 3/14/2011 |
| MX1012 | Hard Freeze Damages Sinaloa Corn and Produce | 2/11/2011 |
| MX1006 | January Update for Corn and Rice | 1/28/2011 |

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