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Mexico

Dairy and Products

Mexico Announces TRQ (cupos) for Milk Powder Imports from the United States for 2006

2006

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Report Highlights:

On December 29, 2005, Mexico's Secretariat of Economy published in Mexico's *"Diario Oficial"* the 2006 tariff rate quota for imports of 57,030 MT of milk powder from the United States under the North American Free Trade Agreement (NAFTA).

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

Introduction: This report summarizes an official announcement published in Mexico's "Diario Oficial" (Federal Register) on December 29, 2005.

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.

FAS/Mexico's Executive Summary: On December 29, 2005, the Secretariat of Economy (SE) published in Mexico's "Diario Oficial" (Federal Register) the 2006 tariff rate quota for the supply of milk powder from the United States under the NAFTA. The over-quota tariff for 2006 will be 23.5 percent ad-valorem.

Tariff Classification	Description	Year	Amount of TRQ (MT)
0402.10.01	Milk in powder or tablets, containing not over 1.5 percent by weight of butterfat. Without sugars or sweeteners	2006	57,030
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:

Direct allocation to authorized companies who use milk powder in their production processes. The applications for the request of allocation of the cupos (import permits) must be submitted in form SE-03-011-1 at the General Directorate of Foreign Trade of SE.

Once the quantity to be imported is allocated under TRQ, SE will issue the respective cupos to the authorized companies. The cupo certificate must be used to import the product concerned or must be returned to the issuing office within 15 days following the expiration date of its validity period.

FAS/Mexico Note: This is NOT an invitation for bids to purchase milk powder. 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 industry that use milk powder in their production processes. That fact notwithstanding, it affects U.S. milk powder exporters in that those Mexican importers who are granted the *cupos* will be looking for product to fill the permit shortly after the auction is announced, if not earlier.

Important Dates

1. **Publication Date:** December 29, 2005
2. **Implementation Date:** December 30, 2005
3. **Expiration Date:** December 31, 2006

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Internet Connections

FAS Mexico Web Site: We are available at <http://www.fas-la.com> or visit headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagar.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.sde.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.