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Mexico Puts Last Five State-Owned Sugar Mills Up for Sale

Report Categories:

Sugar

Agriculture in the News

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Report Highlights:

On September 7, 2015, the Mexican Service of Administration and Disposition of Assets (SAE) published an announcement in the *Diario Oficial* (Federal Register) containing the public tender for the last five state-owned sugar mills. These mills have been under the administration of the Fund of Expropriated Sugar Sector Businesses (FEESA), a fund created to administer the government-expropriated sugar mills, since 2001.

General Information:

Introduction: This report summarizes an announcement by the Service of Administration and Disposition of Assets (SAE) published in Mexico’s “*Diario Oficial*” (Federal Register) on September 7, 2015, containing the public tenders for the sale of the last five state-owned sugar mills.

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: [Announcement of the public](#) tender LPEM No.02/15 for the sale of portfolios formed by industrial units that work as sugar mills.

Executive Summary:

On September 7, 2015, the Service of Administration and Disposition of Assets (SAE) published in the “*Diario Oficial*” (Federal Register) the public tender of the last five state-owned sugar mills that were administered by FEESA, a fund created to administrate the government expropriated sugar mills. The mills are: El Potrero, El Modelo, La Providencia and San Miguelito from the State of Veracruz, and Plan de San Luis in the State of San Luis Potosi.

Previously, on March 26, 2015, SAE published in the “*Diario Oficial*” (Federal Register) the public tenders for the sale of nine state-owned sugar mills (see GAIN report [MX5012](#)). On June 12, 2015, the tender was completed (see GAIN report [MX5025](#)) and two packages each containing two mills were sold, while three packages containing five additional mills were declared void as no parties expressed interest in buying them. This new tender offers the five mills that were not sold at new prices that are lower than those announced in the first bid.

The packages or portfolios for sale are offered as follows:

PORTFOLIO	MILLS	ADDRESS	VALUES	Percentage of the national domestic market *
1	El Potrero	Calle Principal s/n, Centro, Villa General Miguel Alemán, Atoyac, Veracruz, C.P. 94965	Price without V.A.T.: \$1,374,934,360.19 M.N.	3.9%
	San Miguelito	Km. 2 Carretera Córdoba – Amatlán, Buena Vista, Córdoba, Veracruz, C.P. 94680	V.A.T.: \$ 170,065,639.81 M.N. BASE PRICE SALE: \$1,545,000,000.00 pesos	
2	Plan de San	Domicilio Conocido s/n, Ejido La Hincada, Ciudad	Price without V.A.T.:	2.3%

	Luis	Valles, San Luis Potosí, C.P. 79236	\$1,017,173,400.60 M.N. V.A.T.: \$ 122,826,599.40 M.N. BASE PRICE SALE: \$1,140,000,000.00 pesos	
3	El Modelo	Salvador Esquer #9, El Modelo, Ciudad Cardel, La Antigua, Veracruz, C.P. 91685	Price without V.A.T.: \$673,440,096.07 M.N. V.A.T.: \$ 91,559,903.93 M.N. BASE PRICE SALE: \$765,000,000.00 pesos	1.9%
4	La Providencia	Calle 3 s/n, entre avenidas Libertadores e Igualdad, Centro, Providencia, Cuichapa, Veracruz, C.P. 94920	Price without V.A.T.: \$409,197,665.38 M.N. V.A.T.: \$ 60,802,334.62 M.N. BASE PRICE SALE: \$470,000,000.00 pesos	1.7%

Additional information on the mills such as location, production, general information of the sugar sector in Mexico, and how to participate in the tender, can be found at the SAE's webpage:

<http://ingenios.sae.gob.mx/Paginas/Ingenios.aspx>

The announcement also contains a detailed calendar of events and indicates that payment terms for the sale, including required deposits must be completed from September 7 to 18, 2015. On November 24, 2015, the opening tenders and determinations will take place. Selected buyers will have until December 31, 2015 to pay the agreed-upon price, after which the appropriate documents will be signed.

Participants of the tender can be a corporation or an individual, Mexican or foreign, State or municipal governments or their agencies, provided the legal framework that governs them expressly permits it.

Important Dates

- 1. Publication Date:** September 7, 2015.
- 2. Opening tenders and determinations:** November 24, 2015

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX 5025	Four Mexican State-Owned Sugar Mills Sold	06/15/2015

MX 5017	Sugar Annual Report	04/16/2015
MX 5012	Mexico Puts State-Owned Sugar Mills up for Sale	03/30/2015

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.