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**Date:** 4/28/2017

**GAIN Report Number:** MX7014

## Mexico

**Post:** Mexico

### Mexico Announces Dry Bean Tariff Rate Quota

**Report Categories:**

Trade Policy Monitoring

Agricultural Situation

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**Report Highlights:**

On April 14, 2017, Mexico's Secretariat of Economy (SE) announced that it will allow a total of 100,000 metric tons (MT) of dry bean to be imported duty-free under a tariff rate quota (TRQ). SE, through direct allocation to importers and industry, will administer this import quota for most favored nation trading partners. The TRQ will be valid from April 16 to November 30, 2017. The SE announcement also includes the administrative procedures for importers to request an allocation under the quota.

## General Information:

**Introduction:** This report summarizes a regulation that reopens the dry bean tariff rate quota (TRQ), published in the *Diario Oficial* (Mexico's Federal Register) on April 14, 2017 (see 2008 GAIN report [MX8046](#) *Mexico Announces a Tariff Rate Quota on Dry Beans 2008*).

**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 modifying diverse that to make known the assignment mechanism to import dry bean under the tariff rate quota.](#)

## Important Dates:

1. **Publication Date:** April 14, 2017.
2. **Enforcement Date:** April 16, 2017.

**Products Affected:** Dry beans

## Summary:

On April 14, 2017, the Secretariat of Economy (SE) published a regulation in the *Diario Oficial* announcing the modification of the dry bean TRQ for most favored nation (MFN) trading partners. The regulation extends the time period for entry of beans under the quota and takes other actions to encourage full quota utilization. The dry bean TRQ is typically renewed each year, but it is not always allocated to importers. (See 2011 GAIN report [MX1101](#) *December Grain and Feed Update - Bean Production Forecast Lower*).

As noted in the new regulation, on June 30, 2007, SE published a decree that established an import TRQ on dry beans (HS 0713.33.02, 071333.03, and 071333.99). Based on this decree, on June 27, 2008 SE published a regulation announcing the dry bean quota amount and assignment mechanism under the TRQ. This regulation was further modified by means of several announcements published in the *Diario Oficial* on January 13 and February 4, 2012, as well as on July 12, 2013 and March 29, 2016.

SE uses the following arguments to justify the implementation of a unilateral dry bean TRQ in 2017:

- According to the SE's analysis, between 2012 and 2016, the domestic supply of dry beans represented 89 percent of apparent domestic consumption, while in the last year (2016) domestic supply accounted for 87 percent.
- Based on Mexico's Agro-food and Fisheries Information Service data, in 2016 the annual growth rate of dry bean production was 13 percent. Despite this production growth, it is insufficient to cover apparent national consumption in 2017.

- According to the National Consumer Price Index calculated by the National Institute of Statistics and Geography (INEGI), consumer dry bean prices increased by 59 percent in the period from December 2014 to January 2017, mainly due to insufficient domestic supply.
- SE therefore saw a need to supplement the domestic supply of dry beans with imports from third countries with which Mexico does not have free trade agreements, to guarantee supply and contribute to consumer price stability, with the purpose of protecting the income and purchasing power of Mexican families.

Due to the aforementioned factors, SE decided to extend the quota period for 2017, to modify the maximum amount to be allocated per applicant to encourage greater participation by beneficiaries, and to modify the quota certificate validity in order to promote greater use of the TRQ.

As of the entry into force date of the regulation, dry beans may enter duty-free under the following quota:

Tariff Code	Description	Quantity*
0713.33.02	White dry bean, except those included in the tariff code 0713.33.01.	100,000 metric tons (MT)
0713.33.03	Black dry bean, except those included in the tariff code 0713.33.01.	
0713.33.99	Other	

\*Only for 2017, the allocation period of the quota will be from April 16 to November 30, 2017.

There is a maximum quota allocation of 12,500 MT, per period, per requestor.

#### **For More Information**

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.

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