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Mexico Announces Sugar Cane Reference Price

Report Categories:

Sugar

Policy and Program Announcements

Approved By:

Lloyd Harbert

Prepared By:

Dulce Flores

Report Highlights:

The National Committee for the Sustainable Development of Sugarcane ([CONADESUCA](#)) through the Secretariat Economy published in the *Diario Oficial* (Federal Register), the standard sugar reference price to determine the cane payment for MY 2016/17. This reference price is also the price that should be used to calculate final sugarcane payments for the MY 2015/16 crop. The reference price is \$11,077.76 pesos per metric ton (MT) (\$591.44 dollars/MT at \$18.73 pesos per dollar exchange rate).

General Information:

This report summarizes an announcement from the Secretariat of Economy published in Mexico's "*Diario Oficial*" (Federal Register) on October 28, 2016, containing the sugarcane reference price for MY 2016/17.

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 Reference Price of Sugar- Standard Base- for payments of sugarcane for MY 2016/17 as proposed by the National Committee for the Sustainable Development for Sugarcane.

Executive Summary: The Secretariat of Economy published an announcement in the *Diario Oficial* (Federal Register) on October 28, 2016, which states the reference price of sugar -standard base- that should be used to calculate sugarcane payments for the MY 2016/17 crop. The reference price is \$11,077.76 pesos per MT (\$591.44 dollars/MT at \$18.73 pesos per dollar exchange rate). This price is slightly higher to prices announced for the past MY 2015/16 of \$8,130.65 pesos per MT (\$486.86 dollars/MT at \$16.70 pesos per dollar exchange rate).

According to what has been established by the National Committee, this reference price will also be the reference price of sugar for the final adjustment payment for MY 2015/16 sugarcane, using CONADESUCA's [methodology](#) to calculate the reference price.

The sugar reference price is based on a complex formula involving, amongst other data, the average price of semi-refined (estandar) sugar in different regions of the country, as determined by CONADESUCA. Sugar export prices are also included in the formula depending if the sugar mill did or did not export sugar. The reference price is important because, according to Article 58 of the Law of Sustainable Development of Sugarcane, approximately 57 percent of this set reference price is paid to growers for their sugarcane.