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Mexico

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Mexico Announces Sugar Cane Reference Price

Report Categories:

Sugar

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Report Highlights:

The National Committee for the Sustainable Development of Sugarcane (CONADESUCA) through the Secretariat Economy (SE) published in the Diario Oficial (Federal Register), [the standard sugar reference price](#) to determine the sugar cane payment for MY 2013/14. This reference price is also the price that should be used to calculate final sugar cane payments for the MY 2012/13 crop. The reference price is \$6,697.06 pesos per MT (\$511.22 dollars/MT at \$13.10 pesos per dollar exchange rate), almost 40% below last year's level.

Introduction: This report summarizes an announcement from the Secretariat of Economy published in Mexico's "Diario Oficial" (Federal Register) on October 30, 2013, containing the sugarcane reference price for MY 2013/14.

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 sugar cane for MY 2013/14 as proposed by the National Committee for the Sustainable Development for Sugar cane.

Executive Summary: The Secretariat of Economy published an announcement in the *Diario Oficial* (Federal Register), on October 30, 2013 that states the reference price of sugar -standard base- that should be used to calculate sugarcane payments for the MY 2013/14 crop. The reference price is \$6,697.06 pesos per MT (\$511.22 dollars/MT at \$13.10 pesos per dollar exchange rate). This price is almost 37% less compared to prices announced at the same time last year for MY 2012/13 or \$10,617.72 pesos per MT (\$827.56 dollars /MT).

According to what has been established by the National Committee, this reference price will also be the definitive reference price of sugar for the final adjustment payment for MY 2012/13 sugarcane.

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. 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.

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.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work
<http://www.youtube.com/user/ATOMexicoCity>

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

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