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## Mexico

**Post:** Mexico

### Mexico Continues Support Program for Corn-Dough (Nixtamal)

**Report Categories:**

Agriculture in the Economy

Food Processing Ingredients

Grain and Feed

National Plan

Policy and Program Announcements

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**Report Highlights:**

On August 23, 2013, Mexico's Secretariat of Economy (SE) announced the fiscal year (January to December) 2013 [operational guidelines](#) for how support will be provided to the corn flour (*nixtamal*) milling industry through the PROMASA program. The Government of Mexico (GOM) will support, initially, the manufacture of up to 435,000 metric tons (MT) of *nixtamal* dough. The announcement is a routine update of the existing PROMASA operational guidelines (see 2010 GAIN report [MX0049 Mexico Announces Support for Corn-Dough and 2011 GAIN report \[MX1036 Mexico Updates Support Program for Corn-Dough - Nixtamal\]\(#\)](#) -).

**General Information:**

**Introduction:** This report summarizes the operational guidelines of the Support Program for the *Nixtamal* Milling Industry published in Mexico's Federal Register (*Diario Oficial*) on August 23, 2013. (*Nixtamal* is ground corn cooked with limestone. After cooking, the corn is milled into flour for making dough for tortillas).

**Disclaimer:** This summary is based on a cursory review of the subject announcements and therefore should not, under any circumstances, be viewed as a definitive reading of the regulations in question, or of its implications for U.S. agricultural export trade interests. In the event of discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

**Title of the Announcement:** Criteria for the Operation of the *Nixtamal* Milling Industry Support Program (PROMASA) under the Guidelines of the Industry Competitiveness Promotion Program (PROIND) for fiscal year 2013

**Type of Regulation:** Operational

**Important Dates:**

1. **Publication Date:** August 23, 2013
2. **Effective Date:** August 24, 2013

**Eligible Commodities:** Corn-dough, made from *nixtamal*, to make tortillas

**Reason for Program:** According to this announcement, PROMASA is part of PROIND, which is the GOM policy to promote the competitiveness of various industrial sectors. Specifically, SE referenced the following factors in its decision to implement the 2013 PROMASA program.

The GOM has undertaken various measures to ensure an adequate tortilla supply for the Mexican population. Therefore, it is necessary to continue implementing measures to maintain this trend.

The *nixtamal* milling industry has a significant impact on employment generation and in the production of a vital commodity for Mexican families.

PROMASA is part of a strategy designed to boost the competitiveness of the industrial corn/*nixtamal* sector this fiscal year.

PROMASA contributes to the formalization of the *nixtamal* milling industry.

**Program Objectives:** According to the announcement, the main objectives of PROMASA are to maintain the production of corn tortillas by the corn/*nixtamal* industry, to mitigate the impact of increased raw materials prices, and to contribute to the formalization of the *nixtamal* milling industry.

**Program Features:** In order to achieve the general objectives of the PROMASA program, SE will

provide support for the production of up to 435,000 MT of *nixtamal* dough. The support per kilogram of *nixtamal* dough for tortillas will be determined as follows:

- Support of 0.50 pesos per kilogram of *nixtamal* dough, to small and medium enterprises,
- Support of 0.50 pesos per kilogram of *nixtamal* dough, to low-income consumers (REPECO)

PROMASA grants these supports understanding that every kilogram of corn produces 1.8 kilograms of *nixtamal* dough and requires 0.0035 liters of gas and 0.040 kilowatt hours of electricity.

Under PROIND, the relevant category and maximum amount of a support request are:

Category	Subcategory	Maximum Amount of Support	Consideration
PRODUCTION	Manufacture of nixtamalized corn dough goods	1,500,000 pesos per period of support	For Application Support

Current Exchange Rate: U.S. \$1.00 = 13.30 pesos

The amount of PROMASA supports will be determined by PROIND Board, and subject to available budget established by the Secretariat of Finance (SHCP).

The published operational guidelines further detail additional aspects of the program such as eligibility criteria and the requirements for intermediate producers. In addition, it states the application requirements, support amounts, goals and impacts, categories and subcategories of supports, the approval process of applications, performance indicators, and the delivery of monetary resources.

The “target population” of this program is defined as individuals with businesses or corporate entities from the corn *nixtamal* industry whose goals are the development of industrial corn-*nixtamal* sector.

**Author Defined:**

**For More Information:**

FAS/Mexico Web Site: We are available at [www.mexico-usda.com](http://www.mexico-usda.com) or 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.