

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 5/16/2012

GAIN Report Number: MX2031

Mexico

Post: Mexico

New NOMS for Dairy Products May Shift Import Patterns

Report Categories:

Dairy and Products

Policy and Program Announcements

Market Development Reports

Market Promotion/Competition

Approved By:

Daniel K. Berman

Prepared By:

Gabriel Hernandez

Report Highlights:

On May 3, 2012, Mexico's Secretariat of Economy (SE) published two Official Norms related to the regulation of dairy products. NOM-155-SCFI-2012 "Milk-Denomination, physical-chemical specifications, commercial information, and testing methods" and NOM-183-SCFI-2012 "Dairy formulas and combined dairy formulas- denomination, physical-chemical specifications, commercial information, and testing methods."

General Information:

This report summarizes the official announcements of two Official Norms published in Mexico's *Diario Oficial* (Federal Register) on May 3, 2012. SE published NOM-155-SCFI-2012 "Milk-Denomination, physical-chemical specifications, commercial information and testing methods" and NOM-183-SCFI-2012 "Dairy products and combined dairy products- denomination, physical-chemical specifications, commercial information and testing methods."

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.

FAS/Mexico Analysis: The Government of Mexico is responsible for publishing measures to guarantee the safety as well as the availability of appropriate consumer information. These NOMs replace NOM-155-SCFI-2003, and encompass milk, dairy formulas, and combined dairy formulas. As the United States is principally a supplier of raw materials that go into dairy formulations, according to industry sources, the regulation should have little impact on U.S. goods even though the finished products made from the inputs would need to comply with the revised NOMs when they enter into force.

The Mexican National Chamber of Milk Industries (CANILEC) has expressed its dissatisfaction with this revised regulation as the Chamber perceives this modification is unnecessary and over-regulates the industry. CANILEC alleges that the new measures will affect self-service stores that produce and sell their own brands.

One of main differences between the previous and the recent publications is related to the ratio levels required for casein-protein. The 2003 version of NOM-155 indicated that the ratio of casein-protein must be at least 70 percent, while the newest modification sets the level at a minimum of 80 percent. The private sector unsuccessfully lobbied for the establishment of a more realistic level of around 76 to 78 percent.

Another, significant difference is the new definition of "dairy formula." NOM-183-SCFI-2012 defines the term as "dairy product" but the term "combined dairy product" was used previously in NOM-155-SCFI-2003.

As indicated, above, the dairy industry perspective is that such changes are not justified. In addition, industry sources do not foresee any policy effect on the import of U.S. fluid milk, ice cream, or cheeses. However, as higher protein contents are required, it could lead to an increase in imports of milk protein (casein) and an offset in whey imports. Also, even though the changes would imply an increased cost for labeling, the industry believes that no disruptions will ensue as members are accustomed to dealing with requirements related to labeling issues.

Important Dates

1. Publication Date: May 3, 2012.

2. Implementation Date: October 27, 2012

NOTE: Between the date of publication and the implementation of the new NOMs, the existing NOM from 2003 is applicable.

Author Defined:

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.

Also, for further information U.S. Dairy Export Council industry members can direct questions to:

U.S. Dairy Export Council (USDEC)

Circuito Médicos No. 55 Interior 302

Ciudad Satélite, Naucalpan,

Estado de México, 53100 México

<http://www.usdec.org>

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX2028	Dairy and Products Semi-Annual	5/14/2012
MX1106	Dairy Blends TRQ Announced	12/30/2011
MX1105	Milk Powder TRQ Announced	12/30/2011
MX1092	New Meat and Poultry Letterhead Certificates Required	12/6/2011
MX1083	Dairy and Products Annual	11/14/2011
MX1076	Mexico Eliminates Retaliatory Tariffs	10/21/2011

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