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Poultry Import TRQ Extension Announced Through December 2015

Report Categories:

Poultry and Products

Agriculture in the Economy

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Report Highlights:

On February 28, 2014, Mexico's Secretariat of Economy (SE) announced an [amendment](#) to term length of a previous authorization under which Mexican companies can import 300,000 metric tons (MT) of poultry (specifically, chicken) meat duty-free, via a tariff rate quota (TRQ) regime. The TRQ should not significantly affect U.S. exports. Mexican authorities have gone so far as to say the announcement is more about keeping domestic poultry prices in check and to allow imports as necessary.

General Information:

Previously, on May 15, 2013, Mexico's SE announced a modification to the General Import and Export Tax Law to allow the duty-free import of poultry meat, via a TRQ certificate. As a follow-up to this decree, on May 16, 2013 SE published an announcement which confirmed the amount of poultry meat to be imported under the TRQ. On February 28, 2014, SE announced an amendment which extends this quota to December 31, 2015. The harmonized tariff system (HTS) codes covered by this TRQ announcement are for fresh, chilled, or frozen chicken meat, cuts, and edible offal (see below).

FAS/Mexico Analysis: As previously reported, Mexico's imports of poultry meat from the United States is likely to continue unimpeded as, under NAFTA, U.S. poultry meat is exempt from this TRQ. It is not expected that U.S. exports (primarily mechanically separated poultry and chicken leg quarters) will face significant additional international competition in the Mexican market despite the ability of Brazil and others to take advantage of this TRQ. Up until November 2013, approximately 6 months of the initial TRQ announcement, Brazil was only able to export 124 metric tons (MT) of frozen chicken cuts and offal to Mexico, presumably all under this 300,000 MT TRQ whereas the United States exported 773,600 MT of all poultry and offal to Mexico during the period January to November 2013.

The only countries with which Mexico has currently negotiated a [zoo-sanitary protocol](#) for poultry meat and offal are: Argentina (dehydrated poultry meat), Brazil (raw and dehydrated poultry meat, only), Canada (poultry meat and offal subject to thermal treatment and/or processing), Chile (poultry meat and offal), and the United States (poultry meat and offal).

Consulting the publicly available list of establishments authorized to export both raw poultry meat and offal to Mexico ([SICPA](#)), the website lists 1286 U.S. establishments recognized by the Mexican Government as eligible to ship some form of poultry product to Mexico. Aside from the United States, there are 4 Argentinian poultry establishments, 5 Brazilian poultry establishments, 303 Canadian poultry establishments, and 8 Chilean poultry establishments with access to Mexico.

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 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.

This report summarizes the “Decree that Indicates the Modification of the Quota to Import, Under Tariff-Quota, Poultry Meat”

Article 1 indicates the extension of the date (originally from May 16, 2013 until December 31, 2013) from May 16, 2013 to December 31, 2015. The validity of the TRQ certificates issued after the publication of this announcement will be valid through December 31, 2015. The TRQ certificates issued before the date of the amendment publication will be valid through February 28, 2014.

The publication establishes the aggregate quota to import duty-free, fresh, chilled or frozen poultry meat in the following amounts:

HTS	DESCRIPTION	MT
0207.11.01	Meat and Edible Offal of Chickens. Not cut in pieces, Fresh or Chilled.	300,000
0207.12.01	Meat and Edible Offal of Chickens. Not cut in pieces, Frozen	
0207.13.03	Chicken, Legs, Thighs Or Legs And Thighs In One Piece. Fresh or Chilled.	
0207.13.99	Chicken, Other. Fresh or Chilled.	
0207.14.04	Chicken, Legs, Thighs Or Legs And Thighs In One Piece. Frozen.	
0207.14.99	Chicken, Other. Frozen.	

SE indicates that 50 percent of the TRQ is to be assigned under the direct allocation mechanism using the “first come first serve” methodology. The amount allocated will be the lesser of:

- a. The solicited amount;
- b. The amount indicated in the commercial bill or airway bill; or,
- c. 20,000 MT; or,
- d. The remainder of the TRQ

Author Defined:

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FAS/Mexico Web Site: We are available at www.mexico-usda.com.mx or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX4015	Livestock and Products Semi-Annual: Production Forecasts Raised Slightly on Better Genetics, Weather, and Feeding	3/1/2014
MX4012	Poultry and Products Semi-Annual: Billion Dollar Market Retains Potential for Increased Sales	2/14/2014
MX4011	SAGARPA to Provide USD 50 Million for Abattoirs and Processors	2/4/2014
MX3077	Cattle Herd Repopulation Plan	10/30/2013
MX3068	Egg Certification Policy Changes with Price and Trade Snapshot	9/10/2013
MX3066	Poultry and Products Annual: Production and Trade Forecasts Bright	8/30/2013

MX3062	Livestock and Products Annual: Outlook for Production and Trade Bright While Consumption Remains Affected by Prices	8/15/2013
MX3058	Outreach in Tijuana and Mexicali for Meat and Poultry Trade	7/16/2013
MX3051	Porcine Epidemic Diarrhea Disease	6/26/2013
MX3048	Newly Authorized Meat and Poultry Exporters to Mexico	6/20/2013
MX3047	Educational Sessions for Meat and Poultry Trade Exporters to Mexico	6/20/2013
MX3043	Pork Price and Trade Snapshot	5/30/2013
MX3026	Broiler Meat Production and Trade Update	3/22/2013
MX3016	Livestock Semi-Annual: Pork Sector Promising	3/4/2013
MX3011	Poultry Semi-Annual – First \$1 Billion Poultry Market for American Exporters	2/13/2013

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.