

Successful Meeting of the United States-Mexico Joint Industry/Government Sweeteners Task Force

On May 7, 2007, a meeting was held of the joint government-industry United States-Mexico Sweeteners Task Force, which was established under the provisions of a July 2006 agreement on sweeteners trade between the two countries. The purpose of the task force is to review the operation of the July 2006 agreement to ensure full availability of the market access provided and to prepare for tariff elimination on sugar and high fructose corn syrup by January 1, 2008.

Dr. Mark E. Keenum, Under Secretary for Farm and Foreign Agricultural Services of the U.S. Department of Agriculture, Ambassador Richard T. Crowder, Chief Agricultural Negotiator of the Office of the U.S. Trade Representative, Under Secretary Beatriz Leycegui of Mexico's Ministry of the Economy (Economia), and Under Secretary Francisco Lopez Tostado of Mexico's Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food Supply (SAGARPA) co-chaired the meeting. Private sector members represented cane and beet sugar producers and processors, high fructose corn syrup (HFCS) producers and sweeteners users from both countries.

The United States gave a presentation on the operation of the July 2006 sweeteners agreement. Between October 2006 and September 2007, the United States established duty-free access for 250,000 MT of Mexican sugar, and Mexico provided duty-free access for an equal quantity of U.S. HFCS. Mexico also provided duty-free access for 22,774 MT to be delivered through December 2007. The United States had given Mexico an additional duty-free quantity of 26,681 MT in August 2006. The parties will also provide reciprocal duty-free sugar and HFCS access in an amount between 175,000-250,000 MT, which will be determined, jointly, by July 1, 2007. Consistent with the agreement, Mexico eliminated its beverage tax, effective January 1, 2007. Mexico announced that approval of the reduction of the "tier 2" or out-of-quota duty on U.S. sugar to approximately 1.5 to 1.6 cents per pound, an amount equivalent to the U.S. out-of-quota tariff applied to Mexican sugar, had been signed and was published on May 8.

The United States made a presentation on the flow of sweetener trade between the United States and Mexico over the past several years, which illustrated that production and trade between the two countries has been complementary. The United States and Mexico gave presentations about the access given to third parties through multilateral and bilateral trade agreements. The private sector representative from the Mexican Sugar Chamber discussed his organization's estimates of Mexican sugar production, consumption and trade for the current marketing year. Private sector members stressed the importance of accurate and timely data on sugar and HFCS production, consumption, trade and stocks in the two countries. Both governments stressed their commitments to the full opening of duty-free, quota-free sweetener trade on January 1, 2008, and the fact that all the legal/administrative changes required for the opening have either been completed or were well on the way to full implementation.