

## COFECE recommends modifying the proposed draft of the Official Mexican Standard for powdered milk

- *The proposed draft presents specifications for powdered milk commercialized domestically as raw material, which may be restrictive and affect the competition process.*
- *Mexico is the second largest importer of powdered milk in the world, due to the deficit of dairy in the country. It is therefore important to ensure that obstacles to commerce are not imposed through unjustified regulatory barriers.*

**Mexico City, July 12, 2018.-** The Federal Economic Competition Commission's (COFECE or Commission) Board of Commissioners recommended the Ministry of Economy modify the proposed draft of the Official Mexican Standard *PROY-NOM-222-SCFI/SAGARPA-2017- Powdered or Dehydrated Milk – Raw material- Specification, Commercial Information and Testing Methods (Draft)*, with the objective of eliminating the provisions contrary to competition and free market access.

The Draft intends to establish the physicochemical specifications, commercial information and testing methods applicable to powdered or dehydrated milk commercialized in Mexico as a raw material.

The product is used for the preparation of reconstituted milk, baking, bakery products, confectionery, processed foods, infant formulae, among others; instantaneous or not, and manufacturers choose the type of milk depending on use for the manufacturing of their products.

COFECE's analysis found that the Draft sets more restrictive standards than international benchmarks -including those applied by our main commercial partner and by the world-wide used *Codex Alimentarius-*, furthermore it determines a unique set of physicochemical parameters regardless the productive process used. In addition to that, the referred testing methods are not in line with best practices and may constitute an undue obstacle to commerce. Should the Draft Standard be approved, it would generate cost increases and restrict the supply of said input to the detriment of industry and consumers.

Due to the dairy deficit in the country, Mexico is the second largest importer of powdered milk world-wide; in 2017, 334 thousand tons were imported. Therefore, the minimum safety and quality regulations of powdered milk should be in line with international



standards and not restrict adequate sources of supply via imports. The aforementioned should be observed to avoid possible domestic shortages and/or price increases of this input in Mexico.

[See the opinion OPN-006-2018 in Spanish](#)

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*The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. Through this, it contributes to consumer welfare and the efficient functioning of markets. Through its work, COFECE seeks better conditions for consumers, greater output, better services and a “level playing field” for businesses*

