

PROTOCOL BETWEEN
THE SECRETARIAT OF AGRICULTURE, LIVESTOCK, RURAL DEVELOPMENT,
FISHERIES AND FOOD AND THE GENERAL ADMINISTRATION OF QUALITY
SUPERVISION, INSPECTION AND QUARANTINE OF THE PEOPLE'S REPUBLIC OF CHINA
AND THE SECRETARIAT OF HEALTH OF THE UNITED STATES OF MÉXICO ON
INSPECTION, QUARANTINE AND SANITARY CONDITIONS OF MILK AND MILK
PRODUCTS EXPORTED FROM MÉXICO TO CHINA.

The General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) and the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) and the Secretariat of Health (SS) of the United States of Mexico, hereinafter referred to as the parties, agreed to the following;

Article 1

Competent Authorities

SAGARPA shall be responsible quarantine in farms and SS for inspection of the establishments and issuance of export certificates of the dairy products to be exported to China

Article 2

Laws and regulations

SAGARPA and SS shall be responsible for providing AQSIQ with the laws and regulations governing dairy stock related animal health, dairy product producers, dairy product safety, hygiene and quality, as well as the inspection and quarantine items, methods, procedures and standards for export dairy products; SS shall provide official stamping mark, and sample of health certificate on official anti-fake paper. SS shall notify AQSIQ of any modifications and changes to any of the above at least one month in advance.

Article 3

Disease notification

SAGARPA shall be responsible for providing information on the prevention and control system related to the diseases listed in Article 5 of this Protocol to AQSIQ as required by the latter and notifying AQSIQ of the animal disease situation listed in Article 5, defined by the World Organization for Animal Health (OIE) as notifiable.

SS shall provide to the AQSIQ in an annual basis the verification program of the residue control carried out by the establishments according to Mexico legislation

If necessary and with a previous notification, AQSIQ may send experts to Mexico to conduct on-site inspection of the above-mentioned system and management status with the necessary assistance provided by Mexico.

Article 4

Declarations

SS and SAGARPA declare that:

- a) The milk and milk products that Mexico exports to China only include cow milk and cow milk products and comply with article 13 of this protocol.
- b) Mexico has established effective system to ensure that the raw milk is from healthy dairy cows and complies with the requirements of Article 5.
- c) Mexico currently implements effective traceability system to ensure that the dairy products can be traced back to the dairy product producers and farms that breed the dairy stock.
- d) If the dairy ingredients of the dairy products exported by Mexico are from any country (region) other than Mexico, the country of origin of dairy ingredients shall be eligible to export the relevant dairy ingredients to China.

Article 5
Sanitary requirements.

The dairy stock used to provide raw milk for the dairy products exported to China shall comply with the following conditions:

a) Come from the farms that comply with the following conditions:

1. The dairy farms located in a country free of FMD.
2. Rinderpest, Rift Valley Fever, Contagious bovine pleuropneumonia, and BSE have never occurred in the farms.
3. Anthrax and Paratuberculosis (also known as Johne's disease), have not been clinically observed in the dairy farms.
4. Farms incorporated to the Brucellosis and Tuberculosis control programs.
5. The farms are under the supervision of SAGARPA;
6. Farms have not been placed under quarantine restrictions according to the OIE Code and official animal health regulations of Mexico due to animal diseases.

b) The animals have not been fed the feeds prohibited by SAGARPA and AQSIQ. AQSIQ should notify Mexico according to the prohibited feed regulations in the People's Republic of China.

c) Farms where good husbandry practices are in place and in which only veterinary drugs registered and approved by SAGARPA are used, and no veterinary drugs prohibited by AQSIQ are used, to avoid the existence of drugs, chemical residues harmful to human health and residues of other toxic and hazardous substances.

Article 6
Exporter establishments

The manufacturers exporting dairy products to the People's Republic of China have been approved or registered by SS, and complied with the requirements of the People's Republic of China and Mexico on animal health and public health under the supervision of SS. The raw milk used by the manufacturers shall come from the farms complying with the requirements of Article 5, and the dairy ingredients from other countries or regions shall comply with the requirements of item d) of Article 4.

The manufacturers shall be registered with the Certification and Accreditation Administration of the People's Republic of China (CNCA) in accordance with the Administrative Provisions on Registration of Overseas Manufacturers of Import Foods. The products from the dairy product manufacturers not registered with CNCA are not allowed for export to China.

Article 7
Responsibilities

The competent authorities in Mexico certify that:

a) The official veterinarians of Mexico carry out the supervision of the dairy farms that provide raw milk to the dairy products to be exported to China according to the laws and regulations of Mexico and China;

b) All dairy farms comply with the requirements of Article 5 of this Protocol, and the animals are healthy;

c) Based on the application of good husbandry practices on farms to obtain the raw material and the results of the control procedures for residues in dairy products applied by establishments under the supervision of the SS, the residue levels of veterinary drugs, pesticides and other toxic and dangerous substances in the raw milk used do not exceed the maximum limits set by Mexico and China.



d) Certifying that if the dairy ingredients used for the dairy products to be exported to China are from any country (region) other than Mexico, the country of origin of the dairy ingredients is eligible to export relevant dairy ingredients to China.

e) Certifying that the raw milk contains no colostrum, milk during the use of antibiotics and withdrawal period or deteriorated milk.

f) The milk-based infant formula contains no colostrum.

g) Certifying that the product underwent one of the following processing procedures:

i) Adopting the sterilization procedure (ultra-high temperature UHT) at the minimum temperature of 132°C for at least 1s, or

ii) If the PH value of milk is lower than 7.0, adopting the sterilization procedure (high temperature-short time HTST) at the minimum temperature of 72°C for at least 15s, or

iii) If the PH value of milk is 7.0 or above, HTST procedure shall be carried out twice.

h) Certifying that the dairy product is produced by the manufacturer in Mexico under the supervision of the competent authority of Mexico, and complies with the laws and regulations of Mexico and China.

i) Attesting that the product complies with the food safety standard of the People's Republic of China, and is safe, hygienic and fit for human consumption.

j) If any violation of the above-mentioned requirements is identified, SS shall immediately notify AQSIQ, and suspend the export of any products from the relevant manufacturer, trace and investigate the reasons and take appropriate corrective measures, including recalling the products likely to be contaminated. The suspension will be lifted once the causes that gave rise to the measure have been overcome.

Article 8

Fulfillment

The dairy products not complying with the requirements in Article 5 and Article 7 of this Protocol shall not be processed together with the dairy products to be exported to China.

The dairy products to be exported to China should be readily identifiable at all stages of processing and storage to ensure that only the products meeting the requirements of this Protocol are allowed for export to China.

Article 9

Packaging and packing

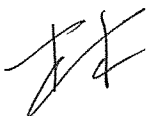
The dairy products destined for China shall be wrapped and packaged with brand new materials complying with the international hygienic standards. The outer packing shall indicate specification, place of origin (specific to state/province/city), destination, commodity name, weight, name of manufacturer, registration number (RFC Federal Taxpayers Registry), production batch number, storage condition, production date and expiry date in Chinese, and Spanish or English.

The primary packaging shall comply with the relevant regulations of the People's Republic of China, and the label shall indicate country of origin, commodity name, registration number of manufacturer (RFC Federal Taxpayers Registry), name, address and means of contact of manufacturer, production date and expiry date, and production batch number.

Article 10

Storage and Transportation

During the whole process of packaging, storage and transportation, the dairy products to be exported to China shall meet the hygienic requirements and shall be protected from contamination by toxic and hazardous substances. The container should be sealed after the products are loaded into it, and the seal number shall be indicated in the health certificate. The package of the products shall not be unwrapped, opened or replaced during the transportation.



Article 11

Export Certificate

Each consignment of dairy products to be exported to China shall be accompanied by an original official health certificate attesting that the dairy products meet the requirements of this Protocol, as well as the regulations of Mexico and China on animal health and public health. The official certificate of Mexico shall apply only to the dairy products produced and processed by the manufacturer in Mexico.

Health certificate should be written in Chinese, Spanish or English. The format and content of the certificate should be mutually confirmed and agreed upon in advance by both sides.

The certificate shall not be altered, and shall bear the official seal and signature of official inspector, and the destination shall be the People's Republic of China.

Article 12

Contingency measures

Once any infectious disease indicated in Article 5 of this Protocol occurs in the dairy farm where the raw milk comes from, or serious contamination incident threatening human health occurs in the processing establishment, Mexico shall immediately stop exporting the dairy products derived from the abovementioned dairy farm or processing establishment to China, promptly recall any affected products, and notify AQSIQ of the relevant information.

For resuming export to the People's Republic of China from the abovementioned dairy farm or processing establishment after the infectious disease is completely eliminated or the contamination incident is properly handled, SAGARPA or SS should provide AQSIQ with a detailed report containing information on the occurrence of the infectious disease or contamination incident, retrospective investigation and prevention & control measures. AQSIQ may decide whether to resume import from the abovementioned dairy farm or processing establishment after reviewing the report provided by Mexico. These measures shall be only targeted at the abovementioned dairy farm or processing establishment.

If the imported dairy products are found non-compliant with the requirements of this Protocol by AQSIQ, it will immediately notify SS and seek the return, detention, destruction, or other treatment of the products. SS shall cooperate with AQSIQ in investigating the causes and seeking solutions, including notifying AQSIQ of any corrective actions taken, such as recalling other products likely to be contaminated, so as to prevent recurrence of such incident.

If necessary, SS may carry out analysis on the following 10 consignments to be exported from the abovementioned establishment.

Article 13

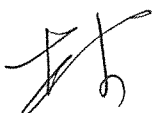
Definition

The dairy product mentioned in this Protocol refers to the food processed from milk as the main raw material, and milk-based infant formula (excluding colostrum and colostrum products). SS should guarantee that the dairy products and milk-based infant formula (excluding colostrum and colostrum products) to be exported to China be properly thermally processed according to Article 7/g.

Article 14

Modification

This Protocol can be amended by mutual consent, and the effective date of the amendment shall be decided through consultation between the two sides.



Article 15
Completion

Either side may terminate this Protocol by notifying the other side in writing six months in advance.

Article 16
Consultation

Either side may request a consultation through official channel at any time, and the time and venue of consultation shall be discussed and decided by both sides.

Article 17
Entry into force

This Protocol shall come into force on the date of signing.

This Protocol is written in Chinese, Spanish and English, and signed on MM/DD/YY. The three versions are equally authentic.

On behalf of
The General Administration of Quality
Supervision, Inspection and Quarantine
of the People's Republic of China

On behalf of
The Secretariat of Agriculture, Livestock,
Rural Development, Fisheries and Food

The Secretariat of Health
of the United States of Mexico

