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Report Highlights:

Post forecasts Mexican production of wheat, rice, and sorghum in marketing year (MY) 2026/2027 higher largely due to improved water availability. Corn production is forecast to decline, as rising input costs, anticipated low crop prices, and elevated carryover stocks from MY 2025/2026 output weigh on planting decisions. Imports of corn, wheat, and rice are forecast to increase, driven by rising consumption tied to population growth and an expected expansion in livestock production. Sorghum imports are forecast to decrease as domestic production gradually recovers and feed demand increasingly shifts toward imported yellow corn.

EXECUTIVE SUMMARY

Strong demand for grains is forecast to persist in 2026 due to an expectation of population growth, increases in production of poultry and pork, and a positive economic forecast. Mexico's central bank recently revised the country's economic growth forecast for 2026 upward to 1.6 percent, citing expansion in domestic consumption and increased exports. Mexico is projected to remain a major importer of basic grains, with total grain imports forecast to rise in MY 2026/2027 to meet growing demand amid limited domestic production.

Mexico's corn production in MY 2026/2027 is forecast to decrease by 3 percent year-on-year to 24.5 million metric tons (MMT). High input costs, anticipated low corn prices, and elevated white corn carryover stocks from MY 2025/2026 are expected to discourage planting in some regions. Corn imports are forecast to rise by 1 percent to 26.8 MMT, reflecting strong demand from the livestock and feed sectors.

Wheat production is forecast to increase by 20 percent to 2.1 MMT, supported by a partial recovery in reservoir levels. Imports are expected to grow by 7 percent to 6.2 MMT, driven by increased domestic demand and stock building among millers. Exports are forecast to remain stable at 100,000 metric tons (MT), as durum wheat production is largely destined to satisfy domestic requirements.

Rice production is forecast to rise by 4 percent to 196,000 MT, driven by improved access to financial mechanisms. Imports are forecast to grow by 4 percent to 880,000 MT, underpinned by consumption growth due to population expansion.

Finally, Mexico's sorghum production is forecast 21 percent higher at 3.5 MMT, reflecting a partial recovery from drought and low soil moisture conditions. Sorghum imports are forecast to fall by 38 percent to 500,000 MT as higher domestic production and the market's preference for yellow corn reduce import demand.

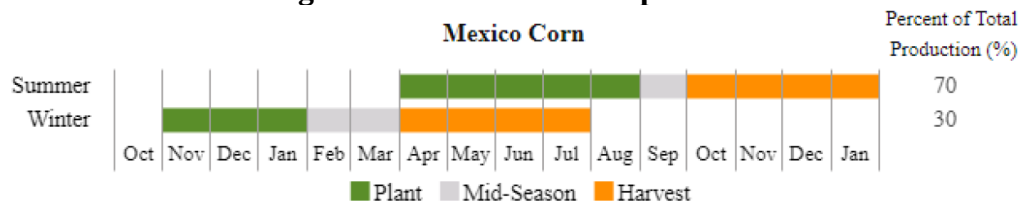
CORN

Table 1. Mexico, Corn Production, Supply and Distribution

Corn	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6500	6500	6700	6700	0	6400
Beginning Stocks (1000 MT)	5626	5626	5531	5531	0	5801
Production (1000 MT)	23100	23100	25700	25300	0	24500
MY Imports (1000 MT)	25930	25930	26300	26500	0	26800
Total Supply (1000 MT)	54656	54656	57531	57331	0	57101
MY Exports (1000 MT)	25	25	30	30	0	20
TY Exports (1000 MT)	25	25	30	30	0	20
Feed and Residual (1000 MT)	27500	27500	29500	29600	0	30300
FSI Consumption (1000 MT)	21600	21600	21900	21900	0	22200
Total Consumption (1000 MT)	49100	49100	51400	51500	0	52500
Ending Stocks (1000 MT)	5531	5531	6101	5801	0	4581
Total Distribution (1000 MT)	54656	54656	57531	57331	0	57101
Yield (MT/HA)	3.5538	3.5538	3.8358	3.7761	0	3.8281

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2026/2027 = October 2026 - September 2027

Figure 1. Mexico Corn Crop Calendar

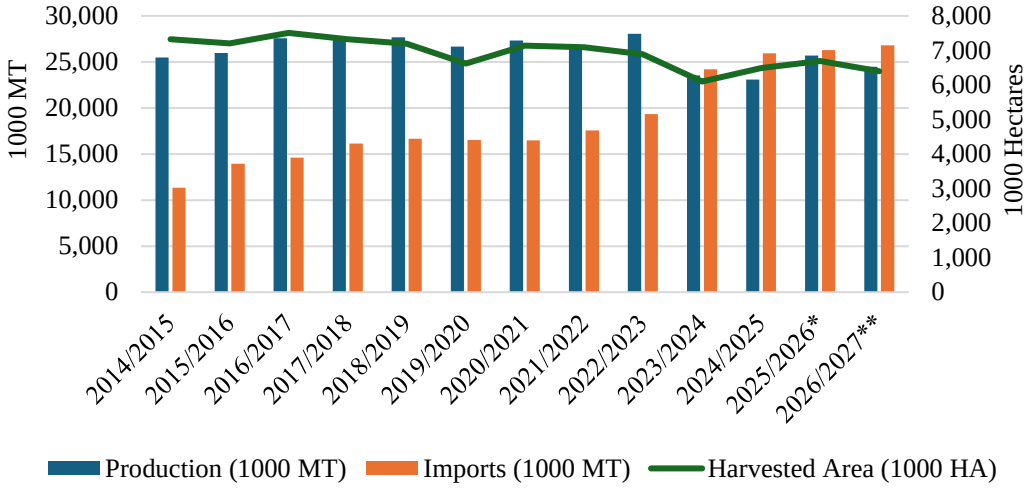


MY 2026/2027

Corn production in MY 2026/2027 (October to September) is forecast to decrease by 3 percent to 24.5 MMT due to expectations of relatively low white corn prices, high input costs, elevated average farmer debt levels, and higher white corn carryover stocks from MY 2025/2026. Harvested area is expected to decrease 4 percent to 6.4 million hectares (HA).

Forecasted production and harvested area for MY 2026/2027 are 7 percent below their respective 10-year averages. Elevated corn imports, declining prices, and constrained government support have contributed to the below-average production for the past three marketing years, a trend that is expected to continue in MY 2026/2027.

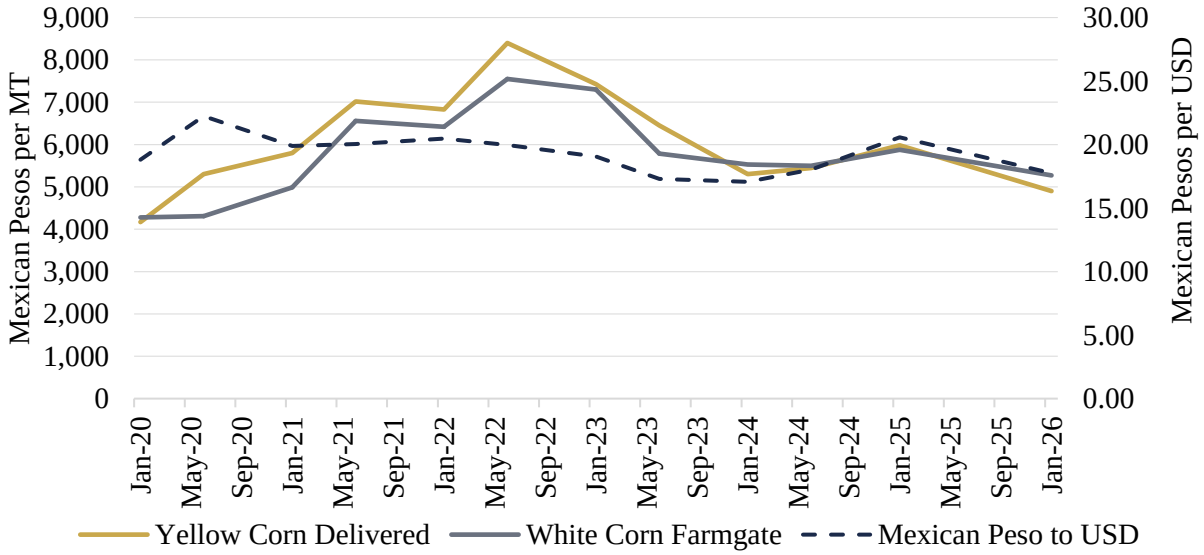
Figure 2. Corn Harvested Area, Production, and Imports in Mexico by MY



**Post Estimate ** Post Forecast*
Source: Agricultural and Fisheries Information Service (SIAP) and USDA Foreign Agricultural Service (FAS)

Higher white corn production in MY 2025/2026, alongside continued strong imports of U.S. yellow and white corn, has contributed to a domestic supply surplus that has driven farmgate prices below production costs. The resulting price pressure has compressed producer margins across major producing regions. In February 2026, the white corn farmgate price in the Bajío region — encompassing Jalisco, Guanajuato, and Michoacán — stood at approximately 4,800 pesos (USD 230) per MT, roughly 22 percent below year-earlier levels. With farmgate prices below production costs and these conditions persisting in the planting decision window, planted area intentions for MY 2026/2027 are expected to decline.

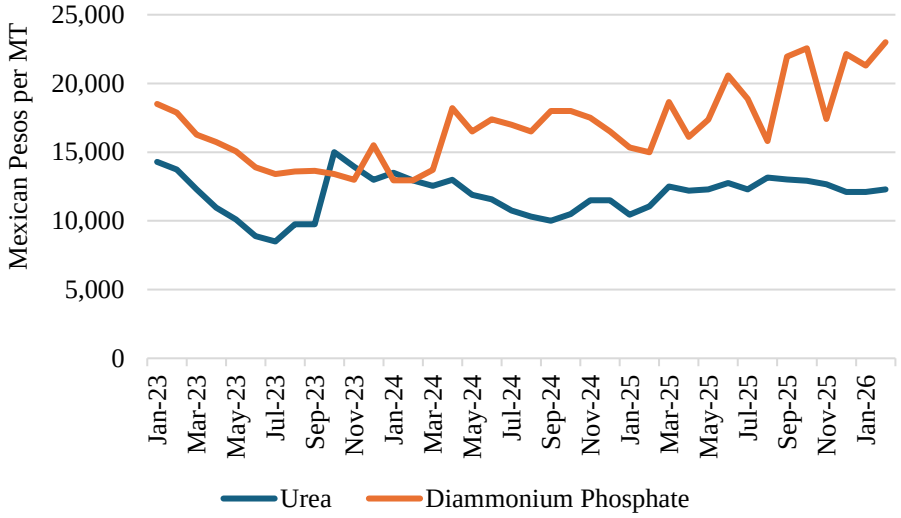
Figure 3. Average White Corn Farmgate, Yellow Corn Delivered Prices in Jalisco, and Exchange Rates (January 2020 – February 2026)



Source: National System of Market Information and Integration of Mexico (SNIIM) and Agricultural Markets Consulting Group (GCMA)

Despite a relatively strong peso, fertilizer prices are likely to edge up throughout MY 2026/2027 and increase production costs, influencing planting intentions and crop management amid expected lower crop prices. Urea and diammonium phosphate make up on average 35 percent of corn production costs and their appropriate use also favor higher yields. Higher input costs and lower crop prices are likely to push some farmers to reduce planted area or resort to lower-cost inputs that could drive down yields.

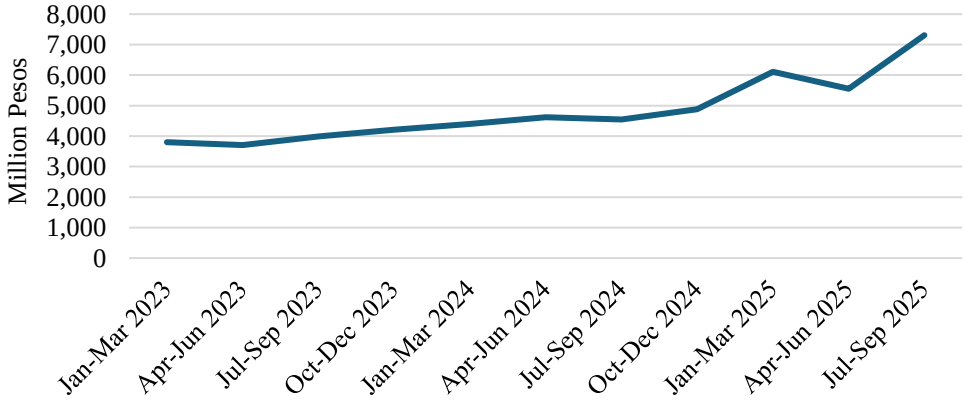
Figure 4. Prices for Urea and Diammonium Phosphate in Jalisco (January 2023 – February 2026)



Source: SNIIM

High farmer debt ratios and input costs combined with falling corn prices have constrained farm-level liquidity heading into MY 2026/2027. Non-performing loans in the agricultural sector surged 83 percent between January 2023 and September 2025 (according to Banxico/National Banking and Securities Commission). Local para-financial organizations are reporting tightening credit conditions as delinquency rates have climbed steadily over the past three marketing years. Together, these dynamics are likely to limit credit availability in MY 2026/2027. According to the Agri-Food and Fisheries Information Service (SIAP), corn represents approximately 19 percent of total agricultural production value, making it the single most valuable crop in the country.

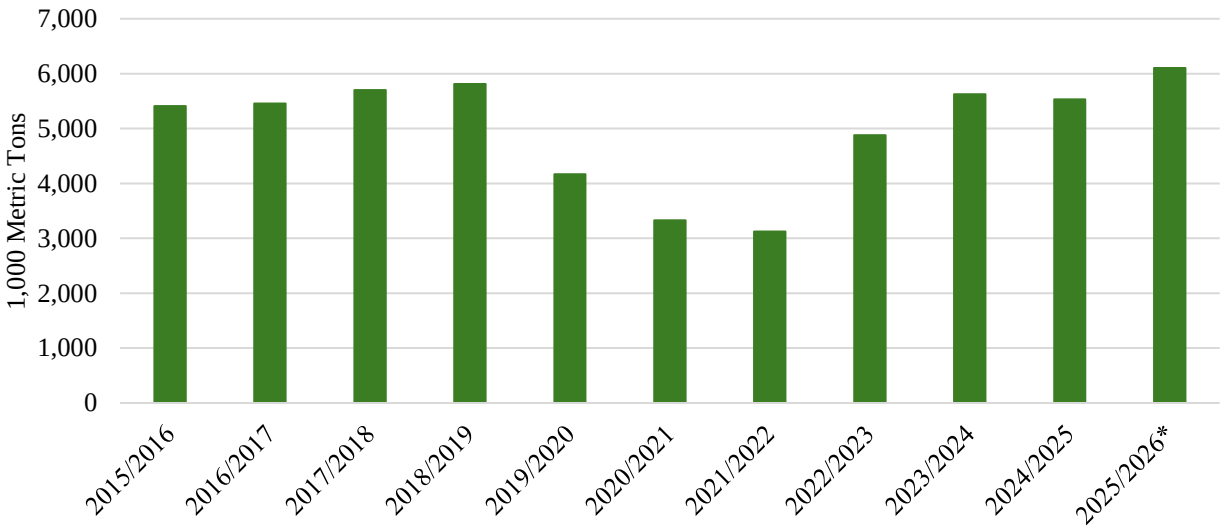
Figure 5. Value of Non-Performing Loans in Agriculture



Source: Banco de México

Elevated white corn ending stocks in MY 2025/2026 combined with anticipated record-high imports are expected to create an oversupply, putting downward pressure on prices. Farmers in Sinaloa, the largest corn-producing state, are likely to be the most affected, as their production costs are higher and their farmgate prices lower than those of rainfed corn producers in the Bajío, due to their greater distance from consumption regions. In this environment, farmers are likely to resist selling at prevailing prices while facing diminished incentives to expand planted area.

Figure 6. Mexico's Corn Ending Stocks



Source: USDA-FAS

In December 2025, the Government of Mexico (GOM) extended the Price Guarantee for Basic Food Products, Fertilizer for Well-being, and Production for Well-being programs. The Price Guarantee for Basic Food Products program delivers support directly to producers through a set purchase price for small corn farmers (planted area of up to 5 hectares). For 2026, the government offers a guaranteed price of 7,000 pesos per ton (USD 400) of white corn, roughly 46 percent higher than the average farm-gate price paid in the Bajío region in February 2026. However, SADER reserves the right to purchase corn from smallholder farmers at market prices to meet strategic reserve requirements. In addition, the Fair Trade program provides free crop insurance to corn farmers with planted areas of up to 50 ha and a maximum production volume of 250 MT. Through the Fertilizer for Well-being Program, the government supplies no-cost fertilizer to small-scale producers with up to 2 hectares of priority crops, including corn, dry beans, and rice. The Production for Well-being Program offers farmers planting rainfed corn (up to 20 ha) and irrigated corn (up to 5 ha) a one-time cash incentive and technical assistance for low-input farming strategies. Due to the eligibility restrictions for these programs (ex. land area restrictions), the impact on overall Mexican corn production is expected to be limited.

MY 2025/2026

Corn production in MY 2025/2026 is estimated to increase by 10 percent, reaching 25.3 MMT. Harvested area is expected to grow by 3 percent to 6.7 million ha, supported by higher water availability and favorable weather conditions. This increase is based on updated official data for the spring/summer harvest area and fall/winter planted area.

Spring/Summer Corn

Harvest for spring/summer corn is virtually complete as of early March 2026. Preliminary estimates project a 2 percent increase over the previous spring/summer cycle, reaching 19.5 MMT. Harvested area is expected to increase by 2 percent to 5.8 million hectares. In Jalisco, Mexico's largest spring/summer corn-producing state, production is expected to have increased by 3 percent to 4.0 MMT based on improved crop management. Due to high soil moisture levels and erratic precipitation, producers invested more in leaf disease and pest management. Estimated production for Michoacán is stable at 2.0 MMT, while Guanajuato's output is estimated 10 percent lower at 1.7 MMT due to elevated farmer debt levels and lower liquidity. Despite these production challenges, over 80 percent of white corn grain quality in these states was rated as good and excellent by farming associations, and largely suitable for the corn flour industry. In Chihuahua, production is estimated to have grown 21 percent to 1.7 MMT, among which 1.38 MMT refers to yellow corn and 0.32 MMT to white corn, supported by higher precipitation levels and water availability.

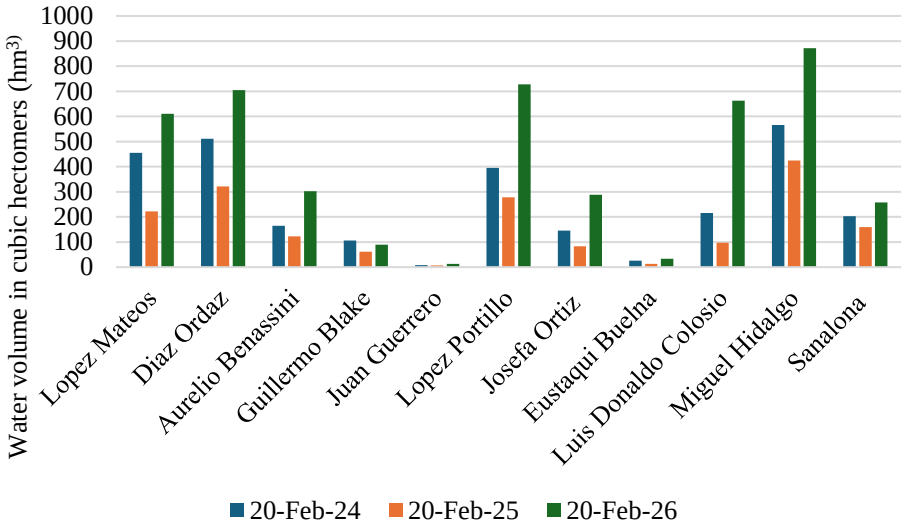
On February 20, 2026, the government of Mexico announced simplified operation rules for the program to support white corn producers of up to 20 ha or maximum production of 200 MT with a cash incentive of 800 pesos (USD 45) per MT of white corn sold. This support program was an agreement between the federal government and farmers to offset lower crop prices and higher input costs. Additionally, SADER announced a program to support Chihuahua yellow corn producers of up to 200 MT with a cash incentive of 600 pesos (USD 34) per MT of yellow corn sold.

Fall/Winter Corn MY 2025/2026

Fall/winter corn planting is virtually complete as of early March 2026, with total planted area estimated 9 percent higher year-on-year at 950,000 hectares, supported by a partial recovery in reservoir levels. Corn planted area in Sinaloa rose 59 percent to 347,084 hectares, according to the State Committee for Plant Health of the State of Sinaloa (CESAVESIN, acronym in Spanish), as improved reservoir levels by Fall 2025 encouraged expanded planting. Nonetheless, planted area remains 26 percent below authorized levels, reflecting the continued drag of high farmer debt and expectations of lower corn prices.

Despite the area expansion, yield prospects have deteriorated. Heavy winds in December 2025 caused lodging across multiple municipalities, while above-average temperatures during vegetative stages accelerated crop development, contributing to early maturity, reduced plant size, and fewer leaves. These conditions are expected to constrain yields even where irrigation water has been sufficient. As a result, corn production in Sinaloa is forecast to increase 74 percent to 3.9 MMT, a gain driven primarily by area recovery. As of February 2026, approximately 6 percent of Sinaloa remained under moderate drought conditions, with dam levels at 29 percent of capacity.

Figure 7. Sinaloa Reservoir Levels



Source: National Water Commission (CONAGUA)

In Veracruz, the final planted area is expected to remain stable at slightly over 200,000 ha. The state is typically the second-largest producer in the fall/winter cycle after Sinaloa. About 98 percent of the Veracruz crop is rainfed, with an average yield of 2.5 MT/ha. The average production over the last five years has been about 506,000 MT per fall/winter season.

In Tamaulipas, Irrigation District 025 did not authorize any irrigated corn area due to low water availability. District 026 authorized irrigation for 15,863 hectares. Additionally, insufficient soil moisture prevented farmers from planting rainfed corn. Over the past five years, corn planted area in Tamaulipas has averaged 76,000 hectares. However, low reservoir levels, poor soil moisture, and high farmer debt are expected to reduce this fall/winter cycle planted area by 78 percent compared to the previous year.

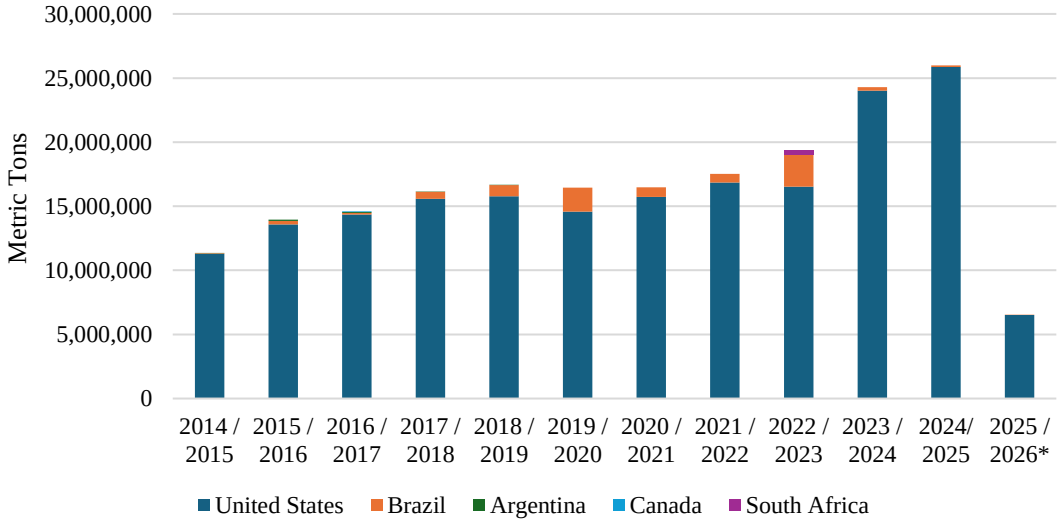
Trade

Corn imports in MY 2026/2027 are forecast to increase 1 percent to 26.8 MMT. Lower forecasted production and higher demand for yellow corn are expected to drive the increase. Higher projected imports are supported by growing demand from the livestock sector, particularly steady growth in poultry feed demand. The United States is expected to remain the main source of origin based on price competitiveness, favorable logistics and ample exportable supplies. Mexican corn exports for MY 2026/2027 are forecast to decrease 33 percent to 20,000 MT, as a strong peso constrains Mexico's ability to export corn by making domestic white corn less price competitive.

Corn imports in MY 2025/2026 are estimated to rise 2 percent to 26.5 MMT, accounting for over 51 percent of total consumption. Imports consist primarily of yellow corn, driven by sustained demand from the livestock, animal feed, and starch industries. The United States is expected to supply over 99 percent of corn imports. The poultry and hog sectors remain the leading sources of demand growth, supported by the price competitiveness of imported U.S. yellow corn relative to domestic supplies and substitutes such as sorghum. The feedlot sector is also expected to contribute to higher feed demand, as

producers are likely to increase finishing weights in the absence of live cattle export opportunities to the United States (See MX2026-0012). Imports of U.S. white corn are forecast to rise approximately 25 percent to nearly 1.0 MMT, driven by price competitiveness and logistical advantages relative to domestic white corn supplies.

Figure 8. Mexico Corn Imports



*Source: Trade Data Monitor / *October – December 2025*

Consumption

Total consumption in MY 2026/2027 is forecast to rise 2 percent to 52.5 MMT, supported by growing demand for yellow corn from the animal feed and livestock sectors. The National Poultry Producers Union (UNA, acronym in Spanish) estimates that egg production will grow 2.8 percent and poultry meat production 3.5 percent in 2026. White corn consumption for tortillas is expected to remain stable, reflecting the continued role of corn tortillas as a dietary staple. While per capita consumption has trended lower in recent years, aggregate demand is expected to hold steady, supported by population growth. According to the National Council for the Evaluation of Social Development Policy (CONEVAL), per capita tortilla consumption in urban areas is estimated at 56.7 kilograms (125 lbs.) per year, based on the most recent household expenditure survey data available.

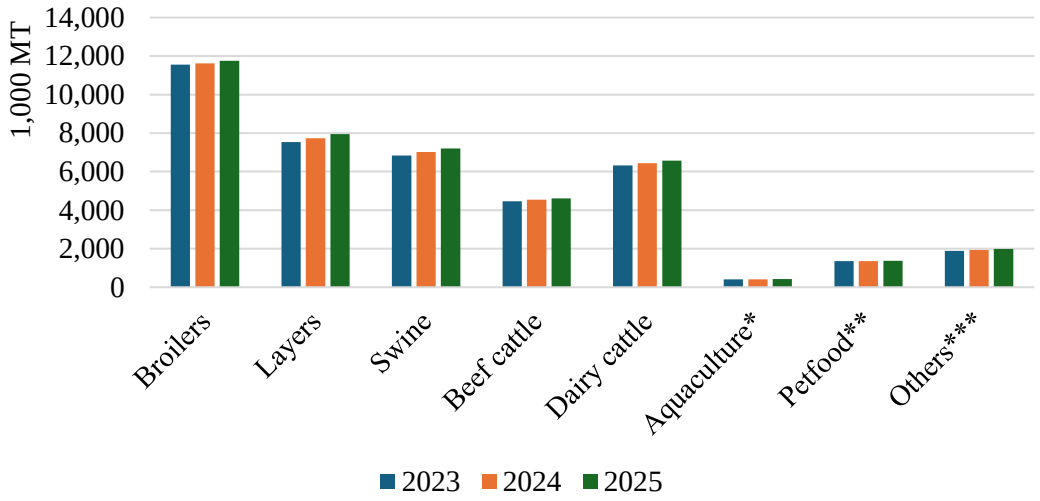
Table 2. Mexico Corn Consumption (October 2025-September 2026)

Sector	Million Metric Tons
Livestock Consumption	25
Human Consumption (excl. subsistence production)	14.3
Household Consumption (subsistence production)	5
Starch Industry	4.4
Planting Seed and Loss	1.2
Corn for Seeding	0.2

Source: Post estimate with data from the Agricultural and Fisheries Information Service (SIAP)

Mexico is the fifth-largest animal feed producer in the world. The National Feed Industry Association, also called CONAFAB, reports compound feed production grew by 2 percent to 41.8 MMT in 2025. Feed sector consumption levels for 2025 include the following: broiler (11.8 MMT), layer hen (8.0 MMT), swine (7.2 MMT), dairy cattle (6.6 MMT), feedlot cattle (4.6 MMT), other species (2.0 MMT), pets (1.3 MMT) and aquaculture (0.4 MMT). Vertically integrated operations produce 61 percent of total feed, with the beef cattle sector showing the highest integration rate (74.5 percent). Corn makes up more than 50 percent of the country's animal feed.

Figure 9. Mexico's Animal Feed Consumption by Livestock Sector



Source: National Mexican Feed Council (CONAFAB)
In 1000 Liters / **Shrimp and fish only / * Feed for horses, rabbits, fighting cocks, sheep, goats, etc.*

The poultry sector, which accounts for about 47 percent of animal feed demand, is forecast to grow by 2 percent, particularly in egg production, driving higher yellow corn demand. Corn comprises 54 to 65 percent of feed for broilers and layers. Rising minimum wages, population growth, and social assistance programs are expected to contribute to steady growth in animal protein consumption, supporting continued corn demand in the livestock sector.

Corn consumption in MY 2025/2026 is estimated to increase 5 percent to 51.5 MMT, driven by continued growth in the livestock industry, and corresponding higher yellow corn demand. Yellow corn is favored for animal feed, especially for poultry and hogs, due to its high caloric density, digestibility, year-round availability, and competitive pricing. White corn demand for human consumption, including tortillas and masa, is expected to grow 1 percent. This is in line with population growth as white corn remains a dietary staple in Mexico.

Stocks

Corn ending stocks in MY 2026/2027 are forecast to decline 21 percent to 4.6 MMT, driven by lower projected production and an expected drawdown of carry-in stocks to meet consumption requirements.

In MY 2025/2026, corn ending stocks are estimated to increase 5 percent to 5.8 MMT, reflecting higher production, record-high imports, and reduced reliance on domestic white corn supplies. Large livestock

companies and animal feed manufacturers typically maintain approximately 20 days of yellow corn stocks, sourcing imports on a just-in-time basis via rail or vessel. Industry sources indicate that most yellow corn stocks are held by feed and livestock sectors, while most white corn stocks are maintained by the corn flour industry and grain collection centers.

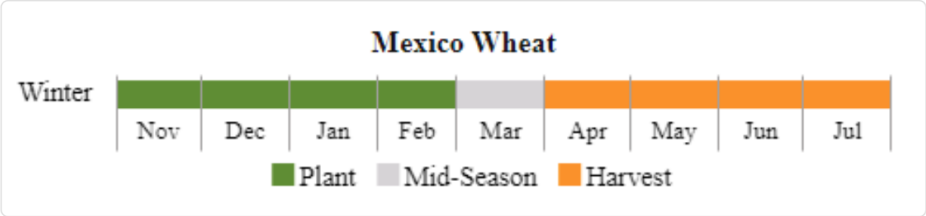
WHEAT

Table 3. Mexico, Wheat Production, Supply and Distribution

Wheat	2024/2025		2025/2026		2026/2027	
Market Year Begins	Jul 2024		Jul 2025		Jul 2026	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	468	468	320	320	0	390
Beginning Stocks (1000 MT)	775	775	795	895	0	345
Production (1000 MT)	2648	2648	1750	1750	0	2100
MY Imports (1000 MT)	5607	5607	6200	5800	0	6200
Total Supply (1000 MT)	9030	9030	8745	8445	0	8645
MY Exports (1000 MT)	135	135	100	100	0	100
Feed and Residual (1000 MT)	300	200	200	200	0	200
FSI Consumption (1000 MT)	7800	7800	7900	7800	0	7850
Total Consumption (1000 MT)	8100	8000	8100	8000	0	8050
Ending Stocks (1000 MT)	795	895	545	345	0	495
Total Distribution (1000 MT)	9030	9030	8745	8445	0	8645
Yield (MT/HA)	5.6581	5.6581	5.4688	5.4688	0	5.3846

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2026/2027 = July 2026 - June 2027

Figure 10. Mexico Wheat Crop Calendar



Production

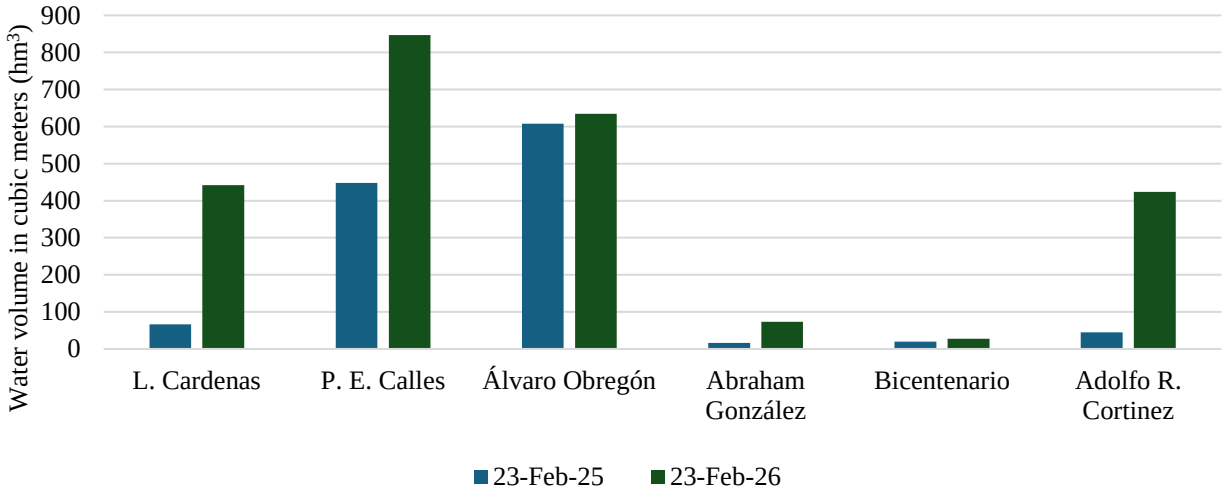
MY 2026/2027

Wheat production in MY 2026/2027 (July – June) is forecast to increase by 20 percent to 2.1 MMT, supported by a gradual recovery from drought and higher water availability. Harvested area is expected to grow by 22 percent to 390,000 hectares due to a partial recovery in reservoir levels in Sonora, Mexico's largest wheat-producing state.

As of early March 2026, planting for the fall/winter cycle is virtually complete. In Sonora, planted area increased 190 percent to 171,595 hectares, reflecting a partial recovery in reservoir levels. The Yaqui Valley reported approximately 80,000 hectares planted, while the Mayo Valley reported 53,100 hectares. Of the total planted area in Sonora, 59 percent is dedicated to durum wheat and 41 percent to bread wheat. Bread wheat planted area is 52 percent above the five-year average, supported by its inclusion in government support programs. However, above-average winter temperatures are expected to weigh on yields. CANIMOLT estimates durum wheat production at 672,168 MT and bread wheat production at 397,718 MT. Despite the partial recovery in planted area, estimated durum wheat production remains 48 percent below the five-year average, while bread wheat production is estimated at

38 percent above the five-year average. Domestic durum wheat supplies are expected to meet domestic demand, with limited volumes available for export.

Figure 11. Key Reservoir Levels in Sonora

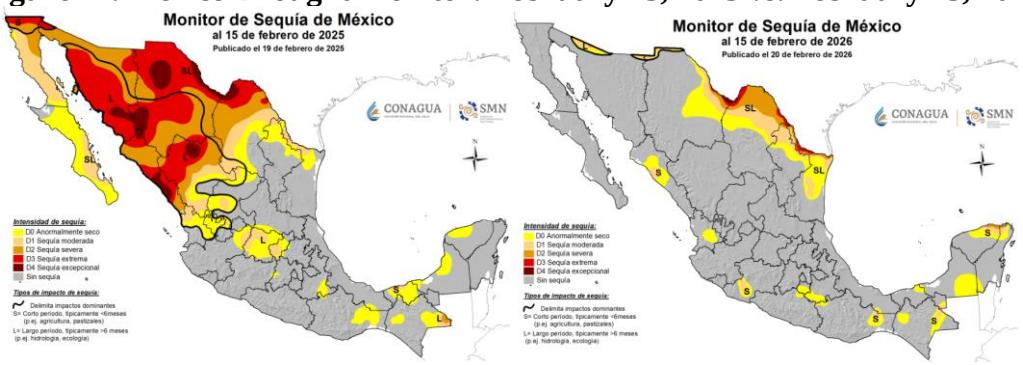


Source: National Water Commission (CONAGUA)

In the Bajío region (Guanajuato, Michoacán, Jalisco, and Querétaro), planted area is estimated 37 percent lower year-on-year at 65,873 hectares (87 percent bread wheat and 13 percent durum wheat), driven by expectations of lower crop prices. CANIMOLT estimates bread wheat production at 345,198 MT and durum wheat production at 50,040 MT.

In Baja California, planted area is estimated 13 percent lower at 26,640 hectares (59 percent durum wheat and 41 percent bread wheat) due to expected lower prices and delayed state and federal government support for medium- and large-scale farmers.

Figure 12. Mexico Drought Monitor: February 15, 2025 vs. February 15, 2026



Source: National Meteorological Service

Government support programs for wheat production in MY 2026/27 are not expected to substantially impact overall wheat production due to eligibility restrictions and payment timelines. For 2026, the Fair Trade program set a guaranteed price of 7,600 pesos per MT (USD 435) for producers with up to 8 hectares or 50 MT of bread wheat, and 7,050 pesos per MT (USD 402) for producers with up to 140 MT of bread wheat. As of February 2026, the average price of bread wheat purchased from farms in Sonora

was 4,800 pesos per metric ton (USD 275). Thus, guaranteed prices for small and medium producers are 58 percent and 47 percent higher than farmgate prices, respectively. SADER commits to covering the difference between the guaranteed price and the farmgate price. However, sources report that SADER typically takes up to a year to disburse payments, affecting farmers' liquidity and cash flow.

MY 2025/2026

Production in MY 2025/2026 is estimated 34 percent lower at 1.75 MMT, driven by low reservoir levels for irrigated wheat production. This estimate includes fall/winter wheat, fully harvested in August 2025, and spring/summer wheat, fully harvested in January 2026.

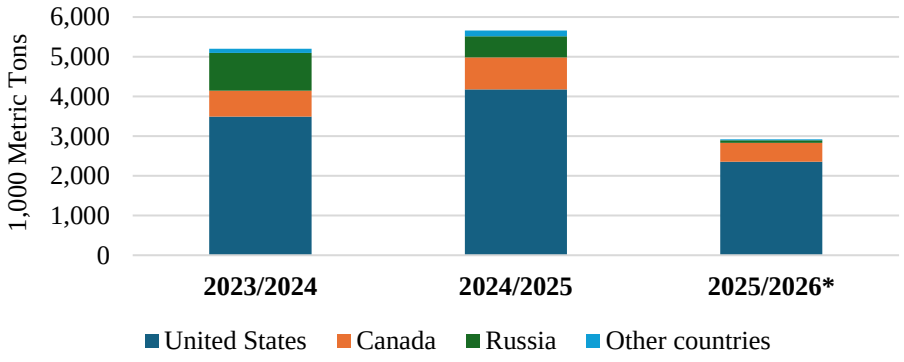
Updated data from SIAP shows fall/winter production with a 35 percent annual decrease at 1.66 MMT, driven by prolonged drought and record-low reservoir levels in Sonora and Sinaloa, leading to reduced planted areas and yields. Spring/summer production is estimated 19 percent lower at 86,500 MT, pulled down by farmers' expectations of lower prices. This cycle is primarily rainfed, with an estimated average yield of 2.1 MT per hectare, and accounts for approximately 3 percent of total wheat production.

Trade

Wheat imports for MY 2026/2027 are forecast to increase by 7 percent to 6.2 MMT based on steady growth in consumption and stock building by millers. Exports are expected to remain stable at 100,000 MT as a partial recovery in durum wheat production is used to meet domestic consumption needs.

Wheat imports for MY 2025/2026 are estimated to rise 3 percent to 5.8 MMT as a result of lower production due to drought conditions. The United States is Mexico’s largest wheat supplier, followed by Canada and Russia. For the first half of the marketing year (July to December 2025), Mexico imported 2.9 MMT of wheat, with 81 percent from the United States, 16 percent from Canada, 2 percent from Russia, and 1 percent from other countries. Hard red winter, soft red winter, and hard red spring account for approximately 95 percent of total imports of U.S. wheat. Canada Western Red Spring (CWRS) is imported based on its high protein content (on average 14 percent) for wheat flour blends. Mexico’s Presidential Anti-Inflation Decree (see policy section), extended through December 31, 2026, exempts wheat and wheat flour from duties if imported from countries without a free trade agreement (FTA) with Mexico.

Figure 13. Mexico’s Wheat Imports by Country of Origin



*Source: Trade Data Monitor / *Estimate Year: July through December 2025*

Mexico's wheat exports, primarily durum wheat, in MY 2025/2026 are expected to decline by 26 percent to 100,000 MT due to two consecutive years of lower-than-average production in Sonora, the largest wheat producing state of primarily durum wheat. Domestic wheat mills are expected to use most available durum wheat supplies.

Consumption

Wheat consumption in MY 2026/2027 is forecast to rise nearly 1 percent to 7.9 MMT, driven by increased bread wheat consumption in line with population growth. The National Chamber for Wheat Millers (CANIMOLT) estimates per capita wheat flour and semolina products consumption in Mexico for CY 2025 was slighty lower at 42.9 kilograms (94.6 lbs.).

Wheat consumption in MY 2025/2026 is estimated stable at 7.8 MMT. In 2025, Mexico's wheat milling capacity was 11.2 MMT across 95 mills. The Central and Bajío regions account for 54 percent of capacity, followed by the north (15 percent), northwest (12 percent), and south–southeast (19 percent). The wheat flour sector utilizes about 66 percent of available capacity, processing 7.4 MMT of wheat into 5.6 MMT of wheat flour and semolina in 2024.

Stocks

Ending stocks in MY 2026/2027 are forecast to increase 43 percent to 495,000 MT, driven by higher forecast production and imports, as well as stockbuilding by millers. Wheat ending stocks in MY 2025/2026 are estimated 61 percent lower year-on-year at 345,000 MT, reflecting record-low production due to prolonged drought in the northwestern region.

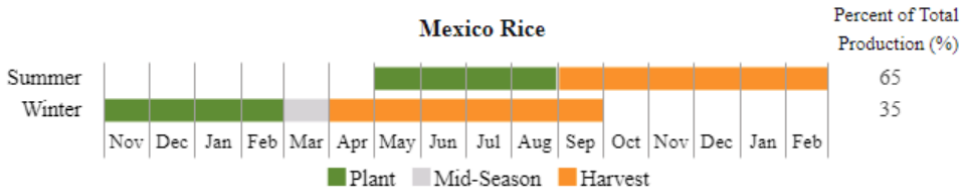
RICE

Table 4. Mexico, Rice Production, Supply and Distribution

Rice, Milled	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	36	36	40	40	0	42
Beginning Stocks (1000 MT)	116	116	148	139	0	138
Milled Production (1000 MT)	166	162	189	189	0	196
Rough Production (1000 MT)	242	236	275	275	0	285
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	0	6870
MY Imports (1000 MT)	893	893	850	850	0	880
Total Supply (1000 MT)	1175	1171	1187	1178	0	1214
MY Exports (1000 MT)	27	27	5	20	0	20
Consumption and Residual (1000 MT)	1000	1005	1020	1020	0	1040
Ending Stocks (1000 MT)	148	139	162	138	0	154
Total Distribution (1000 MT)	1175	1171	1187	1178	0	1214
Yield (Rough) (MT/HA)	6.7222	6.5556	6.875	6.875	0	6.7857

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2026/2027 = January 2027 - December 2027

Figure 14. Rice Crop Calendar



Production

MY 2026/2027

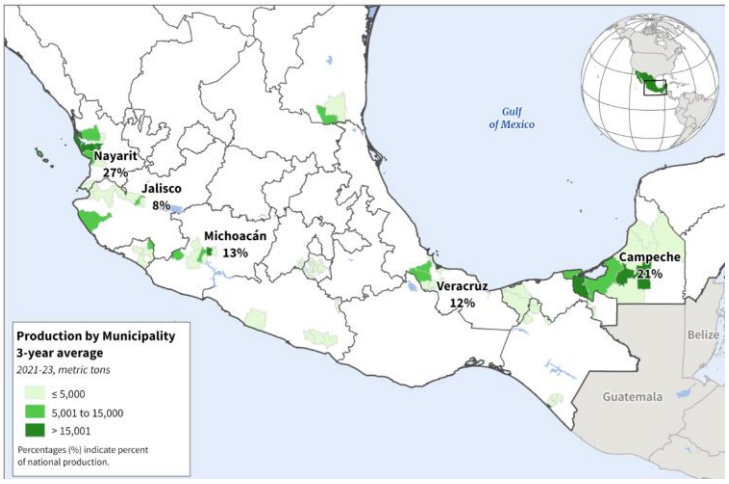
Rice production for MY 2026/2027 (October–September) is forecast to rise 4 percent to 285,000 MT, equivalent to 196,000 MT of milled rice. Harvested area is expected to increase 5 percent to 42,000 hectares. Farmers in Campeche, the largest producing state, are expected to increase planted area due to expanded access to financing mechanisms and steady growth in domestic demand. Despite this projected output increase, Mexico is expected to remain a net rice importer as domestic production covers roughly 15 percent of consumption.

The federal government seeks to increase rice production in Mexico through various support programs. The Plan Campeche, focused on Campeche due to the state's favorable precipitation, rice expertise, and arable land availability, aims to increase planted area in the state to 60,000 hectares per year by 2030, compared to 13,000 HA in MY 2025/2026. The plan includes the development and distribution of improved rice seeds through the Seeds for Well-being in the state of Campeche, the delivery of machinery, the modernization of irrigation infrastructure, technical assistance, and production agreements between rice farmers, mills, and federal public agencies.

The 2026 Fair Trade program sets a purchase price of 9,080 pesos per MT (USD 520) for producers with up to 8 hectares, who can sell up to 80 MT. Larger producers can sell up to 250 MT at 8,260 pesos per MT (USD 472), with the government subsidizing the difference. As of February 2026, the average price of medium-grain rice purchased from farms in Campeche was 5,500 pesos (USD 315) per MT. Farmers sell their rice directly to mills, and the government covers the difference between the mill price and the guaranteed price. SADER delivers the cash difference directly to farmers, but paperwork and delayed payments limit participation in the program.

Despite government support programs, rice production in Mexico is constrained by a combination of technical, economic, climate, and structural factors. Most farmers replant grain harvested from their own plots rather than purchasing certified seed, which reduces yield potential significantly. Water availability poses an additional challenge, as rice is highly sensitive to soil moisture deficits at flowering and grain filling. Below-average precipitation and longer drought periods in key growing regions have reduced the reliability of rainfed production. These technical constraints are compounded by structural factors, including the reduction of public credit and extension services, and the relatively low profitability of rice compared to competing crops. The higher expected production in MY 2026/2027 is driven by private financial initiatives in producing states and continued demand for local domestic rice varieties.

Figure 15. Mexico Rice Production



Source: USDA FAS International Production Assessment Division (IPAD)

MY 2025/2026

Rice production in MY 2025/2026 is estimated to rise 17 percent to 275,000 MT, equivalent to 189,000 MT of milled rice based on updated planting and harvest data. Higher availability of financial mechanisms and steady growth in demand for domestic paddy rice is expected to drive up production.

Spring/Summer Rice MY 2025/2026

As of early March 2026, spring/summer rice harvest is virtually complete. Preliminary figures indicate a harvest area of 27,100 hectares, yielding 168,020 MT of rough rice with a 6.2 MT/HA average. Production is estimated 11 percent higher than the previous year. This cycle typically accounts for 70 percent of total rice production. In Campeche, production increased 164 percent to 160,063 MT,

supported by higher financial mechanism availability for farmers. In Nayarit, production grew 16 percent to 34,500 MT, driven by state-level government support and continued growth in local demand for medium-grain rice.

Fall/Winter Rice MY 2025/2026

As of early March, fall/winter rice planting is at 85 percent completion. Estimated planted area is slightly lower at 12,000 hectares. In Nayarit, SADER offered cash support to farmers to acquire certified seeds with a maximum of 100 kilograms per hectare for up to 20 hectares per producer. In Campeche, smallholder rice farmers receive technical assistance, improved seeds (including the Aztecas variety), machinery, 300 kilograms of free fertilizer per hectare, 100 kilograms of certified seed per hectare, and direct payments of 24,000 pesos annually through the Producción para el Bienestar program under the Plan Campeche.

Trade

MY 2026/ 2027

Rice imports in MY 2026/2027 are forecast to increase 4 percent to 880,000 MT, driven by consumption growth aligned with population increases and millers' stockbuilding.

Over the past five years, paddy rice accounted for 75 percent of total rice imports, with the United States holding a dominant 65 percent share of paddy rice imports, followed by Brazil at 23 percent, Uruguay at 9 percent, and Paraguay at 3 percent. In CY 2025, however, the supply mix shifted significantly: the U.S. share of paddy rice imports declined from 99 percent to 47 percent, while Uruguay's share rose to 30 percent, Brazil's to 18 percent, and Paraguay's to 5 percent. Industry sources attribute this shift to improved price competitiveness of South American rice and higher milling conversion rates compared to U.S. origin.

Milled rice imports accounted for the remaining 25 percent of rice imports over the past five years. In CY 2025, Uruguay's market share increased from 15 percent to 59 percent, while the U.S. share rose from 30 percent to 33 percent. Thailand's share decreased from 48 percent to 6 percent, and Brazil's fell from 6 percent to 1 percent. The remainder came from other origins including India, Japan, and Vietnam.

Exports

Rice exports in MY 2026/2027 are forecast to remain stable at 20,000 MT. Most production is destined to the domestic market and broken rice is marginally exported for the brewery industry.

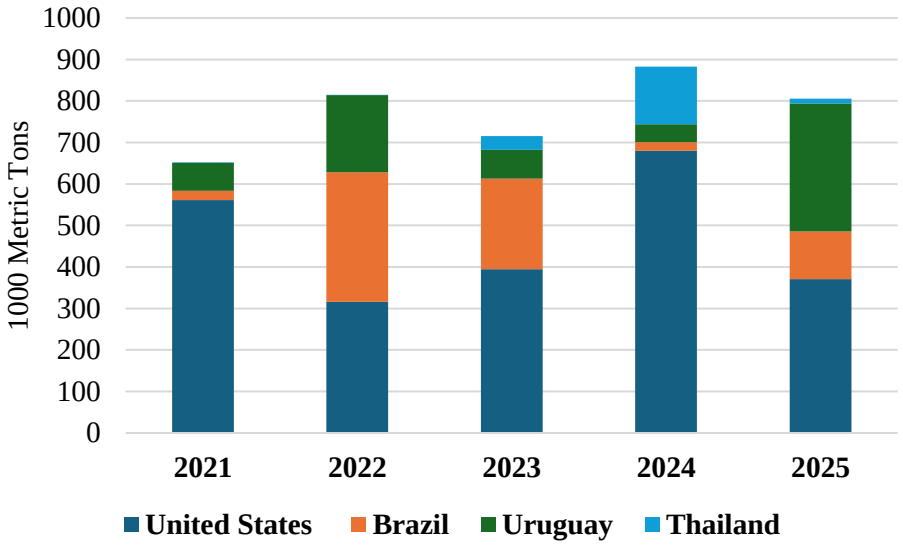
MY 2025/2026

Rice imports in MY 2025/2026 are estimated to decrease 5 percent to 850,000 MT based on updated trade data. In the first three months of the marketing year (October – December 2025), Mexico imported about 189,665 MT of rice in milled rice equivalent (61 percent paddy rice and 39 percent milled rice). Uruguayan rice led total imports at 45 percent, both paddy and milled rice, followed by Brazilian rice at

29 percent, mainly paddy rice, and U.S. rice at 25 percent. Other origins followed with 1 percent market share, particularly in specialty rice varieties.

Following the removal of paddy rice from the Anti-Inflation Package on December 31, 2025, an administrative order approved by the Secretary of Economy on January 5, 2026, established a maximum quota of 200,000 MT for duty-free imports of paddy rice from Brazil and other non-free trade agreement (FTA) countries. Imports exceeding the quota are subject to the applicable most favored nation (MFN) tariff of 9 percent. The quota is slightly below paddy rice imports from non-FTA countries in 2025, which totaled 211,962 MT, marginally affecting the competitiveness of countries such as Brazil and Paraguay.

Figure 16. Mexico's Rice Imports in Rice Milled Equivalent



Source: Trade Data Monitor

Rice exports in MY 2025/2026 are estimated 26 percent lower at 20,000 MT based on updated trade data. Higher consumption of domestic milled and broken rice is expected to drive down imports.

Consumption

Total consumption in MY 2026/2027 is forecast to increase 2 percent to 1.04 MMT, driven by population growth. According to Mexico's National Institute of Statistics and Geography (INEGI), the population growth rate in 2025 was estimated at 1.1 percent, which is expected to increase food demand and contribute to higher rice consumption in Mexico. Retail rice prices are expected to remain stable, supported by relatively low prices of imported rice. Since rice is generally served as a complement to other main dishes rather than as a staple food, per capita consumption is forecast to increase slightly to 7.0 kg (15.4 lbs.).

Consumption in MY 2025/2026 is estimated to increase 1 percent to 1.02 MMT due to population growth and stable retail prices of milled rice, while prices for other staple products rise.

Stocks

Ending stocks for MY 2026/2027 are forecast to increase 12 percent to 154,000 MT, driven by higher expected production and millers' stock building. Ending stocks for MY 2025/2026 are estimated to remain stable at 138,000 MT.

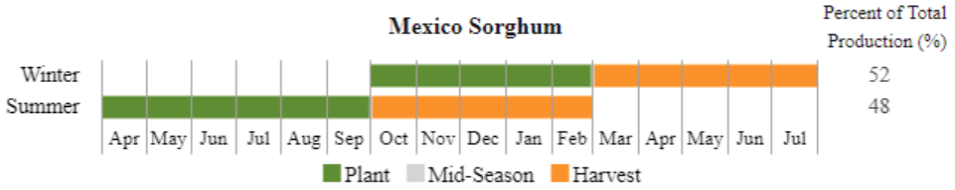
SORGHUM

Table 5. Mexico, Sorghum Production, Supply and Distribution

Sorghum	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1200	1200	1240	850	0	1000
Beginning Stocks (1000 MT)	269	269	230	280	0	179
Production (1000 MT)	4200	4150	4300	2900	0	3500
MY Imports (1000 MT)	562	562	500	800	0	500
Total Supply (1000 MT)	5031	4981	5030	3980	0	4179
MY Exports (1000 MT)	1	1	1	1	0	1
Feed and Residual (1000 MT)	4700	4600	4700	3700	0	3800
FSI Consumption (1000 MT)	100	100	100	100	0	100
Total Consumption (1000 MT)	4800	4700	4800	3800	0	3900
Ending Stocks (1000 MT)	230	280	229	179	0	278
Total Distribution (1000 MT)	5031	4981	5030	3980	0	4179
Yield (MT/HA)	3.5	3.4583	3.4677	3.4118	0	3.5

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Sorghum begins in October for all countries. TY 2026/2027 = October 2026 - September 2027

Figure 17. Mexico Sorghum Crop Calendar



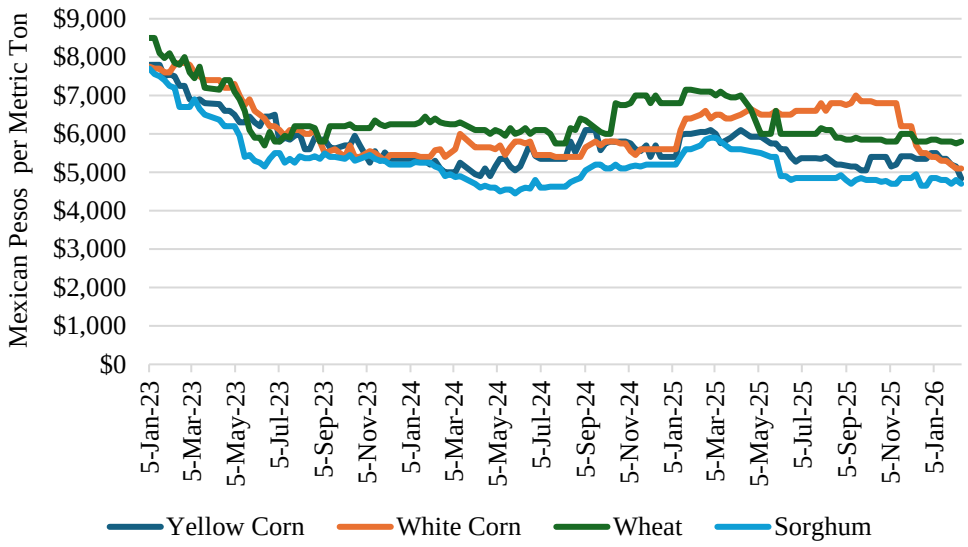
Production

MY 2026/2027

Sorghum production in MY 2026/2027 (October to September) is forecast to increase 21 percent to 3.5 MMT, supported by an expected gradual recovery in precipitation and soil moisture levels. Despite this rebound, the forecast remains 18 percent below the five-year average, reflecting the structural constraints weighing on the sector. Planted area is projected to grow 18 percent year-on-year to approximately 1.0 million hectares, as farmers respond cautiously to improved agronomic conditions while factoring in persistently low grain prices and weak profitability margins.

The sector's recovery is expected to be moderate. The displacement of sorghum by yellow corn in most commercial feed formulations continues to reduce demand and constrain farm-gate prices, discouraging significant expansion in planted area. High debt levels carried over from successive difficult cycles further constrain producer capacity to expand acreage. The livestock and animal feed industries' structural preference for yellow corn—driven by year-round import availability and consistent nutritional specifications—limits sorghum's role largely to producing regions and post-harvest periods. Integrated feed companies typically incorporate sorghum only seasonally as a supplementary energy source following harvest, rather than as a base ingredient in year-round formulations.

Figure 18. Average Grain Delivered Prices in Jalisco (January 2023 – February 2026)



Source: CONAFAB

MY 2025/2026

Sorghum production for MY 2025/2026 is estimated 30 percent lower at 2.9 MMT, the lowest level in 30 years. Updated planting and harvesting data confirm this decline, driven by significantly low soil moisture levels in northern Tamaulipas, lack of profitability, and elevated farm debt, which discouraged producers from planting sorghum.

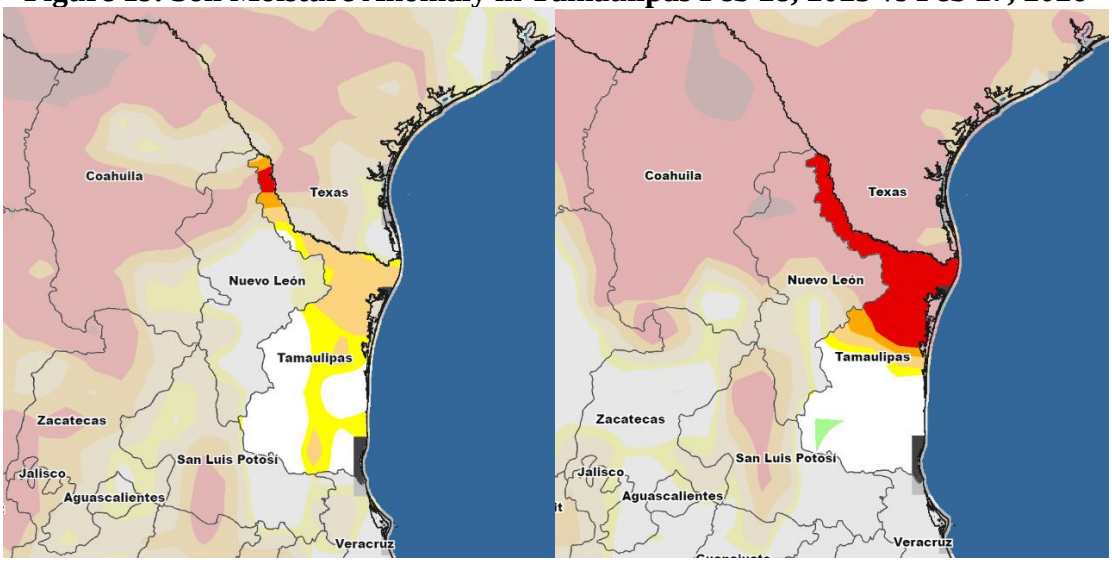
Spring/Summer Sorghum

As of early March, the spring/summer sorghum harvest is virtually complete. Harvested area is estimated at 429,000 hectares, with production of 2.1 MMT and an average yield of 4.9 MT/ha. Output is estimated 4 percent above the previous year, driven by land reconversion to sorghum in producing states including Tamaulipas, San Luis Potosí, and Chihuahua. The spring/summer cycle typically accounts for approximately 40 percent of total annual sorghum production. However, in MY 2025/2026 its share is projected to rise to roughly 60 percent of domestic output, reflecting a sharp contraction in fall/winter planted area.

Fall/Winter Sorghum

As of early March, fall/winter sorghum planting is at 80 percent completion. In Tamaulipas, which on average supplies about 40 percent of total sorghum production, planted area is estimated to decrease by 63 percent annually to 250,000 hectares. Local sources suggest that lack of soil moisture and low water availability along with decreased profitability and high debt ratios are the main reasons for the sharp decrease in planted area.

Figure 19. Soil Moisture Anomaly in Tamaulipas Feb 28, 2025 vs Feb 27, 2026



Source: USDA FAS International Production Assessment Division (IPAD)
Legend: Red indicates lower than average soil moisture

Trade

Sorghum imports for MY 2026/2027 are forecast to drop by 38 percent to 500,000 MT based on a partial recovery in domestic production and higher competitiveness of yellow corn. Sources indicate that the year-round availability of yellow corn and its higher suitability for poultry and hog feed limit sorghum demand from the livestock sector. Exports in MY 2025/2026 are forecast to remain minimal at 1,000 MT, as production is primarily focused on meeting local demand.

For MY 2025/2026, sorghum imports are estimated to increase by 42 percent to 800,000 MT, driven by lower domestic output and price competitiveness of imported sorghum. Exports for MY 2024/2025 are also expected to remain minimal at 1,000 MT due to stable domestic demand and the absence of phytosanitary agreements with major sorghum importers.

Consumption

Total sorghum consumption in MY 2026/2027 is forecast to increase by 3 percent to 3.9 MMT, driven by a gradual recovery in feed demand. Feed industry sources indicate that sorghum serves as an alternative energy source in Mexico's animal feed formulation when domestic supplies are available near production regions. However, yellow corn remains the preferred feed ingredient due to its price competitiveness, year-round availability, higher energy value, and its impact on the coloration of final animal products, such as eggs. The government of Tamaulipas promotes white sorghum-based tortillas for human consumption, although consumption is likely to remain minimal due to the market's preference for corn and wheat-based tortillas.

Sorghum consumption in MY 2025/2026 is estimated to decrease by 19 percent to 3.8 MMT, primarily due to significantly lower domestic production and the livestock sector's preference for yellow corn. The projected decline in sorghum consumption is expected to be largely offset by increased yellow corn imports.

Stocks

Ending stocks for MY 2026/2027 are forecast to increase 55 percent to 278,000 MT due to expected higher domestic production. Ending stocks for MY 2025/2026 are estimated 36 percent lower than the previous year at 179,000 MT, driven by a substantial drop in production.

POLICY (all grains)

Mexico's 2026 Budget Prioritizes Social Assistance
On November 21, 2025, President Claudia Sheinbaum published the 2026 economic package approved by the Congress. The package reports a 5.8 percent real increase in federal spending, prioritizing social programs, debt servicing, and pensions. SADER is allocated USD 4.1 billion, a 2 percent nominal increase, but a 2 percent decline in real terms. Over 70 percent of SADER's budget remains directed to social assistance for small-scale producers, including fertilizer distribution, cash transfers, price supports, and food assistance to low-income families. (See Gain Report MX2025-0063)

Presidential Anti-Inflation Decree
On December 31, 2025, the Government of Mexico published a decree to extend the exemption of tariffs and easing of administrative procedures for the importation of basic food products. The decree will continue to provide non-free trade agreement partners tariff free access to Mexico's market for a list of products. The benefits apply to companies who are part of the 'Register of Importers of Products of the Basic Basket.' The extension is valid through December 31, 2026, but companies registered under the program may use the benefits of the decree until March 31, 2027.

Long grain paddy rice (HS code:1006.10.99) was removed from the program. In addition, a January 5, 2026 administrative act by the Secretariat of Economy set a maximum quota of 200,000 MT for duty-free imports from Brazil and other non-FTA countries for calendar year 2026. Imports above the quota are subject to Mexico's most favored nation (MFN) tariff of 9 percent. The grains and related products with duty-free access included in the decree are listed below. (See Gain Report MX2026-0003)

Code	Product	Tariff	Notes
10.01	**Wheat and meslin.**		
1001.11.01	For sowing.	Ex.	
1001.19.99	Others.	Ex.	
1001.91.99	Others.	Ex.	
1001.99.99	Others.	Ex.	
11.01	**Wheat or meslin flour**		
1101.00.01	Wheat or meslin flour	Ex.	
10.05	**Corn.**		
1005.90.04	White corn (flour type).	Ex.	For human consumption only (not genetically modified).
1005.90.99	Others.		Only yellow corn for animal consumption.
10.07	**Grain sorghum (graniferous).**		
1007.90.01		Ex.	When the operation is carried out within the period between December 16 and May 15.

1007.90.02		Ex.	When the operation is carried out within the period between May 16 and December 15.
11.01	**Wheat or meslin flour (tranquillón)**	Ex.	
11.02	**Cereal flour, except wheat or meslin.**		
1102.20.01	Cornmeal.	Ex.	
19.02	**Pasta, whether cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, noodles, macaroni, noodles, lasagna, gnocchi, ravioli, cannelloni;**		
1902.11.01	They contain eggs.	Ex.	
1902.19.99	The others.	Ex.	
1902.30.91	Other pasta	Ex.	
19.05	**Bakery, pastry, or biscuit products, whether containing added cocoa; wafers, empty seals of the type used for medicines, wafers for sealing, dry pastes of flour, starch, or starch, in sheets, and similar products.**		
1905.40.01	Toasted bread and similar toasted products.	Ex.	Box bread only.
1905.90.99	Others.	Ex.	Box bread only.

For More Information

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Report Number	Title	Dated
MX2026-0005	Grain and Feed Update	01/26/2026
MX2025-0048	Grain and Feed Update	09/22/2025
MX2025-0030	Grain and Feed Update	06/23/2025
MX2025-0013	Grain and Feed Annual	03/21/2025
MX2025-0003	Grain and Feed Update	01/23/2025

Attachments:

No Attachments