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Report Highlights:

The outlook for Mexican grain production in marketing year (MY) 2024/2025 is higher year-on-year for corn, wheat, rice, and sorghum based on farmer planting decisions on more average weather conditions and a gradual recovery from exceptional drought conditions. Mexico's corn and rice imports are forecast higher to meet increasing demand. Meanwhile, wheat and sorghum imports are forecast stable due to increased domestic production.

EXECUTIVE SUMMARY

In MY 2024/2025, Mexico’s corn production is forecast seven percent higher year-on-year to 25.0 million metric tons (MMT). Higher planted area is expected as producers are optimistic for recovery from severe and exceptional drought conditions and demand for Mexican white corn increases. Corn imports are forecast five percent higher than the previous year at 22.0 MMT, to meet the increasing demand for starch and animal feed production. The corn production estimate for MY 2023/2024 is revised downward 17 percent from the previous year to 23.3 MMT due to severe and exceptional drought conditions and based on updated official planting and harvesting data.

Wheat production for MY 2024/2025 is forecast ten percent higher than the previous year to 3.4 MMT. Due to increased demand met by growing production, wheat imports are forecast unchanged from the previous year at 5.4 MMT.

Mexico’s MY 2024/2025 rice imports are forecast at 0.8 MMT, two percent higher than the estimate for MY 2023/2024, pulled up by forecast increased consumption.

Lastly, Mexico’s sorghum production for MY 2024/2025 is forecast upward to 4.6 MMT, eight percent higher than the estimate for MY 2023/2024. Sorghum imports are forecast to remain stable at 0.2 MMT, with growing production projected to cover increased demand.

Mexico will continue to be a significant importer of basic grains, with forecast growth in total grain imports in MY 2024/2025 to meet growing demand for livestock feed with limited domestic production.

The following calendar reflects Mexico’s crop cycles for corn, wheat, rice, and sorghum.

Figure 1. Mexico’s Crop Calendar for Corn, Wheat, Rice, and Sorghum

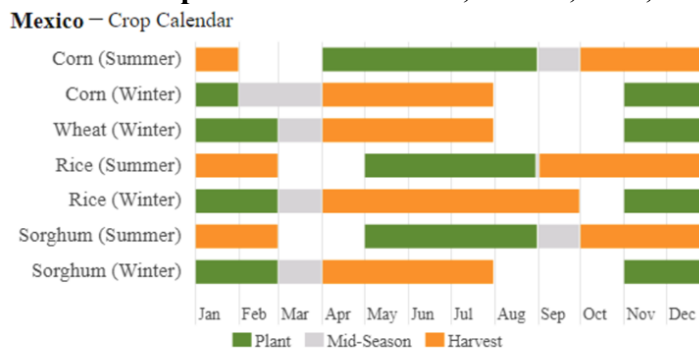


Table 1. Mexico, Corn Production, Supply and Distribution

Corn Market Year Begins Mexico	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6891	6891	6100	6100	0	6400
Beginning Stocks (1000 MT)	3163	3163	4499	4499	0	2449
Production (1000 MT)	28077	28077	24000	23300	0	25000
MY Imports (1000 MT)	19359	19359	20600	21000	0	22000
TY Imports (1000 MT)	19359	19359	20600	21000	0	22000
TY Imp. from U.S. (1000 MT)	16488	16488	0	0	0	0
Total Supply (1000 MT)	50599	50599	49099	48799	0	49449
MY Exports (1000 MT)	100	100	50	50	0	50
TY Exports (1000 MT)	100	100	50	50	0	50
Feed and Residual (1000 MT)	27500	27500	28000	27700	0	27900
FSI Consumption (1000 MT)	18500	18500	18600	18600	0	18700
Total Consumption (1000 MT)	46000	46000	46600	46300	0	46600
Ending Stocks (1000 MT)	4499	4499	2449	2449	0	2799
Total Distribution (1000 MT)	50599	50599	49099	48799	0	49449
Yield (MT/HA)	4.0744	4.0744	3.9344	3.8197	0	3.9063

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

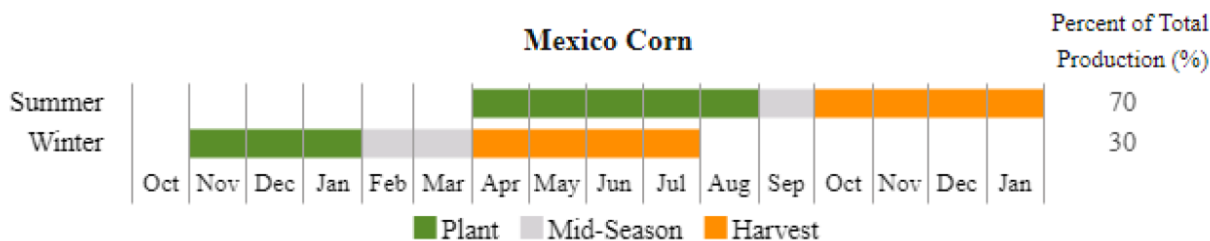
TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

CORN

MY 2024/2025

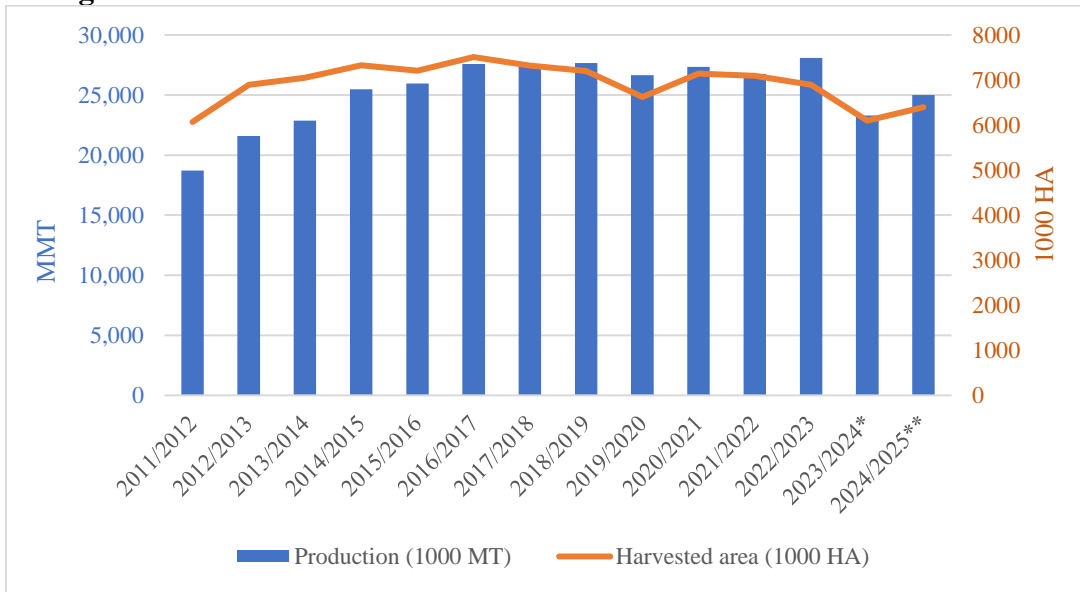
Corn production for MY 2024/2025 (October-September) is forecast seven percent higher year-on-year to 25.0 MMT. Farmers expect to increase planted area based on resumption of average precipitation levels compared to the previous year’s exceptional drought conditions.

Figure 2. Mexico Corn Crop Calendar



Post forecasts harvested area for MY 2024/2025 five percent higher year-on-year at 6.4 million hectares (HA) based on forecast larger planted area and lower damaged area. Optimism about a return to average rainfall and moisture levels after a year of exceptional drought is expected to incentivize farmers to increase their planted area. Likewise, a return to average rainfall would reduce damaged hectares, given that 78 percent of domestic corn production is rainfed. Despite forecast higher harvested area and production for MY 2024/2025, planting levels are expected lower than the ten-year average, as Mexico gradually recovers from exceptional drought.

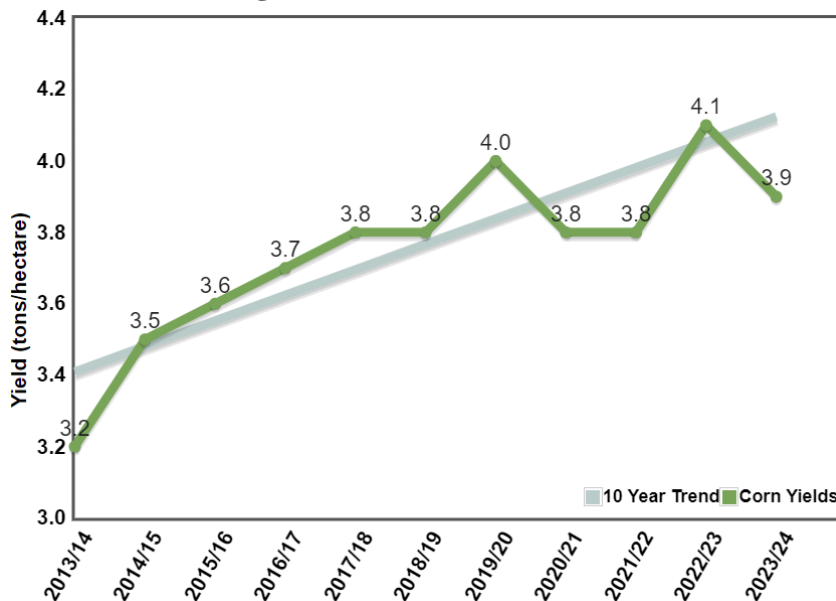
Figure 3. Evolution of Harvested Area and Production of Corn in Mexico



Source: Servicio de Información Agrícola y Pecuaria (SIAP)/ *estimate ** forecast

Persistent elevated input costs (e.g. fuel) and lower international prices, combined with minimal producers’ investments in enhanced seeds, infrastructure, and limited financing mechanisms for medium and large corn producers, will remain an obstacle to reaching high-production levels in MY 2024/2025. Over the last ten years, corn yields in Mexico ranged from around 3.1 metric tons per hectare (MT/HA) to 4.1 MT/HA. Despite an upward trend from 2013-2019, yields show a volatile trend in the last four years. Yields vary significantly across Mexico depending on access to farm inputs (e.g. electricity), advanced on-farm technology, and access to financing mechanisms.

Figure 4. Mexico Corn Yields



Source: USDA FAS International Production Assessment Division (IPAD) and Servicio de Información Agroalimentaria y Pesquera (SIAP)

Limited production agriculture farm policy and financing mechanisms

Government of Mexico (GOM) Price Guarantee and Fertilizer Programs are expected to have a limited impact on corn production growth for MY 2024/2025 as they target small-scale farmers and social welfare objectives. The Price Guarantee Program for Basic Food Products delivers support directly to producers through a set purchase price for small corn farmers (planted area of up to 5 HA). For 2024, the government offers a guaranteed price of 6,915 pesos per ton (USD 400), 16 percent higher than the average national price paid to producers. However, local sources indicate that most commercial producers cannot access this program because they usually plant more than the program limit for planted area. From February 2023 to February 2024, the average price of white corn purchased directly from producers in Jalisco decreased by 28 percent from 7,595 to 5,450 pesos (USD 443 to USD 318). The Fertilizer Program supports small-scale producers, up to 3 HA, through access to no-cost fertilizer to increase production. These support programs have a limited impact on corn planted area and total production because they mainly benefit subsistence and small-scale farmers.

In previous years, a significant decline in rural development financing resulted in reduced access to financing for small and medium corn producers. The Instituted Trusts in Relation to Agriculture (*FIRA*) is the only remaining public lending agency for commercial agriculture. *FIRA* assesses the commercial feasibility of loans and relies on intermediaries, either non-bank lending and finance institutions or commercial banks to service the loans. Sources indicate that these lending institutions require qualifications beyond the means of most small and medium farmers, which, combined with easing corn prices, creates a challenge for corn farmers to access financing and increase planted area.

MY 2023/2024

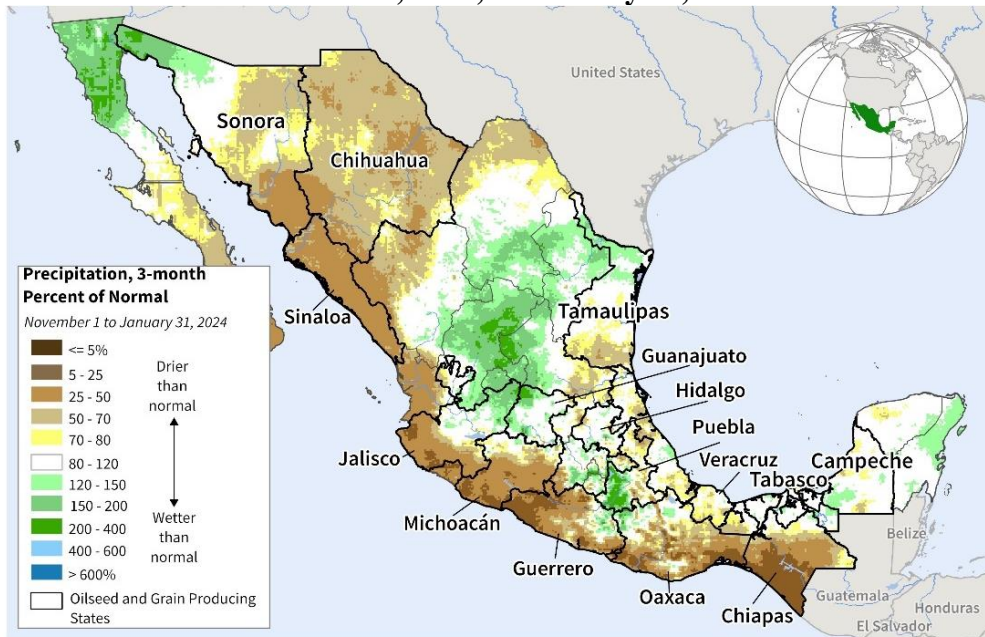
Post adjusts downward its estimated production for MY 2023/2024 to 23.3 MMT, a 17 percent decline year-on-year. The lowered estimate reflects official Secretary of Agriculture (*SADER*) data showing lower harvested and planted areas from extreme and severe drought conditions, crop damage, and lower yields reported in corn-producing regions across the country.

The 2023/2024 summer cycle planted area declined by one percent year-on-year to 5.7 million HA. However, damaged area reported on January 31 reached nearly 500,000 HA, over seven percent of the total planted area. Production progress is 95 percent complete, at 16.1 MMT, a 16 percent yearly decrease. Unfavorable weather conditions resulted in a yield of 3.24 MT/HA, a four percent decline year-on-year. Jalisco, the largest summer corn-producing state, is estimated to reach a production of 2.8 MMT, a yearly decline of 31 percent due to drought conditions and lower rainfall levels in the state's western regions.

The 2023/2024 winter corn cycle's planted area reached 706,244 HA as of January 31, at 87 percent of progress, which is 33 percent lower year-on-year, due to drought conditions and lower water availability in the largest producing states, especially Sinaloa, Tamaulipas, and Sonora. In February, 61 percent of Sinaloa state was under severe and extreme drought conditions while dam levels were at 21 percent of their capacity, a 57 percent decline year-on-year. As a result, the state government allowed only 324,000 HA of approved irrigated planted area for the 2023/2024 winter corn cycle, down from 521,000 HA in 2023. Lower rainfall and moisture levels will likely reduce Sinaloa's irrigated corn yield, which reached 12.54 MT/HA in MY 2022/2023. However, sources report that despite the 40 percent decrease in

approved irrigated land, farmers may plant corn without a guarantee of water access and that the final planted area may be updated in the coming weeks. In Tamaulipas, planted area and production for MY 2023/2024 is set to drop significantly from the previous year due to lower water distribution for irrigation, prompting some farmers to plant less water-intensive crops, such as sorghum and safflower.

**Figure 5. Mexico: Percent of Normal Precipitation
November 1, 2023, to January 31, 2024**



Source: USDA FAS International Production Assessment Division (IPAD)

Due to persistent drought conditions for 2023/2024 summer corn planting and harvesting, some state-level governments recently announced the implementation of drought compensation programs, mainly supporting corn producers. On February 1, the Government of Jalisco announced a cash support program of 300 million pesos (USD 17.5 million) for 60,000 small corn, bean, and livestock producers impacted by severe drought conditions in 2023. Querétaro and Chihuahua authorities announced similar programs in recent months. Meanwhile, Guanajuato launched a program of 256 million pesos (USD 15 million) to provide price guarantees for corn producers. The programs are located and funded in states governed by opposition parties to the ruling Movement of National Regeneration (Morena) party.

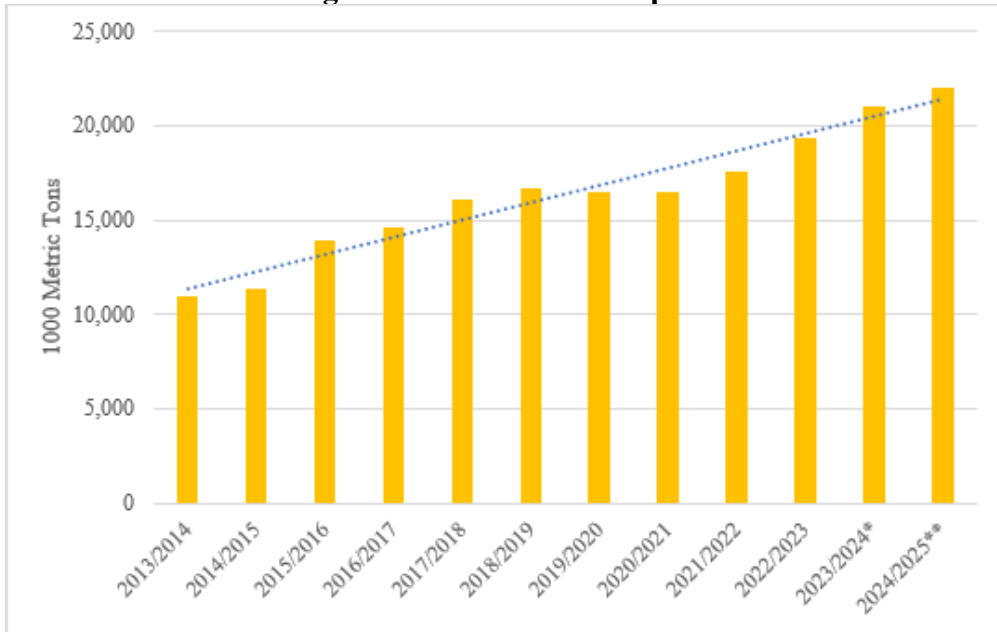
Trade

Post forecasts corn imports for MY 2024/2025 at 22.0 MMT, a nearly five percent increase over the previous year. Relatively lower forecast corn prices compared to previous year and growing demand from livestock producers and processors will drive up corn imports. Exports for MY 2024/25 are forecast to remain unchanged at 50,000 MT. Mexico is not a major corn exporter. Additionally, restrictions on genetically engineered (GE) white corn imports increase the demand for domestic non-GE white corn and may result in less exports.

Mexico has increasingly relied on corn imports, primarily yellow, to cover the growing domestic demand of the livestock and starch industries, set to reach an estimated 21.0 MMT or over 45 percent of

total consumption in MY 2023/2024. Imports are estimated to grow from 5.7 MMT in 2013 to 21.0 MMT in 2024, a 268 percent increase. United States supplied over 85 percent of Mexico's corn imports in 2023 due to geographic proximity, exportable supply, solid business relationships, and supply chain logistics linking the U.S. grain and Mexican livestock sectors.

Figure 6. Mexico Corn Imports



Source: USDA Production, Supply, and Distribution with FAS Mexico City Data / *estimate ** forecast

Consumption

Post forecasts total consumption at 46.6 MMT in MY 2024/2025, an increase of one percent compared to the previous marketing year, driven by the growing animal feed sector. Meanwhile, due to inflationary pressures and record-level tortilla prices, human consumption will remain stable.

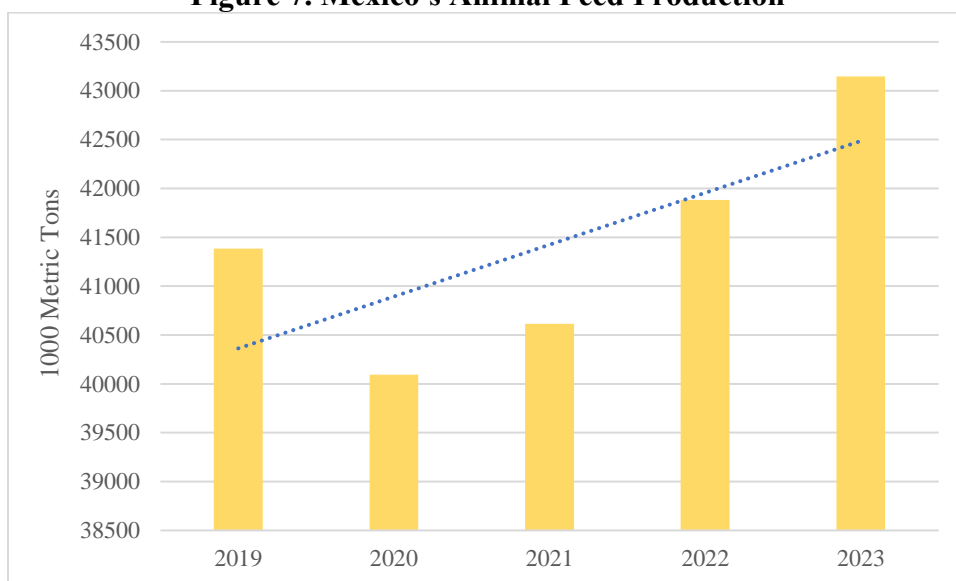
Continued food inflation is a challenge for consumption patterns, affecting the demand for corn, considered a basic staple in the Mexican diet. In mid-February 2024, headline annual inflation (total inflation within an economy) was 4.45 percent, while food and beverage year-on-year inflation stood at 5.28 percent, influenced by risk factors such as weather, security, and logistical challenges. The National Association of Supermarkets and Department Stores (ANTAD) announced that for 2023, their sales in the supermarket category (groceries and perishable) grew by three percent (adjusted for inflation) compared to the previous year. This figure comprises Mexican basic food basket items, including food, beverages, and hygiene products. The increase is attributed mainly to the Mexican population's growing purchasing power due to a gradual increase in the minimum wage and expanding government cash handouts for different population sectors.

Average tortilla prices across all states in Mexico's tortillerias (local tortilla shops) increased by about 3 percent in February 2024 compared to previous year, from 22.21 pesos to 22.95 pesos. On the other hand, average tortilla prices in supermarkets went up over 4 percent from 13.89 pesos to 14.47 pesos in

the same period. The main reasons for the price gap are relatively higher operating expenses for tortillerias and the anti-inflationary price control agreement in place applicable for the largest retail chains.

Mexico is the world's fifth largest animal feed producer. According to industry sources, in 2023 the country is estimated to have produced over 43.0 MMT of feed for domestic poultry, swine, cattle, dairy, pet food, and aquaculture production. Over 50 percent of domestic animal feed includes corn. Animal feed production is estimated to have grown by eight percent year-on-year. Post estimates that in 2024/2025, Mexico will require nearly 28.0 MMT of corn to support the feed industry.

Figure 7. Mexico's Animal Feed Production



Source: Asociación Nacional de Fabricantes de Alimentos para Consumo Animal, S.C. (ANFACA)

Robust and stable corn demand for animal feed and industrial uses will likely drive up corn import growth for MY 2024/2025. The poultry sector represents about 50 percent of animal feed demand, and forecast growth in this sector will likely increase yellow corn imports as domestic production is limited. Despite a forecasted economic growth slowdown for Mexico in 2024 at 2.5 percent, consumption of animal proteins is forecasted to keep growing due to increasing minimum wages, which would maintain increased demand for corn by the animal feed industry.

Table 2. Annual Imports of Primary Raw Materials by the Feed Industry, 2018-2022 (1000 Metric Tons)

	Corn	Sorghum	Soybean Meal	Distiller's dried grains
2018	11,351	188	1,318	1,795
2019	10,979	661	1,364	1,815
2020	11,062	281	1,545	1,583
2021	11,947	173	1,409	1,810
2022	12,085	364	1,478	2,024

Source: Consejo Nacional de Fabricantes de Alimentos Balanceados y de la Nutricion, A.C. (CONAFAB)

Stocks

Post forecasts ending stocks for MY 2024/25 at 2.8 MMT, a fourteen percent increase year-on-year due to increasing production and imports.

According to Post sources, Sinaloa currently stores about 2.2 MMT of corn in warehouses and farms across the state, which could increase corn distribution in late MY 2023/2024. Out of this amount, state-level authorities currently hold nearly 0.7 MMT of corn for strategic food reserves, food security body *Seguridad Alimentaria Mexicana* (SEGALMEX) holds nearly 1.0 MMT in private warehouses, and local farmers currently store about 0.5 MMT intending to sell upon an increase in corn prices. The stored corn combined with winter corn harvested between April and July will likely increase corn sales and distribution in the spring/summer of 2024.

WHEAT

Table 3. Mexico, Wheat Production, Supply and Distribution

Wheat Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Area Harvested (1000 HA)	588	588	555	500	0	550
Beginning Stocks (1000 MT)	520	520	713	713	0	413
Production (1000 MT)	3572	3572	3455	3100	0	3420
MY Imports (1000 MT)	5221	5221	5200	5400	0	5400
TY Imports (1000 MT)	5221	5221	5200	5400	0	5400
TY Imp. from U.S. (1000 MT)	3610	3610	0	0	0	0
Total Supply (1000 MT)	9313	9313	9368	9213	0	9233
MY Exports (1000 MT)	800	800	900	900	0	800
TY Exports (1000 MT)	800	800	900	900	0	800
Feed and Residual (1000 MT)	300	300	300	300	0	300
FSI Consumption (1000 MT)	7500	7500	7600	7600	0	7650
Total Consumption (1000 MT)	7800	7800	7900	7900	0	7950
Ending Stocks (1000 MT)	713	713	568	413	0	483
Total Distribution (1000 MT)	9313	9313	9368	9213	0	9233
Yield (MT/HA)	6.0748	6.0748	6.2252	6.2	0	6.2182

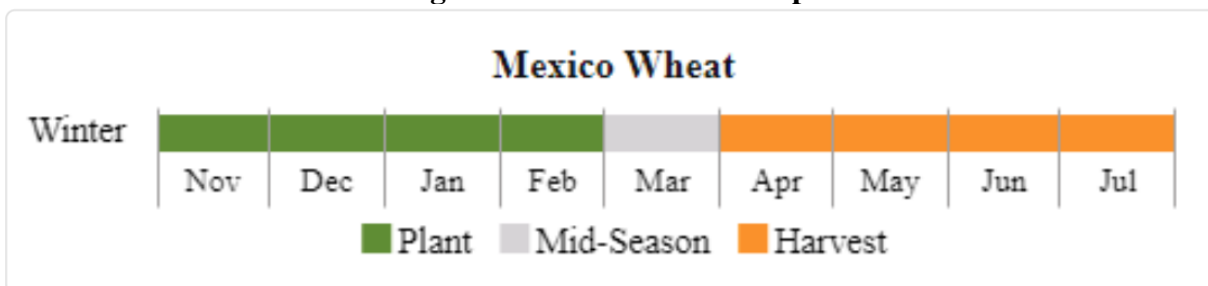
(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

Production

MY 2024/2025

Post forecasts Mexico's MY 2024/2025 (July – June) wheat production at 3.4 MMT, ten percent higher than MY 2023/2024 due to forecast higher planted area. Harvested area for MY 2024/2025 is forecast at 550,000 HA, ten percent higher than the previous year based on farmer decisions to plant more on a return to nearly average dam levels in large producing states, including Sonora, Sinaloa, Guanajuato, and Michoacan.

Figure 8. Mexico Wheat Crop Calendar

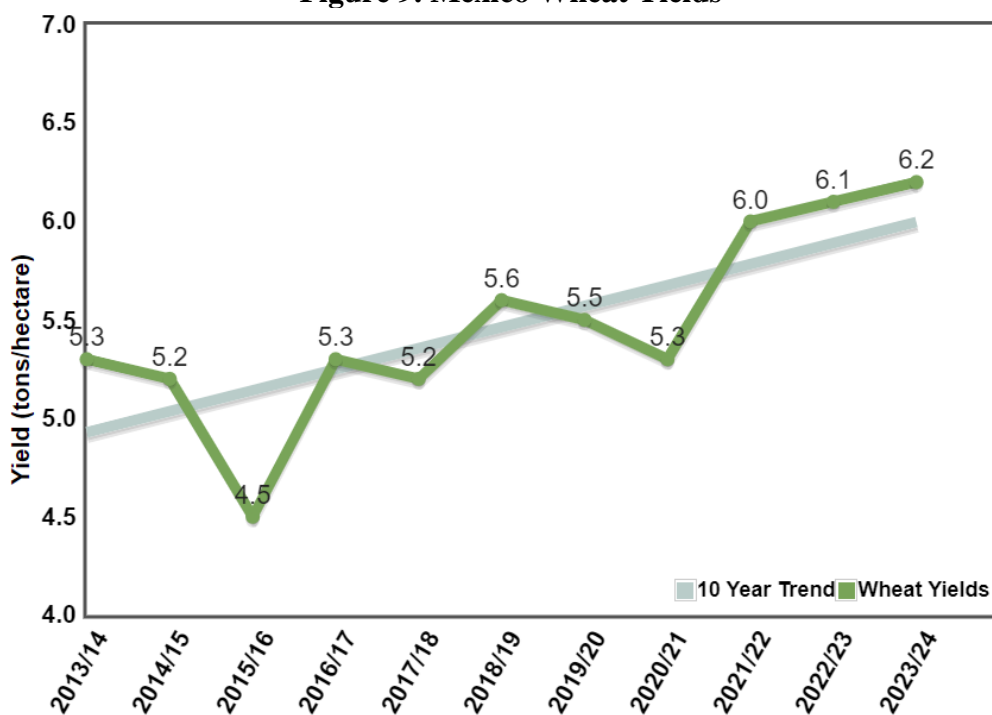


Government support programs for wheat producers will likely favor increased 2024/2025 winter wheat planting intentions. For 2024, the Price Guarantee Program for Basic Food Products set a purchase price of 7,600 pesos (USD 447) for producers of up to eight HA or 50 MT of bread wheat and 7,050 pesos (USD 415) for wheat producers of up to 50 HA or 300 MT. As of December 2023, the average national

price of bread wheat purchased from farms was 5,300 pesos (USD 310). Therefore, guaranteed prices for small and medium wheat producers are 43 and 33 percent higher, respectively. In addition, the Fertilizer Program prioritizes direct deliveries to farmers in central Mexico, notably wheat producers in Guanajuato. These two programs will likely also influence farmers' decisions to plant more wheat, especially if irrigation permits also return to average levels.

Forecast higher year-on-year precipitation and water availability for irrigation will likely contribute to growing wheat production and yields for MY 2024/2025. Since virtually all wheat production is irrigated, adequate dam levels are essential for increased wheat planting and harvest. Yields increased steadily in the last four years from 5.3 MT/HA to 6.1 MT/HA based on higher irrigation levels. Continued elevated input costs, limited availability of improved seeds, and inefficient use of irrigation remain obstacles to consistently increasing yields and production.

Figure 9. Mexico Wheat Yields



Source: USDA FAS International Production Assessment Division (IPAD)

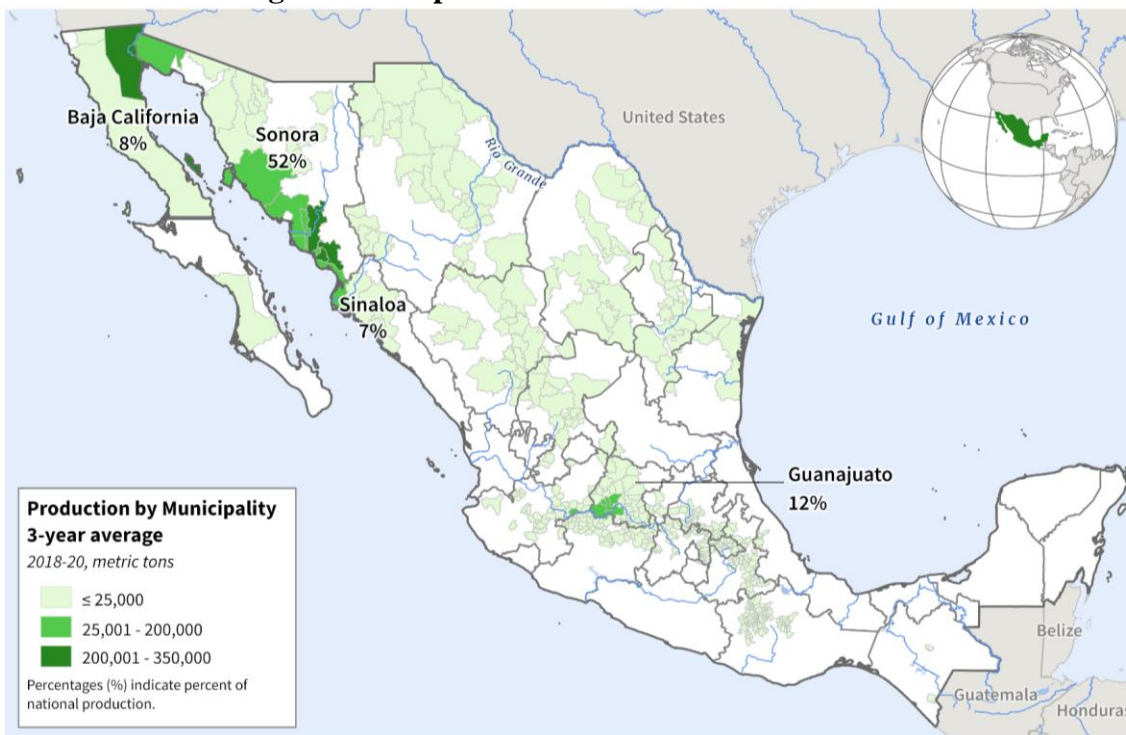
MY 2023/2024

The wheat production estimate for MY 2023/2024 is revised downward 13 percent to 3.1 MMT based on updated planting and harvesting data. Irrigation districts (*Distritos de Riego* in Spanish) promoted planting less water-intensive crops due to continued drought conditions and lower reservoir water availability. In addition, lower seed availability in northern states, particularly Sonora and Sinaloa, also negatively impacted planted area and production.

As of January 31, the planted area for 2023/24 winter wheat was 392,819 HA, a ten percent decrease from the previous year. The fall/winter cycle, virtually all of which is irrigated, accounts for about 97 percent of total wheat production. Dam levels were at a record low of 18 percent in Sonora, which

accounts for over 50 percent of domestic wheat production. Authorities restricted irrigation volumes for winter wheat and promoted planting less water-intensive crops, such as safflower and chickpeas. Farmers in Guanajuato, the second largest wheat producer, are set to reduce their planting area since the whole state is under drought conditions and dam levels are historically low. In Sinaloa, lower water availability in dams due to severe drought conditions resulted in state-level governments authorizing up to 27,000 HA irrigated planted area, even though producers decided to plant 29,832 HA, which is a 44 percent decrease from the previous year.

Figure 10. Map of Wheat Production in Mexico



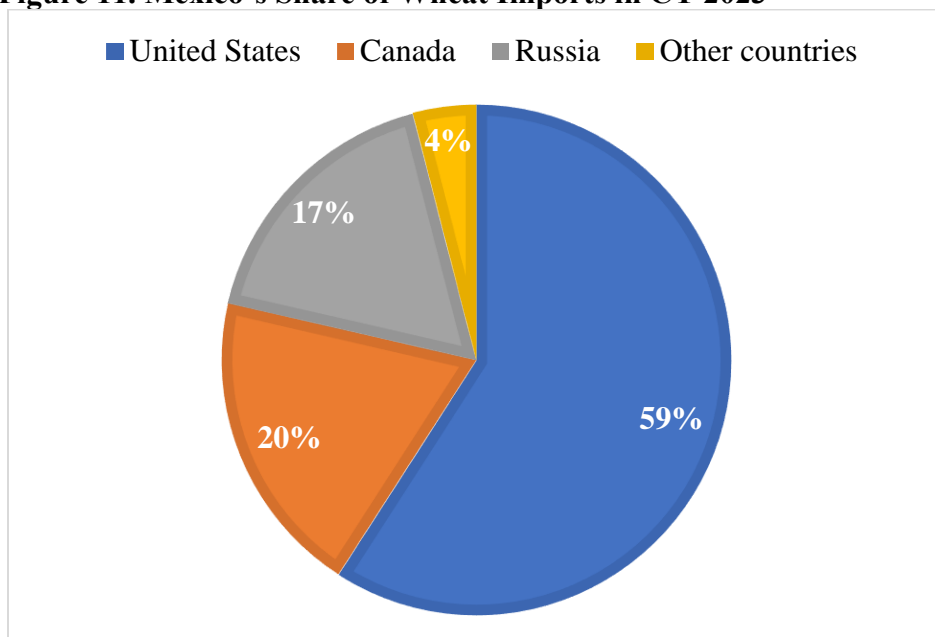
Source: USDA FAS International Production Assessment Division (IPAD)

Trade

FAS Mexico forecasts wheat imports for MY 2024/2025 to remain unchanged at 5.4 MMT. Exports for MY 2024/2025 are forecast to decrease to 0.8 MMT, an 11 percent yearly decrease due to lower exportable supplies of durum wheat. According to Mexican exporters, another factor which might drive down Mexico's durum wheat exports are increased competition from lower priced durum wheat from other exporters in MY 2024/2025.

In MY 2023/2024, imports are estimated upward at 5.4 MMT, an over three percent yearly increase based on updated trade data. The United States is Mexico's largest wheat supplier, followed by Canada, and Russia. Mexico's wheat milling industry relies on U.S. wheat through developed rail and maritime supply chains, although they also seek to diversify their supply sources depending on prices. Currently, the Anti-Inflationary Package, extended through December 31, 2024, includes wheat as a basic staple whose imports are duty free from countries which do not hold a free trade agreement (FTA) with Mexico.

Figure 11. Mexico's Share of Wheat Imports in CY 2023



Source: National Chamber of the Wheat Milling Sector (CANIMOLT) with data from Customs (SAT)

Mexico's durum wheat exports are estimated to reach 0.9 MMT in MY 2023/2024, an over 12 percent increase year-on-year, driven by increasing demand from partner countries, mainly Algeria and Venezuela.

Table 4. Mexico's Durum Wheat Exports CY 2021 – 2023 (MT)

Country	2021	2022	2023
Algeria	521,320	471,981	638,506
Venezuela	61,091	127,950	60,800
France	0	0	42,000
Guatemala	43,254	52,299	40,434
Canada	0	0	24,650
Nigeria	25,427	38,768	13,966
United States	1,024	3,632	7,825
Niger	0	0	1,261
Cyprus	0	0	460
Turkey	0	69,634	1
Swaziland	31,248	0	0
Tunisia	16,883	0	0
Italy	11,117	0	0
Others	6	31	6
TOTAL VOLUME	711,370	764,295	829,908

Source: National Chamber of the Wheat Milling Sector (CANIMOLT) with data from Customs (SAT)

Consumption

Post forecasts total wheat consumption to increase one percent to 7.7 MMT in MY 2024/2025 due to a slight increase in bread wheat consumption in line with population growth. According to the National Chamber for Wheat Millers (CANIMOLT), per capita consumption of pasta (durum wheat) in Mexico for CY 2024 is estimated downward to 5 kilograms (kg), back to pre-pandemic consumption levels.

Mexico's wheat milling capacity was 10.7 MMT in 2023, consisting of 94 wheat mills, after one new mill was added during the year. The wheat flour sector uses about 70 percent of the available capacity, with 7.3 MMT of wheat transformed into 5.5 MMT of wheat flour and semolina in 2023.

Stocks

Stocks are forecast at 0.5 MMT in MY 2024/2025, a 17 percent increase based on higher production and stable import levels.

RICE

Table 5. Mexico, Rice Production, Supply and Distribution

Rice, Milled Market Year Begins Mexico	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	31	31	33	33	0	35
Beginning Stocks (1000 MT)	143	143	88	83	0	68
Milled Production (1000 MT)	143	143	150	150	0	160
Rough Production (1000 MT)	208	208	218	218	0	233
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	0	6870
MY Imports (1000 MT)	781	782	825	825	0	840
TY Imports (1000 MT)	728	750	825	825	0	840
TY Imp. from U.S. (1000 MT)	395	0	0	0	0	0
Total Supply (1000 MT)	1067	1068	1063	1058	0	1068
MY Exports (1000 MT)	4	10	5	10	0	10
TY Exports (1000 MT)	5	10	5	10	0	10
Consumption and Residual (1000 MT)	975	975	980	980	0	985
Ending Stocks (1000 MT)	88	83	78	68	0	73
Total Distribution (1000 MT)	1067	1068	1063	1058	0	1068
Yield (Rough) (MT/HA)	6.7097	6.7097	6.6061	6.6061	0	6.6571

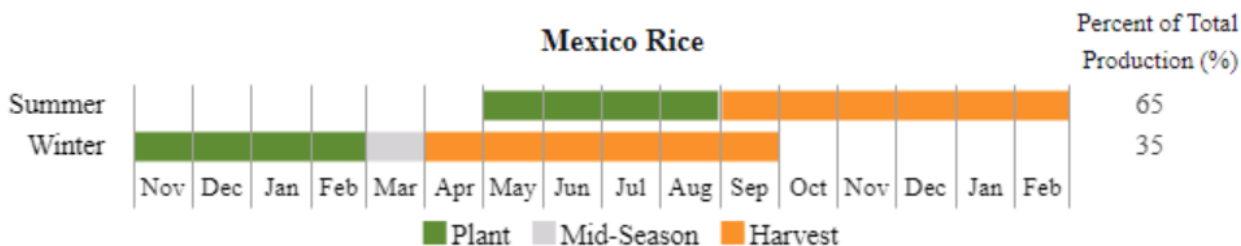
(1000 HA), (1000 MT), (MT/HA)
 MY = Marketing Year, begins with the month listed at the top of each column
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

Production

MY 2024/2025

Post forecasts total rice production for MY 2024/2025 (October – September) at 233,000 MT (rough basis), a seven percent annual increase. The rough production forecast volume converts to 160,000 MT of milled rice. Harvested area is forecast at 35,000 HA. While 2023/2024 was an exceptional year for drought, farmers are planning on average precipitation and moisture levels to increase higher planted area and production. However, limited financing mechanisms, lower land availability, and delayed policy support hinder growing rice production.

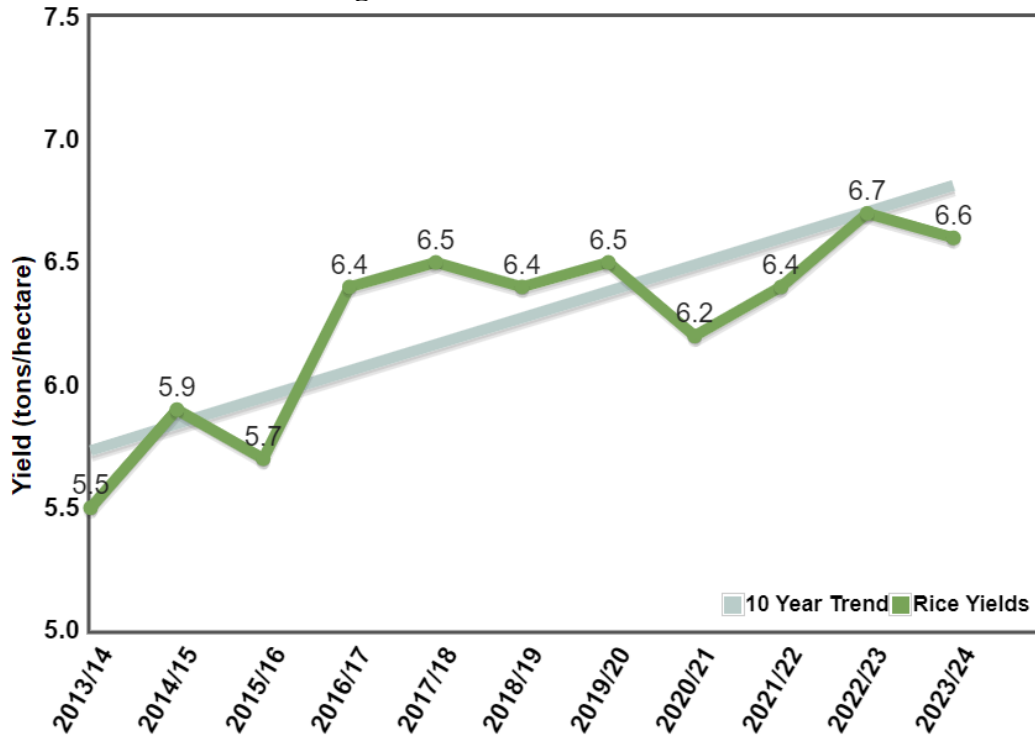
Figure 12. Rice Crop Calendar



Rice production yields are constrained due to scarce water harvesting and irrigation technologies and limited use of improved seeds. Over 80 percent of rice production in Mexico is irrigated, which requires efficient use of water resources from local reservoirs and aquifers. In addition, states such as Campeche

receive rainfall levels above the national average, but most rice growers use traditional water harvesting techniques that do not use water efficiently. Industry sources also indicate that government support (such as prices for the guaranteed price program or fertilizer support) is generally delivered during the harvest cycle, which is too late in the planting cycle for increasing production planting decisions and therefore does not increase production and yields.

Figure 13. Mexico Rice Yields

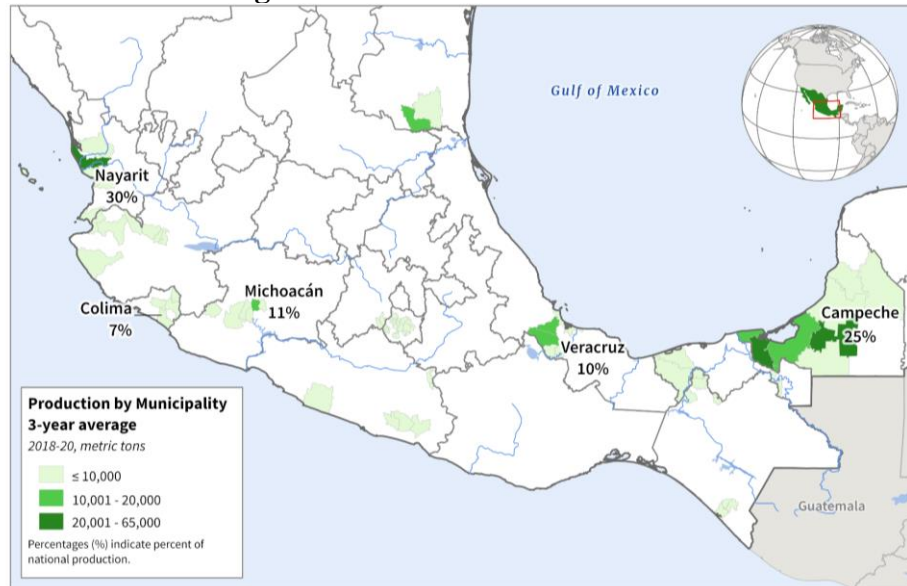


Source: USDA FAS International Production Assessment Division (IPAD)

MY 2023/2024

Post’s milled production estimate for MY 2023/2024 is 150,000 MT, a five percent year-on-year increase based on updated planting and harvesting data. As of January 31, the harvested area for 2023/2024 summer rice was 99 percent complete, at 23,100 HA, with a production of 156,964 MT of rough rice and a 6.79 MT/HA yield. Production for 2023/2024 summer rice is 11 percent higher than the previous year. This cycle accounts for 70 percent of rice production on average. The planted area for 2023/2024 winter rice was 6,622 HA, 11 percent higher than the previous year. However, sources indicate that Tamaulipas will not plant winter rice during this cycle based on lower irrigation levels, which would limit production for the fall-winter cycle.

Figure 14. Mexico Rice Production



USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Sources: INEGI; Servicio de Información
Agroalimentaria y Pesquera (SIAP), Mexico

Source: USDA FAS International Production Assessment Division (IPAD)

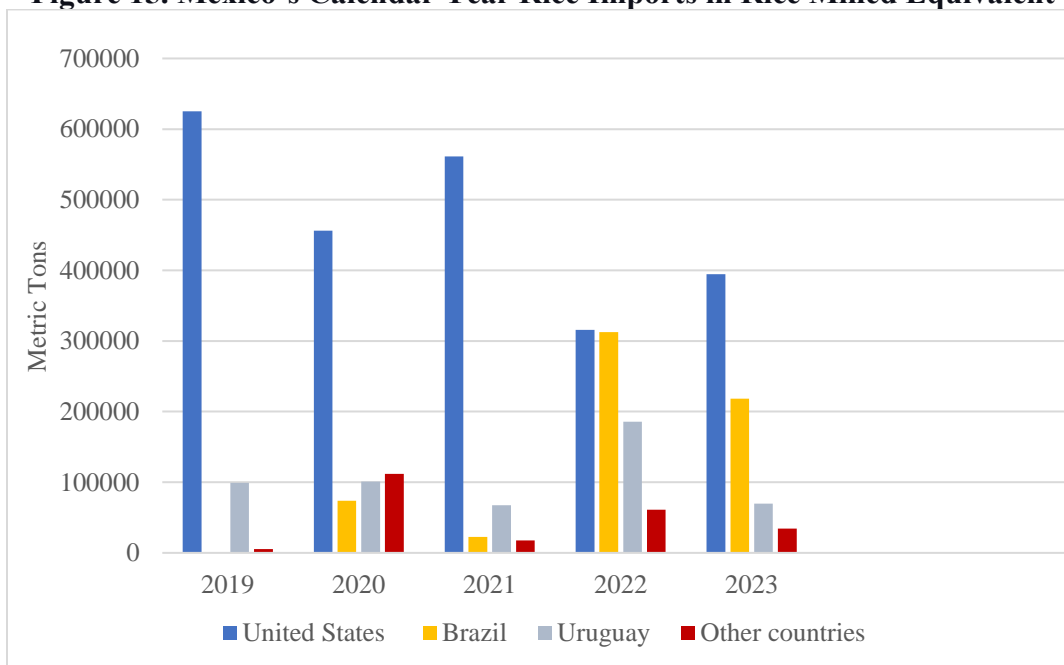
Trade

Post forecasts rice imports for MY 2024/25 at 840,000 MT of milled rice, a two percent increase year-on-year based on forecast increasing consumption. Exports for MY 2024/25 are estimated to remain unchanged at 10,000 MT. The United States is forecast to remain the largest supplier of rice to Mexico based on price and logistical connectivity. Nearly 80 percent of Mexico's imports are rough rice, which is milled by large domestic firms. With regards to imported milled rice, Uruguay is the largest supplier followed closely by the United States.

MY 2023/2024

Mexico's imports of U.S. rice increased in the second half of 2023 due to higher prices of Brazilian rice in the aftermath of India's ban of white rice exports in July 2023. According to contacts, lower exportable rice supplies from India increased demand on rice exporters such as Brazil to fulfill markets other than Mexico. In the same period, the price of U.S. No. 2 remained stable. Therefore, Mexico's imports of U.S. rice increased significantly from October through December 2023 compared to the previous year, from 47,554 MT to 240,576 MT (406 percent). In the same period, imports of Brazilian rice decreased from 174,534 MT to 32,109 MT (82 percent). Based on industry sources, Mexico is estimated to import over 80 percent of rough and milled rice from the United States in MY 2023/2024 due to lower prices, quality, and strong supply chains.

Figure 15. Mexico's Calendar Year Rice Imports in Rice Milled Equivalent



Source: Trade Data Monitor

Consumption

Post forecasts total consumption increasing nearly one percent to 985,000 MT in MY 2024/25 based on current population growth. Although generally considered a low-cost food item, retailer rice prices are in an upward trend since September 2023, after a gradual decline, based on increasing production costs and insecurity. Per capita consumption stands at 6.7 kg.

Stocks

Post forecasts ending stocks for MY 2024/25 at 73,000 MT, a seven percent increase due to growing production and imports.

SORGHUM

Table 6. Mexico, Sorghum Production, Supply and Distribution

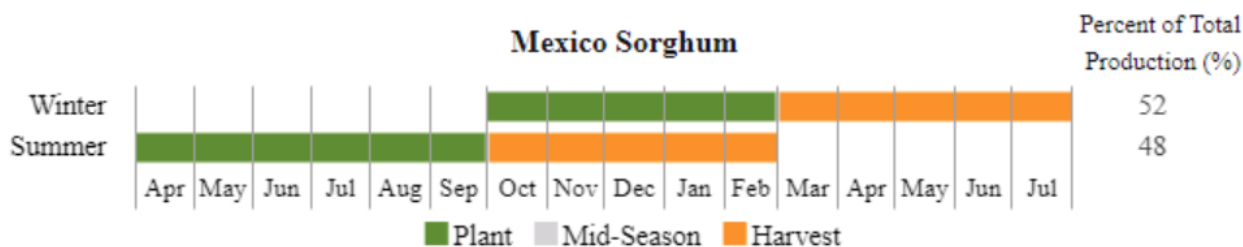
Sorghum Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Area Harvested (1000 HA)	1398	1398	1285	1230	0	1320
Beginning Stocks (1000 MT)	303	303	270	270	0	149
Production (1000 MT)	4892	4892	4350	4280	0	4620
MY Imports (1000 MT)	176	176	200	200	0	200
TY Imports (1000 MT)	176	176	200	200	0	200
TY Imp. from U.S. (1000 MT)	176	176	0	0	0	0
Total Supply (1000 MT)	5371	5371	4820	4750	0	4969
MY Exports (1000 MT)	1	1	1	1	0	1
TY Exports (1000 MT)	1	1	1	1	0	1
Feed and Residual (1000 MT)	5000	5000	4500	4500	0	4700
FSI Consumption (1000 MT)	100	100	100	100	0	100
Total Consumption (1000 MT)	5100	5100	4600	4600	0	4800
Ending Stocks (1000 MT)	270	270	219	149	0	168
Total Distribution (1000 MT)	5371	5371	4820	4750	0	4969
Yield (MT/HA)	3.4993	3.4993	3.3852	3.4797	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 2024/2025 = October 2024 - September 2025

Production

Post forecasts Mexico's MY 2024/25 (July – June) sorghum production at 4.6 MMT, eight percent higher than the previous year due to forecast higher planted area and slightly higher yields. Farmers are expected to make planting decisions on expectations for average precipitation and irrigation levels and increase harvested area to 1.32 million HA, a seven percent increase year-on-year. High input costs, lower international prices, and constrained domestic consumption are obstacles to reaching even higher production levels.

Figure 16. Mexico Sorghum Crop Calendar



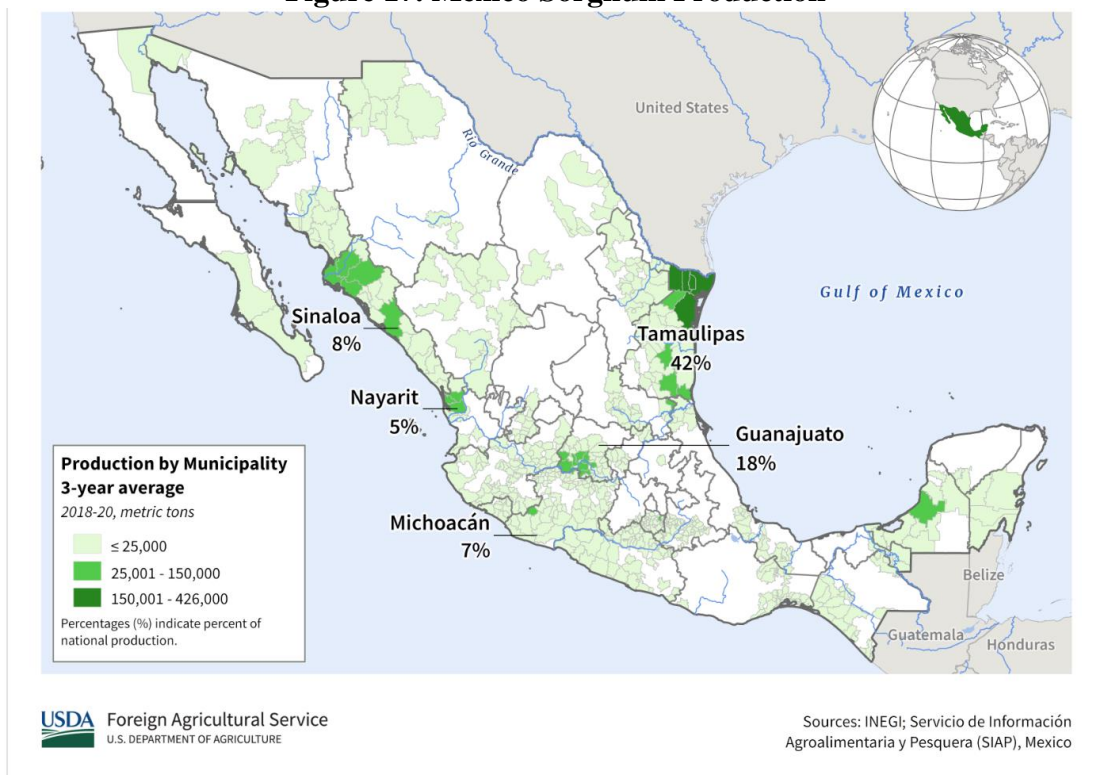
2023/2024 sorghum

Sorghum production for MY 2023/2024 is estimated downward by thirteen percent to 4.3 MMT based on updated planting and harvesting data. Summer sorghum planted area was 432,067 HA, a 14 percent

decline year-on-year. Tamaulipas *distritos de riego* restricted planted area for 2023/2024 winter sorghum due to continued drought conditions and lower water availability in state-level dams.
 2023/2024 winter sorghum

As of January 31, the planted area for 2023/24 winter sorghum was 368,776 HA, an over thirty percent decline from the same period in the previous year. The fall/winter cycle, on average, accounts for 62 percent of total planted area, yet it averages 52 percent of total sorghum production. Yields are lower (2.84 MT/HA) than in spring/fall cycle (3.04 MT/HA) as nearly 90 percent of planted area is rainfed. In Tamaulipas, the supplier of roughly 42 percent of total sorghum production, the ongoing planted area at the end of January was 249,562 HA or 30 percent lower than the previous year. The significant drop in planted area is based on continued drought conditions and delayed rainfall that reduced planting intentions as virtually all the sorghum planted in Tamaulipas in December and January is rainfed. Some local sources indicate that lower precipitation and dam levels could reduce sorghum planted area and production as much as ten to 20 percent in MY 2023/2024. State dams are at record low levels, about 18 percent capacity, which creates scarce hydrological resources for agricultural use.

Figure 17. Mexico Sorghum Production



Source: USDA FAS International Production Assessment Division (IPAD)

Trade

Post forecasts sorghum imports for MY 2024/2025 to remain unchanged at 200,000 MT, with virtually all imports coming from the United States due to supply chain and tariff advantages. Sorghum imports have been minimal in the last decade and expected to remain stable based on sufficient domestic

production and decreasing consumption due to the feed industry's preference for yellow corn. Sources indicate that lower corn prices and ample exportable supplies by large corn producers are the main drivers for higher yellow corn imports and lower sorghum imports and consumption in Mexico. Exports for MY 2024/25 are estimated to remain minimal at 1,000 MT based on production aimed to meet local demand for the animal feed industry.

Consumption

For MY 2024/2025, total sorghum consumption is forecasted to increase to 4.8 MMT, four percent higher than the previous year, due to increased feed demand. Feed industry sources indicate that sorghum is an important input in Mexico's overall animal feed mix. Nonetheless, corn remains the preferred animal feed source based on availability, higher feed conversion rates, and preferred coloration impact of corn on final animal products such as eggs.

Stocks

Post forecasts ending stocks for MY 2024/2025 at 168,000 MT, a 13 percent increase due to forecast growing production and higher domestic consumption.

POLICY (all grains)

2024 General Elections

On June 2, 2024, Mexico will elect a new president for a six-year term. Citizens will also choose members of the Congress of the Union along with state and municipal officials. Members of the agricultural sector remain attentive to agricultural policy proposals that could impact their operations.

Mexico's 2024 Agricultural Budget Maintains Focus on Social Programs

The 2024 federal government budget for the Secretariat of Agriculture and Rural Development (SADER) is USD 4.3 billion, a five percent increase compared to the 2023 budget (see [GAIN MX2024-0007](#)). Over 70 percent of the budget is allocated to assistance programs that provide in-kind benefits such as fertilizers to small-scale producers and milk to low-income families.

February 2023 Corn Decree

On February 14, 2023, the Government of Mexico published a [presidential decree](#) that includes an immediate prohibition on the use of biotech corn in Mexico's dough and tortilla production. On June 2, 2023, the United States requested dispute settlement consultations with Mexico under the United States Mexico Canada Agreement (USMCA). On August 17, 2023, the United States Trade Representative announced the establishment of a dispute settlement panel under USMCA regarding certain Mexican measures concerning biotech corn.

Manual Labor Standard NOM-036

On March 31, 2024, the revised Mexican Standard [NOM-036](#) comes into force, which restricts the amount of lifting and other manual labor considerations. This standard lowers the maximum weight to be lifted by workers, from 50 kg to 25 kg. Among the most affected sectors are grains and animal feed. The agricultural industry fears this standard could inhibit growth under rising operational costs.

Agricultural Workers' Rights Decree

On January 25, 2024, the Government of Mexico implemented [a decree modifying provisions of the Federal Labor Law and the Social Security Law related to agricultural labor rights](#). The decree requires written contracts, improved living conditions, access to healthcare, education, and childcare, and stricter occupational safety measures. This decree could impact the production costs of grain and feed products. Farmers remain attentive to the implementation and enforcement of these measures.

Anti-Inflation Decree

On December 27, 2023, the Government of Mexico (GOM) [published a decree to extend the exemption of tariffs and easing of administrative procedures](#) for the importation of basic food basket products under the, "Decree exempting the payment of import tariffs and granting administrative facilities to various goods in the basic basket and basic consumption of families" (See [GAIN_MX20234-0004](#) and [GAIN MX2023-0002](#)). The decree is valid through December 31, 2024, and temporarily exempts select importers from the payment of import duties for certain goods and facilitates administrative easing. The modifications were published in Mexico's Federal Register [here](#). The following are HS codes related to grains and feed under the anti-inflation decree:

Code	Product	Tariff	Notes
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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.	
10.05	Corn.		
1005.90.04	White corn (floury).	Ex.	For human consumption only (not genetically modified).
1005.90.99	Others.		Yellow corn for animal feed only.
10.06	Rice.		
1006.30.99	Others.	Ex.	Only the so-called long grain (3:1 ratio, or greater, between the length and width of the grain).
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.	
11.08	Starch and starch; inulin.		
1108.12.01	Cornstarch.	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.
23.09	Preparations of a kind used in animal feeding.		
2309.10.01	Dog or cat food, put up for retail sale.	Ex.	

For More Information

Visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Report Number	Title	Dated
MX2024-0005	Grain and Feed Update	01/25/2024
MX2023-0045	Grain and Feed Update	09/27/2023
MX2023-0032	Grain and Feed Update	06/21/2023
Commodity Intelligence Report	Mexico Corn Near-Average Production Expected	05/23/2023
MX2023-0011	Grain and Feed Annual	03/22/2023

Additionally, the FAS International Production Assessment Division Crop Explorer provides information on Mexico's grain production:

[Corn Explorer](#)

[Wheat Explorer](#)

[Rice Explorer](#)

[Sorghum Explorer](#)

Attachments:

No Attachments