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## **Report Name:** Grain and Feed Update

**Country:** Mexico

**Post:** Mexico City

**Report Category:** Grain and Feed

**Prepared By:** Rodrigo Trejo

**Approved By:** Susan Karimiha

### **Report Highlights:**

Following a year of exceptional drought conditions in marketing year (MY) 2023/2024, the outlook for Mexican grain production in MY 2024/2025 is higher year-on-year for corn, wheat, rice, and sorghum based on producer expectations for a gradual recovery to average precipitation levels. Mexico's MY 2024/2025 corn and wheat imports are forecast higher due to expected less than average production and growth in the animal feed sector. Rice and sorghum imports are estimated lower year-on-year due to forecast increased production and less demand. Production and trade forecasts and estimates were revised based on updated planting, harvest, and trade data.

## EXECUTIVE SUMMARY

Mexico's corn production forecast for marketing year (MY) 2024/2025 is 25.0 million metric tons (MMT) based on higher planting intentions on producer expectations for a return to more average precipitation in the summer of 2024 following severe and exceptional drought during the previous marketing year. The MY 2023/2024 corn production estimate is revised downward to 22.7 MMT based on lower planted area and lower than expected yields in the fall/winter cycle.

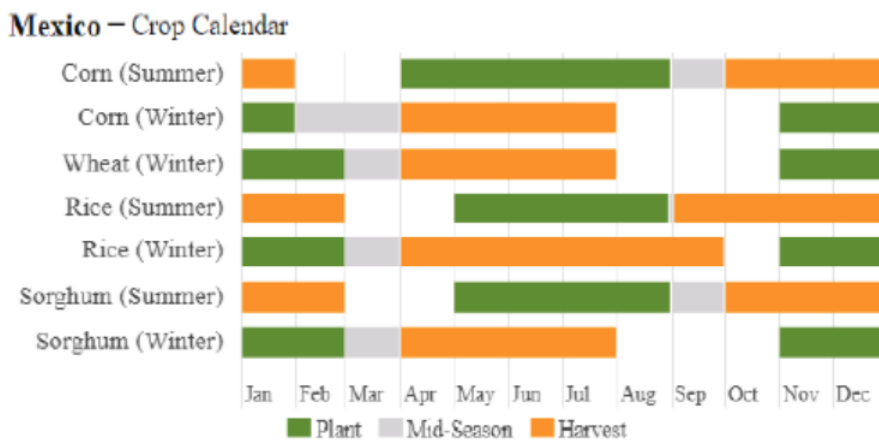
Mexico's MY 2024/2025 corn imports are forecast one percent higher from the previous year due to forecast lower-than-average production and demand growth from the animal feed sector. In MY 2023/2024, corn imports are revised upward 14 percent to 22.0 MMT, a record-high, based on decreased production caused by prolonged extreme and severe drought conditions.

Mexico's MY 2024/2025 wheat production is forecast four percent higher than the previous year estimate at 2.8 MMT based on reported planting intentions. Imports are projected to be higher at 5.7 MMT, a ten percent increase from the previous year, due to lower-than-average forecast and estimated production levels. Exports, on the other hand, are forecasted at 600,000 MT, 25 percent lower compared to MY 2023/2024, also due to decreased production.

Mexico's MY 2024/2025 milled rice production is forecast at 160,000 metric tons (MT), ten percent higher than the previous year, based on higher reported planting intentions. Milled rice imports are forecast at 840,000 MT, two percent lower than the estimate for MY 2023/2024, pulled down by the forecast increased production.

Lastly, Mexico's sorghum production for MY 2024/2025 is 4.5 MMT, ten percent higher than the estimate for MY 2023/2024 based on an expected return to average precipitation. Imports for MY 2024/2025 are forecast downward 17 percent to 50,000 MT based on estimated lower domestic demand from the animal feed sector. The following calendar reflects Mexico's corn, wheat, rice, and sorghum crop cycles.

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



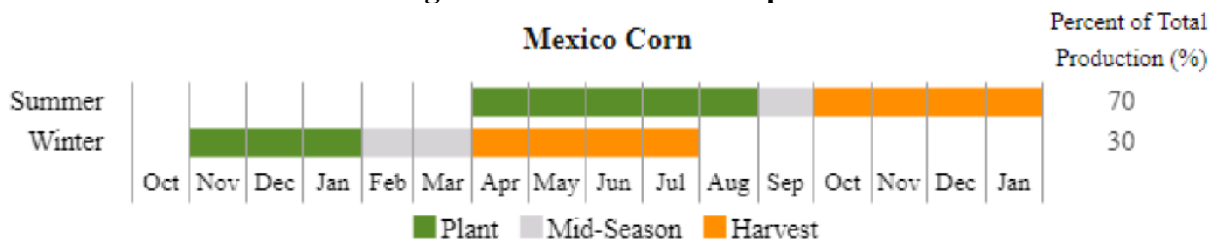
## CORN

**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
<b>Area Harvested</b> (1000 HA)	6891	6891	6100	6100	6400	6400
<b>Beginning Stocks</b> (1000 MT)	3163	3163	4499	4549	2249	2419
<b>Production</b> (1000 MT)	28077	28077	23300	22700	25000	25000
<b>MY Imports</b> (1000 MT)	19359	19359	21100	22000	21800	22200
<b>TY Imports</b> (1000 MT)	19359	19359	21100	22000	21800	22200
<b>TY Imp. from U.S.</b> (1000 MT)	16488	16488	0	0	0	0
<b>Total Supply</b> (1000 MT)	50599	50599	48899	49249	49049	49619
<b>MY Exports</b> (1000 MT)	100	50	50	30	50	30
<b>TY Exports</b> (1000 MT)	100	50	50	30	50	30
<b>Feed and Residual</b> (1000 MT)	27500	27500	28000	28200	28200	28600
<b>FSI Consumption</b> (1000 MT)	18500	18500	18600	18600	18700	18700
<b>Total Consumption</b> (1000 MT)	46000	46000	46600	46800	46900	47300
<b>Ending Stocks</b> (1000 MT)	4499	4549	2249	2419	2099	2289
<b>Total Distribution</b> (1000 MT)	50599	50599	48899	49249	49049	49619
<b>Yield</b> (MT/HA)	4.0744	4.0744	3.8197	3.7213	3.9063	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

**Figure 2. Mexico Corn Crop Calendar**



### Production

MY 2024/2025

Corn production for MY 2024/2025 (October – September) is forecast ten percent higher year-on-year at 25.0 MMT. According to the National Agri-Food Statistics Agency (SIAP), with data collected from spring/summer and fall/winter production areas, planting intentions are higher for both spring/summer and fall/winter corn seasons. However, due to prolonged drought conditions and higher input prices for seeds, electricity, and fuel compared to last year, the planted area is still expected to be historically low. Despite the concerns which are expected to reduce planted area, farmers are reportedly optimistic for higher local market prices for corn. Despite the expected higher production and harvested area for MY 2024/2025, the forecast is the second lowest in the last decade and not expected to reach average levels until gradual recovery from exceptional drought conditions.

To curb fertilizer imports, in May 2024 [the Government of Mexico \(GOM\) announced a 30-percent tariff on ammonium sulfate for an indefinite period](#), and the removal of this agricultural input from the Presidential Anti-Inflation Decree (see policy section). The change mostly impacts fertilizer imports

from China and may increase production costs later in the year. Local farmers indicate that fertilizer firms can still source ammonium sulfate from the United States and European Union countries tariff-free due to free trade agreements with Mexico.

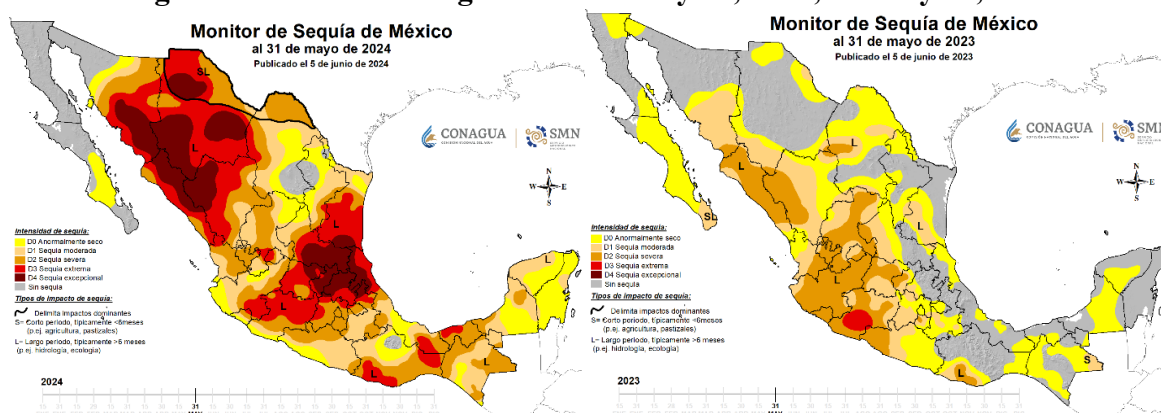
### Spring/Summer Corn

Post forecasts harvested area for MY 2024/2025 at 6.4 million hectares (HA), five percent higher year-on-year. Currently, Mexico’s spring/summer corn planting is taking place in the Bajío region (Jalisco, Guanajuato, Michoacán), State of Mexico, Guerrero, Puebla, and Chihuahua. For the spring/summer corn cycle, producer expectations are for La Niña conditions to bring more average precipitation, particularly in the Bajío region (Jalisco, Guanajuato, Michoacán) and central states of Mexico, whose spring/summer corn production is primarily rainfed.

As of May 31, the Bajío region planting is nearly 30 percent complete. Nearly 90 percent of Michoacán is under drought conditions, improved from 99 percent the same time last year. Despite the drought conditions, farmers started planting with hopes that the incoming rainy season, which brings more precipitation from June to September, will provide them relief. Planting in Guanajuato and Jalisco are delayed due to late rainfalls which leaves minimal ground moisture to start planting. These states are expected to start planting in the coming weeks. In Chihuahua, planting is nearly 90 percent complete. Over 80 percent of the corn production in Chihuahua is yellow corn and irrigated with water drawn from aquifers.

In previous weeks, federal and state authorities announced the implementation of cloud seeding in states with severe drought conditions to stimulate precipitation. In May 2024, the federal government started cloud seeding in Michoacán, the second-largest spring/summer corn producing state. In addition, the state government of Sinaloa announced that it will start cloud seeding around June 2024 to increase dam levels for agricultural production. Although not expected to change corn production levels, the programs may stimulate some rain production.

**Figure 3. Mexico’s Drought Monitor May 31, 2024, vs. May 31, 2023**

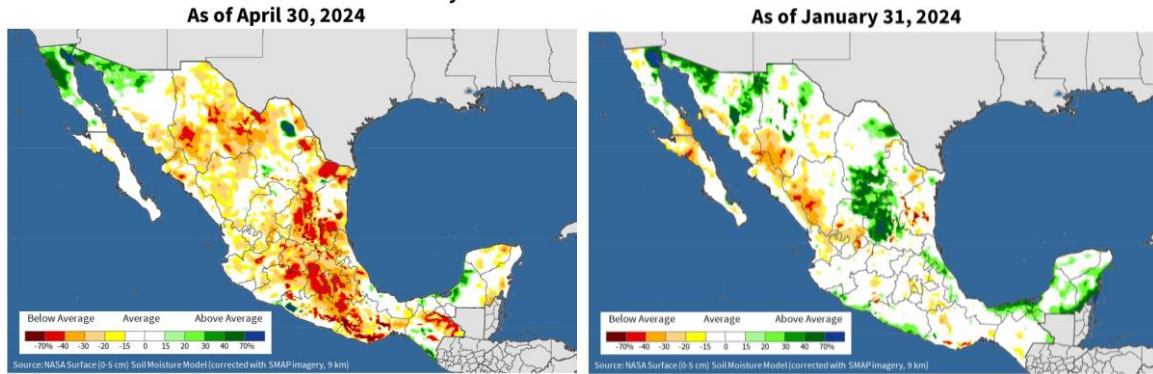


Source: National Water Commission

According to the National Water Commission (CONAGUA), average precipitation is expected throughout Mexico from June through November and there is a strong potential for hurricanes on the

Pacific and Gulf coasts. The 2024 tropical cyclone and rainy season started on May 15 in the Pacific Ocean and June 1 in the Atlantic Ocean and goes through November 30. Mexico’s soil moisture levels are currently worse compared to last year for a significant amount of spring/summer corn planted area, however, CONAGUA expectations for the incoming rainy season may alleviate soil dryness.

**Figure 4. 2024 Mexico Surface Soil Moisture Anomaly April 30, 2024 vs. January 31, 2024**

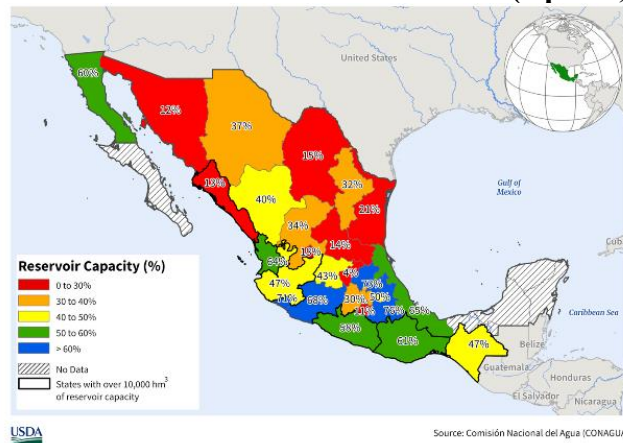


Source: USDA FAS International Production Assessment Division (IPAD) with data from National Aeronautics and Space Administration (NASA)

*Fall/Winter Corn*

SIAP data estimates higher planted area in Sinaloa for the 2024/2025 fall/winter corn production. Sources indicate that planted area could be slightly higher than the previous year. However, planted area is not expected to reach average levels due low dam levels. Permits for irrigated corn for the fall/winter cycle in Sinaloa hinge mainly on the restoration of water levels in Sinaloa’s dams. Despite the potential for yearly hurricanes to help restore dam levels, dams are expected to take time to recover from the previous cycle’s historically low levels. Permit decisions for irrigated corn planted area will be determined by the State Plant Health Committee of the State of Sinaloa (Spanish acronym CESAVESIN) in September 2024.

**Figure 5. Mexico: Reservoir Water Levels (April 8, 2024)**



Source: International Production Assessment Division (IPAD) with data from the National Water Commission (CONAGUA)

## *MY 2023/2024*

Post adjusts downward its estimated production for MY 2023/2024 to 22.7 MMT, a 19 percent decrease year-on-year. The reduced estimate is reflected in official Secretariat of Agriculture and Rural Development (SADER) data which shows lower planted and harvested areas. Drought conditions and heat waves resulted in crop damage and lower yields in corn-producing regions across the country.

### *Spring/Summer Corn*

According to SIAP, the spring/summer cycle produced 17.4 MMT of corn, a ten percent yearly decline. The cycle yielded approximately 14.8 MMT of white corn and 2.6 MMT of yellow corn. White and yellow corn production are reported eight percent and 12 percent lower year on year, respectively. Drought conditions across the country caused damage to nine percent of planted area, or nearly 515,334 HA. Significant losses were seen in Michoacán (91,564 HA), Guanajuato (65,468 HA), Chihuahua (56,191 HA), and Jalisco (26,701 HA).

### *Fall/Winter Corn*

The fall/winter corn harvest is nearly complete. Planted area reached 883,475 HA, a 19 percent yearly decline due to drought conditions and lower reservoir levels. Sinaloa accounts for nearly 70 percent of total winter corn production on average. Due to lower water availability, Sinaloa's planted area decreased to 258,548 HA, a 40 percent decline year-on-year. Sinaloa's harvest is expected to finish in late June 2024. Due to the reduction of irrigation cycles in planted areas, farmers report lower yields compared to the previous year, ranging from six to nine percent less year-on-year. The grain quality is reported as good, despite lower yields.

Precipitation in the highlands of Sinaloa's neighboring states, such as Chihuahua and Durango, declined year-on-year, which reduced water levels of the rivers that cross Sinaloa and feed into the state's dams. In late October 2023, Hurricane Norma brought beneficial rainfall that enabled farmers to start corn planting. However, in the following months, Sinaloa's dam levels decreased to a record-low of 20 percent, which forced authorities to further reduce irrigation volumes in reduced planted area.

Virtually all fall/winter corn planted area in Sinaloa is irrigated. Over 90 percent of the irrigated area is through gravity irrigation, where tubes are placed in the irrigation ditches and water flows into the field.

**Figure 6. Gravity Irrigation and Corn Production in Culiacán on March 19, 2024**



Source: FAS Crop Travel

Eight percent of irrigated area employs drip irrigation, which is more efficient than gravity irrigation but requires a larger investment from farmers due to higher maintenance and labor costs. A small amount of corn is irrigated through pivot irrigation.

Relatively low local corn prices and a persistently strong domestic currency compared to the U.S. dollar limited earnings for producers during the current marketing year. In Sinaloa, the average price per ton of corn decreased by 28 percent year-on-year to 4,300 pesos (USD 257) in May 2024 from 5,900 pesos (USD 353) in May 2023. The exchange rate declined from 17.83 to 16.68 pesos per USD in the same period, a six percent yearly decrease.

On June 12, SADER published [a white corn support price](#) for the fall/winter cycle at 5,257 pesos per ton (USD 307). The government will contribute 950 pesos (USD 56) to small, medium, and large-sized farmers growing winter season white corn on top of the market price. The subsidy applies to white corn production planted in fall 2023 and early 2024 and harvested between May 2024 and July 2024 in the following states: Baja California, Baja California Sur, Jalisco, Michoacán, Nayarit, Sinaloa, Sonora, and Tamaulipas. Unlike previous price support programs in recent years, this program is open to medium and large-scale farmers.

## **Trade**

Post forecasts corn imports for MY 2024/2025 at 22.2 MMT, one percent higher than the previous year. Steady growth in the animal feed sector, an overall decline in domestic production in MY 2023/2024, and forecast lower-than-average production in MY 2024/2025 are expected to support increased imports.

In MY 2023/2024, Mexico's corn imports are estimated at 22.0 MMT, 14 percent higher year-on-year and the highest level on record, to compensate for lower domestic production and to meet the rising demand from the animal feed industry. According to SIAP, from October 2023 to April 2024, nearly 99 percent of Mexico's corn imports were yellow corn.

Mexico's corn exports are forecast at 30,000 MT for MY 2024/2025, unchanged from the previous year based on expectations to prioritize white corn for the domestic market. The ban on genetically engineered corn uses in the tortilla sector, and Mexico's ban on genetically engineered (GE) corn production, is expected to maintain a domestic demand for Mexican grown corn. Additionally, expectations for less than average production levels are expected to temper corn exports.

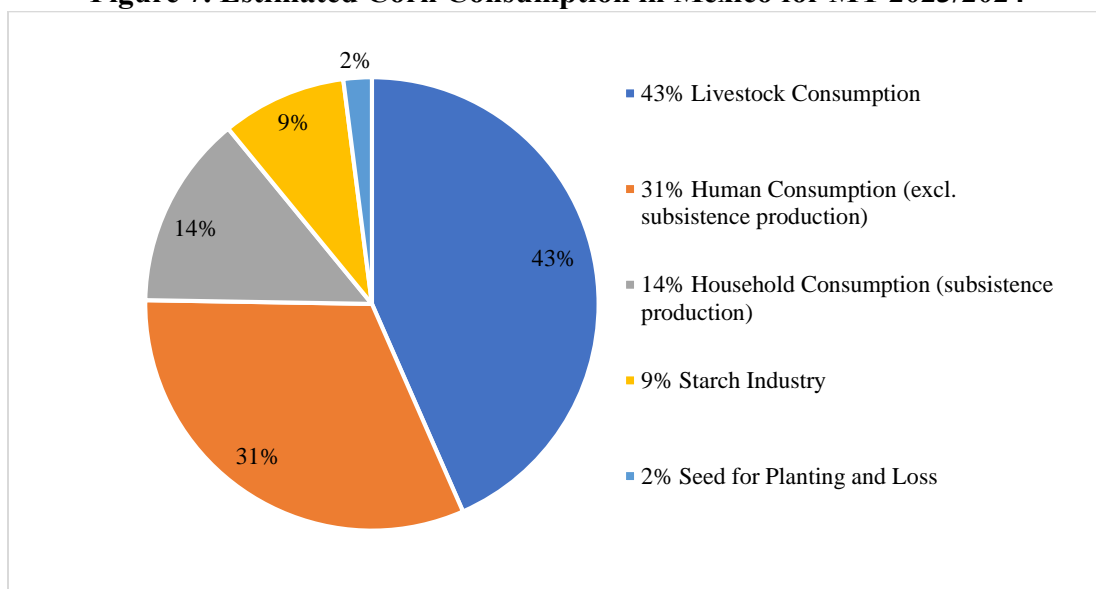
Exports for MY 2023/2024 are revised downward to 30,000 MT due to lower domestic production and GE-free domestic white corn demand. From October 2023 to March 2024, Mexico's corn exports were 8,628 MT, a 66 percent decrease from the previous year.

### Consumption

Corn consumption is forecast at 47.3 MMT in MY 2024/2025, an increase of one percent compared to the previous marketing year, driven by growth in the animal feed sector. Due to continued inflationary pressures and high tortilla prices, human consumption is forecast to remain stable. Corn tortillas are an essential staple in the Mexican diet, with a per capita consumption of roughly 85 kilograms (187.4 pounds). From December 2018 through May 2024, tortilla prices increased by 58 percent. The main factors driving up tortilla prices are higher costs for transportation, labor, diesel, electricity, and other inputs, as well as insecurity.

In MY 2023/2024, corn consumption is estimated at 46.8 MMT, of which roughly 22.7 MMT is covered by domestic production. Consumption of yellow corn by the livestock sector and the corn starch industry is estimated at 22.5 MMT, of which about 89 percent is supplied by imports.

**Figure 7. Estimated Corn Consumption in Mexico for MY 2023/2024**



Source: National Agri-Food Statistics Agency (SIAP)

### Stocks

Post forecast MY 2024/2025 corn ending stocks at 2.3 MMT, a five percent decline year-on-year, based on estimated higher consumption.



According to Post sources, Sinaloa currently stores roughly 1.5 MMT of corn from MY 2022/2023 in warehouses and farms across the state. Out of this amount, state-level authorities currently hold nearly 0.4 MMT of corn for strategic food reserves, the food security body *Seguridad Alimentaria Mexicana* (SEGALMEX) holds nearly 0.8 MMT in private warehouses, and local farmers currently store about 0.3 MMT intending to sell upon an increase in local corn prices. The stored corn combined with winter corn harvested between May and July will likely increase corn sales and distribution during the summer of 2024.

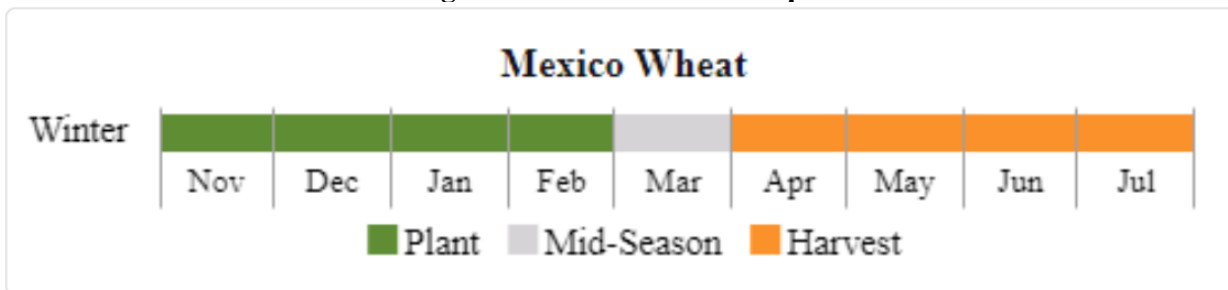
## WHEAT

**Table 2. 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						
<b>Area Harvested</b> (1000 HA)	588	588	500	470	560	470
<b>Beginning Stocks</b> (1000 MT)	514	514	746	707	446	107
<b>Production</b> (1000 MT)	3611	3572	3100	2700	3400	2800
<b>MY Imports</b> (1000 MT)	5221	5221	5200	5200	5400	5700
<b>TY Imports</b> (1000 MT)	5221	5221	5200	5200	5400	5700
<b>TY Imp. from U.S.</b> (1000 MT)	3610	3610	0	0	0	0
<b>Total Supply</b> (1000 MT)	9346	9307	9046	8607	9246	8607
<b>MY Exports</b> (1000 MT)	800	800	900	800	800	600
<b>TY Exports</b> (1000 MT)	800	800	900	800	800	600
<b>Feed and Residual</b> (1000 MT)	300	300	200	200	200	200
<b>FSI Consumption</b> (1000 MT)	7500	7500	7500	7500	7600	7600
<b>Total Consumption</b> (1000 MT)	7800	7800	7700	7700	7800	7800
<b>Ending Stocks</b> (1000 MT)	746	707	446	107	646	207
<b>Total Distribution</b> (1000 MT)	9346	9307	9046	8607	9246	8607
<b>Yield</b> (MT/HA)	6.1412	6.0748	6.2	5.7447	6.0714	5.9574

(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

**Figure 8. Mexico Wheat Crop Calendar**



### Production

#### MY 2024/2025

Post forecasts Mexico's MY 2024/2025 (July – June) wheat production at 2.8 MMT, a four percent yearly increase. According to SIAP, planting intentions are currently lower compared to last year. However, based on CONAGUA's forecasts for higher precipitation from June 2024 through September 2024 and hurricane season, producers are hopeful for a partial restoration of water levels in reservoirs in Sonora and Sinaloa. Despite the four percent increase in forecast production for MY 2024/2025, the figure is the second lowest in the last twenty years due to continued drought conditions.

The fall/winter wheat cycle accounts for nearly 96 percent of total production and planting is expected to take place from November 2024 through February 2025. SIAP estimates lower planted area compared to the previous year, based on reduced planted area in Sonora, the largest wheat producing state. However, sources indicate that planted area is expected to increase from current expectations based on producer

expectations for higher local prices. The Sonora State Plant Health Committee (Spanish acronym CESAVE) is due to publish authorized irrigated areas in September 2024.

Mexico's spring/summer wheat planting is expected to take place from June through August across the country. This cycle is mostly rainfed and accounts for four percent of total wheat production on average.

#### *MY 2023/2024*

Harvested area for the fall/winter cycle is estimated at roughly 414,000 HA, 18 percent lower than the previous year based on lower dam levels in Sonora and Sinaloa, states that make up 65 percent of domestic wheat production on average. According to official data, as of April 2024, Sonora planted 248,122 HA, a seven percent decline year-on-year based on drought conditions. Durum wheat (mainly the CIRNO C2008 variety) accounts for roughly 75 percent of the planted area in Sonora, with the remaining 25 percent of Sonora wheat area planted with bread wheat (primarily Borlaug-100 variety). Due to lower water availability from dams (20 percent lower than the previous year), state authorities only authorized three irrigation cycles. Sources indicate that lower irrigation levels, coupled with higher average temperatures, could result in yield decreasing to roughly 6.0 MT per hectare (MT/HA), a 21 percent decrease year-on-year.

In Guanajuato, planted area declined by 23 percent. Irrigation for wheat in this state is mainly sourced from local aquifers, which are under pressure from higher extraction rates, due to lower water availability in dams. Roughly 78 percent of Guanajuato's production is expected to be bread wheat and 22 percent durum wheat. Farmers report yields of 5.0 MT/HA on average, a 26 percent yearly decline due to lower irrigation and high average temperatures. In Sinaloa, the wheat planted area was 31 percent lower year-on-year based on reduced water availability in local dams. In Baja California, the planted area was 16 percent lower year-on-year and average yield is estimated to decrease by ten percent from previous year. Jalisco considerably decreased planted area from 22,004 HA to 2,432 HA due to the conversion of cropland from wheat to agave and berries. On the other hand, Chihuahua increased planted area by 38 percent from the previous year, and harvest is estimated to occur in July.

Nearly all wheat-producing states reduced planted area due to lower water availability. Most states favored bread wheat over durum wheat planted area while Sonora maintained a preference for durum wheat. In Sinaloa, farmers switched from durum wheat to bread wheat due to higher policy support through the Guaranteed Prices Program. The federal guaranteed price for bread wheat is roughly 45 percent higher than the local price for this crop. 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 bread wheat producers of up to 50 HA or 300 MT. With regards to durum wheat, on May 20, the government announced a minimum price of USD 300 or 5,000 pesos per ton for wheat farmers in northeastern states (Sinaloa, Sonora, and Baja California). Despite these guaranteed prices, sources indicate that reduced water availability caused by prolonged drought and the absence of government measures to manage water sources was the key factor that reduced wheat yields and production in MY 2023/2024. In addition, producers faced higher input prices, especially fuel, electricity, and labor.

## **Trade**

FAS Mexico forecasts wheat imports for MY 2024/2025 at 5.7 MMT, ten percent higher than previous year based on lower estimated production of bread wheat. An estimated decline in production in MY 2023/2024 is likely to increase imports in the forecast year.

Wheat imports for MY 2023/2024 are estimated at 5.2 MMT, virtually unchanged from the previous year. Mexico is estimated to import nearly 70 percent of wheat in the marketing year from the United States. In the previous year, the United States held over 90 percent of the market share. However, in the current marketing year, Russia and Canada emerged as stronger competitors. Russia's wheat was price competitive due to the removal of tariffs under the Presidential Inflation Decree (see policy section). Canada's wheat supplied a niche protein that importers seek for flour blending. Therefore, the United States lost market share for wheat despite its closer proximity and tariff advantage.

Mexico's wheat exports for MY 2024/2025 are forecast downward at 600,000 MT, a 25 percent yearly decrease based on estimated lower production of durum wheat. Algeria is the main export market for Mexico's durum wheat, while Guatemala, Venezuela, and France are other destinations for durum wheat during the summer season.

Exports for MY 2023/2024 are estimated at 800,000 MT, virtually unchanged from previous year based on lower durum wheat production.

## **Consumption**

Post forecasts total wheat consumption for MY 2024/2025 at 7.8 MMT, a one percent increase year-on-year based on population growth. According to the National Chamber for Wheat Millers (CANIMOLT), Mexico's per capita consumption of bread is estimated at 44 kilograms (97 pounds) in calendar year (CY) 2024, stable from previous years.

Mexico's wheat milling capacity is currently 10.7 MMT, consisting of 90 wheat mills, after four mills closed and a few increased their capacity. The wheat flour sector uses about 70 percent of installed capacity, with 7.3 MMT of wheat transformed into 5.5 MMT of wheat flour and semolina in 2023.

## **Stocks**

Stocks are forecast at 207,000 MT in MY 2024/2025, a 93 percent yearly increase based on forecast higher production and lower exports.

## RICE

**Table 3. 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	32	35	35
Beginning Stocks (1000 MT)	143	143	88	88	78	108
Milled Production (1000 MT)	143	143	150	145	160	160
Rough Production (1000 MT)	208	208	218	211	233	233
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	6870	6870
MY Imports (1000 MT)	781	781	825	860	840	840
TY Imports (1000 MT)	728	728	825	860	840	840
TY Imp. From U.S. (1000 MT)	395	395	0	0	0	0
Total Supply (1000 MT)	1067	1067	1063	1093	1078	1108
MY Exports (1000 MT)	4	4	5	5	5	10
TY Exports (1000 MT)	5	5	5	5	5	10
Consumption and Residual (1000 MT)	975	975	980	980	990	990
Ending Stocks (1000 MT)	88	88	78	108	83	108
Total Distribution (1000 MT)	1067	1067	1063	1093	1078	1108
Yield (Rough) (MT/HA)	6.7097	6.7097	6.6061	6.5938	6.6571	6.6571

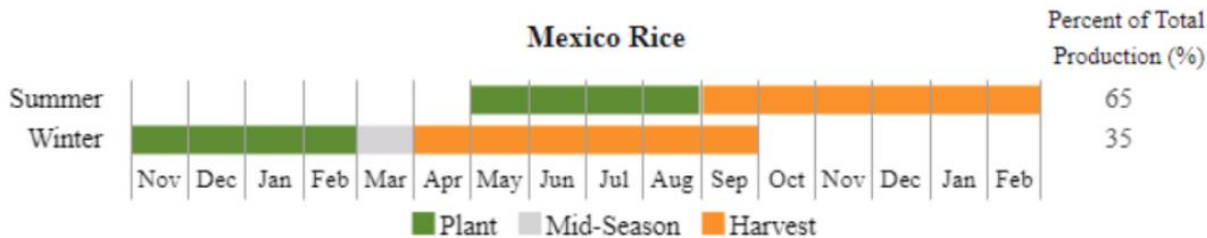
(1000 HA), (1000 MT), (MT/HA)

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

Note: This section assumes a milled rice basis unless otherwise noted.

**Figure 9. Rice Crop Calendar**



### Production

*MY 2024/2025*

FAS Mexico forecasts total rice production for MY 2024/2025 (October – September) at 160,000 MT of milled rice. The harvested area is forecast at 35,000 HA, nine percent higher than the previous year. SIAP data estimates a slightly higher planted area for MY 2024/2025. Farmers are expected to plant rice from June through August and are basing increased planting intentions on expectations for improved precipitation and aquifer levels in Nayarit, Veracruz, Michoacán, and Jalisco. However, higher input costs, constrained financing mechanisms, and lower land availability hinder substantial rice production growth.

## MY 2023/2024

FAS Mexico's rice production estimate for MY 2023/2024 is 145,000 MT, one percent higher than the previous year based on updated planting and harvest data.

### *Fall/Winter Rice*

Planted area for the fall/winter cycle was 8,348 HA, seven percent lower than previous year. The harvest is nearly 11 percent complete as of April 2024. The largest decrease was reported in Tamaulipas, where farmers decided not to plant rice due to continued drought conditions (670 HA were planted in the previous winter cycle). In addition, Nayarit decreased planted area by nine percent annually from 6,004 HA to 5,484 HA.

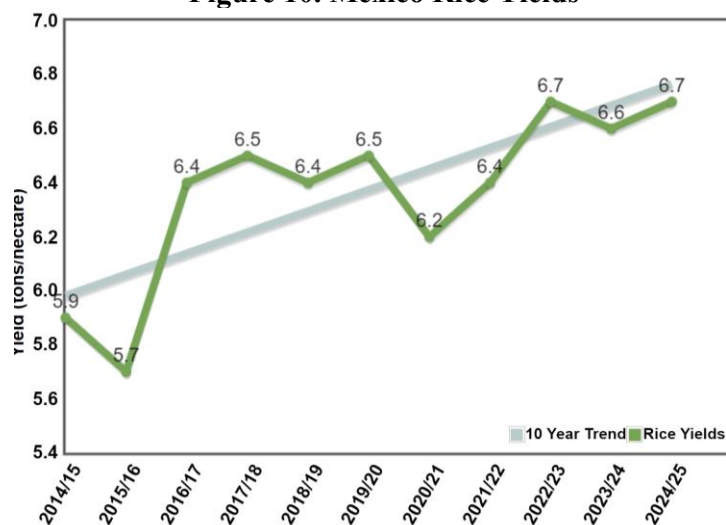
### *Spring/Summer Rice*

The harvested area for the spring/summer cycle was 22,593 HA, with a production of 105,512 MT, eight percent higher year-on-year. Yields reached 6.8 MT/HA and were 13 percent higher than the previous year. Roughly 73 percent of summer rice was irrigated with water sources either from local aquifers or dams.

### *Lower production and irregular yields*

In the last four years, continued drought conditions and lower water availability in reservoirs resulted in lower planted area and rice production. Between MY 2020/2021 to MY 2023/2024, rice planted area decreased by 35 percent from 48,450 HA to 31,640 HA. Production is estimated to decline by 26 percent in the same period, from 201,061 MT to 148,392 MT. Farmers increased irrigation during spring/summer cycles, but drought and heat conditions in 2023/2024 decreased average yields. It is expected that higher water use from local reservoirs for irrigation could limit water availability for irrigated rice in the coming years if drought conditions persist in rice production areas.

**Figure 10. Mexico Rice Yields**



Source: USDA FAS International Production Assessment Division (IPAD)

Government support programs for rice producers are aimed at maintaining farmers' financial stability rather than stimulating rice production growth. For 2024, the [Price Guarantee Program for Basic Food Products for rice](#) set a purchase price of 8,500 pesos (USD 510) for producers of up to eight HA or 80 MT of rice and 7,905 pesos (USD 475) for rice producers of up to 300 MT. As of January 2024, during the summer rice harvest, the average national price of rice purchased from farms was 5,700 pesos (USD 335). Therefore, guaranteed prices for small and medium rice producers were 49 and 39 percent higher than the average domestic price, respectively. Despite these support programs, sources indicate that the lack of government support to increase productivity (e.g. investment in agricultural irrigation infrastructure and machinery) and access to financing mechanisms prevents rice growers from increasing production.

## **Trade**

Post forecasts Mexico's rice imports for MY 2024/2025 at 840,000 MT, a two percent decline year-on-year based on forecast higher production and stable demand. Exports for MY 2024/2025 are estimated to increase to 10,000 MT due to forecast higher production. Due to price competitiveness and reliability, U.S. rice is expected to maintain the majority of market share for rough rice. However, importers also indicate that rice from Uruguay is likely to remain the main source of imported milled rice due to quality and favorable trade conditions.

### *MY 2023/2024*

Rice imports for MY 2023/2024 are estimated at 860,000 MT, ten percent higher year-on-year based on updated trade data. United States accounts for 91 percent of Mexico's rice imports from October 2023 through March 2024 based on stable and competitive prices of U.S. long grain rice compared to rice from South America. According to the Mexican Rice Council, in calendar year 2023, 80 percent of imported rice was rough rice, 16 percent long grain milled rice, and four percent milled rice of special grade (e.g. basmati, risotto).

## **Consumption**

FAS Mexico forecasts total consumption at 990,000 MT in MY 2024/2025, one percent higher than previous year based on current population growth. The Mexican Rice Council states that per capita consumption was 6.7 kilograms (14.8 pounds) per person in CY 2023.

## **Stocks**

Post forecasts ending stocks for MY 2024/25 at 108,000 MT, stable from the previous year based on forecast higher production and lower imports.

## SORGHUM

**Table 4. Mexico, Sorghum Production, Supply, and Distribution**

Sorghum 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)	1398	1398	1230	1230	1320	1320
Beginning Stocks (1000 MT)	303	303	270	270	124	129
Production (1000 MT)	4892	4892	4280	4100	4500	4500
MY Imports (1000 MT)	176	176	175	60	150	50
TY Imports (1000 MT)	176	176	175	60	150	50
TY Imp. from U.S. (1000 MT)	176	176	0	0	0	0
Total Supply (1000 MT)	5371	5371	4725	4430	4774	4679
MY Exports (1000 MT)	1	1	1	1	1	1
TY Exports (1000 MT)	1	1	1	1	1	1
Feed and Residual (1000 MT)	5000	5000	4500	4200	4500	4450
FSI Consumption (1000 MT)	100	100	100	100	100	100
Total Consumption (1000 MT)	5100	5100	4600	4300	4600	4550
Ending Stocks (1000 MT)	270	270	124	129	173	128
Total Distribution (1000 MT)	5371	5371	4725	4430	4774	4679
Yield (MT/HA)	3.4993	3.4993	3.4797	3.3333	3.4091	3.4091

(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

**Figure 11. Mexico Sorghum Crop Calendar**



### Production

#### MY 2024/2025

Post forecasts Mexico's MY 2024/2025 (October – September) sorghum production at 4.5 MMT, a ten percent increase year-on-year. According to SIAP, planted area is estimated higher than previous year based on forecast average precipitation and higher water availability in Tamaulipas, Guanajuato, and other producing states. Therefore, harvested area is forecast at 1.32 million HA, a seven percent yearly growth. Higher inputs costs (i.e. energy), lower local prices, and prolonged drought conditions are key factors for below-average sorghum production.

#### MY 2023/2024

#### Fall/Winter Sorghum

Sorghum production for 2023/2024 is estimated downward at 4.1 MMT, 16 percent lower than previous year based on drought conditions, including higher-than-average temperatures and lower precipitation,



in producing regions. Planted area for the fall/winter cycle was 880,619 HA, three percent lower than previous year. Due to continued drought conditions and higher than average temperatures, Tamaulipas reduced planted area and its yields are estimated to fall from 2.82 MT/HA in MY 2022/2023 to around 2.0 MT/HA in the current marketing year. This state accounts on average for 75 percent of winter sorghum production. In contrast, Sonora increased its planted area by 37 percent from previous year due to its lower water requirements compared to other crops, such as corn. In early June, the sorghum crop in northern Sinaloa was reported to be in good condition.

**Figure 12. Sorghum in Northern Sinaloa on June 3, 2024**



Source: FAS Crop Travel

### *Spring/Summer Sorghum*

The harvested area for the spring/summer cycle was 418,425 HA, 18 percent lower year-on-year, while production reached slightly over 2.0 MMT, a five percent yearly decline. Production was pulled down by Sinaloa, whose planted area decreased from 83,871 to 40,711 HA, due to lower precipitation and dam levels. Roughly 63 percent of summer sorghum is rainfed.

### **Trade**

FAS Mexico forecasts sorghum imports for MY 2024/2025 at 50,000 MT, 17 percent lower year-on-year, based on forecast higher production, with virtually all imports coming from the United States due to supply chain and tariff advantages. Sorghum imports were relatively low in the last decade and expected to remain at low levels based on sufficient domestic production and decreasing consumption due to the feed industry's current preference for yellow corn. Lower corn prices relative to sorghum are also expected to temper imports and consumption.

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.

Sorghum imports in MY 2023/2024 are estimated downward to 60,000 MT, 66 percent lower than previous year, based on updated trade data. Sources indicate that the animal feed industry favors yellow corn over sorghum as an energy source for their products based on price competitiveness.

### **Consumption**

For MY 2024/2025, total sorghum consumption is forecast to reach nearly 4.6 MMT, six 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 128,000 MT, one percent higher than the previous year based on forecast higher production.

## **POLICY (all grains)**

### **2024 General Elections**

On June 2, 2024, Mexico elected Claudia Sheinbaum from the Morena party for a six-year term presidency. The newly elected president will assume office on October 1, 2024. Morena and its allied parties also received a qualified majority (two thirds of the Chamber members) in the Lower Chamber and a simple majority (more than 50 percent) in the Senate. The new Congress will start the legislative period on September 1, 2024 through December 31, 2024. Members of the agricultural sector remain attentive to the newly elected government's policies that could impact their operations.

### **Mexico's 2024 Agricultural Budget Maintains Focus on Social Programs**

The 2024 federal government budget for 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.

### **General Law on Appropriate and Sustainable Food**

On April 17, 2024, the Government of Mexico published a law in the Mexico's Federal Register (*Diario Oficial*) to establish mandatory warning labeling for products containing genetically engineered ingredients, state sponsored granaries, and the use of the precautionary principle. According to the law, implementing regulations must be published in the Diario Oficial 180 days after the publication. In addition, federal and state legislation must be harmonized 360 days after publication of the law. Industry remains attentive to the bylaws that would define the general provisions included in this legislation. (See [GAIN MX2024-0023](#))

### **February 2023 Corn Decree**

On February 13, 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.

### **Presidential 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 MX2024-0004](#) 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.

## For More Information

Visit the FAS headquarters' home page at [www.fas.usda.gov](http://www.fas.usda.gov) for a complete selection of FAS worldwide agricultural reporting.

Report Number	Title	Dated
<a href="#">MX2024-0015</a>	Grain and Feed Annual	03/19/2024
<a href="#">MX2024-0005</a>	Grain and Feed Update	01/25/2024
<a href="#">MX2023-0045</a>	Grain and Feed Update	09/27/2023
<a href="#">MX2023-0032</a>	Grain and Feed Update	06/21/2023
<a href="#">Commodity Intelligence Report</a>	Mexico Corn Near-Average Production Expected	05/23/2023

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