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## **Mexico**

**Post:** Mexico City

## **Grain and Feed Update**

### **Grain and Feed January Update Mexico**

**Commodities:**

Wheat  
Corn  
Sorghum  
Rice, Milled

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**Report Highlights:**

Production for marketing year (MY) 2015/2016 is forecast to be down for wheat, sorghum and rice while the corn production forecast remains unchanged. Mexican sorghum production in particular has been plagued with a serious sugarcane aphid infestation resulting in reduced crop yields. MY 2015/2016 corn imports are projected to be slightly higher.

## Wheat

### Production

The Post/New MY2015/16 (July/June) wheat harvested area and production forecasts have been revised slightly downward from USDA/Official forecasts based on updated information from Mexico's Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Foodstuffs (SAGARPA) as of December 31, 2015.

### Stocks

The Post/New ending stocks estimate for MY2015/16 (555,000 MT) is lower than the USDA/Official estimate as a result of lower-than-expected production.

## Production, Supply and Demand Data Statistics

**Table 1: Mexico, Wheat Production, Supply and Demand for MY2013/14 to MY2015/16**

Wheat Market Begin Year Mexico	2013/2014		2014/2015		2015/2016	
	Jul 2013		Jul 2014		Jul 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	638	638	707	707	823	818
Beginning Stocks	275	275	316	316	495	495
Production	3377	3377	3687	3687	3780	3760
MY Imports	4636	4636	4446	4446	4400	4400
TY Imports	4636	4636	4446	4446	4400	4400
TY Imp. from U.S.	3156	3156	3065	3065	0	3250
Total Supply	8288	8288	8449	8449	8675	8655
MY Exports	1322	1322	1104	1104	1100	1100
TY Exports	1322	1322	1104	1104	1100	1100
Feed and Residual	350	350	400	400	400	400
FSI Consumption	6300	6300	6450	6450	6600	6600
Total Consumption	6650	6650	6850	6850	7000	7000
Ending Stocks	316	316	495	495	575	555
Total Distribution	8288	8288	8449	8449	8675	8655

(1000 HA) ,(1000 MT)

## Sorghum

### Production

FAS/Mexico has lowered the total sorghum production and harvested area estimates for MY 2015/16 due to the severe infestation of the sugarcane aphid (SCA) in Guanajuato, the second most important producer state in the country (see 2015 GAIN report [MX5042](#) Grain and Feed October Update Mexico). According to official sources, Guanajuato's sorghum production was reduced by at least 43 percent from the initial production estimate of the 2015 Spring/Summer crop cycle (1.5 MMT). These sources stated that the SCA infestation produced a reduction in crop yields, harvest efficiency reduction, and in some areas severe crop losses. Guanajuato alone accounts for approximately 36 percent of Mexico's spring/summer crop cycle. Similarly, FAS/Mexico has decreased the estimates for harvested area based on the most recent data from SAGARPA.

## Consumption

For MY2015/16, the sorghum total consumption estimate has also been revised downward compared to the USDA/Official figure, based on information from private sources who expect the livestock sector to see sorghum prices as less attractive in this marketing year. These contacts estimate that the lower domestic production than was previously anticipated would increase domestic sorghum prices further and magnify a decrease in demand for animal feed.

## Stocks

The Post/New estimated ending stocks for MY 2015/16 have been lowered in response to reduced production.

## Production, Supply and Demand Data Statistics:

**Table 2: Mexico, Sorghum Production, Supply and Demand for MY2013/14 to MY2015/16**

Sorghum Market Begin Year Mexico	2013/2014		2014/2015		2015/2016	
	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2073	2073	1715	1715	1800	1700
Beginning Stocks	285	285	647	647	338	338
Production	8500	8500	6270	6270	7150	6600
MY Imports	162	162	29	29	500	500
TY Imports	162	162	29	29	500	500
TY Imp. from U.S.	162	162	29	29	0	500
Total Supply	8947	8947	6946	6946	7988	7438
MY Exports	0	0	8	8	0	0
TY Exports	0	0	8	8	0	0
Feed and Residual	8200	8200	6500	6500	7500	7100
FSI Consumption	100	100	100	100	100	100
Total Consumption	8300	8300	6600	6600	7600	7200
Ending Stocks	647	647	338	338	388	238
Total Distribution	8947	8947	6946	6946	7988	7438

(1000 HA) ,(1000 MT)

## Corn

### Production

The Post/New corn production and area harvested estimates for MY 2015/16 (October to September) have remained unchanged, based on updated official data from SAGARPA.

Despite media reports that stated Sinaloa's corn production was negatively impacted by cooler weather registered in late December 2015, official sources stated that the damages were not significant. Officials stated that the negatively affected areas represented a very low percentage in relation to the total area planted. For example, the area affected in Sinaloa by the cooler weather was estimated to cover approximately 14,000 hectares in the 2015/16 fall/winter crop production cycle. However, that affected area encompassed partial damages that occurred not only to corn but also to planted areas of dry beans, potatoes, and some vegetables. In addition, it is estimated that Sinaloa corn growers would plant approximately 488,000 hectares in the 2015/16 fall/winter crop cycle. Sinaloa continues to be the main source of commercial white corn production in Mexico for the fall/winter crop cycle, representing

approximately 70 percent of total fall/winter crop production.

### Trade

The Post/New total corn import estimate for MY 2015/16 has been revised slightly upward from USDA/Official data to 11.3 MMT. Private and official sources stated that Mexican feed grain importers have opted to import higher levels of feed corn instead of sorghum, as the price difference has continued to be more favorable to corn in the last few months. Moreover, it is expected this trend will continue for the rest of the marketing year. Similarly, other key corn importers, such as starch companies, have argued that due to the reduced domestic supply as well as the excess of humidity on much of the domestic yellow corn crop, they would rather import US yellow corn during the rest of this marketing year.

### Consumption

The Post/New total corn domestic feed consumption estimate for MY 2015/16 has been revised upward from USDA/Official data, based on current industry information which reflects the substitution from sorghum to corn for the livestock sector during this marketing year. The livestock sector, mainly poultry and hog production, consume corn primarily in the form of mixtures and feed concentrates. Private sources stated that the expectation of continued low corn prices compared to alternative feed stuffs should encourage more corn use in livestock feed rations. Additionally, feed consumption is expected to shift from sorghum to corn due to the lower-than-previously estimated domestic sorghum production.

### Stocks

In comparison with the USDA/Official estimate, the Post/New ending stock estimate for MY 2015/16 is slightly lower at 3,309 MMT, due to higher than previously estimate domestic consumption.

### Production, Supply and Demand Data Statistics

**Table 3: Mexico, Corn Production, Supply and Demand for MY2013/14 to MY2015/16**

Corn Market Begin Year Mexico	2013/2014		2014/2015		2015/2016	
	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7052	7052	7325	7325	7000	7000
Beginning Stocks	1061	1061	2694	2694	4209	4209
Production	22880	22880	25480	25480	23500	23500
MY Imports	10954	10954	11269	11269	11000	11300
TY Imports	10954	10954	11269	11269	11000	11300
TY Imp. from U.S.	10912	10912	11168	11168	0	11200
Total Supply	34895	34895	39443	39443	38709	39009
MY Exports	501	501	784	784	1000	1000
TY Exports	501	501	784	784	1000	1000
Feed and Residual	15200	15200	17700	17700	17500	17900
FSI Consumption	16500	16500	16750	16750	16800	16800
Total Consumption	31700	31700	34450	34450	34300	34700
Ending Stocks	2694	2694	4209	4209	3409	3309
Total Distribution	34895	34895	39443	39443	38709	39009

(1000 HA) ,(1000 MT)

## Rice

### Production

The Post/New total rice production estimate for MY 2015/16 (October to September) has been revised slightly downward from USDA/Official estimates to 195,000 MT (rough production) reflecting the most recent data from SAGARPA as of December 31, 2015. The decrease in rough rice production is equivalent to 134,000 MT of milled rice. Official sources indicated that rice output was mainly decreased due to lower-than-expected harvested area in the state of Tabasco. Reportedly, the adverse weather conditions caused by a cold front in December, 2015 damaged approximately 1,000 hectares of Tabasco's rice planted area for the 2015 spring/summer crop cycle.

### Stocks

As a result of new domestic production information, the Post/New MY 2015/16 ending stocks estimate has been decreased to 113,000 MT from the USDA/Official estimate..

### Production, Supply and Demand Data Statistics

**Table 4: Mexico, Rice Production, Supply and Demand for MY2013/14 to MY2015/16**

Rice, Milled Market Begin Year Mexico	2013/2014		2014/2015		2015/2016	
	Oct 2013		Oct 2014		Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	35	35	44	44	34	33
Beginning Stocks	189	189	151	151	152	152
Milled Production	131	131	179	179	135	134
Rough Production	191	191	261	261	197	195
Milling Rate (.9999)	6870	6870	6870	6870	6870	6870
MY Imports	693	693	698	698	700	700
TY Imports	658	658	700	700	700	700
TY Imp. from U.S.	535	535	0	619	0	630
Total Supply	1013	1013	1028	1028	987	986
MY Exports	2	2	2	2	3	3
TY Exports	2	2	2	2	5	5
Consumption and Residual	860	860	874	874	870	870
Ending Stocks	151	151	152	152	114	113
Total Distribution	1013	1013	1028	1028	987	986

(1000 HA) ,(1000 MT)

### Author Defined:

### For More Information:

FAS/Mexico Web Site: We are available at [www.mexico-usda.com.mx](http://www.mexico-usda.com.mx) or 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.

### Other Relevant Reports Submitted by FAS/Mexico

Report Number	Title of Report	Date Submitted
<a href="#">MX5042</a>	Grain and Feed October Update Mexico	10/21/2015
<a href="#">MX5029</a>	Grain and Feed July Update Mexico	07/21/2015
<a href="#">MX5011</a>	2015 Grain and Feed Annual Mexico	03/18/2015

<a href="#">MX5001</a>	Grain and Feed January Update Mexico	01/15/2015
<a href="#">MX4073</a>	Grain and Feed October Update Mexico	10/17/2014
<a href="#">MX4059</a>	Grain and Feed July Update	07/31/2014
<a href="#">MX4020</a>	2014 Grain and Feed Annual	03/14/2014