

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Mexico

### Grain and Feed Update

#### Corn Production Lower than Expected, Rice Higher

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**Report Highlights:**

The MY 2018/19 corn production estimate has been revised downward due to lower harvested area, while rice production is expected to be higher than previously estimated due to greater harvested area. There was no change to wheat estimates.

**Commodities:**

Corn

Rice, Milled

Sorghum

Wheat

**EXECUTIVE SUMMARY**

The MY 2018/19 corn production estimate has been revised downward slightly from the official USDA/Official estimate, based on more complete figures from the Secretariat of Agriculture and Rural Development (SADER). Lower than expected harvested area and irregular rain patterns drove the decrease. The rice production estimate for MY 2018/19 has been adjusted upward approximately 12 percent as a result of higher than previously estimated area.

The sorghum import estimate for MY 2017/18 was revised downward to 98,000 metric tons (MT), reflecting final data from the Global Trade Atlas (GTA). There are no changes to the existing wheat estimates.

**CORN****Production, Supply and Demand Data Statistics: Table 1: Mexico, Corn Production, Supply, and Demand for MY 2016/17 to MY 2018/19**

Corn Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7509	7509	7320	7322	7200	7050
Beginning Stocks	5159	5159	5409	5409	5730	5849
Production	27575	27575	27450	27569	26000	25750
MY Imports	14614	14614	16129	16129	16700	16700
TY Imports	14614	14614	16129	16129	16700	16700
TY Imp. from U.S.	14314	14314	15525	15525	0	16200
Total Supply	47348	47348	48988	49107	48430	48299
MY Exports	1539	1539	958	958	1300	1300
TY Exports	1539	1539	958	958	1300	1300
Feed and Residual	22500	22500	24300	24300	25500	25500
FSI Consumption	17900	17900	18000	18000	18200	18200
Total Consumption	40400	40400	42300	42300	43700	43700
Ending Stocks	5409	5409	5730	5849	3430	3299
Total Distribution	47348	47348	48988	49107	48430	48299
Yield	3.6723	3.6723	3.75	3.7652	3.6111	3.6525

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

## **Production**

FAS/Mexico has revised the estimate of corn production slightly upward for MY 2017/18 (October-September), an increase of 119,000 metric tons (MT) from the official USDA estimate based on preliminary final official figures issued by Mexico's Secretariat of Agriculture and Rural Development (SADER). This increase reflects slightly higher area harvested than previously estimated.

Similarly, FAS/Mexico revised the total corn production estimate for MY 2018/19 downward from USDA/Official to 25.75 MMT due to more complete figures from SADER. Official sources stated the rainy period was unseasonal and irregular, which adversely affected yields. Additionally, planted area was lower than initially anticipated in the 2018 spring/summer crop cycle. Sources stated that irregular rains in November prevented farmers from harvesting the grain on time in states such as Chiapas, the State of Mexico, and Puebla, among others, which reduced the expected yields.

(NOTE: It should be noted that as of December 2, 2018, the new administration changed the name of the agriculture ministry from Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food – SAGARPA – to Secretariat of Agriculture and Rural Development – SADER.)

## **Stocks**

The FAS/Mexico ending stock estimate for MY 2017/18 has been revised upward to 5.84 MMT from the USDA/Official estimate, due to higher than previously estimated production. This is reflected in the upward adjustment to the MY 2018/19 carry-over. Ending stocks for MY 2018/19 are estimated to be higher, based on higher production.

## SORGHUM

### Production, Supply and Demand Data Statistics: Table 2: Mexico, Sorghum Production, Supply, and Demand for MY 2016/17 to MY 2018/19

Sorghum Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1465	1465	1350	1350	1350	1350
Beginning Stocks	286	286	172	172	137	115
Production	4638	4638	4545	4545	4600	4600
MY Imports	548	548	120	98	500	500
TY Imports	548	548	120	98	500	500
TY Imp. from U.S.	548	548	98	98	0	500
Total Supply	5472	5472	4837	4815	5237	5215
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	5200	5200	4600	4600	4900	4900
FSI Consumption	100	100	100	100	100	100
Total Consumption	5300	5300	4700	4700	5000	5000
Ending Stocks	172	172	137	115	237	215
Total Distribution	5472	5472	4837	4815	5237	5215
Yield	3.1659	3.1659	3.3667	3.3667	3.4074	3.4074

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

### Trade

FAS/Mexico revised the import figure for MY 2017/18 downward to 98,000 MT, reflecting final official data. Private sources stated that the bearish demand for feed consumption was due to the volatility and high international prices for sorghum. As result, the animal feed sector preferred to consume imported yellow corn, mainly from the United States. The sources noted that this trend could reverse slightly, assuming affordable international sorghum prices in the current MY 2018/19.

### Stocks

Post's ending stock estimate for MY 2017/18 has been revised downward to 115,000 MT from the USDA/Official estimate, due to lower than previously estimated imports. This was reflected in the carry-over for MY 2018/19, which was also adjusted downward.

## RICE

**Production, Supply and Demand Data Statistics: Table 4: Mexico, Rice Production, Supply, and Demand for MY 2016/17 to MY 2018/19**

Rice, Milled Market Begin Year	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	40	40	41	40	40	45
Beginning Stocks	127	127	172	172	190	186
Milled Production	175	175	183	179	178	199
Rough Production	255	255	266	261	259	290
Milling Rate (.9999)	6870	6870	6870	6870	6870	6870
MY Imports	870	870	850	850	880	880
TY Imports	910	910	850	850	880	880
TY Imp. from U.S.	671	671	0	705	0	710
Total Supply	1172	1172	1205	1201	1248	1265
MY Exports	85	85	95	95	90	90
TY Exports	90	90	95	95	90	90
Consumption and Residual	915	915	920	920	940	940
Ending Stocks	172	172	190	186	218	235
Total Distribution	1172	1172	1205	1201	1248	1265
Yield (Rough)	6.375	6.375	6.4878	6.525	6.475	6.4444

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

### Production

Post's rice production estimate for MY 2018/19 (October/September) have increased from the USDA/Official estimates to 290,000 MT (rough production), reflecting the most recent data from SADER as of October 31, 2018. The new rough rice production estimate is equivalent to 199,000 MT of milled rice. According to official sources, higher than expected planted area and favorable weather conditions in the main producing states, such as Campeche and Nayarit, have favorably influenced yields and consequently resulted in higher expected production. Official sources estimate that yields could reach 6.4 MT/Ha in this marketing year.

Post's total rice production for MY 2017/18 has been revised slightly downward to 261,000 MT from the USDA/Official estimate, based on preliminary final figures from SADER and reflecting slightly lower than expected harvested area. Post's new estimate includes the preliminary final official figures for both the 2017 spring/summer and the 2017/18 fall/winter crop cycles. This level of rough rice production is equivalent to 179,000 MT of milled rice.

### Stocks

Based on the revised production levels, the MY 2018/19 and MY 2017/18 ending stocks estimates have been increased and decreased, respectively, from the USDA/Official estimate.

## 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.

Report Number	Title of Report	Date Submitted
<a href="#">MX8047</a>	Rice and Sorghum Production Revised Downward as Lower Sorghum Imports Expected	9/17/2018
<a href="#">MX8024</a>	Lower Wheat and Rice Crops, Average Sorghum Trade Expected	5/25/2018
<a href="#">MX8010</a>	Slight Changes in Production as Grain Imports Continue Upward Trend	3/7/218
<a href="#">MX8002</a>	Corn, rice, and Sorghum Estimates Increased Slightly	1/18/2018
<a href="#">MX7031</a>	Slight Bump in corn Production, Smaller Wheat Harvest	9/14/2017
<a href="#">MX7024</a>	Mexico Expects Strong Corn Crop Due to Favorable Weather	6/15/2017
<a href="#">MX7007</a>	Average Production Expected as Consumption Growth Slows	3/14/2017