

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Mexico

**Post:** Mexico

### Grain and Feed Update for May

**Report Categories:**

Grain and Feed

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**Report Highlights:**

The total corn production estimate for MY 2009/10 has been revised downward to 20.35 million metric tons (MMT) based on updated official data. Sorghum and wheat production have all been revised downward according to official data, but rice production was revised upward slightly. Meanwhile, the total sorghum import estimate for MY 2009/10 has been revised upward to 2.7 MMT, based on official data of the Secretariat of Economy (SE). Corn feed consumption is expected to decline more than originally estimated as a result of the economic recession, which is forecast to lead to an overall corn consumption decline for MY 2009/10.

## **Production:**

### **CORN**

The total corn production estimate for MY 2009/10 has been revised downward to 20.35 MMT, based on updated official data. Recently, Mexico's Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) published the preliminary final results for the 2009 spring/summer crop cycle. Official sources stated that the drought-like conditions during critical phases of the corn crop resulted in irreversible yield losses during the 2009 spring/summer crop cycle. The forecast production for MY 2010/11 remains unchanged. The harvested area estimate for MY 2009/10 has been adjusted slightly upward based on SAGARPA's final data.

### **SORGHUM**

Total sorghum production and harvested area estimates for MY 2009/10 have been revised downward based on updated official data. These statistics include the preliminary final results for the 2009 spring/summer crop cycle. Sorghum production in the 2009 spring/summer crop registered less than ideal seasonal conditions due to dry weather, and the adverse impact was more severe than initially estimated. The production estimate for MY 2010/11 remains unchanged.

### **RICE**

Information from official sources indicates that the rice fall/winter 2009/10 harvest (planted during the 2009 spring/summer crop cycle) has ended. Based on official data that was recently published, FAS/Mexico has adjusted rice production and harvested area upward for MY 2009/10. The production estimate for MY 2010/11 remains unchanged.

### **WHEAT**

The total wheat production and harvested area estimates for MY 2010/11 have been revised downward based on updated official data, which reflects unfavorable weather conditions during most of the fall/winter crop cycle. Scarce water supplies continue to impact production. MY 2009/10 production and harvested area estimates have been revised downward to reflect preliminary final official data from SAGARPA.

According to the Mexican Millers Association (Canimolt), while wheat production in Baja California will be adversely affected by the drought, the pasta industry should be unaffected. Canimolt's President, José Luis Fuentes, stated that Baja California contributes approximately 14 percent of total production, mainly durum variety. Canimolt's President also pointed out that the problem will be with the bread varieties for the baking industries, where production is estimated to decline approximately 300,000 MT due to the severe drought in 2009 (please see GAIN Report MX0017).

It should be noted that Mexico produces two wheat varieties: durum (or crystalline) and bread wheat. Mexico is characterized as a country that imports more than it exports. Typically, Mexico produces less bread varieties (i.e., hard red winter and hard red spring) but more durum

wheat. Approximately, 90 percent of wheat production is produced during the fall/winter cycle and harvest takes place in May and June. Reportedly, growers prefer durum wheat because it is easier to grow, yields more than other varieties and is more profitable.

### **Consumption:**

#### **CORN**

The total consumption estimate for MY 2009/10 has been revised downward based on official data and information from private sources. Feed consumption is expected to decline more than originally estimated as a result of the economic recession. It should be noted that Mexico's Gross Domestic Product in 2009 dropped 6.5 percent compared to 2008, which is the biggest drop in the past 30 years. Animal feed industry sources stated that the poultry, pork and meat markets weakened, largely because of reduced consumer purchasing power due to Mexico's negative growth in 2009.

### **Trade:**

#### **SORGHUM**

Mexico's total sorghum import estimate for MY 2009/10 has been revised upward to 2.7 MMT, based on official data of the Secretariat of Economy (SE) for the first six months of this marketing year and the impact of a lower-than-previously estimated domestic production.

#### **WHEAT**

Mexico's wheat import estimates for MY 2009/10 have been revised downward to 2.9 MMT, based on official data from the SE. The impact of the economic recession and a relatively lower level of consumer purchasing power also contributed to this reduction. Consequently, the consumption estimate for MY 2009/10 was revised slightly downward to 2.8 MMT. The import estimates for MY 2010/11 have been revised upward due to a decrease in domestic production.

Similarly, the export estimates for MY 2009/10 and MY 2010/11 have been revised downward to 1.0 MMT and 1.2 MMT, respectively, based on recent official trade data from the SE and private information.

### **Stocks:**

#### **CORN**

The MY 2009/10 estimated ending stocks were revised downward, due to lower-than-previously estimated domestic production. It is reflected in the carry over for MY 2010/11, which was also adjusted downward.

#### **RICE**

Ending stocks for MY 2009/10 have been revised upward to 133,000 MT due to higher-than-previously

estimated domestic production. It was reflected in the carry over for the MY 2010/11, which was also adjusted upward to 118,000 MT.

## WHEAT

Ending stocks in MY 2009/10 and MY 2010/11 have been revised downward to 315,000 MT due to lower-than-previously estimated domestic production in both years.

### FAS/Mexico Web Site:

We are available at [www.mexico-usda.com](http://www.mexico-usda.com) 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.

## Production, Supply and Demand Data Statistics:

### CORN

Corn Mexico (1000 HA & 1000 MT)	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			Market Year Begin: Oct 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested	7,318	7,318	7,318	6,230	6,230	6,245		7,200	7,200
Beginning Stocks	4,131	4,131	4,131	3,559	3,483	3,483		1,933	1,783
Production	24,226	24,226	24,226	21,300	21,300	20,350		22,500	22,500
MY Imports	7,764	7,679	7,679	8,000	8,000	8,000		9,800	9,800
TY Imports	7,764	7,679	7,679	8,000	8,000	8,000		9,800	9,800
TY Imp. from U.S.	7,725	7,679	7,679	0	8,000	8,000		9,800	9,800
Total Supply	36,121	36,036	36,036	32,859	32,783	31,833		34,233	34,083
MY Exports	162	153	153	150	50	50		50	50
TY Exports	162	153	153	150	50	50		50	50
Feed and Residual	16,400	16,400	16,400	14,800	14,800	14,000		15,300	15,300
FSI Consumption	16,000	16,000	16,000	16,000	16,000	16,000		16,150	16,150
Total Consumption	32,400	32,400	32,400	30,800	30,800	30,000		31,450	31,450
Ending Stocks	3,559	3,483	3,483	1,909	1,933	1,783		2,733	2,583
Total Distribution	36,121	36,036	36,036	32,859	32,783	31,833		34,233	34,083

Yield	3.	3.	3.310 5	3.	3.	3.258 6		3.	3.125
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## SORGHUM

Sorghum Mexico	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			Market Year Begin: Oct 2010		
(1000 HA & 1000 MT)	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested	1,890	1,890	1,890	1,800	1,800	1,650		1,850	1,850
Beginning Stocks	373	373	373	1,336	1,366	1,366		566	566
Production	7,067	7,067	7,067	6,500	6,500	6,100		7,100	7,100
MY Imports	2,496	2,526	2,526	2,500	2,300	2,700		2,800	2,800
TY Imports	2,496	2,526	2,526	2,500	2,300	2,700		2,800	2,800
TY Imp. From U.S.	2,495	2,526	2,526	0	2,300	2,700		2,800	2,800
Total Supply	9,936	9,966	9,966	10,336	10,166	10,166		10,466	10,466
MY Exports	0	0	0	0	0	0		0	0
TY Exports	0	0	0	0	0	0		0	0
Feed and Residual	8,500	8,500	8,500	9,700	9,500	9,500		9,850	9,850
FSI Consumption	100	100	100	100	100	100		100	100
Total Consumption	8,600	8,600	8,600	9,800	9,600	9,600		9,950	9,950
Ending Stocks	1,336	1,366	1,366	536	566	566		516	516
Total Distribution	9,936	9,966	9,966	10,336	10,166	10,166		10,466	10,466
Yield	4.	4.	3.739 2	4.	4.	3.697		4.	3.837 8

## RICE

Rice, Milled Mexico	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			Market Year Begin: Oct 2010		
(1000 HA & 1000 MT)	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post

Area Harvested	52	52	52	55	55	56		50	50
Beginning Stocks	193	193	193	166	135	135		125	133
Milled Production	156	156	156	175	175	183		160	160
Rough Production	234	234	234	262	262	274		240	240
Milling Rate (.9999)	6,667	6,667	6,667	6,667	6,667	6,667		6,667	6,667
MY Imports	588	539	539	600	600	600		650	650
TY Imports	610	539	539	600	600	600		650	650
TY Imp. From U.S.	0	539	539	0	600	600		650	650
Total Supply	937	888	888	941	910	918		935	943
MY Exports	10	8	8	5	5	5		5	5
TY Exports	10	8	8	5	5	5		5	5
Consumption and Residual	761	745	745	765	780	780		820	820
Ending Stocks	166	135	135	171	125	133		110	118
Total Distribution	937	888	888	941	910	918		935	943
Yield (Rough)	4.	4.	4.5	5.	5.	4.892 9		5.	4.8

## WHEAT

Wheat Mexico	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jul 2008			Market Year Begin: Jul 2009			Market Year Begin: Jul 2010		
(1000 HA & 1000 MT)	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested	800	800	800	870	870	828		870	720
Beginning Stocks	382	382	382	317	317	317		367	315
Production	4,000	4,000	4,000	4,300	4,300	4,148		4,350	4,100
MY Imports	3,341	3,341	3,341	2,900	3,100	2,900		3,100	3,300
TY Imports	3,341	3,341	3,341	2,900	3,100	2,900		3,100	3,300
TY Imp. From U.S.	2,666	2,666	2,666	0	2,500	1,860		2,600	2,200
Total Supply	7,723	7,723	7,723	7,517	7,717	7,365		7,817	7,715
MY Exports	1,406	1,406	1,406	1,200	1,200	1,000		1,300	1,200
TY Exports	1,406	1,406	1,406	1,200	1,200	1,000		1,300	1,200

Feed and Residual	200	200	200	250	250	250		250	250
FSI Consumption	5,800	5,800	5,800	5,700	5,900	5,800		5,950	5,950
Total Consumption	6,000	6,000	6,000	5,950	6,150	6,050		6,200	6,200
Ending Stocks	317	317	317	367	367	315		317	315
Total Distribution	7,723	7,723	7,723	7,517	7,717	7,365		7,817	7,715
Yield	5.	5.	5.	5.	5.	5.0097		5.	5.6944