

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Mexico

**Post:** Mexico

### Rice Production Forecast Lower

**Report Categories:**

Grain and Feed

Agriculture in the News

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**Report Highlights:**

Marketing year (MY) 2011/12 rice production (rough production) and harvested area estimates have been lowered by 42,000 metric tons (MT) to 157,000 MT due to lower-than-previously estimated planted area in Mexico. There are no changes to Post estimates of corn, sorghum, wheat, and dry bean supply and demand. The Post/New rice import estimates for MY 2009/10 and MY2010/11 were revised downward and upward, respectively, which resulted in ending rice stocks decreasing and increasing as well.

## **General Information:**

### **Production:**

The Post/New rice production estimate has been revised downward from USDA/Official figures for MY 2011/12 to 157000 MT (rough production). This decrease is due to a lower-than-previously estimated planted area in Mexico's rice producing areas. The reduced rough production is equivalent to 105,000 MT of milled rice. According to the Mexican Rice Council (MRC), as a result of the bankruptcy of the major rice milling company that traditionally used to acquire 35 percent of domestic production, many paddy rice growers decided to reduce their planting levels (see 2011 GAIN report [MX1006 January Update for Corn and Rice](#)). The MRC stated many paddy rice growers faced serious problems in recovering the payments for their harvest last year due to this bankruptcy. Therefore, these growers were not eligible for credits for the current year and could not sign forward contracts with any rice buyer. Moreover, in states such as Campeche, growers decided to switch from rice to soybean and safflower, taking advantage of the governmental Pro Oilseeds program (see 2011 GAIN Report [MX1023 2011 Oilseeds Annual](#)).

The Post/New production and harvested area estimates for MY 2010/11 have been revised downward from USDA/Official figures. These changes reflect the most recent data from the Secretariat of Agriculture, Livestock, Rural Development, Fishery and Food (SAGARPA). Similarly, Post/New rice harvested area and production estimates for MY 2009/10 have been revised slightly upward and downward, respectively, based on final official data.

### **Consumption:**

The Post/New MY2011/12 rice consumption estimate has been revised upwards from 865,000 MT to 885,000 MT based on new information from industry sources. Similarly, the Post/New MY2010/11 rice consumption estimate has been revised upward by 35,000 MT to 855,000 MT based on this new information. The increased consumption estimates reflect information suggesting that prices are competitive and that consumer purchasing power continues its recovery. Moreover, rice continues to be a staple food for the majority of lower income families in Mexico. The Post/New MY2009/10 consumption estimate remain the same as previous estimates and has been bolstered by more accurate and current data from industry sources and official data.

### **Trade:**

The Post/New import estimates for MY 2009/10 and MY2010/11 were revised downward and upward, respectively, in order to reflect official data from SAGARPA and the General Customs Directorate of the Secretariat of Finance (SHCP). Also, the Post/New export estimates for MY2009/10 and MY2011/12 have decreased to 4,000 and 3,000 MT, respectively, reflecting final official data from SAGARPA and the SHCP for the first year and private sources for the second year.

### **Stocks:**

The MY 2009/10 Post/New ending stock estimate was revised downward from the USDA/Official estimate due to lower-than-previously-estimated total imports and production.

Also, the FAS/Post ending stocks estimate for MY2010/11 has been increased to 213,000 MT, because higher-than-expected imports. This is reflected in the upward adjustment for MY 2011/12 carryover, as

well.

**Production, Supply and Demand Data Statistics :**

**Table 1. Mexico: Rice Production, Supply and Demand for MY 2009/10 to 2011/12**

Rice, Milled Mexico	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	55	56	47	39	40	32
Beginning Stocks	166	166	170	138	150	213
Milled Production	177	176	150	142	133	105
Rough Production	265	264	225	213	199	157
Milling Rate (.9999)	6,667	6,667	6,667	6,667	6,667	6,667
MY Imports	608	575	655	791	725	725
TY Imports	598	575	655	791	700	725
TY Imp. from U.S.	600	564	0	785	0	725
Total Supply	951	917	975	1,071	1,008	1,043
MY Exports	6	4	5	3	2	2
TY Exports	6	4	5	3	2	2
Consumption and Residual	775	775	820	855	865	885
Ending Stocks	170	138	150	213	141	156
Total Distribution	951	917	975	1,071	1,008	1,043

1000 HA, 1000 MT, MT/HA

**Author Defined:**

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.

Report Number	Subject	Date Submitted
<a href="#">MX1077</a>	October Update for Corn, Sorghum, Wheat and Dry Beans	10/26/2011
<a href="#">MX1059</a>	Grain and Feed July Update	7/25/2011
<a href="#">MX1048</a>	Grain and Feed June Update	6/20/2011
<a href="#">MX1043</a>	Grain and Feed May Update -- Sorghum Situation	5/25/2011
<a href="#">MX1033</a>	Grain and Feed April Update	4/29/2011
<a href="#">MX1017</a>	2011 Grain and Feed Annual	3/14/2011
<a href="#">MX1012</a>	Hard Freeze Damages Sinaloa Corn and Produce	2/11/2011
<a href="#">MX1006</a>	January Update for Corn and Rice	1/28/2011

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at [www.sagarpa.gob.mx](http://www.sagarpa.gob.mx), equivalent to the U.S. Department of Commerce (SE) can be found at [www.economia.gob.mx](http://www.economia.gob.mx) and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at [www.salud.gob.mx](http://www.salud.gob.mx). These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.

