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Report Name: Grain and Feed Update

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Report Highlights:

Mexico's wheat production forecast for marketing year (MY) 2021/22 is revised upward, based on more complete figures from Mexico's Secretariat of Agriculture and Rural Development (SADER), and reflecting favorable weather conditions that resulted in higher yields than initially expected. Projected corn production for MY 2021/22 is reduced to 27.12 million metric tons (MMT) due to lower harvested area. The sorghum production forecast for MY 2020/21 is revised upward due to a slightly higher harvested area. Rice production for MY 2021/22 (October to September) is forecasted slightly downward to 305,000 MT (rough production), the equivalent of 210,000 MT of milled rice, reflecting a lack of water availability and subsequent decreased yields.

EXECUTIVE SUMMARY

Mexico's wheat production in MY 2021/22 (July to June) is revised higher to 3.275 million metric tons (MMT), based on more complete figures from SADER, and reflecting favorable weather conditions that contributed to higher yields than initially expected. Mexico's corn production forecast for MY 2021/22 (October to September) was revised downward to 27.120 million metric tons (MMT) based on updated private source data and SADER for the 2021 spring/summer crop cycle. Likewise, harvested area was revised slightly downward to 7.1 MMT reflecting SADER updated figures. Additionally, MY 2021/22 corn exports were revised downward to 500,000 MT based on Trade Data Monitor (TDM) figures. The sorghum production estimate for MY 2021/22 (October to September) is adjusted upward, reflecting slightly higher harvested area as well as updated SADER data for the 2021 spring/summer crop cycle and available planting intentions for the 2021/22 fall/winter crop cycle as of October 31, 2020. Lastly, the rice production estimate for MY 2021/22 (October to September) was revised downward from the USDA official estimate to 305,000 metric tons (MT) (rough production), the equivalent to 210,000 MT of milled rice. The lower production estimate is based on the most recent data from SADER and industry sources, reflecting lack of water availability and subsequent decreased yields.

WHEAT

Table 1: Mexico, Sorghum Production, Supply, and Demand for MY 2019/20 to MY 2021/22

| Wheat Market Year Begins Mexico | 2019/2020 | | 2020/2021 | | 2021/2022 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Jul 2019 | | Jul 2020 | | Jul 2021 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 590 | 590 | 556 | 556 | 555 | 546 |
| Beginning Stocks (1000 MT) | 603 | 603 | 385 | 385 | 262 | 262 |
| Production (1000 MT) | 3270 | 3270 | 2965 | 2965 | 3200 | 3275 |
| MY Imports (1000 MT) | 5080 | 5080 | 4724 | 4724 | 5100 | 5100 |
| TY Imports (1000 MT) | 5080 | 5080 | 4724 | 4724 | 5100 | 5100 |
| TY Imp. from U.S. (1000 MT) | 3855 | 3855 | 3861 | 3861 | 0 | 0 |
| Total Supply (1000 MT) | 8953 | 8953 | 8074 | 8074 | 8562 | 8637 |
| MY Exports (1000 MT) | 1168 | 1168 | 612 | 612 | 800 | 850 |
| TY Exports (1000 MT) | 1168 | 1168 | 612 | 612 | 800 | 850 |
| Feed and Residual (1000 MT) | 200 | 200 | 200 | 200 | 300 | 300 |
| FSI Consumption (1000 MT) | 7200 | 7200 | 7000 | 7000 | 7100 | 7100 |
| Total Consumption (1000 MT) | 7400 | 7400 | 7200 | 7200 | 7400 | 7400 |
| Ending Stocks (1000 MT) | 385 | 385 | 262 | 262 | 362 | 387 |
| Total Distribution (1000 MT) | 8953 | 8953 | 8074 | 8074 | 8562 | 8637 |
| Yield (MT/HA) | 5.5424 | 5.5424 | 5.3327 | 5.3327 | 5.7658 | 5.9982 |
| (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 2021/2022 = July 2021 - June 2022 | | | | | | |

Production

Total wheat production for MY 2020/21 (July to June) was revised slightly upward to 3.275 million metric tons (MMT) based on the most recent data from the Secretariat of Agriculture and Rural Development (SADER), which reflects higher yields than previously estimated. This data includes final figures for the 2020/21 fall/winter crop cycle, as well as updated information of the 2021 spring/summer crop cycle as of as October 31, 2021. Even though harvested area is smaller than previously estimated, yields obtained in the 2020/21 fall/winter crop cycle were higher than expected initially. The wheat

harvest of the fall-winter 2020-2021 crop cycle registered an average yield of 6.54 metric tons per hectare (MT / Ha), which represents an increase of around 0.6 MT/Ha, compared to the production obtained in the same crop cycle last year. In Baja California, one of the main producing states, SADER highlighted that in the fall-winter 2020-2021 crop cycle, average yields reached 6.6 MT / Ha, up from the original 5.89 MT estimate. SADER emphasized the increase was mainly due to favorable weather conditions during the sowing process, the phenological development of the crop, and the use of improved seeds. Additionally, Mexico's main wheat-producing state, Sonora, yields reached 7.3 MT/Ha in the fall/winter 2020/21 cycle, up from 6.6 MT/Ha the previous year, also on favorable weather conditions.

Trade

The Post export estimate for MY 2021/22 is revised upward to 850,000 MT, on higher-than-expected production of durum wheat (“crystalline” in Mexico) that is mainly destined for the export market.

Stocks

The MY 2021/22 Post ending stocks estimate was revised slightly to 387,000 MT, due to higher-than-expected production.

Post's consumption and import estimates remain unchanged in relation to USDA/Official data, based on available information from private sources.

CORN

Table 2: Mexico, Corn Production, Supply, and Demand for MY 2019/20 to MY 2021/22

| Corn Market Year Begins Mexico | 2019/2020 | | 2020/2021 | | 2021/2022 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2019 | | Oct 2020 | | Oct 2021 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 6621 | 6621 | 7143 | 7143 | 7300 | 7100 |
| Beginning Stocks (1000 MT) | 5160 | 5160 | 3515 | 3515 | 3079 | 3044 |
| Production (1000 MT) | 26658 | 26658 | 27346 | 27346 | 28000 | 27120 |
| MY Imports (1000 MT) | 16526 | 16526 | 16498 | 16498 | 17000 | 17000 |
| TY Imports (1000 MT) | 16526 | 16526 | 16498 | 16498 | 17000 | 17000 |
| TY Imp. from U.S. (1000 MT) | 14628 | 14628 | 15735 | 15735 | 0 | 0 |
| Total Supply (1000 MT) | 48344 | 48344 | 47359 | 47359 | 48079 | 47164 |
| MY Exports (1000 MT) | 1029 | 1029 | 480 | 515 | 600 | 500 |
| TY Exports (1000 MT) | 1029 | 1029 | 480 | 515 | 600 | 500 |
| Feed and Residual (1000 MT) | 25600 | 25600 | 25600 | 25600 | 26000 | 26000 |
| FSI Consumption (1000 MT) | 18200 | 18200 | 18200 | 18200 | 18200 | 18200 |
| Total Consumption (1000 MT) | 43800 | 43800 | 43800 | 43800 | 44200 | 44200 |
| Ending Stocks (1000 MT) | 3515 | 3515 | 3079 | 3044 | 3279 | 2464 |
| Total Distribution (1000 MT) | 48344 | 48344 | 47359 | 47359 | 48079 | 47164 |
| Yield (MT/HA) | 4.0263 | 4.0263 | 3.8283 | 3.8283 | 3.8356 | 3.8197 |
| (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 2021/2022 = October 2021 - September 2022 | | | | | | |

Production

FAS/Mexico revises forecasted corn production down three percent for MY 2021/2022 (October-September) to 27,120 MMT, reflecting lower harvested area, and based on the figures from SADER as of October 31, 2021.

2021 Spring/Summer crop cycle state level information:

In Durango, harvest began in the beginning of December and is expected to be completed by January 2022. Production of 330,000 MT is estimated, up from only 141,125 MT during the same crop cycle in 2020, due to drought damages in rainfed areas.

In the Bajio region, which encompass the states of Jalisco, Guanajuato and Michoacán, the harvest has intensified in the region. In Guanajuato, 65 percent of harvest has been completed, in Michoacan 55 percent, and 45 percent in Jalisco. Harvest is expected to last until the beginning of next year, and in some areas until the beginning of February 2022. In this region the quality of the grains from the late rainfed sowings is better than the early irrigated ones, which were damaged by field fungi and spotted.

In Tlaxcala and Hidalgo, producers plan to sell approximately 50,000 MT of corn to the governmental entity Segalmex (see FAS GAIN Report [MX021-0014](#)), an increase of 35 percent sold in the previous cycle.

In general, it is estimated that Segalmex could collect 1.0 MMT of corn in the 2021 spring/summer crop cycle, of which 200,000 MT will be from Bajio region, although most supplies are likely from non-irrigated areas of Chiapas, Oaxaca, Tabasco, Guerrero, Puebla, Tlaxcala, and Campeche. Volumes will depend on Segalmex weight penalties and quality standards, as well as terms of payment for the harvest.

In Chiapas, where rains are scarce and climate hot, harvest has progressed and will likely be completed by the end of December.

In Sinaloa, the main producing state for the 2021/22 fall/winter cycle, area sown is forecasted up 20,000 ha, compared to the 473,000 planting intentions reported by SADER. This increase is due to a reduction in the area sown with dry beans, due to producer perceptions of higher corn profitability based on prices of the last harvest. However, costs have also increased due to significant increases in inputs, mainly fertilizers. In this context, the production volume could exceed the 5.4 MMT registered in the last crop cycle.

Trade

FAS/Mexico revises forecasted exports for MY 2020/21 upward to 515,000 MT, based on data of the Trade Data Monitor (TDM) for the first eleven months of this marketing year. The export forecast for MY2021/22 is revised downward to reflect lower than expected domestic production.

Stocks

Post's ending stocks estimate for MY 2020/21 is revised downward to 3.044 MMT from the USDA/Official estimate, due to higher than previously estimated exports. This was reflected in the carry-over for MY 2021/22, which was also adjusted downward. The MY 2021/22 Post ending stocks estimate was revised downward to 2.9 MMT, due to lower-than-previously estimated total production.

SORGHUM

Table 3: Mexico, Sorghum Production, Supply, and Demand for MY 2019/20 to MY 2021/22

| Sorghum Market Year Begins Mexico | 2019/2020 | | 2020/2021 | | 2021/2022 | |
|--|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2019 | | Oct 2020 | | Oct 2021 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 1378 | 1378 | 1289 | 2890 | 1420 | 1465 |
| Beginning Stocks (1000 MT) | 259 | 259 | 153 | 153 | 102 | 102 |
| Production (1000 MT) | 4328 | 4328 | 4348 | 4348 | 4700 | 4900 |
| MY Imports (1000 MT) | 567 | 567 | 133 | 133 | 100 | 100 |
| TY Imports (1000 MT) | 567 | 567 | 133 | 133 | 100 | 100 |
| TY Imp. from U.S. (1000 MT) | 567 | 567 | 133 | 133 | 0 | 0 |
| Total Supply (1000 MT) | 5154 | 5154 | 4634 | 4634 | 4902 | 5102 |
| MY Exports (1000 MT) | 1 | 1 | 32 | 32 | 1 | 1 |
| TY Exports (1000 MT) | 1 | 1 | 32 | 32 | 1 | 1 |
| Feed and Residual (1000 MT) | 4900 | 4900 | 4400 | 4400 | 4550 | 4550 |
| FSI Consumption (1000 MT) | 100 | 100 | 100 | 100 | 100 | 100 |
| Total Consumption (1000 MT) | 5000 | 5000 | 4500 | 4500 | 4650 | 4650 |
| Ending Stocks (1000 MT) | 153 | 153 | 102 | 102 | 251 | 451 |
| Total Distribution (1000 MT) | 5154 | 5154 | 4634 | 44634 | 4902 | 5102 |
| Yield (MT/HA) | 3.1408 | 3.1408 | 3.3732 | 3.3732 | 3.3099 | 3.3447 |
| (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 2021/2022 = October 2021 - September 2022 | | | | | | |

Production

The Post total sorghum production estimate for MY 2021/22 is revised upward based on updated SADER data. The main factor driving this increase is larger than expected planted area. These statistics include available data for the 2021 spring/summer crop cycle, as well as planting intentions and expected production released by SADER for the 2021/22 fall/winter crop cycle as of October 31, 2021. Planting intentions assume favorable weather conditions in the state of Tamaulipas, the main producing state in this crop cycle. Abnormally cold weather was observed there in February during the 2020/21 fall/winter crop cycle, forcing many farmers to reseed their fields. In addition to cold weather, the state also faced challenges from low reservoir levels followed by excessive rains that caused lodging in some plants, and delayed rains in most of the rainfed zone.

Stocks

The ending stocks estimate for MY 2021/22 was revised upward from the USDA official estimate to 451,000 MT based on higher than previously estimated domestic production.

RICE

Table 4: Mexico, Rice Production, Supply, and Demand for MY 2019/20 to MY 2021/22

| Rice, Milled Market Year Begins Mexico | 2019/2020 | | 2020/2021 | | 2021/2022 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2019 | | Oct 2020 | | Oct 2021 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested (1000 HA) | 39 | 39 | 47 | 47 | 50 | 49 |
| Beginning Stocks (1000 MT) | 154 | 154 | 175 | 175 | 199 | 201 |
| Milled Production (1000 MT) | 175 | 175 | 199 | 201 | 224 | 210 |
| Rough Production (1000 MT) | 255 | 255 | 290 | 293 | 326 | 305 |
| Milling Rate (.9999) (1000 MT) | 6870 | 6870 | 6870 | 6870 | 6870 | 6870 |
| MY Imports (1000 MT) | 803 | 803 | 800 | 800 | 800 | 800 |
| TY Imports (1000 MT) | 843 | 843 | 750 | 750 | 800 | 800 |
| TY Imp. from U.S. (1000 MT) | 547 | 547 | 0 | 0 | 0 | 0 |
| Total Supply (1000 MT) | 1132 | 1132 | 1174 | 1176 | 1223 | 1211 |
| MY Exports (1000 MT) | 17 | 17 | 15 | 15 | 10 | 10 |
| TY Exports (1000 MT) | 18 | 18 | 15 | 15 | 10 | 10 |
| Consumption and Residual (1000 MT) | 940 | 940 | 960 | 960 | 970 | 970 |
| Ending Stocks (1000 MT) | 175 | 175 | 199 | 201 | 243 | 231 |
| Total Distribution (1000 MT) | 1132 | 1132 | 1174 | 1176 | 1223 | 1211 |
| Yield (Rough) (MT/HA) | 6.5385 | 6.5385 | 6.1702 | 6.2340 | 6.5200 | 6.2245 |
| (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 2021/2022 = January 2022 - December 2022 | | | | | | |

Production

Post's total rice production estimate for MY 2021/22 (October to September) is revised downward from USDA/Official estimates to 305,000 MT (rough production), to reflect SADER data as of October 31, 2021, and includes planting intentions and expected production for the 2021/22 Fall/Winter crop cycle. Production is equivalent to 210,000 MT of milled rice. According to private sources, rice growers in Nayarit reduced planted area for 2021 spring/summer crop cycle due to low water availability after maintenance on irrigation canal infrastructure. The total rice production estimate for MY 2020/21 is revised upward to 293,000 MT (rough production), 201,000 MT of milled rice, based on SADER final information.

Stocks

The Post ending stocks estimate for MY 2020/21 is higher than the USDA/Official estimate due to higher-than-expected domestic production and is reflected in the carry over for MY 2021/22. Likewise, ending stocks for MY 2021/22 are revised downward (231,000 MT) due to lower production.

For More Information

FAS/Mexico Web Site: We are available at www.mexico-usda.com.mx or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting

| Report Number | Title | Dated |
|---------------|-----------------------|-----------|
| MX2021-0055 | Grain and Feed Update | 9/16/2021 |
| MX2021-0028 | Grain and Feed Update | 5/26/2021 |
| MX2021-0014 | Grain and Feed Annual | 3/14/2021 |
| MX2021-0004 | Grain and Feed Update | 1/14/2021 |
| MX2020-0032 | Grain and Feed Update | 9/04/2020 |

Attachments:

No Attachments