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Report Highlights:

Due to continued elevated agricultural input costs, Mexico's corn production in marketing year (MY) 2023/24 is forecast at 27.4 million metric tons (MMT), unchanged from the year prior. Lower than expected planting intentions data accounts for slightly lower rice and wheat production forecasts. Sorghum production is forecast to remain steady based on consistent demand from the feed and beverage sectors. Mexico's MY 2022/23 corn imports are estimated to decrease following a January 2023 Decree which places export tariffs on white corn, and a February 2023 Decree which restricts the use of genetically engineered (GE) corn in the tortilla industry.

EXECUTIVE SUMMARY

The outlook for Mexican grain production in marketing year (MY) 2023/24 is mixed, with corn and sorghum production unchanged from the previous year, while wheat and rice production are forecast marginally lower. Overall, Mexico's grain farmers face high input costs, reduced government support for commercial growers, and less incentive to invest in new production technologies.

The forecast for corn and sorghum production are expected to remain in line with the previous year. With uncertainty in Mexico's corn market after a February 2023 Corn Decree which restricts the use of GE corn in the tortilla industry, a slight increase in corn acreage is expected. However, due to corn's water, input, and land requirements, potential for increased corn planted area is limited. Investments into less resource intensive and higher-value crops is reportedly also attractive to producers.

On February 14, 2023, a new Decree entered into force which restricts use on GE corn for human consumption. On March 6, 2023, the United States requested technical consultations with Mexico on agricultural biotechnology policy under the United States-Mexico-Canada Agreement (USMCA) sanitary and phytosanitary measures chapter. Post estimates that Mexico's demand for corn for human consumption will decline in MY 2022/23 from the record volume of imports in MY 2021/22. In MY 2023/24, Mexico's corn imports are projected to grow moderately based on continued expansion of the country's livestock feed industry.

Wheat and rice production are forecast slightly lower in MY 2023/24 due to uncertain government support delaying planting decisions. There are indications that some wheat farmers may choose to plant corn which is more water-intensive but may provide more profitability than wheat. Some rice farmers are expected to shift hectareage to sugar cane, but this has a marginal impact on Mexico's overall production. Wheat imports are forecast to increase 2 percent in MY 2023/24 with rice imports flat. Wheat exports are forecast to decline 2 percent due to lower domestic production.

Overall, Mexico will continue to be a major importer of basic grains, with modest growth in forecasted imports of total grains in MY 2023/24 to meet growing demand for livestock feed.

CORN

Table 1: Mexico, Corn Production, Supply, and Distribution

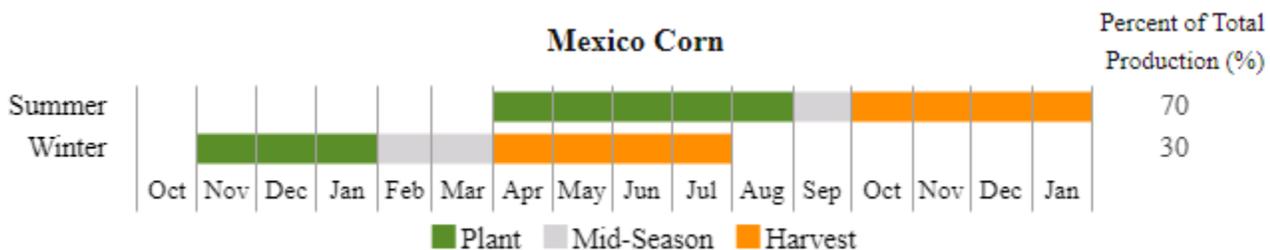
Corn Market Year Begins	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Area Harvested (1000 HA)	7093	7320	7200	7200	0	7250
Beginning Stocks (1000 MT)	3079	3079	3163	3288	0	2968
Production (1000 MT)	26762	26467	27600	27400	0	27400
MY Imports (1000 MT)	17572	18105	17200	17400	0	17900
TY Imports (1000 MT)	17572	18105	17200	17400	0	17900
TY Imp. from U.S. (1000 MT)	16773	16758	0	0	0	0
Total Supply (1000 MT)	47413	47651	47963	48088	0	48268
MY Exports (1000 MT)	250	263	600	20	0	300
TY Exports (1000 MT)	250	263	600	20	0	300
Feed and Residual (1000 MT)	25800	25900	26000	26800	0	27200
FSI Consumption (1000 MT)	18200	18200	18200	18300	0	18400
Total Consumption (1000 MT)	44000	44100	44200	45100	0	45600
Ending Stocks (1000 MT)	3163	3288	3163	2968	0	2368
Total Distribution (1000 MT)	47413	47651	47963	48088	0	48268
Yield (MT/HA)	3.773	3.6157	3.8333	3.8056	0	3.7793

(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 2023/2024 = October 2023 - September 2024

Figure 1. Mexico Corn Crop Calendar

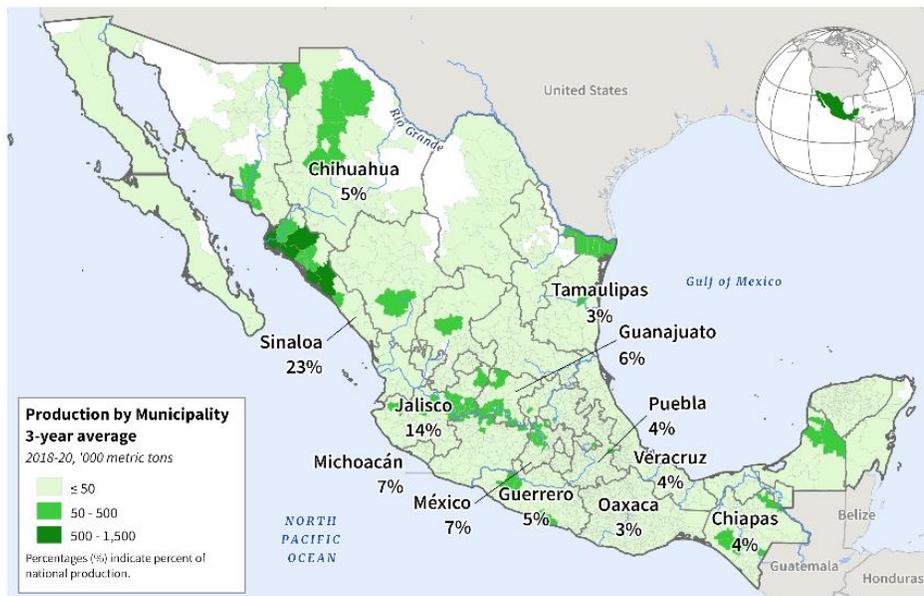


Production

Corn production for MY 2023/24 (October-September) is forecast unchanged from the previous marketing year at 27.4 MMT, with a slight increase to forecasted harvest area of 7.25 million hectares. High costs for fertilizer, herbicides, and other inputs are expected to slightly decrease yields.

Although harvested area is forecast to slightly increase, several factors disincentivize farmers to further expand corn production. Corn requires high water use which can be risky for non-irrigated lands. With only an estimated 25 percent of corn production produced on irrigated lands, many farmers are incentivized to invest in less water-intensive crops or in higher-value crops. For example, in Jalisco, area may shift towards agave, which feeds the domestic tequila industry and is attractive both in its profitability and lower water requirements.

Figure 2. Mexico Corn Production by State



Source: USDA FAS International Production Assessment Division (IPAD), Instituto Nacional de Estadística y Geografía (INEGI), Servicio de Información Agroalimentaria y Pesquera (SIAP)

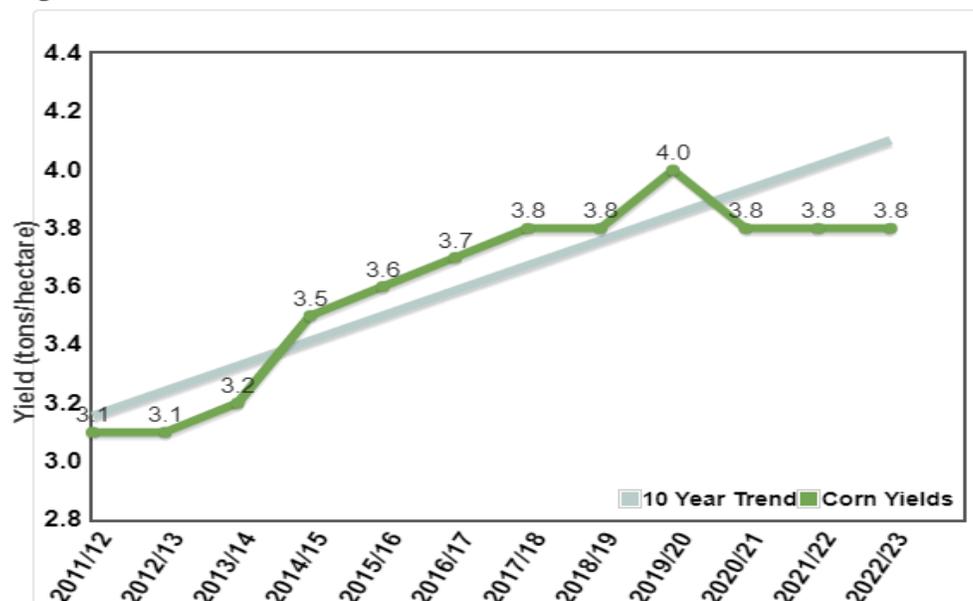
Continued elevated input costs (e.g., fertilizers), combined with minimal producer investments in enhanced seeds, infrastructure, and other productive technologies will remain an impediment to growing production in MY 2023/24. Over the last ten years, yields in Mexico ranged from around 3.1 to 4.0 metric tons per hectare (MT/ha). Despite a steady growth pattern from 2011-2019, yields have remained flat in the last three years. Yields continue to vary significantly throughout Mexico depending on access to farm inputs and advanced on-farm technology.

Post maintains MY 2022/23 corn production estimate at 27.4 MMT. As a result of the favorable weather conditions, the 2022 summer crop cycle (harvested mainly from November through December) is reportedly good quality.

About 30 percent of corn in Mexico is planted between October to February and harvested from April to August (winter cycle). The 2022/2023 winter cycle corn in northern Tamaulipas is reported to be of

good quality. The final harvest in Northern Tamaulipas is reported to be on path to reach 341,022 MT with average yields of 6 to 8 tons tons/hectare. Sinaloa and Sonora winter cycle corn looks to be productive, despite a January 2023 freeze which occurred when most of the corn in the frost areas was in the early stages of growth. Most of the corn has been able to recover, and the areas impacted are small compared to the rest of the production. About 68 percent of winter cycle corn is produced in Sinaloa and the remainder in Sonora, Tamaulipas, and Veracruz.

Figure 3. Mexico Corn Yields



Source: USDA FAS International Production Assessment Division (IPAD) and Servicio de Información Agroalimentaria y Pesquera (SIAP)

Trade

Driven by increased demand from the livestock and starch sectors, corn imports are forecast at 17.9 MMT in MY 2023/24, a three percent increase over the previous year. On the other hand, Mexico’s corn imports are estimated down to 17.4 MMT in MY 2022/23 due to a January 2023 Decree that established a 50 percent tariff on corn exports through June 2023 and thus increases domestic supply, as well as the restriction on GE corn use in the tortilla industry through a February 2023 Decree (see policy section). This represents a four percent year-on-year decrease from Mexico’s record level corn imports in MY 2021/22.¹ The restriction on GE corn use is expected to impact white corn imports into Mexico, used primarily in the tortilla industry.

Mexico relies on corn imports for almost 40 percent of total consumption. Corn imports are used to supplement domestic production of cereals, starches, tortillas, and other processed products, in addition to supporting a robust animal feed industry. Additionally, a variety of corn-based products are also exported to Mexico.

Robust and stable corn demand for animal feed and industrial uses will necessitate continued imports to supplement domestic production. Growth in feed use in general, and from the poultry sector in

¹ Trade Data Monitor, LLC.

particular, is the primary driver of growth in Mexico’s corn imports. This trend is forecast to continue through MY 2023/24. Approximately 95 percent of Mexico’s corn imports are supplied by the United States, due to geographic proximity, exportable supply, established business relationships, and supply chain logistics linking the U.S. grain and Mexican livestock sectors.

Post projects Mexico’s MY 2023/24 corn exports at 300,000 MT, a return to the country’s standard trade pattern following what, at the time of this report, is a temporary Decree in place that depresses corn exports by establishing a 50 percent export tariff. As a result of this policy in the current year, Mexico’s corn exports are forecast down to 20,000 MT in MY 2022/23, a 92 percent decrease compared to the previous marketing year.

Table 2. Annual Imports of Primary Raw Materials by the Feed Industry, 2011-2021 (1000 Metric Tons)

	Corn	Sorghum	Soybean Meal	Distiller's dried grains
2017	10,224	377	1,443	1,887
2018	11,351	188	1,318	1,795
2019	19,979	661	1,364	1,815
2020	11,062	281	1,545	1,583
2021	11,947	173	1,409	1,810

Source: Consejo Nacional de Fabricantes de Alimentos Balanceados y de la Nutricion, A.C. (CONAFAB)

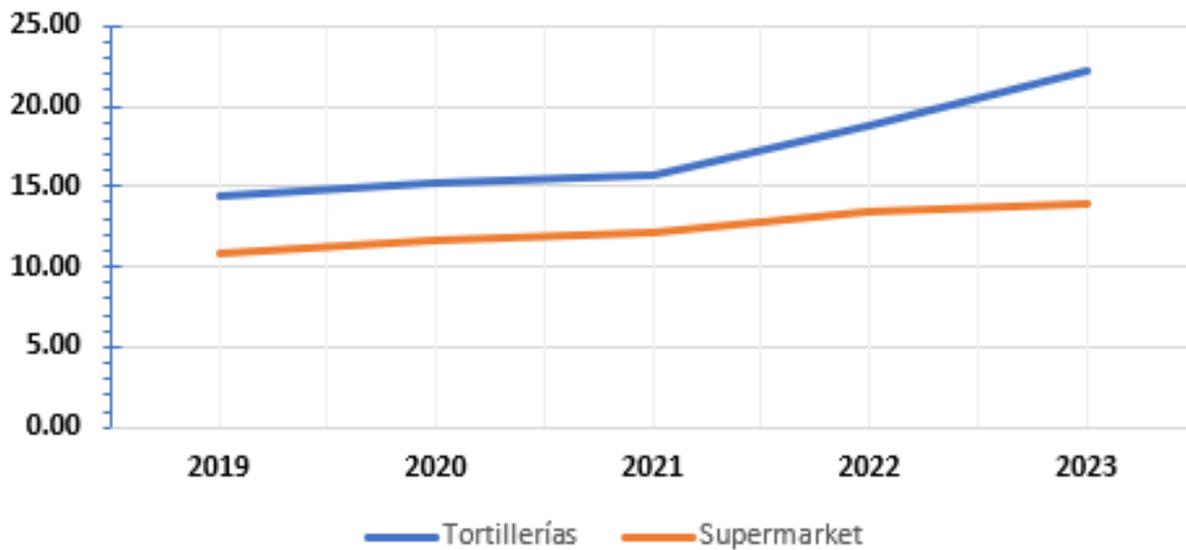
Consumption

Total corn consumption is forecast at 45.6 MMT in MY2023/24, an increase of about one percent compared to the previous marketing year, driven primarily by the animal feed sector. Meanwhile, human consumption is expected to remain steady, rising only slightly in correspondence to population growth, due to inflationary pressures and record-level tortilla prices.

Average tortilla prices across all states in Mexico’s *tortillerías* (local tortilla bakeries) increased 18 percent in February 2023 compared to February 2022, from 18.83 pesos to 22.20 pesos per kilogram (kg). The gap between supermarket and *tortillería* prices is widening, attributed to the largest supermarkets being held under anti-inflationary price control agreements, and thus selling below the price offered by local bakeries.

Corn tortillas are considered a “daily bread” in Mexico, where a household may purchase from *tortillerías* daily or several times a week. Per capita tortilla consumption in Mexico is approximately 75 kg per year. According to industry sources, an average tortilla consists of approximately 82 percent white corn flour and is blended with 18 percent yellow corn flour. The corn tortilla is a primary staple food in the Mexican diet, with a per capita tortilla consumption of 75 kg per year.

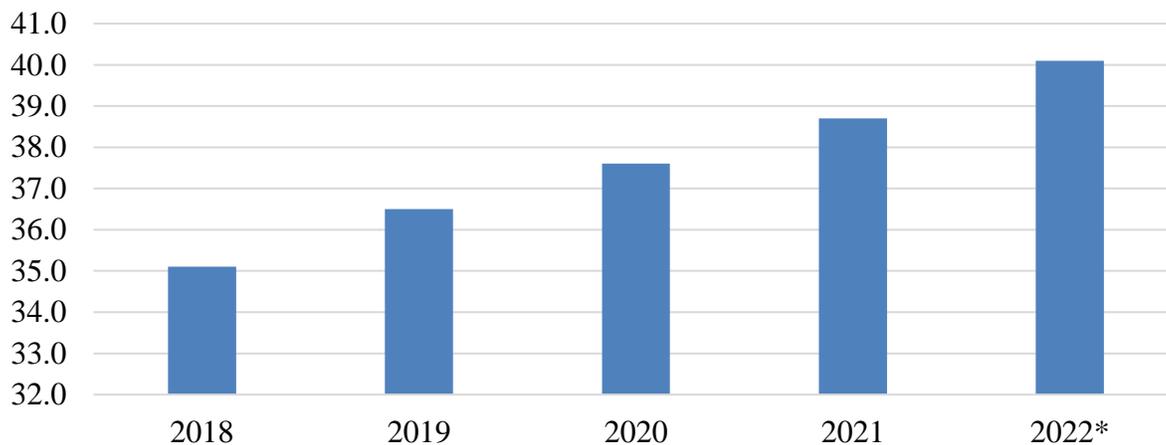
Figure 4. February Tortilla Prices in Mexico, 5 Year comparison (Pesos/Kilogram)



Source: Sistema Nacional de Información e Integración de Mercados ECONOMIA (SNIIM)

Additionally, Mexico is the second largest animal feed producer in Latin America after Brazil, and the sixth largest producer in the world. According to industry sources, in 2022, Mexico is estimated to have produced 40.0 MMT tons of feed for domestic poultry, swine, cattle, dairy, pet food, and aquaculture production.

Figure 5. Mexico's Animal Feed Production (2018-2022) (MMT)



*Estimate, Source: Consejo Nacional de Fabricantes de Alimentos Balanceados y de la Nutrición, A.C. (CONAFAB)

Table 3. Mexico: Feed Ingredients Production (1000 Metric Tons)

Calendar Year:	2018	2019	2020	2021	2022*
Compound Feed Capacity	38,500	40,240	42,415	43,453	45,196
Total Compound Feed Produced	35,057	36,475	37,566	38,857	40,138
---- by integrated producers	21,204	22,197	22,865	23,684	24,515
---- by commercial producers	13,853	14,278	14,701	15,173	15,623
Marketing Year: (1000 Metric Tons) Feed Production by type of animal	2018	2019	2020	2021	2022*
Poultry	17,118	17,556	17,924	18,536	19,230
Pork	5,554	5,942	6,148	6,369	6,599
Beef Cattle	3,881	4,034	4,179	4,286	4,381
Dairy Cattle	5,524	5,769	5,938	6,100	6,235
Aquaculture	378	421	435	441	461

*Estimate, Source: Consejo Nacional de Fabricantes de Alimentos Balanceados y de la Nutricion, A.C.

Animal feed production increased approximately four percent from the previous year. Most of the domestic animal feed is used for the poultry industry, whose nutritionists prefer corn to formulate their feed due to the digestibility and caloric properties. It is estimated that in MY 2023/24, Mexico will require approximately 27.2 MMT of corn to support the feed industry.

Stocks

Forecast ending stocks for MY 2023/24 are just under 2.4 MMT, an approximate 20 percent reduction due to the forecast decrease in imports in MY 2022/23, flat production, and continued consumption growth. The MY 2022/23 ending stock estimate has been revised downward from the USDA/Official estimate to 3.0 MMT, also reflecting lower domestic production and imported supply.

WHEAT

Table 4. Mexico, Wheat Production, Supply, and Distribution

Wheat Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Area Harvested (1000 HA)	547	546	590	590	0	560
Beginning Stocks (1000 MT)	262	262	520	505	0	525
Production (1000 MT)	3281	3285	3570	3570	0	3400
MY Imports (1000 MT)	5326	5332	5000	5000	0	5100
TY Imports (1000 MT)	5326	5332	5000	5000	0	5100
TY Imp. from U.S. (1000 MT)	0	4084	0	0	0	0
Total Supply (1000 MT)	8869	8879	9090	9075	0	9025
MY Exports (1000 MT)	924	924	950	950	0	930
TY Exports (1000 MT)	924	924	950	950	0	930
Feed and Residual (1000 MT)	225	250	300	300	0	300
FSI Consumption (1000 MT)	7200	7200	7300	7300	0	7350
Total Consumption (1000 MT)	7425	7450	7600	7600	0	7650
Ending Stocks (1000 MT)	520	505	540	525	0	445
Total Distribution (1000 MT)	8869	8879	9090	9075	0	9025
Yield (MT/HA)	5.9982	6.0165	6.0508	6.0508	0	6.0714

(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 2023/2024 = July 2023 - June 2024

Figure 6. Mexico Wheat Crop Calendar

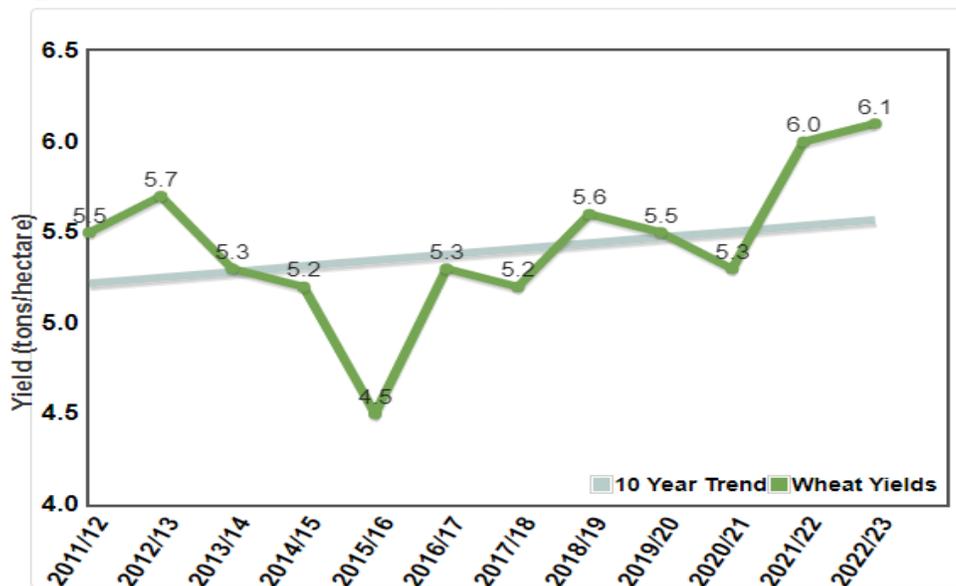


Production

Wheat production for MY 2023/24 (July-June) is forecast to decline five percent to 3.4 MMT. Harvested area in MY 2023/24 is forecast to decrease a corresponding five percent to 560,000 HA based on industry sources. Industry also reports that farmers are reorienting their planting intentions to crops such as barley and agave, both less water intensive crops, and both to supply Mexico's export market industries for beer and tequila, respectively. Relatively low government support for wheat farmers also encourages some growers to move away from wheat cultivation.

Despite periods of below freezing temperatures between January and February of this year in Sonora, there was no significant damage to wheat production. In fact, this period of lower-than-normal temperatures may favor the crop's growth. Assuming good conditions in the flowering months of March and April, Sonora growers expect an average yield of 7.1 MT/ha. Over the last ten years, wheat yields in Mexico have increased overall, with ranges between 5.5 to 6.1 MT/ha.

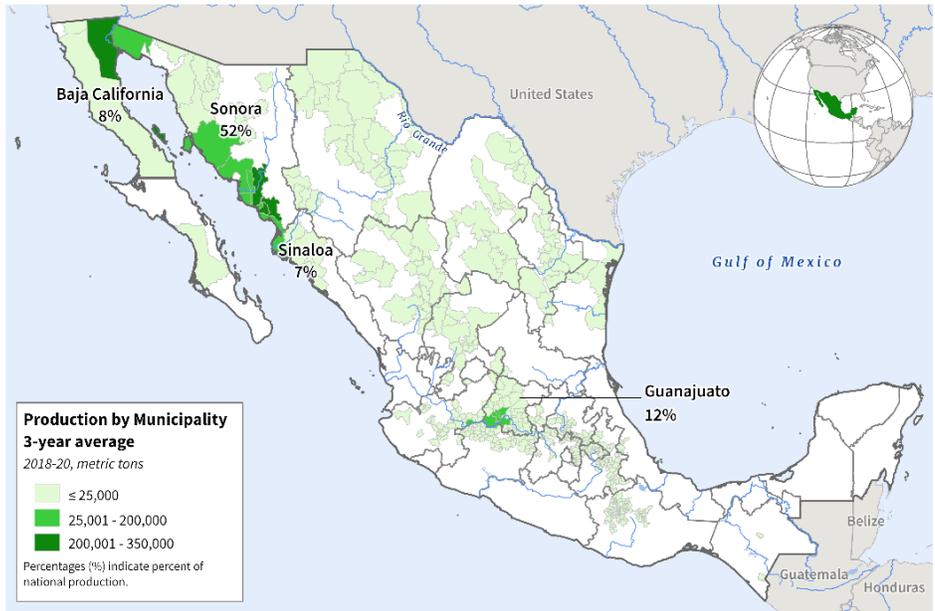
Figure 7. Mexico Wheat Yields



Source: USDA FAS International Production Assessment Division (IPAD), Instituto Nacional de Estadística y Geografía (INEGI), Servicio de Información Agroalimentaria y Pesquera (SIAP)

Wheat production occurs throughout Mexico. Sonora, Baja California, Guanajuato, and Sinaloa are the largest producing states, together accounting for approximately 80 percent of the country's total wheat production.

Figure 8. Mexico Wheat Production by State

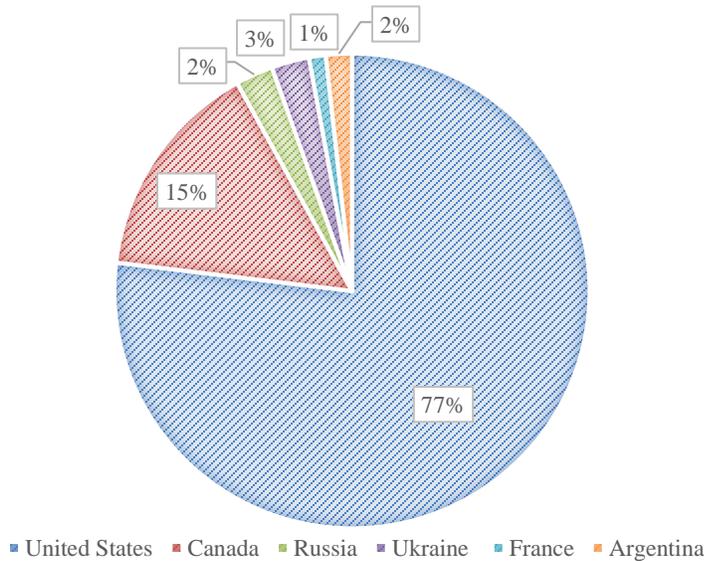


Source: USDA FAS International Production Assessment Division (IPAD), Instituto Nacional de Estadística y Geografía (INEGI), Servicio de Información Agroalimentaria y Pesquera (SIAP)

Trade

Forecast MY 2023/24 imports are expected to increase slightly to 5.1 MMT to meet increased milling demand. The United States is Mexico’s leading wheat supplier, followed by Canada. Mexico’s industry considers U.S. wheat to be of high quality, in addition to being competitively priced through both rail and maritime supply chains.

Figure 9. 2019-2022 Mexico Wheat Imports (Trade Year)



Source: La Cámara Nacional de la Industria Molinera de Trigo (CANIMOLT) with data from SIAP/SADER and la Secretaría de Hacienda y Crédito Público (SHCP)/ Customs

Mexico's wheat exports are expected to decrease about 2 percent in MY 2023/24 to 930,000 MT due to lower production. Mexico's largest export markets for durum wheat are Algeria and Venezuela, followed by Turkey, Guatemala, Nigeria, and the United States.

Table 5. Mexico's Durum Wheat Exports 2019-2022 (MT) Calendar Year

	2019	2020	2021	2022
Algeria	63,000	255,638	521,320	471,981
Venezuela	110,000	62,008	61,091	127,950
Turkey	524,433	211,466	0	69,634
Guatemala	38,640	31,900	43,254	52,299
Nigeria	0	1,897	25,427	38,768
United States	171	0	1,024	3,632
Switzerland	0	0	31,248	0
Tunisia	0	0	16,883	0
Italy	35,270	54,500	11,117	0
Netherlands	21,200	0	0	0
Other	6	14	6	31
Total	792,720	617,423	711,370	764,295

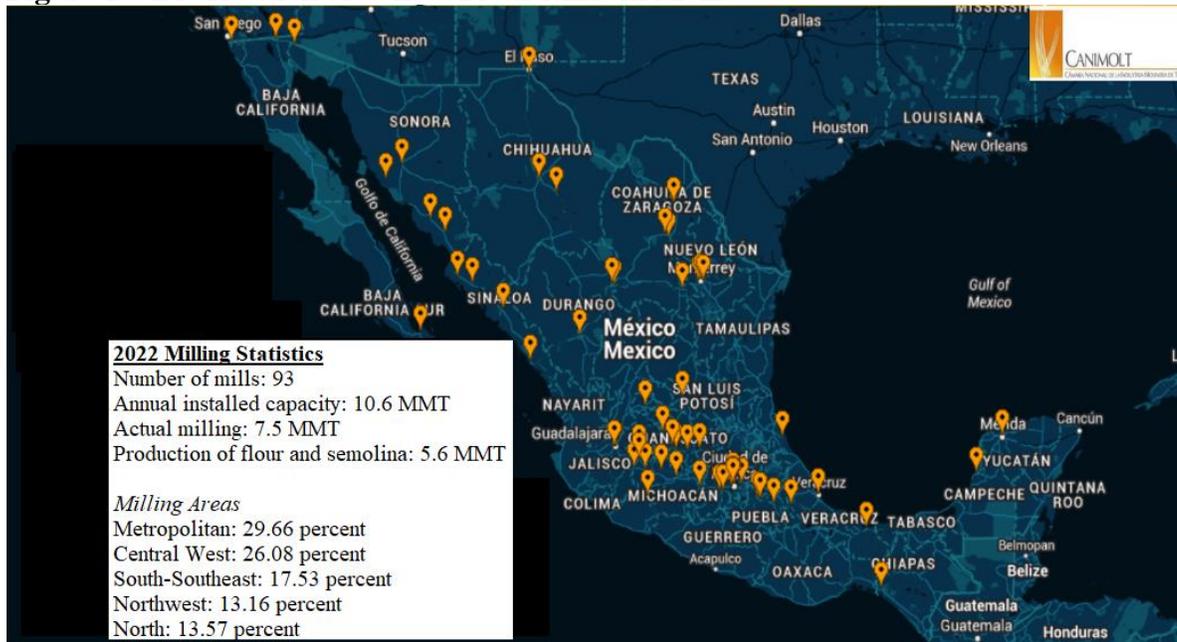
Source: La Cámara Nacional de la Industria Molinera de Trigo (CANIMOLT) with data from SIAP/SADER and la Secretaría de Hacienda y Crédito Público (SHCP)/ Customs

Consumption

Total wheat consumption is expected to reach 7.7 MMT in MY 2023/24, a slight increase compared to the previous marketing year. La Cámara Nacional de la Industria Molinera de Trigo (CANIMOLT) reports that wheat milling output was approximately 7.5 MMT in 2022, a four percent increase compared to the previous year. The organization expects slight expansion in domestic consumption in 2023 driven by general population growth and resulting milling demand.

Mexico's wheat milling capacity was 10.6 MMT in 2022, comprised of 93 wheat mills after 5 new mills were added during the year. The wheat flour sector is currently utilizing about 71 percent of available capacity, with 7.5 MMT of wheat transformed into 5.6 MMT of wheat flour and semolina in 2022.

Figure 10. Distribution of Wheat Flour Mills in Mexico



Source: La Cámara Nacional de la Industria Molinera de Trigo (CANIMOLT)

Stocks

Stocks are expected to decrease to 445,000 MT in MY 2023/24 based on moderately higher imports and lowered exports not fully covering the decline in domestic production.

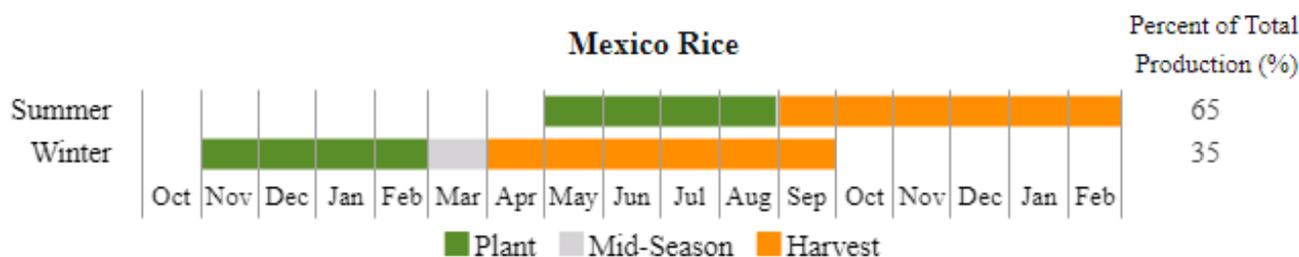
RICE

Table 6. Mexico, Rice Production, Supply, and Distribution

Rice, Milled Market Year Begins	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Area Harvested (1000 HA)	41	41	40	40	0	39
Beginning Stocks (1000 MT)	204	204	212	178	0	148
Milled Production (1000 MT)	181	172	175	170	0	165
Rough Production (1000 MT)	263	250	255	247	0	240
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	0	6870
MY Imports (1000 MT)	807	807	800	800	0	800
TY Imports (1000 MT)	783	783	800	800	0	800
TY Imp. from U.S. (1000 MT)	316	513	0	0	0	0
Total Supply (1000 MT)	1192	1183	1187	1148	0	1113
MY Exports (1000 MT)	10	5	10	10	0	10
TY Exports (1000 MT)	10	5	10	10	0	10
Consumption and Residual (1000 MT)	970	1000	970	990	0	990
Ending Stocks (1000 MT)	212	178	207	148	0	113
Total Distribution (1000 MT)	1192	1183	1187	1148	0	1113
Yield (Rough) (MT/HA)	6.4146	6.0976	6.375	6.175	0	6.1538

(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 2023/2024 = January 2024 - December 2024

Figure 11. Mexico Rice Crop Calendar



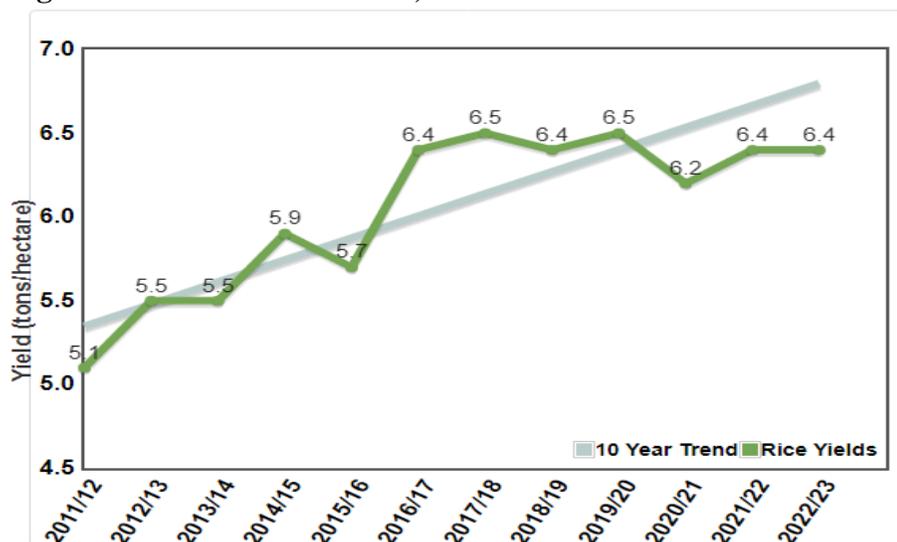
Production

Mexico's milled rice production for MY 2023/24 (October-September) is forecast to decrease three percent to 165,000 MT due to slightly lower planted area. Mexico's farmers face several pressures to reduce area in rice production. Domestic rice competes with lower priced zero tariff rice under anti-inflation programs (see policy section). As in other crops, farmers also continue to face rising input costs

– including for fertilizers, other agrochemicals, and electricity. Late information from the government price guarantee subsidy program (SEGALMEX) also prevents farmers from making decisions for rice planting. Some farmers are opting to grow sugarcane or corn due to reported better return on investment.

Post's milled rice production estimate for MY 2022/23 is 170,000 MT, down only fractionally from the year prior. While most production in major rice growing regions is irrigated, average yields are expected to slightly reduce to around 6.2 MT/ha reflecting less access to inputs. Nayarit continues to be the main rice-producing state, with approximately 30 percent of total national production, followed by Campeche with 25 percent, and Veracruz with 10 percent.

Figure 12. Mexico Rice Yields, 2011/12 - 2022/23



Source: USDA FAS International Production Assessment Division (IPAD), Instituto Nacional de Estadística y Geografía (INEGI), Servicio de Información Agroalimentaria y Pesquera (SIAP)

Figure 13. Mexico Rice Production by State



Source: USDA FAS International Production Assessment Division (IPAD), Instituto Nacional de Estadística y Geografía (INEGI), Servicio de Información Agroalimentaria y Pesquera (SIAP)

Trade

Rice imports are forecast to remain steady at 800,000 MT in MY 2023/24, based on flat production and consumption. Exports are minimal and expected to remain stable at 10,000 MT for the marketing year.

Mexico has diversified its rice suppliers over the past several years. In 2021, the United States was by far the largest supplier of rice to Mexico. However, in 2022, South American suppliers increased their market share, mainly based on a price advantage.

Consumption

For MY 2023/24, Post forecasts rice consumption to remain at 990,000 MT, in line with Post's estimate in the previous marketing year. Overall per capita rice consumption remains low in Mexico compared to other Latin American countries, but remains an important low-cost staple food for most Mexican families.

Stocks

MY 2023/24 ending stocks are forecast to decrease to 113,000 MT on reduced supply from declining production and flat trade. The estimate for MY 2022/23 ending stocks remain at 148,000 MT.

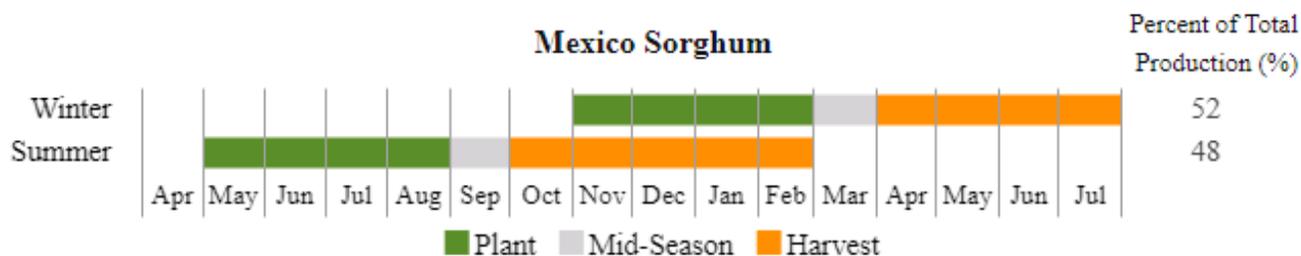
SORGHUM

Table 7. Mexico, Sorghum Production, Supply, and Distribution

Sorghum Market Year Begins	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Area Harvested (1000 HA)	1395	1395	1420	1420	0	1420
Beginning Stocks (1000 MT)	102	102	303	344	0	293
Production (1000 MT)	4840	4931	4850	4800	0	4800
MY Imports (1000 MT)	362	412	200	250	0	250
TY Imports (1000 MT)	362	412	200	250	0	250
TY Imp. from U.S. (1000 MT)	362	412	0	0	0	0
Total Supply (1000 MT)	5304	5445	5353	5394	0	5343
MY Exports (1000 MT)	1	1	1	1	0	1
TY Exports (1000 MT)	1	1	1	1	0	1
Feed and Residual (1000 MT)	4900	5000	5000	5000	0	5050
FSI Consumption (1000 MT)	100	100	100	100	0	100
Total Consumption (1000 MT)	5000	5100	5100	5100	0	5150
Ending Stocks (1000 MT)	303	344	252	293	0	192
Total Distribution (1000 MT)	5304	5445	5353	5394	0	5343
Yield (MT/HA)	3.4695	3.5348	3.4155	3.3803	0	3.3803

(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 2023/2024 = October 2023 - September 2024

Figure 14. Mexico Sorghum Calendar



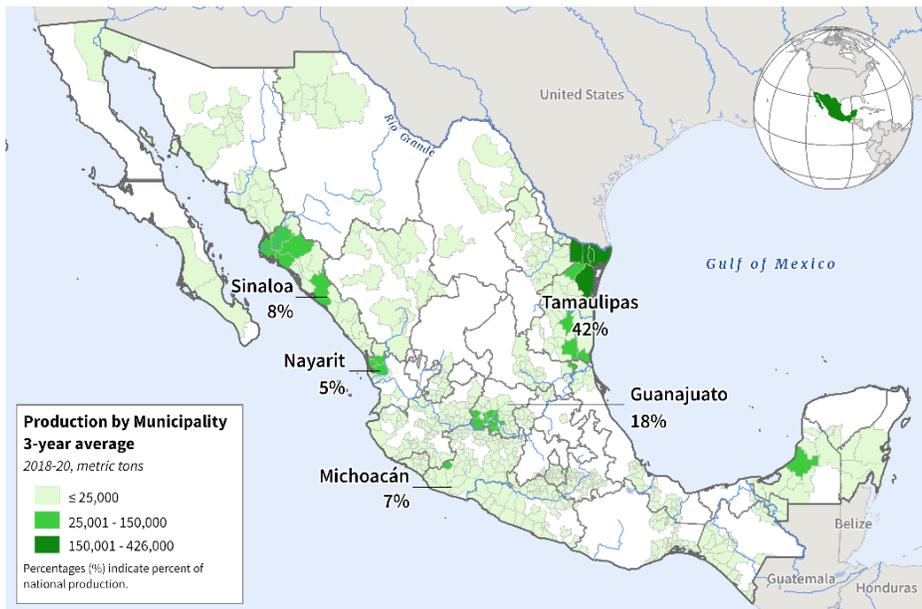
Production

MY 2023/24 (October-September) sorghum production is forecast at 4.8 MMT in line with the previous marketing year. Planted area is also unchanged. Industry sources report that farmers will not reduce their planting unless prices of corn become more appealing. Sugar cane aphid (SCA) is under control in sorghum areas through farmer funded mitigation measures.

For the current planting cycle (2022/2023 winter), the crop in Tamaulipas state was positively impacted by good temperatures and plentiful, on time rains. The expected annual production in Tamaulipas is close to 2.0 MMT, which is approximately 40 percent of total national production.

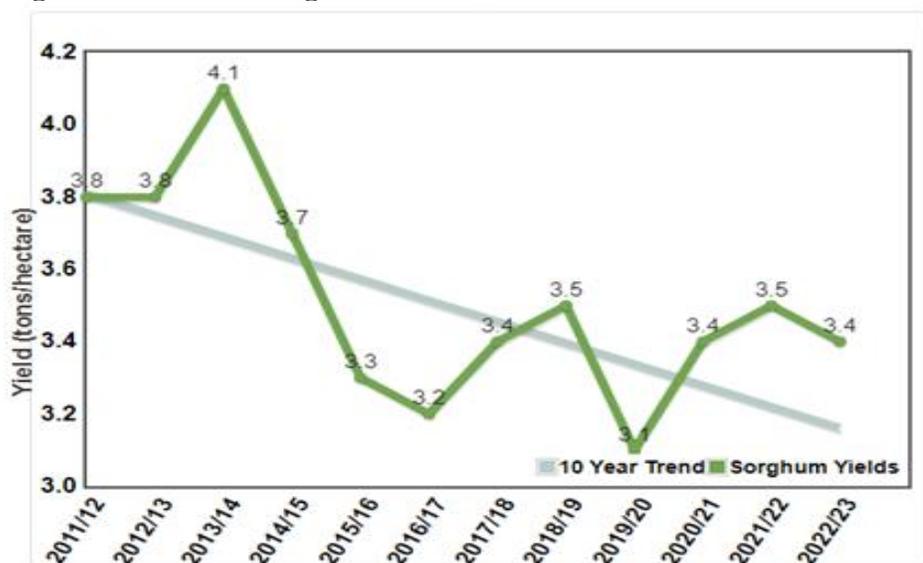
Post estimates Mexico's sorghum production for MY 2022/23 at 4.8 MMT, reflecting larger than expected harvested area from the year prior. The 2022/2023 summer crop cycle will account for approximately 48 percent of total sorghum production in the current marketing year, with the remainder coming from the 2022/23 winter cycle. Average yield is forecast at 3.42 MT/ha for MY 2022/23.

Figure 15. Mexico Sorghum Production by State



Source: USDA FAS International Production Assessment Division (IPAD), Instituto Nacional de Estadística y Geografía (INEGI), Servicio de Información Agroalimentaria y Pesquera (SIAP)

Figure 16. Mexico Sorghum Yields



Source: USDA FAS International Production Assessment Division (IPAD), Instituto Nacional de Estadística y Geografía (INEGI), Servicio de Información Agroalimentaria y Pesquera (SIAP)

Consumption

For MY 2023/24 total sorghum consumption is forecast slightly higher than the previous year at 5.2 MMT, based on expected growth in the animal feed industry. Feed industry sources indicate that sorghum continues to play an important role in the overall animal feed mix in Mexico. However, corn is the preferred animal feed due to availability, higher feed conversion rates, and preferred coloration impact of corn on animal products.

Trade

Total sorghum imports in MY 2023/24 are forecast to remain stable at 250,000 MT, with virtually all imports coming from the United States due to supply chain and tariff advantages. Mexico produces most sorghum for domestic use and minimal exports remain at 1,000 MT.

Stocks

Ending stocks are forecast lower to 192,000 MT in MY 2023/2024 due to an increase in forecasted consumption and static production.

POLICY (all grains)

Production for Wellbeing Program

Production for Wellbeing is a direct support program for small and medium producers of corn, dry beans, bread wheat, rice, and other grains, targeting farms up to 20 hectares. The program provides between a minimum 6,000 pesos to a maximum of 24,000 pesos per person per year, depending on the type of product and farm size.

The beneficiaries of the program can also qualify for the Fertilizers for Wellbeing Program. In 2023, this program expects to distribute 1.0 MMT of chemical fertilizers for 2 million farmers whose holdings are 3 hectares or less. The program works with the state-owned oil company PEMEX to distribute free domestically produced fertilizer (urea and DAP) to program beneficiaries in 32 states.

Guaranteed Prices Program

One of President López Obrador's signature programs is the Guaranteed Prices Program for Basic Food Products (PPGPAB), which provides guaranteed prices for small producers of corn, bread wheat, dry beans, rice, and milk. The program then distributes the commodities to low-income communities. The program is administered by Food Security Mexico (*Seguridad Alimentaria Mexicana*, or SEGALMEX), an agency under the purview of SADER.

Anti-inflation Decrees

As Mexico wrestles with high tortilla prices and food price inflation, several government Decrees to control food prices allow the duty-free import of corn (white corn variety, non-GE), wheat, rice, and sorghum (See [GAIN MX2023-0002](#) and [GAIN MX2022-0057](#)). The Decree temporarily exempts select importers from the payment of import duties for certain goods and facilitates administrative easing. The decree is valid until December 2023.

Policy (Corn)

Corn Export Tariff

On January 16, 2023, the GOM announced a [presidential decree for a temporary 50 percent tariff](#) on Mexico's white corn exports through June 30, 2023. The following tariff code applies to the new Decree:

CODE	DESCRIPTION	UNIT	TARIFF		NOTE
			IMPORTS	EXPORTS	
10.05	Corn.				
1005.90.04	White corn (for flour).	kg	Excluded	Fifty	In import, only for human consumption (not genetically modified).

According to the Decree, the intent is to control the supply, production, and price of white corn in Mexico, and thus control prices of the various consumer products made from white corn, mainly tortillas.

February 2023 Corn Decree

On February 14, 2023, a new [Corn Decree](#) entered into force resulting in a restriction on GE corn for human consumption in the tortilla industry. On March 6, 2023, the United States Office of the Trade Representative (USTR) announced USMCA technical consultations with Mexico on agricultural biotechnology policy under the agreement's sanitary and phytosanitary measures chapter.

For More Information

Visit www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Report Number	Title	Dated
MX2023-0003	Grain and Feed Update	02/03/2023
MX2022-0048	Grain and Feed Update	09/20/2022
MX2022-0036	Grain and Feed Update	06/24/2022
MX2022-0020	Grain and Feed Annual	03/17/2022
MX2022-0002	Grain and Feed Update	12/2//2021
MX2021_0055	Grain and Feed Update	9/22/2021

Additionally, the FAS International Production Assessment Division Crop Explorer provides information on Mexico's grain production:

[Corn Explorer](#)

[Wheat Explorer](#)

[Rice Explorer](#)

[Sorghum Explorer](#)

Attachments:

No Attachments