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# **Report Name:** Grain and Feed Update

**Country:** Mexico

**Post:** Mexico City

**Report Category:** Grain and Feed

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**Report Highlights:**

Corn, rice, and sorghum production forecasts for marketing year (MY) 2023/2024 are revised upward, while wheat production is forecast lower at 3.4 million metric tons. Mexico's MY 2022/2023 imports of corn, wheat, and sorghum are estimated lower than in MY 2021/2022, while estimated rice imports are slightly higher. Production and trade forecasts and estimates were revised based on updated planting and trade data.

## EXECUTIVE SUMMARY

Mexico's corn production forecast for marketing year (MY) 2023/2024 is revised downward to 26.9 million metric tons (MMT) based on a forecast reduced planted area. The corn production estimate for MY 2022/2023 is revised downward to 26.5 MMT based on updated planting and harvest data.

Mexico's MY 2023/2024 corn imports are forecast higher than the previous year to meet increasing demand for starch and animal feed production. In contrast, MY 2022/2023 corn import and export estimates continue to remain lower than the previous marketing year due to the February 2023 Corn Decree and the January 2023 Decree that established a 50 percent tariff on corn exports through June 2023 (see policy section).

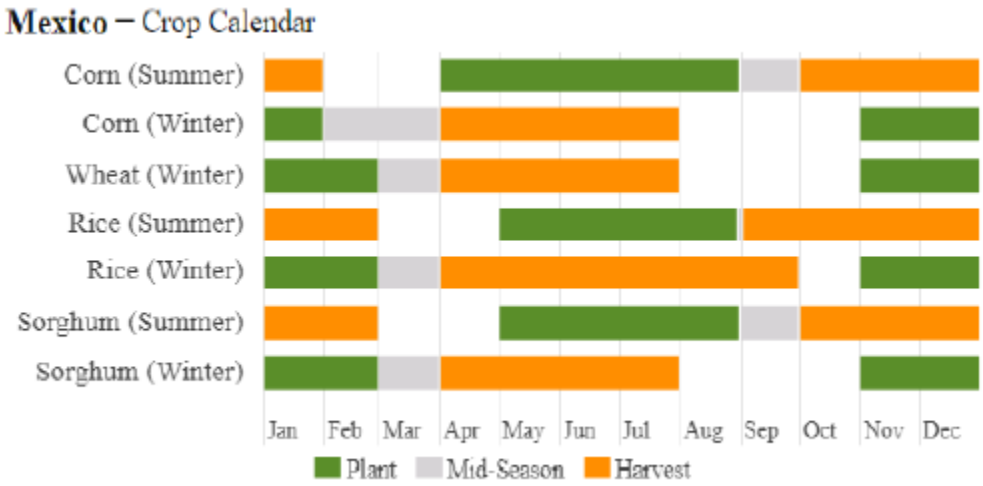
Due to a forecast reduction in planted area, MY 2023/2024 wheat production is forecast lower than the previous year at 3.4 MMT. Production in MY 2023/2022 is estimated at 3.6 MMT, nine percent higher than the prior marketing year. MY 2023/2024 exports are revised upward nine percent compared to 2022/2023 to 0.9 MMT.

Mexico's MY 2023/2024 rice import forecast is adjusted upward to 0.8 MMT, four percent higher than the estimate for MY 2022/2023, pulled up by forecast increased consumption.

Lastly, Mexico's sorghum imports in MY 2023/2024 are estimated to remain flat at 0.2 MMT. Production for MY 2023/2024 is adjusted upward to 4.9 MMT to reflect updated harvest data.

The following calendar reflects Mexico's crop cycles for corn, wheat, rice, and sorghum.

**Figure 1. Mexico's Crop Calendar for Corn, Wheat, Rice, and Sorghum**



## CORN

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

| Corn | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Oct 2021 | | Oct 2022 | | Oct 2023 | |
| Mexico | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 7093 | 7093 | 6900 | 6900 | 7250 | 7100 |
| **Beginning Stocks** (1000 MT) | 3079 | 3079 | 3163 | 3163 | 2663 | 2763 |
| **Production** (1000 MT) | 26762 | 26762 | 26500 | 26500 | 27400 | 26850 |
| **MY Imports** (1000 MT) | 17572 | 17572 | 17200 | 17200 | 18000 | 18000 |
| **TY Imports** (1000 MT) | 17572 | 15572 | 17200 | 17200 | 18000 | 18000 |
| **TY Imp. from U.S.** (1000 MT) | 16773 | 16773 | 0 | 0 | 0 | 0 |
| **Total Supply** (1000 MT) | 47413 | 47413 | 46863 | 46863 | 48063 | 47613 |
| **MY Exports** (1000 MT) | 250 | 250 | 200 | 100 | 300 | 300 |
| **TY Exports** (1000 MT) | 250 | 250 | 200 | 100 | 300 | 300 |
| **Feed and Residual** (1000 MT) | 25800 | 25800 | 26000 | 26000 | 27300 | 27300 |
| **FSI Consumption** (1000 MT) | 18200 | 18200 | 18000 | 18000 | 18400 | 18400 |
| **Total Consumption** (1000 MT) | 44000 | 44000 | 44000 | 44000 | 45700 | 45700 |
| **Ending Stocks** (1000 MT) | 3163 | 3163 | 2663 | 2763 | 2063 | 1613 |
| **Total Distribution** (1000 MT) | 47413 | 47413 | 46863 | 46863 | 48063 | 47613 |
| **Yield** (MT/HA) | 3.773 | 3.773 | 3.8406 | 3.8406 | 3.7793 | 3.7817 |
| | | | | | | |

(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

### Production

Corn production for MY 2023/2024 is forecast slightly higher than the previous marketing year at 26.9 MMT. The main factor driving the increase in production is a slight increase in estimated planted area. MY 2022/2023 corn production is estimated at 26.5 MMT based on more complete harvest results from the Secretary of Agriculture and Rural Development (SADER).

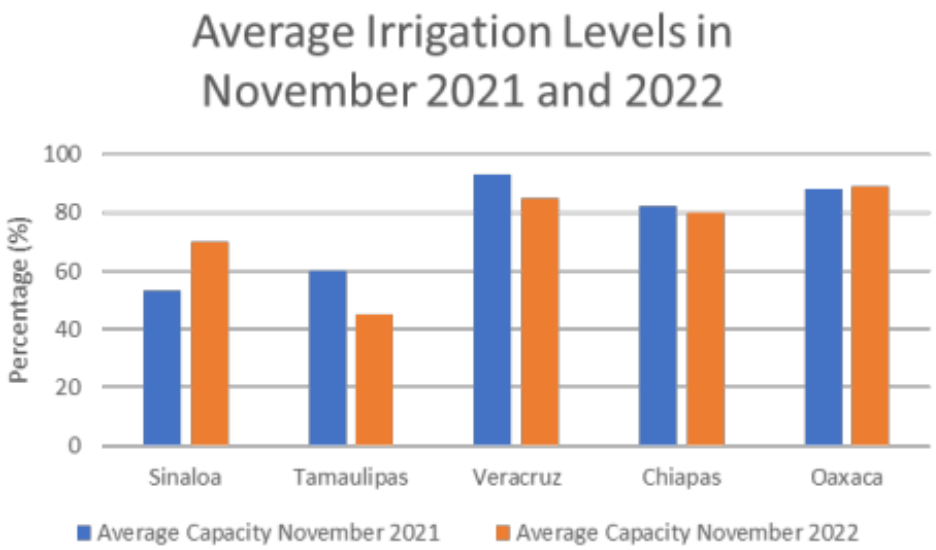
According to preliminary data from Mexico's Agri-food and Fisheries Information Service (SIAP), the 2022/2023 spring/summer corn cycle harvest produced 19.4 MMT of corn, including approximately 16.1 MMT of white corn and 3.0 MMT of yellow corn. White corn production is reported two percent lower than the previous year, and yellow corn production eight percent higher. While spring/summer white corn production is distributed throughout the country, the harvest in Chihuahua, Jalisco, and Chiapas produced 77 percent of the total national yellow corn production.

The consulting firm Grupo Consultor de Mercados Agrícolas (GCMA) reports that, as of June 12, the 2022/2023 fall/winter cycle harvest in Sinaloa is 60 percent complete. According to sources, Sinaloa production is estimated to have reached between 6.0 MMT to 6.2 MMT, followed by Sonora and Tamaulipas with a combined 0.9 MMT. Mexico's fall/winter corn production outlook is reported to benefit from favorable weather during crop cultivation, good levels of water in dams, and increased planted area.

**Figure 2. Map of MY 2022/2023 Winter Corn Planted Area as of March 2023 by Municipality and Dam Locations**


Sources: USDA FAS International Production Assessment Division (IPAD), Servicio de Información Agroalimentaria y Pesquera (SIAP), Instituto Nacional de Estadística y Geografía (INEGI), Global Reservoir and Dam Database (GRanD)

**Figure 3. Average Irrigation Levels in Major Winter Corn States at Start of Planting in November 2021 vs. November 2022**




Source: USDA FAS International Production Assessment Division (IPAD), Comisión Nacional del Agua (CONAGUA)

**Trade**

Corn imports are forecast at 18.0 MMT in MY 2023/2024, a five percent increase over the previous year estimate to meet increased demand from the starch and animal feed sectors. Mexico's corn imports are estimated at 17.2 MMT in MY 2022/2023, down two percent compared to the previous year due to the February 2023 Corn Decree as well as increased supply of domestically produced corn for domestic consumption due to the January 2023 Decree establishing a 50 percent tariff on corn exports through June 2023 (see policy section).

Mexico's corn exports are estimated at 0.1 MMT in MY 2022/2023, a 60 percent decrease compared to the previous marketing year based on updated trade data and reflecting the impact of the January 2023 Export Tariff Decree.

**Consumption**

Total corn consumption is forecast at 45.7 MMT in MY2023/24, an increase of four percent compared to the previous marketing year, driven primarily by forecast increased demand for starch and animal feed production.

**Stocks**

MY 2023/2024 corn ending stocks are revised downward based on lower estimated production than previously expected and reduced carry-over stocks from MY 2022/2023.

## WHEAT

### Table 2. Mexico, Wheat Production, Supply, and Distribution

| Wheat | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Jul 2021 | | Jul 2022 | | Jul 2023 | |
| Mexico | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 547 | 547 | 588 | 588 | 550 | 560 |
| **Beginning Stocks** (1000 MT) | 262 | 262 | 520 | 520 | 442 | 442 |
| **Production** (1000 MT) | 3281 | 3281 | 3572 | 3572 | 3300 | 3400 |
| **MY Imports** (1000 MT) | 5326 | 5326 | 5000 | 5000 | 5400 | 5200 |
| **TY Imports** (1000 MT) | 5326 | 5326 | 5000 | 5000 | 5400 | 5200 |
| **TY Imp. from U.S.** (1000 MT) | 4305 | 4305 | 0 | 0 | 0 | 0 |
| **Total Supply** (1000 MT) | 8869 | 8869 | 9092 | 9092 | 9142 | 9042 |
| **MY Exports** (1000 MT) | 924 | 924 | 850 | 850 | 900 | 930 |
| **TY Exports** (1000 MT) | 924 | 924 | 850 | 850 | 900 | 930 |
| **Feed and Residual** (1000 MT) | 225 | 225 | 300 | 300 | 300 | 300 |
| **FSI Consumption** (1000 MT) | 7200 | 7200 | 7500 | 7500 | 7600 | 7600 |
| **Total Consumption** (1000 MT) | 7425 | 7425 | 7800 | 7800 | 7900 | 7900 |
| **Ending Stocks** (1000 MT) | 520 | 520 | 442 | 442 | 342 | 212 |
| **Total Distribution** (1000 MT) | 8869 | 8869 | 9092 | 9092 | 9142 | 9042 |
| **Yield** (MT/HA) | 5.9982 | 5.9982 | 6.0748 | 6.0748 | 6 | 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

### Production

In 2023/2024, reported falling wheat prices are expected to dissuade farmers from planting at the elevated levels seen in MY 2022/2023. Wheat planted area for 2023/2024 is forecast five percent lower at 560,000 hectares (HA) and forecast production is lowered to 3.4 MMT. The total wheat production estimate for MY 2022/2023 was revised upward, reflecting the latest official data from SADER. Preliminary 2022/2023 fall/winter cycle harvest results indicate an estimated 1.7 MMT of durum wheat and 1.4 MMT of bread wheat. The 2022/2023 fall/winter wheat cycle represented over 90 percent of national production. Sonora led production, followed by Guanajuato, Sinaloa, and Baja California.

### Trade

MY 2023/2024 imports are forecast to increase slightly to 5.2 MMT to meet milling demand growth and less production compared to MY 2022/2023.

### Consumption

The National Chamber of the Wheat Milling Sector (CANIMOLT) continues to report a slight expansion in domestic consumption driven by general population growth and milling demand.

### Stocks

Stocks were revised downward in MY 2023/2024 based on moderately higher consumption and less forecast production.

## RICE

### Table 3. Mexico, Rice Production, Supply, and Distribution

| Rice, Milled | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Oct 2021 | | Oct 2022 | | Oct 2023 | |
| Mexico | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 41 | 41 | 31 | 31 | 39 | 39 |
| **Beginning Stocks** (1000 MT) | 204 | 204 | 143 | 143 | 92 | 92 |
| **Milled Production** (1000 MT) | 181 | 181 | 139 | 139 | 165 | 165 |
| **Rough Production** (1000 MT) | 263 | 263 | 202 | 202 | 240 | 240 |
| **Milling Rate (.9999)** (1000 MT) | 6870 | 6870 | 6870 | 6870 | 6870 | 6870 |
| **MY Imports** (1000 MT) | 738 | 738 | 800 | 800 | 850 | 830 |
| **TY Imports** (1000 MT) | 796 | 796 | 800 | 800 | 850 | 830 |
| **TY Imp. from U.S.** (1000 MT) | 316 | 316 | 0 | 0 | 0 | 0 |
| **Total Supply** (1000 MT) | 1123 | 1123 | 1082 | 1082 | 1107 | 1087 |
| **MY Exports** (1000 MT) | 10 | 10 | 10 | 10 | 10 | 10 |
| **TY Exports** (1000 MT) | 10 | 10 | 10 | 10 | 10 | 10 |
| **Consumption and Residual** (1000 MT) | 970 | 970 | 980 | 980 | 1000 | 990 |
| **Ending Stocks** (1000 MT) | 143 | 143 | 92 | 92 | 97 | 87 |
| **Total Distribution** (1000 MT) | 1123 | 1123 | 1082 | 1082 | 1107 | 1087 |
| **Yield (Rough)** (MT/HA) | 6.4146 | 6.4146 | 6.5161 | 6.5161 | 6.1538 | 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

### Production

Estimated milled rice production for MY 2022/2023 is revised to 0.1 MMT, down approximately 23 percent from the year prior, attributed to lower-than-expected reported planted area. Veracruz is reported to lead production for the 2022/2023 spring/summer cycle with 22 percent, followed by Michoacan (21 percent), Nayarit (16 percent), Jalisco (12 percent), and Campeche (9 percent). Preliminary final harvest results point to production for the 2022/2023 spring/summer cycle of 0.9 MMT of milled rice. As of May 2023, SIAP estimates indicate 9,200 hectares of planted area for fall/winter rice. Nayarit planted area is reported at 66 percent of total fall/winter production, followed by Campeche, Jalisco, Tamaulipas, and Michoacan.

### Trade

Rice imports are forecast to increase four percent to 0.8 MMT in MY 2023/2024, based on forecast increased consumption and estimated lower carry-over stocks from MY 2022/2023.

Exports are minimal and expected to remain stable at 10,000 MT.

### Consumption

For MY 2023/2024, rice consumption is forecast to remain at 1.0 MMT, slightly higher than the estimate for the previous marketing year and based on demand from population growth.

### Stocks

MY 2023/2024 ending stocks are forecast to decrease to 87,000 MT on increased consumption and less carry over from MY 2022/2023 ending stocks estimated at 92,000 MT.

## SORGHUM

### Table 4. Mexico, Sorghum Production, Supply, and Distribution

| Sorghum | 2021/2022 | | 2022/2023 | | 2023/2024 | |
|---|---|---|---|---|---|---|
| Market Year Begins | Oct 2021 | | Oct 2022 | | Oct 2023 | |
| Mexico | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| **Area Harvested** (1000 HA) | 1395 | 1395 | 1400 | 1400 | 1420 | 1420 |
| **Beginning Stocks** (1000 MT) | 102 | 102 | 303 | 303 | 252 | 252 |
| **Production** (1000 MT) | 4840 | 4840 | 4850 | 4850 | 4800 | 4870 |
| **MY Imports** (1000 MT) | 362 | 362 | 200 | 200 | 200 | 200 |
| **TY Imports** (1000 MT) | 362 | 362 | 200 | 200 | 200 | 200 |
| **TY Imp. from U.S.** (1000 MT) | 362 | 362 | 0 | 0 | 0 | 0 |
| **Total Supply** (1000 MT) | 5304 | 5304 | 5353 | 5353 | 5252 | 5322 |
| **MY Exports** (1000 MT) | 1 | 1 | 1 | 1 | 1 | 1 |
| **TY Exports** (1000 MT) | 1 | 1 | 1 | 1 | 1 | 1 |
| **Feed and Residual** (1000 MT) | 4900 | 4900 | 5000 | 5000 | 4900 | 5050 |
| **FSI Consumption** (1000 MT) | 100 | 100 | 100 | 100 | 100 | 100 |
| **Total Consumption** (1000 MT) | 5000 | 5000 | 5100 | 5100 | 5000 | 5150 |
| **Ending Stocks** (1000 MT) | 303 | 303 | 252 | 252 | 251 | 171 |
| **Total Distribution** (1000 MT) | 5304 | 5304 | 5353 | 5353 | 5252 | 5322 |
| **Yield** (MT/HA) | 3.4695 | 3.4695 | 3.4643 | 3.4643 | 3.3803 | 3.4296 |
| | | | | | | |

(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

### Production

MY 2023/2024 sorghum production is forecast at 4.9 MMT, a slight increase from the previous marketing year. Planted area is forecast slightly higher at 1.4 million HA.

According to SIAP, the 2022/2023 spring/summer sorghum crop harvest which ended in late February 2023 resulted in 2.2 MMT of sorghum. Guanajuato led production with 41 percent of the total, followed by Michoacan (14 percent) and Sinaloa (11 percent). The 2022/2023 fall/winter crop is harvested from April through July. The expected annual production in Tamaulipas is close to 2.0 MMT, which is approximately 40 percent of total national production.

### Consumption

For MY 2023/2024 total sorghum consumption is forecast slightly higher than the previous year at 5.1 MMT, based on expected growth in demand by the animal feed industry.

### Trade

Total sorghum imports in MY 2023/2024 are forecast flat at 0.2 MMT. Virtually all imports are continued to be forecast from the United States due to supply chain and tariff advantages.

### Stocks

Ending stocks are forecast lower to 0.2 MMT in MY 2023/2024 due to an increase in forecast consumption, with flat imports, and a minimal increase in production.

**POLICY (all grains)**

**Guaranteed Prices Program**
On May 29, 2023, Food Security Mexico (*Seguridad Alimentaria Mexicana*, or SEGALMEX) announced the purchase of 1.0 MMT of Sinaloa white corn from farmers with less than 15 hectares (HA). Additionally, on May 15, the state government of Sinaloa announced the purchase of 0.5 MMT of white corn from farmers who plant on 50 HA or less, or who produce no more than 600 MT. Combined, the total purchase is 1.5 MMT at a purchase price of 6,965 pesos/MT (approximately USD 404.00).

**Anti-Inflation Decrees**
On May 18, 2023 the Government of Mexico (GOM) modified the list of products eligible for tariff exemptions under the, "*Decree exempting the payment of import tariffs and granting administrative facilities to various goods in the basic basket and basic consumption of families*" (See GAIN reports MX2022-0054 and MX2022-0030). The GOM lifted the tariff exemption for wheat imports, stating that the exemption had not resulted in lower prices as was the aim. The change comes on the heels of the wheat harvest in Sonora and Baja California. The anti-inflation decree is set to expire on December 31, 2023. The modifications were published in Mexico's Federal Register here.

**Policy (corn)**

**Corn Export Tariff**
The presidential decree for a temporary 50 percent tariff on Mexico's white corn exports expires on June 30, 2023.

**February 2023 Corn Decree**
On February 13, Mexico published a presidential decree that includes an immediate prohibition on the use of biotech corn in Mexico's dough and tortilla production. On June 2, the United States requested dispute settlement consultations with Mexico under the United States-Mexico-Canada Agreement (USMCA). These consultations regard certain Mexican measures concerning products of agricultural biotechnology. Under USMCA Article 31.4.5, the parties shall enter into consultations within 30 days of the U.S. request, unless the parties decide otherwise. Under USMCA Article 31.6.1, if the parties do not resolve the matter through consultations within 75 days of the U.S. request, the United States may request the establishment of a panel.

**For More Information**

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| Report Number | Title | Dated |
|---|---|---|
| Commodity Intelligence Report | Mexico Corn Near-Average Production Expected | 05/23/2023 |
| MX2023-0011 | Grain and Feed Annual | 03/22/2023 |
| 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