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Report Name: Grain and Feed Update

Country: Mexico

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Report Highlights:

Mexico's projected wheat production in marketing year (MY) 2021/22 is revised upward compared to the USDA official forecast to 3.2 million metric tons (MMT) based on updated official Mexican production data. Estimated MY 2020/21 corn production is revised higher to 27.2 MMT, reflecting a slightly larger planted area than previously anticipated. Similarly, the sorghum production estimate for MY 2020/21 has been revised upward based on official Mexican data covering the 2020 spring/summer and 2020/21 fall/winter crop cycles. The rice production estimate for MY 2020/21 is revised slightly downward to 209,000 MT (rough production) on lower than expected yields due to adverse weather conditions.

EXECUTIVE SUMMARY

Mexico's wheat production in MY 2021/22 (July to June) is revised higher to 3.2 MMT, based on more complete figures from the Secretariat of Agriculture and Rural Development (SADER) as of July 31, 2021 and reflecting favorable weather conditions. The corn harvested area and production forecasts for MY 2021/22 (October to September) remain unchanged based on updated SADER data for the 2021 spring/summer crop cycle. Estimated MY 2020/21 corn production is revised upward compared to the official USDA official figure to 27.2 MMT, based on final official data as of July 31, 2021 that reflects larger planted area. Likewise, harvested area is revised slightly higher to 7.145 million hectares reflecting these final figures, while estimated MY 2020/21 corn exports are revised downward based on Trade Data Monitor (TDM) figures.

The sorghum production estimate for MY 2020/21 (October to September) is adjusted upward, reflecting slightly higher harvested area as well as updated SADER data for the 2020 spring/summer crop cycle and available information for the 2020/21 fall/winter crop cycle as of July 31, 2020. Lastly, the rice production estimate for MY 2020/21 (October to September) was revised downward from the USDA official estimate to 290,000 metric tons (MT) (rough production), the equivalent to 199,000 MT of milled rice. The lower production estimate is based on the most recent data from SADER and industry sources, reflecting unfavorable weather and decreased yields.

WHEAT

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

Wheat Market Year Begins	2019/2020		2020/2021		2021/2022	
	Jul 2019		Jul 2020		Jul 2021	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	590	590	556	556	555	555
Beginning Stocks (1000 MT)	603	603	385	385	344	344
Production (1000 MT)	3270	3270	2965	2965	3100	3200
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	3885	0	0	0	0
Total Supply (1000 MT)	8953	8953	8074	8074	8544	8644
MY Exports (1000 MT)	1168	1168	530	530	700	750
TY Exports (1000 MT)	1168	1168	530	530	700	750
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	344	344	444	494
Total Distribution (1000 MT)	8953	8953	8074	8074	8544	8644
Yield (MT/HA)	5.5424	5.5424	5.3327	5.3327	5.5856	5.7658

(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

Forecast total wheat production for MY 2021/22 (July to June) was revised higher to 3.2 MMT based on updated SADER data as of July 31, 2021.

According to official sources, wheat production in Sonora increased by about 12 percent during the 2020/21 fall/winter crop cycle compared to a year earlier due to higher planted area (up about 3 percent) and favorable weather conditions. The state registered more weeks with cold days during early 2021, bolstering crop development and generating better yields compared to the previous season, with an estimated 1.722 MMT for the 2020/21 crop cycle versus 1.532 MMT the previous year. As of July 31, 2021, 236,467 hectares had been harvested, representing 99.9 percent of the sown area with an average yield of 7.3 MT/hectare. Sonora is the main wheat producing state in Mexico, contributing 53 percent of total domestic production. Most of Sonora's bread-wheat production this season is destined for the domestic market, mainly for wheat flour production, while the entirety of the durum wheat crop (known locally as crystalline) will be exported.

Trade

The wheat export estimate for MY2021/22 was adjusted upward to 750,000 MT reflecting higher domestic production than previously estimated.

Stocks

Ending stocks for MY 2021/22 are adjusted upward to reflect the higher domestic production than previously estimated.

CORN

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

Corn Market Year Begins	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6621	6621	7140	7145	7300	7300
Beginning Stocks (1000 MT)	5160	5160	3515	3515	2615	3015
Production (1000 MT)	26658	26658	27000	27200	28000	28000
MY Imports (1000 MT)	16526	16526	16500	16500	17000	17000
TY Imports (1000 MT)	16526	16526	16500	16500	17000	17000
TY Imp. from U.S. (1000 MT)	14628	14628	0	0	0	0
Total Supply (1000 MT)	48344	48344	47015	47215	47615	48015
MY Exports (1000 MT)	1029	1029	700	500	700	700
TY Exports (1000 MT)	1029	1029	700	500	700	700
Feed and Residual (1000 MT)	25600	25600	25500	25500	26000	26000
FSI Consumption (1000 MT)	18200	18200	18200	18200	18200	18200
Total Consumption (1000 MT)	43800	43800	43700	43700	44200	44200
Ending Stocks (1000 MT)	3515	3515	2615	3015	2715	3115
Total Distribution (1000 MT)	48344	48344	47015	47215	47615	48015
Yield (MT/HA)	4.0263	4.0263	3.7815	3.8069	3.8356	3.8356
(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

The corn harvested area and production forecasts for MY 2021/22 (October to September) remain unchanged, with a projected 7.3 million hectares planted and a production of 28.0 MMT based on updated SADER data for the crop cycle 2021 spring/summer (as of July 31, 2021).

Post's total corn production estimate for MY 2020/21 is revised upward from the USDA official estimate to 27.2 MMT based on more complete data from SADER. These statistics include the results of the 2020 spring/summer crop cycle (19.388 MMT), as well as available information through July for the 2020/21 fall/winter crop cycle, reflecting a slightly higher planted area than previously anticipated. While some private contacts had anticipated a severe adverse impact on yields from dry weather conditions in Sinaloa (the leading corn producing state), available data indicate that production reached 5.4 MMT in the 2020/21 fall/winter crop cycle compared to 5.7 during the same crop cycle a year earlier.

Trade

The corn export estimate for MY 2020/21 has been decreased to 500,000 MT from the USDA official estimate based on TDM information for the first seven months of the marketing year as well as estimates from official Mexican sources.

Stocks

The MY 2020/21 ending stocks estimate is revised upward to reflect higher domestic production than previously estimated. This is reflected in the upward adjustment to MY 2020/21 carry over as well.

SORGHUM

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

Sorghum Market Year Begins	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1378	1378	1290	1290	1420	1420
Beginning Stocks (1000 MT)	259	259	153	153	63	163
Production (1000 MT)	4328	4328	4000	4100	4700	4700
MY Imports (1000 MT)	567	567	40	40	50	50
TY Imports (1000 MT)	567	567	40	40	50	50
TY Imp. from U.S. (1000 MT)	567	567	0	0	0	0
Total Supply (1000 MT)	5154	5154	4193	4293	4813	4913
MY Exports (1000 MT)	1	1	30	30	1	1
TY Exports (1000 MT)	1	1	30	30	1	1
Feed and Residual (1000 MT)	4900	4900	4000	4000	4500	4500
FSI Consumption (1000 MT)	100	100	100	100	100	100
Total Consumption (1000 MT)	5000	5000	4100	4100	4600	4600
Ending Stocks (1000 MT)	153	153	63	163	212	312
Total Distribution (1000 MT)	5154	5154	4193	4293	4813	4913
Yield (MT/HA)	3.1408	3.1408	3.1008	3.1783	3.3099	3.3099

(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

Estimated total sorghum production for MY 2020/21 (October to September) is revised upward to 4.1 MMT based on updated SADER data reflecting the results of the 2020 spring/summer crop cycle and available information for the 2020/21 fall/winter crop cycle as of July 31, 2021. However, while the MY 2020/21 production estimate represents a slight increase, the volume is approximately 14 percent lower than the five-year average. This relative production dearth is due to adverse weather conditions in the 2020/21 fall/winter crop cycle in Tamaulipas, the main sorghum producing state during this cycle.

Unfavorable weather factors included frost damage in February (after which many farmers had to reseed); low reservoir levels, followed by excessive rains that caused lodging in some plants; and delayed rains in most of the rainfed zone. As of July 31, 2021, an area of 306,000 ha has been reported as damaged. Consequently, the production estimate for Tamaulipas is just 1.5 MMT, or approximately 30 percent lower than the estimated volume based on initial planting intentions. Private sources concur that this cycle will be marked by the lowest production level in the last five years.

Trade

The MY 2020/21 export estimate remains unchanged at 30,000 MT. According to private sources, the 30,000 MT in exports for the marketing year consisted of a single shipment to Japan. The sale was reportedly made by the local branch of the Chinese state-owned enterprise COFCO, during a window of opportunity in terms of sorghum price and transportation costs.

Stocks

The ending stocks estimate for MY 2020/21 was revised upward from the USDA official estimate to 163,000 MT based on higher than previously estimated domestic production. This is reflected in the upward adjustment to MY 2021/22 carry over as well.

RICE MILLED

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

Rice, Milled Market Year Begins	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	39	39	47	47	50	50
Beginning Stocks (1000 MT)	154	154	175	175	210	219
Milled Production (1000 MT)	175	175	210	199	224	224
Rough Production (1000 MT)	255	255	306	290	326	326
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	6870	6870
MY Imports (1000 MT)	803	803	800	825	800	800
TY Imports (1000 MT)	843	843	800	825	800	800
TY Imp. from U.S. (1000 MT)	547	547	0	0	0	0
Total Supply (1000 MT)	1132	1132	1185	1199	1234	1243
MY Exports (1000 MT)	17	17	15	20	10	10
TY Exports (1000 MT)	18	18	15	20	10	10
Consumption and Residual (1000 MT)	940	940	960	960	970	970
Ending Stocks (1000 MT)	175	175	210	219	254	263
Total Distribution (1000 MT)	1132	1132	1185	1199	1234	1243
Yield (Rough) (MT/HA)	6.5385	6.5385	6.5106	6.1702	6.52	6.52

(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 estimated MY 2021/22 (October to September) rice production is unchanged at 326,000 MT. This production is equivalent to 224,000 MT of milled rice.

The rice production estimate for MY 2020/21 is revised downward from the USDA official estimate to 290,000 MT (rough production) based on unfavorable weather and reflecting the most recent data from SADER and industry sources. The decreased rough production is equivalent to 199,000 MT of milled rice. Essentially, rice output was down due to adverse weather events leading to unfavorable yields. In Nayarit, for example, yields were negatively impacted by heavy hurricane-related wind and rain during the harvest period. According to available official information as of July 31, 2021, the total planted area had been harvested (4,544 ha), but the yields registered were 8.1 MT/ha instead of the 11.8 MT/ha that had been estimated initially. In addition, crop quality was also affected by a delayed harvest and staining problems as well as excess moisture, which made drying and transportation difficult. As of July 31, 2021, the production registered in Nayarit was 37,186 MT, or 30 percent lower than the estimated in the planting intentions. Nayarit is one of the main rice producing states during the 2020/21 fall/winter crop cycle.

Trade

The import estimate for the MY2020/21 is revised upward to 825,000 MT based on TDM data for the first seven months of this marketing year. Similarly, the rice export estimate is increased based on TDM data and official Mexican government figures. The import and export estimates for MY 2021/22 remain unchanged.

Stocks

The Post ending stocks estimate for MY 2021/22 is higher than the USDA official estimate (219,000 MT) due to the higher level of estimated imports. The ending stocks estimate is also reflected in the carry over for MY 2021/22.

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
MX2021-0028	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
MX2020-0015	Grain and Feed Update	7/10/2020

Attachments:

No Attachments