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Mexico

Grain and Feed Update

Grain Production Up Due to Good Weather Conditions

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Report Highlights:
Post's total corn production estimate for MY 2012/13 has been revised upward to 21 million metric tons (MMT) due to more harvested area and relatively favorable weather conditions. Several Mexican states planted approximately 106,000 hectares (ha) more sorghum than initially expected during the 2012 spring/summer crop cycle as relatively good weather conditions provide incentive to increase planted area leading to a higher production estimate for MY 2012/13. Official source stated that although the rainy season in 2012 wasn't great, it was substantially better than the previous season when Mexico was adversely affected by a severe drought.

Post:
Mexico City

Executive Summary:

Corn

Production
Post's total corn production estimate for MY 2012/13 (October to September) has been revised upward from USDA/Official estimate to 21 MMT, due to more complete data from the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA). Corn output was increased due to higher than expected harvested area and relatively favorable weather conditions. Official source stated that although the rainy season was irregular, it was substantially better compared to last season, when Mexico was adversely affected by a severe drought. They estimate that the 2012 spring/summer crop cycle, which is almost finishing, could reach 16.2 MMT. At the same time, the expectation for the current 2012/13 fall/winter season is optimistic as they expect it will reach approximately 4.8 MMT. Although media outlets have highlighted a cold front and a winter storm affected large areas of Sinaloa's corn in mid-January 2013, official sources have stated that preliminary estimates show that the impact was not more than 35,000 ha (roughly 10 percent of total corn planted area) of which only partial damage actually occurred. It is important to note that Sinaloa farmers planted 371, 000 ha of corn in the 2012/13 fall/winter crop cycle. The Post/New total production and harvested area estimates for the MY 2011/12 have been adjusted slightly upward based on SAGARPA final information.

Trade
The Post/New total corn import estimates for MY 2010/11 and MY 2011/12 have been revised downward, based on updated data from the Global Trade Atlas and discussions with official contacts. Similarly, export estimated for MY 2011/12 has been decreased slightly to 685,000 MT based on updated trade data. Industry contacts have informed that the higher level of exports, compared with previous years, was as consequence that corn growers from Sinaloa and Jalisco decided not to participate in the governmental Forward Contract program, in the first months of 2012. Reportedly, these growers were speculating to obtain higher farm gate prices. However, as they did not obtain it requested GOM assistance. In the end, the GOM did help the farmers locate a market for their grain with virtually all of it going to Venezuela. Also, the Post/New export estimate for MY 2010/11 was revised downward from USDA/Official figures to reflect updated data from official government sources.

Consumption
The total corn consumption estimate for MY 2011/12 has been lowered from USDA/Official estimate based on information obtained from SAGARPA and industry contacts. These contacts stated that the high domestic corn prices provoked a rationing of FSI corn demand.

Stocks

The Post/New ending stocks estimate for MY 2012/13 is higher than the USDA/Official estimate (1.22 MMT) as a result of higher than previously estimated domestic production. Also, the Post/New ending stocks for MY 2010/11 has been revised downward from USDA/Official estimate due to lower than previously estimated imports. For MY 2011/12, the Post/New ending stocks estimate was revised downward to 1.265 MMT, due to lower imports than previously forecast.

Production, Supply and Demand Data Statistics

Table 1. Mexico: Corn Production, Supply and Demand for MY 2010/11 to MY2012/13

Corn Mexico	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	7,020	7,020	6,070	6,071	6,500	6,830
Beginning Stocks	1,389	1,389	1,412	1,104	1,320	1,265
Production	21,058	21,058	18,680	18,726	20,700	21,000
MY Imports	8,252	7,934	11,122	10,870	9,000	9,000
TY Imports	8,252	7,934	11,122	10,870	9,000	9,000
TY Imp. from U.S.	7,488	7,317	9,879	10,416	0	8,300
Total Supply	30,699	30,381	31,214	30,701	31,020	31,266
MY Exports	87	77	694	685	100	100
TY Exports	87	77	694	685	100	100
Feed and Residual	13,400	13,400	13,200	13,200	13,500	13,500
FSI Consumption	15,800	15,800	16,000	15,550	16,200	16,200
Total Consumption	29,200	29,200	29,200	28,750	29,700	29,700
Ending Stocks	1,412	1,104	1,320	1,265	1,220	1,466
Total Distribution	30,699	30,381	31,214	30,701	31,020	31,266
1000 HA, 1000 MT, MT/HA						

Sorghum

Production

The Post/New sorghum production estimate for MY 2012/13 (October/September) has been revised upward as harvested area was higher than expected and above-normal precipitation provided beneficial soil moisture to boost yields for the 2012 spring/summer crop cycle. According to official sources, several Mexican states (Guanajuato, Michoacan and Sinaloa) planted approximately 106,000 hectares (ha) more sorghum than initially expected during the 2012 spring/summer crop cycle as relatively good weather conditions provide incentive to increase planted area. Similarly, in Tamaulipas the damaged
area due to adverse weather conditions was 50 percent lower compared with the same crop cycle a
year early (102,000 ha). As a result, industry sources now estimate that the 2012 spring/summer crop cycle could produce approximately 3.6 million metric tons (MMT) of sorghum whereas in the previous crop cycle, Mexico harvested only 3 MMT. This 2012 spring/summer crop cycle will account for approximately 53 percent of total sorghum production whereas the remainder of the crop will come
from the 2011/12 fall/winter cycle. (NOTE: Growers traditionally plant their spring/summer crop from April to September and harvest from October to the following March, with the peak of the harvest in November – December with 64 percent of total production).

Trade
In comparison with the USDA/Official estimate, the Post/New import estimates for marketing years (MY) 2010/11 and 2011/12 have been increased and decreased, respectively, based on final data from the Global Trade Atlas.

Stocks
Ending stocks for MY 2012/13 have been revised upward to 466,000 MT due to higher than previously estimated domestic production for this year. Also, the Post/New ending stocks estimate for MY
2010/11 is 7.3 percent higher than the USDA/Official estimate. The difference arose from larger import volumes than previously estimated. This is reflected in the upward adjustment to MY2011/12 carry
over as well. Similarly, Post's MY 2011/12 ending stocks estimate was revised slightly lower to 466,000 MT due to lower than previously estimated imports.

Production, Supply and Demand Data Statistics

Table 2. Mexico: Sorghum Production, Supply and Demand; MY 2010/11 to MY 2012/13

Sorghum Mexico	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,924	1,924	1,682	1,682	1,600	1,730
Beginning Stocks	413	413	779	836	473	466
Production	7,385	7,385	6,425	6,425	6,400	6,800
MY Imports	2,381	2,438	1,369	1,305	1,500	1,500
TY Imports	2,381	2,438	1,369	1,305	1,500	1,500
TY Imp. from U.S.	2,379	2,348	1,165	1,182	0	1,350
Total Supply	10,179	10,236	8,573	8,566	8,373	8,766
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	9,300	9,300	8,000	8,000	8,000	8,200
FSI Consumption	100	100	100	100	100	100
Total Consumption	9,400	9,400	8,100	8,100	8,100	8,300
Ending Stocks	779	836	473	466	273	466
Total Distribution	10,179	10,236	8,573	8,566	8,373	8,766
1000 HA, 1000 MT, MT/HA						

Dry Beans

Production
The Post dry bean production estimate of 1.1 MMT for MY 2012/13 (January to December) has been revised slightly downward 20,000 MT, reflecting the latest Mexican government data published by SAGARPA. This information shows lower than expected harvested area. Moreover, government contacts advised that since September 2012, the rainy season has been irregular in the main bean producing states of Zacatecas, Durango and San Luis Potosi. As a result, this has adversely impacted the yields initially expected. Official sources now estimate that the 2012 spring/summer crop cycle will produce approximately 790,000 MT of edible beans, significantly lower than the initial estimate of 900,000 MT. As usual, this spring/summer crop

cycle will account for approximately 73 percent of
total dry edible bean production whereas the remainder of the crop will come from the fall/winter cycle.

Trade

The Post dry bean import and export estimate for MY 2012 and 2013 have been revised upwards and downward, respectively, based on final official information from the General Customs Directorate of the Secretariat of Finance (SHCP) and SAGARPA. It should be noted that from the total 2012 dry bean imports, approximately 10.4 percent originated from China. On January 13, 2012, Mexico's
Secretariat of Economy (SE) announced a total of 100,000 MT of dry beans to be imported duty-free under a tariff rate quota (TRQ) from authorized countries which included China. This TRQ was later raised to 150,000 MT to make up for the short domestic supply caused by a record drought (see 2012 GAIN reports MX2003 *"Mexico Looks to Increase Imports of dry Beans"* and MX2008*"Mexico Looks to Source More Beans"*).

Stocks

The Post/New ending stocks estimate for MY 2012/13 has been revised upward to 172,000 MT due
to higher than previously estimated imports and lower than previously estimated exports.

Production, Supply and Demand Data Statistics

Table 3. Mexico: Dry Beans Production, Supply and Demand; MY 2010/11 to MY 2012/13

Dry Beans Mexico	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	1517	0	920	0	1535
Beginning Stocks	0	286	0	183	0	8
Production	0	963	0	626	0	1080
MY Imports	0	115	0	134	0	248
TY Imports	0	115	0	134	0	248
TY Imp. from U.S.	0	107	0	126	0	184
Total Supply	0	1364	0	943	0	1336
MY Exports	0	29	0	35	0	14
TY Exports	0	29	0	35	0	14
Feed Consumption	0	0	0	0	0	0
FSI Consumption	0	1152	0	900	0	1150
Total Consumption	0	1152	0	900	0	1150
Ending Stocks	0	183	0	8	0	172
Total Distribution	0	1364	0	943	0	1336
1000 HA, 1000 MT, MT/HA						

Rice

Production

The Post/New total rice production estimate for MY 2012/13 (October to September) has been

revised upward from USDA/Official estimates to 191,000 MT (rough production) reflecting the most recent data from SAGARPA. The slightly increase in rough rice production is equivalent to 131,000
MT of milled rice. According to industry contacts, rice output was increased due to higher yields than previously forecast. They stated that despite the fact the rice planted area has declined in the last few years in the main producing states (Campeche, Tabasco and Veracruz) only the rice growers using
better technology and, thus, higher yields levels have continued planting. Similarly, production and harvested area estimates for MY 2011/2012 have been adjusted slightly upward from USDA/Official estimates based on SAGARPA final information.

Trade

In comparison with the USDA/Official estimate, the Post/New import estimates for MY 2010/11 and MY 2011/12 have been adjusted upward and downward, respectively, based on final data from the Global Trade Atlas. Similarly, export estimates for MY 2010/11 and MY 2011/12 were revised downward reflecting updated information of the Global Trade Atlas.

Consumption

Post/New MY 2012/13 rice consumption estimate has been revised upwards from 830,000 MT to 845, 000 MT based on new information from industry sources and SAGARPA officials. Similarly, the Post/New MY 2011/12 rice consumption estimate has been revised downward by 45,000 MT to 800,000 MT based on this new information.

Stocks

For MY 2012/13, the Post/New ending stocks estimate has been revised upward from 150,000 MT to 158,000 MT, due to an expected increase in domestic production. As a result of new trade and domestic production information, the Post/New MY 2010/11 and MY 2011/12 ending stocks estimates have been increased from the USDA/Official estimates.

Production, Supply and Demand Data Statistics

Table 4. Mexico: Rice Production, Supply and Demand for MY 2010/11 to MY 2012/13

Rice, Milled Mexico	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Oct 2010		Market Year Begin: Oct 2011		Market Year Begin: Oct 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	39	39	31	32	37	37
Beginning Stocks	138	138	220	229	129	149
Milled Production	146	146	111	113	128	131
Rough Production	213	213	162	164	186	191
Milling Rate (.9999)	6,870	6,870	6,870	6,870	6,870	6,870
MY Imports	712	721	645	608	725	725
TY Imports	705	691	640	673	725	725
TY Imp. from U.S.	680	691	0	626	0	660
Total Supply	996	1,005	976	950	982	1,005
MY Exports	3	3	2	1	2	2
TY Exports	3	2	5	1	5	5
Consumption and Residual	773	773	845	800	830	845
Ending Stocks	220	229	129	149	150	158
Total Distribution	996	1,005	976	950	982	1,005

1000 HA, 1000 MT, MT/HA

Wheat

Production

Post's MY 2012/13 (July/June) wheat harvested area and production estimates have been revised slightly downward from USDA/Official forecasts based on updated information from Mexican government contacts, which reflects lower than previously estimated planted area. They advised that the area planted in 2012/13 fall/winter crop cycle in Baja California and Sonora was slightly lower than initially planned.

Trade

Post's wheat import estimate for MY 2011/12 has increased slightly (by 47,000 MT) from the USDA/Official estimate. These figures are based on final data from the official government statistics.

Stocks

Post's ending stocks estimate for MY 2011/12 has been revised upward to 442,000 MT from the USDA/Official estimate, due to higher than previously estimated import volumes. It was reflected in the carry over for the MY 2012/13 which was also adjusted upward.

Production, Supply and Demand Data Statistics

Table 5. Mexico: Wheat Production, Supply and Demand for MY 2010/11 to MY2012/13

Wheat Mexico	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	679	679	662	662	584	574
Beginning Stocks	520	520	387	387	395	442
Production	3,676	3,676	3,628	3,628	3,255	3,229
MY Imports	3,462	3,462	5,020	5,067	4,200	4,200
TY Imports	3,462	3,462	5,020	5,067	4,200	4,200
TY Imp. from U.S.	2,939	2,939	3,901	3,940	0	3,450
Total Supply	7,658	7,658	9,035	9,082	7,850	7,871
MY Exports	821	821	790	790	800	800
TY Exports	821	821	790	790	800	800
Feed and Residual	750	750	1,750	1,750	500	500
FSI Consumption	5,700	5,700	6,100	6,100	6,200	6,200
Total Consumption	6,450	6,450	7,850	7,850	6,700	6,700
Ending Stocks	387	387	395	442	350	371
Total Distribution	7,658	7,658	9,035	9,082	7,850	7,871

1000 HA, 1000 MT, MT/HA

For More Information:

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

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Title of Report	Date Submitted
MX2073	Grain and Feed Annual Report Update Mexico	10/26/2012
MX2054	Favorable Growing Conditions Higher Corn, Sorghum and Rice Forecast	07/30/2012
MX2023	Grain and Feed Annual Report Update	04/23/2012
MX2018	Prolonged Drought Devastated Grain and Feed Sector	03/30/2012
MX2008	Mexico Looks to Sources More Dry Beans	02/13/2012
MX2003	Mexico Looks to Increase Imports of Dry Beans	01/18/2012
MX1101	December Grain and Feed Update	12/22/2011
MX1095	Rice Production Forecast Lower	12/12/2011

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx , equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at 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
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