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Mexico

Oilseeds and Products Annual

2016 Oilseeds and Products Annual Mexico

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Report Highlights:

The Post New marketing year (MY) 2016/17 total Mexican oilseed production forecast increased to 505,000 metric tons (MT) based on favorable weather conditions and a slight increase in harvested area.

The Government of Mexico continues to try and stimulate domestic soybean production through various support programs geared toward growers. Domestic oilseed production represents only 8 percent of total domestic consumption. Due to proximity, U.S. oilseed suppliers should continue to remain price competitive. Soybeans continue to be the primary import that is crushed domestically.

For MY 2016/17, soybean imports are forecasted at 4 MMT. The United States should continue to be Mexico's main soybean supplier.

Commodities:

Oilseeds and Products

Production:**OILSEED PRODUCTION**

Total Mexican oilseeds production in MY 2016/17 is forecast to increase to 505,000 metric tons (MT), an increase of 9.5 percent, assuming normal weather conditions and a slight increase in harvested area. The main factors that are driving this increase:

- Continuation of a project developed by one of the major multinational seed companies who is promoting expansion of the commercial sunflower production in Mexico;
- Concerns of another outbreak of the sugarcane aphid (SCA) that negatively affected sorghum yields could appear again in the state of Tamaulipas and other states, which could slightly drive up the planted area of oilseeds.
- Mexican Government support programs (see Policy Section).

Despite this increase, domestic production continues to represent just 8 percent of total domestic consumption, as imports have continued to displace domestic oilseed production with almost all imports coming from the United States.

Estimated production for marketing year (MY) 2015/16 has been revised downward to 461,000 MT, from USDA/Official estimate, due to recent official government information (please see Soybean Production section). Similarly, the estimate of total oilseed production for MY 2014/15 has been adjusted slightly downward based on final official government information from the Secretariat of Agriculture, Livestock, Rural Development and Fishery (SAGARPA).

Soybean Production

The Post/New MY 2016/17 (September to August) soybean production forecast is raised to 370,000 MT assuming that normal weather conditions will prevail. Unlike last year's crop, when adverse weather conditions negatively affected the harvest and yields in the main producing states such as Tamaulipas, Sonora and Chiapas, it is expected that this year's soybean production could benefit from relatively favorable weather conditions. Moreover, it is expected that the governmental Pro-Oilseeds Program will continue for the foreseeable future (see Oilseeds Policy Section), which should continue to slightly stimulate domestic soybean production.

For MY 2015/16, Post/New total soybean production estimate has been revised downward from USDA/Official estimates based on updated official figures from SAGARPA. Industry sources stated that despite planted and harvested areas being higher than initially estimated, the adverse weather conditions negatively affected soybean yields. In addition, excess moisture delayed the harvest season in several states such as Chiapas, Veracruz and Tamaulipas. For example, in the main producing state of Tamaulipas, soybean production reached 96,000 MT in 2015 spring/summer crop cycle, which is substantially lower than initially estimated (250,000 MT), as a result of the adverse weather conditions that delayed the harvest season.

Another factor that caused the reduction in the soybeans production estimate in MY 2015/16 was the lack of plantings of genetically engineered (GE) soybean seed in states of the Yucatan Peninsula as well

as Chiapas. Despite the fact that soybeans were the second GE crop that reached the commercial status under Mexican regulations (See 2012 GAIN Report [MX2051](#) “Mexico Cautiously Moves Forward with Biotechnology”), the sowing of the 253,000 hectares GE soybeans authorized are now facing legal disputes. This has resulted in many soybean producers not expanding their production base. Mexican honey producers had expressed great concern with the government’s previous approval of GE soybeans for commercial production – particularly since the European Court of Justice ruled that honey which contains trace amounts of pollen from GE crops authorized for human consumption in the EU - must be labeled if the amount of GE pollen surpasses 0.9 percent. Because of this ruling, and now that GE soybeans may be planted commercially in Mexico, all honey shipments from Mexico must undergo laboratory testing to identify and quantify the type of GE presence. As a result, Mexican honey producers filed a court injunction against the approval of GE soybeans for commercial production, alleging that the Mayan Indians honey producers were not consulted, previous to the government authorization. Private sources stated that due to this legal dispute, SAGARPA recommended farmers do not plant these GE soybean varieties in the states of Campeche, Quintana Roo and Yucatan until this on-going issue is resolved. Sources stated that as a result of this issue, approximately 15,000 hectares were not planted to GE soybeans in the 2015 spring/summer crop cycle. In addition, there have been no more applications for commercial or pilot releases of GE soybeans during the last two years.

For MY 2014/15, Post/New total soybean production and planted and harvested areas have been revised downward and upward, respectively, from the USDA/Official estimate based on final SAGARPA data.

Rapeseed Production

The Post/New MY 2016/17 rapeseed production is forecast to increase slightly to 9,000 MT compared with the revised estimated of MY2015/16. Private sources indicated that farmers are expected to sow rapeseed or canola in Tamaulipas again in the fall-winter 2016/17 crop cycle because these are crops of low investment and profitability can be higher than sorghum. Official and private sources explained that in a scenario of low sorghum prices, it is necessary that production begins to focus more according to the demands of the domestic market. For example, during this crop cycle buyers from the national oil industry have already committed to acquiring the total rapeseed crop of Tamaulipas (i.e. the company “La Corona”). According to private sources, rapeseed (canola) and sunflower seed, offer competitive margins and will feature more prominently in MY 2016/17, while the concerns because of SCA outbreaks that affected negatively sorghum could appear again in Tamaulipas and other states, which could impulse the increase of planted area of both oilseeds.

For MY 2015/16, Post/New total rapeseed production and planted and harvested areas have been revised upward from the USDA/Official estimate based on updated SAGARPA data. Similarly, for MY 2014/15, Post/New total rapeseed production, planted, and harvested areas have been revised upward from USDA/Official estimates based on final official figures from SAGARPA.

Industry sources stated that as a result of an outbreak of the SCA that negatively affected sorghum yields, many growers in some regions of North Tamaulipas, decided to shift from sorghum and instead plant rapeseed. Moreover, according to official sources, Tamaulipas farmers' responded to the call made by the local Government to prove that planting alternative crops can have favorable results, as in the case of rapeseed (or canola). As a result, approximately 10,000 hectares were planted in the 2014/15 fall/winter crop cycle, to produce 9,520 MT, mainly in the north of the state. The sources stated there were favorable weather conditions for the proper crop development in both irrigated and rain-feed areas.

Moreover, the planted area was established based on studies released by the Institute of Agricultural, Forestry and Fisheries Research (INIFAP) about its productive potential. Reportedly, the crop had excellent development. This was mainly due to timely rains during the growing cycle and the technology used to produce rapeseed, which produced good yields. In addition, the rapeseed production was acquired by the national vegetable oil industry and the animal feed industry. Official sources stated that the objective was link the primary production sectors with these industries and reduce imports. As another incentive for growers to produce rapeseed, it is included in the Program called “Package of Technology Incentives for Oilseeds Crops” – former “Pro-Oilseeds Program – (See Policy section), growers received 1,500 pesos per MT of rapeseed sold (roughly 84.27 U.S. dollar/MT).

Sunflower Seed Production

The Post/New MY 2016/17 sunflower seed production is forecast to increase to 19,000 MT due to the increase in planted area.

Moving into the second year of a project developed by one of the major multinational seed companies aimed to create a sustainable Mexican market for sunflowers (see 2015 GAIN Report [MX5014](#) 2015 Oilseed and Products Annual Mexico), it is expected that the sunflower seed production in Mexico could gradually increase. According to private sources, the seed company involved in the project continues to provide grower assistance through financing as well as insurance to farmers interested in sunflower seed production. Similarly, the seed company has established a link with six crusher companies who have been acquiring domestically harvested sunflowers for crushing. This follows an international trend of producing vegetable oil with high oleic content. The six crusher companies are:

- *Aceites del Mayo (Sonora)*,
- *Aceites y Proteinas (Sinaloa)*,
- *Aceites Especiales TH (Michoacan)*,
- *Aarhus Karlsman Mexico - AAK - (Michoacan)*,
- *SESAL (Mexico City)*
- *Pepsico (Mexico City)*

This project is geared only toward the production of sunflower seeds with high oleic content. For example, between 7,000 - 8,000 hectares (ha.) reportedly are expected to be planted in the upcoming 2016 spring/summer crop cycle in the state of Zacatecas. In this state, the local government is promoting the project to area farmers. Similarly, because approximately 500 ha were planted in the state of Mexico in the 2015 spring/summer crop cycle, growers reportedly found that sunflower seeds need less water to grow than corn or sorghum. Additionally, in the state of Guanajuato, growers are considering sunflower seed as an alternative crop, instead of planting sorghum, which has been severely affected by the SCA outbreak in MY 2015/16.

On other hand, private source stated that this project’s main challenge is the reluctance of growers to plant this oilseed. Among the concerns that growers have expressed are the lack of cultivars adapted to every climate, the appropriate production practices of the crop, including fertilization, planting densities, pinning down appropriate dates for sowing, as well as lack of adequate pest and disease management. Another concern is the irregular rain distribution and variability due to this oilseed being commonly planted on non-irrigated land. Reportedly, growers have stated that all these factors could limit production growth and crop yields.

The production figure for MY 2014/15 has been revised downward, while the planted and harvested areas were revised upward, from USDA/Official estimates reflecting the final Mexican government data published by SAGARPA. Similarly, the Post/New planted and harvested figures for MY 2015/16 have been revised slightly upward from USDA/Official estimates in accordance with more recent official government information. The estimate production for this marketing year has remained unchanged, based on SAGARPA updated data.

Peanut Production

Peanut production is forecast to remain unchanged at 107,000 MT in MY2016/17 (September to August), which is consistent with the average of the last few years. Private and official sources stated that the peanut production has remained relatively stable for at least the last four years due to several factors such as the lack of specific governmental supports, relative to other crops, as well as the lack of seeds for planting. Moreover, growers have little or no access to financial credit or much needed peanut processing equipment. Another factor that could discourage Mexican peanut farmers to plant higher area in MY2016/17 is low international prices, mainly from the United States. Reportedly, U.S. peanut farmers produced 20 percent more peanuts in 2015 than a year earlier which has created an expectation of excess peanut supply for 2016. In addition, private sources stated that another factor that has held back peanut planted area is that Mexican peanut growers cannot effectively compete against better quality imported U.S. peanuts.

SAGARPA publishes official data just once a year. Therefore, peanut production and the planted and harvested areas have been revised upward for MY 2015/16 from USDA/official estimates based on updated official data. Also, the peanut planted and harvested areas and production estimates for MY 2014/15 were revised upward and downward, respectively, to reflect final official figures from SAGARPA.

Reportedly, one major private snack manufacturer is providing some assistance to peanut farmers in the states of Chihuahua and Sinaloa. This assistance includes providing seeds, fertilizer, fumigation and other technical assistance as well as contracts to lock-in farm gate prices before the crop is harvested in order for the snack manufacturer to acquire their harvest. But in general, peanut growers must define their planting decisions based on the current market situation.

OIL MEAL PRODUCTION

FAS/Mexico forecasts the MY 2016/17 oil meal production to increase 2.4 percent due to the expected bullish demand from the livestock sector. For example, the poultry sector outlook is optimistic for 2016 in comparison with 2015 and this sector is the major consumer of oilseeds meal in Mexico. According to the National Union of Poultry Farmers (UNA), the Mexican poultry industry, as a whole, estimates it will grow by 3 percent in 2016.

As in previous years, high-protein soybean meal will account for approximately 79 percent of total Mexican oil meal production in MY2016/17. While production of oil meal from imported rapeseed and canola seed will account for approximately 20 percent of total meal usage in the same marketing year. Total meal production estimates for MY 2014/15 and MY 2015/16 were revised downward from previous USDA official estimates, based on updated industry information.

Soybean Meal Production

Soybean meal production is forecast to increase 2.38 percent to 3.44 MMT for MY 2016/17, anticipating a higher crushing level, which is mainly the consequence of the expected stronger demand from the poultry and livestock sectors. Soybean meal capacity remains highly concentrated in the hands of few companies (i.e. Agydsa, Ragasa, Proteinasa y Oleicos and Cargill, mainly). Private analysts stated that due to the dynamism of the domestic soybean meal and vegetable oil markets, the leading crushers and vegetable oil refiners in Mexico have expanded their facility capacities. Moreover, these companies have the capability to easily switch over from one oilseed to another (for example, soybeans to rapeseed or vice versa). It is expected some of these companies in 2016 will continue to invest, seeking to expand capacity and modernize their facilities even more. Agydsa, for example, expects to increase capacity at their plants in Guadalajara, Jalisco (milling up to 3,000 MT per day) and Cordova, Veracruz (2,000 MT per day) in 2017. Reportedly, this company is milling approximately 1.6 MMT of soybeans and canola annually (at the same proportion).

The soybean meal production estimates for MY 2014/15 and MY2015/16 have been revised downward and upward, respectively, reflecting updated private information and official information.

Rapeseed Meal Production

The rapeseed meal production for MY 2016/17 is forecast to increase 2.3 percent due to an expected increase in 2016 of domestic pork production. The pork industry is one of the major consumers of rapeseed meal and is moderately optimistic for 2016 in comparison to 2015. According to industry sources, carcass pork meat has registered consistent growth in the last five years, despite some past health disease problems in the hog sector, as favorable prices paid to pork producers have prevented a drop in overall production. In line with more recent information obtained from private and sources, the Post/New MY 2014/15 rapeseed meal production has been revised slightly downward from USDA/Official estimate. While, the rapeseed meal production estimate for MY2015/16 remained unchanged.

Sunflower Seed Meal Production

The Post/New Sunflower Seed meal production forecast for MY 2016/17 is 15,000 MT, as a result of the expected higher domestic production of this oilseed and the relatively strong demand from the livestock industry. Livestock, typically beef and dairy cattle consume sunflower meal as part of their feed ration. The Post/New sunflower seed meal production estimate for MY 2014/15 has been revised downward from USDA/Official estimates to 14,000 MT due to new industry information.

TABLE 1: MEXICO'S PROTEIN ON A SOY MEAL EQUIVALENT BASIS (SME)

SME	2014/2015	2015/2016	2016/2017
Meal Sunflowerseed	13	13	14
Meal Rapeseed	640	647	662
Meal Soybean	4,900	5,350	5,485
Total	5,553	6,010	6,161

Source: FAS/Mexico

OIL PRODUCTION

Post/New MY2006/17 total Mexican oil production is forecast to increase to 1.41 MMT, or 2.7 percent higher than the Post/New estimate for MY 2015/16 (1.38 MMT). This increase is driven by the expected growth in the Mexican economy in 2016 and population growth (1.4 percent). Based on Bank of Mexico (Mexico's Central Bank) information, Mexico gross domestic product (GDP) growth slowed in the fourth quarter of 2015, and the 2016 growth forecast was revised down to 2.5 percent in February from 2.7 percent in January. While GDP growth came in at 2.5 percent in 2015, up slightly from 2.2 percent in 2014. As a result of the this performance of the Mexican economy in CY 2015, industry sources stated that crushers were operating at approximately 80 percent capacity, although the big crushers, which are generally more efficient, are operating up to 85 percent of capacity.

Private analysts stated that crushing continues to be determined by domestic demand for vegetable oils. Moreover, the 12 leading crusher companies: AGYDSA; Ragasa; Proteinas y Oleicos; Oleofinos; Cargill; Industrial Aceitera; Grupo Aceites del Mayo; El Calvario; La Corona; AYPECSA; Coral Internacional; and TEAM continue to account for nearly 80-85 percent of total domestic oil production.

Also, the private analysts noted that several leading oil processors in Mexico have been investing heavily in their plants. Investments include modernization of production processes such as higher refinery technology that will allow processors to obtain vegetable oils with less trans-fatty-acids contents. It is estimated that with the new investments in plants the total capacity of the crushing industry could increase up to 7.5 MMT. Private sources stated that currently the total capacity of the Mexican crushing industry is 5.5 MMT.

Ragasa Group, for example, manufacturer of soybean oil labeled as "Nutrioli", will according to a press release, invest 160 million US dollars in CY 2016 for the installation of plant oil refining, as well as a new crushing plant in Monterrey, Nuevo Leon. Reportedly, at beginning of 2016 Ragasa Group made this significant investment with a vegetable oil refinery with 600 MT of capacity. The company will reportedly build a crushing mill plant in several stages, which in its final stage will produce 7,000 MT of soybean oil daily. According to Ragasa Supply Director, crushing mills have grown impressively throughout the world: He noted that "their mill will be the largest crushing mill in North America; however, there are mills in South America with a capacity of 15,000 MT per day. We must have economies of scale to compete in an open market and in as complex a market as we have in the United States. The idea is to refine more than 1,200 MT of vegetable oil daily. Currently, we have to import it, because we have saturated the production line".

Ragasa Group was founded in 1917 in Monterrey. It currently has two crushing mills, one in Matamoros, Tamaulipas, with milling capacity of 2,000 MT per day of soybeans, and one in Monterrey, with capacity to mill 1,000 MT of soybeans per day. It also has a vegetable oil refinery plant in Monterrey, which refines 600 MT of soybean oil per day. It is expected that the new oil refinery will be on-line in 2017. It is important to note that Ragasa Group imports more than 1.0 MMT of soybeans per year (mainly from the US) into Mexico and purchases domestic soybeans from Tamaulipas, Veracruz and San Luis Potosi, in the Huasteca area, where the Group acquires approximately 95,000 MT annually.

The New/Post estimates of total Mexican oil production for MY2014/15 and MY2015/16 have been revised downward from USDA/Official estimates in accordance with more recent industry information.

Soybean Oil Production

The Post/New MY2016/17 soybean oil production estimate forecasts an increase of 2.6 percent. Stronger demand in the cooking oil and the hotel, restaurant, and institutional (HRI) sector is driving demand. Industry sources have indicated that with slightly higher disposable incomes, the Mexican market will witness relatively bullish demand for vegetable oils in MY2016/17 (mainly in the cooking oil sector). Moreover, these sources expect that demand from the hotel and institutional sectors could continue growing in the medium term at an average rate of approximately 1 percent, annually. The Post/New MY2014/15 and MY2015/16 production estimates of soybean oil have been decreased and increased, respectively, from USDA/Official estimates based on updated information from SAGARPA and industry sources.

Rapeseed Oil Production

Higher levels of crushing are expected in MY2016/17 and could result in production reaching 620,000 MT. Due to a lower crush level than previously expected for MY2014/15 the New/Post estimate for rapeseed oil production was decreased slightly to 608,000 MT from USDA/Official estimate. According to industry sources, some crushers prefer to crush rapeseed seed for its higher oil content. Price, however, continues to be the predominant factor in marketing oilseeds as demand is price elastic and companies can substitute some oilseeds for one another.

Sunflower Seed Oil Production

Sunflower oil production is expected to increase to 15,000 MT in MY2016/17 reflecting the relatively strong demand from the snack food industry for higher quality vegetable oil. Industry sources noted that sunflower oil is one of the vegetable oils with greater health benefits due to its high content of polyunsaturated fats. The new Post/Official MY2014/15 sunflower seed oil production estimate was revised downward to 13,000 MT due to lower-than-expected crush levels.

Consumption:

OILSEEDS CONSUMPTION

Total domestic oilseed consumption for MY2016/17 is forecast to increase to 6.25 MMT, approximately 2.6 percent higher than the revised Post/New MY2015/16 estimate. This increase in domestic demand is attributed to a slight increase in Mexico's economic growth. According to private analysts, the Mexican economy is experiencing some signs of modest acceleration in 2016. Improving private consumption as a result of favorable employment conditions and historically low inflation remains a key driver of economic activity. In CY 2015, for example, the lowest inflation in history was recorded in Mexico (2.13 percent). Private sector investment is also showing signs of strengthening, yet at a moderate pace, given that selected sectors (i.e., construction) are still adversely affected by the sharp reduction in oil prices. In spite the fact the Mexican economy will continue to face significant headwinds in 2016 from the continued low-oil price environment, a recent slowdown in the U.S. industrial sector—to which Mexico's manufacturing sector is closely tied—and renewed cuts in government spending, private analysts expect GDP to increase 2.5 percent in 2016. However, for 2017, the economy is expected to accelerate and expand 2.9 percent.

Based on this macro-economic forecast, consumer purchasing power could increase slightly. This argues well as Mexican consumers will be more likely to increase their consumption of products containing vegetable oils (such as soybean and canola oils). Moreover, the expected rise in crushing is

supported by the growing demand for healthy edible oils, mainly in the cooking oil segment. Another important factor is the expected dynamic performance of the livestock sector in 2016.

Industry sources indicated that it's primarily the integrated companies that have crushing facilities, vegetable oil refineries, and where they service different market segments. As noted, these are the companies most likely to increase investments in their facilities.

MY 2014/15 and MY 2015/16 total oilseeds consumption estimates were revised downward from USDA/Official estimates based on industry sources.

Soybean Consumption

Total soybean consumption is expected to increase approximately 2.4 percent to 4.4 MMT in MY 2016/17 because of increased feed demand, stronger processor demand, and population growth (1.4 percent). For example, according to the animal feed compound industry, this sector grew 3.5 percent in 2015. However, for 2016, the Mexican animal feed compound industry stated that with a highly "dollarized" industry like theirs, the effects of the exchange rate on production costs could be reflected immediately. They stated that a long term adverse exchange rate, even with well-managed risk, could force the animal feed industry to transfer costs to their clients, who in turn most likely would transfer their costs to the final consumer, with a subsequent undesirable effect on inflation. Industry sources stated that they were concerned about the eventual rises in transportation and imported raw materials costs, due to the dollar strength. But, at the same time, the animal feed industry foresees that Mexico's animal production has favorable expectations in almost all sectors, especially for poultry, swine, and beef production. These expectations are based on favorable domestic demand and improved productivity. Both factors are by themselves the driving force that should stimulate production of the animal compound feed industry in Mexico which could increase between 2.0 and 2.5 percent in 2016.

The Post/New domestic soybean consumption estimates for MY2014/15 and MY2015/16 have been revised downward and upward, respectively, from the USDA/Official estimate, reflecting updated private data.

Peanut Consumption

Peanut consumption is forecast to increase to 279,000 MT for MY 2016/17 as the snack food market is expected to continue growing. Approximately 98.5 percent of total peanut consumption continues to be in the snack food market, and of this total nearly 10 percent is consumed as in-shell peanuts, which are sold as seasonal treats (e.g. at Christmas) and stuffed into traditional *piñatas*. Private sources stated that Mexican peanut consumption has continued increasing consistently by approximately 2 to 3 percent in the last few years. One of the main arguments for this increase is the fact that consumers look for tasty, affordable and convenient products that are considered more as an impulse purchase.

Peanuts are found in similar forms as in the United States (they are eaten as a party snack, served on airlines, and used in peanut brittle and other candies). But consumer taste varies somewhat from that in the United States. Spicy peanuts are heavily favored, although "salt with lime" and plain salted peanuts are common, as well. "Japanese Peanuts" (*Cacahuete Japones*), which are breaded and cooked, are considered as the most popular. In large retail stores, the most common packaging is in 100g, 125g or 200g sizes. Street vendors and "mom & pop" stores sell most of their volume in smaller 60g packages. Private sources stated that approximately 60 percent of the Mexico's peanut market is commercialized in

this segment of street vendors and “mom & pop” stores; while the rest is marketed in the big supermarket chains or large retail stores. There are also numerous small and medium informal peanut processors that acquire peanuts from distributors/importers and process peanut snacks as artisans.

Peanuts are also used as ingredients in a wide variety of other foods. They are found as a topping on snack foods and in candy bars produced by several companies. In addition, peanut “paste” is used as an ingredient in Mexican foods and sauces such as mole.

Most distributors mentioned that US peanuts are superior to those from other countries. In addition most (but not all) believe that US peanuts taste better, and virtually everyone agrees that the US supply is more consistent in quality and uniform size. They also like the fact that delivery is typically more reliable than shipments from other countries such as Argentina or Nicaragua.

The main peanut processors, such as Sabritas (Mafer), Barcel, IPS/Nippon, Botanas Bokados (ARKA), Botanas Leos, Botanas Encanto, Michel and Nishikawa continue to purchase U.S. peanuts instead of from domestic production or other origins. Most peanut processors identify U.S. peanuts as a high quality product in terms of flavor, shelf life, low aflatoxin levels, and low foreign material content. Industry sources reiterated that none of Mexico’s peanut production is used for oil or meal. The crush demand is forecast to remain unchanged at 4,000 MT in MY 2016/17.

Rapeseed Consumption

The forecast for rapeseed consumption in MY 2016/17 is expected to increase 2.3 percent to 1.53 MMT. Private sources commented that Mexican crushers have a market for canola oil and they continue to import canola when the price is competitive. Based on private information the rapeseed consumption estimate for MY2014/15 has been revised downward.

Sunflower Seed Consumption

Post/New MY 2014/15 estimate for sunflower seed consumption has been revised downward to 35,000 MT from USDA/Official data based on private information. For MY 2016/17 sunflower seed consumption is forecast to increase to 37,000 MT. This increase is driven mainly by the multinational seed company project that is promoting the increase of sunflower seed domestic production to be used to produce vegetable oil and meal (see Sunflower Seed Production Section). Another factor that should impulse the increase in domestic consumption is the expected growth in the snack food market, as mentioned above. Like peanuts, sunflowers are typically consumed by way of the snack food market sector as well as used for bird feed.

MEAL CONSUMPTION

Consumption of all oil meal products is expected to increase in MY2016/17 by 2.5 percent, with imported products representing approximately 32.5 percent of Mexico’s total oil meal consumption. Soybean meal is likely to continue being the ingredient of choice for the poultry and swine industries. Rapeseed meal consumption should comprise approximately 14.5 percent of total meal consumption.

Private sources from the animal feed industry pointed out that the composition of ingredients in compound feed had been traditionally stable, with only small adjustments made in the composition depending on the price and availability of oilseed meals and other ingredients (see Distillers Dried Grain with Solubles - DDG’s - section below). Also, these sources indicated that the primary factors that

impact feed millers' procurement decisions are: the cost of raw materials and protein content (i.e. quality of animal feed). In addition, they consider that soybean meal, corn gluten and DDG's are three ingredients that complement the formulation of compound feed, although sometimes they compete depending their market prices. These private sources concluded that raw material costs are essential in their procurement decisions.

Over the last several months another factor that has adversely impacted production costs has been the strengthening of the U.S. dollar against Mexican peso. Reportedly, several domestic agri-business firms have been negatively impacted as a result of the high cost of raw materials (in dollars) coupled with a recovery in consumption that was lower than initially estimated. Dollarization of raw materials such as: soybean meal, soybeans and coarse grains; and a recovery of domestic consumption lower than expected, combined these have impacted the results of the main agro-industrial companies listed on Mexican stock exchange. For example, Mexico's largest poultry company reportedly registered an oversupply of poultry meat which pushed prices down, combined with the impact of the increase in dollarized of raw materials such as soybeans and soybean meal. Recently, the CEO of Mexico's biggest poultry company publicly affirmed that "the volatility in the Mexican peso had an effect on their cost of sales in Mexico during the fourth quarter of 2015. As a result, our operating margins were lower." Private analysts stated publicly that although the company obtained good results, with net sales increased 10.7 percent in 2015, the dollar hit its sales costs, which is reflected in a utility contraction. They stated that in 2016 this trend could persist in the case the dollar strength continues.

Soybean Meal Consumption

The Post/New soybean meal consumption estimate is expected to increase in MY2016/17 in comparison with the revised Post/New MY2015/16 estimate as demand from the poultry sector continues growing. According to the National Union of Poultry Farmers (UNA), the Mexican poultry industry as a whole, estimates it will grow by 3 percent in 2016. The Association noted that the sector continues its recovery. For example, last year the poultry sector produced 5.8 MMT of food production, of which 3.1 MMT was poultry meat and approximately 2.7 MMT were eggs. Poultry production increased 5.6 percent compared to the level achieved in 2014, while at the same time, the poultry egg industry sector grew 2 percent compared to 2014.

Over the past two years per capita poultry meat consumption increased by 1.5 kilos with per capita consumption last year reaching 27 kilos. For 2106, poultry production is expected to reach 3.2 MMT, meaning that Mexico will remain as the sixth largest producer of chickens worldwide. Data for egg production is also encouraging. Growth in egg production is estimated at 3 percent in 2016 and is expected that annual per capita consumption will hit 22.6 kilograms, which is 700 grams above that registered two years ago.

The Post/New total oil meal consumption figures for MY 2014/15 and MY 2015/16 have revised slightly downward and upward, respectively, from USDA/Official estimate figures reflecting the most recent industry information.

Rapeseed Meal Consumption

The Post/New rapeseed and canola consumption forecast for MY2016/17 is raised by roughly 2.2 percent. The Post/New rapeseed meal consumption estimate for MY2015/16 was revised upward from USDA/Official figures, as prices relative to other oil meals were competitive. Rapeseed meal is used

mainly by the swine sector. Industry sources state that even though rapeseed meal has lower protein levels and is of relatively lower quality in terms of essential amino acids and protein digestibility compared to other oilseed meals, it is cheaper than soybean meal and, as such, is demanded by the feed sector.

Sunflower Seed Meal Consumption

MY2016/17, sunflower seed meal consumption is expected to increase slightly to 15,000 MT. The Post/New consumption estimates of sunflower seed meal has been revised downward for MY2014/15 to 14,000 MT based on updated private industry information. According to industry sources, in general sunflower seed meal has a very low acceptance rate by the crushing industry and animal feed manufacturers due to its high fiber content.

OIL CONSUMPTION

The Post/New MY2016/17, total oil consumption forecast is estimated to increase by 45,000 MT to 1.75 MMT over the Post/New MY 2015/16 estimate due to greater demand from the HRI and retail sectors. Moreover, the industrial sector (i.e. processing food), which represents approximately 30 percent of the total vegetable oil market, has continued the trend of cooking with heart-healthy high-oleic vegetable oils that are lower in trans fatty acids. This trend should increase vegetable oil consumption. The MY 2014/15 oil consumption figure was revised slightly upward from USDA/Official estimate, reflecting the recent information from private sources.

Similarly, the main companies continue to invest in new retail market labels, in an effort to better integrate and service the Mexican market. In addition, these companies have invested in packaging and market their own oil brands in the retail vegetable oil sector as healthy products. These initiatives have allowed them to enjoy strong consumer demand for their products, mainly in the retail segment that is considered as premium.

The Mexican Federal Consumer Protection Agency (PROFECO) conducted a study where they tested bottled vegetable oils of 61 different retail labels (2012). The study included a survey that generated 264 responses from all over Mexico and among its main findings were the following:

- Saturated fatty acids are harmful to the heart, while monounsaturated (olive, canola, safflower and sunflower oils) and polyunsaturated (soy, corn, linseed) protect the arteries.
- The main cooking vegetable oils purchased by Mexican consumers are soybean oil with 31 percent; followed by canola oil 18 percent; olive oil 13 percent; corn oil 11 percent; safflower oil 8 percent; mixed 4 percent; 2 percent sunflower seed oil and 0.4 percent avocado oil.
- Preferences for retail labels, 33 percent respondents indicated that “Nutrioli” (soybean oil) was the favorite retail brand; followed by “Capullo” 16 percent; “Canoil” (canola oil) 7.5 percent; “1-2-3” with 7 percent; “Oleico” (safflower oil) 6 percent; “Carbonell” 5 percent; “Cristal” (corn oil) 4 percent and other 17 percent.
- Mexican consumers placed the highest value on the “good for the health” attributes at the moment to acquire a specific retail brand of bottled vegetable oil; followed by price, 16 percent; flavor 8.6 percent; habit 8.6 percent; advertising 7 percent; properties 6 percent; friends recommendation, 5 percent; bottle size 3 percent; medical recommendation 2 percent; aroma 0.4 percent and availability on the shelf, 1.6 percent.

- Consumption of bottled vegetable oils in Mexico is of 100, 000 million liters per year, which implies that Mexico's per capita consumption of vegetable oil is approximately 10 liters of oil per year.

However, one of the main oil refinery and crusher companies (RAGASA) stated that the use of oil per capita is of approximately 12 liters per year and from that level, the cooking oil use in households is of near 6 liters per capita annually. In addition, private sources noted that bottled vegetable oil consumption grows at around the same rate as the population growth (1.4 percent).

Soybean Oil Consumption

Soybean oil continues to dominate vegetable oil consumed in Mexico, holding a 59 percent share of the market. For MY 2016/17, soybean oil consumption is forecast to increase 2.4 percent to 1.04 MMT, as a result of the factors mentioned above and the expected slight growth in the Mexican economy.

It should be noted that the U.S. Soybean Export Council (the cooperator organization representing U.S. soybeans in Mexico –USSEC) has continued with aggressive trade servicing and promotional activities with the main Mexican oil refinery and crusher companies. The U.S. cooperator has demonstrated that they are committed to ensuring that the United States retains a dominant share of Mexico's soybean import market. USSEC continues to highlight the U.S. as a safe, consistent, reliable, and timely supplier of high-quality soybeans. Support activities developed by USESEC include among others, providing technical advice, a wide variety of valuable educational efforts, promotion campaigns, as well as valuable marketing and public relations techniques, all with the aim to increase confidence and knowledge about U.S. soybeans.

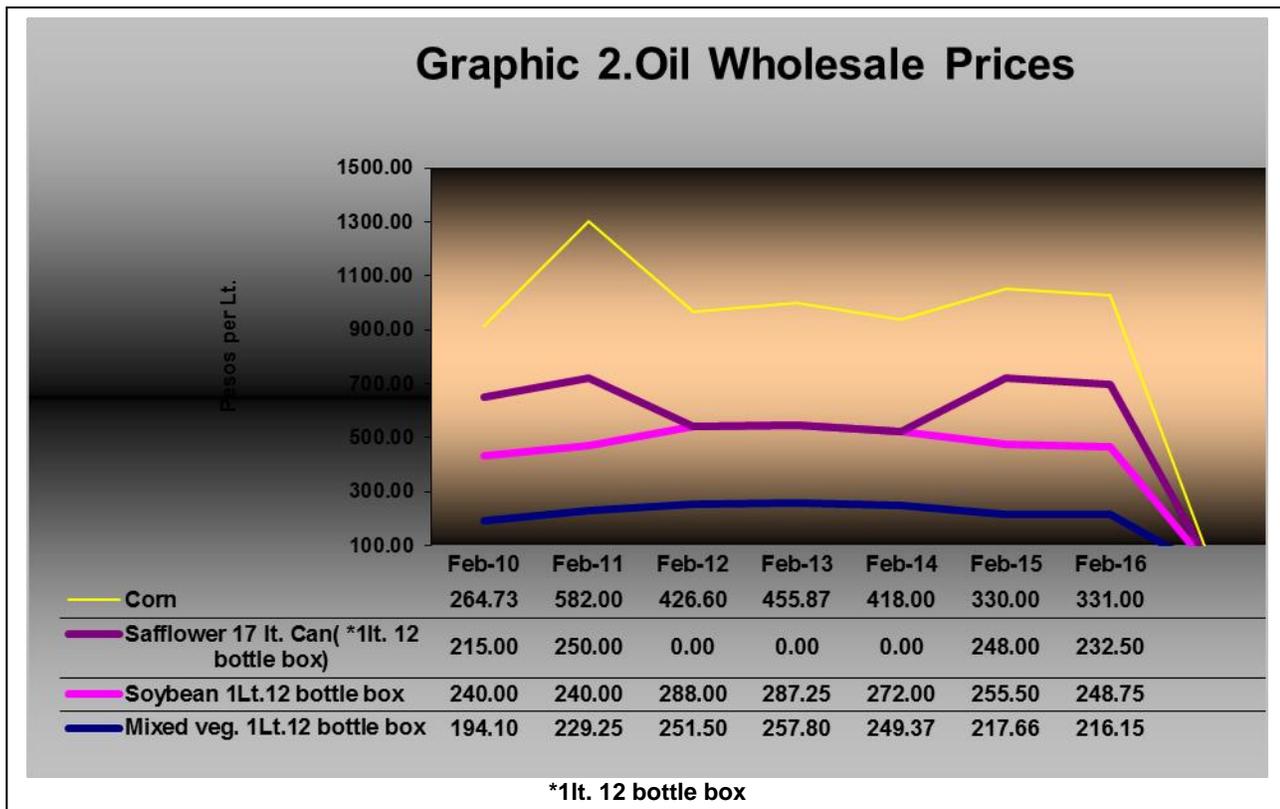
Rapeseed Oil Consumption

The Post/New MY 2016/17 rapeseed oil consumption forecast is increased to 694,000 MT from the MY 2015/16 estimate due to market preference for this vegetable oil. Rapeseed oil is expected to maintain approximately 39.5 percent market share in MY 2016/17, similar to the market share in the MY 2015/16.

Sunflower Seed Oil Consumption

The Post/New sunflower seed oil consumption estimates for MY 2016/17 is forecast to reach 20,000 MT. The increase is driven by the expectation that the HRI sector will continue consuming mid-oleic oil that has no trans-fats, low monounsaturated fat and neutral taste. Moreover, the sunflower seed oil is reported as more durable than most other vegetable oils when used in industrial frying. Private sources stated that such qualities could make food processors willing to pay a premium for sunflower seed oil over soybean oil. The Post/New domestic consumption estimates for MY2014/15 have been increased from USDA/Official estimates to 29,000 MT as imports were higher than anticipated.

EDIBLE OIL WHOLESALE PRICES



Source: Servicio Nacional de Información de Mercados, SNII M-SE. Exchange rate (March 7, 2016) US \$ 1.00 = 17.77 Pesos

Variety	Presentation	February 15	February 16
Mixed vegetables	1lt. 12 bottle box	217.66	216.15
Soybean	1lt. 12 bottle box	255.50	248.75
Corn	1lt. 12 bottle box	330.00	331.00
Safflower	1lt. 12 bottle box	248.00	232.50

Source: Servicio Nacional de Información de mercados, SNII-M-SE.

Exchange rate (March 7, 2016) US \$ 1.00 = 17.77 Pesos

OILSEED TRADE

The Post/New MY2016/17 import forecast for Mexican oilseeds is estimated to increase approximately 4.3 percent in comparison with the Post/New revised estimate of MY 2015/16. This increase is driven by the expected growth in Mexico's livestock sector and the population growth (1.4 percent).

Private sources stated that Mexico's import decisions for oilseeds continue to be based on price and the availability of credit, rather than quality or strong consumer preference. Similarly, soybeans continue to be primarily the oilseed imported in order to be crushed domestically. It is expected the United States will continue to be the principal supplier with more of 95 percent of total soybeans imports. Due to proximity and lower freight costs, U.S. suppliers should remain price competitive. However, the main concern of industry sources now is dollar strength which could increase sluggish demand for imported oilseeds. Some private analysts estimate that the strong dollar could be partially compensated due the bearish international scenario of the soybean market in MY 2016/17.

The Post/New total oilseed import estimates for MY2014/15 and MY2015/16 have been revised downward from the USDA/Official data in order to reflect updated Global Trade Atlas (GTA) data for the former and private information for the latter.

Soybean Trade

The Post/New total soybean import forecast for MY2016/17 is expected to increase to 4.0MMT or by approximately 5 percent compared to the revised MY2015/16 estimate due to strong demand from the domestic poultry and hog sectors. The hog sector outlook, for example, is moderately optimistic for 2016 in comparison with 2015. According to industry sources, carcass pork meat has registered consistent growth in the last five years, despite some past health disease problems in the hog sector, as favorable prices paid to pork producers have prevented a drop in overall production. In addition, Japan recently recognized Mexico being free of classical swine fever. This authorization will enable the Mexican pork meat industry to improve competitiveness and to boost exports to Japan, which already exceeds 70,000 tons annually. Previously, the Japanese Ministry of Agriculture, Forestry and Fisheries only recognized the states of Baja California, Chihuahua, Sinaloa, Sonora, Yucatan and Jalisco as being free of disease. Therefore, only producers from these areas were eligible to export pork meat.

Peanut Trade

The Post/New MY2016/17 peanut imports forecast is estimate to increase slightly to 175,000 MT driven by the continued demand from the snack and confection sectors and affordable international prices. Post/New MY2015/16 peanut export estimate has been revised downward reflecting available information from SAGARPA and the SHCP for the first six months of this marketing year. Peanut import and export estimates for MY2014/15 have been revised downward from USDA/Official data based on Global Trade Atlas (GTA) trade data.

Rapeseed Trade

The Post/New MY2016/17 rapeseed import forecast is estimated to increase by 40,000 MT to 1.54 MMT over the Post/New MY2015/16 estimate. Private sources reiterated that Canada should remain as the primary canola supplier to the Mexican market. Canola is included in the rapeseed production, supply, and distribution matrix. The MY2014/15 Post/New rapeseed import estimate has been revised downward from USDA/Official data based on revised GTA data.

Sunflower Trade

Imports of sunflower seed are forecast to remain at 20,000 MT for MY2016/17. Industry sources stated that sunflower oil continues to be popular in the fried snack industry. MY2015/16 Post/New sunflower seed import estimates have been revised upward based on revised GTA data.

MEAL TRADE

The Post/New meal import forecast is increased in MY 2016/17 driven by higher demand from the hog and poultry sectors, which expect to have a relatively positive performance in 2016. Approximately 30 percent of total meal supply is expected to be imported as has been the case in the last few years. The United States has supplied approximately 90 percent of total meal imports over the past two years.

The Post/New total meal import estimates for MY 2014/15 and MY 2015/16 were revised upward from USDA/Official estimates reflecting revised GTA trade data in the first marketing year and available trade data from SAGARPA and SHCP in the second marketing year.

Soybean Meal Trade

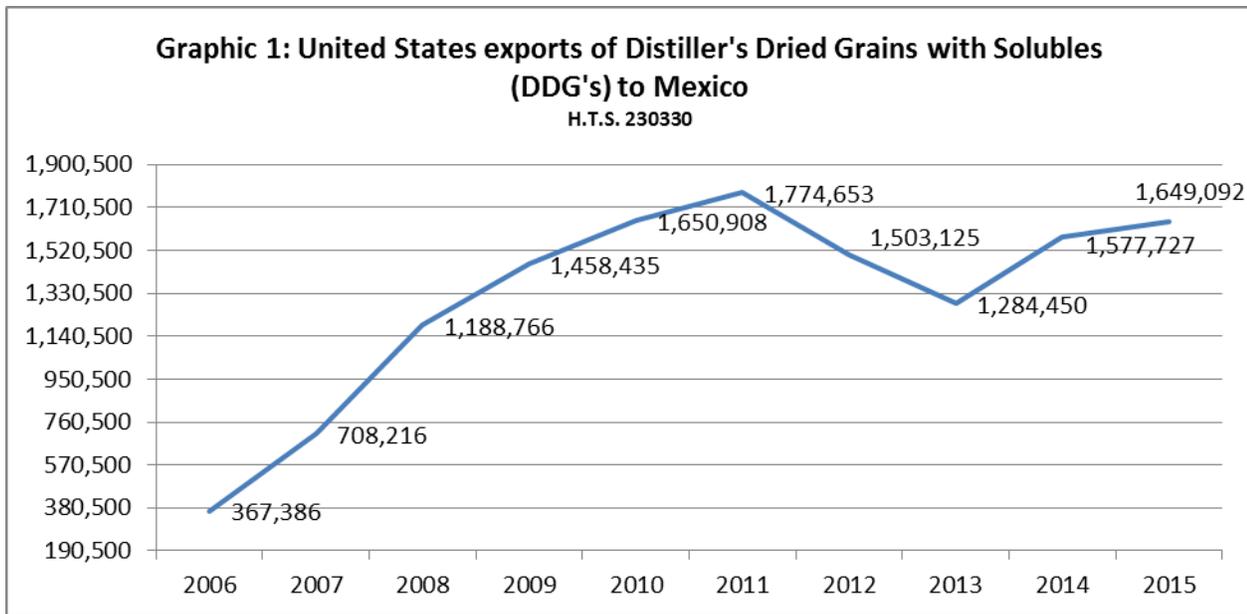
Imports of soybean meal are expected to remain stable in MY 2016/17 at 2.05 MMT. The soybean import estimate for MY 2015/16 has been revised upward from USDA/Official data based on updated trade data from SAGARPA and SHCP and reflecting the strong meal imports from the U.S. and consequent reduction in the domestic crush of imported beans due to the bearish market of U.S. soybean meal. Industry sources reiterated that in general the market of imported soybean meal is largely price driven.

Rapeseed Meal Trade

MY 2016/17 rapeseed meal imports should increase to 45,000 MT based on slight demand growth from the swine sector. Rapeseed and canola meal imports were revised upward in MY 2014/15 and MY 2015/16 from USDA/Official estimates based on GTA revised data for the former and official statistics released by SAGARPA and the SHCP as well as after conversations with market analysts for the later.

Distillers Dried Grain with Solubles (DDG's) Trade

According to animal feed industry sources, demand for Distiller's Dried Grains with Solubles (DDGS), a co-product of corn-based ethanol production that is used mainly as an animal feed protein supplement, has been increasing slightly over the last couple years. Its utilization as a feed ingredient is well documented as both an energy and a protein supplement. These sources indicated that DDGS have been regularly used as a substitute for oilseed meal in feed concentrate formulas (mainly soybean meal). However, as international prices of soybean meal have declined, the Mexican feed industry has increased its use of soybean meal. While there is still an increase in imports of DDGS, the pace is relatively lower in 2015 compared to a year earlier. It is estimated that DDGS imports in 2016 could remain mostly unchanged compared with last year.



Source: Global Trade Atlas

OIL TRADE

Mexico's total oil imports are forecast to increase approximately 2.1 percent to 385,000 MT in MY 2016/17. Imports from the United States are expected to account for approximately 77.2 percent of the total imports in MY 2016/17, mainly of soybean oil. The Post/New total oil import estimate for MY2015/16 has been increased to 377,000 MT according to revised information from SAGARPA, the SHCP and industry sources for the first months of the marketing year.

The Post/New soybean oil import estimate for MY2015/16 was revised upward from USDA/Official estimate reflecting the available official information of SAGARPA and SHCP for the first six months of the marketing year and industry information. For the MY 2016/17 the Post/new soybean oil import is forecast to rise moderately to 270,000 MT, as the higher domestic crushing and the consequent production of oil and meals are covering the relatively stronger demand.

Rapeseed oil imports estimate for MY2014/15 has been adjusted downward based on updated data from the GTA. The Post/NewMY2016/17 rapeseed oil import estimate is forecast to increase to 80,000 MT assuming competitive international prices and increased demand for this edible oil.

Sunflower seed oil imports for MY 2016/17 forecast is expected to remain stable at the same level as in MY 2015/16, due to the expected increase in domestic production.

The Post/New MY2014/15 import estimates for sunflower seed oil were adjusted upward to 46,000 MT, from official USDA/Official estimated based on revised GTA data.

STOCKS

According to private industry sources, there is no standard or average volume of stocks of oilseeds and vegetable oils that the companies tend to hold. These sources noted that each company has different stock levels depending on their own company policies and/or usage requirements. However, apparently the rationale of the stock levels depend mainly on the location of the crushing and refinery plants.

Ragasa, for example, keeps about a two week worth of oilseed or vegetable oil stocks on-hand. It should be noted that Ragasa facilities are located at the north of the country (Nuevo Leon and Tamaulipas) and

its import requirements are met by rail car transportation. Agydsa, on the other hand, has facilities located in Jalisco and Veracruz and holds a 60 day level of stock utilization. This company imports their oilseed requirements by ship. Industry sources noted that companies regularly do not hold oilseed meals stocks.

The main Mexican oil refinery and crusher companies that have been increasing their investments in their own facilities do not have any limitations on holding oilseeds or vegetable oils stocks.

OILSEED POLICY

Pro-Oilseeds

SAGARPA continues with the subsidy program to encourage the domestic production of oilseeds (see 2015 GAIN Report [MX5014](#) “2015 Oilseed and Products Annual Mexico). In 2014 SAGARPA renamed the Program as “Package of Technological Incentive for Oilseeds”. However, the majority of oilseed industry members continue to call this Program Pro-Oilseeds. The main purpose of this program is to increase the production of oilseeds and encourage planting of alternative crops to improve producer income. The Program offers technical assistance to help increase seed planting density, promote the use of fertilizers and other improvements in plant nutrition, and encourage proper and efficient technological applications for phyto-sanitary controls.

In general, the Program objective is to increase production and productivity of soybeans, safflower, canola, sunflower and sesame in order to increase the country’s supply of domestic oilseeds and provide production alternatives, all with the purpose of improving farmer’s income. Among the programs more specific objectives:

- Recommend more production of basic grains in the main producing areas of the country as classified by the National Institute of Forestry, Agriculture and Livestock Research (INIFAP),
- Adequately supply the oilseed domestic demand,
- Reduce oilseed imports.

The program provides support to oilseed producers for up to 1,500 pesos per ton of oilseeds (approximately 84.27 U.S. dollars per ton) if sold to the domestic vegetable oil industry, or domestic livestock feed mill and manufactures. The program has a production limit of 100 hectares of oilseeds, cultivated in irrigated areas or equivalent production in non-irrigated areas (per grower), capped at 750,000 pesos per grower (roughly 42,135 U.S. dollars). According to private sources, the current SAGARPA administration agreed to renew the program for the period 2013-2018. In addition, members of the oilseed industry represented by the National Vegetable Oil and Lard Association (ANIAME) recently held a meeting with the current SAGARPA administration. Reportedly, mainly as a result of this meeting, SAGARPA officials reiterated its intention of continued support for oilseeds crops in Mexico during the rest of the current administration (2018).

PROAGRO

On December 30, 2015, SAGARPA announced in the Mexican Federal Register (*Diario Oficial*) a notice which modifies the operational rules of “PROAGRO Productivo”, the Mexican domestic agricultural support program, during the calendar year 2016. This program grants direct supports to growers with farms in operation that appropriately registered in the PROAGRO directory (see 2015 GAIN Report [MX5014](#) “2015 Oilseed and Products Annual Mexico)

The notice informs that for the calendar year 2016, PROAGRO Productivo reduces the maximum amount of support per production unit and agricultural crop cycle from 100 to 80 hectares, which is intended to benefit growers of lower acreage and that are located in the municipalities served by the National Crusade Against Hunger - CNCH – (see 2013 GAIN Report [MX3005](#) “Mexico Pushes Crusade Against Hunger Campaign”)

In addition, the notice stated that the objective of the PROAGRO Productivo is "support the rural agricultural economic units to increase their working capital". Furthermore, the notice pointed out that “SAGARPA can define (subject to federal budget availability) strategies to reincorporate farmers registered in the PROAGRO directory that are not currently in the Program’s target population for not having completed the geo-referencing of their land plots and/or updated their file. Similarly, SAGARPA can incorporate growers who have not been registered in the PROAGRO program, giving priority to subsistence growers that cultivate oilseeds and basic grains.”

Under PROAGRO Productivo, a flat rate payment for soybeans, canola, sunflower seed and peanut, as well as other commodities (such as basic grains) will be provided to growers for 2016 spring/summer and 2016/2017 fall/winter crop cycles. Also, SAGARPA indicated that the supports will be granted based on the size of the production unit as follows:

- Subsistence (up to five hectares of non-irrigated land and 0.2 hectares of irrigated land)
- Transition (greater than 5 hectares and up to 20 hectares non-irrigated land and greater than 0.2 hectares and up to five hectares of irrigated land), and
- Commercial (more than 20 hectares non-irrigated and more than 5 hectares irrigated).

According to the new operational rules, support will also include subsistence growers with production units up to 3 hectares of non-irrigated land and located in the CNCH municipalities. These growers will receive the largest amount of support payment per hectare or portion of 1,500 pesos (approximately 84.27 U.S. dollars/ha) for their production units.

For the rest of the country, growers will receive a support payment per hectare or portion of 1,300 pesos (73 U.S. dollars/ha) for production units. They will receive support if they have up to three hectares of non-irrigated land and are located in the municipalities not included in the CNCH, as well as the rest of the production units up to five hectares of non-irrigated land and 0.2 hectares of irrigated land.

Similarly, the production units called “Transition” will receive 800 pesos per hectare (44.95 U.S. dollars/ha.), while the “Commercial” production units will be granted 700 pesos per hectare (39.33 U.S. dollars/ha).

Growers with production units of non-irrigated land and whose acreage is less than one hectare, will receive the support equivalent of one hectare, with certain exceptions. The operational rules state that beneficiaries are required to plant at least the eligible supported area during the agricultural crop cycle.

Also, the rules indicate if weather conditions or natural disasters prevent planting in eligible areas, support may still be granted as long as SAGARPA Delegations submit a written request, accompanied by a technical opinion of the competent authority that endorses the presence of such conditions in the affected areas. This measure shall be subject to federal budget availability.

It should be noted that various grower organizations have argued that to increase the number of beneficiaries in the poorest sectors, the size of the production units should have been limited to only 20 hectares and not 80.

Forward Contract Program

SAGARPA continued to encourage forward contract purchases between farmers and buyers through the “Forward Contract Program”, *Agricultura por Contrato*, (see 2008 GAIN Report [MX8075](#) “Mexico Announces Support Program for Sinaloa White Corn”).

According to SAGARPA’s administrative body called “Marketing Services and Agricultural Market Development Agency” (ASERCA) as of September 30, 2015, 32.72 MMT of various commodities have been supported through the Forward Support Program; mainly soybeans, corn (white and yellow), sorghum, and wheat (bread wheat and durum).

Furthermore, in the first 10 months of 2015, the Program had benefited 195,590 participants (growers and buyers): 187,748 growers and 7,843 buyers.

ASERCA stated that the Forward Contract Support Program has become the most effective instrument for promoting the marketing of oilseeds and grains, promoting a business culture that includes mechanisms for risk management and income protection for farmers, as well as promoting the system of markets and price control. With these actions and despite the drastic decline in recent months of international soybean and grain prices, growers using the program have mostly been protecting their incomes and thus allowing them to continue operating their farm business.

Regarding hedging support requests by state, the Forward Contract Program highlights the participation of Sinaloa which requested approximately 29.1 percent of the total program budget, followed by Tamaulipas, which represented approximately 19 percent of the total budget and 12 percent of the budget was allocated to Jalisco. The rest of the hedging budget was distributed among the other states.

Production, Supply and Demand Data Statistics

Table 2: Mexico: Production, Supply, and Distribution (PSD) for Total Oilseeds

Market Begin Year Mexico	Total Oilseed					
	2014		2015		2016	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Area Planted	235	278	235	343	0	345
Area Harvested	249	271	248	339	0	339
Beginning Stocks	183	183	172	301	0	204
Production	479	472	481	461	0	505
MY Imports	5556	5493	5744	5544	0	5785
MY Imp. from U.S.	3895	3734	3750	3897	0	4099
MY Imp. from EU	0	0	50	0	0	0
Total Supply	6218	6148	6397	6306	0	6494
MY Exports	20	2	20	2	0	2

MY Exp. to EU	0	0	0	0	0	0
Crush	5737	5536	5887	5787	0	5923
Food Use Dom. Cons.	251	251	255	255	0	275
Feed Waste Dom. Cons.	38	58	43	58	0	58
Total Dom. Cons.	6026	5845	6185	6100	0	6256
Ending Stocks	172	301	192	204	0	236
Total Distribution	6218	6148	6397	6306	0	6494
1000 HA, 1000 MT						

Table 3: Mexico: Production, Supply, and Distribution (PSD) for Soybeans

Oilseed, Soybean Market Begin Year	2014/2015		2015/2016		2016/2017	
	Sep 2014		Sep 2015		Sep 2016	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	177	190	175	252	0	250
Area Harvested	176	184	175	249	0	245
Beginning Stocks	118	118	82	228	0	103
Production	355	346	360	330	0	370
MY Imports	3819	3819	3850	3850	0	4050
MY Imp. from U.S.	3575	3575	3625	3750	0	3950
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4292	4283	4292	4408	0	4523
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	4175	4000	4150	4250	0	4350
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	35	55	40	55	0	55
Total Dom. Cons.	4210	4055	4190	4305	0	4405
Ending Stocks	82	228	102	103	0	118
Total Distribution	4292	4283	4292	4408	0	4523
(1000 HA) ,(1000 MT)						

Table 4: Mexico: Production, Supply, and Distribution (PSD) for Rapeseed

Oilseed, Rapeseed Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	10	0	7	0	8
Area Harvested	0	10	0	7	0	8
Beginning Stocks	40	40	60	36	0	44
Production	0	10	0	8	0	9
MY Imports	1540	1486	1500	1500	0	1540
MY Imp. from U.S.	20	42	20	42	0	44
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1580	1536	1560	1544	0	1593
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	1520	1500	1500	1500	0	1535
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1520	1500	1500	1500	0	1535
Ending Stocks	60	36	60	44	0	58
Total Distribution	1580	1536	1560	1544	0	1593
(1000 HA) ,(1000 MT)						

Table 5: Mexico: Production, Supply, and Distribution (PSD) for Sunflower Seed

Oilseed, Sunflowerseed Market Begin Year Mexico	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	17	0	17	0	20
Area Harvested	15	16	13	16	0	19
Beginning Stocks	2	2	2	5	0	5
Production	23	17	16	16	0	19
MY Imports	18	21	20	20	0	20
MY Imp. from U.S.	10	14	10	10	0	10
MY Imp. from EU	0	0	0	0	0	0
Total Supply	43	40	38	41	0	44
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	38	32	33	33	0	34
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	3	3	3	3	0	3
Total Dom. Cons.	41	35	36	36	0	37
Ending Stocks	2	5	2	5	0	7
Total Distribution	43	40	38	41	0	44
(1000 HA) ,(1000 MT)						

Table 6: Mexico: Production, Supply, and Distribution (PSD) for Peanuts

Oilseed, Peanut Market Begin Year Mexico	2014/2015		2015/2016		2016/2017	
	Sep 2014		Sep 2015		Sep 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	58	61	60	67	0	67
Area Harvested	58	61	60	67	0	67
Beginning Stocks	23	23	28	32	0	52
Production	101	99	105	107	0	107
MY Imports	179	167	174	174	0	175
MY Imp. from U.S.	90	103	95	95	0	95
MY Imp. from EU	0	0	0	0	0	0
Total Supply	303	289	307	313	0	334
MY Exports	20	2	20	2	0	2
MY Exp. to EU	0	0	0	0	0	0
Crush	4	4	4	4	0	4
Food Use Dom. Cons.	251	251	255	255	0	275
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	255	255	259	259	0	279
Ending Stocks	28	32	28	52	0	53
Total Distribution	303	289	307	313	0	334
(1000 HA) ,(1000 MT)						

Table 7: Mexico: Production, Supply, and Distribution (PSD) for Total Meals

Market Begin Year Mexico	Total Oilmeals					
	2013		2014		2015	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	5733	5532	5883	5783	0	5919
Extr. Rate, 999.9999					0	
Beginning Stocks	30	30	79	75	0	116
Production	4192	4039	4314	4239	0	4340
MY Imports	1823	1835	1880	2090	0	2095
MY Imp. from U.S.	1715	1709	1876	2075	0	1630
MY Imp. from EU	0	0	0	0	0	0
Total Supply	6045	5904	6273	6404	0	6551

MY Exports	15	15	15	14	0	15
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	50	50	0	0	0	0
Feed Waste Dom. Cons.	5901	5764	6109	6274	0	6430
Total Dom. Cons.	5951	5814	6109	6274	0	6430
Ending Stocks	79	75	149	116	0	106
Total Distribution	6045	5904	6273	6404	0	6551
1000 MT, PERCENT						

Table 8: Mexico: Production, Supply, and Distribution (PSD) for Soybean Meal

Meal, Soybean Market Begin Year	2014/2015		2015/2016		2016/2017	
	Sep 2014		Sep 2015		Sep 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Crush	4175	4000	4150	4250	0	4350
Extr. Rate, 999.9999	0.7904	0.79	0.7892	0.7906	0	0.7908
Beginning Stocks	30	30	75	70	0	116
Production	3300	3160	3275	3360	0	3440
MY Imports	1795	1795	2000	2050	0	2050
MY Imp. from U.S.	1690	1690	2000	2050	0	2050
MY Imp. from EU	0	0	0	0	0	0
Total Supply	5125	4985	5350	5480	0	5606
MY Exports	15	15	15	14	0	15
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	50	50	0	0	0	0
Feed Waste Dom. Cons.	4985	4850	5200	5350	0	5485
Total Dom. Cons.	5035	4900	5200	5350	0	5485
Ending Stocks	75	70	135	116	0	106
Total Distribution	5125	4985	5350	5480	0	5606
(1000 MT) ,(PERCENT)						

Table 9: Mexico: Production, Supply, and Distribution (PSD) for Rapeseed Meal

Meal, Rapeseed Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Crush	1520	1500	1500	1500	0	1535
Extr. Rate, 999.9999	0.5763	0.5767	0.5767	0.5767	0	0.5765
Beginning Stocks	0	0	4	5	0	0
Production	876	865	865	865	0	885
MY Imports	28	40	30	40	0	45
MY Imp. from U.S.	25	19	25	25	0	30
MY Imp. from EU	0	0	0	0	0	0
Total Supply	904	905	899	910	0	930
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	900	900	895	910	0	930
Total Dom. Cons.	900	900	895	910	0	930
Ending Stocks	4	5	4	0	0	0
Total Distribution	904	905	899	910	0	930
(1000 MT) ,(PERCENT)						

Table 10: Mexico: Production, Supply, and Distribution (PSD) for Sunflower Seed Meal

Meal, Sunflowerseed Market Begin Year Mexico	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	38	32	33	33	0	34
Extr. Rate, 999.9999	0.4211	0.4375	0.4242	0.4242	0	0.4412
Beginning Stocks	0	0	0	0	0	0
Production	16	14	14	14	0	15
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	16	14	14	14	0	15
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	16	14	14	14	0	15
Total Dom. Cons.	16	14	14	14	0	15
Ending Stocks	0	0	0	0	0	0
Total Distribution	16	14	14	14	0	15
(1000 MT) ,(PERCENT)						

Table 11: Mexico: Production, Supply, and Distribution (PSD) for Total Oils

Market Begin Year Mexico	Total Oils					
	2014		2015		2016	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
Crush	5733	5532	5883	5783	0	5919
Extr. Rate, 999.9999					0	
Beginning Stocks	131	131	131	94	0	99
Production	1371	1336	1398	1378	0	1415
MY Imports	362	362	360	377	0	385
MY Imp. from U.S.	220	266	220	292	0	297
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1864	1829	1889	1849	0	1899
MY Exports	35	35	36	36	0	36
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	6	6	0	0	0	0
Food Use Dom. Cons.	1692	1694	1714	1714	0	1759
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1698	1700	1714	1714	0	1759
Ending Stocks	131	94	139	99	0	104
Total Distribution	1864	1829	1889	1849	0	1899
1000 MT, PERCENT						

Table 12: Mexico: Production, Supply, and Distribution (PSD) for Soybean Oil

Oil, Soybean Market Begin Year Mexico	2014/2015		2015/2016		2016/2017	
	Sep 2014		Sep 2015		Sep 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	4175	4000	4150	4250	0	4350
Extr. Rate, 999.9999	0.1784	0.1788	0.1795	0.1788	0	0.1793
Beginning Stocks	126	126	120	90	0	93
Production	745	715	745	760	0	780
MY Imports	253	253	275	267	0	270
MY Imp. from U.S.	195	243	215	267	0	270
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1124	1094	1140	1117	0	1143

MY Exports	3	3	4	4	0	4
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	6	6	0	0	0	0
Food Use Dom. Cons.	995	995	1020	1020	0	1045
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1001	1001	1020	1020	0	1045
Ending Stocks	120	90	116	93	0	94
Total Distribution	1124	1094	1140	1117	0	1143
(1000 MT) ,(PERCENT)						

Table 13: Mexico: Production, Supply, and Distribution (PSD) for Rapeseed Oil

Oil, Rapeseed Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Crush	1520	1500	1500	1500	0	1535
Extr. Rate, 999.9999	0.4013	0.4053	0.4027	0.4027	0	0.4039
Beginning Stocks	5	5	11	4	0	6
Production	610	608	604	604	0	620
MY Imports	68	63	75	75	0	80
MY Imp. from U.S.	15	9	15	15	0	17
MY Imp. from EU	0	0	0	0	0	0
Total Supply	683	676	690	683	0	706
MY Exports	2	2	2	2	0	2
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	670	670	675	675	0	694
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	670	670	675	675	0	694
Ending Stocks	11	4	13	6	0	10
Total Distribution	683	676	690	683	0	706
(1000 MT) ,(PERCENT)						

Table 14: Mexico: Production, Supply, and Distribution (PSD) for Sunflower Seed Oil

Oil, Sunflowerseed Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		Oct 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Crush	38	32	33	33	0	34
Extr. Rate, 999.9999	0.4211	0.4063	0.4242	0.4242	0	0.4412
Beginning Stocks	0	0	0	0	0	0
Production	16	13	14	14	0	15
MY Imports	41	46	35	35	0	35
MY Imp. from U.S.	10	14	10	10	0	10
MY Imp. from EU	1	0	0	0	0	0
Total Supply	57	59	49	49	0	50
MY Exports	30	30	30	30	0	30
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	27	29	19	19	0	20
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	27	29	19	19	0	20
Ending Stocks	0	0	0	0	0	0
Total Distribution	57	59	49	49	0	50
(1000 MT) ,(PERCENT)						

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.

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Dated Submitted
MX5014	2015 Oilseed and Products Annual Mexico	4/1/2015
MX5005	Mexico's Red Meat Production Seen Higher as Slaughter Advances	3/3/2015
MX4061	2014 Poultry and Products Annual	8/18/2014
MX4026	2014 Oilseeds and Products Annual	
MX4015	Livestock and Products Semi-annual	3/1/2014
MX4012	Poultry and Products Semi-annual	2/14/2014

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 concur with, the information contained on the mentioned sites.