

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Mexico

Post: Mexico

February 2011 Cotton Update

Report Categories:

Cotton and Products

Agricultural Situation

Agriculture in the Economy

Agriculture in the News

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Report Highlights:

FAS/Mexico's new cotton production estimate for marketing year (MY) 2010/11 (August to July) is increased to 683,000 bales. Post maintains its cotton import forecast for MY2010/11 at 1.6 million bales versus USDA/Official estimates of 1.3 million bales. As previously reported, cotton planting should return to Sinaloa in MY2011/12 as high international prices are influencing planting decisions.

General Information:

Production:

The Confederation of Mexican Cotton Associations (CMCA) issued adjustments to its preliminary final figures for MY2010/11 as the end of harvest is approaching. CMCA adjusted its estimate of nationwide average yields upward to 5.91 bales per hectare, as well. The Post/New forecast for MY2010/11 cotton bale production is estimated at 683,049 bales, a 2.73 percent increase from FAS/Mexico's December 2010 estimate of 664,920 bales (See 2010 GAIN Report [MX1008](#) *December 2010 Cotton Update*). This is due to greater planted area and increased yields in most parts of the Chihuahua and Mexicali production areas. The estimate for the southern Sonora and La Laguna regions remains unchanged. A significant drop in planted area in northern Tamaulipas was reported (36.3 percent) as external factors discouraged producers from planting cotton in the area.

As of February 2011, CMCA reported a 95.3 percent advance in the MY2010/11 harvest. Southern Sonora and northern Tamaulipas reported the completion of the ginning season. Sources reported that producers in Mexicali increased their planting acreage in anticipation of attractive international prices. Prices played a key role in enticing greater planting in Chihuahua, as well. FAS/Mexico's estimate of MY2010/11 planted areas for other production regions remains the same.

CMCA forecasts MY2011/12 planting area and production at 163,000 hectares and one million bales, respectively. FAS/Mexico forecasts Sinaloa will plant cotton in MY2011/12 as high international prices may encourage growers to plant around 2,000 hectares. Likewise, La Laguna is expected to increase its planted area to 25,000 hectares while the Mexicali area may plant 37,000 hectares, nearly 57 percent greater than MY2010/11. Assuming beneficial weather, adequate domestic support programs, and the availability of grower resources and technology, cotton producers from the La Laguna and the Chihuahua regions are optimistic that yields will be between 6.0 to 6.3 bales per hectare.

Trade:

FAS/Mexico increased its forecast of MY2010/11 import demand from USDA/Official forecasts by 300,000 bales to 1.6 million bales. The new FAS/Mexico estimate is based on reports that the Government of Mexico is scrutinizing imports of cotton and used clothing that were allegedly under invoiced. As such, buyers should shift away from other suppliers and increase demand for cotton bales from the United States. As previously reported, the Mexican market offers a steady demand stream to American suppliers. The United States remains the leading cotton supplier to Mexico and accounts for nearly 100 percent of total cotton imports.

Stocks:

FAS/Mexico's new MY2010/11 estimate of ending stocks is 981,000 bales. This is a result of a number of factors, but principally, greater carryover stocks from MY2009/10 and MY2008/09 as well as lower total domestic use in MY2009/10 and slightly greater production in MY2010/11.

Production, Supply and Demand Data Statistics :

Table 1. Mexico: Cotton Production by State/Region for MY 2010/11

Region	Planted Area (Ha)	Yield (Bales/Ha)	Production (Bales)	Bales harvested ^①
Southern Sonora	3,000	5.74	17,215	17,215
Mexicali, Baja California	23,500	6.8	159,800	158,674
Juarez, Chihuahua	8,170	6.0	49,020	23,939
Delicias, Chihuahua	25,832	6.3	162,750	161,669
Ojinaga-Aldama, Chihuahua	27,220	6.2	168,764	164,719
La Laguna (Durango-Coahuila)	24,274	4.45	108,000	107,102
Northern Tamaulipas	3,500	5.0	17,500	17,500
TOTAL	116,518	5.91	683,049	650,818

Source: Confederation of Mexican Cotton Associations
(1) as of February 24, 2011

Table 2. Mexico: Production, Supply and Demand Data Statistics

Cotton Mexico	2008/2009		2009/2010		2010/2011	
	Market Year Begin: Aug 2008		Market Year Begin: Aug 2009		Market Year Begin: Aug 2010	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	110	0	69	0	116
Area Harvested	101	101	70	69	107	111
Beginning Stocks	932	932	764	844	579	841
Production	567	567	422	411	620	683
Imports	1,315	1,400	1,393	1,511	1,300	1,600
MY Imports from U.S.	0	1,400	0	1,420	0	1,600
Total Supply	2,814	2,899	2,579	2,766	2,499	3,124
Exports	175	130	75	100	150	200
Use	1,850	1,900	1,900	1,800	1,825	1,918
Loss	25	25	25	25	25	25
Total Dom. Cons.	1,875	1,925	1,925	1,825	1,850	1,925
Ending Stocks	764	844	579	841	499	981
Total Distribution	2,814	2,899	2,579	2,766	2,499	3,124

Author Defined:**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.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work
<http://www.youtube.com/user/ATOMexicoCity>

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
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MX1008	December Cotton Update	02/01/11
MX0077	Cotton Situation – October Update	10/25/10
MX0062	Cotton Situation – September Update	09/10/10
MX0038	July Cotton Update	06/15/10
MX0021	Cotton and Products Annual	04/14/10
MX0007	February Cotton Update	03/01/10