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Mexico

Grain and Feed Update

Wheat, Feed Grains, and Rice Forecasts Unchanged But Dry Beans Production Forecast Higher

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Report Highlights:

The outlook for marketing year (MY) 2010/11 wheat, corn, sorghum, and rice supply and demand in Mexico has not changed since the October Grain and Feed Update issued in early October (see GAIN Report [MX0070](#)). Mexico's MY 2010/11 edible dry bean production estimate has been revised upward as harvested area was higher than expected and slightly above-normal precipitation provided beneficial soil moisture to boost yields for the spring/summer 2010 crop cycle. Several states (Zacatecas, Durango, Chihuahua, and San Luis Potosi) planted approximately 140,000 hectares more than initially expected during the 2010 spring/summer crop cycle as relatively high producer/farm-gate prices provided incentive to increase planted area. Market analysts expect the 2010 spring/summer crop cycle to reach 900,000 MT of edible dry beans compared to only 730,000 MT a year earlier.

Post:

Mexico City

Commodities:

Wheat

Corn

Sorghum

Rice, Milled

Mixed Grain

Executive Summary:**Wheat, Feed Grains, Rice and Dry Beans Situation**

The outlook for MY 2010/11 wheat, corn, sorghum, and rice supply and demand has not changed since FAS/Mexico issued its October Grain and Feed Update. Edible dry bean production is revised upward as sources indicate that planted area and yields are higher than previously forecast.

Author Defined:**Edible Dry Beans****Production**

The production estimate for MY 2010/11 has been revised upward as harvested area was higher than expected and slightly above-normal precipitation provided beneficial soil moisture to boost yields for the spring/summer 2010 crop cycle. According to official sources, several states (Zacatecas, Durango, Chihuahua, and San Luis Potosi) planted approximately 140,000 hectares more than initially expected during the 2010 spring/summer crop cycle as relatively high producer/farm-gate prices provided incentive to increase planted area.

As a result, industry sources now estimate that the 2010 spring/summer crop cycle could produce approximately 900,000 MT of edible dry beans whereas in the previous crop cycle, Mexico harvested only 730,000 MT. This spring/summer crop cycle will account for approximately 77 percent of total dry edible bean production whereas the remainder of the crop will come from the fall/winter cycle. (NOTE: Growers traditionally plant their spring/summer crop from March to August and harvest from September to the following March).

Total dry bean production estimates for MY 2009/10 and MY 2008/09 have been revised upward, based on updated official data from the Secretariat of Agriculture, Livestock, Rural Development, Fisheries, and Foodstuffs (SAGARPA). These statistics include the preliminary final results for the 2009/10 fall/winter crop cycle as well as the final figures for the 2008/09 fall/winter crop and 2008 spring/summer crop cycles. Industry sources stated that results for the 2009 spring/summer crop cycle (MY 2009/10) were higher than previously estimated despite dry weather conditions at the beginning of the cycle. However, in some counties of Zacatecas, e.g., Rio Grande, Fresnillo, growers planted later than customary to offset the initial dryness and expected decline in yields.

Consumption

Post revised dry bean consumption upward to 1,160 MMT for MY 2010/11 based on industry estimates.

Trade

Post revised MY 2010/11 import and export estimates upwards based on data covering the first eight months of calendar year 2010 from SAGARPA and The General Customs Directorate of the Finance Secretariat (SHCP)

Stocks

The ending stocks estimates for MY 2008/09 and MY 2009/10 have been increased to 216,000 and 329,000 MT, respectively, because of higher than expected domestic production. As a result, the carry over for MY 2010/11 was adjusted upward, as well.

Sinaloa is the main producing state for the fall/winter crop cycle and according to industry sources, there are between 70,000 and 80,000 MT remaining in storage from the 2009/10 fall/winter crop cycle due to low prices. SAGARPA officials report that Sinaloa producers harvested 137,983 hectares and produced 216,254 MT, mainly of Mayocobas and Peruano varieties, in the 2009/10 fall/winter crop cycle, which was approximately 32 percent higher than the same cycle a year ago.

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
MX0070	October Grain and Feed Update	10/05/10
MX0060	September Grain and Feed Update	09/03/10
MX0047	July Grain and Feed Update	07/23/10
MX0032	May Grain and Feed Update	05/06/10
MX0017	Grain and Feed Annual	03/12/10

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

I. Mexico: Production, Supply and Demand Data Statistics

Dry Beans	2008/2009			2009/2010			2010/2011		
Mexico	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
(1000 HA)(1000 MT)	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
& (MT/HA)		Data	Data		Post	Data		Post	Data
Area Harvested	0	1,512	1,512	0	1,260	1,260	0	1,520	1,560
Beginning Stocks	0	100	100	0	206	216	0	258	329
Production	0	1,136	1,146	0	1,050	1,111	0	1,125	1,160
MY Imports	0	93	93	0	172	172	0	80	100
TY Imports	0	93	93	0	172	172	0	80	100
TY Imp. from U.S.	0	87	87	0	150	148	0	70	90
Total Supply	0	1,329	1,339	0	1,428	1,499	0	1,463	1,589
MY Exports	0	23	23	0	20	20	0	20	30
TY Exports	0	23	23	0	20	20	0	20	30
Feed Consumption	0	0	0	0	0	0	0	0	0
FSI Consumption	0	1,100	1,100	0	1,150	1,150	0	1,180	1,190
Total Consumption	0	1,100	1,100	0	1,150	1,150	0	1,180	1,190
Ending Stocks	0	206	216	0	258	329	0	263	369
Total Distribution	0	1,329	1,339	0	1,428	1,499	0	1,463	1,589
Yield	0	0.7513	0.7579	0	0.8333	0.8817	0	0.7401	0.7436