

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Grain and Feed

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Report Highlights:

The total wheat production estimate for MY 2010/11 has been revised downward to 3.9 million metric tons (MMT) based on updated official data. Similarly, sorghum production for MY 2009/10 has been revised upward according to official data, but rice production was revised downward slightly. Meanwhile, the total wheat import estimate for MY 2009/10 has been revised downward to 2.7 MMT, based on official data of the Secretariat of Economy (SE) and the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Foodstuffs (SAGARPA). The sorghum import estimate for MY2009/10 has been revised downward to 2.5 because higher-than-previously estimated domestic production. Similarly, for MY 2010/11, the sorghum import forecast was revised down to 2.9 MMT based on industry and official estimates.

General Information:

Production:

Wheat

Total wheat production and harvested are estimates for MY 2010/11 have been revised downward and upward, respectively, based on updated official data, which reflects the anticipated insufficient water supply mainly in the “Bajio Region”, encompassing by Guanajuato, Michoacan and Jalisco (please see MX0017). Private sources in the Bajio indicated that planting in the area, which was completed in December, has fallen by up to 40-45 percent due to a severe drought that left reservoirs depleted, leaving few water resources for irrigation. Irrigation accounts for 97 percent of total wheat production in the region and many producers have reportedly switched acreage to barley, which has lower water requirements. While production throughout the Bajio decreased, overall production in Mexico (especially in Sonora and Baja California) was reported as good by sources of the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Foodstuffs (SAGARPA).

Production and area harvested estimates for MY 2008/09 and 2009/10 remained unchanged and reflect official data issued by SAGARPA.

Rice

Based on the latest official figures from SAGARPA, production has been revised downward to 178,000 MT for MY 2009/10. Regarding the production for MY 2010/11, the Secretary of Agriculture recently stated that Mexican rice production could reach 330,000 MT (rough production). However, industry sources during the 2010 National Rice Congress, that took place on September 27-28, estimated that it is much lower. They estimate that it could be between 240,000 to 250,000 MT (rough production), as a result of the damage in Veracruz and other producing states due to Hurricane Karl. It should be noted, however, that the damage in acreage has not been yet quantified by SAGARPA or by private sources. However, FAS/Mexico is inclined to continue with our previous estimate of 240,000 MT (rough production) for MY 2010/11, which coincides with the lower bound estimate from the industry and is equivalent to 160,000 MT of milled rice (please see PS&D Table).

Sorghum

Total sorghum production and harvested area estimates for MY 2009/10 have been revised downward and upward, respectively, based on updated official data. These statistics include the preliminary final results for the 2009/10 fall/winter crop cycle. Despite the fact that sorghum production in the 2009/10 fall/winter crop registered less than ideal seasonal conditions, the impact on the production level was lower than previously estimated. For example, Hurricane Alex hit the northern state of Tamaulipas during July 2010. However, the effects on production were practically nil, according to official and private sources. Total production for this cycle reached approximately 2.9 MMT based on SAGARPA data, which represents approximately 46 percent of total sorghum production for MY2009/10. The production estimate for MY 2010/11 remains unchanged.

Consumption:

Sorghum

The total sorghum consumption estimate for MY 2009/10 has been revised downward based on official data and information from private sources. Feed consumption declined more than originally estimated as a result of the economic recession in 2009 and the slow recovery in the first months of 2010. It should be noted that Mexico’s Gross Domestic Product in 2009

dropped 6.5 percent compared to 2008, which is the biggest drop in the past 30 years. Animal feed industry sources stated that the poultry, pork and meat markets weakened, largely because of reduced consumer purchasing power due to Mexico's negative growth in 2009. Similarly, projected sorghum consumption for MY 2010/11 has been revised downward based on industry and official information.

Trade:

Wheat

The import estimate for MY 2009/10 has been decreased to 2.662 MMT based on more current official trade data from SAGARPA. Likewise, the MY 2009/10 export estimate has decreased to 709,000 MT based on official trade data from SAGARPA and the Economy Secretariat (SE), which reveals lower-than-previously-estimated domestic production. Similarly, exports estimate for MY 2010/11 were also revised downward due to lower-than-previously estimated domestic production.

Sorghum

The sorghum import estimate for MY 2009/10 has been revised up to 2.5 MMT because of higher-than-previously estimated domestic production. Similarly, for MY 2010/11, the import forecast was revised down to 2.9 MMT based on industry and official estimates.

Stocks:

Wheat

Estimated stocks for MY 2009/10 have been revised upward due to lower-than-previously-estimated exports. Similarly, estimated stocks for MY 2010/11 were revised upward due to lower exports than previously estimated.

Rice

The MY 2009/10 estimated ending stocks were revised downward, due to lower-than-previously estimated domestic production. It is reflected in the carryover for MY 2010/11, which was also adjusted downward.

Sorghum

Ending stocks in MY 2010/11 have been revised downward to 416,000 MT due to lower-than-previously estimated imports for this year.

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.

Production, Supply and Demand Data Statistics :

Wheat

Wheat Mexico	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jul 2008			Market Year Begin: Jul 2009			Market Year Begin: Jul 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
1000 HA. 1000 MT & MT/HA									
Area Harvested	800	800	800	870	828	828	870	720	742
Beginning Stocks	379	382	379	315	317	315	711	315	366
Production	4,000	4,000	4,000	4,300	4,148	4,148	4,350	4,100	3,900
MY Imports	3,342	3,341	3,342	3,196	2,900	2,662	3,100	3,300	3,300

TY Imports	3,342	3,341	3,342	3,196	2,900	2,662	3,100	3,300	3,300
TY Imp. from U.S.	2,666	2,666	2,666	2,152	1,860	1,900	0	2,200	2,200
Total Supply	7,721	7,723	7,721	7,811	7,365	7,125	8,161	7,715	7,566
MY Exports	1,406	1,406	1,406	900	1,000	709	1,400	1,200	1,000
TY Exports	1,406	1,406	1,406	900	1,000	709	1,400	1,200	1,000
Feed and Residual	200	200	200	250	250	250	250	250	250
FSI Consumption	5,800	5,800	5,800	5,950	5,800	5,800	6,000	5,950	5,950
Total Consumption	6,000	6,000	6,000	6,200	6,050	6,050	6,250	6,200	6,200
Ending Stocks	315	317	315	711	315	366	511	315	366
Total Distribution	7,721	7,723	7,721	7,811	7,365	7,125	8,161	7,715	7,566
Yield	5.	5.	5.	5.	5.	5.0097	5.	6.	5.2561
TS=TD			0			0			0

Rice

Rice, Milled Mexico 1000 HA. 1000 MT & MT/HA	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			Market Year Begin: Oct 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested	52	52	52	55	56	56	50	50	50
Beginning Stocks	193	193	193	166	135	135	171	133	128
Milled Production	156	156	156	175	183	178	160	160	160
Rough Production	234	234	234	262	274	267	240	240	240
Milling Rate (.9999)	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667
MY Imports	588	539	539	600	600	600	650	650	650
TY Imports	610	539	539	600	6,000	600	650	650	650
TY Imp. from U.S.	609	539	539	0	600	600	0	650	650
Total Supply	937	888	888	941	918	913	981	943	938
MY Exports	10	8	8	5	5	5	5	5	5
TY Exports	10	8	8	5	5	5	5	5	5
Consumption and Residual	761	745	745	765	780	780	820	820	820
Ending Stocks	166	135	135	171	133	128	156	118	113
Total Distribution	937	888	888	941	918	913	981	943	938
Yield (Rough)	4.	4.	4.5	5.	5.	4.7679	5.	5.	4.8

Sorghum

Sorghum Mexico 1000 HA. 1000 MT & MT/HA	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Oct 2008			Market Year Begin: Oct 2009			Market Year Begin: Oct 2010		
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Harvested	1,890	1,890	1,890	1,635	1,635	1,612	1,850	1,850	1,850
Beginning Stocks	373	373	373	1,336	1,366	1,366	286	416	416
Production	7,067	7,067	7,067	5,850	5,850	6,250	7,100	7,100	7,100
MY Imports	2,496	2,526	2,526	2,600	3,000	2,500	2,700	2,900	2,700
TY Imports	2,496	2,526	2,526	2,600	3,000	2,500	2,700	2,900	2,700
TY Imp. from U.S.	2,484	2,526	2,526	0	3,000	2,500	0	2,900	2,600

Total Supply	9,936	9,966	9,966	9,786	10,216	10,116	10,086	10,416	10,216
MY Exports	0	0	0	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0	0	0	0
Feed and Residual	8,500	8,500	8,500	9,400	9,700	9,600	9,500	9,850	9,700
FSI Consumption	100	100	100	100	100	100	100	100	100
Total Consumption	8,600	8,600	8,600	9,500	9,800	9,700	9,600	9,950	9,800
Ending Stocks	1,336	1,366	1,366	286	416	416	486	466	416
Total Distribution	9,936	9,966	9,966	9,786	10,216	10,116	10,086	10,416	10,216
Yield	4.	4.	3.7392	4.	4.	3.8772	4.	4.	3.8378