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Global Agricultural Information Network

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## **Mexico**

### **Oilseeds and Products Annual**

#### **Slight Increase Expected in Crushing Despite Decline in Oilseed Production**

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**Report Highlights:**

Mexican oilseed production is expected to fall in marketing year 2017/18, as reduced government support and other factors make alternative crops more attractive for farmers. Oil and meal production from imported oilseeds is expected to grow modestly, driven by moderate growth in the hotel, restaurant, and institutional (HRI) sector for oils, and in the meat sector for meals.

## **Production:**

### **OILSEEDS PRODUCTION**

Total Mexican oilseeds production in marketing year (MY) 2017/18 is forecast to decrease to 535,000 metric tons (MT), approximately 14.4 percent lower than previous year's revised estimate. Lower planted area is the main reason for the decrease. Private analysts stated that as result of the lower level of support given by the Mexican government through its agricultural programs (see Policy Section), the planting intentions for soybeans and other oilseeds, such as rapeseed (canola) and sunflower seed, should decline.

Recently, for example, a member of the National Committee of the Oilseed Product System in the state of Tamaulipas, which is composed primarily of farmers, stated that the oilseed production could lose its appeal to growers if the Secretariat of Agriculture, Livestock, Rural Development and Fishery (SAGARPA) continues decreasing or even cancels support through its Pro-Oilseeds program (see Policy section below). The member of the National Committee indicated that this type of support is always beneficial, particularly considering that production costs are very high for oilseeds. In the case of soybean, for example, he indicated it requires nearly 60 kilos of seed per hectare with a cost of 1,200 Mexican pesos (roughly 63.72 USD/ha). As a result, it is expected that farmers would chose to shift to other crops, such as sorghum in the state of Tamaulipas, or wheat in the case of Sonora.

Total oilseeds estimated production for MY 2016/17 has been revised upward from the USDA/Official estimate to 625,000 MT, due to recent official data. Also, the estimate of total oilseed production for MY 2015/16 has been adjusted slightly upward based on final official government information from SAGARPA. This Secretariat publishes official data for sunflower seed and rapeseed (canola) and peanuts just once a year.

Soybean production for MY 2017/18 (September-August) is forecast at 420,000 MT, a decrease of 90,000 MT over last year's revised estimate. This decrease is due to a reduction of harvested area and assumes normal weather conditions. The predominant determining factor in Mexican soybean yields continues to be weather, given that over 81 percent of Mexico's soybean production area is non-irrigated.

For MY 2016/17 and MY 2015/16, the soybean production estimates have been revised upward based on updated SAGARPA official data. Similarly, the harvested area estimates for both marketing years are revised slightly downward reflecting official figures. Industry sources stated that the increase in production in MY 2016/17 is attributed to an increase area planted in the state of Sonora, due to a shift from wheat to soybean cultivation. Reportedly, the switch was motivated by the governmental support program for oilseeds, as well as wheat's unattractive prices. However, for the current 2017 spring/summer crop cycle, it is estimated that Sonora growers have reduced soybean planted area to 30,000 ha compared to 52,257 ha planted in the same crop cycle last year. Reduced government supports and lower water reservoir levels in this state have eroded the incentives to plant soybean in Sonora.

Another relevant factor that could prevent a boost in soybean production in MY 2017/18 is the lack of genetically engineered (GE) soybean plantings due to legal disputes that have been not resolved. After

more than three years, there still is no clear timeline for a resolution of these disputes. (For additional information, see the 2016 Biotechnology Report [MX6044](#).)

Peanut production and the planted and harvested areas estimates have been revised downward for MY 2016/17 from previous estimates, based on updated official data. Also, the peanut production estimate for MY 2015/16 was lowered slightly, to reflect final official figures from SAGARPA. For MY 2017/18 peanut production and planted and harvested areas are forecast to remain unchanged as the majority of peanut growers continue to face several challenges such as:

- Low profitability and poor organization among growers.
- Low production volumes due to little implementation of technology, low planting density, and high pest and disease incidence.
- Providers of technical assistance services do not have the specialization in peanuts required.
- Production does not meet the quality requirements required by agribusiness.
- Little or no access to financing credit.
- Lack or outdated peanut processing equipment.
- Lack of specific governmental supports, relative to other crops.

According to private sources, only a private snack manufacturer (Galdisa) is providing some type of assistance to peanut farmers in Chihuahua and Sinaloa, such as seeds, fertilizers, fumigation, and technical assistance, as well as setting farm gate prices before the crop in order to acquire their harvest. In general, however, peanut growers have to define their planting decisions based on the market situation and taking into account the issues listed above.

The forecast for MY2017/18 rapeseed production remains unchanged at 5,000 MT from the revised MY2016/17 production estimate. Post's total rapeseed production estimate and planted and harvested areas for MYs 2015/16 and 2016/17 have been revised downward from the previous Post estimates due to more complete data from SAGARPA. In Tamaulipas, for example, private sources stated that farmers are expected to reduce the planted area of rapeseed or canola and to return to planting sorghum. The decision to plant more sorghum is being driven mainly by the desire to reduce risks and the fact that the campaigns implemented to control and mitigate the sugarcane aphid (SCA) pest have been relatively successful, allowing farmers to reverse the sorghum yield reductions caused by the pest. In addition, private sources have pointed that new and better sorghum hybrid seed varieties, which are more resistant to SCA, have begun to be planted in some regions of this state. Furthermore, sorghum requires fewer inputs, is more resistant to dry weather conditions, and has a relatively shorter crop cycle. At the same time, rapeseed continues facing problems that limit its production, such as the lack of domestic seeds with high yields; a shortage of proper equipment, including suitable planters and harvesters; and insufficient training and technical assistance.

The Post/New MY 2017/18 sunflower seed production forecast remains unchanged at 13,000 MT. The production figure for MYs 2015/16 and 2016/17 have been revised downward from USDA/Official estimates reflecting the latest Mexican government data published by SAGARPA. According to both official and private sources, and due in part to the reduction in governmental supports, growers have decreased their interest in this particular oilseed, despite efforts to promote sunflower seed cultivation by one of the major multinational seed companies (see 2016 GAIN Report [MX6014](#) for additional information). Lower yields than initially expected in some states, such as Zacatecas and Durango, due to the variable and irregular rain distribution, have also contributed to lowered interest. Another important

factor is that farmers lack knowledge and resources to implement appropriate production practices for the crop. As a result, the multinational seed company has reoriented to promote sunflower seed cultivation in other states with greater yield potential, as well as in locations where the state governments could provide some incentives to farmers, such as Guanajuato, Jalisco and Michoacan. At the same time, the company continues establishing links with private vegetable oil crushers interested in acquiring domestically harvested sunflower seed for crushing.

## **OIL MEAL PRODUCTION**

The Post/New forecast for all oil meal production in MY 2017/18 is increased approximately 3 percent to 4.712 million metric tons (MMT) in response to the expected moderate growth in the livestock sector. The livestock and red meat industry in Mexico, for example, continues to grow. Cattle herd rebuilding is being slowly realized, while live cattle exports have leveled off. Federally inspected facilities for red meat production are expanding, and Mexico has intensified a long-term trend to diversify both imports and exports of red meat. Meanwhile, the swine/pork sector is consolidating, and vertical integration is happening on commercial farms (see 2017 GAIN Report [MX7006](#) for additional information). Similarly, the poultry sector outlook is slightly optimistic for 2017, despite the uncertainty in Mexican economy due to a complex external environment (see GAIN Report [MX7002](#)). It should be noted that Mexico's economy is projected to slow considerably in 2017 due to multiple factors, including low oil prices and uncertainty regarding the future of U.S.-Mexico trade relations. According to some private economic experts from banks, universities, and other institutions, Mexican GDP is projected to grow 1.4 percent in 2017, compared to 2.3 percent in 2016. Similarly, the inflation forecast for 2017 over 5.6 percent, versus 2.9 percent a year earlier. Despite this expected slowdown in the Mexican economy, private analysts estimate that the upward trend in meal production registered in the last few years should continue in 2017, albeit at a measured pace compared to previous years.

Mexico's purchase decisions for oilseeds and oil meals continue to be based on price and the availability of credit. High-protein soybean meal continues to account for approximately 80.5 percent of total Mexican oil meal production as in the last few years, while the production of meal from imported rapeseed (canola seed) accounts for approximately 19 percent of total meal. The poultry sector continues to be the major consumer of oilseed meals in Mexico for mixture with other grains for compound feed.

The Post/New soybean meal production forecast for MY 2017/18 is 3.795 MMT, an increase of approximately 3.3 percent compared to the previous year due to expected moderate growth in the livestock and poultry sectors. This reflects the expected slowdown in the Mexican economy compared to previous years; for example, in MY 2016/17 the soybean meal production increased approximately 5.6 percent compared to a year earlier.

Some big companies, such as Ragasa and Proteinas y Oleicos, have continued expanding capacity in their crushing facilities, and making their crushing process and mechanical systems more efficient. In general, private sources noted that the main crusher companies have continued to invest in their crushing operations in Mexico, making them better able to service the increased demand from the livestock sector.

Rapeseed meal production for MY 2017/18 is forecast to increase 1.7 percent due to an expected increase in domestic pork production in 2018. The pork industry continues to be a major consumer of rapeseed meal in Mexico. The incorporation of new hog breeding lines, better farm management techniques, and increased slaughter weights has allowed production of more meat from fewer hogs. Also, the improved management of offspring is allowing an increased number weaning piglets, and higher inventories.

Sunflower seed meal production is forecast to increase to 17,000 MT in MY 2017/18, reflecting the expected higher domestic demand of this product from the livestock industry. Sunflower seed meal is considered an excellent livestock feed, especially for ruminants. However, industry sources pointed out that lower levels of lysine and threonine may cause some restrictions on some non-ruminant uses of sunflower seed meal.

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

SME	2015/2016	2016/2017	2017/2018 f/
Sunflower Seed Meal	13	15	16
Rapeseed Meal	658	665	679
Soybean Meal	5,575	6,060	6,180
<b>Total</b>	<b>6,246</b>	<b>6,740</b>	<b>6,875</b>

f/: Forecast

## OIL PRODUCTION

Total vegetable oil production for MY 2017/18 is forecast to increase to approximately 1.5 MMT, or 2.4 percent higher than the previous marketing year (1.46 MMT). The relatively strong demand of hotel, restaurant, and institutional (HRI) sector and overall population growth (1.4 percent) are main factors driving this increase. Soybean oil remains the major oil produced domestically, accounting for 57 percent of total production, while rapeseed oil represents 42 percent and sunflower oil only one percent of total production.

Private analysts estimate that despite the expected slowdown in the Mexican economy in 2017, the HRI sector demand for vegetable oil should continue increasing. Meanwhile, stagnating salaries and relatively lower disposal incomes could cause Mexico's cooking oil sector to face sluggish demand growth in MY 2017/18. Also, the same sources noted that crushing continues to be determined by domestic oil demand.

Reportedly, crushers are operating at approximately 90 percent of capacity on average. Industry sources stated that the total capacity of Mexican crushing industry is nearly of 7.0 MMT.

As noted above, the eleven leading companies (Agydsa, Ragasa, Proteinas y Oleicos, Oleofinos, Cargill, Industrial Aceitera, El Calvario, La Corona, APECSA, Coral Internacional, and TEAM) have continued to invest in their plants and in modernize processes. These improvements have included better refining technology in order to obtain vegetable oils with less trans-fatty-acids contents, as well as to implement changes to their brand images and packaging. These companies continue to account for nearly 80-85 percent of total domestic oil production.

Soybean oil production for MY2017/18 is forecast to reach 855,000 MT reflecting the relatively strong demand from the HRI sector, as stated. Sunflower seed oil production for MY 2017/18 is forecast to increase only to 17,000 MT due to the domestic production of this oilseed continues stagnating. Rapeseed oil production is forecast to increase 1.5 percent to reach 625,000 MT, assuming affordable prices of imported rapeseed or canola that can be crushed domestically. Price continues to be the predominant factor in marketing oilseeds, as demand is price elastic and companies can substitute some oilseeds for others. In addition, private sources expressed that the leading crushers and vegetable oil refiners have the flexibility and capability to switch over from one oilseed to another relatively easily (i.e. rapeseed to soybeans or vice versa).

## **Consumption:**

### **OILSEED CONSUMPTION**

As a result of the economic slowdown and sluggish demand, total consumption of oilseed products is expected to increase just 2.8 percent in MY 2017/18, compared to 5.0 percent the previous year. With Mexico's expected macro-economic slowdown, price should continue to be the main factor in oilseed sales as indicated above.

For MY 2017/18, soybean domestic consumption is forecast to increase 3.2 percent to 4.8 MMT. This growth is lower than the previous year due to the relatively slight growth in Mexican livestock and poultry products, as well as population growth of 1.4 percent. Animal feed industry sources pointed out that the market for poultry, pork, and beef in Mexico could weaken in 2017 compared to recent history, largely because of stagnant consumer purchasing power. As a result, they foresee weak demand for soybeans (mainly imported) compared to the previous two years. It should be noted that total soybean consumption increased approximately 5.7 percent on average in the last couple years.

For MY 2017/18, sunflower seed consumption is expected to increase slightly to 38,000 MT, responding to increasing interest in consuming sunflower oil, as well as snacks with greater health benefits and less trans-fat. Consumption estimates for MY's 2015/16 and 2016/17 have been adjusted downward reflecting official and industry information on feed use. Consumption for rapeseed in MY 2017/18 is forecast at 1.57 MMT -- a higher level than the last few years -- as rapeseed prices continue to be favorable.

MY 2017/18 peanut consumption is forecast to increase approximately 1.4 percent, considering that the snack food market should continue growing despite the economic slowdown forecast for this marketing year. Peanut consumption is oriented to the edible/food use market, where it is sold mainly as a snack in Mexico. Practically no peanut production is used for oil and meal.

Private sources stated that the Mexican snack consumption has continued increasing consistently by approximately two percent in the last few years. One of the main explanations for this increase is the fact that consumers look for tasty, affordable, and convenient products that are considered more as an impulse purchase. In addition, and motivated in part by Government of Mexico (GOM) campaigns against the obesity, Mexican consumers are growing interest in healthy foods. Another factor for the change in consumer preferences has been the Special Tax on Production and Services (IEPS). This tax, which took effect in 2014, is applied to products with high caloric content and items with added sugar.

For example, IEPS taxes products such as potato chips, crackers, cookies, tortilla chips, and popcorn (see 2013 GAIN Report [MX3309](#) “Conditions of Proposed 2014 Value Added Tax in Mexico”). Industry sources estimate this consumption trend is an opportunity to continue positioning peanut and peanut butter (mainly imported from the U.S.) as well as sunflower seeds (as snack) in the consumer’s mind as a healthy food with great properties that will provide all the nutrients they are looking for.

The peanuts and nuts category in Mexico reportedly has been increasing year by year, and peanuts are the first choice for snacking in Mexican consumers; reportedly, the percentage of Mexican consumers that report eating peanuts as a snack by are higher than the other snack categories mentioned above. Spicy peanuts are heavily favored, although “salt with lime” and plain salted peanuts are common, as well. “Japanese peanuts” (*cacahuates japoneses*), which are breaded and cooked, are considered as the most popular. According to Mexico’s National Retail Association (ANTAD), traditional channels (i.e. “mom & pop” stores and street vendors) continue representing around 65 percent of grocery sales and this is a very important point of sale for peanuts. Retail chains continue gaining market share, opening new stores year after year. 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.

## **MEAL CONSUMPTION**

A relatively weaker economy in Mexico, compared to recent years, should inhibit slightly the demand for protein meal consumption in MY 2017/18. Therefore, consumption of all oil meal products is expected to increase by only 2.7 percent to 7.1 MMT, which should be covered mainly by domestically-produced meal. This projected consumption increase for oil meal products is primarily driven by a slightly enhanced domestic demand from the poultry industry. The 2017 Mexican poultry meat production forecast reflects an increase of approximately three percent compared to a year earlier. Demand for oil meals by the cattle industry is also expected to increase slightly.

Sources in the animal feed sector reiterated that the composition of ingredients in compound feed has been traditionally stable, with only small adjustments made in the composition depending on the price and availability of oilseeds meals and other ingredients (see Distillers Dried Grain with Solubles - DDGS - 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. Sources consider that soybean meal, corn gluten, and DDGS are three ingredients that are complements in the formulation of compound feed, although sometimes they compete depending their market prices. Therefore, raw material costs continue to be essential in procurement decisions.

Soybean meal consumption is expected to increase by nearly 2 percent in MY 2017/18, due to the expanding poultry industry. Soybean meal is used primarily for poultry feed rations. For MY 2017/18, sunflower seed meal consumption is expected to rise due to slightly increased demand from the dairy sector. Rapeseed meal consumption is expected to reach 13 percent of total meal consumption in MY 2017/18, which is slightly lower than a year before. Rapeseed meal continues to be used mainly by the pork industry, although the dairy industry also consumes some of this product. Feed industry sources indicate that rapeseed meal, when added to a dairy cow’s diet, has proven to boost milk production. However, the crushing industry and feed manufacturers have complained of the high fiber content and lower protein content, which has lowered its acceptance. In addition, private sources noted that rapeseed

is crushed for its oil content primarily, and that rapeseed meal may be sold at a discount compared to soybean meal, due to its lower protein content.

## **OIL CONSUMPTION**

For MY 2017/18, Post forecasts only a slight increase in total oil consumption over the previous year's revised estimate to 1.91 MMT, an increase of approximately 2.7 percent. Private analysts continue to consider that relatively stronger demand from the HRI sector and the population growth are the main factors that should drive this increase. They pointed out that despite the difficult economic situation and a general uncertainty regarding the future of the U.S.- Mexico trade relations, which has not impacted the majority of consumers to date, the industrial sector (i.e. processing food) will continue looking for heart-healthy high-oleic vegetable oils that are lower in trans fatty acids. In addition, in the premium retail vegetable oil segment, the main companies have continued to invest in packaging and marketing their own oil brands highlighting the aspects of healthy product. These initiatives have reportedly allowed them to enjoy a relatively stronger consumer demand for their products in the retail segment, which generally has grown at very similar pace with population growth.

According to one of the main oil refinery and crusher companies, the use of oil per capita continues to be approximately 12 liters per year. Of that total, cooking oil use in households is nearly 6 liters per capita annually. Total oil consumption estimates for MY 2015/16 and 2016/17 have been revised upward from previous estimates, due to more recent private information.

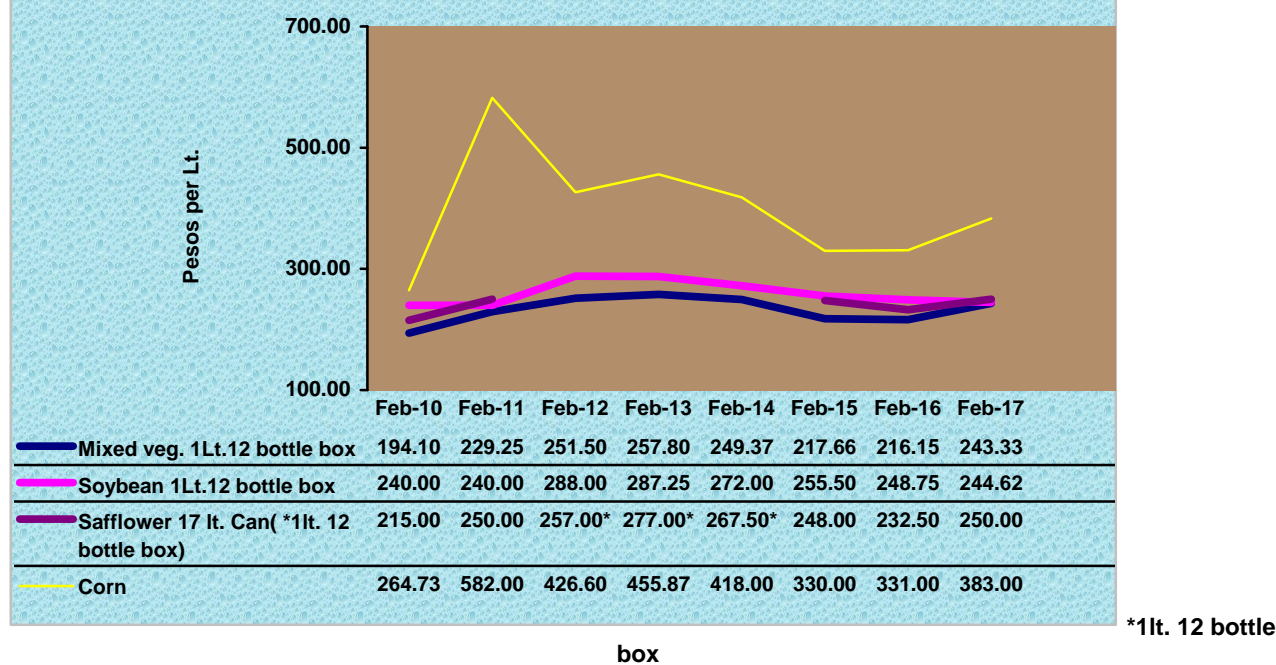
Utilization of soybean oil, at approximately 1.16 MMT, accounts for 60 percent of the expected consumption in MY2017/18, while rapeseed oil should account for 37 percent, and the remainder comes from other refined oil such as sunflower seed. Most usage of soybean oil is accounted for by food processing and blending with other oils.

The U.S. Soybean Export Council (the cooperator organization representing U.S soybeans in Mexico – USSEC) has continued with trade servicing and promotional activities with several Mexican oil refinery and crusher companies. For example, a marketing campaign to promote soybean oil as a retail vegetable oil in its own right was conducted with the company Patrona. This company is bottling pure soybean oil in three-liter containers under the “Victoria” brand. USSEC participated in promotion efforts in eight cities of southern and southeastern Mexico, and reportedly obtained very good results. It should be noted that Patrona is one the companies that have invested heavily in its plant in Cordoba, Veracruz, which can crush approximately 600,000 MT of soybeans and 400,000 MT of rapeseed. In addition, USSEC sponsored a study highlighting the healthy benefits of consuming soybean oil, such as its high Vitamin E content, and its good balance of Omega 3 and 6, among other aspects. It expected that this study will be released in fall 2017.

The MY 2015/16 and MY 2016/17 sunflower oil consumption estimates increased sharply over the previous estimates, due to higher-than-previously-estimated imports, and reflecting the trend of the HRI sector to consume mid-oleic oil that has no trans-fats, monounsaturated fat and neutral taste. An increase to 54,000 MT is expected for the MY2017/18. The Post/New 2017/18 rapeseed oil consumption figure is expected to reach 710,000 MT due to market preference and the expected affordable price for this oil. Rapeseed oil consumption estimate for MY2015/16 was revised downward to 675,000 MT reflecting more recent private figures.



## Vegetable Oil Wholesale Prices



Source: Servicio Nacional de Información de Mercados, SNIIM-SE.  
Exchange rate (March 28, 2017) US \$ 1.00 = 18.86 Pesos

### Trade:

#### OILSEED TRADE

The Post/New total oilseed import forecast for MY2017/18 is set at approximately 6.2 MMT, a 4.3 percent increase compared to the revised MY2016/17 figure. This increase is driven essentially by the slight increase in demand by the livestock sector, population growth, and the lower domestic oilseed production anticipated for this marketing year. In addition and as already stated, Mexico's crushing industry continues to expand production and expects moderate growth, which will fuel oilseed imports.

The United States is expected to continue to be the principal supplier of oilseeds (mainly soybeans). However, since oilseeds import decisions continue to be based on price and the availability of credit, Mexican importers and feed manufacturers might be willing to switch to other suppliers if the oilseeds prices from other origins are affordable. Also, private sources pointed out that as Mexico becomes a more attractive importer, some other countries that produce soybeans (i.e. Brazil and Argentina), have shown interest in exporting to Mexico. In fact, Brazil emerged as a major competitor to the United States several years ago, due to a markedly reduced U.S. crop. In addition, the Mexican government has made public statements in recent months indicating that it has a strategic objective to increase diversification of its agricultural import suppliers. In the longer term, this could mean that Mexico would not rely only on U.S. soybean imports, as is currently the case. However, given that there have not been any changes to policy or economic factors, it is expected that over the mid-term at least, Mexico will remain a substantial importer of soybean from the United States.

The Post/New total oilseed import estimates for MY2015/16 and MY2016/17 have been revised downward and upward, respectively, from the USDA/Official figures in order to reflect updated Global Trade Atlas (GTA) data for the former and private information for the latter.

Rapeseed (canola) imports for MY2017/18 are expected to increase to 1.6 MMT, reflecting better market conditions and favorable international prices. Approximately 97 percent of Mexico's total rapeseed is imported from Canada. The MY2015/16 Post/New rapeseed import estimate has been revised downward from USDA/Official data based on revised GTA data. Canola is counted in the rapeseed Production, Supply, and Distribution (PSD) table.

Imports of sunflower seed are forecast to increase to 25,000 MT in MY2017/18. The MY2016/17 Post/New sunflower seed import estimate was revised upward based on private sector information and reflecting the preference of the fried snack industry for oil of this type.

For MY2017/18, peanut imports are forecast to increase to 200,000 MT, driven by the continued demand of the snack and confectionery sector. However, private sources highlighted two factors of concern for peanut importers that could increase peanut prices in 2017: lower production in Argentina compared with previous year, and the strengthening of U.S. dollar against Mexican peso. The sources noted that although the volume of Argentina crop is relatively low compared with the major producers (i.e., China, Nigeria, India and the United States), this country is the top exporter for peanuts. Therefore, industry sources indicated that in case that the international peanut prices increased on 2017, due these two factors, Mexico's peanut imports could be lower.

## **MEAL TRADE**

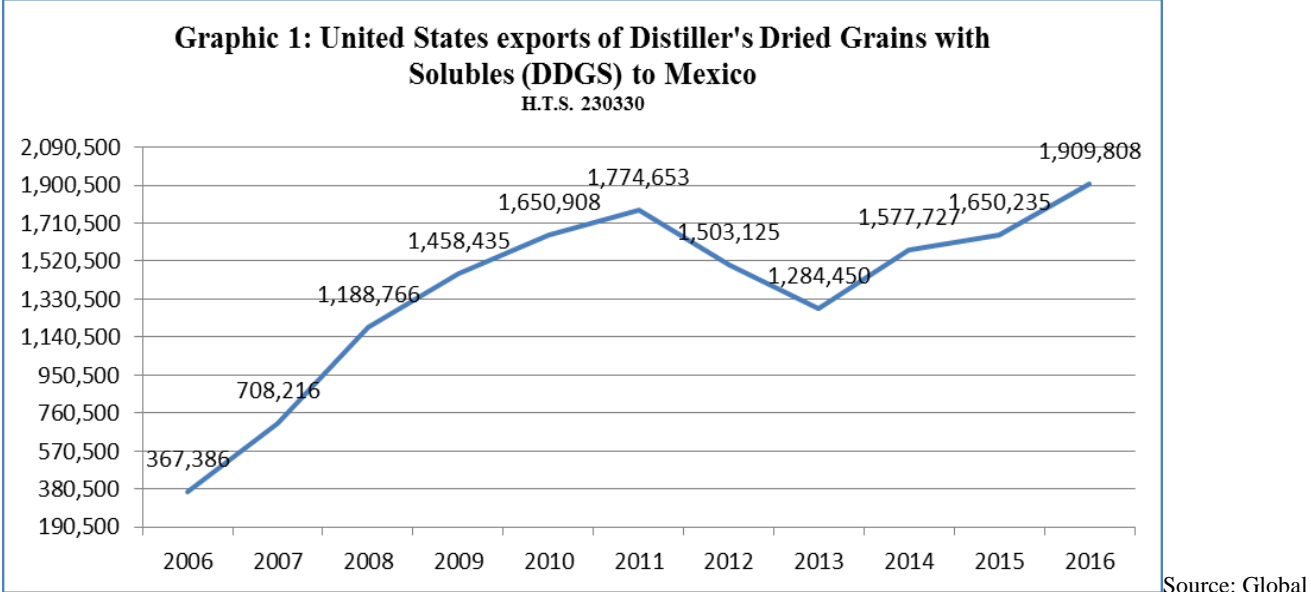
Oil meal imports are expected to increase slightly to 2.45 MMT in MY 2017/18, due to the expectation of better international prices. Relative to meal production, however, oilseed meal imports for MY 2017/18 should continue at approximately 34 percent of total meal consumption (7.15 MMT). Soybean meal imports are expected to remain unchanged at 2.4 MMT in MY2017/18, reflecting the increase in the domestic crush of imported bean due to the relatively bearish international soybean market. According to GTA data for MY 2015/16, the United States is the only supplier of soybean meal to the Mexican market. For MY2017/18, rapeseed meal imports are expected to increase to 55,000 MT reflecting a slight increase of ruminant and pork sectors.

The United States remains the main external supplier of oil meals to the Mexican market, with negligible amounts supplied from other origins, primarily in Latin America.

## **DISTILLERS DRIED GRAIN WITH SOLUBLES (DDGS) 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 over the last few 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 (mainly soybean meal) in feed concentrate formulas. However, they stated that the pace of DDGS imports in 2017 could fall due to more competitive soybean meal prices,

the strong dollar, and some quality issues that importers have faced recently. Reportedly, some animal feed importers have noted a higher presence of mycotoxins in imported DDGS which negatively affect animal performance. As result, private sources estimate that DDGS imports in 2017 could remain essentially unchanged compared with a year earlier. The United States is the only source of DDGS to Mexico.



## **OIL TRADE**

Vegetable oil imports are projected to rise approximately 4.6 percent in MY2017/18 to 454,000 MT. Increasing demand for edible oils due to greater demand from the HRI sector and population growth are the primary drivers of growth in vegetable oil imports. As in the rest of oilseeds complex, price continues to be the dominant factor in sales of vegetable oils in Mexico. Imports of soybean oil are expected to account for approximately 67 percent of total imports, similar to a year earlier. The Post/New total oil import estimates for MYs 2015/16 and 2016/17 have been revised upward based on updated data from GTA for the first marketing year, and industry sources for the first months of the second.

The United States is expected to continue to be the main supplier of soybean oil into the Mexican market due to its proximity and lower freight cost, which permit Mexican importers to purchase on an "as needed" basis.

The MY 2015/16 rapeseed oil import estimate has been adjusted downward according to GTA figures. Similarly, the rapeseed oil imports estimate for MY2016/17 was adjusted upward based on information from industry sources. For MY 2017/18, rapeseed oil imports are expected to increase to 90,000 MT due to attractive international prices.

Sunflower seed oil imports for MY 2017/18 are forecast at 59,000 MT. The Post/New MY2015/16 import estimate for sunflower seed oil were adjusted upward from official USDA/Official estimated based on revised GTA data. Also, the sunflower oil import estimate for MY2016/17 was revised upward based on revised industry sources.

## **STOCKS**

In general, industry sources pointed out that there is not a standard or average volume of stocks of oilseeds and vegetable oils that the companies tend to hold. They noted that each company has different stocks levels depending on their own company policies and/or requirements. However, apparently the rationale for stock levels depends on the location of the crushing and refinery plants. Ragasa, for example keeps two weeks of utilization as stocks of oilseeds or vegetable oils. Ragasa facilities are located at the north of the country (Nuevo Leon and Tamaulipas), and its import requirements are accomplished by train. Agydsa, which has its facilities in Jalisco and Veracruz, holds a level of 60 days of utilization as stocks. This company imports their oilseeds requirements by ship. In addition, due to the proximity to the United States, which is the main supplier of the soybean complex and other oilseeds, as well as affordable freight costs, many crusher and vegetable oil companies have decided do not keep stocks as they purchase these products on an "as needed" basis.

Industry sources noted that regularly the companies do not hold oilseed meals stocks. Since the main Mexican oil refinery and crusher companies have continued investing in their facilities, they have sufficient capacity to hold as much stocks of oilseeds or vegetable oils as necessary.

## OILSEED POLICY

Mexico's economy has faced a series of challenges in the last two years, among them:

- Significant depreciation of the Mexican peso, which has made Mexican exports more competitive, but has increased the relative cost of imported goods and inputs.
- Inflation has grown in recent months, and planned gasoline price increases have raised concerns about further growth in prices.
- Declining oil prices have resulted in lower government revenue from national oil company PEMEX, leading to budget austerity.
- As result, the main support programs for the agriculture sector, such as the program to encourage domestic oilseed production (initially called "Pro-Oilseeds"), PROAGRO, and the Forward Contract Program, all suffered cutbacks in 2017. This was reflected in the level of Pro-Oilseeds and PROAGRO payments to growers and the percentage supported in hedging operations under the Forward Contract Program. (See 2016 GAIN Reports [MX6009](#) & [MX6014](#) for additional information about 2016 programs.)

### Pro-Oilseeds

Though SAGARPA has retained the subsidy program to encourage the domestic production of oilseeds, the amount of payments to support oilseed producers was reduced in 2017 from 1,500 pesos per ton of oilseeds (near 79.53 U.S. dollars/MT) to 700 pesos per ton of oilseeds (roughly 37 U.S. dollars/MT) in 2017. These oilseeds must be sold to the domestic vegetable oil industry, or domestic livestock feed mill and manufactures. As indicated above, this reduction was as consequence of the federal budget cut backs. SAGARPA also renamed the program "Support to Cultivate Oilseeds (sesame, safflower, canola, sunflower and soybean)." Nevertheless, 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 program's more specific objectives are:

- Recommend more production of basic grains and oilseeds 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; and
- Reduce oilseed imports.

The program has a production limit of 100 hectares of oilseeds, cultivated in irrigated areas or equivalent production in non-irrigated areas (per grower).

Private analysts indicated that, due the delay in the support payments under this program by SAGARPA, a group of growers of the sates of Tamaulipas and San Luis Potosi have protested and blocked access to SAGARPA’s headquarters in Mexico City twice, once in November 2016 and again in February 2017. The growers were demanding payment of oilseeds subsidies corresponding to the 2015 agricultural cycle. Similarly, industry sources noted that there are still pending payments from the 2016 crop cycle.

PROAGRO

On December 31, 2016, SAGARPA announced in the Mexican Federal Register (*Diario Oficial*) the new operational rules of “PROAGRO Productivo,” the primary Mexican domestic agricultural support program, for calendar year 2017. This program provides direct support to growers with farms in operation that are appropriately registered in the PROAGRO directory. Per the notice, the specific goal of this program is provide liquidity to the rural agricultural economic units (UERA in Spanish) to invest in productive activities. Farmers must demonstrate that they have grown any legal crop on eligible land (e.g., soybeans, sunflower, safflower, canola, etc.) in order to participate. Payments are made on the basis of the number of hectares registered, irrespective of the type or volume of production or the related domestic or international prices. There are three separate categories of grower, based on the total surface area eligible for the program belonging to the grower:

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

For 2017, PROAGRO Productivo will retain a limit of up to 80 ha that may receive support per production unit and agricultural crop cycle. Under the program, a flat rate payment for corn, sorghum, wheat, and rice will be provided to growers for the 2017 spring/summer and 2017/2018 fall/winter crop cycles. Payments will be made, in accordance with the per-hectare allocation set out below, subject to the 80 ha maximum:

Category	Description	Allocation per eligible hectare or fraction thereof
Subsistence	Growers with production units (UERA) of up to three ha of rain-fed land	1,500 pesos (79.53 USD)
	Rest of country subsistence growers	1,300 pesos (68.93 USD)
Transition		750 pesos (39.77 USD)
Commercial	Growers with UREA of more than 20 ha up to 50 ha non-irrigated, and those with more than five ha up to 12.5 ha of irrigated area	450 pesos (23.86USD)
	Rest of country commercial growers	180 pesos (9.55 USD)

Growers with production units of non-irrigated land 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. If weather conditions or natural disasters prevent planting in eligible areas, support may still be granted as long as the local SAGARPA delegation submits a written request, accompanied by a technical opinion of the competent authority that endorses the presence of such conditions in the affected areas.

PROAGRO beneficiaries must demonstrate that the subsidy was used for training and technical assistance, mechanization, use of improved seeds or selected native seeds, plant nutrition, production restructuring, agricultural insurance, fertilization, storage and marketing, payment of services, and fuel acquisition, inter alia.

The 2017 program notice indicated 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. Similarly, SAGARPA can incorporate growers who have not been registered in the PROAGRO program, giving priority to subsistence growers that cultivate basic grains and oilseeds.” The notice states that SAGARPA can pay liabilities from agricultural cycles in the previous fiscal year which were not liquidated due to lack of budget. SAGARPA is authorized to allocate up to 1.5 percent of the full program budget to establish a training and technical assistance program directed primarily to subsistence growers to facilitate the adoption of technological innovations, improve their agricultural practices, and increase their crop yields.

### Forward Contract Program

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

The available information of SAGARPA’s Marketing Services and Agricultural Market Development Agency (ASERCA), states that during the first 10 months of 2016, 17.54 MMT of various commodities have been supported through the Forward Contract Program; mainly corn, sorghum, wheat and soybeans. For the 2015/16 crop cycle, 12.41 MMT were supported through the program, while for the 2016 spring/summer crop cycle 5.4 MMT were supported. Of these totals, ASERCA estimates that approximately 30 percent were contracts in the animal feed sector.

ASERCA stated that the Forward Contract Program has become the most effective instrument for promoting the marketing of grains and oilseeds, 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. However, private sources noted that due to the cutbacks in ASERCA’s 2017 budget, the support coverage for buyers has been eliminated, and the support to growers has been reduced from 85 percent to 75 percent of the coverage cost (i.e. “put” or “call”). As a result of the overall Federal Budget restrictions, ASERCA has experienced important budgetary reductions; approved budget for fiscal year 2017 was approximately 20 percent lower than 2016.

## **Production, Supply and Demand Data Statistics**

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

Market Begin Year Mexico	Total Oilseeds					
	2015		2016		2017	
	USDA Official	New post	USDA Official	New post	USDA Official	New post
<b>Area Planted</b>	317	336	352	357	0	323
<b>Area Harvested</b>	332	330	371	355	0	313

<b>Beginning Stocks</b>	218	218	193	166	0	133
<b>Production</b>	453	457	616	625	0	535
<b>MY Imports</b>	5786	5753	5915	5919	0	6205
<b>MY Imports from U.S.</b>	3856	3855	3880	3892	0	4098
<b>MY Imports from EU</b>	0	0	0	0	0	0
<b>TOTAL SUPPLY</b>	<b>6457</b>	<b>6428</b>	<b>6724</b>	<b>6710</b>	<b>0</b>	<b>6873</b>
<b>MY Exports</b>	18	18	18	18	0	18
<b>MY Exports to the EU</b>	0	0	0	0	0	0
<b>Crush</b>	5927	5927	6230	6230	0	6411
<b>Food Use Dom. Cons.</b>	270	270	278	278	0	282
<b>Feed Waste Dom..Cons.</b>	49	47	53	51	0	51
<b>Total Dom. Consumption</b>	6246	6244	6561	6559	0	6744
<b>Ending Stocks</b>	193	166	145	133	0	111
<b>TOTAL DISTRIBUTION</b>	<b>6457</b>	<b>6,428</b>	<b>6724</b>	<b>6710</b>	<b>0</b>	<b>6873</b>
<b>Calendar Year Imports</b>	5858	5872	5,938	5944	0	6225
<b>Calendar Year Imp. U.S.</b>	3835	3821	3917	3920	0	3999
<b>Calendar Year Exports</b>	18	18	18	18	0	18
<b>Calendar. Yr. Exp. To U.S.</b>	10	10	11	11	0	11
(1000 HA), (1000 MT)						



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

Oilseed, Soybean Market Begin Year	2015/2016		2016/2017		2017/2018	
	Sep 2015		Sep 2016		Sep 2017	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	250	251	285	284	0	250
Area Harvested	249	246	280	282	0	240
Beginning Stocks	73	73	83	87	0	97
Production	330	334	490	510	0	420
MY Imports	4126	4126	4200	4200	0	4380
MY Imp. from U.S.	3674	3674	3700	3700	0	3900
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4529	4533	4773	4797	0	4897
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	4400	4400	4650	4650	0	4800
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	46	46	50	50	0	50
Total Dom. Cons.	4446	4446	4700	4700	0	4850
Ending Stocks	83	87	73	97	0	47
Total Distribution	4529	4533	4773	4797	0	4897

(1000 HA) ,(1000 MT)

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

Oilseed, Rapeseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	6	0	6	0	6
Area Harvested	0	6	0	6	0	6
Beginning Stocks	120	120	80	52	0	17
Production	0	5	0	5	0	5
MY Imports	1450	1417	1500	1500	0	1600
MY Imp. from U.S.	50	49	50	50	0	50
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1570	1542	1580	1557	0	1622
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	1490	1490	1540	1540	0	1570
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1490	1490	1540	1540	0	1570
Ending Stocks	80	52	40	17	0	52
Total Distribution	1570	1542	1580	1557	0	1622

(1000 HA) ,(1000 MT)

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

Oilseed, Sunflowerseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	12	0	10	0	10
Area Harvested	16	11	19	10	0	10
Beginning Stocks	2	2	2	2	0	2
Production	16	14	19	13	0	13
MY Imports	20	20	20	24	0	25
MY Imp. from U.S.	10	10	0	12	0	13
MY Imp. from EU	0	0	0	0	0	0
Total Supply	38	36	41	39	0	40
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Crush	33	33	36	36	0	37
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	3	1	3	1	0	1
Total Dom. Cons.	36	34	39	37	0	38
Ending Stocks	2	2	2	2	0	2
Total Distribution	38	36	41	39	0	40

(1000 HA) ,(1000 MT)

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

Oilseed, Peanut Market Begin Year	2015/2016		2016/2017		2017/2018	
	Sep 2015		Sep 2016		Sep 2017	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	67	67	67	57	0	57
Area Harvested	67	67	67	57	0	57
Beginning Stocks	23	23	28	25	0	17
Production	107	104	107	97	0	97
MY Imports	190	190	195	195	0	200
MY Imp. from U.S.	122	122	130	130	0	135
MY Imp. from EU	0	0	0	0	0	0
Total Supply	320	317	330	317	0	314
MY Exports	18	18	18	18	0	18
MY Exp. to EU	0	0	0	0	0	0
Crush	4	4	4	4	0	4
Food Use Dom. Cons.	270	270	278	278	0	282
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	274	274	282	282	0	286
Ending Stocks	28	25	30	17	0	10
Total Distribution	320	317	330	317	0	314

(1000 HA) ,(1000 MT)

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

Market Begin Year Mexico	Total Oilmeals					
	2015		2016		2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	5923	5923	6226	6226	0	6407
Extr. Rate, 999.9999						
Beginning stocks	13	13	69	69	0	69
Production	4349	4349	4576	4576	0	4712
MY imports	2435	2435	2450	2450	0	2455
MY imports from U.S.	2317	2313	2340	2340	0	2345
MY imports from EU	0	0	0	0	0	0
<b>Total Supply</b>	<b>6797</b>	<b>6797</b>	<b>7095</b>	<b>7095</b>	<b>0</b>	<b>7236</b>
MY Exports	14	14	15	15	0	15
MY Exports to the EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	50	50	50	50	0	50
Feed, Seed, Waste Dom. Cons.	6664	6664	6961	6961	0	7102
<b>Total Dom. Consumption</b>	<b>6714</b>	<b>6714</b>	<b>7011</b>	<b>7011</b>	<b>0</b>	<b>7152</b>
Ending Stocks	69	69	69	69	0	69
<b>Total Distribution</b>	<b>6797</b>	<b>6797</b>	<b>7095</b>	<b>7095</b>	<b>0</b>	<b>7236</b>
Calendar Year Imports	2465	2465	2480	2480	0	2605
Calendar Year Imp. U.S.	2450	2450	2370	2370	0	2595
Calendar Year Exports	15	15	15	15	0	15
Calendar. Year. Exp. To U.S.	0	0	0	0	0	0
(1000 HA), (1000 MT)						

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

Meal, Soybean Market Begin Year Mexico	2015/2016		2016/2017		2017/2018	
	Sep 2015		Sep 2016		Sep 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	4400	4400	4650	4650	0	4800
Extr. Rate, 999.9999	0.7909	0.7909	0.7903	0.7903	0	0.7906
Beginning Stocks	10	10	68	68	0	68
Production	3480	3480	3675	3675	0	3795
MY Imports	2367	2367	2400	2400	0	2400
MY Imp. from U.S.	2267	2267	2300	2300	0	2300
MY Imp. from EU	0	0	0	0	0	0
<b>Total Supply</b>	<b>5857</b>	<b>5857</b>	<b>6143</b>	<b>6143</b>	<b>0</b>	<b>6263</b>
MY Exports	14	14	15	15	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	50	50	0	50
Feed Waste Dom. Cons.	5725	5725	6010	6010	0	6130
<b>Total Dom. Cons.</b>	<b>5775</b>	<b>5775</b>	<b>6060</b>	<b>6060</b>	<b>0</b>	<b>6180</b>
Ending Stocks	68	68	68	68	0	68
<b>Total Distribution</b>	<b>5857</b>	<b>5857</b>	<b>6143</b>	<b>6143</b>	<b>0</b>	<b>6263</b>
(1000 MT) ,(PERCENT)						

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

Meal, Rapeseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1490	1490	1540	1540	0	1570
Extr. Rate, 999.9999	0.5738	0.5738	0.5747	0.5747	0	0.5732
Beginning Stocks	3	3	1	1	0	1
Production	855	855	885	885	0	900
MY Imports	68	68	50	50	0	55
MY Imp. from U.S.	50	46	40	40	0	45
MY Imp. from EU	0	0	0	0	0	0
Total Supply	926	926	936	936	0	956
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.	925	925	935	935	0	955
Total Dom. Cons.	925	925	935	935	0	955
Ending Stocks	1	1	1	1	0	1
Total Distribution	926	926	936	936	0	956

(1000 MT) ,(PERCENT)

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

Meal, Sunflowerseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	33	33	36	36	0	37
Extr. Rate, 999.9999	0.4242	0.4242	0.4444	0.4444	0	0.4595
Beginning Stocks	0	0	0	0	0	0
Production	14	14	16	16	0	17
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	14	14	16	16	0	17
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.	14	14	16	16	0	17
Total Dom. Cons.	14	14	16	16	0	17
Ending Stocks	0	0	0	0	0	0
Total Distribution	14	14	16	16	0	17

(1000 MT) ,(PERCENT)

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

Market Begin Year Mexico	TOTAL OILS					
	2015		2016		2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	5923	5923	6226	6226	0	6407
Extr. Rate						
Beginning stocks	132	132	140	128	0	123
Production	1395	1395	1462	1462	0	1497
MY imports	407	414	405	434	0	454
MY imports from U.S.	305	315	300	320	0	330
MY imports from EU	0	3	0	0	0	0
<b>TOTAL SUPPLY</b>	<b>1934</b>	<b>1941</b>	<b>2007</b>	<b>2024</b>	<b>0</b>	<b>2074</b>
MY Exports	35	27	36	28	0	28
MY Exports to the EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1759	1786	1841	1873	0	1924
Feed, Seed, Waste Dom. Cons.	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	<b>1759</b>	<b>1786</b>	<b>1841</b>	<b>1873</b>	<b>0</b>	<b>1924</b>
Ending Stocks	140	128	130	123	0	122
<b>TOTAL DISTRIBUTION</b>	<b>1934</b>	<b>1941</b>	<b>2007</b>	<b>2024</b>	<b>0</b>	<b>2074</b>
(1000 MT) ,(PERCENT)						

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

Oil, Soybean Market Begin Year Mexico	2015/2016		2016/2017		2017/2018	
	Sep 2015		Sep 2016		Sep 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	4400	4400	4650	4650	0	4800
Extr. Rate, 999.9999	0.1784	0.1784	0.1785	0.1785	0	0.1781
Beginning Stocks	120	120	124	124	0	120
Production	785	785	830	830	0	855
MY Imports	282	282	290	290	0	305
MY Imp. from U.S.	280	280	285	285	0	295
MY Imp. from EU	0	0	0	0	0	0
<b>Total Supply</b>	<b>1187</b>	<b>1187</b>	<b>1244</b>	<b>1244</b>	<b>0</b>	<b>1280</b>
MY Exports	3	3	4	4	0	4
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1060	1060	1120	1120	0	1160
Feed Waste Dom. Cons.	0	0	0	0	0	0
<b>Total Dom. Cons.</b>	<b>1060</b>	<b>1060</b>	<b>1120</b>	<b>1120</b>	<b>0</b>	<b>1160</b>
Ending Stocks	124	124	120	120	0	116
<b>Total Distribution</b>	<b>1187</b>	<b>1187</b>	<b>1244</b>	<b>1244</b>	<b>0</b>	<b>1280</b>
(1000 MT) ,(PERCENT)						

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

Oil, Rapeseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1490	1490	1540	1540	0	1570
Extr. Rate, 999.9999	0.4	0.4	0.4	0.4	0	0.3981
Beginning Stocks	12	12	16	4	0	3
Production	596	596	616	616	0	625
MY Imports	90	73	80	85	0	90
MY Imp. from U.S.	15	16	15	16	0	16
MY Imp. from EU	0	0	0	0	0	0
Total Supply	698	681	712	705	0	718
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.	680	675	700	700	0	710
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	680	675	700	700	0	710
Ending Stocks	16	4	10	3	0	6
Total Distribution	698	681	712	705	0	718

(1000 MT) ,(PERCENT)

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

Oil, Sunflowerseed Market Begin Year	2015/2016		2016/2017		2017/2018	
	Oct 2015		Oct 2016		Oct 2017	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	33	33	36	36	0	37
Extr. Rate, 999.9999	0.4242	0.4242	0.4444	0.4444	0	0.4595
Beginning Stocks	0	0	0	0	0	0
Production	14	14	16	16	0	17
MY Imports	35	59	35	59	0	59
MY Imp. from U.S.	10	19	0	19	0	19
MY Imp. from EU	0	0	0	0	0	0
Total Supply	49	73	51	75	0	76
MY Exports	30	22	30	22	0	22
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	19	51	21	53	0	54
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	19	51	21	53	0	54
Ending Stocks	0	0	0	0	0	0
Total Distribution	49	73	51	75	0	76

(1000 MT) ,(PERCENT)

**For More Information:**

Visit the FAS headquarters' home page at [www.fas.usda.gov](http://www.fas.usda.gov) for a complete selection of FAS worldwide agricultural reporting.

Other Relevant Reports Submitted by FAS/Mexico:

<b>Report Number</b>	<b>Subject</b>	<b>Dated Submitted</b>
<a href="#">MX7006</a>	Mexico's Livestock Sector Remains Healthy	3/7/2017
<a href="#">MX7002</a>	Vertical Integration Bolsters the Mexican Poultry Industry	2/8/2017
<a href="#">MX6014</a>	2016 Oilseeds and Products Annual Mexico	4/9/2016
<a href="#">MX5014</a>	2015 Oilseed and Products Annual Mexico	4/1/2015
<a href="#">MX4026</a>	2014 Oilseeds and Products Annual	
<a href="#">MX4015</a>	Livestock and Products Semi-annual	3/1/2014
<a href="#">MX4012</a>	Poultry and Products Semi-annual	2/14/2014