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Prepared By: Rodrigo Trejo

Approved By: Susan Karimiha

Report Highlights:

Mexico's grain production outlook for marketing year (MY) 2025/2026 is higher for corn, rice, and sorghum due to higher local prices driving farmer planting decisions. In contrast, wheat production is expected to drop due to low dam levels in Sonora and Sinaloa. Wheat and rice imports are expected to increase with rising consumption from population growth and reduced wheat output. Corn imports are expected to decrease based on increased production and carryover from record imports in MY 2024/2025.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

EXECUTIVE SUMMARY

Mexico’s central bank recently revised the country's economic growth forecast down to 0.6 percent citing domestic and international policy challenges. However, strong demand for grains will continue as Mexico’s population grows and production of calves, pigs, and poultry increases. As a result, Mexico is expected to remain a major importer of basic grains, with total grain imports projected to rise in MY 2025/2026 to meet growing demand amid limited domestic production.

Mexico’s corn production in marketing year (MY) 2025/2026 is forecast to increase by three percent year-on-year to 24.5 million metric tons (MMT). Producers expect higher local prices for white corn due to lower stocks, leading to higher planted area. Corn imports are forecast to drop by three percent to 24.8 MMT, reflecting increased domestic production and higher carryover stocks from the record-high imports in the previous year.

Wheat production is forecast to decrease by 39 percent to 1.6 MMT due to prolonged drought and low reservoir levels. Wheat imports are expected to rise by eight percent to 6.5 MMT due to lower domestic production. Exports are forecast to remain minimal at 50,000 metric tons (MT), as insufficient durum wheat production cannot cover domestic demand.

Mexico’s rice production is forecast to rise by four percent to 170,000 MT, driven by expected government support for increased productivity. Imports are forecast to reach 880,000 MT, a one percent increase, driven by consumption growth due to population expansion.

Finally, Mexico’s sorghum production is forecast at 3.9 MMT, three percent higher than the previous year’s estimate based on expected higher prices. Sorghum imports are forecast to fall to 30,000 MT, driven by higher imported sorghum prices and sufficient domestic production to meet demand.

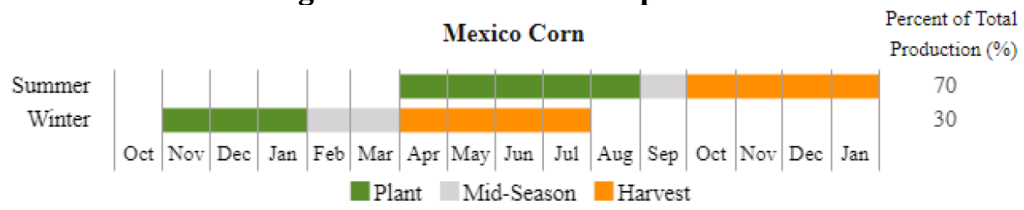
CORN

Table 1. Mexico, Corn Production, Supply and Distribution

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6100	6100	6350	6300	0	6400
Beginning Stocks (1000 MT)	4594	4594	4723	4730	0	4610
Production (1000 MT)	23500	23500	23300	23700	0	24500
MY Imports (1000 MT)	24759	24759	24500	25500	0	24800
Total Supply (1000 MT)	52853	52853	52523	53930	0	53910
MY Exports (1000 MT)	30	23	30	20	0	20
Feed and Residual (1000 MT)	29500	29500	29500	30600	0	31000
FSI Consumption (1000 MT)	18600	18600	18700	18700	0	18800
Total Consumption (1000 MT)	48100	48100	48200	49300	0	49800
Ending Stocks (1000 MT)	4723	4730	4293	4610	0	4090
Total Distribution (1000 MT)	52853	52853	52523	53930	0	53910
Yield (MT/HA)	3.8525	3.8525	3.6693	3.7619	0	3.8281

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Corn begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

Figure 1. Mexico Corn Crop Calendar



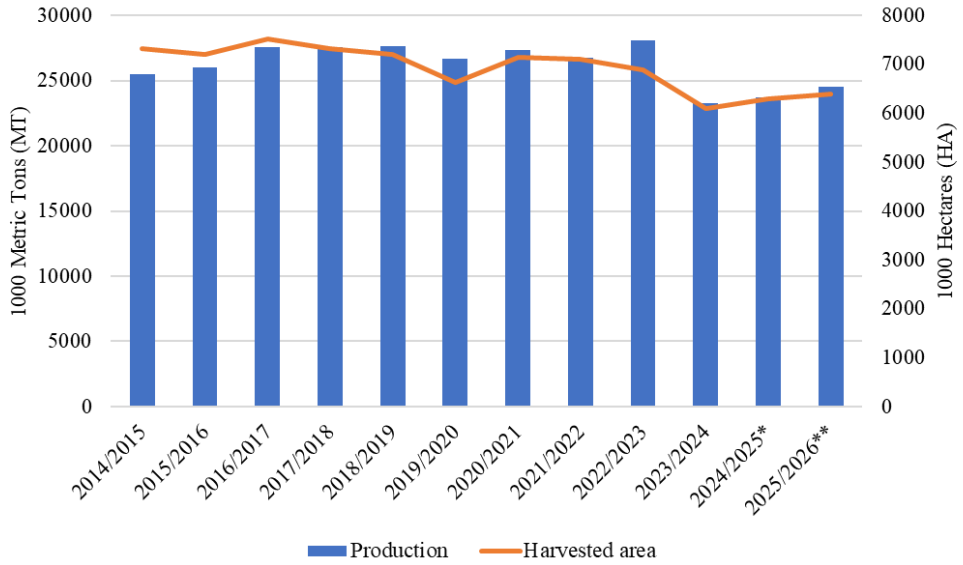
MY 2025/2026

Corn production in MY 2025/2026 (October-September) is forecast to rise three percent to 24.5 MMT. After exceptional drought conditions in northwest Mexico during MY 2024/2025 and MY 2023/2024, farmers are optimistic that average weather conditions and water availability will return and boost corn production.

Nonetheless, the forecast production is ten percent lower than the ten-year average due to relatively high average farmer debt, constrained finance mechanisms, and rising insecurity which limits a substantial increase in planted area.

Harvested area is expected to increase two percent to 6.4 million hectares (HA). Local farmers intend to increase production based on expectations of relatively higher prices of white corn, lower input costs, and lower domestic supplies.

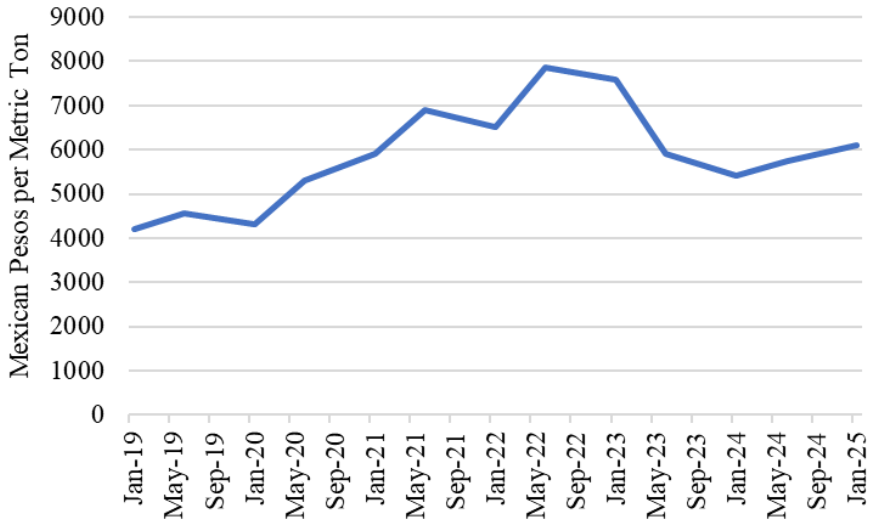
Figure 2. Evolution of Harvested Area and Production of Corn in Mexico



*Estimate ** Forecast, Source: Agricultural and Fisheries Information Service (SIAP)

Less white corn production in MY 2024/2025 and MY 2023/2024, coupled with higher consumption, reduced domestic stocks and increased domestic prices. In February 2025, the National System of Market Information and Integration (SNIIM) listed the farm-gate price of white corn in the Bajío region (Jalisco, Guanajuato, and Michoacán) as 13 percent higher than the previous year at 6,100 Mexican pesos (USD 300) per metric ton.

Figure 3. Average White Corn Farmgate Prices in Jalisco (January 2019 – February 2025)



Source: National System of Market Information and Integration of Mexico (SNIIM)

Relatively low corn prices in MY 2024/2025 and MY 2023/2024 resulted in some farmers only recovering their production costs and increased reliance on off-farm income. As local agricultural finance companies struggle to recover their loans, their liquidity is more limited for MY 2025/2026.

Rising insecurity levels across the country, such as extortion and grain truck thefts, also constrain production growth. According to contacts, increased grain train robberies throughout the country and especially in Sonora and Sinaloa led to a dialogue with Mexico's largest private railway operator Ferromex to increase protection for grain transportation.

Post contacts report that in the fourth quarter of 2024 most local fertilizer prices were on average five percent lower than the previous year due to overall lower demand from less grain production in the fall/winter cycle. Reduced input costs could also entice farmers to increase their planted area in MY 2025/2026 if local white corn prices remain relatively high. For instance, in February 2025, the price of urea in Jalisco decreased nearly 20 percent compared to last year to 10,406 pesos (USD 510) per 50-kilogram (kg) bag. In addition, the Fertilizers for Well-being Program announced an intention to distribute roughly 2.0 MMT of free fertilizers, mainly urea, to small and medium-sized farmers.

2025 Government Support Programs Expected to Have Limited Impact on Production Growth

The Government of Mexico (GOM) extended the Price Guarantee for Basic Food Products, Fertilizer for Well-being, and Production for Well-being programs, but they are expected to have a limited impact on corn production growth due to a focus on social welfare objectives. The Price Guarantee for Basic Food Products program delivers support directly to producers through a set purchase price for small corn farmers (planted area of up to five HA). For 2025, the government offers a guaranteed price of 5,840 pesos per ton (USD 400), roughly nine percent lower than the average farm-gate price paid in the Bajío region in February 2025. If the guaranteed price falls below the average farm-gate price at the time of sale, Food Security Mexico (SEGALMEX) covers only the farmers' crop insurance. The government also provides free crop insurance to corn farmers with planted areas of up to 50 HA.

Through the Fertilizer for Well-being Program, the government supplies no-cost fertilizer to small-scale producers with up to three HA of priority crops, including corn, dry beans, and rice. The Production for Well-being Program offers farmers planting rainfed corn (up to 20 HA) and irrigated corn (up to five HA) a one-time cash incentive and technical assistance for low-input farming strategies.

These support programs have limited impact on expanding corn-planted areas because they focus on subsistence farming and include land area restrictions.

Reduced Public Agricultural Financial Mechanisms Discourage Further Production Investment

The Instituted Trusts in Relation to Agriculture (FIRA) remains the only public lending agency for commercial agriculture. FIRA uses intermediaries to service loans, which limits credit availability for corn due to its lower profitability compared to other agricultural products, such as horticultural crops for export.

Additionally, some commercial farmers claim that the shortcomings of contract agriculture policy create uncertainty and reduces credit availability. They argue that a program that sets prices for farmers and buyers in advance could help address these issues.

MY 2024/2025

Corn production in MY 2024/2025 is estimated to increase by one percent, reaching 23.7 MMT, while the harvested area is expected to grow by three percent to 6.3 million HA. This increase is based on updated official data for the spring/summer harvest area and fall/winter planted area.

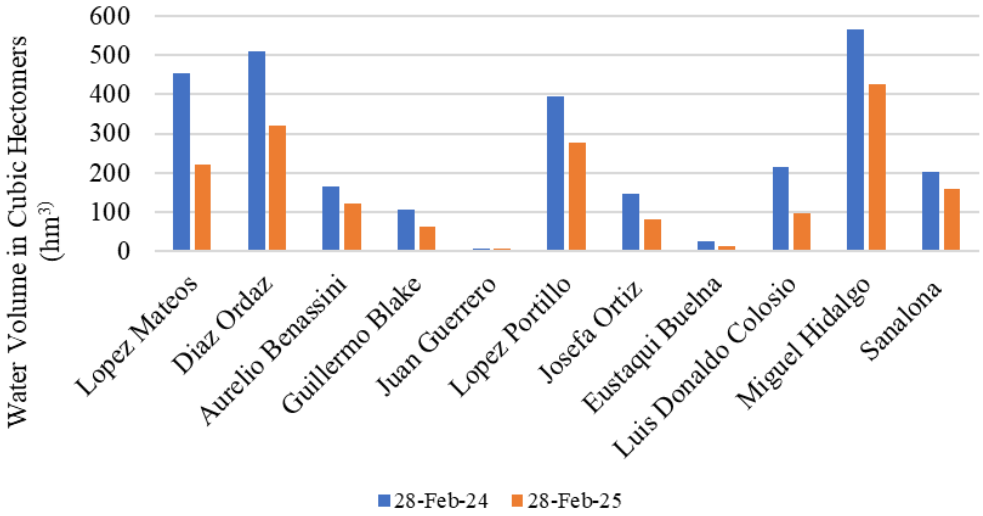
Spring/Summer Corn

As of February 1, farmers had nearly completed the harvest. Preliminary estimates project a seven percent increase over the previous spring/summer cycle, reaching 17.2 MMT. Planted area is expected to decrease by one percent to 5.7 million HA. Favorable weather conditions have led to a two percent higher average yield of 3.3 MT/HA, thanks to significantly less crop damage compared to the previous year. In Jalisco, Mexico's largest spring/summer corn-producing state, production is expected to drop by five percent to 3.3 MMT, due to a shift toward more profitable horticultural crops like berries. Meanwhile, Michoacán is expected to produce nearly 2.1 MMT of corn, a ten percent increase from last year, driven by higher-than-average rainfall after a year of severe drought.

Fall/Winter Corn

As of February 1, farmers had planted 719,198 HA, reaching 87 percent of their planting progress. The total planted area is estimated at 800,000 HA, nine percent lower year-on-year, due to prolonged drought conditions and extremely low water levels in Sinaloa reservoirs. Corn production in Sinaloa is expected to drop by 37 percent to 2.0 MMT. Sources report that lower water availability, continued high temperatures, and reduced moisture levels will likely cut Sinaloa's irrigated corn yields by about ten percent from the 12.2 MT/HA achieved in MY 2022/2023. By February 2025, 44 percent of Sinaloa was under severe and extreme drought conditions, with dam levels at just 13 percent of capacity, the lowest in 30 years.

Figure 4. Sinaloa Reservoir Levels



Source: National Water Commission (CONAGUA)

As a result, the state government approved only 191,294 HA of irrigated planted area in Sinaloa for the 2024/2025 fall/winter corn cycle, a 26 percent decrease from the previous year. The Sinaloa state government urged farmers to plant crops with lower water requirements, such as dry beans, sorghum, and chickpeas. On February 12, the Secretary of Agriculture announced support for all Sinaloa corn farmers by providing insurance payments to guarantee a minimum price of 6,000 pesos (USD 293) per metric ton for corn harvested in the fall/winter cycle.

In Veracruz, the final planted area remained steady at 204,657 HA. The state is typically the second-largest producer in the fall/winter cycle after Sinaloa. About 98 percent of the Veracruz crop is rainfed, with an average yield of 2.54 MT/HA. The average production over the last five years has been about 506,000 MT per fall/winter season.

As of February 1, Tamaulipas had planted 13,070 HA for the fall/winter corn cycle, reaching 30 percent of planting progress, which is 14 percent higher than the previous year. This increase is due to more adequate moisture levels and expected higher corn prices. On March 1, the Tamaulipas state Secretary of Rural Development authorized a 100,000 HA increase in planted area for white corn. Corn planting is expected to finish by the end of March 2025. The average planted area in Tamaulipas over the last five years was 78,000 HA.

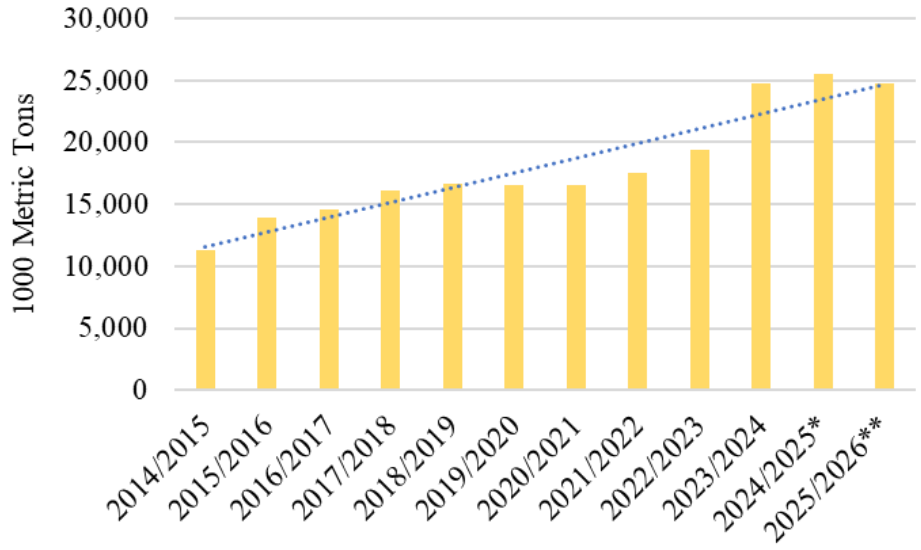
Trade

Corn imports in MY 2025/2026 are forecast to decrease three percent to 24.8 MMT. Forecast higher production and high carryover stocks from estimated record-high imports in MY 2024/2025 are likely to decrease corn imports. Imports are forecast the second-highest on record, driven by growing demand for yellow corn by the livestock sector, particularly increased poultry feed demand. Exports for MY 2025/2026 are forecast to remain unchanged at 20,000 MT. Mexico's ability to export corn is constrained by limited product availability due to domestic demand.

Corn imports in MY 2024/2025 are estimated to rise three percent to 25.5 MMT, over 52 percent of total consumption. In the last ten years, Mexico’s corn imports grew 124 percent from 11.4 MMT in MY 2014/2015. Imports of primarily yellow corn are driven by increased domestic demand from the livestock, animal feed, and starch industries. The United States supplied nearly all of Mexico's corn imports, primarily yellow, in MY 2024/2025, driven by competitive prices and product quality.

Additionally, imports of U.S. white corn are expected to rise by over 0.2 MMT from the previous year, due to lower white corn production and reduced carryover from MY 2023/2024. On February 5, the GOM published a decree to declare ineffective measures concerning genetically engineered (GE) corn that the United States successfully challenged in the USMCA dispute. Mexico’s actions declared ineffective the immediate ban on the use of GE corn in dough and tortillas and the instruction to Mexican government agencies to gradually eliminate the use of GE corn for other food uses and in animal feed.

Figure 5. Mexico Corn Imports

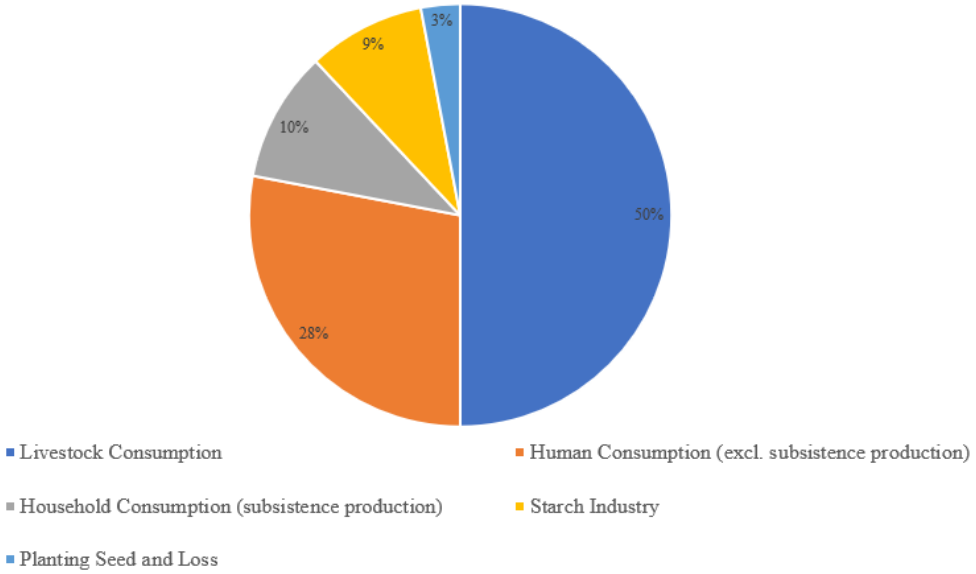


Source: USDA Production, Supply, and Distribution with FAS Mexico City Data / *estimate ** forecast

Consumption

Total consumption in MY 2025/2026 is forecast to increase by one percent to 49.8 MMT, driven by rising demand for yellow corn from the animal feed and livestock sectors. White corn consumption for tortillas is expected to remain stable, as they remain a staple in the Mexican diet. Despite higher corn tortilla prices due to increased production costs, consumption is likely to hold steady. According to industry sources, per capita tortilla consumption in Mexico is approximately 75 kg (165 pounds) per year. An average tortilla consists of approximately 82 percent white corn flour and is blended with 18 percent yellow corn flour.

Figure 6. Mexico Estimate Corn Consumption (October 2024-September 2025)

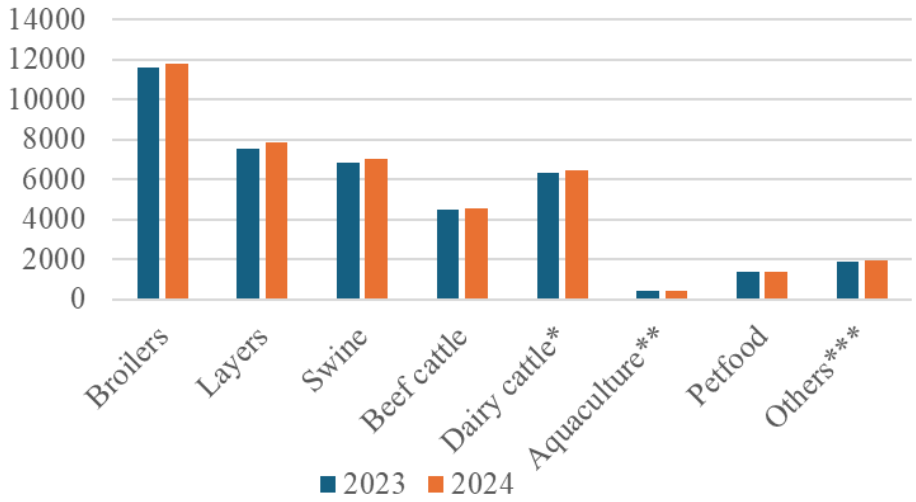


Source: Agricultural and Fisheries Information Service (SIAP)

On October 22, 2024, the Secretary of Agriculture announced a government plan to reduce tortilla prices by ten percent, adjusted for inflation, by 2030 through an agreement with the domestic corn supply chain. From January 2020 to January 2025, tortilla prices rose 53 percent (from 15.15 to 23.18 pesos or USD .74 to USD 1.14), outpacing headline inflation. The National Tortilla Council stated that tortilla bakeries could only lower prices if unfair competition was removed, credit access improved, domestic white corn supply increased, and insecurity in some regions reduced. Lower-income consumers were most affected by the price hike, though more household disposable income from social programs helped offset the impact.

Mexico is the fifth-largest animal feed producer in the world. Industry sources estimate that in 2024, the country produced 44.1 MMT of feed, a two percent increase from the previous year, to support the domestic poultry, swine, cattle, dairy, pet food, and aquaculture industries. Corn makes up more than 50 percent of the country's animal feed.

Figure 7. Mexico's Animal Feed Consumption by Livestock Sector



Source: National Mexican Feed Council (CONAFAB)
*In 1000 Liters / **Shrimp and fish only / *** Feed for horses, rabbits, fighting cocks, sheep, goats, etc.

The poultry sector, which accounts for about 48 percent of animal feed demand, is forecast to grow by two percent, particularly in egg production, driving higher yellow corn demand. Corn makes up 54 to 65 percent of feed for broilers and layers. Rising minimum wages, population growth, and social assistance programs are expected to boost animal protein consumption, supporting continued corn demand in the livestock sector.

Table 2. Imports of Raw Materials by the Feed Industry, 2019-2023 (1000 Metric Tons)

Year	Corn	Sorghum	Soybean Meal	Distiller's Dried Grains
2019	10,979	661	1,364	1,815
2020	11,062	281	1,545	1,583
2021	11,947	173	1,409	1,810
2022	12,093	364	1,478	2,024
2023	13,974	100	1,395	2,043

Source: Consejo Nacional de Fabricantes de Alimentos Balanceados y de la Nutricion, A.C. (CONAFAB)

Corn consumption in MY 2024/2025 is estimated to increase by two percent to 49.3 MMT, driven by continued growth in the livestock industry, which boosts yellow corn demand. Yellow corn is favored for animal feed, especially for poultry and hogs, due to its high caloric density, digestibility, year-round availability, and competitive price. White corn demand for human consumption, such as tortillas and dough, is expected to grow by one percent, in line with population growth, as it remains a staple food.

Stocks

Corn ending stocks in MY 2025/26 are forecast to drop by eleven percent to 4.1 MMT due to lower imports and higher demand from the livestock sector. Large livestock companies and animal feed manufacturers typically maintain 20 days of yellow corn stocks, receiving imports on demand via railway or vessels. Sources indicate that white corn stocks are significantly below the ten-year average due to reduced production in MY 2024/2025 and MY 2023/2024, resulting in a tight supply for human consumption.

Corn ending stocks in MY 2024/25 are estimated to drop by three percent to 4.6 MMT due to two consecutive years of below-average production and increased consumption by the livestock industry.

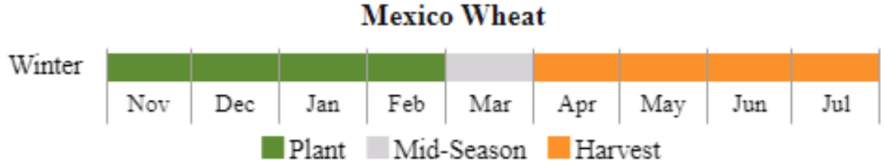
WHEAT

Table 3. Mexico, Wheat Production, Supply and Distribution

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jul 2023		Jul 2024		Jul 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	560	560	460	465	0	290
Beginning Stocks (1000 MT)	757	757	773	773	0	1313
Production (1000 MT)	3476	3476	2600	2640	0	1600
MY Imports (1000 MT)	5290	5290	5800	6000	0	6500
Total Supply (1000 MT)	9523	9523	9173	9413	0	9413
MY Exports (1000 MT)	850	850	200	100	0	50
Feed and Residual (1000 MT)	200	200	300	200	0	200
FSI Consumption (1000 MT)	7700	7700	7800	7800	0	7900
Total Consumption (1000 MT)	7900	7900	8100	8000	0	8100
Ending Stocks (1000 MT)	773	773	873	1313	0	1263
Total Distribution (1000 MT)	9523	9523	9173	9413	0	9413
Yield (MT/HA)	6.2071	6.2071	5.6522	5.6774	0	5.5172

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026

Figure 8. Mexico Wheat Crop Calendar



Production

MY 2025/2026

Wheat production in MY 2025/2026 (July – June) is forecast to decrease by 39 percent to 1.6 MMT, based on updated planting data from SIAP. Harvested area is expected to decrease by 38 percent to 290,000 HA due to severe drought and record-low reservoir levels in Sonora, Mexico's largest wheat-producing state.

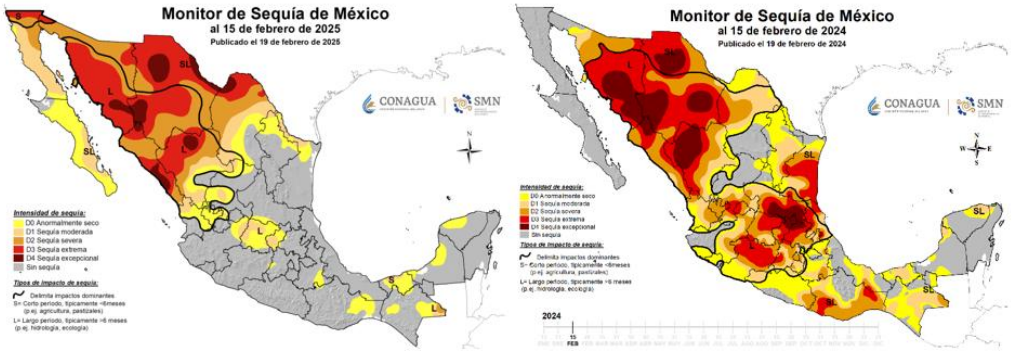
As of February 1, the fall/winter cycle's planted area reached 220,955 HA, 87 percent of planting intentions. In Sonora, planted area dropped 78 percent to 51,500 HA due to water scarcity, since nearly 70 percent of Sonora was under severe drought and dam levels were at 15 percent capacity. The state government approved only 51,331 HA for irrigated planting, down from 248,122 HA in 2024. Of the planted area, 57 percent is dedicated to bread wheat and 43 percent to durum wheat, with durum area down 88 percent.

Farmers in Sonora favored planting bread wheat over durum wheat based on its inclusion in the Price Guarantee Program for Basic Food Products. Authorities are expected to only allow two irrigations in the cycle, which could drive down average yields. Sources indicate that when dams reach below ten percent of capacity, authorities in Sonora are likely to restrict water primarily to human consumption. In

Sinaloa, authorized planted area for wheat was 32,072 HA, three percent lower than the previous year based on record-low reservoir levels. Nearly 94 percent of planted area is dedicated to bread wheat and the remainder to durum wheat.

In Guanajuato, as of February 1, wheat planted area doubled year-on-year to 56,720 HA (70 percent bread wheat and 30 percent durum wheat) based on higher water availability for irrigation after a year of severe drought conditions. Planted area is lower than the ten-year average of 60,000 HA. In Michoacán, the planted area declined by 18 percent to 26,235 HA, while Baja California experienced a nine percent decrease to 29,880 HA, primarily due to low prices and delayed government support for medium and large-scale farmers.

Figure 9. Mexico Drought Monitor: February 15, 2025 vs. February 15, 2024



Source: National Meteorological Service

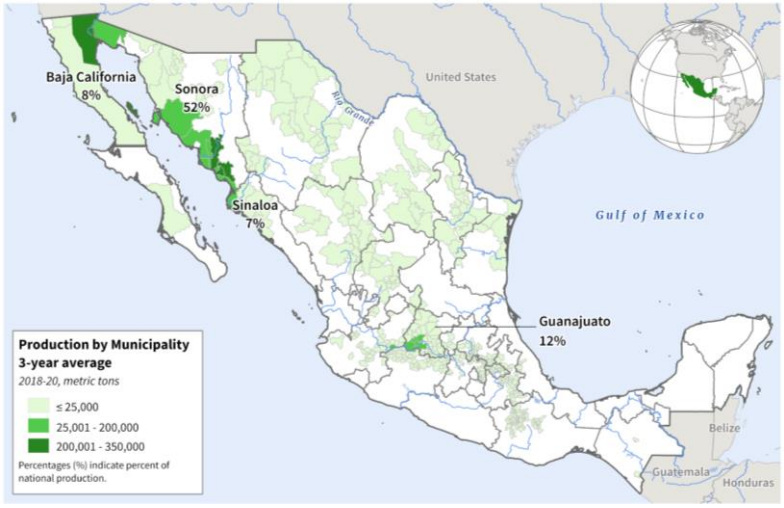
Despite government support programs for wheat producers, their impact on wheat production in MY 2025/2026 is likely to be limited due to low reservoir levels in Sonora, which accounts for roughly 52 percent of total wheat production, mostly irrigated. For 2025, the Price Guarantee Program for Basic Food Products set a purchase price of 7,600 pesos (USD 370) for producers of up to eight HA or 50 MT of bread wheat, and 7,050 pesos (USD 344) for producers with up to 300 MT of wheat. As of February 2025, the average price of bread wheat purchased from farms in Sonora was 5,200 pesos (USD 254). Thus, guaranteed prices for small and medium producers are 46 and 35 percent higher, respectively. SEGALMEX commits to covering the gap between the guaranteed price and the farmgate price. However, sources report that SEGALMEX typically takes a year to make payments, affecting farmers' liquidity. Additionally, since virtually all fall/winter wheat is irrigated, its production depends on adequate water availability throughout the cycle.

MY 2024/2025

This estimate includes fall/winter wheat, fully harvested in August 2024, and spring/summer wheat, fully harvested in January 2025. Updated data from SIAP shows fall/winter production at 2.54 MMT, a 25 percent decrease from the previous year, driven by prolonged drought and record-low reservoir levels in Sonora and Sinaloa, leading to reduced planted areas and yields.

Spring/summer production is estimated at 99,000 MT, a three percent increase due to higher precipitation in key producing states. However, spring/summer wheat accounts for only three percent of total wheat production.

Figure 10. Map of Wheat Production in Mexico



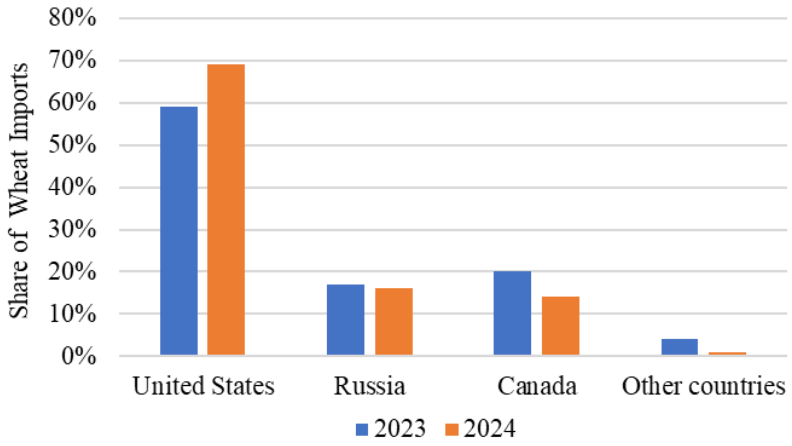
Source: USDA FAS International Production Assessment Division (IPAD)

Trade

Wheat imports for MY 2025/2026 are forecast to increase by eight percent to 6.5 MMT due to lower production and higher consumption. Exports are expected to fall by 50 percent to 50,000 MT because of limited exportable durum wheat supplies. Sources indicate that most domestic durum production will be consumed within Mexico, making it a net importer of durum wheat for the first time in over two decades.

Wheat imports for MY 2024/2025 are estimated to rise 13 percent to 6.0 MMT based on updated trade data. The United States is Mexico's largest wheat supplier, followed by Russia and Canada. For the first half of the marketing year (July - December 2024), Mexico imported 3.5 MMT of wheat, with 64 percent from the U.S., 18 percent from Russia, 13 percent from Canada, and one percent from Argentina and France. Hard red winter, soft red winter, and hard red spring account for approximately 97 percent of total imports of U.S. wheat. The Presidential Anti-Inflation Decree (see policy section), extended through December 31, 2025, includes wheat and wheat flour as basic staples, exempt from duties if imported from countries without a free trade agreement (FTA) with Mexico.

Figure 11. Market Share of Mexico's Wheat Imports in 2024 and 2023



Source: National Chamber of the Wheat Milling Sector (CANIMOLT) with data from Customs

Mexico's durum wheat exports in MY 2024/2025 are expected to decline by 88 percent to 100,000 MT due to two consecutive years of lower-than-average production in Sonora, the largest wheat producing state of primarily durum wheat. Domestic wheat mills are expected to use most available durum wheat supplies.

Table 4. Mexico's Durum Wheat Exports 2022 – 2024 (Metric Tons)

Country	2022	2023	2024
Algeria	471,981	638,506	347,645
Venezuela	127,950	60,800	0
France	0	42,000	0
Guatemala	52,299	40,434	33,600
Canada	0	24,650	0
Nigeria	38,768	13,966	0
United States	3,632	7,825	198
Turkey	69,634	1	0
Others	31	1,727	0
Total Volume	**764,295**	**829,909**	**381,443**

Source: National Chamber of the Wheat Milling Sector (CANIMOLT) with data from Customs

Consumption

Wheat consumption in MY 2025/2026 is forecast to rise one percent to 8.1 MMT, driven by increased bread wheat consumption in line with population growth. The National Chamber for Wheat Millers (CANIMOLT) estimates per capita pasta consumption in Mexico for CY 2025 will decrease to 4 kg, returning to pre-pandemic levels.

Wheat consumption in MY 2024/2025 is estimated to grow by one percent to 8.0 MMT, driven by higher bread demand due to population growth. Mexico's wheat milling capacity was 10.7 MMT in 2024, with 90 wheat mills. The Central and Bajío regions account for 55 percent of this capacity. The wheat flour sector utilizes about 68 percent of available capacity, processing 7.3 MMT of wheat into 5.5 MMT of wheat flour and semolina in 2024.

Stocks

Ending stocks in MY 2025/2026 are forecast to decrease four percent to 1.3 MMT based on forecast significantly lower production. Wheat ending stocks in MY 2024/2025 are estimated 70 percent higher year-on-year based on higher imports.

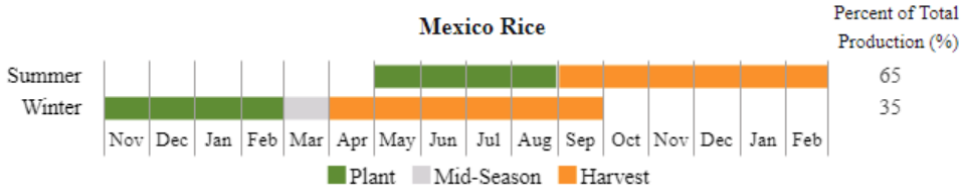
RICE

Table 5. Mexico, Rice Production, Supply and Distribution

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	35	31	33	34	0	35
Beginning Stocks (1000 MT)	120	120	137	116	0	114
Milled Production (1000 MT)	161	152	160	163	0	170
Rough Production (1000 MT)	234	221	233	237	0	247
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	0	6870
MY Imports (1000 MT)	851	852	860	870	0	880
Total Supply (1000 MT)	1132	1124	1157	1149	0	1164
MY Exports (1000 MT)	5	18	5	30	0	35
Consumption and Residual (1000 MT)	990	990	1005	1005	0	1020
Ending Stocks (1000 MT)	137	116	147	114	0	109
Total Distribution (1000 MT)	1132	1124	1157	1149	0	1164
Yield (Rough) (MT/HA)	6.6857	7.129	7.0606	6.9706	0	7.0571

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2025/2026 = January 2026 - December 2026

Figure 12. Rice Crop Calendar



Production

MY 2025/2026

Rice production in MY 2025/2026 (October–September) is forecast to rise four percent to 247,000 MT, equivalent to 170,000 MT of milled rice. Harvested area is expected to increase three percent to 35,000 HA. Farmers in Campeche are likely to expand planted area due to government support, including the delivery of certified seeds and technical assistance. However, the forecasted production remains below the ten-year average due to limited financing options and the limited use of modern irrigation technologies.

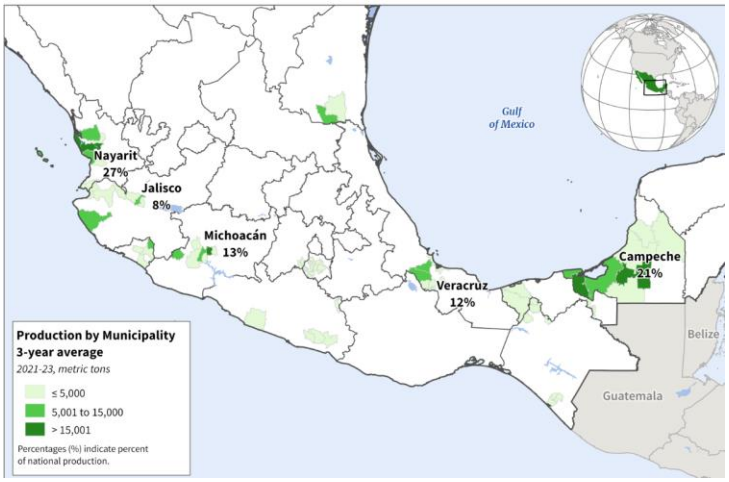
The federal government promotes rice production in Mexico through various support programs. The new Plan Campeche, focused on Campeche due to the state's favorable precipitation and rice expertise, aims to increase planted area in the state to 60,000 HA by 2030, compared to 5,870 HA in the previous cycle.

The plan includes the development and distribution of improved rice seeds through the Seeds for Well-being in the state of Campeche. Rice production growth is limited by the lack of improved seeds and controlled flood irrigation. Most farmers use local seeds, which are affordable but vulnerable to pests.

The National Institute of Forestry, Agricultural and Livestock Research (INIFAP) develops certified, pest-resistant seeds, but their use remains low due to limited availability.

The 2025 Price Guarantee Program for Basic Food Products sets a purchase price of 9,080 pesos per MT (USD 443) for producers with up to eight HA, who can sell up to 80 MT. Farmers sell their rice directly to mills, and the government covers the difference between the mill price and the guaranteed price. Larger producers can sell up to 300 MT at 8,260 pesos per MT (USD 403), with the government subsidizing any remaining balance. As of February 2025, the average farmgate price in Campeche was 5,400 pesos (USD 263). SEGALMEX delivers the cash difference directly to farmers, but burdensome paperwork and delayed payments deter participation in the program.

Figure 13. Mexico Rice Production



Source: USDA FAS International Production Assessment Division (IPAD)

MY 2024/2025

Rice production in MY 2024/2025 is forecast to rise seven percent to 237,000 MT, equivalent to 163,000 MT of milled rice based on updated planting and harvest data.

Spring/Summer Rice

As of February 1, data shows that the spring/summer rice harvest is nearly complete. Preliminary figures indicate a harvest area of 22,714 HA, yielding 149,095 MT of rough rice with a 6.79 MT/HA average. Production for the 2024/2025 cycle is two percent lower than the previous year. This cycle typically accounts for 70 percent of total rice production.

Fall/Winter Rice

As of February 1, the fall/winter rice cycle is 82 percent complete, with 8,924 HA planted, a 35 percent increase from the previous year. The higher planted area is mainly in Tamaulipas, where farmers are expected to plant over 2,000 HA in southern regions due to improved water availability after a year of no planting caused by severe drought conditions.

Trade

MY 2025/ 2026

Rice imports in MY 2025/2026 are forecast to rise one percent to 880,000 MT based on increased consumption aligned with population growth.

Over the last five years, paddy rice accounted for 85 percent of total rice imports. U.S. paddy rice led with a 76 percent market share, while Brazil followed with 21 percent. Paraguay and Uruguay also competed in the sector.

Milled rice imports accounted for the remaining 15 percent. Recently, Thai long-grain milled rice has become more price-competitive in the low-end market. However, on December 31, 2024, the federal government removed long-grain milled rice (HS code: 1006.30.99) from the Presidential Anti-Inflation Decree. As a result, countries without an FTA with Mexico—such as Thailand, Brazil, Paraguay, and Argentina—now face a 20-percent duty on milled rice exports to Mexico. This change makes Thai rice less competitive compared to milled rice from FTA partners like the United States and Uruguay.

Vietnamese long-grain milled rice is expected to gain price competitiveness in 2028 when the Trans-Pacific Partnership (TPP) agreement allows tariff-free entry of Vietnamese rice into Mexico. Currently, the eight percent tariff on Vietnamese rice keeps it less competitive

From 2022 to 2024, U.S. rice exports averaged 57 percent of Mexico's total rice market, down from 63 percent in 2020 to 2022. The United States is expected to remain the largest supplier of rice to Mexico based on price competitiveness and integrated logistics.

Exports

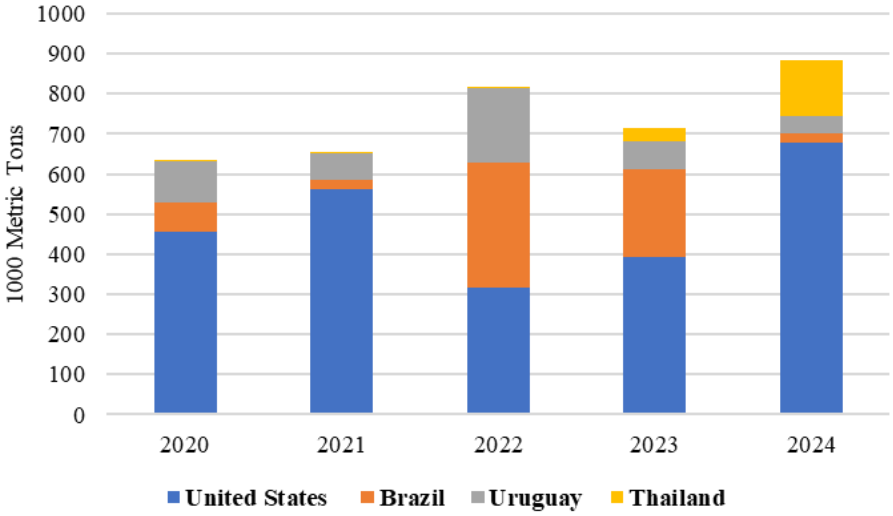
Rice exports in MY 2025/2026 are forecast to increase 17 percent to 35,000 MT, driven by steady growth in domestic production and higher exportable supplies, primarily of broken rice for the brewing industry.

MY 2024/2025

Rice imports in MY 2024/2025 are estimated to rise two percent to 870,000 MT, based on updated trade data. During the first four months of the marketing year (October 2024 – January 2025), Mexico imported about 342,000 MT of rice (77 percent paddy rice and 23 percent milled rice). U.S. rice led total imports at nearly 70 percent, mainly as paddy rice, while Thai and Brazilian rice each accounted for 13 percent. Uruguayan rice followed with a smaller share.

In recent months, imports of Thai long-grain milled rice rose substantially due to price advantage, while imports of U.S. milled rice declined.

Figure 14. Mexico's Rice Imports in Rice Milled Equivalent



Source: Trade Data Monitor

Consumption

Total consumption in MY 2025/2026 is forecast to increase one percent to 1.02 MMT, driven by population growth. According to Mexico's National Institute of Statistics and Geography (INEGI), the population growth rate in 2024 is expected to reach 0.7 percent. Population growth is expected to result in more food demand and contribute to increased rice consumption in Mexico.

Retail rice prices are expected to remain stable, supported by low prices of imported rice. Since rice is generally served as a complement to other main dishes rather than as a primary food, per capita consumption is likely to remain steady at 6.5 kg.

Consumption in MY 2024/2025 is estimated to increase by two percent to 1.01 MMT due to population growth and stable retail prices of milled rice, while prices for other staple products rose.

Stocks

Ending stocks for MY 2025/2026 are forecast to decrease by four percent to 109,000 MT due to higher consumption and exports of broken rice. Ending stocks for MY 2024/2025 are estimated to fall two percent year-on-year to 114,000 MT, driven by increased consumption and higher exports.

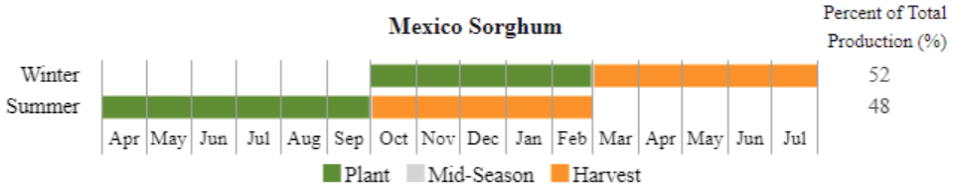
SORGHUM

Table 6. Mexico, Sorghum Production, Supply and Distribution

Sorghum	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1285	1285	1200	1070	0	1100
Beginning Stocks (1000 MT)	270	270	214	214	0	153
Production (1000 MT)	4485	4485	4200	3750	0	3850
MY Imports (1000 MT)	60	60	100	40	0	30
Total Supply (1000 MT)	4815	4815	4514	4004	0	4033
MY Exports (1000 MT)	1	1	1	1	0	1
Feed and Residual (1000 MT)	4500	4500	4200	3750	0	3900
FSI Consumption (1000 MT)	100	100	100	100	0	0
Total Consumption (1000 MT)	4600	4600	4300	3850	0	3900
Ending Stocks (1000 MT)	214	214	213	153	0	132
Total Distribution (1000 MT)	4815	4815	4514	4004	0	4033
Yield (MT/HA)	3.4903	3.4903	3.5	3.5047	0	3.5

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Sorghum begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

Figure 15. Mexico Sorghum Crop Calendar



Production

MY 2025/2026

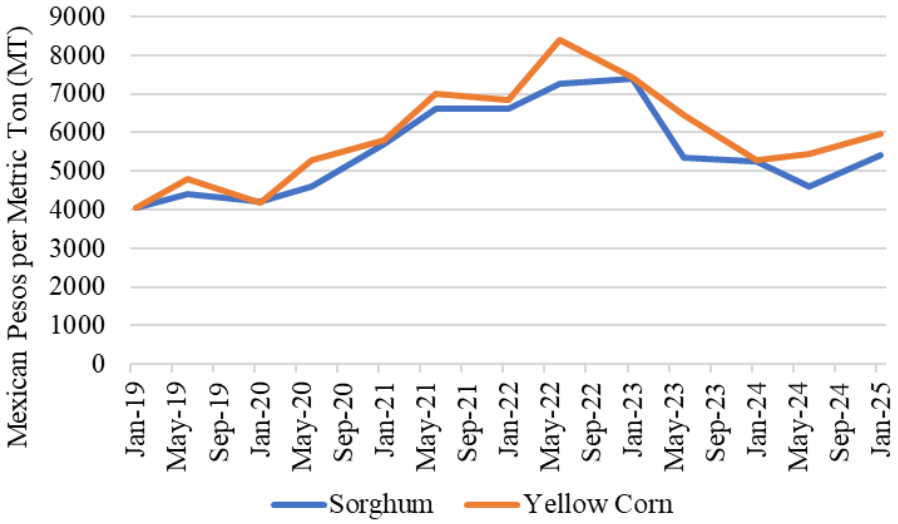
Sorghum production in MY 2025/2026 (October – September) is forecast to increase three percent to 3.9 MMT driven by expectations of relatively high prices. This forecast is 25 percent lower than the ten-year average due to price competitiveness and widespread availability of corn. Farmers are expected to base planting decisions on average precipitation and relatively higher prices. Harvested area is projected to grow three percent year-on-year to 1.1 million HA.

The government of Tamaulipas, the largest sorghum-producing state, continues to support farmers with in-kind benefits such as seeds, fertilizers, and diesel. However, the exclusion of sorghum from the Guaranteed Prices Program and other federal support programs may limit growth in planted area. Producers in Tamaulipas have requested the inclusion of sorghum in federal support programs to cover input costs. The Secretary of Agriculture has indicated plans to promote sorghum production and to announce a support program in the coming months. Sorghum farmers are closely monitoring this development and may adjust their planting intentions accordingly.

The substitution of sorghum with yellow corn in most feed formulations, along with sorghum's lower price relative to corn, limits production growth in MY 2025/2026. The livestock industry's preference for yellow corn over sorghum keeps the price of sorghum lower, and sorghum sales are generally limited

to nearby regions. Additionally, due to the seasonal availability of sorghum compared to the year-round availability of yellow corn, integrated livestock and animal feed companies typically use sorghum only after the harvest season and as a supplementary energy source.

Figure 16. Average Sorghum vs. Yellow Corn Farmgate Prices in Jalisco (January 2019 – February 2025)



Source: National System of Market Information and Integration of Mexico (SNIIM)

MY 2024/2025

Sorghum production for MY 2024/2025 is estimated at 3.8 MMT, the lowest level in 30 years. Updated planting and harvesting data indicate this decline, driven by lower profitability and higher farm debt, which discouraged producers from planting sorghum on rented land.

Spring/Summer Sorghum

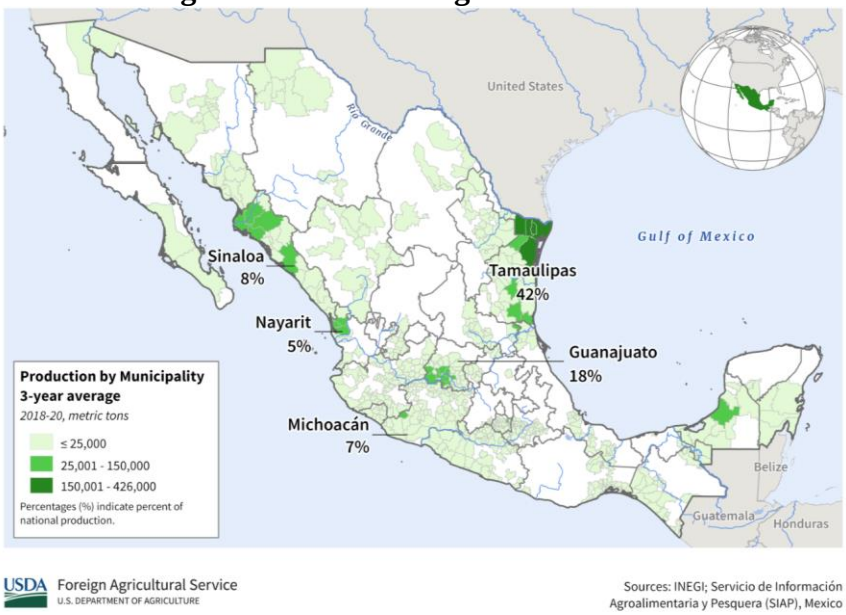
As of February 1, farmers had harvested 94 percent of the 2024/2025 spring/summer sorghum, covering 389,110 HA, with a production of 1.94 MMT and a yield of 4.98 MT/HA. Spring/summer sorghum production is estimated to be two percent lower than the previous year due to lower profitability and limited water availability in local aquifers in producing states. This cycle typically accounts for 40 percent of total sorghum production.

Fall/Winter Sorghum

As of February 1, farmers had planted 42 percent of the 2024/2025 fall/winter sorghum, covering 273,196 HA, a 26 percent decline compared to the same period last year. In Tamaulipas, which supplies about 40 percent of total sorghum production, planted area reached 151,065 HA, 40 percent lower than the previous year. Local sources suggest that adequate moisture levels and precipitation could extend sorghum planting until mid-March.

The sharp decline in planted area is attributed to lower profitability, higher land rental costs, and limited government support.

Figure 17. Mexico Sorghum Production



Source: USDA FAS International Production Assessment Division (IPAD)

Trade

Sorghum imports for MY 2025/2026 are forecast to drop by 25 percent to 30,000 MT due to higher prices for imported sorghum compared to domestic supplies. Almost all imports are expected to come from the United States. Imports have been declining over the past five years as the feed industry increasingly prefers yellow corn. Sources indicate that the year-round availability of yellow corn and its higher suitability for poultry feed limit sorghum demand from the livestock sector. Exports in MY 2025/2026 are forecast to remain minimal at 1,000 MT, as production is primarily focused on meeting local demand.

For MY 2024/2025, sorghum imports are estimated to decrease by 33 percent to 40,000 MT, driven by the higher cost of imported sorghum compared to domestic options. Exports for MY 2024/2025 are also expected to remain minimal at 1,000 MT, due to stable domestic demand and the absence of phytosanitary agreements with major sorghum export markets.

Consumption

Total sorghum consumption in MY 2025/2026 is forecast to increase by one percent to 3.9 MMT, driven by higher feed demand. Feed industry sources indicate that sorghum serves as an alternative energy source in Mexico’s animal feed formulation when domestic supplies are available near production regions. However, yellow corn remains the preferred feed ingredient due to its price competitiveness, year-round availability, higher energy value, and its impact on the coloration of final animal products, such as eggs.

Sorghum consumption in MY 2024/2025 is estimated to decrease by 16 percent to 3.85 MMT, mainly due to significantly lower domestic production and the livestock sector's preference for imported yellow corn.

Stocks

Ending stocks for MY 2025/2026 are forecast to decrease by 14 percent to 132,000 MT due to lower expected imports. Ending stocks for MY 2024/2025 are estimated to be 29 percent lower than the previous year, driven by lower production and imports.

POLICY (all grains)

Mexico's 2025 Agricultural Budget Maintains Focus on Social Programs

The 2025 fiscal year budget for the Secretariat of Agriculture and Rural Development (SADER) is USD 3.6 billion, slightly higher than the previous year but four percent lower in real terms. Nearly 75 percent of the budget is allocated to social assistance programs, which offer benefits to small-scale producers, including free fertilizers, cash support, and food assistance for low-income families. The federal budget is expected to have a limited impact on domestic grain production.

Food Sovereignty Policies Focused on Domestic Grain Production and Dairy

President Claudia Sheinbaum's National Program for Food Sovereignty is expected to guide her administration's agricultural policy over her six-year presidential term. President Sheinbaum's agricultural goals under the 100 Commitments to the country are guided by 'food sovereignty' and 'self-sufficiency' for staple agricultural products including (non-GE) corn, beans, rice, and milk. A decreased federal budget for agriculture and growth in high value export-oriented agriculture (over grain production) are expected to result in minimal changes to domestic grain production.

Mexico Declares Ineffective Measures Concerning GE Corn

On February 5, the GOM published a decree to declare ineffective measures concerning GE corn that the United States successfully challenged in the USMCA dispute. Mexico's actions declared ineffective two sets of measures successfully challenged in the USMCA dispute: (1) an immediate ban on the use of GE corn in dough and tortillas and (2) an instruction to Mexican government agencies to gradually eliminate the use of GE corn for other food uses and in animal feed. Importers report that they remain vigilant for any future measures by the GOM that would impact market access to corn and other feed ingredients. In 2024, the United States exported USD 5.6 billion of corn to Mexico, the largest export market for U.S. corn.

Constitutional Amendment on Mexican Corn Protection

On March 17, Mexico adopted a constitutional amendment banning domestic cultivation of "genetically modified" corn. The amendment to Articles 4 and 27 of the constitution requires GE corn uses to be evaluated "in terms of legal provisions to be free of threats to the biosafety, health, and biocultural heritage of Mexico and its population." The amendment defines "genetically modified" corn as that derived through "techniques that overcome the natural barriers of reproduction or recombination, such as transgenics." In addition, the amendment also recognizes Mexico as the center of origin and diversity for corn and prioritizes biodiversity protection. According to sources, the amendment leaves the scope of restrictions on GE corn uses, such as importation or consumption, unclear. Corn importers and processors remain alert for any bylaws that might clarify the amendment's broad provisions. Meanwhile, some producers argue that maintaining restrictions on technology through a ban on domestic GE corn cultivation will diminish the potential for higher corn yields in Mexico, weaken their ability to compete with farmers in the United States, Brazil, and Argentina, and force Mexico to remain a long-term net importer of corn.

National Agreement for the Right to Water and Sustainability
On December 19, 2024, President Claudia Sheinbaum published the National Agreement for the Human Right to Water and the Sustainability in the *Diario Oficial (*Mexico's Federal Register) signed by government at the federal, state, and municipal levels, irrigation districts, the agriculture industry, and academic institutions. The agreement is part of the National Water Plan 2024-2030 and aims to recognize water as a strategic national asset and ensure voluntary contribution of water concessions for national reintegration. Irrigation districts pledged to return 2.8 billion cubic meters of water, and the private sector vowed to return 126 million cubic meters of water and invest over USD 1.01 billion. In recent months, some state governments, such as Sinaloa and Tamaulipas, have signed agreements with the National Water Commission to modernize irrigation districts to increase agricultural productivity and water availability for human consumption.

General Law on Appropriate and Sustainable Food
On April 17, 2024, the GOM published a law (See GAIN MX2024-0023) in the *Diario Oficial* to establish mandatory warning labeling for products containing GE ingredients, state sponsored granaries, and the use of the precautionary principle. According to the law, implementing regulations must be published in the *Diario Oficial* 180 days after the publication. In addition, federal and state legislation must be harmonized 360 days after publication of the law. As of March 14, 2025, the GOM has not notified implementing regulations. Industry remains attentive to the bylaws that would define the general provisions included in this legislation.

Presidential Anti-Inflation Decree
On December 31, 2024, the GOM published a decree to extend the exemption of tariffs and easing of administrative procedures for the importation of basic food products. The decree will continue to provide non-free trade agreement (non-FTA) partners tariff free access to Mexico's market that the United States receives under the United States-Mexico-Canada Agreement (USMCA). The benefits apply to companies who are part of the 'Register of Importers of Products of the Basic Basket.' The extension is valid through December 31, 2025, but companies registered under the program may use the benefits of the decree until March 31, 2026. (See: GAIN MX2025-0011). The current extension removed long grain milled rice (HS Code 1006.30.99) from the list of products to support higher domestic rice production. Wheat and wheat or meslin flour were added to the decree due to concerns that prolonged drought conditions would result in lower wheat availability. The grains and related products with duty-free access included in the decree are listed below.

Note: In the table below, "Ex." represents the term "Exempt."

Code	Product	Tariff	Notes
10.01	**Wheat and meslin.**		
1001.11.01	For sowing.	Ex.	
1001.19.99	Others.	Ex.	
1001.91.99	Others.	Ex.	
1001.99.99	Others.	Ex.	

11.01	**Wheat or meslin flour**		
1101.00.01	Wheat or meslin flour	Ex.	
10.05	**Corn.**		
1005.90.04	White corn (flour type).	Ex.	For human consumption only (not genetically modified).
1005.90.99	Others.		Only yellow corn for animal consumption.
10.06	**Rice.**		
1006.10.99	Others.	Ex.	
10.07	**Grain sorghum (graniferous).**		
1007.90.01		Ex.	When the operation is carried out within the period between December 16 and May 15.
1007.90.02		Ex.	When the operation is carried out within the period between May 16 and December 15.
11.01	**Wheat or meslin flour (tranquillón)**	Ex.	
11.02	**Cereal flour, except wheat or meslin.**		
1102.20.01	Cornmeal.	Ex.	
19.02	**Pasta, whether cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, noodles, macaroni, noodles, lasagna, gnocchi, ravioli, cannelloni;**		
1902.11.01	They contain eggs.	Ex.	
1902.19.99	The others.	Ex.	
1902.30.91	Other pasta	Ex.	
19.05	**Bakery, pastry, or biscuit products, whether containing added cocoa; wafers, empty seals of the type used for medicines, wafers for sealing, dry pastes of flour, starch, or starch, in sheets, and similar products.**		
1905.40.01	Toasted bread and similar toasted products.	Ex.	Box bread only.

1905.90.99	Others.	Ex.	Box bread only.

For More Information

Visit the FAS home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Report Number	Title	Dated
MX2025-0003	Grain and Feed Update	01/23/2025
MX2024-0044	Grain and Feed Update	09/24/2024
MX2024-0032	Grain and Feed Update	06/19/2024
MX2024-0015	Grain and Feed Annual	03/19/2024
MX2024-0005	Grain and Feed Update	01/25/2024

Additionally, the FAS International Production Assessment Division Crop Explorer provides information on Mexico's grain production:

Corn Explorer
Wheat Explorer
Rice Explorer
Sorghum Explorer

Attachments:

No Attachments