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Report Highlights:

Wheat production for marketing year (MY) 2022/23 is forecast slightly lower than the USDA official forecast based on updated industry and Mexican government data that reflect adverse weather conditions. Total MY 2021/22 corn production is revised upward from the USDA official figure to 27.8 million metric tons (MMT) due to more complete official data indicating a higher yield estimate. The sorghum production estimate for MY 2021/22 is revised downward from the USDA estimate to 4.6 MMT, driven by lower than expected harvested area and inadequate precipitation. The rice production forecast for MY 2022/23 is adjusted upward from the USDA forecast because of higher than previously projected harvested area.

EXECUTIVE SUMMARY

Wheat production for marketing year (MY) 2022/23 is forecast slightly lower than the USDA official forecast based on updated industry and Mexican government data that reflect adverse weather conditions. Total MY 2021/22 corn production is revised upward from the USDA official figure to 27.8 million metric tons (MMT) due to more complete official data indicating a higher yield estimate. The sorghum production estimate for MY 2021/22 is revised downward from the USDA estimate to 4.6 MMT, driven by lower than expected harvested area and inadequate precipitation. The rice production forecast for MY 2022/23 is adjusted upward from the USDA forecast because of higher than previously projected harvested area.

WHEAT

Table 1: Mexico, Wheat Production, Supply, and Distribution

Wheat	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jul 2020		Jul 2021		Jul 2022	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	556	556	547	546	585	590
Beginning Stocks (1000 MT)	385	385	262	262	443	444
Production (1000 MT)	2965	2965	3281	3282	3270	3260
MY Imports (1000 MT)	4724	4724	5100	5100	5200	5200
TY Imports (1000 MT)	4724	4724	5100	5100	5200	5200
TY Imp. from U.S. (1000 MT)	3861	3861	0	0	0	0
Total Supply (1000 MT)	8074	8074	8643	8644	8913	8904
MY Exports (1000 MT)	612	612	800	800	850	850
TY Exports (1000 MT)	612	612	800	800	850	850
Feed and Residual (1000 MT)	200	200	300	300	300	300
FSI Consumption (1000 MT)	7000	7000	7100	7100	7200	7200
Total Consumption (1000 MT)	7200	7200	7400	7400	7500	7500
Ending Stocks (1000 MT)	262	262	443	444	563	554
Total Distribution (1000 MT)	8074	8074	8643	8644	8913	8904
Yield (MT/HA)	5.3327	5.3327	5.9982	6.011	5.5897	5.5254

(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 2022/2023 = July 2022 - June 2023

PRODUCTION

Post's forecast for marketing year (MY) 2022/23 (July/June) wheat production is revised downward compared to the USDA official forecast based on updated information from industry and official government of Mexico (GOM) sources, reflecting projected unfavorable weather conditions and ongoing payment delays from the guaranteed prices subsidy program, which delays are expected to limit producers' available funds for planting.

According to Mexico's Chamber of Wheat Flour (CANIMOLT), the outlook for the 2021/22 fall/winter crop cycle harvest is poor in Sonora, Sinaloa, Chihuahua, and the Bajio region, demonstrating the continuing trend of farmers switching from bread wheat to durum wheat or corn. Sowing for this cycle took place in October and November of 2021, prior to the Russia invasion of Ukraine and subsequent rise in international wheat prices.

CANIMOLT reported adverse weather conditions during the planting season, highlighting a lack of rain during the planting and growing seasons. The low precipitation reportedly impacted both bread wheat and the durum variety, despite the latter's relative drought resistance.

Industry contacts and official sources project lower production in the 2022 spring/summer crop cycle compared to the 2021/22 fall/winter cycle based on reported planting intentions. A lack of drought- and frost-resistant varieties limits production in the spring/summer cycle, with a large portion of the wheat crop from this cycle traditionally going to forage. Industry contacts estimate production for the 2022 spring/summer cycle at 120,000 MT, a reduction resulting from the elimination of the Forward Contract government subsidy, which used to support 220,000 MMT of wheat production for the spring/summer cycle. On the other hand, industry sources point out that price is the determining factor for wheat producers, and industry sources suggest that there may still be time to increase planting in response to rising international wheat prices.

The MY 2021/22 production estimate was adjusted slightly upward, and the harvested area revised slightly lower, based on final official figures released by the Ministry of Agriculture (SADER).

STOCKS

Post estimates MY2021/22 ending stocks at 444,000 MT, a slight upward revision compared to the USDA official estimate, due to higher than previously projected domestic production. This is reflected in an upward adjustment of MY2022/23 carry-over stocks.

CORN

Table 2: Mexico, Corn Production, Supply, and Distribution

Corn	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	7143	7143	7200	7100	7200	7200
Beginning Stocks (1000 MT)	3515	3515	3079	3079	3379	3579
Production (1000 MT)	27346	27346	27600	27800	27600	27600
MY Imports (1000 MT)	16498	16498	17500	17500	17700	17700
TY Imports (1000 MT)	16498	16498	17500	17500	17700	17700
TY Imp. from U.S. (1000 MT)	15735	15735	0	0	0	0
Total Supply (1000 MT)	47359	47359	48179	48379	48679	48879
MY Exports (1000 MT)	480	480	400	400	600	600
TY Exports (1000 MT)	480	480	400	400	600	600
Feed and Residual (1000 MT)	25600	25600	26200	26200	26500	26500
FSI Consumption (1000 MT)	18200	18200	18200	18200	18200	18200
Total Consumption (1000 MT)	43800	43800	44400	44400	44700	44700
Ending Stocks (1000 MT)	3079	3079	3379	3579	3379	3579
Total Distribution (1000 MT)	47359	47359	48179	48379	48679	48879
Yield (MT/HA)	3.8284	3.8284	3.8333	3.9155	3.8333	3.8333

(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 2022/2023 = October 2022 - September 2023

PRODUCTION

Post's total corn production estimate for MY 2021/22 (October to September) has been revised upward from the USDA official estimate to 27.8 MMT based on more complete SADER data. The updated SADER data includes the final figures for the 2021 Spring/Summer crop cycle and the updated information for the 2021/22 fall/winter crop cycle as of April 30, 2022. Corn output was increased due to normal weather conditions, which positively impacted yields. Official sources noted that the rainy season was regular and timely. Area harvested has been revised downward slightly based on official statistics.

According to the Agricultural Validation and Monitoring System of Sinaloa, with information from the Local Plant Health Boards, the state will produce more than 5 MMT of corn from approximately 457,000 hectares (ha) during the fall/winter 2021/2022 crop cycle. Among the main Sinaloa producing areas are Culiacan with 117,585 ha, the Guasave Valley with 97,946 ha, and the Valle del Fuerte with 84,370 ha. Due to favorable weather conditions, the yields in Sinaloa are projected to be between 10 and 12 MT/ha, with industry sources reporting that yields might be even higher. In addition, local contacts indicate that corn producers, particularly in Sinaloa, have been encouraged by corn prices above 7,300 pesos per MT (about USD 365/MT), which they attribute to the Russian invasion of Ukraine and subsequent impact on global corn supply chains.

STOCKS

The Post ending stocks estimate for MY 2021/22 is slightly higher than the USDA official estimate because of higher than previously estimated domestic production. In consequence the MY 2022/23 beginning stocks forecast is likewise higher than the USDA official forecast.

Post's consumption and import estimates remain unchanged in relation to USDA official data based on available information from local industry sources.

SORGHUM

Table 3: Mexico, Sorghum Production, Supply, and Distribution

Sorghum	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1289	1289	1420	1340	1420	1420
Beginning Stocks (1000 MT)	153	153	102	102	251	151
Production (1000 MT)	4348	4348	4700	4600	4850	4850
MY Imports (1000 MT)	133	133	200	200	200	200
TY Imports (1000 MT)	133	133	200	200	200	200
TY Imp. from U.S. (1000 MT)	133	133	0	0	0	0
Total Supply (1000 MT)	4634	4634	5002	4902	5301	5201
MY Exports (1000 MT)	32	32	1	1	1	1
TY Exports (1000 MT)	32	32	1	1	1	1
Feed and Residual (1000 MT)	4400	4400	4650	4650	4900	4900
FSI Consumption (1000 MT)	100	100	100	100	100	100
Total Consumption (1000 MT)	4500	4500	4750	4750	5000	5000
Ending Stocks (1000 MT)	102	102	251	151	300	200
Total Distribution (1000 MT)	4634	4634	5002	4902	5301	5201
Yield (MT/HA)	3.3732	3.3732	3.3099	3.4328	3.4155	3.4155

(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 2022/2023 = October 2022 - September 2023						

PRODUCTION

Post estimates total sorghum production for MY 2021/22 is lower than previously projected based on smaller than expected harvested area, according to industry data and updated SADER crop figures for the 2021 spring/summer crop cycle and the 2021/22 fall/winter crop cycle as of April 30, 2022. In addition, sorghum yields have been weakened by insufficient precipitation since the beginning of the year. Local contacts project that production for the current crop cycle in the main sorghum producing state of Tamaulipas will be on par with that of the prior year, at 1.5 – 1.6 MMT. Planted area in Tamaulipas is approximately 717,000 ha. The harvest began in early May and will continue into July. Private sources report that humidity and elevated temperatures in northern Tamaulipas in May resulted in increased pest presence, mainly yellow and green aphids, forcing growers to intensify fumigation and insecticide use.

STOCKS

The ending stocks estimate for MY 2021/22 was revised downward from the USDA official estimate to 151,000 MT based on lower than previously estimated domestic production.

RICE

Table 4: Mexico, Rice Production, Supply, and Distribution

Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	47	47	42	42	43	45
Beginning Stocks (1000 MT)	171	171	204	204	207	207
Milled Production (1000 MT)	201	201	183	183	188	200
Rough Production (1000 MT)	293	293	266	266	274	291
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	6870	6870
MY Imports (1000 MT)	811	811	800	800	820	820
TY Imports (1000 MT)	759	759	800	800	820	820
TY Imp. from U.S. (1000 MT)	561	561	0	0	0	0
Total Supply (1000 MT)	1183	1183	1187	1187	1215	1227
MY Exports (1000 MT)	19	19	10	10	10	10
TY Exports (1000 MT)	20	20	10	10	10	10
Consumption and Residual (1000 MT)	960	960	970	970	980	980
Ending Stocks (1000 MT)	204	204	207	207	225	237
Total Distribution (1000 MT)	1183	1183	1187	1187	1215	1227
Yield (Rough) (MT/HA)	6.234	6.234	6.3333	6.3333	6.3721	6.4667
(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 2022/2023 = January 2023 - December 2023						

PRODUCTION

The FAS-Mexico rice production estimate for MY 2022/23 (October/September) is 291,000 MT (rough production), an increase compared to the USDA official estimate reflecting the most recent SADER data as of April 30, 2022. The latest official data includes planting intentions for the 2022 spring/summer crop cycle and average production for the last five years for the fall/winter crop cycle. The new rough rice production estimate is equivalent to 200,000 MT of milled rice. Official sources attribute the projected higher production to a larger than expected planted area, while yields are up on favorable weather conditions, particularly moisture levels, in the leading rice producing states of Campeche and Nayarit. Industry sources are less optimistic than SADER, cautioning that it is too early to forecast water availability in the main production areas. Moreover, local contacts report challenges with the administration of federal water concessions in Campeche that may limit water availability in that state.

TRADE

Post's rice import and export estimates remain unchanged in relation to USDA official figures based on industry and official reports.

On May 16, 2022, the government of Mexico announced a 1-year suspension of import tariffs on an unlimited volume of paddy rice (for further processing) and other basic food items. Additional details are available in the public GAIN report MX2022-0029 Temporary Suspension of Import Tariffs on Basic Food Products.

STOCKS

Based on revised production levels, the MY 2022/23 ending stocks estimate has been increased to 237,000 MT, up from the USDA official estimate.

MORE INFORMATION

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Report Number	Title	Dated
MX2022-0020	Grain and Feed Annual	03/17/2022
MX2022-0002	Grain and Feed Update	12/28/2021
MX2021-0055	Grain and Feed Update	9/22/2021
MX2021-0028	Grain and Feed Update	5/26/2021
MX2021-0014	Grain and Feed Annual	3/18/2021
MX2021-0004	Grain and Feed Update	1/14/2021

Attachments:

No Attachments