

**Required Report:** Required - Public Distribution

**Date:** September 27, 2023

**Report Number:** MX2023-0045

## **Report Name:** Grain and Feed Update

**Country:** Mexico

**Post:** Mexico City

**Report Category:** Grain and Feed

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### **Report Highlights:**

Corn, rice, and sorghum production forecasts for marketing year (MY) 2023/2024 are increased, while wheat production is forecast lower based on less planted area. Meanwhile, Mexico's estimated MY 2022/2023 imports of corn, wheat, rice, and sorghum are higher than in MY 2021/2022 on record appreciation of the Mexican peso. Production and trade forecasts and estimates were revised based on updated planting and trade data.

## EXECUTIVE SUMMARY

Mexico’s corn production forecast for marketing year (MY) 2023/2024 is reduced to 27.4 million metric tons (MMT) while forecast planted area is slightly increased. The corn production estimate for MY 2022/2023 is revised upward to 28.0 MMT, a record year, based on updated planting and harvest data.

Mexico’s MY 2023/2024 corn imports are forecast higher than the previous year to meet increasing demand for starch and animal feed production, although at a slower rate of growth compared to recent years. In MY 2023/2024, the “super peso,” which has strengthened Mexico’s import outlook since late 2022, is forecast to depreciate to more average levels.

Meanwhile, MY 2022/2023 corn imports are estimated to reach a record 18.0 MMT, attributed to a drop in global grain prices compared to the previous two years, and a record appreciation of Mexico’s peso relative to the U.S. dollar. However, white corn imports are forecast to continue falling, due to the February 2023 Corn Decree and policies aimed at managing corn trade, including a 50 percent import tariff (see policy section). Export estimates continue to remain lower than the previous marketing year, attributed to a decree establishing a 50 percent tariff on exports.

Based on a forecast reduction in planted area, MY 2023/2024 wheat production is forecast lower than the previous year at 3.5 MMT, meanwhile production in MY 2022/2023 is estimated at 3.6 MMT, nine percent higher than in MY 2021/2022. MY 2023/2024 imports are revised upward one percent and exports are revised upward six percent compared to MY 2022/2023, to 5.5 MMT and 850,000 metric tons (MT) respectively.

Rice production for MY 2023/24 is forecast four percent higher than the previous year at 150,000 MT on a milled basis, based on forecast higher planting area. Estimated milled rice production for MY 2022/2023 is revised to 144,000 MT, down approximately 20 percent from the year prior, attributed to lower-than-expected reported planted area. Rice imports are forecast to increase four percent in MY 2023/2024 due to increased milling demand.

Sorghum imports in MY 2023/2024 are lowered to 200,000 MT, based on forecast increased domestic production. The United States continues to supply virtually all of Mexico’s sorghum imports due to supply chain and tariff advantages.

The following calendar reflects Mexico’s crop cycles for corn, wheat, rice, and sorghum.

**Figure 1. Mexico’s Crop Calendar for Corn, Wheat, Rice, and Sorghum**



# CORN

**Table 1: Mexico, Corn Production, Supply, and Distribution**

Corn	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
Mexico						
Area Harvested (1000 HA)	7093	7093	6890	6890	7250	7150
Beginning Stocks (1000 MT)	3079	3079	3163	3163	3463	3963
Production (1000 MT)	26762	26762	28000	28000	27400	27400
MY Imports (1000 MT)	17572	17572	17500	18000	18000	18200
TY Imports (1000 MT)	17572	15572	17500	18000	18000	18200
TY Imp. from U.S. (1000 MT)	16802	16773	0	0	0	0
Total Supply (1000 MT)	47413	47413	48663	49163	48863	49563
MY Exports (1000 MT)	250	250	200	200	300	300
TY Exports (1000 MT)	250	250	200	200	300	300
Feed and Residual (1000 MT)	25800	25800	26700	26700	27300	27400
FSI Consumption (1000 MT)	18200	18200	18300	18300	18400	18800
Total Consumption (1000 MT)	44000	44000	45000	45000	45700	46200
Ending Stocks (1000 MT)	3163	3163	3463	3963	2863	3063
Total Distribution (1000 MT)	47413	47413	48663	49163	48863	49563
Yield (MT/HA)	3.773	3.773	4.0639	4.0639	3.7793	3.8322

(1000 HA), (1000 MT), (MT/HA)

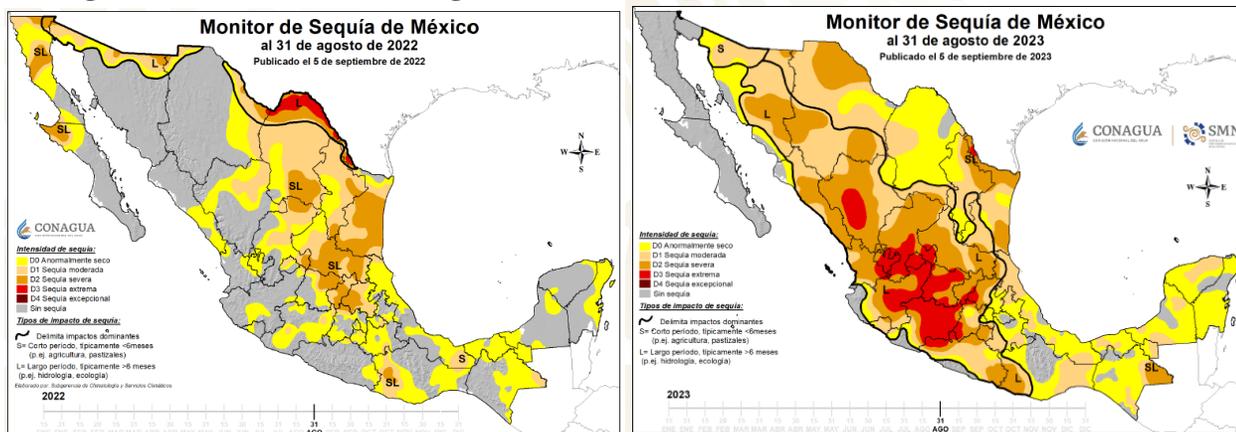
MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024

## Production

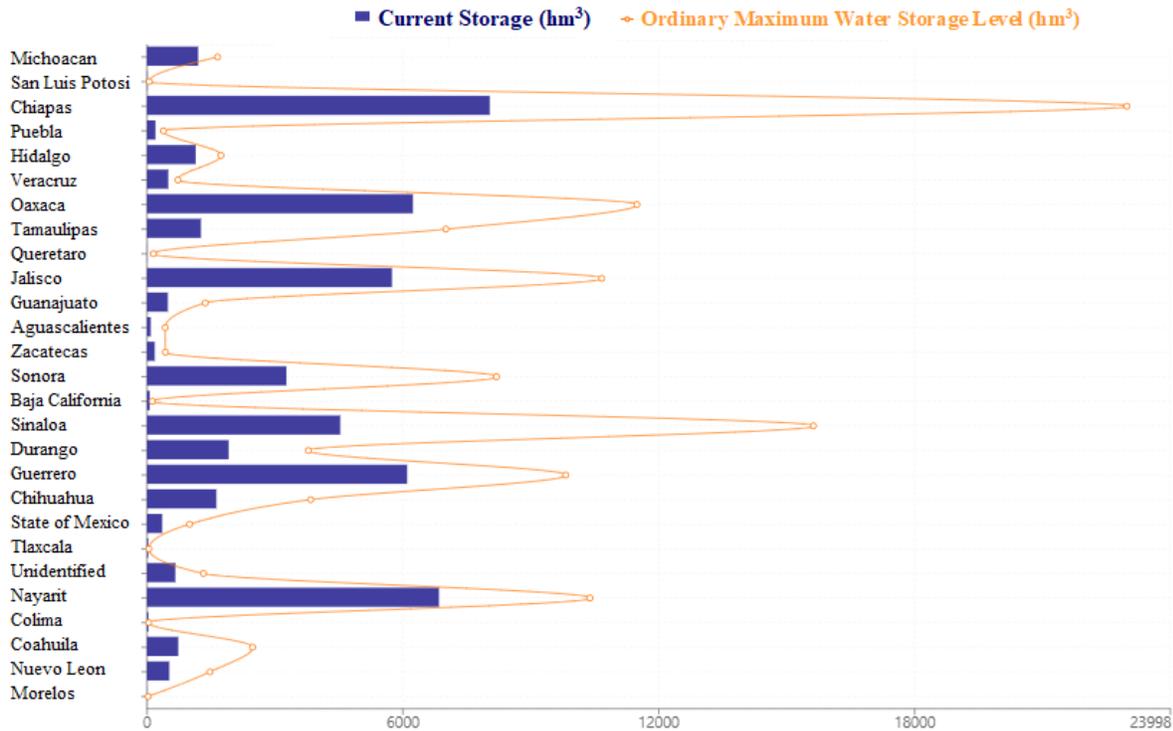
Corn production for MY 2023/2024 is forecast two percent lower than the previous marketing year at 27.4 MMT. As farmers in Northern Mexico make their fall/winter planting decisions, a small amount of planted area may shift to less water intensive crops such as wheat, sunflower, safflower, chickpeas, and barley. Overall corn planted area is forecast to show constrained growth due to current uncertainty in irrigation levels in states such as Sinaloa and Sonora and delayed irrigation district agreements. As of September 5, water storage levels for irrigated corn are lower than average in most of the country, and conditions are drier than the same period last year.

**Figure 2: Year-to-Year Drought Situation, August 31, 2022 vs. August 31, 2023**



Source: Comisión Nacional del Agua (CONAGUA) and Servicio Meteorológico Nacional (SMN)

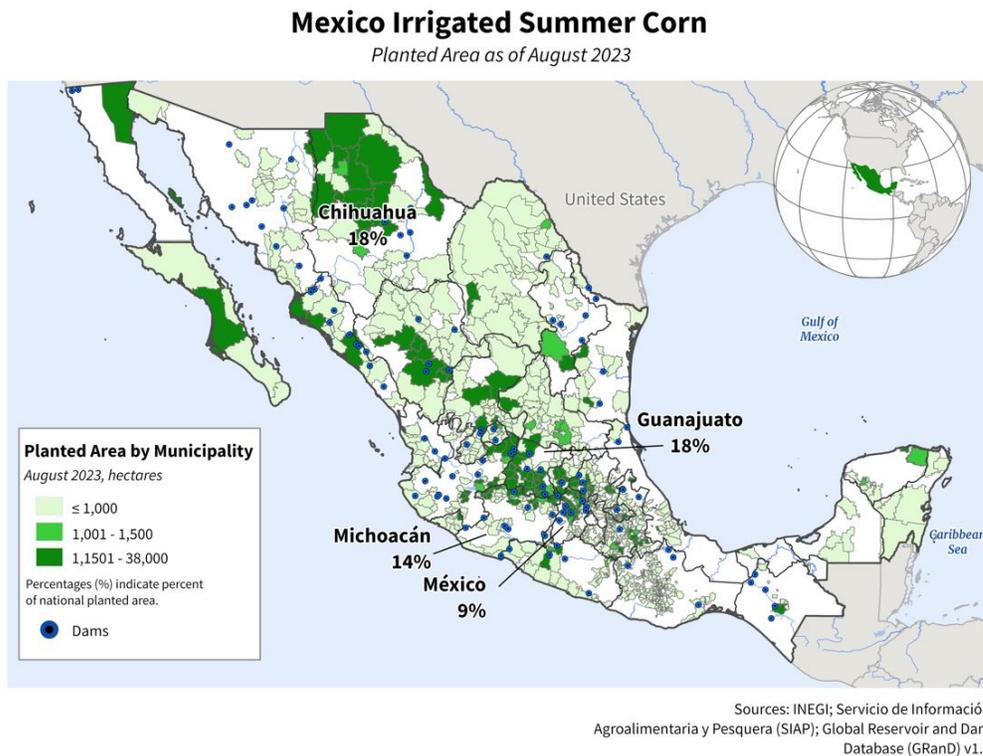
**Figure 3: Average Dam Levels Mexico September 14, 2023**



Source: Comisión Nacional del Agua (CONAGUA)

As of August 31, the MY 2023/2024 spring/summer corn sowing reached 5.6 million ha. Unlike fall/winter production, which is concentrated in Northern Mexico, spring/summer production is disbursed throughout the country. While only 16 percent of spring/summer corn is irrigated, dams across key areas supply states which hold more irrigated land, such as Chihuahua, Guanajuato, Michoacan, and the State of Mexico. For example, over 66 percent of spring/summer corn in Chihuahua is irrigated and SIAP reported spring/summer MY 2021/2022 yields reaching 7.5 MT/ha. However, in states like Oaxaca, with mostly subsistence farming and only 2 percent irrigated spring/summer corn, reported yields for the cycle are closer to 1.3 MT/ha. The spring/summer cycle accounts for 70 percent of national production.

**Figure 4. Map of MY 2023/2024 Irrigated Summer Corn Planted Area and Dam Locations**



In the mountainous areas of Oaxaca, where corn is mostly produced for household consumption, sowing is underway.

**Image 1. MY 2023/2024 Spring/Summer Early-Stage Corn in Oaxaca, Mexico**



Source: USDA FAS Mexico City

Record production in MY 2022/2023 is estimated at 28.0 MMT and attributed to overall favorable weather during crop cultivation, good levels of water in dams, and increased planted area. Additionally, appreciation of the Mexican peso since late 2022 is estimated to slightly lower producer input costs, and result in higher production outcomes.

The MY 2022/2023 fall/winter corn harvest is nearly complete. The ten states in Table 2 are estimated to account for over 97 percent of the harvest during the 2022/2023 fall/winter corn cycle.

**Table 2: Mexico 2022/2023 Fall/Winter Preliminary Estimate Corn Harvest Results and Yields**

State	Production Estimate (MT)	Yield (MT/hectares)
Sinaloa	6,485,273	12.54
Veracruz	514,791	2.57
Sonora	490,959	11.46
Tamaulipas	429,365	5.59
Chiapas	197,230	1.77
Oaxaca	182,768	2.58
Guerrero	125,499	3.92
Nayarit	83,300	8.2
Tabasco	81,910	2.08
Puebla	50,391	2.27
Rest of States	243,637	2.96
<b>Total Production</b>	<b>8,885,123</b>	

Source: Servicio de Información Agroalimentaria y Pesquera (SIAP) and FAS Mexico City

Reported as good grain quality, the MY 2022/2023 fall/winter planted area is estimated to reach over 1.2 million hectares (ha), 11 percent more area than in MY 2021/2022. Post estimates final fall/winter harvest results near 8.9 MMT, which would be an increase of 20 percent compared to the same period last year. Sinaloa is estimated to reach 6.5 MMT, producing over 70 percent of the fall/winter crop. The municipalities of Guasave, Ahome, Culiacan, and Navolato are estimated to produce a third of corn grown in Sinaloa. While Sinaloa, Veracruz, and Chiapas have the largest planted areas for fall/winter corn, lower yields in Veracruz and Chiapas reduce production relative to land-use.

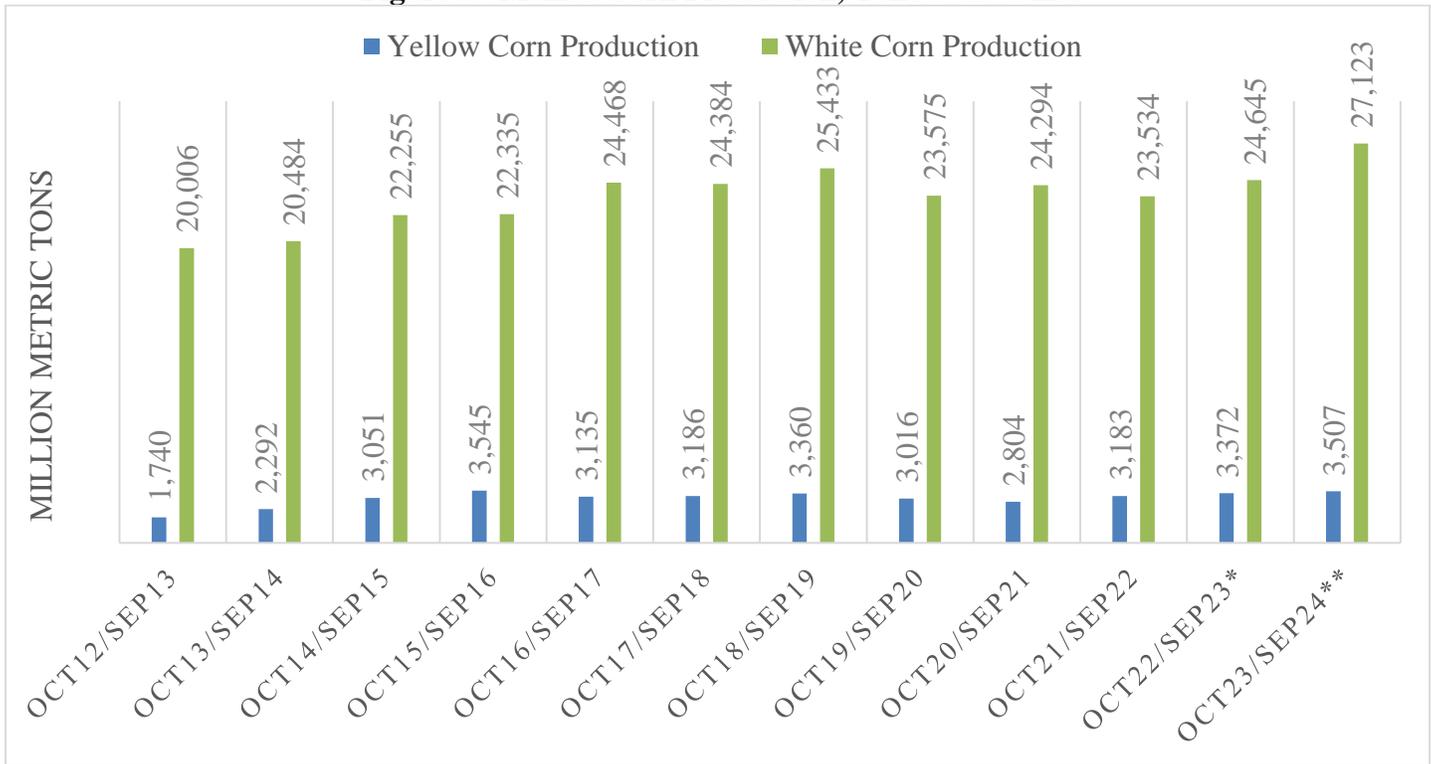
Mexico is currently the eighth largest producer of corn globally and the third largest corn importer. White corn accounts for an estimated nearly 90 percent of Mexico’s total corn production.

**Image 2. White Corn Displayed at Market in Mexico City, Mexico**



Source: USDA FAS Mexico City

**Figure 5. Mexico Corn Production, Yellow vs. White**



\*SIAP Estimate, \*\*SIAP Forecast

Source: Servicio de Información Agroalimentaria y Pesquera (SIAP) and FAS Mexico City

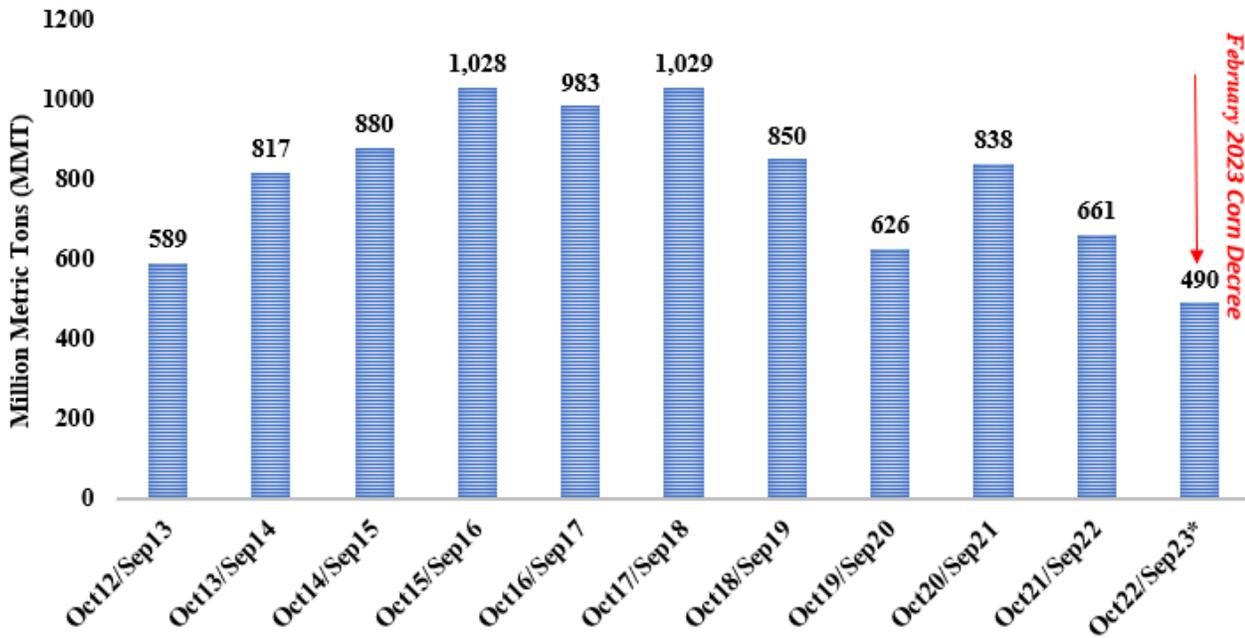
## Trade

Corn imports are forecast at 18.2 MMT in MY 2023/2024, a one percent increase over the previous year estimate to meet increased demand from food, seed, and industrial (FSI) use and the animal feed sector.

Mexico’s corn imports are estimated at 18.0 MMT in MY 2022/2023, up two percent compared to the previous year. A record level appreciation of Mexico’s peso relative to the U.S. dollar, strengthens the corn import outlook.

For MY 2022/2023, the Government of Mexico estimate for white corn imports is the lowest since 2012. The average white corn imports from MY 2012-2022 are reported to be 830,000 MT per year, while for MY 2022/2023, Mexico estimates white corn imports at 490,000 MT, a reduction of forty percent. From October 2022-July 2023, United States white corn exports to Mexico are down approximately 75 percent compared to average white corn exports during the same period from MY 2012/2013-MY 2021/2022. Reduced white corn imports in Mexico are attributed to the February 2023 Corn Decree, as well as increased supply of domestically produced corn due to a 50 percent tariff on corn exports through December 2023 (see policy section).

**Figure 6. Mexico White Corn Imports**



\* SIAP Estimate for Marketing Year 2022/2023 (October 1-September 30)

Source: Servicio de Información Agroalimentaria y Pesquera (SIAP)

<http://numerosdelcampo.agricultura.gob.mx/publicnew/index.php> and FAS Mexico City

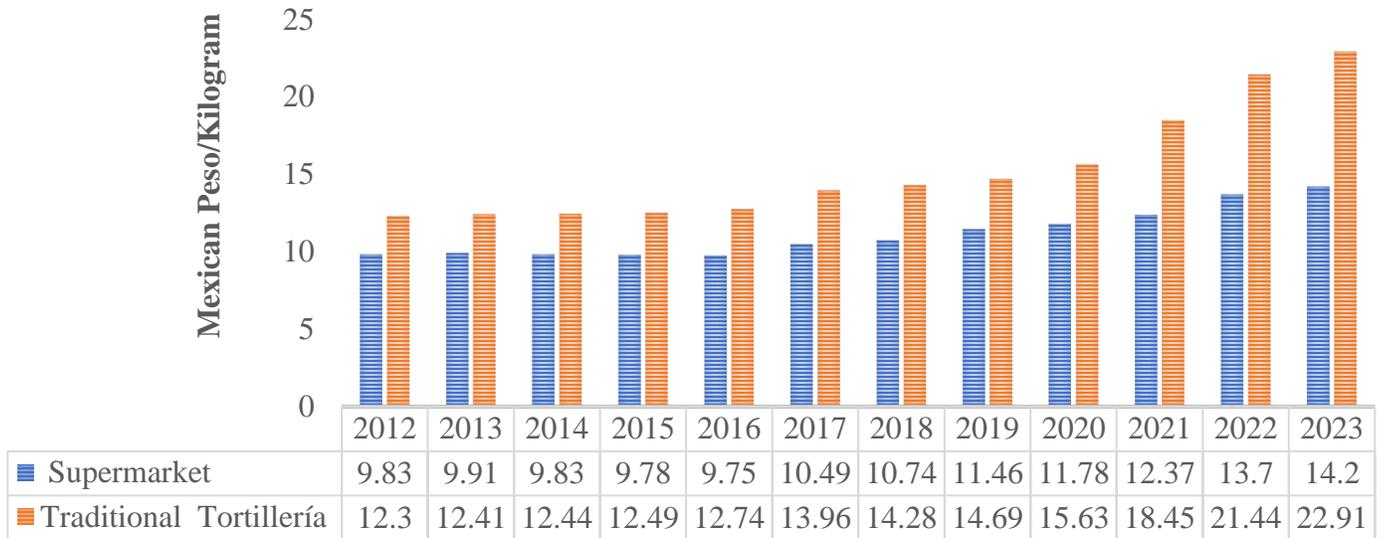
Mexico’s corn exports are estimated at 300,000 MT in MY 2023/2024, forecast to rebound fifty percent after expiration of the export tariff decree on December 31, 2023. MY 2022/2023 exports are forecast 20 percent lower compared to the previous marketing year based on updated trade data. Mexico’s corn exports are estimated the lowest level reported over the last ten years, attributed to a series of 50 percent export tariff decrees in 2023 (see policy section).

### Consumption

Total corn consumption is forecast at 46.2 MMT in MY 2023/24, an increase of about three percent compared to the previous marketing year and driven by population growth, increased livestock and poultry production, and expansion in the starch, cereal, and snack sectors.

According to the Secretary of Agriculture and Rural Development (SADER), per capita consumption of corn is 346.0 kg/per person. The corn tortilla continues to be the primary staple food in Mexico, with a per capita tortilla consumption of 75.0 kilograms (kg) per year. The average national tortilla price at tortilla bakeries (*Spanish: tortillería*) is currently seven percent higher than last year at 22.91 pesos/kilo (USD 1.34/kilo). In addition to tortillas, corn is consumed on and off the cob (boiled or grilled) as well as in many traditional dishes.

**Figure 7. Mexico’s Average Tortillas Prices, First Week of September**



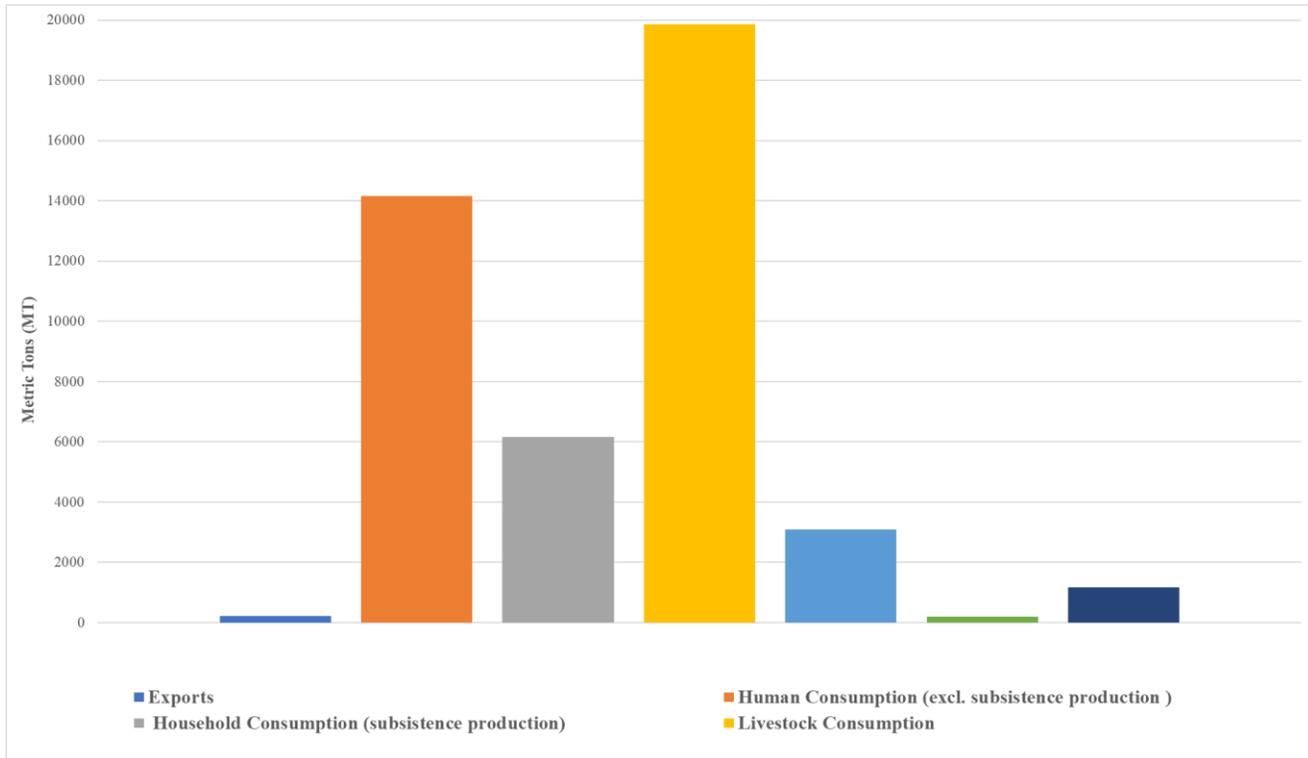
Source: Sistema Nacional de Información e Integración de Mercados (SNIIM)

**Image 3. Cooked Corn Displayed at Market in Mexico City, Mexico**



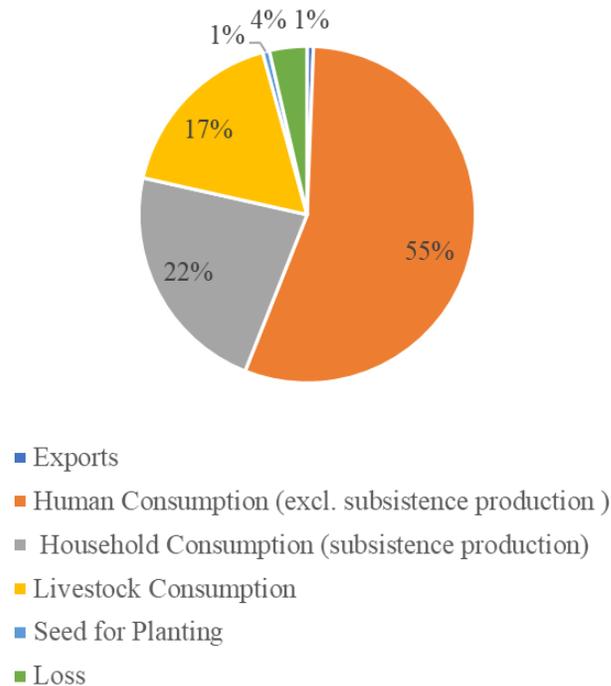
Source: USDA FAS Mexico City

**Figure 8. MY 2023/2024 Mexico Corn Consumption Forecast (White and Yellow)**



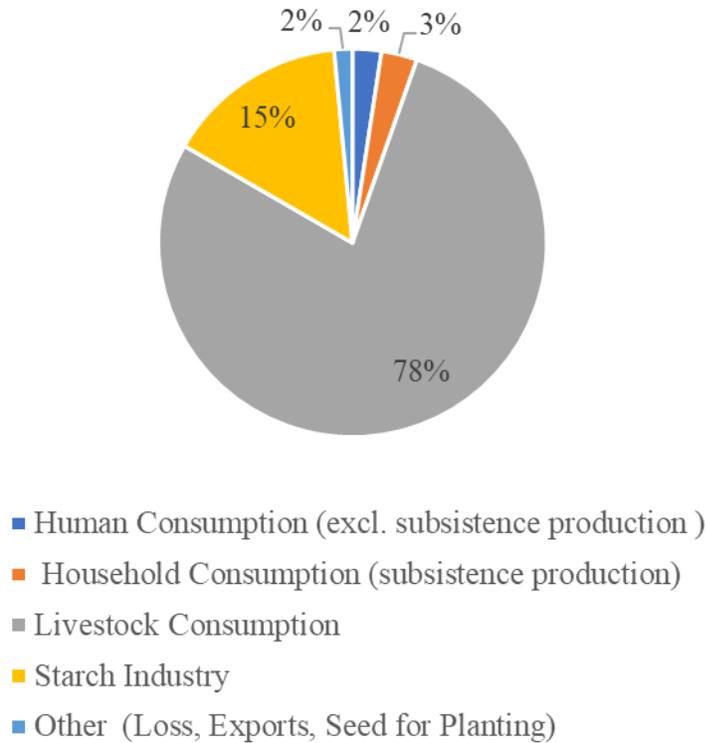
Source: Servicio de Información Agroalimentaria y Pesquera (SIAP) and FAS Mexico City

**Figure 9. Mexico 2022/2023 Estimated White Corn Consumption**



Source: Servicio de Información Agroalimentaria y Pesquera (SIAP) and FAS Mexico City

**Figure 10. Mexico 2022/2023 Estimated Yellow Corn Consumption**



Source: Servicio de Información Agroalimentaria y Pesquera (SIAP) and FAS Mexico City

### **Stocks**

MY 2023/2024 corn ending stocks are revised downward based on lower estimated production than previously projected and reduced carry-over stocks from MY 2022/2023.

## WHEAT

**Table 3. Mexico, Wheat Production, Supply, and Distribution**

Wheat Market Year Begins	2021/2022		2022/2023		2023/2024	
	Jul 2021		Jul 2022		Jul 2023	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Area Harvested</b> (1000 HA)	547	547	588	588	550	560
<b>Beginning Stocks</b> (1000 MT)	262	262	520	520	789	789
<b>Production</b> (1000 MT)	3281	3281	3572	3572	3439	3475
<b>MY Imports</b> (1000 MT)	5326	5326	5397	5397	5400	5450
<b>TY Imports</b> (1000 MT)	5326	5326	5397	5397	5400	5450
<b>TY Imp. from U.S.</b> (1000 MT)	4305	4305	3610	3610	0	0
<b>Total Supply</b> (1000 MT)	8869	8869	9489	9489	9628	9714
<b>MY Exports</b> (1000 MT)	924	924	800	800	1000	850
<b>TY Exports</b> (1000 MT)	924	924	800	800	1000	850
<b>Feed and Residual</b> (1000 MT)	225	225	300	300	300	300
<b>FSI Consumption</b> (1000 MT)	7200	7200	7600	7600	7600	7650
<b>Total Consumption</b> (1000 MT)	7425	7425	7900	7900	7900	7950
<b>Ending Stocks</b> (1000 MT)	520	520	789	789	728	914
<b>Total Distribution</b> (1000 MT)	8869	8869	9489	9489	9628	9714
<b>Yield</b> (MT/HA)	5.9982	5.9982	6.0748	6.0748	6.2527	6.2054
(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 2023/2024 = July 2023 - June 2024						

### Production

In MY 2023/2024, production is forecast at 3.5 MMT, three percent lower than MY 2022/2023 due to smaller planted area.

The total wheat production estimate for MY 2022/2023 is 3.6 MMT, a nine percent increase compared to MY 2021/2022, reflecting the latest official data from the SIAP. Preliminary fall/winter cycle harvest results indicate, MY 2022/2023 results estimated at 1.9 MMT of durum wheat and 1.5 MMT of bread wheat. The MY 2022/2023 fall/winter wheat cycle represented over 90 percent of national production. Sonora leads production, followed by Guanajuato, Sinaloa, and Baja California.

According to SIAP, the durum wheat yield during this cycle was 7.6 MT/ha, seven percent higher than the previous year. Sonora produced 84 percent of total domestic durum wheat production. Baja California, specifically the Mexicali municipality, contributed 11 percent to overall production. Durum wheat is only produced in 10 municipalities nationwide.

Yield for bread wheat was 5.8 MT/ha during the MY 2022/2023 fall/winter cycle. Preliminary harvest results indicate Sonora produced close to 30 percent of the national total of bread wheat, followed by Sinaloa and Michoacan near 17 percent each.

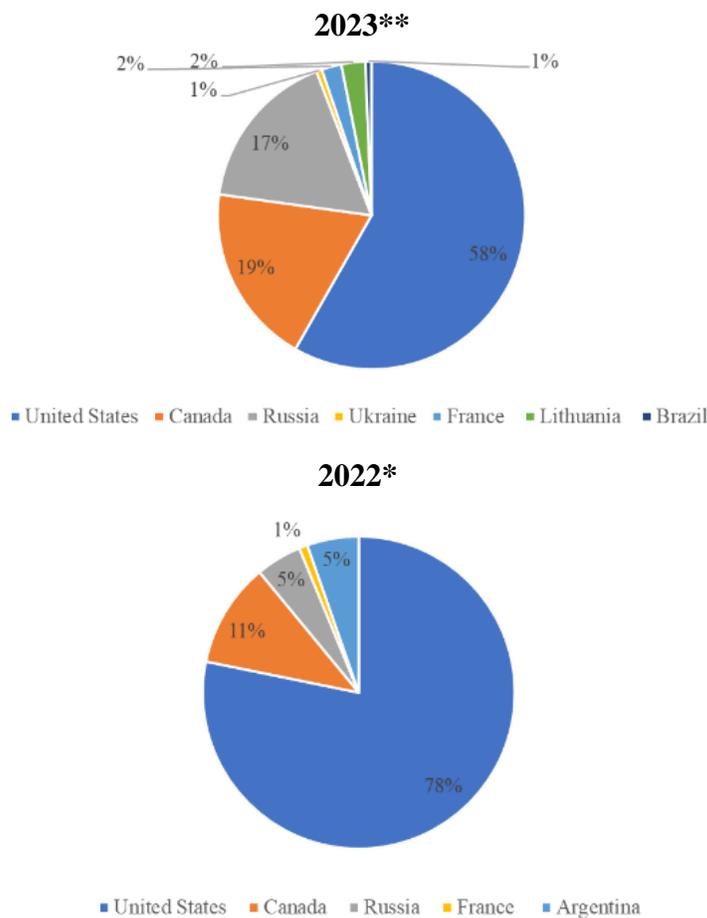
The National Chamber of the Wheat Milling Sector (CANIMOLT) reports that in 2022, 54 percent of Mexico's wheat production was financed by the milling industry. According to CANIMOLT, soft wheat production in the Bajío states (except Michoacan) was down 18 percent during the fall/winter MY 2022/2023 cycle due less planted area, due to some conversion to agave and barley production. Local

industry contacts report that domestic production meets about 30 percent of Mexico’s milling industry needs, with the remainder being fulfilled by imports.

**Trade**

MY 2023/2024 imports are forecast to increase one percent to 5.5 MMT to meet increased milling demand and compensate for reduced domestic production compared to MY 2022/2023. Meanwhile, based on updated trade data, MY 2022/2023 imports are estimated to grow one percent compared to the previous year. Additionally, according to local industry data, Mexico diversified its international wheat suppliers during calendar year 2023 following a series of presidential anti-inflation decrees which set a zero-import tariff on wheat from any origin. Wheat was removed from the scheme on May 15 (see policy section).

**Figure 11. Mexico Wheat Imports Share by Country of Origin 2023 vs. 2022**



\*\*Data from January 1-July 31; \*Imports from January 1-December 31; Includes HS codes 1001.1001, 1001.9001, 1001.9002, and 1001.9099.

Source: National Chamber of the Wheat Milling Sector (CANIMOLT) with Data from Mexico Customs.

**Table 4. 2023\* Mexico Wheat Imports by Point of Entry and Country of Origin**

	<u>Port of Entry</u>	<u>Total</u>	<u>United States</u>	<u>Canada</u>	<u>Russia</u>	<u>Ukraine</u>	<u>France</u>	<u>Lithuania</u>	<u>Brazil</u>	
<b>Gulf of Mexico</b>	Veracruz, Veracruz	851,530	160,676	156,341	393,908	0	63,560	57,750	19,295	
	Progreso, Yucatan	203,011	98,484	30,177	37,100	18,000	0	19,250	0	
	Tuxpan, Veracruz	118,204	50,239	38,449	29,516	0	0	0	0	
	Coatzacoacos, Veracruz	0	0	0	0	0	0	0	0	
	Altamira, Tamaulipas	129,049	0	70,725	58,324	0	0	0	0	
	<b>Total Gulf of Mexico</b>	<b>1,301,794</b>	<b>309,399</b>	<b>295,692</b>	<b>518,848</b>	<b>18,000</b>	<b>63,560</b>	<b>77,000</b>	<b>19,295</b>	
<b>Land Border</b>	Ciudad de Juarez, Chihuahua	833,304	693,661	139,643	0	0	0	0	0	
	Nuevo Laredo, Tamaulipas	432,442	388,289	44,153	0	0	0	0	0	
	Piedras Negras, Coahuila	278,845	268,355	10,490	0	0	0	0	0	
	Rio Bravo, Tamaulipas	9,139	9,139	0	0	0	0	0	0	
	Nogales, Sonora	66,663	66,663	0	0	0	0	0	0	
	Ciudad Acuña, Coahuila	65	65	0	0	0	0	0	0	
	Matamoros, Tamaulipas	2,076	2,076	0	0	0	0	0	0	
	Mexicali, Baja California	40,286	40,286	0	0	0	0	0	0	
		<b>Total Land Border</b>	<b>1,662,820</b>	<b>1,468,534</b>	<b>194,286</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Pacific</b>	Lazaro Cardenas, Michoacán	55,000		55,000	0	0	0	0	0
Guamaya, Sonora		0		0	0	0	0	0	0	
Manzanillo, Colima		11,000		11,000	0	0	0	0	0	
Salina Cruz, Oaxaca		0		0	0	0	0	0	0	
Topolobampo, Sinaloa		0		0	0	0	0	0	0	
Mazatlán, Sinaloa		16,500		16,500	0	0	0	0	0	
Puerto Chiapas, Chiapas		5,500		5,500	0	0	0	0	0	
		<b>Total Pacific Ocean</b>	<b>88,000</b>		<b>88,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>SUBTOTAL</b>	<b>3,052,614</b>	<b>1,777,933</b>	<b>577,978</b>	<b>518,848</b>	<b>18,000</b>	<b>63,560</b>	<b>77,000</b>	<b>19,295</b>	

\*Data from January 1-July 31, 2023; Includes HS codes (1001.1001, 1001.9001, 1001.9002, and 1001.9099)  
Source: National Chamber of the Wheat Milling Sector (CANIMOLT) with Data from Mexico Customs.

MY 2023/2024 exports are forecast at 850,000 MT, six percent higher than MY 2022/2023. Meanwhile, MY 2022/2023 exports are reported at 800,000 MT, 13 percent lower than the previous year. Mexico's largest export markets continue to be Algeria, Turkey, Venezuela, Nigeria, and Guatemala. Mexico holds a surplus in durum wheat production attributed to ideal growing conditions and a relatively small pasta market. According to industry contacts, established commercial relationships with Mexico's top wheat export market, Algeria, serve to facilitate transshipment to nearby European markets such as Italy.

**Table 5. Mexico Durum Wheat Exports and Destination Country**

<b>Country</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023*</b>
Algeria	255,638	521,320	471,981	320,199
France	0	0	0	42,000
Venezuela	62,008	61,091	127,950	27,800
Guatemala	31,900	43,254	52,299	15,534
United States	0	1,024	3,632	7
Turkey	211,466	0	69,634	0
Nigeria	1,897	25,427	38,768	0
Swaziland	0	31,248	0	0
Tunisia	0	16,883		0
Italy	54,500	11,117	0	0
Other	14	6	31	1
<b>Total Volume</b>	<b>617,423</b>	<b>711,370</b>	<b>764,295</b>	<b>405,541</b>

\*Data from January 1-July 31, 2023

Source: National Chamber of the Wheat Milling Sector (CANIMOLT) with Data from Mexico Customs.

**Table 6. Mexico Durum Wheat Exports by Port of Exit**

<b>Port of Exit</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023*</b>
Guamaya, Sonora	542,012	679,618	759,856	405,533
Topolobampo, Sinaloa	499	16,833	0	0
Mexicali, Baja California	0	1,024	3,632	7
Ensenada, Baja California	73,000	13,434	307	0
Ciudad Hidalgo, Chiapas	0	404	467	0
Altamira, Tamaulipas	1897	0	0	0
Manzanillo, Colima	0	0	27	0
Other	15	7	6	1
<b>Total Volume</b>	<b>617,423</b>	<b>711,320</b>	<b>764,295</b>	<b>405,541</b>

\*Data from January 1-July 31, 2023

Source: National Chamber of the Wheat Milling Sector (CANIMOLT) with Data from Mexico Customs.

### **Consumption**

MY 2023/24 consumption is forecast at 8.0 MMT, up one percent from the estimated 7.9 MMT for MY 2022/23. CANIMOLT reports a slight expansion in domestic consumption driven by general population growth and milling demand.

As of July 31, Mexico has a milling capacity of 10,736 MMT. It is estimated that by the end of 2023, milling capacity will be 52 percent utilized, compared to 70 percent in the previous year.

### **Stocks**

Stocks were revised downward in MY 2023/2024 based on moderately higher consumption and forecast lower production.

## RICE

**Table 7. Mexico, Rice Production, Supply, and Distribution**

Rice, Milled Market Year Begins Mexico	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	41	41	31	31	39	33
Beginning Stocks (1000 MT)	204	204	143	143	97	97
Milled Production (1000 MT)	181	181	144	144	165	150
Rough Production (1000 MT)	263	263	210	210	240	218
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	6870	6870
MY Imports (1000 MT)	738	738	800	800	850	830
TY Imports (1000 MT)	796	796	800	800	850	830
TY Imp. from U.S. (1000 MT)	316	316	0	0	0	0
Total Supply (1000 MT)	1123	1123	1087	1087	1112	1077
MY Exports (1000 MT)	10	10	10	10	10	10
TY Exports (1000 MT)	10	10	10	10	10	10
Consumption and Residual (1000 MT)	970	970	980	980	1000	990
Ending Stocks (1000 MT)	143	143	97	97	102	77
Total Distribution (1000 MT)	1123	1123	1087	1087	1112	1077
Yield (Rough) (MT/HA)	6.4146	6.4146	6.7742	6.7742	6.1538	6.6061
(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 2023/2024 = January 2024 - December 2024						

### Production

Rice production for MY 2023/2024 is forecast four percent higher than the previous year at 218,000 MT (rough basis) on forecasted higher planting area. The rough production forecast volume converts to 150,000 MT of milled rice.

For the MY 2023/2024 spring/summer cycle, planting intention is reported to be 30,821 ha. As of August 31, planting is 74 percent complete at 22,850 ha. Nayarit is reported to lead planted area, followed by Veracruz and Michoacan.

Estimated milled rice production for MY 2022/2023 is revised to 144,000 MT, down approximately 20 percent from the year prior, attributed to lower-than-expected reported planted area. Reported planted area, the lowest in over ten years, is attributed to lower profits from rice farming in recent years. Additionally, according to industry, some rice farmers switched planted area to sugarcane production, partly attributed to price dynamics and greater government support.

As of August 31, the MY 2022/2023 fall/winter rice harvest is reported complete. According to SIAP, over 71 percent of the harvest has come from Nayarit, followed by Campeche (11 percent), Jalisco (seven percent), Tamaulipas (six percent), and Michoacan (five percent). Total planted area for the MY 2022/2023 fall/winter cycle closed at 9,000 ha of planted area.

**Table 8: Mexico MY 2022/2023 Fall/Winter Preliminary Rice Harvest Results and Yields**

State	Production (MT)	Yield (MT/ha)
Nayarit	48,166	8.02
Campeche	7,080	5.9
Jalisco	4,676	6.21
Tamaulipas	4,070	6.07
Michoacán	3,407	8.69
<b>Total Production</b>	<b>67,399</b>	

### Trade

Rice imports are forecast to increase four percent to 830,000 MT in MY 2023/2024 based on forecast increased consumption and estimated lower carry-over stocks from MY 2022/2023.

According to SIAP data, between January and July 2023, Brazil displaced the United States as Mexico's top rice supplier, providing over 50 percent of rice imports, followed by the United States with 33 percent and Uruguay with 8 percent. Industry sources expect India's export ban on non-basmati rice to impact the price-competitiveness of Mexico's various suppliers.

Exports are minimal and expected to remain stable at 10,000 MT.

### Consumption

For MY 2023/2024, rice consumption is forecast to remain at 1.0 MMT, slightly higher than the estimate for the previous marketing year based on increased demand from population growth.

### Stocks

MY 2023/2024 ending stocks are forecast to decrease to 77,000 MT on increased consumption and less carry over from MY 2022/2023 ending stocks estimated at 97,000 MT.

## SORGHUM

**Table 9. Mexico, Sorghum Production, Supply, and Distribution**

Sorghum Market Year Begins Mexico	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1395	1395	1398	1398	1420	1420
Beginning Stocks (1000 MT)	102	102	303	303	294	294
Production (1000 MT)	4840	4840	4892	4892	4800	4925
MY Imports (1000 MT)	362	362	300	300	200	200
TY Imports (1000 MT)	362	362	300	300	200	200
TY Imp. from U.S. (1000 MT)	362	362	0	0	0	0
Total Supply (1000 MT)	5304	5304	5495	5495	5294	5419
MY Exports (1000 MT)	1	1	1	1	1	1
TY Exports (1000 MT)	1	1	1	1	1	1
Feed and Residual (1000 MT)	4900	4900	5100	5100	4900	5200
FSI Consumption (1000 MT)	100	100	100	100	100	100
Total Consumption (1000 MT)	5000	5000	5200	5200	5000	5300
Ending Stocks (1000 MT)	303	303	294	294	293	118
Total Distribution (1000 MT)	5304	5304	5495	5495	5294	5419
Yield (MT/HA)	3.4695	3.4695	3.4993	3.4993	3.3803	3.4683

(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 2023/2024 = October 2023 - September 2024

### Production

MY 2023/2024 sorghum production is forecast at 4.93 MMT, a one percent increase from the previous marketing year. Planted area is forecast slightly higher at 1.42 million ha as some farmers may opt to plant sorghum as an alternative to corn for less water use. Through August 31, the MY 2023/2024 spring/summer planted area is 386,795 ha. Harvest for the MY 2023/2024 spring/summer sorghum cycle will end towards February 2024. The Sinaloa harvest is seventy percent complete with yields reported at 6.8 MT/ha.

Post MY 2022/2023 estimate is 4.89 MMT, a one percent increase compared to MY 2021/2022. As of August 31, the MY 2022/2023 fall/winter harvest is complete and estimated production reached a little over 2.7 MMT. Tamaulipas is the top producer for the current fall/winter cycle, accounting for close to 77 percent of production, and is estimated to reach over 2.1 MMT. Nayarit is reported to be the second largest producer, followed by Sinaloa and Campeche.

### Consumption

For MY 2023/2024 total sorghum consumption is forecast two percent higher than the previous year at 5.3 MMT, based on expected growth in demand by the animal feed industry.

### Trade

Total sorghum imports in MY 2023/2024 are lowered to 200,000 MT based on forecast increased domestic production. Virtually all Mexico's sorghum imports are from the United States due to supply chain and tariff advantages.

## Stocks

Ending stocks are forecast lower at 118,000 MT in MY 2023/2024 due to an increase in forecast consumption, with less imports, and a minimal increase in production.

## POLICY

### Anti-Inflation Decrees

On May 18, 2023, the Government of Mexico (GOM) modified the list of products eligible for tariff exemptions under the, “*Decree exempting the payment of import tariffs and granting administrative facilities to various goods in the basic basket and basic consumption of families*” (See GAIN reports [MX2022-0054](#) and [MX2022-0030](#)). The GOM lifted the tariff exemption for wheat imports, stating that the exemption had not resulted in lower prices as was the aim. The anti-inflation decree is set to expire on December 31, 2023. The modifications were published in Mexico’s Federal Register [here](#).

### Corn Import and Export Tariffs

On June 23, 2023, the Government of Mexico (GOM) announced an *import* tariff of 50% on white corn, effective until the end of 2023. The tariff does not apply to U.S. corn due to the existing commitments under the United States Mexico Canada Agreement (USMCA).

In the same publication, a temporary *export* tariff on white corn due to expire on June 30 was extended until the end of 2023. [Previously, a [presidential decree for a temporary 50 percent tariff](#) on Mexico’s white corn exports was in force from January 16 to June 30, 2023.]

According to the Decree, the intent is to control the supply, production, and price of white corn in Mexico, and thus control prices of the various consumer products made from white corn, mainly tortillas. The Federal Register link is located [here](#).

**Table 10. White Corn Import and Export Tariffs**

Code	DESCRIPTION	UNIT	QUOTA (TARIFF)	
			IMPORT TAX	EXPORT TAX
<b>10.05</b>	<b>Corn</b>			
1005.90.04	White corn (for corn flour).	Kg	50%	50%

### February 2023 Corn Decree

On February 13, 2023, Mexico published [a presidential decree](#) that includes an immediate prohibition on the use of biotech corn in Mexico’s dough and tortilla production. On June 2, 2023, the United States [requested](#) dispute settlement consultations with Mexico under the USMCA. On August 17, 2023, the United States Trade Representative [announced](#) the establishment of a dispute settlement panel under USMCA regarding certain Mexican measures concerning biotech corn.

### **Mexico Official Standard-187 (NOM-187)**

On July 28, 2023, the Government of Mexico (GOM) notified a revised NOM-187 to the World Trade Organization and opened a 60-day comment period. NOM-187 establishes the sanitary and commercial requirements for products made from nixtamalized corn and for the establishments that produce these products. The proposed changes include a ban on genetically engineered (GE) corn in nixtamalized products. The standard applies to both domestic and imported products, excluding snacks (see GAIN [MX-2023-0036](#) and [MX2023-0042](#)).

### **2024 General Election**

On June 2, 2024, Mexico will elect a new president for a six-year term. Voters will determine a replacement for President Andrés Manuel López Obrador of the National Regeneration Movement (*Spanish: Morena*). Contacts in the grain and feed sector note that traditionally more uncertainty exists for the agricultural sector during election years. Recently, Mexico's Secretary of Agriculture announced that 48 agricultural related [regulations](#) would be updated by the end of the year. The sector remains attentive to any pre- or post- election changes to agricultural policy which could impact their operations.

### **For More Information**

Visit [www.fas.usda.gov](http://www.fas.usda.gov) for a complete selection of FAS worldwide agricultural reporting.

Report Number	Title	Dated
<a href="#">MX2023-0032</a>	Grain and Feed Update	06/21/2023
<a href="#">Commodity Intelligence Report</a>	Mexico Corn Near-Average Production Expected	05/23/2023
<a href="#">MX2023-0011</a>	Grain and Feed Annual	03/22/2023
<a href="#">MX2023-0003</a>	Grain and Feed Update	02/03/2023
<a href="#">MX2022-0048</a>	Grain and Feed Update	09/20/2022
<a href="#">MX2022-0036</a>	Grain and Feed Update	06/24/2022
<a href="#">MX2022-0020</a>	Grain and Feed Annual	03/17/2022
<a href="#">MX2022-0002</a>	Grain and Feed Update	12/2//2021
<a href="#">MX2021_0055</a>	Grain and Feed Update	9/22/2021

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