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Report Highlights: As a result of a moderately optimistic economic outlook, Mexico's crushing industry continues to expect growth and increased oilseeds imports, primarily from the United States. This is largely fueled by the livestock and dairy industries ongoing expansion. As crushing capacity and utilization has increased, imports of oil meals and oils have generally declined. A new set of supports to encourage oilseed production was announced by the Government of Mexico. Industry sources, however, estimate the new supports must have a modest effect on soybean and cottonseed production for the MY 2001/02, as the prices for both commodities continue to be depressed.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
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SECTION I. SITUATION AND OUTLOOK

Economic Situation and Outlook

Mexico's 2001 economic prospects augur continuing growth. It will be a good year, but not exceptional, because of the slowdown of the U.S. economy. Therefore, Mexico's exports to the U.S. will likely drop. The Fox Administration faces several challenges that call for fundamental structural changes. Appropriately implemented, they would enhance Mexico's ability to withstand the harmful effects of external economic shocks.

The outlook for the Mexican economy for 2001 remains positive although real growth may be a little more than half of what it was in 2000. Since final domestic demand and exports will remain strong, GDP growth could average 3.8 percent in 2001. This performance would be a far cry from the unsustainable 7.1 percent real growth recorded in 2000. Inflation in 2001 may be slightly lower than it was in 2000. The average was 8.9 percent last year, and forecasters are predicting 7.9 percent for 2001.

Mexico's economic growth depends on its export market, essentially the United States. Ninety percent of Mexico's exports, including half of its manufacturing output, are exported to the United States. In 2000, Mexico exported US\$166.4 billion, a 22.0 percent increase over 1999. Exports may increase by 11.0 percent in 2001, reflecting the slowdown of the U.S. economy. Mexico's most dynamic export sector, the maquiladora plants, assembles goods for the U.S. market. The import needs of the sector explain the 22.9 percent in imports in 2000, to US\$174.4 billion. Imports may rise 18.0 percent in 2001, to US\$206 billion.

Personal consumption continues to fuel Mexico's economic growth. Demand for goods and services, including imports, grew by about ten percent in real terms in 2000. That figure may average eight percent in 2001. Since the U.S. economic slowdown will force exporters to reduce their margins, they will try to keep costs down, including labor costs. The government has proposed a value-added tax on exempt products and services. All these factors will crimp personal demand in 2001.

Mexico's external accounts may cause concern in 2001. In 2000, its current account deficit totaled US\$19 billion, 3.3 percent of GDP. But for high oil prices, that deficit might have been 4.7 percent of GDP in 2000. The current account deficit rose in each of the last six years except 1998. Forecasters agree that the decline in U.S. economic growth, and possibly in international oil prices, will again widen Mexico's current account deficit in 2001. The effect could be a 11.0/1.0 peso/US\$ exchange rate by the end of the year, about thirteen percent depreciation relative to the average rate of 9.5 in 2000. Since Mexico's exports enabled it to accumulate US\$2.8 billion in international reserves (US\$33.6 billion) in 2000, a less dynamic export environment and a lower level of foreign short- and long-term capital inflows, especially from the United States, could result in a stable reserve level in 2001.

The Fox Administration aims to pursue conservative fiscal and monetary policies. It will encounter difficulty in achieving a balanced budget in the absence of legislative support. In December 2000, the Fox Administration proposed a fiscal deficit of 0.5 percent of GDP in 2001. Congress decided that the target should be 0.65 percent. Mexico's fiscal deficit was 1.0 percent of GDP in 2000.

The fiscal deficit approved by the Congress is complicating the Fox Administration's task of achieving sustainable 7.0 percent economic growth and measurable improvement in living standards, which President Fox

promised during the presidential campaign. Financing such a deficit puts upward pressure on domestic interest rates. The result will be lower domestically driven fixed capital investment, with reduced employment and personal income. At the same time, higher domestic interest rates attract foreign capital. Such flows, even if neutralized, strengthen the peso and reduce the competitiveness of Mexican exports while making imports more attractive. Without fundamental change, the net effect could be a run on the peso, such as what happened in December 1994. Avoiding calls for major structural changes in public finance, in labor legislation, and in the energy sector, the opposition-dominated Congress seems reluctant to approve the necessary changes.

Mexico's ability to absorb the effects of the U.S. economic slowdown, and possibly of a fall in oil prices, will determine whether Mexico will maintain buoyant economic growth during Fox's administration. Mexico's expansion of trade with its non-NAFTA partners could mitigate the effects of the U.S. slowdown. In particular, Mexico's free trade agreement with the European Union could initiate robust growth in Mexican exports to Europe. Europe's demand for manufactured imports could be critical to Mexico in the event of a prolonged economic downturn in the United States, given that Mexico's oil exports account for less than 10.0 percent of its total exports.

Oil-related revenues remain important to Mexico. Since they account for about 30 percent of government budgetary revenue, the Government of Mexico (GOM) has a strong interest in cooperating with the OPEC producers to ensure that the price of oil remains at what they consider an acceptable level. The Government assumes that Mexico will obtain US\$18.0 per barrel for its oil exports in 2001 and that it will export an average of 1.750 million barrels per day. The government's yield will be about US\$11.5 billion in 2001. (Source: Embassy's Economics Section: JPG 012901)

Situation & Outlook for Oilseeds

Consumption of oilseed products are forecast to increase for MY 2001/02 as Mexico's growth in income and population are increasing internal demand for poultry and to a lesser extent hog, beef and dairy products. Industry specialists are forecasting demand to increase 3 percent for oilseed products. Similarly, consumer demand for soybean oil is also expected to increase, albeit at a slower pace.

Mexican soybean production is expected to raise by 4 percent in MY 2001/02, because of new subsidies and demand by crushing industry. Domestic production, however, will supply only 3 percent of total consumption, with the rest coming from imports. For soybeans, the production estimate for MY 2000/01 has been revised upward slightly to reflect final government data. The cottonseed production is forecast to increase to 136,000 metric tons (MT) in MY 2001/02 due to an additional area planted and expected increased spending on agricultural support programs by the new Fox government. This level, however, remains below two years ago production. Peanut production estimates for MY 1999/00 and 2000/01 have been increased, reflecting normal weather conditions and new official information from SAGARPA. For MY 2000/01, however, peanut production is forecast downward to 130,000 MT because of limited water supplies in the principle producing state of Chihuahua.

An official program to increase oilseeds production in CY 2001 was announced by the Government of Mexico (GOM). Industry sources, however, are skeptical about the impact of this new program due to its budget limitations. They indicated that, despite efforts by the GOM to increase production of several oilseeds, unpredictable weather and scarce water supplies are expected to leave Mexico dependent on imports, mainly from the U.S., for the majority of their needs into the foreseeable future.

U.S. exports of oilseeds will increase in MY 2001/02, but at a slower pace than a year before. The overall strong demand for oilseed products that was forecast in MY2000/01 is continuing and the outlook for MY 2001/02 is on par with earlier forecasts. Imports continue to be dominated by soybeans, followed by rapeseed, cottonseed, peanuts and sunflower-seed. Ample international soybean supplies and low soybean prices will likely encourage robust Mexican soybean imports. The U.S. continues to be the major supplier due to its proximity coupled with market promotion and credit guarantees. U.S. soybean exports to Mexico are expected to increase by about 4 percent in MY 2001/02.

Imports of Canadian rapeseed are expected to continue to increase in MY 2001/02, reflecting improved market conditions and favorable international prices. Total oil meal imports are expected to increase in MY 2001/02 largely because of strong demand from the livestock sector. The outlook for the livestock sector, especially poultry and hogs, continues to brighten and consequently increase demand for vegetable protein meals. Vegetable oil imports are expected to decline in MY 2000/01 as result of increased imports of oilseeds.

Marketing

As stated earlier, the U.S. is expected to remain the primary source of imported oilseeds and related products in the coming year. To help ensure those imports continue to increase, FAS's Agricultural Trade Office (ATO) in Mexico City is here to help the U.S. oilseeds industry among many others. The ATO's primary mission to assist in the market development and promotion of U.S. food and agricultural products in the Mexican market. There are a wide variety of activities and services that the ATO, along with other private sector representatives called "Cooperators," make available to help develop U.S. agricultural interests in Mexico. The Cooperator groups in Mexico that represent the U.S. oilseeds industries are: the American Soybean Association (ASA); the National Sunflower Association; and the National Cottonseed Products Association. They can provide information on all aspects of U.S. oilseeds and products, including sourcing, uses, purchasing and feeding. Technical help in the areas of end-use, processing and technology, as well as education on the United States as a supplier, are part of the U.S. oilseed's Cooperators' programs.

Offices of ASA are located with the ATO at Jaime Balmes 8-201, Col. Polanco, 11510 Mexico, D.F. They can be reached by telephone at 011-52-5281-0120 or by fax at 01152-5281-6154. Contact with the National Sunflower Association and the National Cottonseed Products Association can be made via the ATO office by telephone or fax at 011-52-5209-9100, ext. 4750, 51, 52 and 011-52-5202-0528, respectively. The ATO email address is ato@supernet.com.mx

SECTION II. STATISTICAL TABLES

PS&D Total Oilseeds

Unit: 1000 Hectares/1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oilseed, Total					
	1999		2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	00/1999		00/2000		00/2001	
Area Planted	335	330	351	274	0	294
Area Harvested	326	317	250	242	0	274
Beginning Stocks	181	181	121	216	0	123
Production	490	490	368	393	0	387
MY Imports	5152	5423	5605	5581	0	5793
MY Imp. from U.S.	3739	3719	4008	3959	0	4069
MY Imp. from the EC	80	129	100	132	0	135
TOTAL SUPPLY	5823	6094	6094	6190	0	6303
MY Exports	5	5	3	9	0	5
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	5395	5574	5645	5736	0	5902
Food Use Dom. Consump.	236	233	250	223	0	237
Feed,Seed,Waste Dm.Cn.	66	66	66	99	0	99
TOTAL Dom. Consumption	5697	5873	5961	6058	0	6238
Ending Stocks	121	216	130	123	0	60
TOTAL DISTRIBUTION	5823	6094	6094	6190	0	6303
Calendar Year Imports	780	4326	0	5346	0	5568
Calendar Yr Imp. U.S.	25	3478	0	3825	0	3883
Calendar Year Exports	7	5	0	9	0	5
Calndr Yr Exp. to U.S.	4	5	0	9	0	5

PS&D Oilseed, Soybean

Unit: 1000 Hectares/1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oilseed, Soybean					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	09/1999		09/2000		09/2001	
Area Planted	80	8074	95	85	0	90
Area Harvested	79	79	80	77	0	82
Beginning Stocks	130	130	80	167	0	92
Production	124	123	110	115	0	120
MY Imports	3950	4038	4250	4150	0	4300
MY Imp. from U.S.	3500	3426	3700	3600	0	3700
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	4204	4291	4440	4432	100	4512
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	4100	4100	4300	4300	0	4430
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	24	24	40	40	0	40
TOTAL Dom. Consumption	4124	4124	4340	4340	0	4470
Ending Stocks	80	167	100	92	0	42
TOTAL DISTRIBUTION	4204	4291	4440	4432	0	4512
Calendar Year Imports	0	4066	0	3984	0	44512
Calendar Yr Imp. U.S.	0	3287	0	3455	0	3500
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Oilseed Soybean

<i>OILSEED, SOYBEAN</i> HS.1201.0002 & 1201.0003		UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	0	U.S.	3,784
OTHER		OTHER	
	0	BRAZIL	145
TOTAL OF OTHER		TOTAL OF OTHER	145
OTHERS NOT LISTED	1	OTHERS NOT LISTED	0
GRAND TOTAL	1	GRAND TOTAL	3,929

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Oilseed, Peanut

Unit: 1000 Hectares/1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oilseed, Peanut					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	09/1999		09/2000		09/2001	
Area Planted	95	95	96	111	0	95
Area Harvested	94	94	95	110	0	94
Beginning Stocks	0	0	0	0	0	0
Production	135	130	137	160	0	130
MY Imports	110	106	120	85	0	116
My Imp. from U.S.	43	32	50	50	0	50
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	245	236	257	245	0	246
MY Exports	5	5	3	9	0	5
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	4	4	4	4	0	4
Food Use Dom. Consump.	236	227	250	232	0	237
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
TOTAL Dom. Consumption	240	231	254	236	0	241
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	245	236	257	245	0	246
Calendar Year Imports	50	97	0	78	0	106
Calendar Yr Imp. U.S.	25	32	0	41	0	41
Calendar Year Exports	7	5	0	9	0	0
Calndr Yr Exp. to U.S.	4	3	0	9	0	0

Trade Matrix Oilseed Peanut

<i>OILSEED, PEANUT</i> H.S. 1202.1099 & 1202.2001		UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	5	U.S.	41
OTHER		OTHER	
		ARGENTINA	41
TOTAL OF OTHER	0	TOTAL OF OTHER	41
OTHERS NOT LISTED	0	OTHERS NOT LISTED	24
GRAND TOTAL	5	GRAND TOTAL	106

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Oilseed, Cottonseed

Unit: 1000 Hectares/1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oilseed, Cottonseed					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	08/1999		08/2000		08/2001	
Area Planted (COTTON)	160	157	160	96	0	110
Area Harvested(COTTON)	152	152	74	94	0	100
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	4	4	4	12	0	6
Production	230	230	120	127	0	136
MY Imports	190	254	255	290	0	300
MY Imp. from U.S.	190	254	250	290	0	300
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	424	488	379	429	4	442
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	384	440	355	370	0	385
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	36	36	20	53	0	53
TOTAL Dom. Consumption	420	476	375	423	0	438
Ending Stocks	4	12	4	6	0	4
TOTAL DISTRIBUTION	424	488	379	429	0	442
Calendar Year Imports	0	152	0	258	0	265
Calendar Yr Imp. U.S.	0	152	0	258	0	265
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Oilseed Cottonseed

<i>OILSEED, COTTONSEED</i> H.S.1207.2099		UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	1	U.S.	280
OTHER		OTHER	0
TOTAL OF OTHER	0	TOTAL OF OTHER	0
OTHERS NOT LISTED	0	OTHERS NOT LISTED	0
GRAND TOTAL	1	GRAND TOTAL	280

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Oilseed, Sunflowerseed

Unit: 1000 Hectares/1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oilseed, Sunflowerseed					
	Revised1999		Preliminary2000		Forecast2001	
	Old	New	Old	New	Old	New
Market Year Begin	10/1999		10/2000		10/2001	
Area Planted	0	1	0	1	0	1
Area Harvested	1	1	1	1	0	1
Beginning Stocks	37	37	27	28	16	17
Production	1	1	1	1	0	1
MY Imports	42	11	45	22	0	22
MY Imp. from U.S.	6	7	8	19	0	19
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	80	49	73	51	16	40
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	47	15	51	28	0	29
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	6	6	6	6	0	6
TOTAL Dom. Consumption	53	21	57	34	0	35
Ending Stocks	27	28	16	17	0	5
TOTAL DISTRIBUTION	80	49	73	51	0	40
Calendar Year Imports	0	11	0	22	0	22
Calendar Yr Imp. U.S.	0	7	0	19	0	19
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Oilseed Sunflowerseed

<i>OILSEED, SUNFLOWERSEED</i> H.S.1206.0099		UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	0	U.S.	7
OTHER		OTHER	
		CANADA	3
TOTAL OF OTHER	0	TOTAL OF OTHER	3
OTHERS NOT LISTED	0	OTHERS NOT LISTED	1
GRAND TOTAL	0	GRAND TOTAL	11

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Oilseed, Rapeseed

Unit: 1000 Hectares/1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oilseed, Rapeseed					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	10/1999		10/2000		10/2001	
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	10	10	10	9	0	8
Production	0	0	0	0	0	0
MY Imports	860	1014	935	1034	0	1055
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	80	129	100	132	0	135
TOTAL SUPPLY	870	1024	945	1043	10	1063
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	860	1015	935	1035	0	1055
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0
TOTAL Dom. Consumption	860	1015	935	1035	0	1055
Ending Stocks	10	9	10	8	0	8
TOTAL DISTRIBUTION	870	1024	945	1043	0	1063
Calendar Year Imports	730	866	0	1004	0	1025
Calendar Yr Imp. U.S.	0	0	0	52	0	58
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Oilseed Rapeseed

<i>OILSEED, RAPESEED</i> H.S.1205.0001 & 1205.0099		UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	0	U.S.	18
OTHER		OTHER	
		CANADA	813
TOTAL OF OTHER	0	TOTAL OF OTHER	813
OTHERS NOT LISTED	0	OTHERS NOT LISTED	183
GRAND TOTAL	0	GRAND TOTAL	1,014

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Total Oilmeals

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Total, Oilmeals					
	1999		2000		2001	
	Old	New	Old	New	Old	New
Market Year Begin	00/1999		00/2000		00/2001	
Crush	5391	5570	5641	5733	0	5899
Extr. Rate	0	0	0	0	0	0
Beginning Stocks	150	150	150	230	0	170
Production	3920	4011	4113	4164	0	4278
MY Imports	438	388	486	263	0	318
MY Imp. from U.S.	419	388	466	263	0	318
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	4508	4549	4749	4657	0	4766
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	40	40	50	50	0	50
Feed Waste Dom. Consum	4318	4279	4549	4437	0	4566
TOTAL Dom. Consumption	4358	4319	4599	4487	0	4616
Ending Stocks	150	230	150	170	0	150
TOTAL DISTRIBUTION	4508	4549	4749	4657	0	4766
Calendar Year Imports	5	416	6	252	0	299
Calendar Yr Imp. U.S.	0	416	0	252	0	299
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PS&D Meal, Soybean

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Meal, Soybean					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	09/1999		09/2000		09/2001	
Crush	4100	4100	4300	4300	0	4430
Extr. Rate, 999.9999	0.79268293	0.79268293	0.7930233	0.79302326		0.79232506
Beginning Stocks	150	150	150	230	0	170
Production	3250	3250	3410	3410	0	3510
MY Imports	300	285	300	170	0	220
MY Imp. from U.S.	285	285	285	170	0	220
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	3700	3685	3860	3810	0	3900
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	40	40	50	50	0	50
Feed Waste Dom. Consum	3510	3415	3660	3590	0	3700
TOTAL Dom. Consumption	3550	3455	3710	3640	0	3750
Ending Stocks	150	230	150	170	0	150
TOTAL DISTRIBUTION	3700	3685	3860	3810	0	3900
Calendar Year Imports	190	299	0	148	0	190
Calendar Yr Imp. U.S.	0	299	0	148	0	190
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Meal Soybean

MEAL, SOYBEAN		H.S.2304.0001	UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:			IMPORTS FOR MY 1999/2000 FROM:	
U.S.	0		U.S.	175
OTHER			OTHER	
TOTAL OF OTHER	0		TOTAL OF OTHER	0
OTHERS NOT LISTED	0		OTHERS NOT LISTED	0
GRAND TOTAL	0		GRAND TOTAL	175

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Meal, Cottonseed

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Meal, Cottonseed					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	10/1999		10/2000		10/2001	
Crush	384	440	355	370	0	385
Extr. Rate, 999.9999	0.45572917	0.45681818	0.46478873	0.46486486		0.45454545
Beginning Stocks	0	0	0	0	0	0
Production	175	201	165	172	0	175
MY Imports	120	92	165	82	0	84
MY Imp. from U.S.	120	92	165	82	0	84
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	295	293	330	254	0	259
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	295	293	330	254	0	259
TOTAL Dom. Consumption	295	293	330	254	0	259
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	295	293	330	254	0	259
Calendar Year Imports	0	103	0	92	0	94
Calendar Yr Imp. U.S.	0	103	0	92	0	94
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Meal Cottonseed

MEAL, COTTONSEED		UNITS: THOUSAND METRIC TONS	
H.S.2306.1001			
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	6	U.S.	93
OTHER		OTHER	
GUATEMALA	1		0
TOTAL OF OTHER	1	TOTAL OF OTHER	0
OTHERS NOT LISTED	0	OTHERS NOT LISTED	0
GRAND TOTAL	7	GRAND TOTAL	93

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Meal, Rapeseed

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Meal, Rapeseed					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	10/1999		10/2000		10/2001	
Crush	860	1015	935	1035	0	1055
Extr. Rate, 999.9999	0.55	0.54482759	0.54973262	0.54975845		0.549763
Beginning Stocks	0	0	0	0	0	0
Production	473	553	514	569	0	580
MY Imports	4	7	5	8	0	9
MY Imp. from U.S.	0	7	0	8	0	9
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	477	560	519	577	0	589
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	477	560	519	577	0	589
TOTAL Dom. Consumption	477	560	519	577	0	589
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	477	560	519	577	0	589
Calendar Year Imports	5	6	6	7	0	8
Calendar Yr Imp. U.S.	0	6	0	7	0	8
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PS&D Meal, Sunflowerseed

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Meal, Sunflowerseed					
	Revised1999		Preliminary2000		Forecast2001	
	Old	New	Old	New	Old	New
Market Year Begin	10/1999		10/2000		10/2001	
Crush	47	15	51	28	0	29
Extr. Rate, 999.9999	0.4680851	0.46666667	0.47058824	0.46428571		0.44827586
Beginning Stocks	0	0	0	0	0	0
Production	22	7	24	13	0	13
MY Imports	14	4	16	3	0	5
MY Imp. from U.S.	14	4	16	3	0	5
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	36	11	40	16	0	18
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	36	11	40	16	0	18
TOTAL Dom. Consumption	36	11	40	16	0	18
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	36	11	40	16	0	18
Calendar Year Imports	0	8	0	5	0	7
Calendar Yr Imp. U.S.	0	8	0	5	0	7
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PS&D Total Oils

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Total, Oils					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	00/1999		00/2000		00/2001	
Crush	5597	5761	5877	5929	0	6100
Extr. Rate						
Beginning Stocks	17	17	16	18	0	31
Production	1231	1280	1288	1320	0	1355
MY Imports	599	523	564	546	0	543
MY Imp. from U.S.	348	325	359	339	0	306
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1847	1820	1868	1884	0	1929
MY Exports	30	16	30	16	0	20
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	110	206	104	146	0	152
Food Use Dom. Consump.	1675	1564	1508	1604	0	1636
Feed Waste Dom. Consum	16	16	211	87	0	89
TOTAL Dom. Consumption	1801	1786	1823	1837	0	1877
Ending Stocks	16	18	15	31	0	32
TOTAL DISTRIBUTION	1847	1820	1868	1884	0	1929
Calendar Year Imports	133	532	125	549	0	548
Calendar Yr Imp. U.S.	47	345	46	320	0	317
Calendar Year Exports	0	16	0	6	0	10
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PS&D Oil, Soybean

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oil, Soybean					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	09/1999		09/2000		09/2001	
Crush	4100	4100	4300	4300	0	4430
Extr. Rate, 999.9999	0.1702439	0.1702439	0.17046512	0.17046512		0.1704289
Beginning Stocks	6	6	5	7	0	20
Production	698	698	733	733	0	755
MY Imports	115	115	115	115	0	100
MY Imp. from U.S.	111	115	110	110	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	819	819	853	855	0	875
MY Exports	30	16	30	16	0	20
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	778	790	813	813	0	830
Feed Waste Dom. Consum	6	6	6	6	0	6
TOTAL Dom. Consumption	784	796	819	819	0	836
Ending Stocks	5	7	4	20	0	19
TOTAL DISTRIBUTION	819	819	853	855	0	875
Calendar Year Imports	0	111	0	108	0	95
Calendar Yr Imp. U.S.	0	111	0	103	0	91
Calendar Year Exports	0	16	0	6	0	10
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Oil Soybean

<i>OIL, SOYBEAN</i> H.S.1507.1001 & 1507.9099		UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	0	U.S.	118
OTHER		OTHER	
TOTAL OF OTHER	11	TOTAL OF OTHER	0
OTHERS NOT LISTED	11	OTHERS NOT LISTED	0
GRAND TOTAL	11	GRAND TOTAL	118

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Oil, Sunflowerseed

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oil, Sunflowerseed					
	Revised1999		Preliminary2000		Forecast2001	
	Old	New	Old	New	Old	New
Market Year Begin	10/1999		10/2000		10/2001	
Crush	47	15	51	28	0	29
Extr. Rate, 999.9999	0.3617021	0.4	0.35294118	0.35714286		0.37931034
Beginning Stocks	11	11	11	11	0	11
Production	17	6	18	10	0	11
MY Imports	230	184	200	166	0	170
MY Imp. from U.S.	173	169	185	164	0	168
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	258	201	229	187	0	192
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	237	180	208	166	0	169
Feed Waste Dom. Consum	10	10	10	10	0	10
TOTAL Dom. Consumption	247	190	218	176	0	179
Ending Stocks	11	11	11	11	0	13
TOTAL DISTRIBUTION	258	201	229	187	0	192
Calendar Year Imports	0	189	0	169	0	173
Calendar Yr Imp. U.S.	0	174	0	167	0	170
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Oil Sunflowerseed

<i>OIL, SUNFLOWERSEED</i> 1512.1999		H.S.1512.1101 &	UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:			IMPORTS FOR MY 1999/2000 FROM:	
U.S.		37	U.S.	181
OTHER			OTHER	
CUBA		2	ARGENTINA	3
TOTAL OF OTHER		2	TOTAL OF OTHER	3
OTHERS NOT LISTED		2	OTHERS NOT LISTED	0
GRAND TOTAL		41	GRAND TOTAL	184

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Oil, Rapeseed

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oil, Rapeseed					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	10/1999		10/2000		10/2001	
Crush	860	1015	935	1035	0	1055
Extr. Rate, 999.9999	0.37906977	0.37536946	0.37967914	0.37971014		0.3791469
Beginning Stocks	0	0	0	0	0	0
Production	326	381	355	393	0	400
MY Imports	70	66	60	58	0	59
MY Imp. from U.S.	58	35	50	31	0	32
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	396	447	415	451	0	459
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	396	447	415	451	0	459
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	396	447	415	451	0	459
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	396	447	415	451	0	459
Calendar Year Imports	75	75	65	66	0	67
Calendar Yr Imp. U.S.	47	47	46	35	0	36
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Oil Rapeseed

<i>OIL, RAPESEED</i> H.S.1514.1001 & 1514.9099		UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	0	U.S.	21
OTHER		OTHER	
	0	CANADA	32
TOTAL OF OTHER	0	TOTAL OF OTHER	32
OTHERS NOT LISTED	1	OTHERS NOT LISTED	0
GRAND TOTAL	1	GRAND TOTAL	53

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

PS&D Oil, Coconut

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oil, Coconut					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	01/1999		01/2000		01/2001	
Crush	206	191	236	196	0	201
Extr. Rate, 999.9999	0.59223301	0.60209424	0.5127119	0.6020408		0.592039801
Beginning Stocks	0	0	0	0	0	0
Production	122	115	121	118	0	119
MY Imports	78	52	80	59	0	63
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	200	167	201	177	0	182
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	6	99	6	106	0	109
Food Use Dom. Consump.	194	68	195	71	0	73
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	200	167	201	177	0	182
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	200	167	201	177	0	182
Calendar Year Imports	58	52	60	59	0	63
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PS&D Oil, Cottonseed

Unit:1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oil, Cottonseed					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	08/1999		08/2000		08/2001	
Crush	384	440	355	370	0	385
Extr. Rate, 999.9999	0.16666667	0.16590909	0.16056338	0.15945946		0.1636364
Beginning Stocks	0	0	0	0	0	0
Production	64	73	57	59	0	63
MY Imports	6	6	9	9	0	6
MY Imp. from U.S.	6	6	9	9	0	6
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	70	79	66	68	0	69
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	70	79	66	68	0	69
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	70	79	66	68	0	69
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	70	79	66	68	0	69
Calendar Year Imports	0	5	0	8	0	5
Calendar Yr Imp. U.S.	0	5	0	8	0	5
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PS&D Oil, Palm

Unit:1000 Hectares/1000 Metric Tons

PSD Table						
Country	Mexico					
Commodity	Oil, Palm					
	Revised 1999		Preliminary 2000		Forecast 2001	
	Old	New	Old	New	Old	New
Market Year Begin	01/1999		01/2000		01/2001	
Area Planted	0	5	0	5	0	5
Area Harvested	0	5	0	5	0	5
Trees	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	4	7	4	7	0	7
MY Imports	100	100	100	139	0	145
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	104	107	104	146	0	152
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	104	107	104	146	0	152
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	104	107	104	146	0	152
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	104	107	104	146	0	152
Calendar Year Imports	0	100	0	139	0	145
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Trade Matrix Oil Palm

<i>OIL, PALM.</i> H.S.1511.1001 &1511.9099		UNITS: THOUSAND METRIC TONS	
EXPORTS FOR MY 1999/2000 TO:		IMPORTS FOR MY 1999/2000 FROM:	
U.S.	0	U.S.	0
OTHER		OTHER	
	0	COSTA RICA	71
TOTAL OF OTHER	0	TOTAL OF OTHER	71
OTHERS NOT LISTED	0	OTHERS NOT LISTED	60
GRAND TOTAL	0	GRAND TOTAL	131

SOURCE: Global Trade Information Services, Inc. "World Trade Atlas" Mexico Edition, January , 2001.

Note: MY begins on October 1999 and ends September 2000.

Mexico's Import Tariffs for 2001

OILS											
COMMODITY	H.S.	United States	Canada	EU	Colombia	Venezuela	Costa Rica	Bolivia	Chile	Nicaragua	Israel
OIL SOYBEAN	1507.10.01	2.0	2.0	10.0	EXCL	EXCL	3.0	EXCL	EXCL	7.0/6.0	EXCL
	1507.90.99	4.0	4.0	20.0	EXCL	EXCL	6.0	EXCL	EXCL	14.0/12.0	EXCL
OIL PEANUT	1508.10.01	2.0	2.0	EXCL	EXCL	EXCL	3.0	EXCL	EXCL	7.0/6.0	EXCL
	1508.90.99	4.0	4.0	EXCL	EXCL	EXCL	6.0	EXCL	EXCL	14.0/12.0	EXCL
OIL PALM	1511.10.01	2.0	2.0	EXCL	PAR	PAR	Ex.	EXCL	PAR	7.0/6.0	EXCL
	1511.90.99	4.0	4.0	EXCL	PAR	PAR	6.0	EXCL	PAR	14.0/12.0	EXCL
OIL COTTONSEED	1512.21.01	2.0	2.0	10.0	EXCL	EXCL	3.0	EXCL	EXCL	7.0/6.0	EXCL
	1512.29.99	4.0	4.0	20.0	EXCL	EXCL	6.0	EXCL	EXCL	14.0/12.0	EXCL
OIL COCONUT	1513.11.01	2.0	2.0	EXCL	EXCL	EXCL	3.0	EXCL	EXCL	7.0/6.0	EXCL
	1513.19.99	4.0	4.0	EXCL	EXCL	EXCL	6.0	EXCL	EXCL	14.0/12.0	EXCL
OIL PALM KERNEL	1513.21.01	2.0	2.0	EXCL	PAR	PAR	3.0	EXCL	PAR	7.0/6.0	EXCL
	1513.29.99	4.0	4.0	EXCL	PAR	PAR	6.0	EXCL	EXCL	14.0/12.0	EXCL
OIL RAPESEED	1514.10.01	2.0	2.0	10.0	EXCL	EXCL	3.0	EXCL	EXCL	7.0/6.0	EXCL
	1514.90.99	4.0	4.0	20.0	EXCL	EXCL	6.0	EXCL	EXCL	14.0/12.0	EXCL
OIL CORN	1515.21.01	2.0	2.0	10.0	EXCL	EXCL	3.0	EXCL	EXCL	7.0/6.0	EXCL
	1515.29.99	4.0	4.0	20.0	EXCL	EXCL	6.0	EXCL	EXCL	14.0/12.0	EXC
EXCL Excluded PAR Partial (Preferential tariff: 28% lower than the ad-valorem tariff) Ex. Exempt											

OILSEEDS											
COMMODITY	H.S.	United States	Canada	EU	Colombia	Venezuela	Costa Rica	Bolivia	Chile	Nicaragua	Israel
SOYBEAN	1201.00.02	Ex.	Ex.	Ex.	EXCL	EXCL	Ex.	Ex.	Ex.	Ex.	EXCL
	1201.00.03	2.0	2.0	13.4/11.7	EXCL	EXCL	3.0	4.5	Ex.	10.5/9.0	EXCL
SUNFLOWER	1206.00.99	Ex.	Ex.	Ex.	EXCL	EXCL	Ex.	Ex.	Ex.	Ex.	EXCL
RAPESEED	1205.00.01	Ex.	Ex.	Ex.	EXCL	EXCL	Ex.	Ex.	Ex.	Ex.	EXCL
COTTONSEED	1207.20.99	Ex.	Ex.	Ex.	Ex.	Ex.	Ex.	Ex.	Ex.	Ex.	EXCL
PEANUT	1202.10.99	Ex.	Ex.	Ex.	PAR	PAR	Ex.	Ex.	Ex.	Ex.	EXCL
	1202.20.01	Ex.	Ex.	Ex.	PAR	PAR	Ex.	Ex.	Ex.	Ex.	EXCL
EX.= EXEMPT EXCL= EXCLUDED. In this case the rate of duty must be in accordance with the Article 1 of the General Import Tariff Schedule, without any reduction PAR Partial (Preferential tariff: 28% lower than the ad-valorem tariff)											

OILMEALS											
COMMODITY	H.S.	United States	Canada	EU	Colombia	Venezuela	Costa Rica	Bolivia	Chile	Nicaragua	Israel
MEAL SOYBEAN	2304.00.01	3.0	3.0	13.4/11.7	EXCL	EXCL	4.5	EXCL	Ex.	6.0/3.0	EXCL
MEAL SUNFLOWER	2306.30.01	3.0	3.0	13.4/11.7	PAR	PAR	4.5	EXCL	Ex.	6.0/3.0	EXCL
MEAL RAPESEED	2306.40.01	3.0	3.0	13.4/11.7	4.3/3.2	4.3/3.2	4.5	EXCL	Ex.	6.0/3.0	EXCL
MEAL COTTONSEED	2306.10.01	3.0	3.0	13.4/11.7	PAR	PAR	4.5	EXCL	Ex.	1.2/0.6	EXCL
MEAL PEANUT	2305.00.01	3.0	3.0	13.4/11.7	4.3/3.2	4.3/3.2	4.5	EXCL	Ex.	6.0/3.0	EXCL
EXCL Excluded PAR Partial (Preferential tariff: 28% lower than the ad-valorem tariff) Ex. Exempt											
SOURCE: SECRETARIAT OF ECONOMY (SDE)											

Feed Demand Strategic Indicator Tables for Mexico

FEED DEMAND STRATEGIC INDICATOR TABLES FOR MEXICO				
MEAT PRODUCTION				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Poultry				
Poultry Meat:	1,586,000	1,784,000	1,891,000	1,986,000
Eggs:	1,686,000	1,829,000	1,879,000	1,898,000
Pork:	960,000	989,000	1,034,000	1,040,000
COMPOUND FEED SECTOR				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Compound Feed Capacity	24,500,000	28,600,000	30,030,000	31,531,000
Total Compound Feed Produced	17,937,000	19,335,000	20,301,000	21,316,000
----- by integrated producers	12,197,000	12,685,000	13,319,000	13,985,000
----- by commercial producers	5,740,000	6,650,000	6,982,000	7,331,000
FEED GRAIN USE				
		Last Year	Current Year	Out Year Forecast
Marketing Year:	1998	1999	2000	2001
Corn (Domestic consumption: feed)	4,320,000	4,400,000	8,600,000	8,858,000
Other (specify)	N/A	N/A	N/A	N/A
PROTEIN - ENERGY USAGE				
		Last Year	Current Year	Out Year Forecast
Marketing Year:	1998	1999	2000	2001
Total Protein Meal (feed waste domestic consumption)	4,035,000	4,284,000	4,476,000	4,610,000
Soy Bean Meal (feed waste domestic consumption)	3,290,000	3,500,000	3,600,000	3,708,000
Other Protein Meal, e.g. Palm Kernel Meal, Rape Meal (feed waste domestic consumption)	745,000	784,000	876,000	902,000
Fish Meal	N/A	N/A	N/A	N/A
Palm Crude Oil (feed waste domestic consumption)	N/A	N/A	N/A	N/A
TRADE (Metric Tonnes)				
		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Corn				
Imports:	5,214,510	5,494,502	5,322,476	5,829,117
Exports:	225,188	11,568	3,985	N/A
Soy Beans				
Imports:	3,486,000	4,066,000	3,985,000	4,486,000
Exports:	360	796	1,728	N/A
Soy Bean Meal				
Imports:	106,051	217,970	133,298	N/A
Exports:	87	228	116	N/A
Fish Meal				
Imports:	3,282	2,671	2,724	2,778
Exports:	690	547	552	557

Palm Crude Oil				
Imports:	132,593	92,328	100,102	100,000
Exports:	2	0	2	N/A
PROTEIN PRODUCTS TARIFFS AND TAXES	Product Description 1/	Bound Rate (%)	MFN Applied Rate (%)	Other Import Taxes/Fees
Report Year:				
0505.90	FEATHER MEAL	41.6	13.0	N/A
1501.00.00.60	YELLOW GREASE	265.2	260.0	N/A
1502.00.00.40	INEDIBLE TALLOW	18.8	10.0	N/A
1511	PALM OIL	47.0	10.0	N/A
1518	ANML/VG FTS &OILS	47.0	10.0	N/A
2301.10	MEAT AND BONE MEAL	41.6	18.0	N/A
2301.20	FISH MEAL	41.6	18.0	N/A

SECTION III. NARRATIVE ON SUPPLY, DEMAND, POLICY, & MARKETING

OILSEEDS

Production, General

Overall, oilseed production in Mexico is expected to decrease approximately 4 percent in MY 2001/02, due to continued dry weather conditions. At the same time, it is expected that there will be a shift in the balance among different crops. Soybean production, which the last year represented 29 percent of all Mexican oilseed output, is expected to increase to approximately 31 percent in MY 2001/02 due to a new GOM subsidy for technical assistance (see Policy Production section). Similarly, cotton production will likely represent 35 percent in MY 2001/02 compared to 32 percent a year ago due to higher production. It should be noted, however, that cotton production continued to be approximately 40 percent lower than two years ago. Depressed international prices, along with untimely governmental supports for cotton production continue to be the main causes for this situation. In the case of peanuts, planting intentions for the MY 2001/02 crop are practically consistent with historical averages, but slightly less than the revised My 2000/01 figure.

According to Mexico's National Association of Oil, Fats and Shortening (ANIAME), the GOM program to develop production of African oil palm in the states of Tabasco, Veracruz, Campeche and Chiapas has continued although in a slow manner. Reportedly, approximately 5,000 hectares are producing in MY 2000/01 and it is expected that another 1,000 will be incorporated in MY 2001/02. The original objective of this program, however, was to have 20,000 hectares in production, however, the GOM has not provided sufficient funds to achieve that objective.

On February 15, 2001, the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Foodstuffs (SAGARPA), formerly known as SAGAR, announced it will pay producers of soybeans, cotton and other crops 829 pesos per hectare (US\$34/acre) during 2001 spring/ summer and 2001/02's fall/winter planting seasons under its domestic support program -- PROCAMPO (see MX9040). This payment is 16.00 percent greater than what SAGARPA paid during the same period in 2000/01.

Also, on March 15, 2001, SAGARPA announced the operational rules for the "Alliance for the Countryside" for 2001 (see MX9043). The Alliance is an umbrella program for most of the SAGARPA's domestic support activities. The announcement included several aspects that regulate those activities, as well as the official programs, including operational procedures, the responsibilities and contributions of both the federal and state governments, credit activities, direct aids to complement farmer's investments, etc. Specific programs for helping producers of oilseeds are included in the announcement (see Production Policy section). The program to support and encourage oilseed production includes a subsidy for 736 pesos per hectare (roughly U.S.\$76/ha), which will apply for technical assistance and to meet the specific sanitary/phytosanitary regulations; sampling, trapping and release of beneficial insects, as well as to use transgenic planting seeds. Also, this announcement includes a cotton support program for producers in Baja California Sur, Campeche, Chiapas, Chihuahua, Michoacan, San Luis Potosi, Sinaloa, Sonora, Tamaulipas, Veracruz, Coahuila and Durango. The cotton program considers a payment of 1,208 pesos per hectare (roughly U.S.\$125.00/ha) - see Production Policy section-. Both supports are in addition to PROCAMPO. According to ANIAME, this set of supports must have a modest effect on soybean production for the MY 2001/02, as the prices continue depressed. It should be noted that domestic production will account for only 3 percent of total consumption.

Total oilseed area declined by nearly 17 percent in MY 2000/01, to 274,000 hectares. Cotton acreage decreased the most -- 39 percent -- but is expected to increase slightly in the upcoming year. Meanwhile soybean area increase only 6 percent in MY 2000/01, and is projected to continue this trend in MY 2001/02.

Soybean Production

Mexican soybean production is expected to increase slightly to 120,000 MT in MY 2001/02 (September/October), 7.1 percent more than the year before. The main reasons for this increase are the livestock sector's continued improvement and the expected improvements in the official support programs. Moreover, this forecast assumes normal weather conditions and increases in planted acreage. For MY 2000/01, the soybean production estimate has been increased based on updated Mexican official data. Reportedly, the reduction of production in Tamaulipas a result of abnormally dry weather was offset by increases in Chiapas and San Luis Potosi which had normal weather during the growing season. Soybean production was affected by the early season drought and thereafter by heavy rains which lowered yields and decreased production by approximately 12 percent (mainly in the state of Tamaulipas) from what had been expected. Production of soybeans, by state, for the 2000 spring/summer crop year is as follow:

PRODUCTION OF SOYBEANS, BY STATE, FOR
THE 2000 SPRING/SUMMER CROP YEAR

State	Area Planted (Hectares)	Area Harvested (Hectares)	Production (MT)	Yield (MT/Ha)
Sinaloa	823	815	2,071	2.5
Tamaulipas	49,150	40,975	48,768	1.2
Chiapas	12,776	12,766	30,479	2.4
San Luis Potosi	8,394	8,179	10,848	1.3
Veracruz	4,027	4,007	5,353	1.3
Chihuahua	298	279	1,525	5.5
Other	699	628	690	1.1
TOTAL	76,167	67,649	99,734	

Source: SAGARPA, Secretariat of Agriculture

Cottonseed Production

Mexican farmers are increasing their planting intentions for the MY 2001/02 to only 110,000 hectares against revised 96,000 hectares for MY 2000/01 crop. Consequently, analysts estimate that cotton production will be less than 400,000 bales in MY 2001/02. Reportedly, some cotton growers are complaining that the new support payment is too late to stimulate cotton production this year. Production areas such as Sinaloa have already planted this season's cotton. Similarly, growers in Sonora consider this support will not impact production due to low water levels in the state's water reservoirs, which will lower yields and decrease area planted. The cotton production estimate for MY 2000/01 has been revised upward slightly due to better than expected growing conditions and according to government data. Similarly, the cottonseed planted area estimate for MY 2000/01

was revised downward to reflect more current producer and government information.

Peanut Production

For MY 2001/02 peanut production is forecast at 130,000 MT, approximately 13 percent lower than the previous year because of dry weather in the principle producing state of Chihuahua. This is expected to reduce yields. The MY 2000/01 production estimate was increased as a result of normal rainfall during the important months of spring/summer cycle. In Chihuahua, for example, rainfall was 70 percent of normal for the year, increasing crop yields. The MY 1999/00 production was revised downward reflecting official data. Peanut producers, shellers, and processors are cautiously optimistic that the generally affordable retail prices for their products will increase the demand for peanuts and related products. Another factor, albeit minor, that contributes to increased demand for domestic peanuts, mainly from maquiladoras, is a provision in NAFTA which allows unlimited access to the United States for paste made from Mexican peanuts. Only a very small amount of total production continues to be used for oil and meal. Peanut butter is not used widely in Mexico, but imported U.S. product can be found in many major supermarkets.

Production Policy

As was indicated, during the second week of March 2001, SAGARPA announced a program to support and encourage oilseed production. This program's objective is to encourage oilseeds production by increasing the planted area, and using high-yield seed varieties. The program encompasses specific subprograms for helping producers of cotton, soybeans, sunflower, canola, oil palm, and coconut (see MX8036 and MX9039). These subprograms establish the following maximum annual limits:

Cotton: Under this subprogram eligible producers can apply for the following:

- S** Technical assistance and to meet the specific sanitary/phytosanitary regulations. Pesos 220.00/ha (US\$22.68/ha);
- S** For sampling, trapping, and release of beneficial insects, pesos 119.00/ha (US\$12.27/ha); and
- S** For the use of transgenic planting seeds, pesos 429.00/ha (US\$44.23/ha).

In addition to purchase cotton fiber classification equipment — High Volume Instruments (HVI) — , the maximum annual limit will be 504,000 pesos.(US\$51,959) per applicant. Another stimulus to production will be the analysis of quality of the fiber through samples and SAGARPA will provide a maximum of 6 pesos per sample (US\$0.62 per sample). The Confederation of Mexican Cotton Associations (CMCA), had announced "unofficially" new supports during the first week of March 2001, although considering different amounts. It should be noted, however, that the definitive supports are those announced by SAGARPA. As was above indicated, despite these supports some cotton grower considered it is too late to stimulate cotton production. The CMCA, however, indicated that this set of supports could increase slightly on cotton production for the MY 2001/02.

SAGARPA PROGRAM TO SUPPORT AND ENCOURAGE OILSEED PRODUCTION				
COMMODITY	OBJECTIVE	AMOUNT	PURPOSE	RESTRICTIONS

SOYBEAN, SUNFLOWER & CANOLA	SUPPORT & ENCOURAGE OILSEEDS PRODUCTION THROUGH SIMILAR ACTIVITIES TO THE COTTON SUBPROGRAM	\$220.00/HA (US\$22.68/HA)	TECHNICAL ASSISTANCE & TO MEET SPECIFIC SANITARY/PHYTOSANITARY REGULATIONS	EXCEPT HVI EQUIPMENT PURCHASES
		\$119.00/HA (US\$12.27/HA)	SAMPLING, TRAPPING & RELEASE OF BENEFICIAL INSECTS	
		\$140.00/HA (US\$41.43/HA)	INTRODUCTION OF NEW CULTIVATION TECHNOLOGIES	
		\$244.00/HA (US\$25.15/HA)	CONVERSION OF CURRENT CROPS TO SUNFLOWER & CANOLA CROPS	
OIL PALM	INCREASE OIL PALM AREA IN CHIAPAS, OAXACA, TABASCO, CAMPECHE, VERACRUZ, & QUINTANA ROO	\$ 5 , 3 5 0 . 0 0 / H A (US\$551.55/HA)	PRODUCING PLANTS 1 ST . STAGE	
		\$2,100.00/HA (US\$216.50/HA)	ESTABLISH PLANTINGS 2 ND . STAGE	SAGARPA WILL SUBSIDIZE THE LESSER OF UP TO 60% OR THE INDICATED AMOUNT.
		\$1,250.00/HA (US\$128.86/HA)	PLANTATIONS MANAGEMENT	
		\$36,000.00 (US\$3711.34)	TECHNICAL SUPPORT	ELIGIBLE PRODUCERS WITH PLANTED AREAS OF 300 HA
COCONUTS	ENCOURAGE COCONUT PRODUCTION THROUGH THE MAINTENANCE AND REHABILITATION OF GROVES	\$19.25/PLANT (US\$1.98)	PURCHASE OF HYBRID VARIETIES	
		\$13.30/COCONUT (US\$1.37)		
		\$840.00/HA (US\$86.60/HA)	REHABILITATION & MAINTENANCE OF COMMERCIAL PLANTATIONS	
		\$1,600.00/HA (US\$164.95/HA)	ESTABLISHMENT OF COMMERCIAL PLANTATIONS W/ HYBRIDS TOLERANT TO THE ALC	
		\$36,000.00 (US\$3,711.34)	TECHNICAL SUPPORT	ELIGIBLE PRODUCERS WITH PLANTED AREAS OF 250 HA
		\$500,000.00 (US\$51,546.40)	ESTABLISHMENT OF "GERMPLASMA" BANKS	ONLY ELIGIBLE PRODUCERS ON A ONE TIME BASIS.

Consumption, Total

Oilseed's consumption is forecast to increase to 5.90 MMT in MY 2001/02 from a revised 5.74 MMT in MY 2000/01 because of strong demand from the feed industry and livestock sector. The outlook for the livestock sector, especially poultry and hogs, continues to brighten and consequently increase oilseeds' demand. In addition, Mexico's economy remains relatively strong, which has strengthen consumption of domestic oilseed products. The total oilseed consumption estimates for MYs 1999/00 and 2000/01 have been revised upward based on more current industry information.

For soybeans, industry specialists are currently estimating that soybean demand will increase approximately 3.0 percent compared to MY 2000/01. Increased domestic crushing capacity continues to drive the demand for imported beans. Industry sources indicated that the Mexican crushing industry will continue to consolidate in the foreseeable future as smaller, inefficient crushers continue to go out of business and larger crushers expand capacity and market share. Crushing margins are expected to increase as the more efficient crushers control a

larger part of the market. The main crushers companies, such as Agydsa, Ragdsa, Cargill, La Corona and Chacur have continued their investments in new plants or increasing its crush capacity. Agydsa, for example, is bulding a new crushing plant in Guadalajara, with a nominal capacity to crush 2,000 MT of soybeans per day. The cautious optimistic outlook for the Mexican economy is expected to encourage additional investment in crushing plants in CY 2001. As a result, imports of oils and meals will likely to decline.

For MY 2001/02, Mexico's cottonseed consumption is expected to be up by approximately 3.5 percent, primarily because of the strong demand from the dairy industry. Consumption estimates for MY's 1999/00 and 2000/01 were revised upward reflecting most recent industry information. Similarly, feed consumption estimates for MY 2000/01 have been revised upward. Sources indicated that some dairy producers prefer to feed dairy cows cottonseed instead of meal cottonseed.

Consumption of rapeseed in MY 2001/02 is expected to continue an upward trend and is initially forecast to increase by another 2 percent. Factors supporting higher demand include attractive prices and the shift from sunflower seed to rapeseed by the industry. As in previous years, price and the availability of credit, rather than quality or strong consumer preference, continue to drive Mexican importers' decisions regarding oilseeds and products. Rapeseed consumption estimates for MY's 1999/00 and 2000/01 have been revised upward sharply according to ANIAME data.

For sunflower seed consumption, the MYs 1999/00 and 2000/01 estimates have been revised downward based on ANIAME information. As it was explained above, importers have shifted from sunflower seed to rapeseed due to attractive prices and the availability of credit from the rapeseed suppliers (mainly from Canada). For MY 2001/02, sunflower seed consumption is expected to remain practically unchanged.

Trade, Total

For MY 2001/02 oilseed imports are expected to increase approximately 4 percent reflecting the positive outlook for Mexico's poultry and livestock's sectors. The poultry sector's outlook, for example, continues to be very optimistic for MY 2001/02 (see MX1017). The U.S. along with Canada and Brazil, continue to be the main suppliers of oilseeds to the Mexican market. While the U.S. has retained its position, by far, as the largest supplier, competition for Mexican market has increased, especially from Canada, the main supplier of canola. As a result, the U.S. share is expected to decrease slightly in MY 2001/02. An increase in soyben imports is forecast for MY 2001/02, to reach 4.3 MMT. The soybean import estimates for MYs 1999/00 and 2000/01 have been revised upward reflecting official information from SDE.

Imports of Canadian canola (which are counted in the rapeseed PSD), skyrocketed in MY's 1999/01 and 2000/01, to nearly 1.0 MMT compared to 780,000 MT in MY 1998/99. Lower prices and an increasing consumer preference for the canola oil are seen as the major reasons for the increased imports. Imports of Canadian canola into the Mexican market is expected to continue and increase slightly in the future. Poland and Australia have also entered the market with Mexico importing over 190,000 MT of rapeseed in CY 1999. Trade sources indicate that they do not expect increased imports from these countries in the future.

Industry sources indicated that Mexican suppliers should easily fill the NAFTA peanut quota of 4,153 MT in 2001. Under NAFTA, the United States established a duty-free TRQ for Mexican peanuts (shelled/in-shell). The TRQ quantity has increased 3 percent per year, with over-quota duties have declined by 15 percent per year between 1994 and 2000, and will reach zero by 2008. Peanut exports estimated for MY 2000/01 were revised

upward based on SDE data and the stronger demand from the United States. Regarding peanut imports will be strong for MY 2001/02, with the United States and Nicaragua being the two main suppliers. Mexican peanut import estimates for MYs 1999/01 and 2000/01 were lowered to 106,000 MT and 85,000 MT respectively, based on official information from SDE.

Sunflower-seed imports estimates for MYs 1999/00 and 2000/01 have been revised sharply downward to 11,000 MT and 22,000 MT respectively, reflecting official information from SDE. Again, industry sources pointed out that imports were down because of low international prices. Many private sources concur with this estimate, including ANIAME, feed manufacturers, and meal processors.

Policy

The dutiable season for soybeans is October 1 through December 31, during which U.S. soybeans will be charged 2 percent. The tariff will be reduced 1 percentage point every year until it reaches zero on January 1, 2003.

Marketing

Mexico will continue to be a net importer of oilseeds and the U.S. will continue to be the principal supplier. Increased competition from Canadian rapeseed, however, is expected. Oilseed demand is price elastic, which causes substitution among competing oilseeds. Therefore, price will continue to be the overriding factor in marketing the product.

OIL MEALS

Production, General

Total meal production figures for MY 2000/01 increased 3.8 percent from revised MY 1999/00 level due to due to higher oilseeds imports. Production is expected to increase slightly in MY 2001/02. Meal production estimates for MYs 1999/00 and 2000/02 were revised upward from previous estimates to reflect updated industry information. Soybeans continue be the dominant meal in the market with 82 percent of total meal production.

Production of rapeseed meal, from imported seeds, increased in MY 2000/01 and is expected to continue that trend in MY 2001/02 due to the strong demand from feed and poultry industries. Cotton meal production is also expected to increase slightly in MY2001/02, reflecting the increase in cottonseed imports and production. Cottonseed and rapeseed meal production estimates were revised upward for MYs 1999/00 and 2000/01 based on new industry information.

Consumption

For MY 2001/02 total meal consumption is expected to increase due to increased investments and the dynamic demand for poultry and pork products. Moreover, the middle and long term prospects for meal consumption, especially soybean meal is good, given the current consolidation of the poultry industry to only large producers with vertically integrated operations. The United States remains the main supplier of oil meals to the Mexican market, with negligible amounts supplied from other origins, primarily in Latin America. The estimates for

total meal consumption in MYs 1999/00 and 2000/01 have been revised downward as demand was lower than previously estimated and reflecting new industry information.

Soybean meal consumption in MY 2001/02 is expected to increase due to the expanding poultry industry. Soybean meal will continue to be the ingredient of choice for the poultry and swine industries. The estimates of MYs 1999/00 and 2000/01 soybean meal consumption have been decreased based on updated information.

Although never a favored meal due to its high acid content, rapeseed meal consumption increased in MY 2000/01 due to favorable rapeseed prices and the lack of cottonseed meal supply. Increased fluid milk production combined with better herd management should raise consumption of both cottonseed and rapeseed meal. Both rapeseed and cottonseed meal continue to be used mainly by the dairy industry. For MYs 1999/00 and 2000/01, the rapeseed meal consumption estimates have been revised upward because rapeseed's competitive price relative to other oil meals during those periods drove demand higher than expected initially. The consumption estimates for cottonseed meal have been revised downward for MYs 1999/00 and 2000/01 in line with information obtained from industry sources

The consumption estimate of sunflowerseed meal has been revised downward sharply in MYs 1999/00 and 2000/01 to 11,000 MT and 16,000 MT, respectively, due to a combination of consumer preferences and high prices. Industry sources continue to point out that sunflowerseed meal has lower acceptance by the crushing industry and feed manufactures due to the high fiber content.

Trade

Oilmeal imports are expected to represent approximately 7 percent of total Mexican supplies for MY 2001/02, a higher share than in MY 2000/01, which reflects lower international prices. In MY 1999/00, imported meal accounted for 8.9 percent of total meal availability. Lower demand than previously estimated caused soybean meal imports to decline in MYs 1999/01 and 2000/01. For MY 2001/02, however, imports are expected to rebound, given expected increased demand from the poultry sector. The MYs 1999/00 and 2000/01 estimate of soybean meal imports have been revised downward according to SDE's official data.

The cottonseed and sunflowerseed meal imports estimates for MYs 1999/00 and 2000/01 have been revised downward in line with SDE's official data. They are expected to increase somewhat in MY 2001/02 given expected increased demand from the dairy sector.

Rapeseed meals import estimates for MYs 1999/00 and 2000/01 have been revised upward based on SDE's data. This positive trend is expected to continue in MY 2001/02. According to trade sources, the livestock sector has increased slightly rapeseed meal imports due to its competitive price and high protein content.

OILS

Production

Mexican oil production for MY 2001/02 is expected to increase by approximately 3 percent over the previous year due to the favorable outlook for the Mexican economy. The higher demand for oil is expected to be satisfied mainly by the domestic crushing industry, which in turn imports most of the oilseeds from the United States. The estimates of total Mexican oil production for MYs 1999/00 and 2000/01 have been increased

according to more recent industry information. Industry sources indicated crushers currently are operating at approximately 85-90 percent of capacity compared to 70 percent or less last year. In terms of refining capacity, oil companies are operating between 60-65 percent of capacity.

Soybean oil remains the major domestically produced oil, accounting for 56 percent of total production, against 57 percent in MY 2000/01. Last year, approximately 84 percent of domestically produced soybean oil was extracted from imported U.S. soybeans. That figure is expected to remain unchanged in MY 2001/02. Ample imported soybean supplies and low soybean prices have helped increase domestic crushing in MY 2000/01 and is expected to increase modestly again in MY 2001/02. According to industry sources, the crushing pace continues to be largely determined by domestic demand for soybean meal and the livestock that consume it.

Rapeseed oil has continued to be sourced mainly from Canada. Production of rapeseed oil from imported rapeseed is expected to account for approximately 24 percent of total oil consumption in MY 2001/02, a similar share than in MY 2000/01. For MYs 1999/00 and 2000/01 the rapeseed oil production estimates have been increased from the previous estimate due to favorably priced seeds, market preference for rapeseed oil and based on revisions by ANIAME. This positive trend in rapeseed oil production is expected to continue in MY 2001/02. At the same time, the sunflower-seed oil production estimate for MY 1999/00 and 2001/01 have been revised sharply downward based on new information provided by ANIAME. Reportedly, production decreased from previous years due to the high cost of seeds. For MY 2001/02, sunflower-oil production is expected to increase to only 11,000 MT, as price seeds continue to be unattractive.

Palm oil production is forecast to remain unchanged MY 2001/02. Figures for MY 2000/01 have been revised upward reflecting ANIAME information. Similarly, the coconut oil production estimate for MYs 1999/00 and 2000/01 have been revised downward reflecting better industry information. Production of this oil is forecast to increase in MY 2001/02 due to expected increased spending on coconut support program by the new Fox administration. According to ANIAME information, approximately 60 percent of coconut oil is bought by soap manufacturers and the remaining 40 percent is used for margarine production.

Consumption

Oil consumption is expected to increase 3 percent in MY 2000/01 and to continue increasing in MY 2001/02, although at slower pace (2 percent). These increases will be driven by increased demand from both the industrial and retail sectors due to population growth and depressed domestic vegetable oil prices. According to industry sources, oil processors continue to compete fiercely with each other to gain market share through retail prices discounts. A similar situation is occurring with the oil prices in the industrial sector. Industry sources expect this competition to continue in MY 2001/02 if oil prices remain depressed. The total oil consumption estimate for MY 1999/00 has been revised downward according to most recent industry information. For MY 2000/01, however, the total oil consumption estimate has been revised upward from previous estimates due to higher than expected crush levels.

According to industry sources, a government proposal to levy a 15 percent value-added tax (VAT) on food, including vegetable oil, would reduce purchasing by as much as 12 percent. GOM sources, however, indicated that demand would recover within a few months. Moreover, some analysts say the VAT would trigger a reshuffling of consumption toward more basic foods but would not decrease the overall volume of food Mexicans eat. Reportedly, low-income Mexicans, who make up approximately half of the population, spend 40 percent of their disposable income on food.

Soybean oil is expected to continue holding 45 percent of the market for MY 2001/02 as it has in recent years. Most of this product goes for food processing or is blended with other oils and sold as vegetable oil. Rapeseed oil consumption is also expected to increase slightly in MY 2001/02 assuming international prices of rapeseed will remain lower than other oilseeds. Rapeseed oil is expected to have a 24 percent market share in MY 2001/02. Consumption rapeseed oil estimates for MYs 199/00 and 2000/01 were revised upward as a result of depressed international prices. As already mentioned, prices continue to be the main factor in marketing the product.

The MYs 1999/00 and 2000/01 sunflower oil consumption estimates have been decreased from the previous estimate based on ANIAME data. ANIAME attributed the decrease on high seed prices and market preference for other vegetable oils such as rapeseed. Sunflower oil has only a 10 percent share of the Mexican market and most is sold to retail consumers for cooking oil. Lesser amounts are sold at wholesale for industrial uses, including the snack food and bakery industries.

For MY 2001/02, palm oil consumption is expected to increase 4 percent to 152,000 MT, assuming that low prices will likely encourage demand. The consumption estimates for MYs 1999/00 and 2000/01 have been increased based on revisions by ANIAME and SAGARPA. The coconut oil consumption estimate for MYs 1999/00 and 2000/01 have been decreased according to more recent information from ANIAME. A 3 percent increase is expected during MY 2001/02.

Trade

Vegetable oil imports are expected to decline in MY 2001/02 as result of increased imports of oilseeds. Also, imports of soybean oil are expected to decrease approximately 13 percent in MY 2001/02. Industry sources stated that with the expansion of the crush capacity and assuming affordable international oilseed prices, this trend could continue in the coming years.

The U.S. will continue to be the main supplier of vegetable oils (mainly soybean oil) into the Mexican market due to its proximity and lower freight cost, which permit Mexican importers purchase on a "as needed" basis. For sunflower oil, the MY 1999/00 and 2000/01 import estimates have been decreased based on revised Mexican official data. For MY 2001/02, imports are forecast to increase slightly assuming attractive international prices. According to SDE's official statistics, the United States was the main supplier of sunflower oil in CY 2000 with 96 percent of total imports. For rapeseed and coconut oils, the import estimates for MYs 1999/00 and 2000/01 have been decreased, reflecting revised GOM data. For palm oil, the import estimate has been raised for MYs 2000/01, reflecting revised industry data. Costa Rica, Indonesia, and Guatemala are the main supplier of palm oil to the market. Indonesia continues to be the main supplier of coconut oil.