

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Mexico

Post: Mexico

Mexico to Begin Importing Argentine Wheat

Report Categories:

Grain and Feed

Trade Policy Monitoring

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Report Highlights:

Post contacts confirmed recent press reports that Mexico has reached agreement on a phytosanitary protocol to import wheat from Argentina, and that one trial shipment is scheduled for later this year.

General Information:

Recent press reports highlighted that Mexico would make its first purchase of wheat from Argentina, a 30,000 metric ton (MT) shipment. Many of the reports also tied this shipment to Mexico's well-publicized trade diversification efforts in the face of continued uncertainty over the future of the North American Free Trade Agreement (NAFTA). In fact, the Mexican Secretariat of Agriculture (SAGARPA) funded a reverse trade mission to Argentina and Brazil in May of this year to encourage purchases of grains and oilseeds from non-traditional (i.e., non-U.S.) sources. Milling industry contacts indicated to Post that they were unable to finalize purchases from Argentina during that visit due to the lack of phytosanitary approvals.

However, Mexico's phytosanitary authority SENASICA has now finalized a protocol with its Argentine counterpart, allowing imports to begin. Milling industry contacts indicated that they first requested approval for Argentine wheat three years ago, and have also requested access for wheat from Germany, Poland, and Australia. This is part of an ongoing strategy of ensuring Mexican millers have access to the best price and quality combinations for wheat on the world market.

The initial shipment of Argentine wheat, confirmed to be one shipload of 30,000 MT, is expected to arrive in late December. The wheat was purchased by eight companies, which will use this first shipment as a trial to see whether it meets their specific technical needs in terms of moisture, protein content, etc. Reportedly, the millers are in the process of purchasing one additional shipment from Argentina. Depending on the results of this test, more shipments are possible if the price and timing are right. These current purchases take advantage of competitive pricing of Argentine wheat versus U.S. wheat at this moment in time. As described in the most recent [Grain and Feed Annual Report](#), wheat imports already have the most diversified origins among the major grains and oilseeds.

Post Comment: The Mexican government continues to highlight its efforts to diversify its sources of grains and oilseeds. Private sector contacts emphasize that they are making decisions based on economic factors and that an increase in purchases this year merely reflects competitive pricing from South America. Many contacts have expressed that they assume grain imports from the United States will continue with or without NAFTA. On the other hand, the private sector does have concerns about the future of the agreement. In particular, the livestock industry has indicated that it is actively looking for alternatives should its access to U.S. corn be restricted.