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Report Highlights:

Mexico's oilseed crush in marketing year (MY) 2024/25 is forecast to increase due to higher vegetable oil and animal feed demand. Forecast economic growth and lower interest rates are expected to drive production of oil and meal and increase Mexico's soybean and rapeseed imports by four percent and seventeen percent, respectively. Oilseed producers are expected to increase planted based on expected average weather, compared to drier conditions the previous year.

EXECUTIVE SUMMARY

Mexico's oilseeds production for marketing year (MY) 2024/2025 is forecast four percent higher than the previous year at 636,000 metric tons (MT). A higher planted area for soybeans is expected as producers make planting decisions on average weather and moisture conditions. Rapeseed, sunflower seed, and cottonseed production are forecast to remain unchanged for MY 2024/2025 due to limited financing and policy support mechanisms for oilseeds. Palm kernel production is forecast upward by one percent to 75,000 MT based on improved oil palm tree yields from adequate fertilization and tree maturity. Additionally, peanut production is forecast to increase by six percent to 85,000 MT due to farmer expectations for improved drought conditions and therefore slightly higher planted area.

Oilseed imports for MY 2024/2025 are forecast seven percent higher year-on-year to nearly 8.5 million metric tons (MMT). Despite increased domestically grown oilseeds, production is forecast to represent about seven percent of Mexico's total use. Land competition from other crops, limited seed technology, and increased input costs for seeds, gasoline, and electricity, and insecurity in some production areas limit Mexico's growth potential in oilseeds production.

Oilseed crush for MY 2024/2025 is forecast to increase by seven percent to 8.3 MMT driven by robust domestic vegetable oil and feed demand and supported by imports of soybeans and rapeseed.

Post forecasts MY 2024/2025 oilseed consumption to increase by six percent year-on-year to 9.2 MMT. Increased demand from vegetable oil, animal feed, and industrial sectors is expected to drive up consumption.

Meal production is forecast to reach 6.2 MMT in MY 2024/2025, six percent higher than the previous year, driven by increased oilseed imports, crush, and livestock industry growth. Due to forecast higher crush rates, meal imports are expected to remain stable at 1.7 MMT. Meal consumption is forecast at 7.8 MMT, four percent higher than the previous year based on higher animal feed demand.

Oil production for MY 2024/2025 is forecast at 2.2 MMT, a seven percent increase compared to the previous year based on higher demand for vegetable oil. Higher vegetable oil demand, driven by population and economic growth and the hotel, restaurant, and institutional (HRI) sector will also drive-up oil imports to 1.2 MMT, two percent higher than the previous year. Total oil consumption is forecast at 3.2 MMT, four percent higher year-on-year to meet increased domestic vegetable oil demand.

OILSEEDS SECTION

Commodities:
Oilseeds, Soybean
Oilseeds, Rapeseed
Oilseeds, Palm kernel
Oilseeds, Cottonseed
Oilseeds, Sunflower seed
Oilseeds, Peanut

Table 1. Mexico: Production, Supply, and Distribution (PSD) of Total Oilseeds

Total Oilseeds	2022/23	2023/24	2024/25
Mexico	**Revised**	**Estimate**	**Forecast**
Area Planted (1000 HA)	494	396	406
Area Harvested (1000 HA)	467	377	391
Beginning Stocks (1000 MT)	445	373	346
Production (1000 MT)	796	610	636
MY Imports (1000 MT)	8135	8001	8523
Total Supply (1000 MT)	**9376**	**8984**	**9505**
MY Exports (1000 MT)	37	29	23
Crush (1000 MT)	8154	7799	8315
Food Use Dom. Cons. (1000 MT)	297	332	357
Feed Waste Dom. Cons. (1000 MT)	515	478	483
Total Dom. Cons. (1000 MT)	8966	8609	9155
Ending Stocks (1000 MT)	373	346	327
Total Distribution (1000 MT)	**9376**	**8984**	**9505**
(1000 HA), (1000 MT), (MT/HA)			

Post forecasts total oilseeds production for MY 2024/2025 at 636,000 MT, four percent higher year-on-year. The forecast increase is driven by increased soybean production on optimism for better prices and more average weather conditions and moisture levels compared to last year. Despite forecast growth, oilseed production is relatively limited compared to use. Reduced access to land from competing crops such as corn, sugarcane, and beans, limited commercial access to genetically engineered (GE) seeds, scarce financing mechanisms, and a lack of agricultural support policy for oilseeds are key factors for overall low domestic oilseeds production compared to use.

Total oilseeds imports are forecast to increase by six percent to 8.5 MMT for MY 2024/2025 based on higher demand from the crushing industry. Forecast crush is 8.3 MMT, six percent higher year-on-year. Based on industry sources, domestic crushers are forecast to increase their oilseeds imports, mainly

soybean and rapeseed, to meet growing vegetable oil, food processing, and animal feed industries. Competitive international prices, supply chain and logistical efficiencies, and ample crush capacity are the main factors which influence Mexico's oilseed imports. Due to limited domestic production, oilseed exports are forecast to remain minimal.

Forecast growth in vegetable oil consumption is expected to demand higher oilseeds crush. Several factors are expected to drive upward vegetable oil demand for industrial use and households including population growth, the HRI sector, domestic policy for increased minimum wages and social welfare programs and projected economic growth of around two percent annually. According to industry sources, soybean and rapeseed oils represent 61 percent of total vegetable oils consumption and are the two most consumed vegetable oils domestically. Demand for palm oil is expected to slightly increase based on its functionality for the food and manufacturing industries.

Additionally, Mexico is the fifth largest producer of animal feed worldwide. Increased animal feed demand is a key factor for higher forecast crush for MY 2024/2025. Robust growth in the livestock, poultry, and aquaculture sectors require increased soybean and rapeseed meals to maintain livestock protein intake. Since feed represents between 60 and 70 percent of poultry and swine production costs, the animal feed industry is highly sensitive to price changes in raw materials for their feed mixes. Therefore, based on industry sources, soybean meal will continue to be valued on high meal extraction and protein content suitable for commercial livestock production.

Soybean, Oilseed

Table 2. Mexico: Production, Supply and Distribution of Soybean (Oilseed)

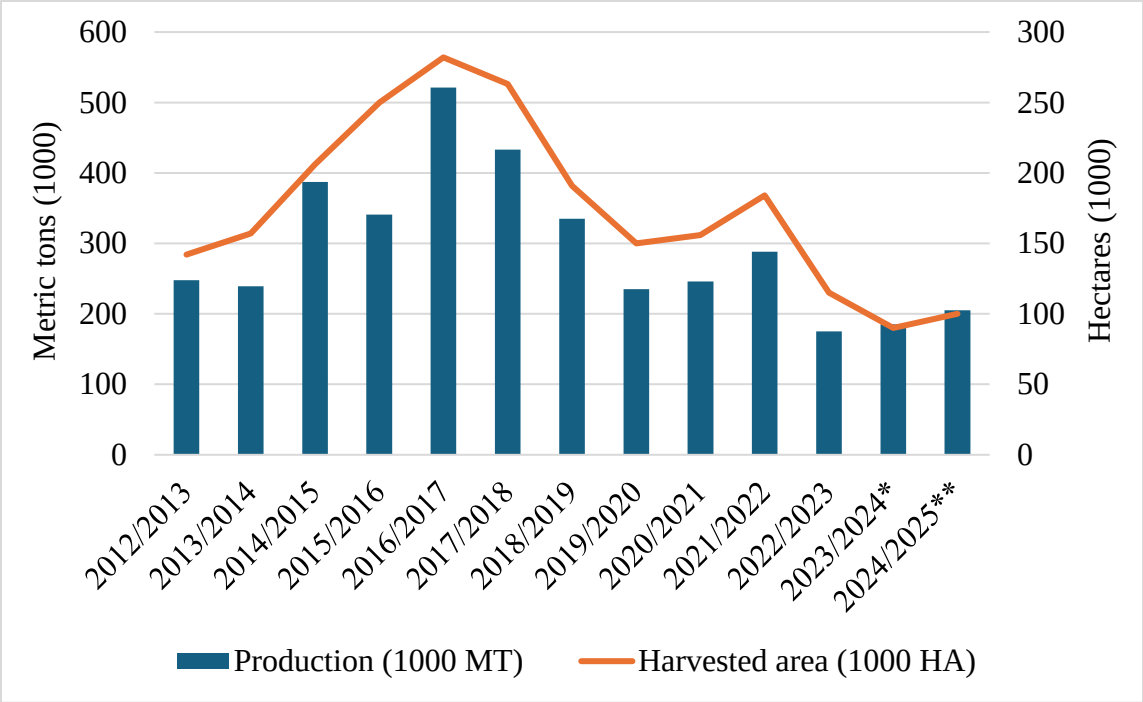
Oilseed, Soybean	**2022/2023**		**2023/2024**		**2024/2025**	
Market Year Begins	**Sep 2022**		**Sep 2023**		**Sep 2024**	
Mexico	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted (1000 HA)	150	132	150	94	0	110
Area Harvested (1000 HA)	115	115	90	90	0	100
Beginning Stocks (1000 MT)	304	304	218	218	0	226
Production (1000 MT)	175	175	138	185	0	205
MY Imports (1000 MT)	6442	6442	6400	6400	0	6670
Total Supply (1000 MT)	6921	6921	6756	6803	0	7101
MY Exports (1000 MT)	1	1	2	2	0	2
Crush (1000 MT)	6650	6650	6480	6520	0	6805
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	52	52	55	55	0	60
Total Dom. Cons. (1000 MT)	6702	6702	6535	6575	0	6865
Ending Stocks (1000 MT)	218	218	219	226	0	234
Total Distribution (1000 MT)	6921	6921	6756	6803	0	7101
Yield (MT/HA)	1.5217	1.5217	1.5333	2.0556	0	2.05
(1000 HA), (1000 MT), (MT/HA)						

Production

MY 2024/2025

Soybean production for MY 2024/2025 (September – August) is forecast eleven percent higher year-on-year to 205,000 MT. Based on industry sources, most soybean farmers guarantee the sale of their estimated production with regional crushers at the beginning of the crop cycle and therefore reduce risk on business outcomes. The forecast increase is driven by soybean producer planting decisions on optimism for better prices and more average weather conditions and moisture levels compared to last year. Despite the forecast growth in production and planted area, in context, production is relatively lower than the previous 5-year average of 226,000 MT. Mexico's gradual recovery from severe and exceptional drought conditions continue to impact planting decisions.

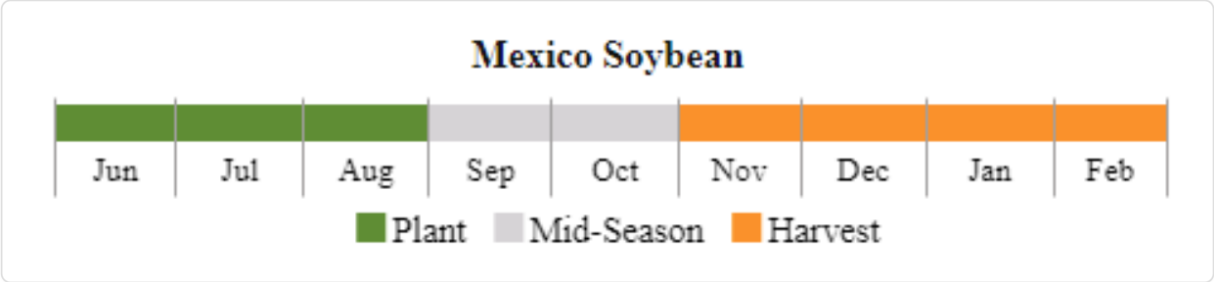
Figure 1. Evolution of Harvested Area and Production of Soybean in Mexico



Source: Servicio de Información Agrícola y Pecuaria (SIAP)/*estimate**forecast

Additionally, limited access to GE seeds and land competition from other crops such as corn and beans, scarce financing mechanisms, higher input costs, and a lack of agricultural support policies for soybean producers are key factors for overall low domestic production compared to use.

Figure 2. Mexico Soybean Crop Calendar



Over the last five years, total planted area decreased sharply in Tamaulipas and Sinaloa. Although Campeche and Yucatán increased planted area and production due to contract farming mechanisms established between soybean producers and regional crushers, the increases did not offset the lost production in northern states.

MY 2023/2024

Despite the lowest planted soybean area in more than a decade in MY 2023/2024, ideal weather and moisture levels increased soybean yields. Based on official harvest data, Post adjusts its estimated production for MY 2023/2024 to 185,000 MT, which is six percent higher year-on-year. The spring/summer cycle represents 98 percent of total production. As of February 1, the 2023/2024 spring/summer cycle harvest was over 93 percent complete with 86,869 HA harvested out of 92,927 HA planted area and production reached 178,721 MT. Farmers reported good grain quality and minimal production area damaged mostly due to flooding. Yields are estimated 35 percent higher at 2.06 metric tons per hectare (MT/HA) based on adequate rainfall levels in Campeche, which accounts for 60 percent of domestic production.

Trade

MY 2024/2025

Post forecasts soybean imports for MY 2024/2025 at 6.7 MMT, a four percent increase over the previous year. Based on industry sources, imports are expected to increase due to a forecast gradual recovery of the crush margin for soybeans and competitive prices from higher global production. In addition, crushers indicate duty free imports through the United States-Mexico-Canada Agreement (USMCA) and established supply chains will facilitate increased soybean imports. Exports for MY 2024/2025 are forecast to remain minimal.

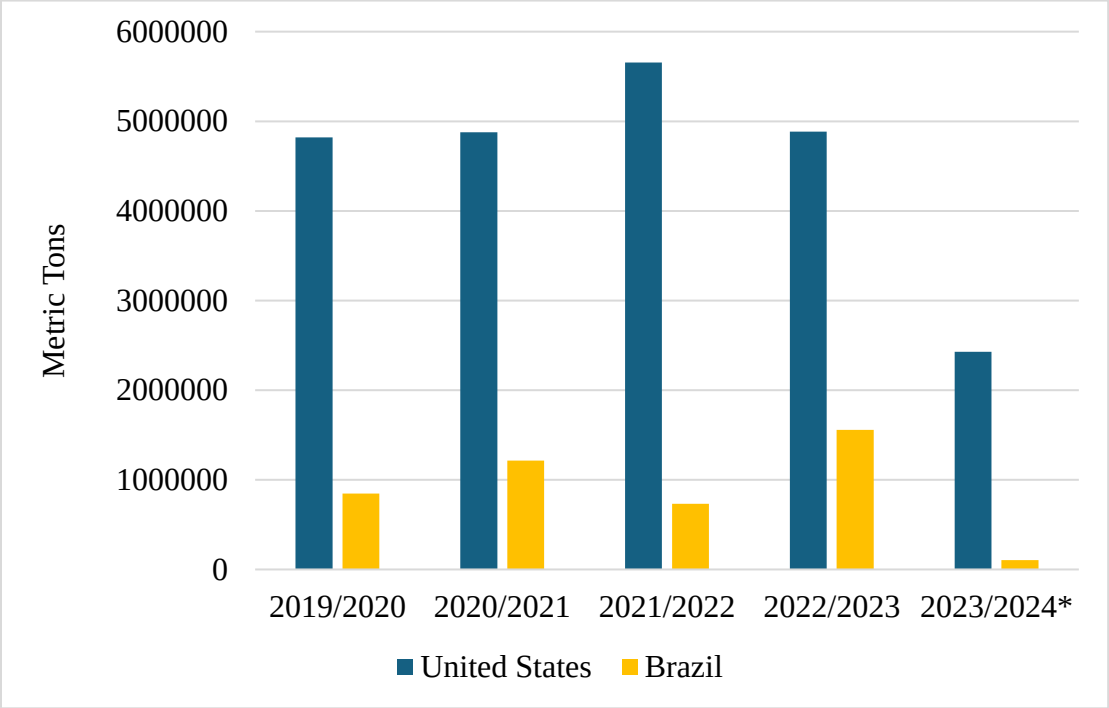
Mexico’s industry is forecast to increase soybean imports to meet robust and growing domestic demand for the crushing industry that produces soybean oil for human consumption and soybean meal for the livestock industry. Mexico’s crushers favor U.S. soybeans due to their competitive price, proximity, and arrival through developed railway infrastructure. Over 65 percent of soybean imports are shipped by freight trains through the U.S.–Mexico border, notably Eagle Pass, Laredo, and El Paso.

MY 2023/2024

Mexico's soybean imports are estimated to reach 6.4 MMT, a one percent decrease from a record level of imports in MY 2022/2023, due to slight increased domestic production and higher soybean prices. Despite the year-on-year decrease, imports are still estimated relatively high—the second highest level on record.

Imports are estimated to reach nearly 94 percent of total consumption in MY 2023/2024. Trade data as of January 2024 indicate U.S. origin soybeans supply nearly 98 percent of total trade. In the same period of MY 2023/2024, Mexico's imports of Brazilian soybeans more than tripled year-on-year, from 14,067 MT to 49,499 MT, although only accounts for two percent of total soybean imports. Industry sources report that Brazilian soybeans are more price competitive compared to U.S. soybeans, however trade distances and connected rail infrastructure to large crushers such as along the U.S.-Mexico border create more competitiveness for U.S. soybeans.

Figure 3. Mexico's Soybean Imports (Marketing Year, September – August)



Source: Trade Data Monitor, LLC/*September 2023 to February 2024

Consumption

Post forecasts increased consumption at 6.8 MMT in MY 2024/2025 due to robust crush demand for soybean oil and animal feed. Soybeans are the most crushed oilseed in Mexico. Soybean crush for MY 2024/2025 is forecast at 6.8 MMT, a four percent increase year-on-year based on forecast increased demand for vegetable oils and meals and competitive international soybean prices.

Installed crush capacity in Mexico is 11.0 MMT and 90 percent is concentrated among five large companies. In the last ten years, these companies doubled their crushing capacity by constructing and modernizing plants to increase efficiency and production.

Soybean oil ranks first among vegetable oil consumption in Mexico, accounting for 38 percent of total consumption. Based on industry sources, soybean oil consumption is forecast to increase by five percent year-on-year in MY 2024/2025 with forecast population and economic growth. The food industry values soybean oil due to its high smoke point, ideal for the fried food subsector. According to industry sources, animal feed demand for soybean meal is forecast to increase by three percent year-on-year in MY 2024/2025 based on expected growth in the poultry and pork sectors.

Post adjusts its estimate for crush in MY 2023/2024 to slightly over 6.5 MMT, two percent lower year-on-year based on lower crush margins.

Stocks

Post forecasts ending stocks for MY 2024/2025 at 234,000 MT, a four percent increase year-on-year due to growing production and imports.

Rapeseed, Oilseed

Table 3. Mexico: Production, Supply and Distribution of Rapeseed (Oilseed)

Oilseed, Rapeseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	2	0	2	0	2
Area Harvested (1000 HA)	2	2	2	2	0	0
Beginning Stocks (1000 MT)	50	50	74	74	0	76
Production (1000 MT)	2	2	2	2	0	2
MY Imports (1000 MT)	1447	1447	1200	1200	0	1400
Total Supply (1000 MT)	1499	1499	1276	1276	0	1478
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	1425	1425	1200	1200	0	1430
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1425	1425	1200	1200	0	1430
Ending Stocks (1000 MT)	74	74	76	76	0	48
Total Distribution (1000 MT)	1499	1499	1276	1276	0	1478
Yield (MT/HA)	1	1	1	1	0	0
(1000 HA), (1000 MT), (MT/HA)						

Production

Rapeseed oilseed production for MY 2024/2025 (October-September) is forecast to remain unchanged year-on-year at 2,000 MT. Factors which restrict rapeseed production in Mexico are unavailability of high-yielding GE seeds, a shortage of planters and harvesters, and insufficient training and technical assistance.

Trade

MY 2024/2025

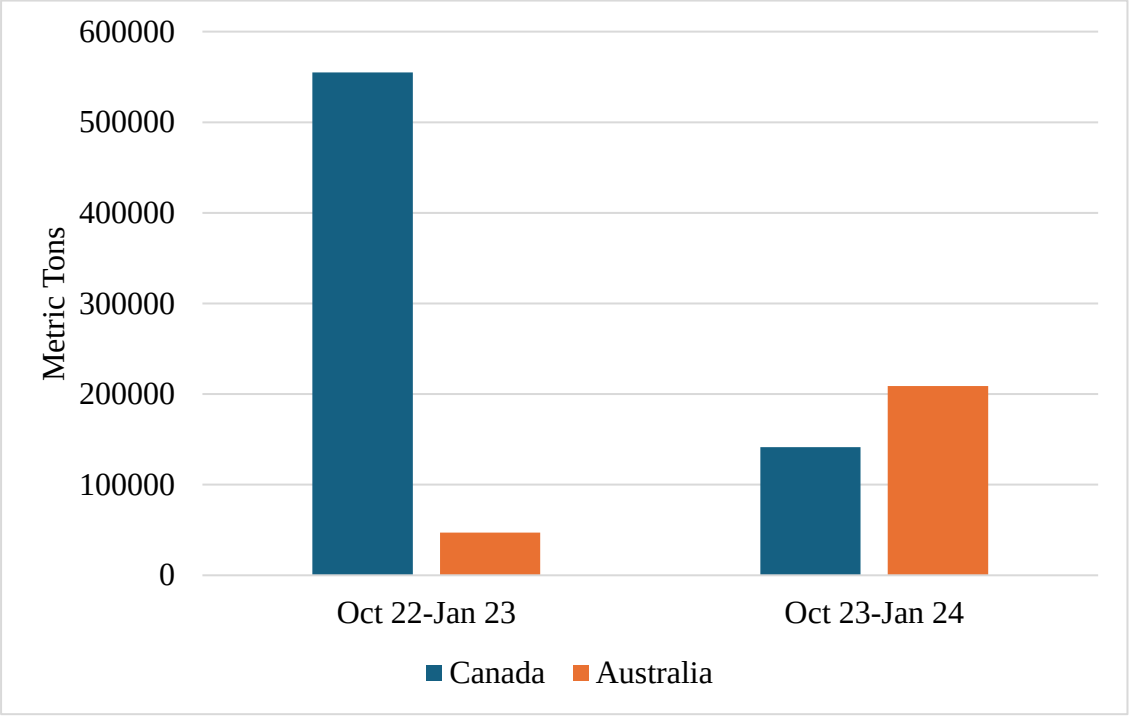
Post forecasts rapeseed imports for MY 2024/2025 at 1.4 MMT, a 17 percent increase year-on-year. Forecast increased demand from crushers for edible oil and animal feed will drive up rapeseed imports. From the feed industry, the poultry and swine sectors are expected to increase demand for canola meal, a variety of rapeseed, based on price competitiveness and as an alternative animal feed protein source. As for the food industry, demand for canola oil is forecast two percent higher year-on-year.

Canada is forecast to remain the largest supplier of rapeseed to Mexico based on price and logistical connectivity. However, Australia is expected to increase its import share due to price competitiveness.

MY 2023/2024

Post estimates imports for MY 2023/2024 at 1.2 MMT, 17 percent lower year-on-year based on decreased demand from crushers. Based on industry sources, rapeseed imports from Australia are higher from October 2023-January 2024 compared to Canadian imports in the same period last year due to their lower price and similar quality.

Figure 4. Mexico's Rapeseed Imports (October-January)



Source: Trade Data Monitor, LLC

Consumption

Post forecasts total consumption to increase 19 percent to 1.43 MMT in MY 2024/2025 due to increased crush demand for oil for human consumption and meal for animal feed. Based on industry sources, canola oil holds specific nutritional properties and attributes used for blending with other edible oils.

FAS Mexico forecasts rapeseed crush for MY 2024/2025 at 1.43 MMT, a 19 percent increase year-on-year based on forecast increased demand for vegetable oil, meal, and competitive international rapeseed prices. Forecast rapeseed crush for MY 2024/2025 is expected to rebound to the MY 2022/2023 crush levels.

With regards to the animal feed sector, canola meal is a key ingredient for the dairy and beef cattle fattening sectors and consumption is likely to increase based on price competitiveness.

Stocks

Post forecasts ending stocks for MY 2024/2025 at 48,000 MT, a 37 percent decline year-on-year based on higher domestic consumption.

Palm Kernel, Oilseed

Table 4. Mexico: Production, Supply and Distribution of Palm Kernel (Oilseed)

Oilseed, Palm Kernel	2022/2023		2023/2024		2024/2025	
Market Year Begins	May 2022		May 2023		May 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	108	0	108	0	108
Area Harvested (1000 HA)	0	100	0	102	0	103
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	0	74	0	74	0	75
MY Imports (1000 MT)	0	1	0	1	0	1
Total Supply (1000 MT)	0	75	0	75	0	76
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	0	75	0	75	0	76
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	0	75	0	75	0	76
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	0	75	0	75	0	76
Yield (MT/HA)	0	0.74	0	0.7255	0	0.7282
(1000 HA), (1000 TREES), (1000 MT), (MT/HA)						

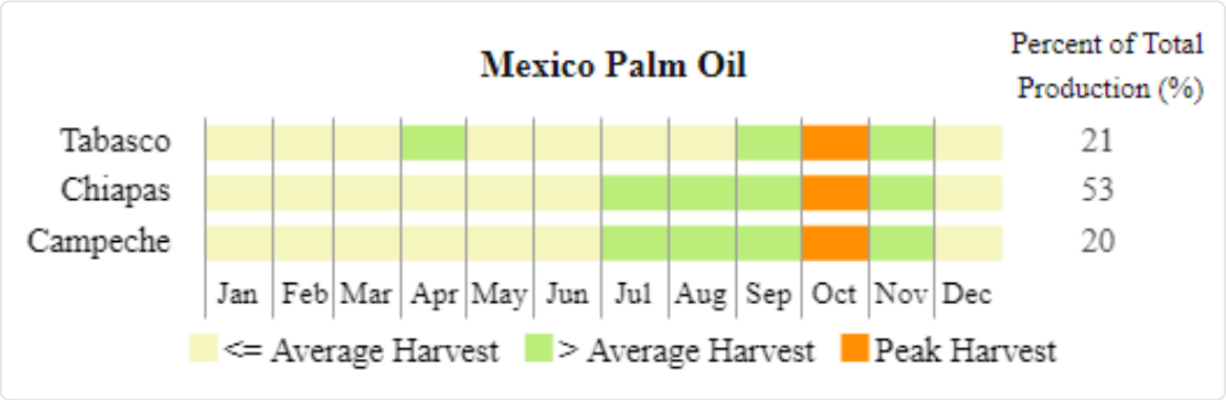
Production

Palm kernel production for MY 2024/2025 (May-April) is forecast one percent higher year-on-year to 75,000 MT, based on improved oil palm tree yields from adequate fertilization and tree maturity.

Mexico holds 108,117 HA of planted area for oil palm in four states: Chiapas (45,423 HA), Campeche (29,096), Tabasco (26,398 HA), and Veracruz (7,200 HA). According to local sources, production is

forecast to grow steadily as a result of oil palm tree maturity from trees planted in the last five years and the efficient use of fertilizers. A significant part of planted oil palm trees are at their peak yield stage, while older trees have been replaced by newer planted young trees. The planted area is forecast unchanged due to planting restrictions in federally protected areas.

Figure 5. Mexico Palm Oil Crop Cycle

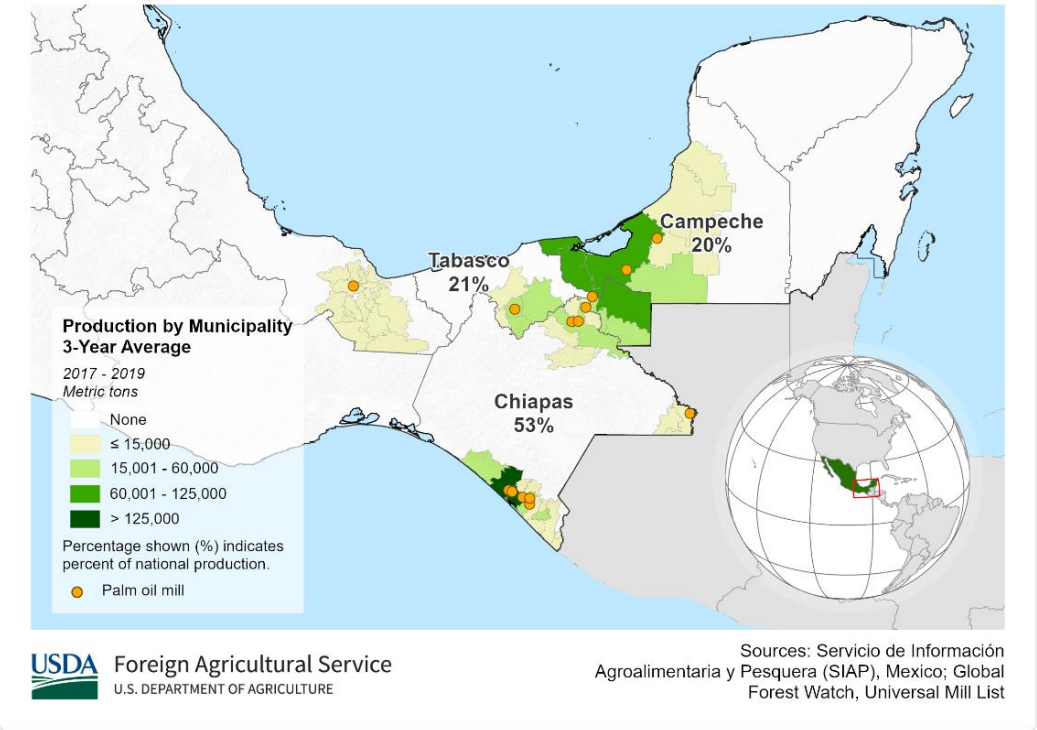


Source: USDA FAS International Production Assessment Division (IPAD)

The Mexican palm sector increased significantly over the past 20 years. Initially, the growth was driven by government incentive programs at federal and state levels to encourage the planting of oil palm in Mexico's southern regions. However, the current administration in office since December 2018 canceled these incentive programs. Mexico's private oil-extraction companies subsidize fertilizers and other inputs in production areas to increase oil palm yields.

In response to environmental concerns, the palm oil industry promoted the establishment of the Mexican standard NMX-F-817-SCFI-2020 'Establishing the Requirements and Specifications of the Sustainable Palm Oil Value Chain' which went into force on January 1, 2021. This standard seeks sustainability of palm oil production by issuing a Roundtable on Sustainable Oil (RSPO) certificate if producers meet the standard requirements. In addition, based on local sources, the palm oil industry currently contributes to another official standard to prevent the expansion of oil palm production in protected areas.

Figure 6. Mexico Palm Oil Production



Source: USDA FAS International Production Assessment Division (IPAD)

Trade

Mexico's imports of palm kernel are minimal and domestic production meets demand. Palm kernel imports are forecast unchanged at 1,000 MT.

Consumption

Palm kernel crush is forecast to increase by one percent to 76,000 MT in MY 2024/2025 based on slightly higher demand for palm kernel products.

Stocks

Current palm kernel stocks held by palm oil processors are considered operating stocks to meet short-term demand. There are no government-held stocks of palm kernel in Mexico.

Cottonseed, Oilseed

Table 5. Mexico: Production, Supply and Distribution of Cottonseed (Oilseed)

Oilseed, Cottonseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Aug 2022		Aug 2023		Aug 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (Cotton) (1000 HA)	200	196	150	132	0	129
Area Harvested (Cotton) (1000 HA)	200	194	130	130	0	129
Seed to Lint Ratio (RATIO)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	60	60	69	55	0	15
Production (1000 MT)	540	450	316	260	0	260
MY Imports (1000 MT)	9	9	60	120	0	150
Total Supply (1000 MT)	609	519	445	435	0	425
MY Exports (1000 MT)	0	4	4	0	0	0
Crush (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	540	460	380	420	0	420
Total Dom. Cons. (1000 MT)	540	460	380	420	0	420
Ending Stocks (1000 MT)	69	55	61	15	0	5
Total Distribution (1000 MT)	609	519	445	435	0	425
Yield (MT/HA)	2.7	2.3196	2.4308	2	0	2.0155
SME (1000 MT)		161.506		147.462		147.462
(1000 HA), (RATIO), (1000 MT), (MT/HA)						

Production

Cottonseed production for MY 2024/2025 (August-September) is forecast unchanged at 260,000 MT based on steady cotton production. Sources indicate a lack of access to GE cotton seeds and limited electricity for cotton production will limit growth for cottonseed production. Post estimates MY 2023/2024 cottonseed production at 260,000 MT, more than half lower than the previous marketing year based on updated official cotton harvesting data. According to industry, one 480-pound (lb.) bale (217 kg) of ginned cotton produces on average 285 kilograms of cottonseeds.

Trade

Cottonseed imports for MY 2024/2025 are forecast at 150,000 MT, a 25 percent increase year-on-year based on lower production. The dairy sector is estimated to drive up cottonseed imports due to short domestic supply. All cottonseed imports come from the United States due to proximity, infrastructure, and price.

In MY 2023/2024, cottonseed imports are estimated to increase to 120,000 MT from 9,000 MT in MY 2022/2023, due to a sharp drop in cotton production, which significantly reduced cottonseeds availability for dairy feed.

Consumption

Cottonseed consumption is forecast unchanged at 420,000 MT for MY 2024/2025 based on stable demand for animal feed. Most of the cottonseed in Mexico is consumed by dairy cattle, and a small

share is consumed in the beef cattle fattening industry. Livestock breeders value cottonseeds due to their high protein levels. Based on industry sources, there is no significant cottonseed crush in Mexico.

Stocks

Post forecasts stocks for MY 2024/2025 at 5,000 MT, a 67 percent decline based on lower cottonseeds availability.

Sunflower Seed, Oilseed

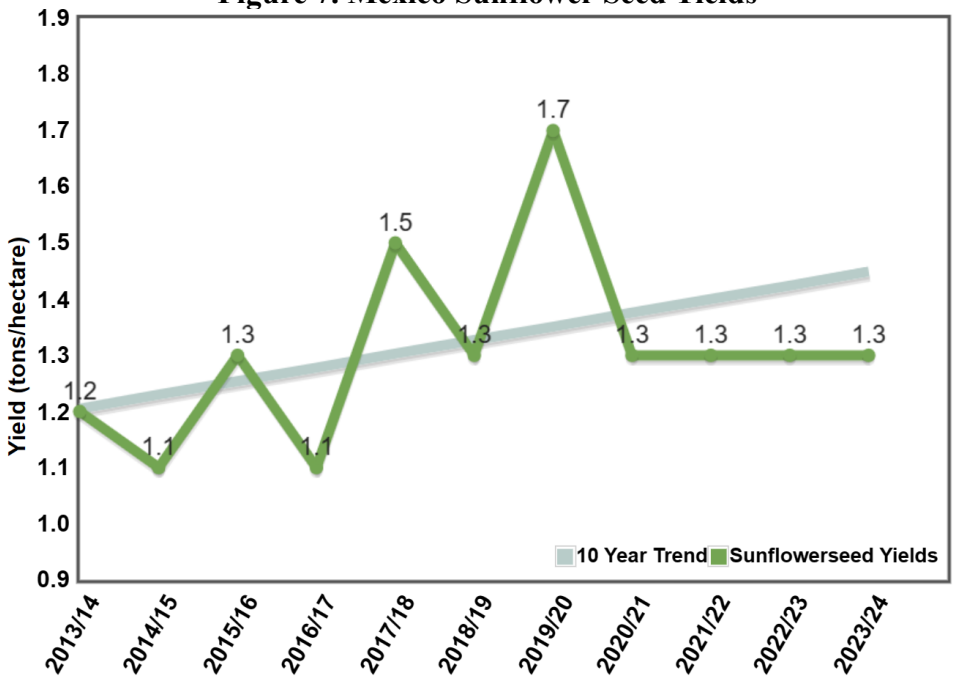
Table 6. Mexico: Production, Supply and Distribution of Sunflower Seed (Oilseed)

Oilseed, Sunflower seed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	7	0	7	0	7
Area Harvested (1000 HA)	7	7	7	7	0	7
Beginning Stocks (1000 MT)	3	3	5	5	0	8
Production (1000 MT)	9	9	9	9	0	9
MY Imports (1000 MT)	34	34	30	40	0	42
Total Supply (1000 MT)	46	46	44	54	0	59
MY Exports (1000 MT)	0	1	6	1	0	1
Crush (1000 MT)	38	0	30	0	0	0
Food Use Dom. Cons. (1000 MT)	0	37	0	42	0	47
Feed Waste Dom. Cons. (1000 MT)	3	3	3	3	0	3
Total Dom. Cons. (1000 MT)	41	40	33	45	0	50
Ending Stocks (1000 MT)	5	5	5	8	0	8
Total Distribution (1000 MT)	46	46	44	54	0	59
Yield (MT/HA)	1.2857	1.2857	1.2857	1.2857	0	1.2857
SME (1000 MT)		2.001		2.001		2.001
(1000 HA), (1000 MT), (MT/HA)						

Production

Sunflower seed production for MY 2024/2025 (October-September) is forecast to remain stable at 9,000 MT. Sources indicate the current administration in office since December 2018 removed oilseeds from priority crop support programs and production remains stagnant. As a result, farmers lack incentives to invest resources and technology for more productive and efficient sunflower seed production.

Figure 7. Mexico Sunflower Seed Yields



Source: USDA FAS International Production Assessment Division (IPAD)

Safflower seed is not included in the total oilseed figures in this report; however, production and exports have increased in recent years on the ability to tolerate drought compared to other crops. For MY 2023/2024, safflower production is estimated at 80,000 MT. Sonora and Jalisco hold over 65 percent of domestic production, mainly during the fall/winter cycle.

Trade

Sunflower seed imports for MY 2024/2025 are forecast at 42,000 MT, a five percent increase year-on-year based on increased demand from the snack industry. Imports for MY 2023/2024 are estimated at 40,000 MT based on updated official trade data. The United States and Argentina are the top suppliers of sunflower seeds to Mexico accounting for 90 percent of total imports. For MY 2023/2024, the United States is estimated to remain the main source of Mexico's sunflower seed imports due to price and logistical advantages. Sunflower seed exports are minimal.

Consumption

Total consumption for MY 2024/2025 is forecast at 50,000 MT, eleven percent higher than the previous year due to higher domestic demand for sunflower seeds as a snack. According to industry, Mexico's consumers prefer shelled sunflower seeds due to convenience. Based on industry sources, there is no sunflower seed crush in Mexico due to negative crush margins.

Stocks

Ending stocks for MY 2024/2025 are forecast unchanged at 8,000 MT.

Peanut, Oilseed

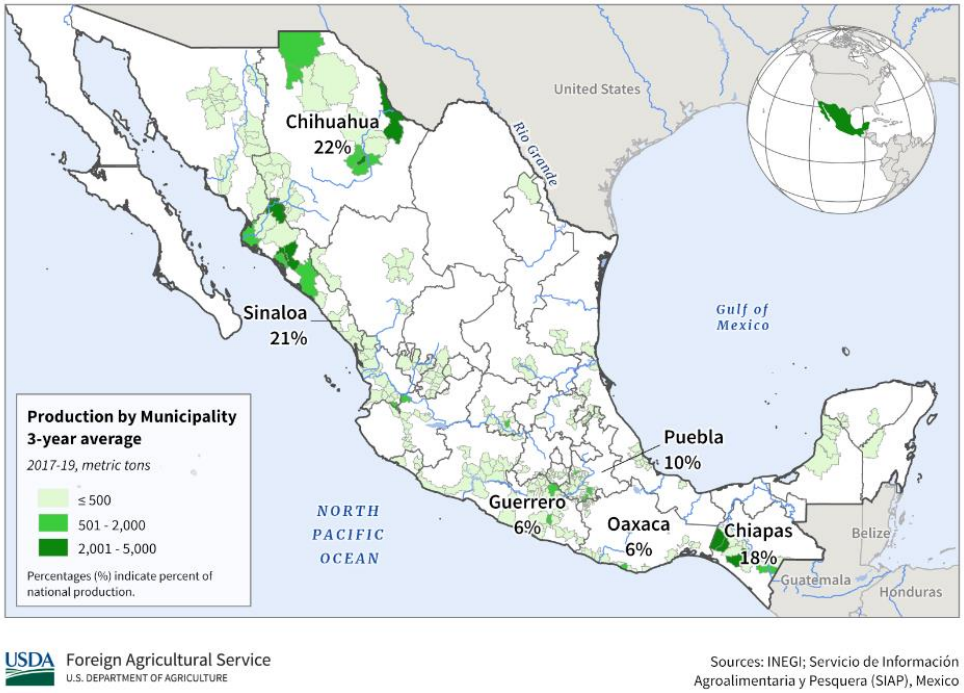
Table 7. Mexico: Production, Supply and Distribution of Peanut (Oilseed)

Oilseed, Peanut	2022/2023		2023/2024		2024/2025	
Market Year Begins	Sep 2022		Sep 2023		Sep 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	54	49	53	53	0	50
Area Harvested (1000 HA)	49	49	53	46	0	50
Beginning Stocks (1000 MT)	28	28	21	21	0	21
Production (1000 MT)	86	86	92	80	0	85
MY Imports (1000 MT)	202	202	230	240	0	260
Total Supply (1000 MT)	316	316	343	341	0	366
MY Exports (1000 MT)	31	31	26	26	0	20
Crush (1000 MT)	4	4	4	4	0	4
Food Use Dom. Cons. (1000 MT)	260	260	290	290	0	310
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	264	264	294	294	0	314
Ending Stocks (1000 MT)	21	21	23	21	0	32
Total Distribution (1000 MT)	316	316	343	341	0	366
Yield (MT/HA)	1.7551	1.7551	1.7358	1.7391	0	1.7
(1000 HA), (1000 MT), (MT/HA)						

Production

Post forecasts Mexico's MY 2024/2025 (September-October) peanut production at 85,000 MT, six percent higher than MY 2023/2024 based on increased planted area dependent on farmer decisions to plant on average moisture conditions in the highland areas of Sinaloa and Chihuahua.

Figure 8. Mexico Peanut Production



Source: USDA FAS International Production Assessment Division (IPAD)

However, forecast production is expected to fall below the last five-year average of 90,000 MT. Reduced peanut production stems from low producer profits, limited farmer organizations to support peanut farming, and high pest and disease pressure. In addition, there is limited technical assistance available in the country for peanut production.

Trade

In MY 2024/2025, peanut imports are forecast at 260,000 MT, eight percent higher year-on-year due to increased domestic demand from the snack sector. Based on price and logistical connectivity, the United States is forecast to remain the largest supplier of peanuts to Mexico with over 90 percent market share. Mexico also imports small quantities of peanuts from a variety of other countries, including Nicaragua, China, Brazil, and India.

Mexico's forecast peanut exports for MY 2024/2025 are 20,000 MT, 23 percent lower year-on-year based on higher domestic demand. The United States is the primary export market.

Consumption

Total peanut consumption for MY 2024/2025 is forecast at 314,000 MT, seven percent higher than MY 2023/2024 due to higher demand from the food service industry. In Mexico, peanut consumption is driven by the snacks industry, with minimal crushing. Peanuts are usually consumed as a convenient protein source in Mexico through purchase from local snack vendors or in cash register lines.

Stocks

Ending stocks for MY 2024/2025 are forecast at 32,000 MT, a 52 percent increase due to higher production and imports, and reduced exports.

MEALS SECTION

Table 8. Mexico: Production, Supply, and Distribution (PSD) of Total Meals

Total Meals	2022/23	2023/24	2024/25
Mexico	Revised	Estimate	Forecast
Crush (1000 MT)	8150	7795	8311
Extr. Rate, 999.9999 (PERCENT)			
Beginning Stocks (1000 MT)	167	150	136
Production (1000 MT)	6131	5884	6226
MY Imports (1000 MT)	1673	1655	1655
Total Supply (1000 MT)	**7971**	**7689**	**8017**
MY Exports (1000 MT)	15	11	11
Industrial Dom. Cons. (1000 MT)	0	0	0
Food Use Dom. Cons. (1000 MT)	50	50	50
Feed Waste Dom. Cons. (1000 MT)	7756	7492	7793
Total Dom. Cons. (1000 MT)	7806	7542	7843
Ending Stocks (1000 MT)	150	136	163
Total Distribution (1000 MT)	**7971**	**7689**	**8017**
(1000 HA), (1000 MT), (MT/HA)			

Commodities:
Meal, Soybean
Meal, Rapeseed
Meal, Palm Kernel Meal
Meal, Sunflower Seed

Post forecasts total meals production for MY 2024/2025 at 6.2 MMT, six percent higher year-on-year based on forecast crush growth from higher oilseed imports and demand for oilseed meal from the livestock sector. Growing domestic demand for animal feed from the livestock and poultry sectors, lower interest rates, and reduced inflation are expected to increase demand for oilseed meals.

Forecast macroeconomic trends such as declining interest rates and headline inflation for MY 2024/2025 is estimated to increase livestock production and drive-up meals consumption. In March 2024, the Bank of Mexico (Banxico) decreased the key lending rate by 250 basis points to 11 percent, halting a rate hike cycle which started in June 2021. Social welfare programs and higher minimum wages are expected to increase average household budgets and increase animal protein demand.

Increased meal production is supported through ample domestic crush capacity. Domestic meal production accounts on average for 78 percent of total domestic use. Mexico’s installed crush capacity is

11.0 MMT, and 83 percent capacity is currently in use. Installed crush capacity is concentrated in companies that favor soybean and rapeseed crush.

Due to forecast increased meals production, total oilseed meal imports for MY 2024/2025 are forecast stable at 1.7 MMT. Based on industry sources, domestic oilseed meals are favored over imports due to relatively lower prices and convenience.

Soybean and rapeseed meals are expected to remain the key ingredients in compound feed due to high protein content, ample availability, and competitive prices. These oilseed meals are used alongside corn, sorghum, fish meal, wheat bran, and distillers dried grain with solubles (DDGS) for poultry, swine, aquaculture, and cattle production.

Soybean, Meal

Table 9. Mexico: Production, Supply and Distribution of Soybean Meal

Meal, Soybean	2022/2023		2023/2024		2024/2025	
Market Year Begins	Sep 2022		Sep 2023		Sep 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	6650	6650	6480	6520	0	6805
Extr. Rate, 999.9999 (PERCENT)	0.7902	0.7902	0.7901	0.79	0	0.7902
Beginning Stocks (1000 MT)	153	153	145	136	0	127
Production (1000 MT)	5255	5255	5120	5151	0	5377
MY Imports (1000 MT)	1668	1668	2050	1650	0	1650
Total Supply (1000 MT)	7076	7076	7315	6937	0	7154
MY Exports (1000 MT)	1	10	1	10	0	10
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	50	50	50	50	0	50
Feed Waste Dom. Cons. (1000 MT)	6880	6880	7075	6750	0	6950
Total Dom. Cons. (1000 MT)	6930	6930	7125	6800	0	7000
Ending Stocks (1000 MT)	145	136	189	127	0	144
Total Distribution (1000 MT)	7076	7076	7315	6937	0	7154
(1000 MT), (PERCENT)						

Production

Post forecasts Mexico's MY 2024/2025 (September –August) soybean meal production at nearly 5.4 MMT, a four percent increase year-on-year due to higher demand for the feed industry. Crushers expect to increase their soybean meal production due to higher soybean crushing margins and forecast competitive soybean prices. The meal extraction rate is likely to remain stable at 0.79.

Trade

MY 2024/2025

FAS Mexico forecasts soybean meal imports for MY 2024/2025 unchanged at 1.7 MMT due to increased domestic production. Virtually all soybean meal imports come from the United States through freight trains along the border (93 percent) and vessels to ports in Veracruz and Coatzacoalcos (7 percent). Soybean meal is a key input for the animal feed industry alongside corn, sorghum, and

distillers' dried grain with solubles (DDGS). Imports represent, on average, 32 percent of total soybean meal consumption.

MY 2023/2024

Post estimates soybean meal imports for MY 2023/2024 at 1.7 MMT, a one percent decline year-on-year based on updated trade data. From September 2023 through January 2024, soybean meal imports were 777,869 MT, a one percent decline from the previous year.

Consumption

Total domestic soybean meal consumption for MY 2024/2025 is forecast at 7.0 MMT, a three percent increase year-on-year based on forecast growth in domestic animal feed demand.

The demand for soybean meal is forecast to grow in response to prices relative to corn gluten, DDGS, and rapeseed meals. The composition of ingredients in compound feed is generally stable with minor adjustments depending on the price and availability of oilseed meals and grains.

Post estimates domestic consumption for MY 2023/2024 at 6.8 MMT, a two percent decline year-on-year. Lower production and reduced imports resulted in less use in the animal feed industry.

Stocks

Post forecasts soybean meal ending stocks for MY 2024/2025 at 144,000, 13 percent higher based on higher crushing rates. According to industry sources, crushers hold soybean meal stocks for up to two weeks on average due to rising costs for meal storage.

Rapeseed, Meal

Table 10. Mexico: Production, Supply and Distribution of Rapeseed Meal

Meal, Rapeseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1425	1425	1200	1200	0	1430
Extr. Rate, 999.9999 (PERCENT)	0.5761	0.5761	0.5758	0.5758	0	0.5636
Beginning Stocks (1000 MT)	14	14	14	14	0	9
Production (1000 MT)	821	821	691	691	0	806
MY Imports (1000 MT)	4	4	20	4	0	4
Total Supply (1000 MT)	839	839	725	709	0	819
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	825	825	715	700	0	800
Total Dom. Cons. (1000 MT)	825	825	715	700	0	800
Ending Stocks (1000 MT)	14	14	10	9	0	19
Total Distribution (1000 MT)	839	839	725	709	0	819
(1000 MT), (PERCENT)						

Production

Post forecasts rapeseed meal for MY 2024/2025 (October-September) at 806,000 MT, seventeen percent higher than the previous year. Forecast increased crush and higher demand from the animal feed industry is expected to drive production upward. Based on industry sources, dependent on pricing, rapeseed meal will be used as an alternative to soybean meal as a protein source for cattle, swine, and poultry feeds.

Trade

Rapeseed meal imports for MY 2024/2025 are forecast to remain unchanged at 4,000 MT due to ample supplies from domestic production. There are no forecast exports of rapeseed meal.

Consumption

FAS Mexico forecasts domestic consumption for MY 2024/2025 at 800,000 MT, a 14 percent increase year-on-year based on higher demand from the livestock industry.

Stocks

Ending stocks are forecast at 19,000 MT, a 110 percent increase year-on-year based on forecast higher crushing rates.

Palm Kernel, Meal

Table 11. Mexico: Production, Supply and Distribution of Palm Kernel Meal

Meal, Palm Kernel	2022/2023		2023/2024		2024/2025	
Market Year Begins	May 2023		May 2024		May 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	75	0	75	0	76
Extr. Rate, 999.9999 (PERCENT)	0	0.56	0	0.56	0	0.5658
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	0	42	0	42	0	43
MY Imports (1000 MT)	0	1	0	1	0	1
Total Supply (1000 MT)	0	43	0	43	0	44
MY Exports (1000 MT)	0	5	0	1	0	1
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	0	38	0	42	0	43
Total Dom. Cons. (1000 MT)	0	38	0	42	0	43
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	0	43	0	43	0	44
(1000 MT), (PERCENT)						

Production

Palm kernel meal production is forecast at 43,000 MT for MY 2024/2025 (May-April), two percent higher year-on-year as result of increased crushing.

Trade

Palm kernel meal imports and exports are forecast unchanged and minimal at 1,000 MT for MY 2024/2025. Mexico's palm kernel meal imports are minimal.

Consumption

Post forecasts total palm kernel meal consumption for MY 2024/2025 at 43,000 MT, two percent higher than the previous year due to higher domestic demand from the animal feed industry.

Sunflower Seed, Meal

Table 12. Mexico: Production, Supply and Distribution of Sunflower Seed Meal

Meal, Sunflower seed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	38	0	30	0	0	0
Extr. Rate, 999.9999 (PERCENT)	0.4211	0	0.4333	0	0	0
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	16	13	13	0	0	0
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	16	13	13	0	0	0
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	16	13	13	0	0	0
Total Dom. Cons. (1000 MT)	16	13	13	0	0	0
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	16	13	13	0	0	0
(1000 MT), (PERCENT)						

According to industry sources, there is no sunflower seed crush in Mexico. In addition, there are no imports or distribution of sunflower seed meal.

OILS SECTION

Table 13. Mexico: Production, Supply, and Distribution (PSD) for Total Oils

Total Oils	2022/23	2023/24	2024/25
Mexico	Revised	Estimate	Forecast
Crush (1000 MT)	8150	7795	8311
Extr. Rate, 999.9999 (PERCENT)			
Beginning Stocks (1000 MT)	496	430	447
Production (1000 MT)	2177	2071	2216
MY Imports (1000 MT)	1046	1179	1208
Total Supply (1000 MT)	**3719**	**3680**	**3871**
MY Exports (1000 MT)	144	143	154
Industrial Dom. Cons. (1000 MT)	620	645	660
Food Use Dom. Cons. (1000 MT)	2525	2445	2550
Feed Waste Dom. Cons. (1000 MT)	0	0	0
Total Dom. Cons. (1000 MT)	3145	3090	3210
Ending Stocks (1000 MT)	430	447	507
Total Distribution (1000 MT)	**3719**	**3680**	**3871**
(1000 HA), (1000 MT), (MT/HA)			

Commodities:
Oil, Soybean
Oil, Rapeseed
Oil, Palm
Oil, Palm Kernel
Oil, Sunflower Seed

Post forecasts total oil production for MY 2024/2025 at 2.2 MMT, seven percent higher year-on-year based on increased demand for household vegetable oil and industrial food use. According to sources, higher expected crush margins will drive higher production of vegetable oils. Domestic vegetable oil production accounts for nearly 70 percent of total domestic use.

Based on forecast increased crush rates, total vegetable oil imports for MY 2024/2025 are forecast two percent higher at 1.2 MMT, while exports are forecast eight percent higher at 154,000 MT.

For MY 2024/2025, vegetable oil consumption is forecast to reach 3.2 MMT, a four percent increase year-on-year. Per capita consumption of vegetable oils is 11 liters per person. Approximately 60 percent of the total vegetable oil market demand is driven by the HRI and industrial food processing sectors and 40 percent by household consumption. Based on industry sources, soybean, rapeseed, and palm oil account for over 80 percent of total vegetable oil consumption due to functionality in food preparation,

competitive prices, and availability. Although household vegetable oil demand is generally inelastic compared to other food products and therefore less impacted by macroeconomic conditions, lower inflation relative to last year, increased disposable incomes, lower interest rates, and population growth are factors expected to drive up vegetable oil consumption in households and the HRI sector. Vegetable oils are not used for biofuel in Mexico due to there being no significant industry for plant-based fuels in Mexico.

Soybean, Oil

Table 14. Mexico: Production, Supply and Distribution of Soybean Oil

Oil, Soybean	2022/2023		2023/2024		2024/2025	
Market Year Begins	Sep 2022		Sep 2023		Sep 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	6650	6650	6480	6520	0	6805
Extr. Rate, 999.9999 (PERCENT)	0.1845	0.1845	0.1846	0.1834	0	0.1844
Beginning Stocks (1000 MT)	191	191	173	173	0	204
Production (1000 MT)	1227	1227	1196	1196	0	1255
MY Imports (1000 MT)	97	97	175	175	0	150
Total Supply (1000 MT)	1515	1515	1544	1544	0	1609
MY Exports (1000 MT)	37	37	40	40	0	50
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	1305	1305	1300	1300	0	1310
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1305	1305	1300	1300	0	1360
Ending Stocks (1000 MT)	173	173	204	204	0	249
Total Distribution (1000 MT)	1515	1515	1544	1544	0	1609
(1000 MT), (PERCENT)						

Production

Soybean oil production is forecast at 1.26 MMT in MY 2024/2025, a five percent increase year-on-year. Steady population and economic growth are the key factors expected to increase soybean oil production. Soybean oil is expected to remain the most produced oil domestically, accounting for roughly 57 percent of total oil production followed by rapeseed oil. In the last decade, soybean oil production ranges between 52 and 58 percent of total oil production in Mexico.

Trade

Soybean oil imports for MY 2024/2025 are forecast at 150,000 MT, a fourteen percent decrease year-on-year due to higher domestic production and therefore less demand for imports. Based on price competitiveness, the United States and Argentina are forecast to remain the largest suppliers of soybean oil to Mexico.

In 2023/2024, Argentina is estimated to become Mexico’s largest supplier of soybean oil based on competitive prices and an anti-inflationary decree (see policy section) which lifted the previous five percent import duty applied to Argentinian soybean oil. From September 2023 through January 2024, Mexico imported an estimated 21,981 MT of soybean oil from Argentina and 6,339 MT from the United States. Based on industry sources, although similar quality, current Argentinian soybean oil prices are highly competitive.

Consumption

Total domestic consumption is forecast at 1.4 MMT for MY 2024/2025, a five percent increase year-on-year based on population and economic growth. Soybean oil ranks first among vegetable oil consumption with approximately 38 percent of market share in MY 2023/2024. The food processing industry accounts for most oil consumption. Local company marketing efforts and packaging improvements promote soybean oil consumption. Additionally, various companies offer smaller-volume bottles, rather than the traditional one-liter bottles, to provide more affordable options for consumers with less purchasing power.

Stocks

Soybean oil ending stocks for MY 2024/2025 are forecast at 249,000 MT, a 22 percent increase year-on-year due to forecast higher crush rates.

Rapeseed, Oil

Table 15. Mexico: Production, Supply and Distribution of Rapeseed Oil

Oil, Rapeseed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1425	1425	1200	1200	0	1430
Extr. Rate, 999.9999 (PERCENT)	0.4	0.4	0.4	0.4	0	0.3916
Beginning Stocks (1000 MT)	81	81	62	62	0	23
Production (1000 MT)	570	570	480	480	0	560
MY Imports (1000 MT)	195	195	275	175	0	210
Total Supply (1000 MT)	846	846	817	717	0	793
MY Exports (1000 MT)	4	4	5	4	0	4
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	780	780	780	690	0	770
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	780	780	780	690	0	770
Ending Stocks (1000 MT)	62	62	32	23	0	19
Total Distribution (1000 MT)	846	846	817	717	0	793
(1000 MT), (PERCENT)						

Production

Rapeseed oil production for MY 2024/2025 is forecast at 560,000, a seventeen percent increase year-on-year. According to industry sources, rapeseed crushing is expected to increase based on lower rapeseed prices compared to soybean prices. Technology at major crushers allows portions of production to be swapped with relative ease between rapeseed and soybean.

Trade

Rapeseed oil imports for MY 2024/2025 are forecast at 210,000 MT, a twenty percent increase year-on-year based on expected higher domestic consumption. Canada is forecast to remain the largest supplier of rapeseed oil to Mexico, with approximately 70 percent of market share, due to price competitiveness. Meanwhile, the United States is expected to consolidate its position as the second-largest supplier, based

on price competitiveness and logistical advantages. Mexico is a minimal exporter of rapeseed oil, and exports are forecast unchanged at 4,000 MT.

MY 2023/2024

Post estimates MY 2023/2024 imports ten percent lower year-on-year at 175,000 MT due to declined crush demand. Mexico's rapeseed oil imports from October 2023 through January 2024 reached 57,850 MT, a 13 percent decrease year-on-year. In the same period, imports from Canada reached 29,578 MT, a 42 percent decline from the previous year. Meanwhile, U.S. origin rapeseed oil imports reached 19,230 MT in the same period, a 20 percent yearly increase. Based on industry sources, Canada's share in Mexico's rapeseed oil imports is expected to decline in MY 2023/2024 based on higher prices compared to U.S. origin rapeseed oil.

Consumption

Total domestic consumption is forecast at 770,000 MT for MY 2024/2025, a twelve percent increase year-on-year based on higher demand from the HRI sector and households. Local companies are expected to increase rapeseed oil in the retail sector in both pure and mixed vegetable oil formats.

Stocks

Post forecasts rapeseed oil ending stocks for MY 2024/2025 at 19,000 MT, a 17 percent decline year-on-year due to forecast higher domestic consumption.

Palm, Oil

Table 16. Mexico: Production, Supply and Distribution of Palm Oil

Oil, Palm	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	108	0	108	0	108
Area Harvested (1000 HA)	90	100	90	102	0	103
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	167	167	155	169	0	176
Production (1000 MT)	230	350	235	365	0	370
MY Imports (1000 MT)	600	596	600	610	0	620
Total Supply (1000 MT)	997	1113	990	1144	0	1166
MY Exports (1000 MT)	22	24	5	28	0	24
Industrial Dom. Cons. (1000 MT)	470	520	480	530	0	540
Food Use Dom. Cons. (1000 MT)	350	400	350	410	0	420
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	820	920	830	940	0	960
Ending Stocks (1000 MT)	155	169	155	176	0	182
Total Distribution (1000 MT)	997	1113	990	1144	0	1166
Yield (MT/HA)	2.5556	3.5	2.6111	3.5784	0	3.5922
(1000 HA), (1000 TREES), (1000 MT), (MT/HA)						

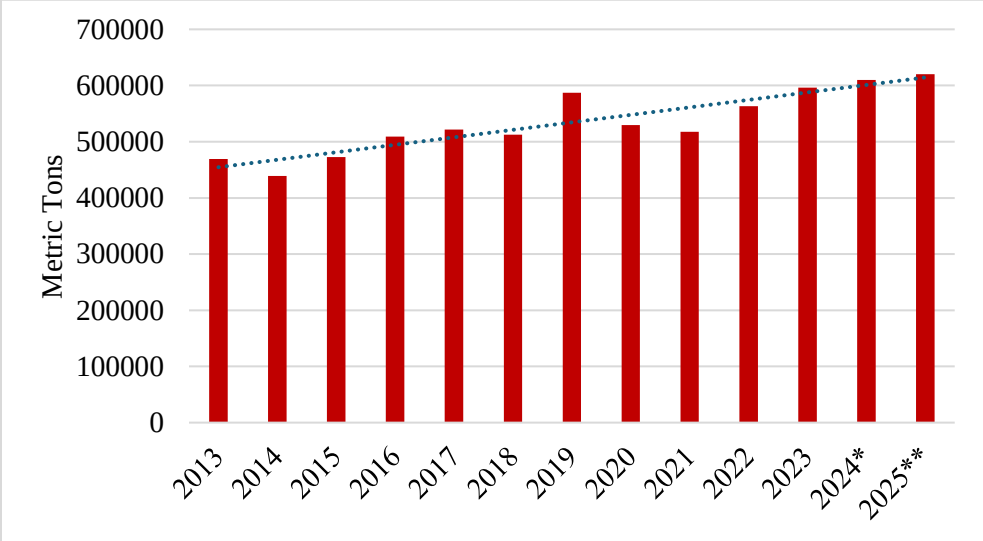
Production

Post forecasts crude palm oil production at 370,000 MT for MY 2024/2025, one percent higher than the previous year based on increased farmer expectations for harvested fresh fruit bunches (FFB). Mexico currently holds 17 palm oil mills in production states (Chiapas (12), Campeche (2), Tabasco (2), and Veracruz (1)). The crushing capacity is at nearly 60 percent. Based on industry sources, domestic palm oil mills require domestic production to sustain their operations due to the short FFB post-harvest shelf-life.

Trade

FAS Mexico forecasts palm oil imports for MY 2024/2025 at 620,000 MT (mainly crude palm oil), two percent higher than the previous year based on forecast increased industrial and food use demand. Due to proximity and competitive prices, nearly 90 percent of Mexico's palm oil imports originate from Central and South America, notably from Guatemala, Costa Rica, Honduras, and Colombia. Mexico increased palm oil imports by nearly 30 percent in the last decade due to higher industrial and food sector demand. Exports in MY 2024/2025 are forecast 14 percent lower year-on-year to 24,000 MT based on increased domestic demand.

Figure 9. Annual Palm Oil Imports



Source: Trade Data Monitor, LLC / *Post estimate **Post forecast

Consumption

Post forecasts total palm oil consumption at 960,000 MT in MY 2024/2025, two percent higher year-on-year due to growing industrial demand. The food processing and industrial sectors account for most of palm oil consumption.

Stocks

Ending stocks are forecast at 182,000 MT, a three percent increase due to increased production, imports, and carryover from the previous year.

Palm Kernel, Oil

Table 17. Mexico: Production, Supply and Distribution of Palm Kernel Oil

Oil, Palm Kernel	2022/2023		2023/2024		2024/2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	0	75	0	75	0	76
Extr. Rate, 999.9999 (PERCENT)	0	0.4	0	0.4	0	0.4079
Beginning Stocks (1000 MT)	0	0	0	18	0	21
Production (1000 MT)	0	30	0	30	0	31
MY Imports (1000 MT)	100	89	115	89	0	88
Total Supply (1000 MT)	100	119	115	137	0	140
MY Exports (1000 MT)	0	1	0	1	0	1
Industrial Dom. Cons. (1000 MT)	100	100	115	115	0	120
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	100	100	115	115	0	120
Ending Stocks (1000 MT)	0	18	0	21	0	19
Total Distribution (1000 MT)	100	119	115	137	0	140
(1000 MT), (PERCENT)						

Production

Palm kernel oil production for MY 2024/2025 is forecast at 31,000 MT, three percent higher year-on-year based on increased industrial demand.

Trade

Palm kernel oil imports for MY 2024/2025 are forecast at 88,000 MT, a one percent yearly decline based on higher domestic production. Nearly 80 percent of imports originate from Colombia, Guatemala, and Costa Rica. This trend is forecast to continue due to price, logistical advantages, and established supply chains. Based on industry sources, palm kernel oil imports are expected to remain stable in MY 2023/2024 as domestic crush is expected to supply palm kernel oil demand. Mexico is not a significant exporter of palm kernel oil. Exports in MY 2024/2025 are forecast unchanged at 1,000 MT due to domestic demand.

Consumption

Palm kernel oil domestic consumption for MY 2024/2025 is forecast at 120,000, a four percent increase year-on-year based on growing demand from the local food processing industry. The food processing industry is the main consumer of palm kernel oil.

Stocks

Ending stocks are forecast to decrease by ten percent to 19,000 MT due to increased domestic demand.

Sunflower Seed, Oil

Table 18. Mexico: Production, Supply and Distribution of Sunflower Seed Oil

Oil, Sunflower seed	2022/2023		2023/2024		2024/2025	
Market Year Begins	Oct 2022		Oct 2023		Oct 2024	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	38	0	30	0	0	0
Extr. Rate, 999.9999 (PERCENT)	0.4211	0	0.4333	0	0	0
Beginning Stocks (1000 MT)	57	57	24	8	0	23
Production (1000 MT)	16	0	13	0	0	0
MY Imports (1000 MT)	69	69	90	130	0	140
Total Supply (1000 MT)	142	126	127	138	0	163
MY Exports (1000 MT)	78	78	30	70	0	75
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	40	40	75	45	0	50
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	40	40	75	45	0	50
Ending Stocks (1000 MT)	24	8	22	23	0	38
Total Distribution (1000 MT)	142	126	127	138	0	163
(1000 MT), (PERCENT)						

Production

Based on industry sources, there is no domestic sunflower seed oil production due to negative crush margins.

Trade

The Harmonized System Code for sunflower and safflower seed oil are blended. Therefore, both vegetable oils will be discussed in this section. Mexico is expected to remain a net importer of sunflower seed oil and a net exporter of safflower seed oil.

Sunflower seed oil imports for MY 2024/2025 are forecast at 140,000 MT, eight percent higher year-on-year based on increased consumption on competitive prices.

Mexico does not export sunflower oil. Exports of safflower seed oil for MY 2024/2025 are forecast at 75,000 MT, a seven percent increase based on forecasted higher production. The United States remains the main destination for Mexico’s safflower oil exports.

Consumption

Sunflower seed oil consumption for MY 2024/2025 is forecast 11 percent higher at 50,000 MT. According to industry sources, demand for sunflower seed oil is expected to increase based on price and niche blending properties.

Stocks

Sunflower seed oil ending stocks for MY 2024/2025 are forecast at 38,000 MT, a 65 percent increase due to higher carryover from the previous year and imports.

Policy (General)

2024 General Elections
On June 2, 2024, Mexico will elect a new president for a six-year term. Citizens will also vote for members of the Federal Congress along with state and municipal officials. Members of the agricultural sector remain attentive to agricultural policy proposals that could impact their operations.

Agricultural Workers' Rights Decree
On January 25, 2024, the Government of Mexico implemented a decree modifying provisions of the Federal Labor Law and the Social Security Law related to agricultural labor rights. The decree requires written contracts, improved living conditions, healthcare access, education, childcare, and stricter occupational safety measures. This decree could impact the production costs of oilseeds. Companies and farmers remain attentive to the implementation and enforcement of these measures.

Anti-Inflation Decree
On December 27, 2023, the Government of Mexico (GOM) published a decree to extend the exemption of tariffs and easing of administrative procedures for the importation of basic food basket products 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 MX2024-0004). The decree is valid through December 31, 2024, and temporarily exempts select importers from paying import duties for certain goods and facilitates administrative easing. The modifications were published in Mexico's Federal Register here. The following are HS codes related to oilseeds and products under the anti-inflation decree:

Code	Product	Tariff
15.07	**Soybean oil and its fractions, whether or not refined, but not chemically modified.**	
1507.90.99	Others.	Ex.
15.12	**Sunflower-seed, safflower or cottonseed oil and fractions thereof, whether or not refined, but not chemically modified.**	Ex.
1512.19.99	Others.	Ex.
15.15	**Other fats and oils, vegetable (including jojoba oil) or of microbial origin, fixed, and their fractions, whether or not refined, but not chemically modified.**	
1515.29.99	Others.	Ex.

For More Information
Visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Report Number	Title	Dated
MX2023-0014	Oilseeds and Products Annual	4/24/2023
MX2023-0013	Mexico Approves a Decree to Reduce Trans Fats	3/30/2023
MX2022-0024	Oilseeds and Products Annual	5/9/2022
MX2021-0063	Mexico Announces Temporary Tariff Rate Quota for Soybeans	10/16/2021
MX2021-0021	Oilseeds and Products Annual	4/15/2021

Additionally, the FAS International Production Assessment Division (IPAD) Crop Explorer provides information on Mexico's oilseeds production:

Soybean Explorer
Rapeseed Explorer
Palm Oil Explorer
Sunflower Explorer
Peanut Explorer

Attachments:

No Attachments