

**Required Report:** Required - Public Distribution

**Date:** September 24, 2024

**Report Number:** MX2024-0044

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

**Country:** Mexico

**Post:** Mexico City

**Report Category:** Grain and Feed

**Prepared By:** Rodrigo Trejo

**Approved By:** Susan Karimiha

### **Report Highlights:**

The outlook for Mexican grain production in marketing year (MY) 2024/2025 is higher year-on-year for corn, rice, and sorghum based on higher-than-average precipitation and a gradual recovery from exceptional drought conditions. Corn and rice imports are forecast lower year-on-year based on increased production from improved weather conditions. Mexico's wheat imports are estimated higher due to less than average expected production. Meanwhile, sorghum imports are forecast stable due to higher production and steady demand. Production and trade forecasts were revised based on updated planting, harvest, and trade data.

## EXECUTIVE SUMMARY

Post forecasts Mexico’s corn production six percent higher at 25.0 million metric tons (MMT) for MY 2024/2025. This forecast is based on higher-than-average precipitation and gradual recovery of reservoirs in the summer of 2024 following severe and exceptional drought conditions in the previous marketing year. The MY 2023/2024 corn production is revised upward to 23.5 MMT based on updated official data on harvest for the fall/winter cycle.

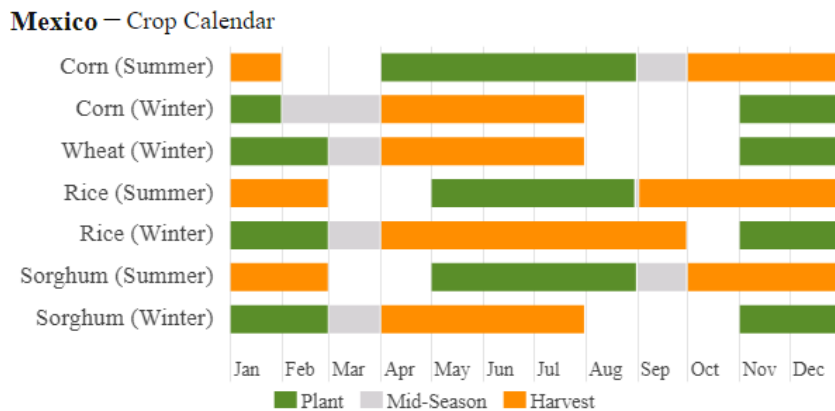
For MY 2024/2025, Post forecasts Mexico’s corn imports two percent lower from the previous year due to improved weather conditions. In MY 2023/2024, Post estimates corn imports at 23.5 MMT, 21 percent higher from the previous year. This increase in imports is based on reduced production caused by prolonged drought conditions and increased demand for the animal feed sector.

Post forecasts Mexico’s wheat production in MY 2024/2025 at 25 percent lower than the previous year at 2.6 MMT based on prolonged drought conditions in the main producing regions. Imports are projected to be 5.7 MMT, six percent higher from the previous year, due to lower estimated production. Exports are estimated at 700,000 metric tons (MT), a 16 percent decrease compared to MY 2023/2024, based on lower durum wheat production.

FAS Mexico forecasts Mexico’s MY 2024/2025 milled rice production at 160,000 metric tons (MT), five percent higher than the previous year, based on higher-than-average precipitation and moisture levels. Milled rice imports are forecast at 840,000 MT, a two percent decrease from the estimate for MY 2023/2024, pulled down by the forecast increased production.

Lastly, Post forecasts Mexico’s sorghum production for MY 2024/2025 at nearly 4.7 MMT, four percent higher than the estimate for MY 2023/2024 based on improved weather conditions. Imports for MY 2024/2025 are forecast stable at 50,000 MT based on continued demand from the animal feed sector. The following calendar reflects Mexico’s corn, wheat, rice, and sorghum crop cycles.

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



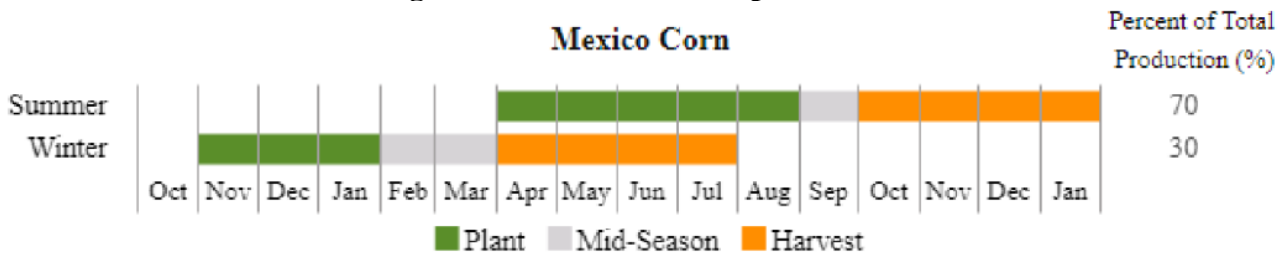
# CORN

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

Corn Market Year Begins Mexico	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	6891	6891	6100	6100	6400	6400
Beginning Stocks (1000 MT)	3175	3175	4594	4594	3164	4464
Production (1000 MT)	28077	28077	22700	23500	25000	25000
MY Imports (1000 MT)	19392	19392	23500	23500	22500	23000
TY Imports (1000 MT)	19392	19392	23500	23500	22500	23000
Total Supply (1000 MT)	50644	50644	50794	51594	50664	52464
MY Exports (1000 MT)	50	50	30	30	30	50
TY Exports (1000 MT)	50	50	30	30	30	50
Feed and Residual (1000 MT)	27500	27500	29000	28500	29300	29500
FSI Consumption (1000 MT)	18500	18500	18600	18600	18700	18700
Total Consumption (1000 MT)	46000	46000	47600	47100	48000	48200
Ending Stocks (1000 MT)	4594	4594	3164	4464	2634	4214
Total Distribution (1000 MT)	50644	50644	50794	51594	50664	52464
Yield (MT/HA)	4.0744	4.0744	3.7213	3.8525	3.9063	3.9063

(1000 HA), (1000 MT), (MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

**Figure 2. Mexico Corn Crop Calendar**



## Production

MY 2024/2025

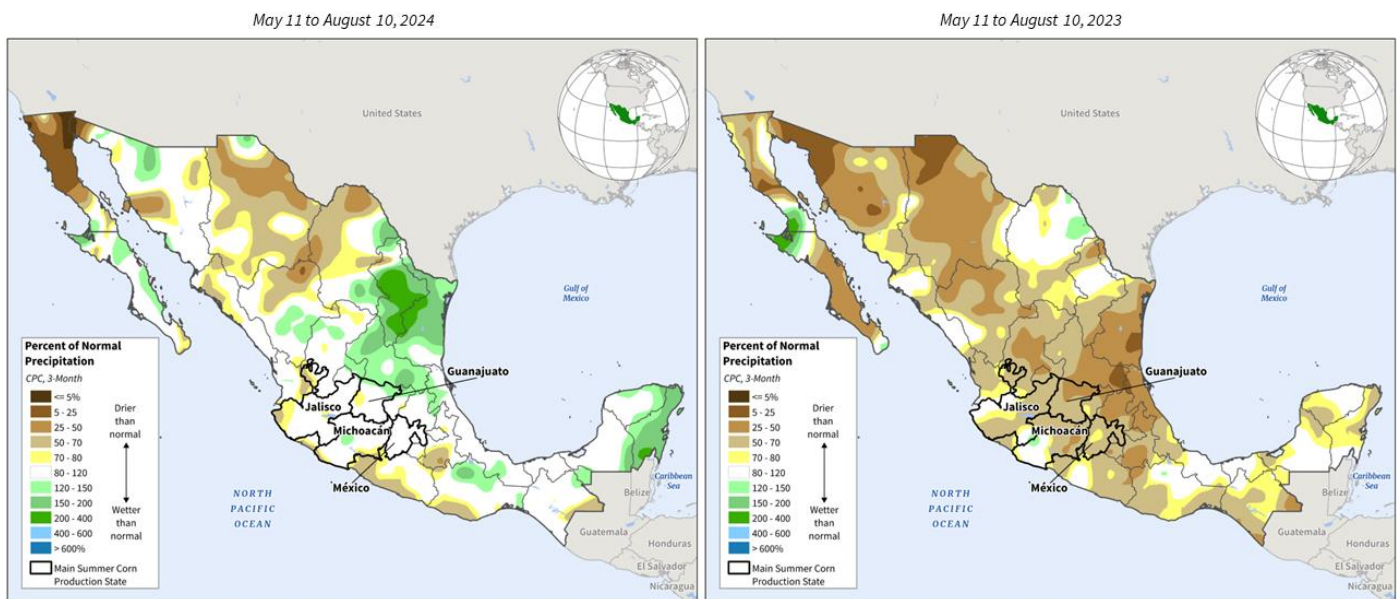
Post forecasts corn production for MY 2024/2025 (October – September) is six percent higher than the previous year at 25.0 MMT. The forecast reflects crop progress in the current summer cycle, consistently higher-than-average precipitation, improved moisture levels, and expected higher yields in corn-producing regions across the country. However, due to continued lower-than-average levels of irrigation dams in the northeast region, higher input prices (seeds, electricity, fuel), high interest rates, and less credit availability for farmers, the planted area is still expected to be lower than the ten-year-average. Despite improved weather conditions and expected higher harvested area from the previous year, the forecast is the second lowest in the last decade due to the prolonged drought conditions and challenging macroeconomic conditions.

## Spring/Summer Corn

FAS Mexico forecasts harvested area for MY 2024/2025 at 6.4 million hectares (HA), five percent higher year-on-year based on improved weather conditions. Mexico's spring/summer corn planting is largely finished in the Bajío region (Jalisco, Guanajuato, Michoacán), Estado de México, Guerrero, Puebla, and Chihuahua. According to the National Meteorological Service, from January 1 to August 11, 2024, precipitation nationwide reached 398.1 millimeters, over 3 percent higher than the average in the last 30 years.

According to the Agricultural and Fisheries Information Service (SIAP), as of July 31, the planted area for spring/summer corn was roughly 5.1 million HA, nearly five percent higher than the previous year. Most of the planting took place in June and July, a period that reported higher-than-average precipitation across the country, according to the National Water Commission (CONAGUA). As of August 31, 2024, around 57 percent of Mexico's territory was drought-free, 46 percent higher than at the end of May 2024. Around 85 percent of planted area in the summer cycle is rainfed.

**Figure 3. Mexico's Percent of Normal Precipitation  
May 11 – August 10, 2024 vs. May 11 – August 10, 2023**



Source: USDA International Production Assessment Division

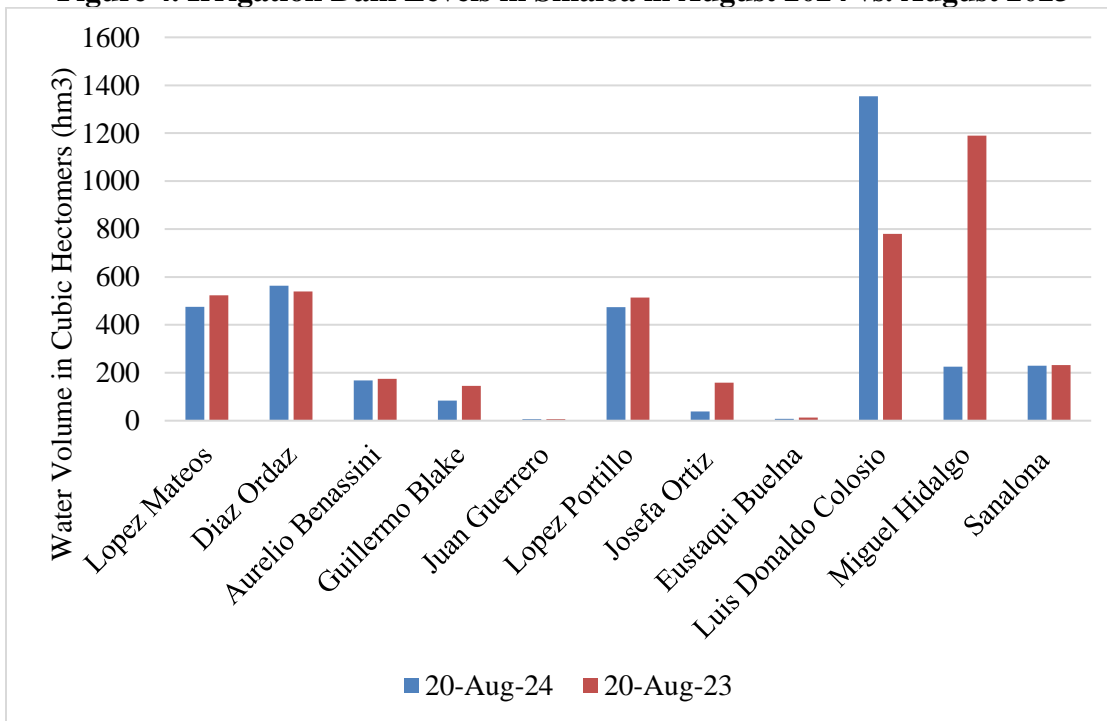
As of July 31, the Bajío region (Jalisco, Guanajuato, Michoacán), Estado de México, and Chihuahua reported 1.88 million HA of the planted area, 12 percent lower than the previous year. In Jalisco, some farmers decreased planted area due to lower credit availability, while in Michoacán, delayed precipitation resulted in reduced planted area. Farmers planted 136,679 HA of yellow corn in Chihuahua, 14 percent lower than the previous year based on lower water availability in local aquifers. In contrast, Guanajuato reported 320,324 HA of planted area, roughly 25 percent higher than the previous year due to higher water availability in local reservoirs and aquifers. Rainfed corn accounts for 185,569 HA, and irrigated corn for 134,755 HA. The State of Mexico maintained similar planted area from the previous year around 460,000 HA. Despite lower planted area from these states, which account

for 48 percent of summer corn production on average, farmers remain optimistic about higher yields and production compared to the previous year.

*Fall/Winter Corn*

SIAP’s planting intentions in Sinaloa for the 2024/2025 fall/winter cycle are higher than the planted area in the previous cycle. However, as of August 20, dam levels in the state are mostly lower than the previous year. The three largest reservoirs, which concentrate 50 percent of water storage, are between 17 and 39 percent of capacity. Despite some precipitation in July and August in Sinaloa, historically low levels of dams and high temperatures due to continued drought conditions limit the restoration of reservoirs to average levels. Permit decisions for irrigated corn planted area will be determined by the State Plant Health Committee of the State of Sinaloa (Spanish acronym CESAVESIN) based on dam levels in September 2024.

**Figure 4. Irrigation Dam Levels in Sinaloa in August 2024 vs. August 2023**



Source: Agricultural and Fisheries Information Service

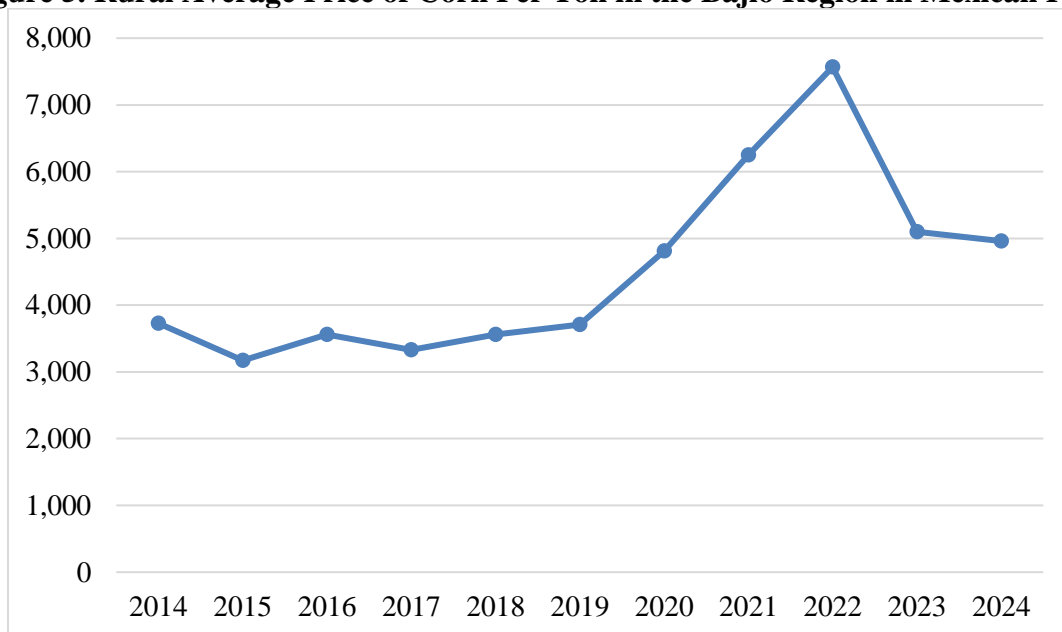
*MY 2023/2024*

Post adjusts upward its estimated production for MY 2023/2024 to 23.5 MMT, a 16 percent decrease year-on-year. The increased estimate is reflected in the official Secretariat of Agriculture and Rural Development (SADER) data. However, the lowest production in the last ten years due to severe and extreme drought conditions and record-high temperatures resulted in crop damage and lower yields in corn-producing regions.

Decreased production due to drought conditions and relatively lower prices limited earnings and increased debt levels among farmers in MY 2023/2024. Due to severe and exceptional drought

conditions, producers of summer corn reported higher-than-average levels of damaged crops, while growers of winter corn significantly reduced their average planted area. Due to a higher exchange rate in recent months, local corn prices are close to those from the previous year, but farmers across the country report higher costs for seeds, fuel, and electricity.

**Figure 5. Rural Average Price of Corn Per Ton in the Bajío Region in Mexican Pesos**



Source: Agricultural and Fisheries Information Service

### *Spring/Summer Corn*

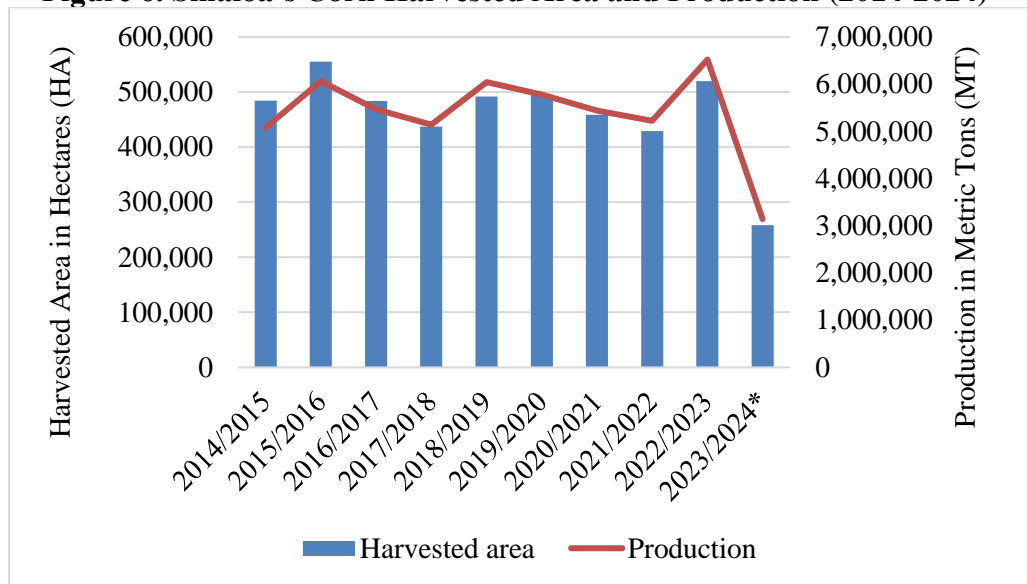
According to final data from SIAP, the spring/summer cycle’s harvested area was 5.2 million HA, nine percent lower than the previous year. Production was 18.6 MMT, a three percent yearly decline. Despite drought conditions, yields reached 3.56 MT/HA, a seven percent yearly increase based on a higher ratio of improved seeds. In this cycle, Mexico produced 15.6 MMT of white corn, 2.9 MMT of yellow corn, and 0.1 MMT of other corn varieties. Chihuahua and Jalisco produced 53 and 26 percent of yellow corn, respectively, nationwide. More than 90 percent of yellow corn is grown in the spring/summer cycle. Damaged areas due to severe drought conditions reached 500,070 HA, the highest level since 2011. The largest losses were reported in Michoacan (91,564 HA), Guanajuato (65,468 HA), Chihuahua (56,191 HA), and Jalisco (26,701 HA). Additionally, lower water availability and higher profitability for other crops prompted farmers in Jalisco and Guanajuato to reduce planted corn areas in favor of agave and sorghum.

### *Fall/Winter Corn*

The fall/winter corn harvest is complete. As of July 31, the harvested area was 863,999 HA, a 29 percent yearly decline due to persistent drought conditions and record-low reservoir levels. Sinaloa accounted for 65 percent of total winter corn production. Harvested areas in the state decreased to 258,424 HA, a 50 percent decline year-on-year, the lowest level in 30 years. Most mid and large-sized corn farmers reduced planted area due to lower water availability. Dam levels in Sinaloa were on average 22 percent

lower than the five-year average at the start of the planting season. Most farmers relied on the rainfall and soil moisture brought by Hurricane Norma in late October to plant corn. Sinaloa’s production reached 3.14 MMT and the average yield was 12.19 MT/HA, a three-percent decrease from the previous year. Despite reduced irrigation cycles and record-high temperatures, grain quality was reported good and consistent across the state.

**Figure 6. Sinaloa’s Corn Harvested Area and Production (2014-2024) \***



\*Preliminary Data Source: Agricultural and Fisheries Information Service

Relatively low local corn prices and constrained government support limited earnings for producers during the fall/winter cycle. Due to the implementation of [a specific winter white corn support program for commercial corn growers](#), as of August 20, the rural corn price was 5,150 pesos (USD 271), three percent higher from the previous year. Farmers in Sinaloa indicate that the rural corn price barely covers production costs, especially for farmers with leased land.

**Trade**

FAS Mexico forecasts corn imports for MY 2024/2025 at 23.0 MMT, two percent lower than the previous year. Higher domestic production due to improved weather conditions in MY 2024/2025 is expected to support decreased imports, which are among the highest on record.

In MY 2023/2024, Post adjusts upwards Mexico’s corn imports estimate to 23.5 MMT, 21 percent higher year-on-year and the highest level on record, due to lower-than-average production and to meet the increased demand from the animal feed industry. According to Trade Data Monitor, from October 2023 through June 2024, Mexico imported 18.0 MMT, over 23 percent higher than the previous year, among which roughly 98 percent corresponds to U.S. corn. United States origin corn imports reported a 40 percent increase year-on-year attributed to competitive prices. Based on SIAP data, white corn imports amounted to roughly 163,000 MT in the same period, a 61 percent yearly decrease. Total white



corn import levels are the lowest in the last twenty years. Sources indicate domestic white corn has more competitive prices than foreign-origin white corn.

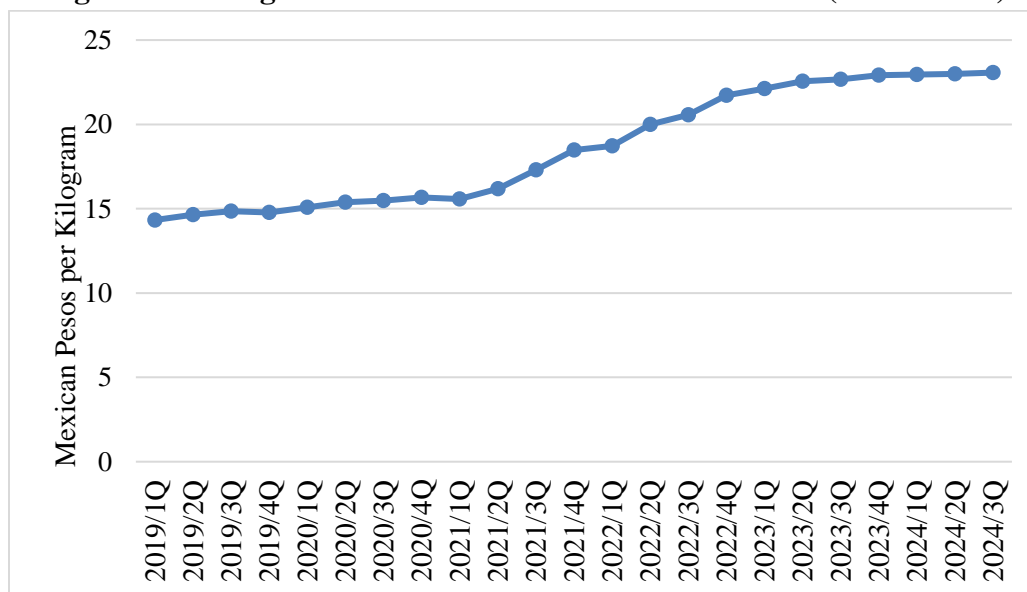
FAS Mexico forecasts Mexico’s corn exports at 50,000 MT for MY 2024/2025, 67 percent higher than the previous year based on higher production. However, export levels are significantly lower than the ten-year average. The ban on genetically engineered (GE) corn cultivation and ban on GE corn imports for the tortilla and corn dough sectors maintain a strong demand for domestic corn. Exports for MY 2023/2024 are estimated at 30,000 MT, a 40 percent yearly decrease due to a sharp decline in domestic production and a slight growth in domestic demand for white corn. From October 2023 through June 2024, Mexico’s corn exports were 18,528 MT, a 57 percent decrease from the previous year.

### Consumption

Post forecasts corn consumption at 48.2 MMT in MY 2024/2025, a two percent increase from the previous marketing year due to higher demand for the animal feed sector. Nearly half of corn consumption is used for animal feed and the corn starch industry, while the remainder is used for human consumption mostly through tortillas. According to SIAP, from MY 2012/2013 through MY 2022/2023, corn consumption (yellow and white) by the animal feed sector increased by 157 percent from 7.7 MMT to 19.8 MMT. The corn starch industry is estimated to consume roughly 3.1 MMT of yellow corn.

Human consumption is forecast to increase based on population growth. Corn tortillas are an essential staple in the Mexican diet. From December 2018 through August 2024, tortilla prices in local tortilla bakeries (*tortillerías*) increased by 62 percent from 14.7 pesos per kilogram (USD 0.7) to 24.2 pesos (USD 1.2).

**Figure 7. Average Prices of Corn Tortillas in Tortillerías (2019 – 2024)**



Source: National System of Information and Market Integration (SNIIM)



According to official sources, in calendar year (CY) 2023, tortilla prices increased by nearly four percent, which aligns with headline inflation. The main factors driving up tortilla prices are higher prices for diesel, labor, other inputs, and insecurity.

### **Stocks**

Post forecast MY 2024/2025 corn ending stocks at 4.2 MMT, a six percent decrease from the previous year based on forecast lower imports.

According to Post sources, Sinaloa currently stores roughly 0.8 MMT of corn from MY 2022/2023 in warehouses and farms across the state. Out of this amount, state-level authorities currently hold 0.6 MMT of corn, and the food security body *Seguridad Alimentaria Mexicana* (SEGALMEX) has nearly 0.2 MMT in private warehouses. In addition, state warehouses currently store roughly 3.1 MMT of mostly white corn harvested between June and July, which they intend to sell in the following months.

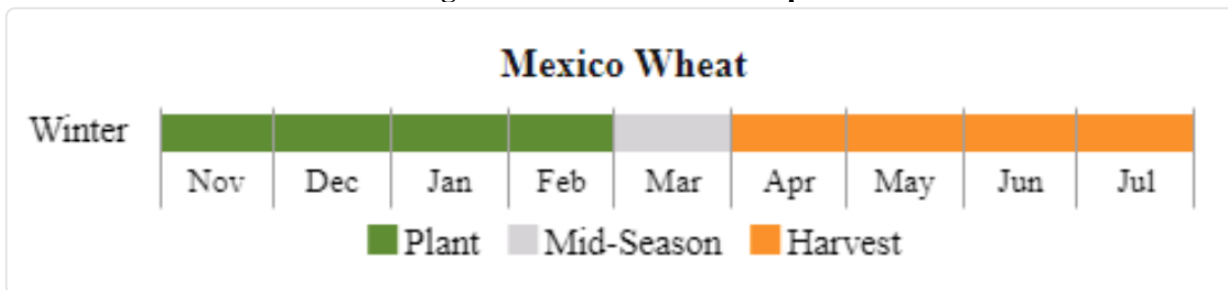
## WHEAT

**Table 2: Mexico, Wheat Production, Supply, and Distribution**

Wheat Market Year Begins Mexico	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	596	596	560	560	480	455
Beginning Stocks (1000 MT)	514	514	757	803	773	911
Production (1000 MT)	3611	3611	3476	3476	2800	2600
MY Imports (1000 MT)	5232	5238	5290	5370	5600	5700
TY Imports (1000 MT)	5232	5238	5290	5370	5600	5700
TY Imp. from U.S. (1000 MT)	3621	3610	3491	3450	0	0
Total Supply (1000 MT)	9357	9363	9523	9649	9173	9211
MY Exports (1000 MT)	800	660	850	838	700	700
TY Exports (1000 MT)	800	660	850	838	700	700
Feed and Residual (1000 MT)	300	300	200	200	200	200
FSI Consumption (1000 MT)	7500	7600	7700	7700	7600	7800
Total Consumption (1000 MT)	7800	7900	7900	7900	7800	8000
Ending Stocks (1000 MT)	757	803	773	911	673	511
Total Distribution (1000 MT)	9357	9363	9523	9649	9173	9211
Yield (MT/HA)	6.0587	6.0587	6.2071	6.2071	5.8333	5.7143

(1000 HA), (1000 MT), (MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

**Figure 8. Mexico Wheat Crop Calendar**



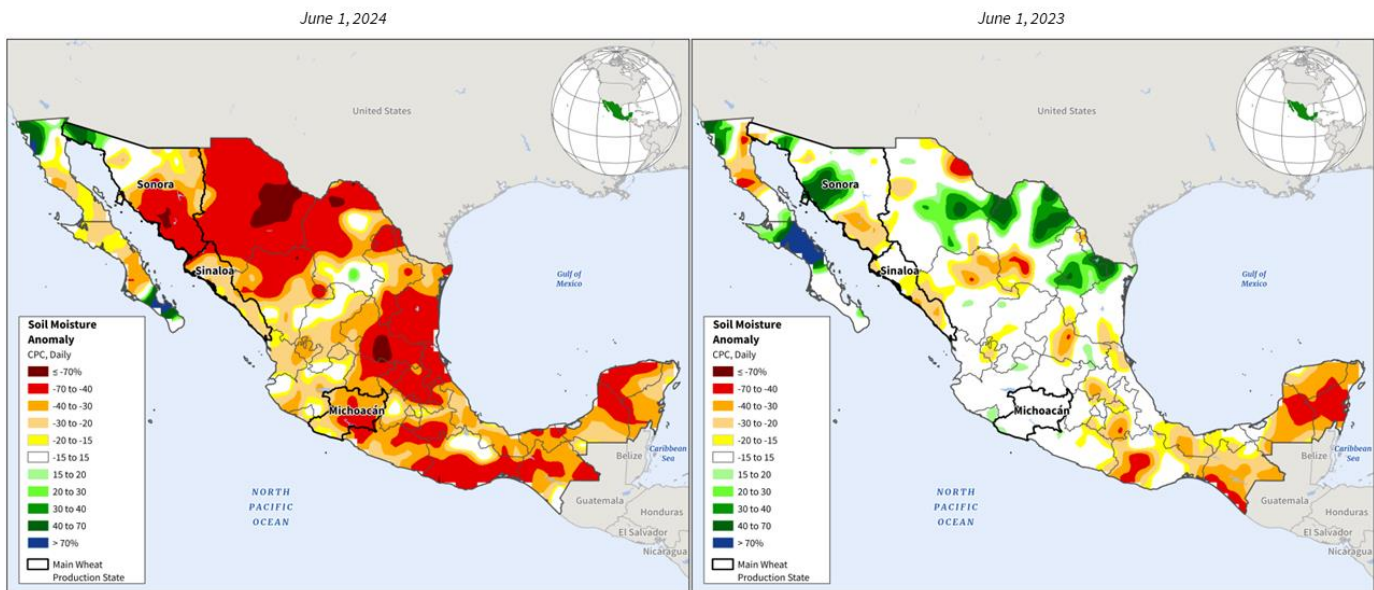
## Production

*MY 2024/2025*

Post estimates Mexico's MY 2024/2025 (July – June) wheat production at 2.6 MMT, a 25 percent yearly decline. The estimate includes the completed winter wheat harvest in July 2024. According to SIAP preliminary data, the winter cycle production was 2.53 MMT, a 25 percent yearly decrease due to prolonged drought conditions and record-low water levels in reservoirs of Sonora and Sinaloa, which resulted in lower planted area and yields. As of July 31, the planted area for spring/summer wheat was 45,446 HA, a 24 percent increase from the previous year. Despite higher crop progress, summer wheat production accounts on average for roughly three percent of total wheat production. The estimate is the lowest in twenty years based on severe drought conditions in key producing regions.

According to SIAP, the harvested area for the fall/winter cycle reached 414,200 HA, 18 percent lower than the previous year based on lower dam levels in Sonora and Sinaloa, which constitute 70 percent of the cycle’s wheat production. Production for the fall/winter cycle was roughly 2.5 MMT, among which 1.6 MMT refers to durum wheat and 0.9 MMT to bread wheat. In Sonora, the harvested area reached 248,122 HA, a seven percent yearly decline, and a production of 1.57 MMT, a 21 percent decrease year-on-year. From Sonora’s wheat production, 1.2 MMT refers to durum wheat (primarily the CIRNO C2008 variety) and 0.37 MMT to bread wheat (mainly the Borlaug-100 variety). Average yields were 6.26 MT/HA, a 16 percent decrease from the previous year based on record-high temperatures and lower-than-average soil moisture levels. In Sinaloa, the harvested area and production were 31,134 HA and 0.2 MMT, respectively, a 31 percent decrease year-on-year with a stable average yield of 6.5 MT/HA. Bread wheat accounted for 92 percent of production, while the remainder corresponds to durum wheat. The largest decrease in production was in El Bajío region where harvested areas in Jalisco, Michoacán, and Guanajuato dropped by 91, 56, and 39 percent, respectively, and their yields were between one and three percent lower than the previous year.

**Figure 9. Mexico Soil Moisture Anomaly June 2024 vs. June 2023**



Source: USDA International Production Assessment Division

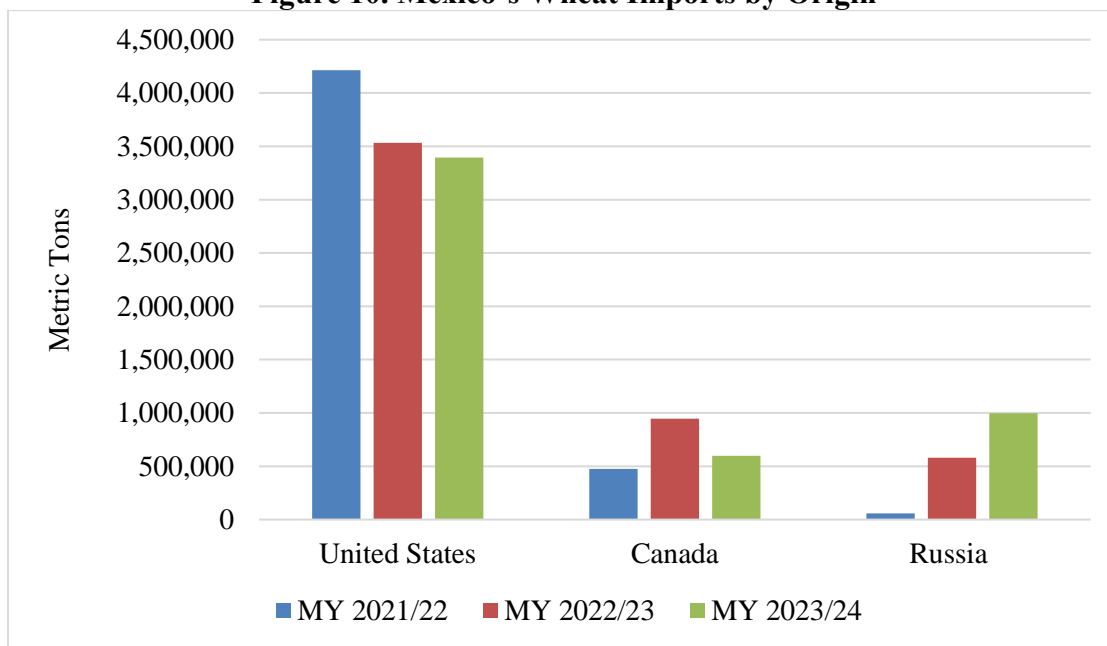
The implementation of support programs for wheat farmers remains inconsistent, which limits their earnings and adds uncertainty to wheat production. In 2024, the [Price Guarantee Program for Basic Food Products](#) set a purchase price of 7,600 pesos (USD 390) for producers of up to eight HA or 50 MT of bread wheat and 7,050 pesos (USD 360) for bread wheat producers of up to 50 HA or 300 MT. With regards to durum wheat, on May 20, the government announced a minimum price of USD 300 or 5,000 pesos per ton for wheat farmers in northeastern states (Sinaloa, Sonora, and Baja California). Although the harvest for the winter cycle was complete in July, as of August 31, SEGALMEX has not delivered support to wheat farmers. Additionally, producers faced higher input prices, especially fuel, electricity, and labor.

According to final SIAP data, in MY 2023/2024, wheat production was 3.47 MMT, a four percent decrease year-on-year. In the fall/winter cycle, the harvested area was six percent lower than the previous year at 268,056 HA, but the average yield was five percent higher at 7.44 MT/HA. Durum wheat production reached 1.87 MMT and bread wheat reached 1.6 MMT. Among the bread wheat, around 60 percent corresponds to soft wheat and 40 percent to hard wheat. The fall/winter cycle accounted for 97 percent of total wheat production. Sonora produced nearly 60 percent of total winter wheat production.

### Trade

FAS Mexico forecasts wheat imports for MY 2024/2025 at 5.7 MMT, six percent higher than the previous year based on lower-than-average production due to drought conditions. Wheat imports for MY 2023/2024 (July – June) are adjusted upwards to 5.37 MMT, nearly three percent higher year-on-year based on final figures from the National Chamber of the Wheat Milling Industry (CANIMOLT). While the United States remained the primary supplier, its share decreased by four percent annually to 65 percent of total imports. Russian wheat imports increased by 71 percent from the previous year and became the second largest provider with 18 percent of total imports, whereas Canadian wheat imports decreased by 37 percent and slipped down to 11 percent of total import volumes. Sources indicate that transportation fees for U.S. wheat are higher than the previous year due to border embargoes and congested traffic, especially in sidetracks that support direct wheat grain delivery to mills. In addition, wheat mills report longer delays due to limited inspection staff on the border. Approximately 75 percent of U.S. wheat is transported by freight train. On the other hand, higher Russian wheat exports to Mexico are due to lower transportation prices compared to wheat from other origins. In addition, wheat mills use Russian wheat based on protein levels (11 – 11.5 percent) for wheat flour blends.

**Figure 10. Mexico’s Wheat Imports by Origin**



Source: National Chamber of the Wheat Milling Industry

Post forecasts Mexico's wheat exports for MY 2024/2025 at 0.7 MMT, 16 percent lower from the previous year based on lower production of durum wheat in Sonora. Exports for MY 2023/2024 increased nearly 27 percent yearly based on CANIMOLT's final data. Sources indicate that competitive prices were the main factor for higher durum wheat exports in this cycle. Algeria remained the main destination for Mexico's durum wheat, with 80 percent of total exports. Venezuela and Guatemala ranked as second and third destinations for Mexico's durum wheat.

### **Consumption**

FAS Mexico forecasts total wheat consumption for MY 2024/2025 at 8.0 MMT, a one percent increase year-on-year based on population growth. According to CANIMOLT, in CY 2023, 7.5 MMT of wheat was processed by 90 wheat mills. Per capita consumption of bread remains at 44 kilograms (97 pounds), and per capita consumption of pasta is at 3.2 kilograms (7 pounds). Nearly all the wheat used in animal feedstock corresponds to Mexican durum and is used in the swine, cattle, and aquaculture industries in Sonora and Baja California.

### **Stocks**

Post forecasts stocks at 511,000 MT in MY 2024/2025, a 44 percent yearly decrease based on estimated lower-than-average production. The stocks-to-use ratio at the end of MY 2023/2024 equals roughly six weeks of domestic consumption. Sources indicate that most wheat mills in Mexico rely on just-in-time delivery, and stocks are held in private silos and warehouses.

## RICE

**Table 3: Mexico, Rice Production, Supply, and Distribution**

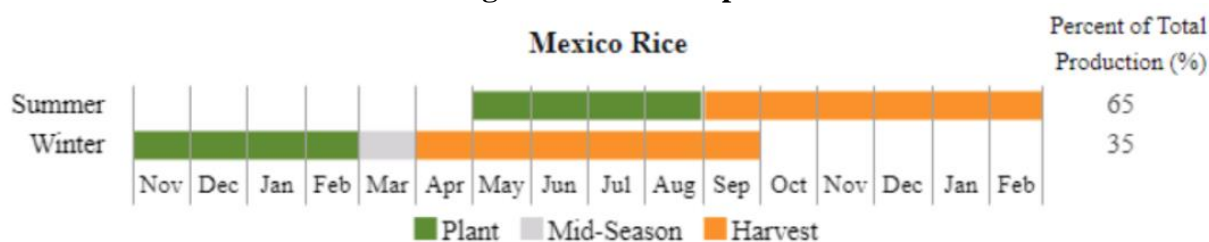
Rice, Milled Market Year Begins Mexico	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	31	31	33	31	35	33
Beginning Stocks (1000 MT)	143	143	88	88	113	105
Milled Production (1000 MT)	143	143	150	152	160	160
Rough Production (1000 MT)	208	208	218	221	233	233
Milling Rate (.9999) (1000 MT)	6870	6870	6870	6870	6870	6870
MY Imports (1000 MT)	781	781	870	860	860	840
TY Imports (1000 MT)	734	734	870	860	860	840
Total Supply (1000 MT)	1067	1067	1108	1100	1133	1105
MY Exports (1000 MT)	4	4	5	15	5	15
TY Exports (1000 MT)	5	5	5	15	5	15
Consumption and Residual (1000 MT)	975	975	990	980	1005	990
Ending Stocks (1000 MT)	88	88	113	105	123	100
Total Distribution (1000 MT)	1067	1067	1108	1100	1133	1105
Yield (Rough) (MT/HA)	6.7097	6.7097	6.6061	7.129	6.6571	7.0606

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

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

TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

**Figure 11. Rice Crop Calendar**



## Production

### MY 2024/2025

Post forecasts total rice production for MY 2024/2025 (October – September) at 160,000 MT of milled rice, five percent higher from the previous year. The harvested area is forecast at 33,000 HA, six percent higher than previous year. From June through August, CONAGUA reports higher-than-average precipitation levels in key producing states such as Michoacán, Jalisco, Campeche, and Colima. However, higher input costs, limited financing mechanisms, and lower land availability hinder significant rice production growth.

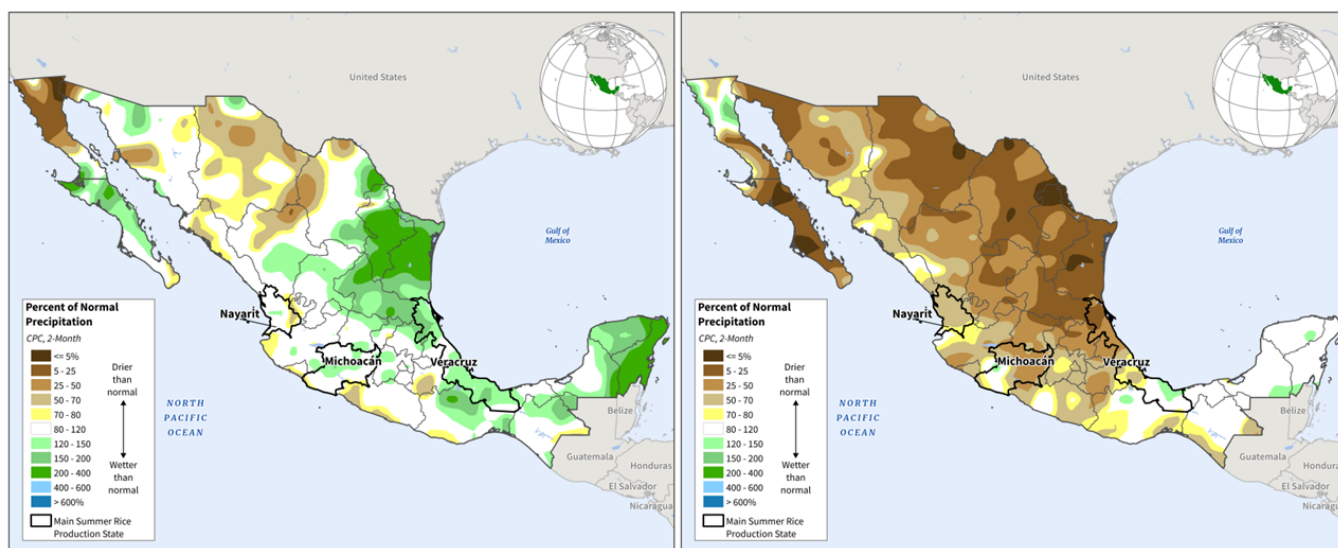
### Spring/Summer Rice

According to SIAP, as of July 31, the summer cycle planted area was 17,817 HA, ten percent lower from previous year. Despite this yearly decrease, sources indicate that western states (Nayarit, Michoacán, Jalisco and Colima) are likely to increase planted area from the previous year due to appropriate soil moisture levels and higher-than-average precipitation.

**Figure 12. Percent of Normal Precipitation (June – August 2023 and 2024)**

June 11 to August 10, 2024

June 11 to August 10, 2023



Source: USDA International Production Assessment Division

### *MY 2023/2024*

FAS Mexico’s rice production estimate for MY 2023/2024 is 152,000 MT of milled rice, six percent higher than the previous year based on updated data from SIAP. Despite this growth, production was 14 percent below the ten-year average. The main causes for decreased rice production are changing weather patterns, crop conversion to oil palm, lack of soil management, and constrained public policy in support of rice production.

### *Fall/Winter Rice*

As of July 31, the harvest was virtually complete. The harvested area was 8,317 HA, nearly eight percent lower than the previous year. Despite decreased harvested area, average yields reached 8.24 MT/HA, a ten percent yearly increase based on higher improved seed use in Nayarit. Due to drought conditions and lower reservoir levels, farmers in Tamaulipas decided not to plant rice. In addition, Nayarit reduced harvested area by nine percent. The harvested area was 5,453 HA, producing 50,155 MT of rough rice (34,456 MT of milled rice) and average yields of 9.20 MT/HA. Roughly 80 percent refers to wide-grain rice and 20 percent to slender-grain rice. Campeche harvested 1,700 HA and reported production of 10,200 MT (7,007 MT of milled rice) and a 6.0 MT/HA yield. About 53 percent corresponds to slender grain rice and 47 percent to wide grain rice.

### *Spring/Summer Rice*

The harvested area for the spring/summer cycle was 22,593 HA with a production of 153,584 MT (105,512 MT of milled rice), an eight percent increase year-on-year. Yields were 6.8 MT/HA, six percent higher than the previous year. Nayarit and Michoacán made up 40 percent of the summer cycle production. Their production was higher than average due to higher irrigated land. On the other hand, Campeche produced 13,836 MT, 60 percent lower than the five-year average based on the conversion of



land to other crops due to lower water availability, record-high temperatures, and minimal access to crop insurance.

## **Trade**

Post forecasts Mexico's rice imports for MY 2024/2025 at 840,000 MT, a two percent decline year-on-year based on forecasted higher production and stable demand. U.S. rice is estimated to remain the main source of rough rice for Mexico due to its price competitiveness and reliability. Milled rice will likely be imported from the United States, Thailand, and Uruguay. Importers value the price competitiveness of Thai rice and the qualities of rice from Uruguay and other South American countries.

Exports for MY 2024/2025 are estimated stable at 15,000 MT based on lower exportable supplies of broken rice.

### *MY 2023/2024*

FAS Mexico estimates rice imports for MY 2023/2024 at 860,000 MT, ten percent higher year-on-year based on updated trade data. From October 2023 through June 2024, rice imports reached 684,789 MT, a 14 percent increase from the previous year. United States rice accounts for 79 percent of Mexico's imports. From Mexico's total rice imports, U.S. rice covers virtually all the rough rice imports due to favorable prices compared to Brazilian rice. Regarding milled rice, the United States is the main supplier with 47 percent of the market share due to price competitiveness, while Thailand ranks second with roughly 24 percent, and Uruguay with 22 percent.

From October 2023 through June 2024, Mexico's exports reached 11,848 MT, a 203 percent yearly increase based on higher demand for Mexico's broken rice to the United States, which accounted for roughly 47 percent of exports. According to sources, in previous years, the domestic brewing industry consumed local broken rice. However, due to the brewing industry's higher stocks, local rice millers increased broken rice exports.

## **Consumption**

FAS Mexico forecasts total consumption at 990,000 MT in MY 2024/2025, one percent higher than the previous year based on current population growth. There are 18 rice mills in Mexico. Among them, eleven mills process only domestic rice, five mills process both domestic and imported rice, and two mills only process imported rice.

## **Stocks**

Post forecasts ending stocks for MY 2024/25 at 100,000 MT, five percent lower from the previous year based on forecast lower imports.

## SORGHUM

**Table 4. Mexico, Sorghum Production, Supply, and Distribution**

Sorghum	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
Mexico						
Area Harvested (1000 HA)	1398	1398	1230	1285	1320	1320
Beginning Stocks (1000 MT)	303	303	270	270	124	204
Production (1000 MT)	4892	4892	4280	4485	4500	4650
MY Imports (1000 MT)	176	176	75	50	100	50
TY Imports (1000 MT)	176	176	75	50	100	50
Total Supply (1000 MT)	5371	5371	4625	4805	4724	4904
MY Exports (1000 MT)	1	1	1	1	1	1
TY Exports (1000 MT)	1	1	1	1	1	1
Feed and Residual (1000 MT)	5000	5000	4400	4500	4500	4500
FSI Consumption (1000 MT)	100	100	100	100	100	100
Total Consumption (1000 MT)	5100	5100	4500	4600	4600	4600
Ending Stocks (1000 MT)	270	270	124	204	123	303
Total Distribution (1000 MT)	5371	5371	4625	4805	4724	4904
Yield (MT/HA)	3.4993	3.4993	3.4797	3.4903	3.4091	3.5227

(1000 HA), (1000 MT), (MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Sorghum begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

**Figure 13. Mexico Sorghum Crop Calendar**



### Production

*MY 2024/2025*

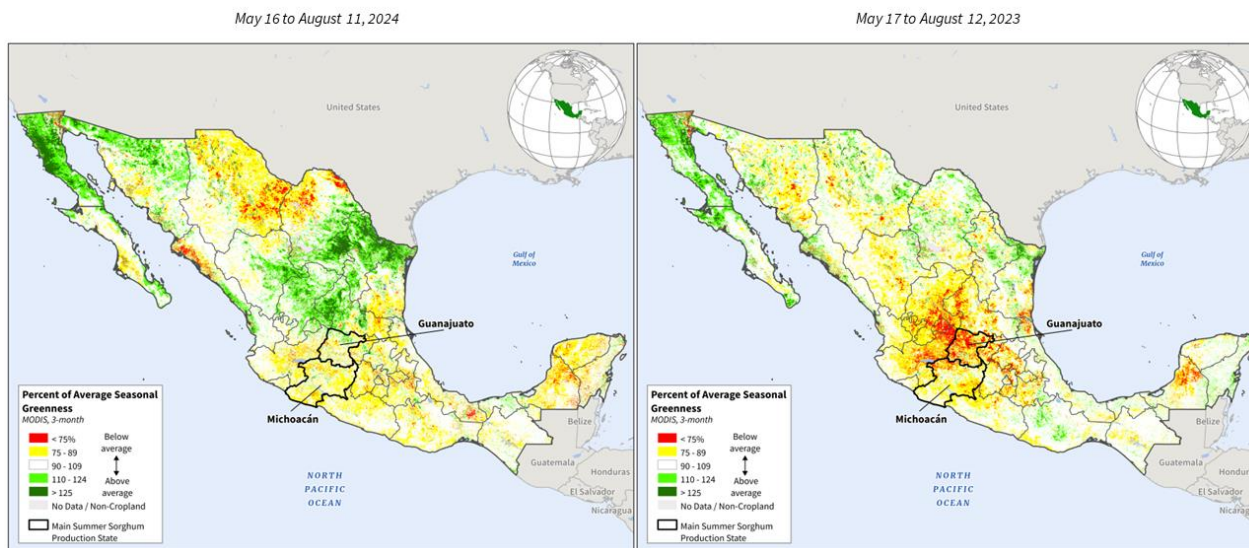
Post forecasts Mexico's MY 2024/2025 (October –September) sorghum production at nearly 4.7 MMT, a four percent increase year-on-year. The harvested area is forecast at 1.32 million HA, three percent higher than the previous year. Higher-than-average precipitation, appropriate moisture levels are factors that could drive up harvested area and production. However, higher input costs (i.e. fuel, electricity), relatively low local prices, a lack of a federal government support program, and preference for corn for animal feed are key factors for below-average sorghum production.

### *Spring/Summer Sorghum*

According to SIAP, as of July 31 for the summer cycle planted area was 329,338 HA, four percent lower from the previous year. However, due to above-average precipitation and improved drought conditions

in Guanajuato, Michoacán, and Jalisco, farmers are optimistic about higher yields compared to the previous year. On average, 65 percent of summer sorghum is rainfed and 35 percent is irrigated.

**Figure 14. Percent Average Seasonal Greenness (May 26– August 11, 2024 vs. 2023)**



Source: Source: USDA International Production Assessment Division

### *Fall/Winter Sorghum*

Farmers in Tamaulipas report above-average rainfall and moisture levels during the summer season. However, sources indicate that some farmers are not able to harvest water and maintain soil moisture levels for the winter cycle. This is due to less resources available from relatively low local prices and a lack of public policy to support sorghum growers.

### *MY 2023/2024*

### *Fall/Winter Sorghum*

FAS Mexico estimates sorghum production for 2023/2024 at 4.5 MMT based on updated SIAP data, eight percent lower than the previous year based on higher-than-average temperatures and lower precipitation. As of July 31, the harvested area for the fall/winter cycle was 867,235 HA, four percent lower than the previous year. Due to drought conditions, Tamaulipas decreased harvested area by two percent to 1.87 MMT, and yields dropped by ten percent in the current marketing year. The state's winter sorghum output made up roughly 42 percent of total domestic production. Nayarit's production fell by 16 percent from the previous year at 0.21 MMT due to lower harvested area and yields.

Continued elevated input costs (e.g., electricity) and lower local prices, combined with limited financing mechanisms for sorghum farmers remain key obstacles for lower-than-average production levels in MY

2023/2024. Winter sorghum's average price during the harvest season was 3,200 pesos (USD 160), a 24 percent yearly decline. Due to lower local prices, on August 12, the government of Tamaulipas announced a 270 million pesos (USD 13.7 million) support program for sorghum growers. However, uncertainty regarding support programs disincentivizes farmers from planting sorghum.

### *Spring/Summer Sorghum*

Based on final SIAP data, the harvested area for the spring/summer cycle was 418,425 HA, 18 percent lower year-on-year, while production reached slightly above 2.0 MMT, a five percent yearly decline due to severe and exceptional drought conditions in producing states. Michoacán reported production of 279,930 MT, a ten percent decrease from the previous year, while Jalisco produced 130,253 MT, a 12 percent yearly decline. The only exception was Guanajuato, which produced 922,484 MT, a five percent increase, and 45 percent of the summer cycle output. Sources indicate that some farmers in Guanajuato decided to grow sorghum due to lower water requirements compared to barley.

### **Trade**

FAS Mexico forecasts sorghum imports for MY 2024/2025 at 50,000 MT, stable from the previous year based on solid demand for domestic sorghum and preference for imported yellow corn by the animal feed industry.

Post estimates sorghum imports for MY 2023/2024 at 50,000 MT, 72 percent lower year-on-year based on lower prices for domestic sorghum and imported yellow corn. Sources indicate domestically produced sorghum is on average 30 percent less expensive compared to imported sorghum. From October 2023 through June 2024 sorghum imports were 45,616 MT, a 68 percent decrease from the previous year. All sorghum imports are from the United States.

### **Consumption**

For MY 2024/2025, FAS Mexico forecasts total sorghum consumption stable at 4.6 MMT. The sorghum crop is a relevant input for animal feed, especially for poultry and pork production. Cattle ranchers in the Bajío and northeastern regions drive demand for sorghum. However, yellow corn remains the preferred animal feed source based on availability, higher conversion rates, and coloration impact on final animal products such as eggs.

### **Stocks**

Post forecasts ending stocks for MY 2024/2025 at 303,000 MT, 49 percent higher than the previous year based on forecast higher production and stable consumption.

## **POLICY (all grains)**

### **New Congressional Period and Federal Government in 2024**

The newly elected president Claudia Sheinbaum will assume office on October 1, 2024. On June 2, 2024, Mexico elected Claudia Sheinbaum from the Morena party for a six-year term presidency. Morena and its allied parties also received a qualified majority (two thirds of the Chamber members) in the Lower Chamber and a simple majority (more than 50 percent) in the Senate. The new Congress started the legislative period on September 2, 2024, which goes on through December 31, 2024. Members of the agricultural sector remain attentive to any new government policies that could impact their operations during a new administration.

### **Constitutional Reforms Under Discussion Might Impact the Agricultural Sector**

The new legislative session which started on September 2, 2024 will review [18 Constitutional Reforms](#). Under [one proposed constitutional change](#), GE corn imports are not allowed for human consumption and for non-human consumption would be required to be in “broken” form [devitalized] to not germinate. Statements from the National Poultry Union and National Chamber of Industrialized Corn (attached) describe risks the measure could pose for the production of eggs, chicken meat, corn processing, and the food security of Mexico. Corn importers are attentive to any potential legislative changes for impacts on their operations.

### **Mexico's 2024 Agricultural Budget Maintains Focus on Social Programs**

The 2024 federal government budget for SADER is USD 4.3 billion, a five percent increase compared to the 2023 budget (see [GAIN MX2024-0007](#)). Over 70 percent of the budget is allocated to assistance programs that provide in-kind benefits such as fertilizers to small-scale producers and milk to low-income families.

### **General Law on Appropriate and Sustainable Food**

On April 17, 2024, the Government of Mexico published a law in Mexico’s Federal Register (*Diario Oficial*) to establish mandatory warning labeling for products containing genetically engineered ingredients, state sponsored granaries, and the use of the precautionary principle (See [GAIN MX2024-0023](#)). According to the law, implementing regulations must be published in the Diario Oficial 180 days after the publication. In addition, federal and state legislation must be harmonized 360 days after publication of the law. Industry remains attentive to the bylaws that would define the general provisions included in this legislation.

### **February 2023 Corn Decree**

On February 13, 2023, Mexico published a presidential decree which includes a directive that, “The dependencies and entities of the Federal Public Administration will carry out the actions leading to the effect of carrying out the gradual substitution of genetically modified corn for animal feed and for industrial use for human food.” On August 17, 2023, the United States Trade Representative announced the United States establishment of a dispute settlement panel under the United States--Mexico--Canada Agreement (USMCA) regarding certain Mexican measures concerning biotech corn. A final panel report [is expected by the end of 2024](#).

### Presidential 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 [GAIN MX2024 0004](#) and [GAIN MX2023 0002](#)). The decree is valid through December 31, 2024, and temporarily exempts select importers from the payment of import duties for certain goods and facilitates administrative easing.

### For More Information

Visit the FAS headquarters' home page at [www.fas.usda.gov](http://www.fas.usda.gov) for a complete selection of FAS worldwide agricultural reporting.

Report Number	Title	Dated
<a href="#">MX2024-0032</a>	Grain and Feed Update	06/19/2024
<a href="#">MX2024-0015</a>	Grain and Feed Annual	03/19/2024
<a href="#">MX2024-0005</a>	Grain and Feed Update	01/25/2024
<a href="#">MX2023-0045</a>	Grain and Feed Update	09/27/2023
<a href="#">MX2023-0032</a>	Grain and Feed Update	06/21/2023

Additionally, the FAS International Production Assessment Division Crop Explorer provides information on Mexico’s grain production:

[Corn Explorer](#)

[Wheat Explorer](#)

[Rice Explorer](#)

[Sorghum Explorer](#)

**Attachments:** [UNA Press Release Cracked Corn August 19 2024.pdf](#)

[CANAMI Press Release Cracked Corn August 20 2024.pdf](#)