



GIEWS Country Brief Mexico

Reference Date: 07-August-2020

FOOD SECURITY SNAPSHOT

- Planting of 2020 main maize and paddy crops ongoing under dry weather conditions
- Cereal import requirements in 2019/20 marketing year anticipated at record highs
- Prices of black beans well above year-earlier values

Planting of 2020 main maize and paddy crops ongoing under dry weather conditions

Harvesting of the 2020 minor season maize crop is nearly completed and production, despite a slight reduction in plantings, is estimated at an average level of 8.2 million tonnes. The harvest of the 2020 main season wheat crop, which accounts for 95 percent of the total annual production, also finalized. Production is estimated at 2.9 million tonnes, nearly 20 percent lower than the previous five-year average. The low output reflects the continuous contraction in the planted area in the last five years as farmers have shifted to crops that are more profitable. Furthermore, the limited availability of irrigation water during the planting period curtailed the planted area.

Planting of the 2020 main season maize and paddy crops is underway and the key producing central-western areas are experiencing moderate soil moisture deficits due to the below-average rainfall amounts in the June-July period. Weather forecasts point to average to above-average rainfall amounts during the August-October period, which is expected to replenish soil moisture and be favourable for crop growth.

The Ministry of Agriculture continues to support smallholder farmers for the second consecutive year by purchasing maize, beans, wheat, rice and fresh milk at fixed prices that are higher than the market prices. In addition, in order to boost domestic maize production, the Ministry will implement guaranteed prices for medium-sized farms (up to 50 hectares).

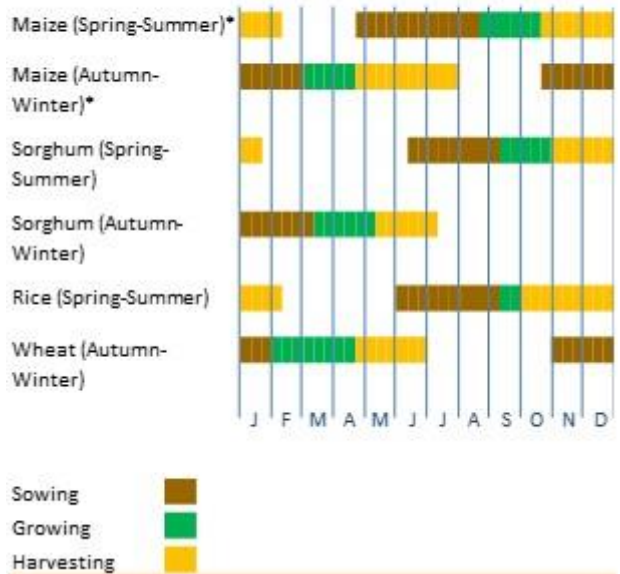
Cereal import requirements in 2019/20 marketing year anticipated at record highs

Cereal import requirements are officially forecast at 24.4 million tonnes in the 2019/20 marketing year (October/September), an all-time high and about 20 percent above the five-year average. The increase mainly reflects the increased demand of yellow maize by the feed industry, compounded by higher import needs of wheat grain and flour following the reduced harvests in 2019 and 2020.

Mexico

Crop Calendar

(*major foodcrop)



Mexico

Cereal Production

	2015-2019	2019	2020	change
	average		forecast	2020/2019
	000 tonnes			percent
Maize	26 965	26 950	27 100	0.6
Sorghum	4 772	4 275	4 750	11.1
Wheat	3 459	3 282	3 050	-7.1
Others	1 285	1 325	1 379	4.1
Total	36 481	35 832	36 279	1.2

Note: percentage change calculated from unrounded data.

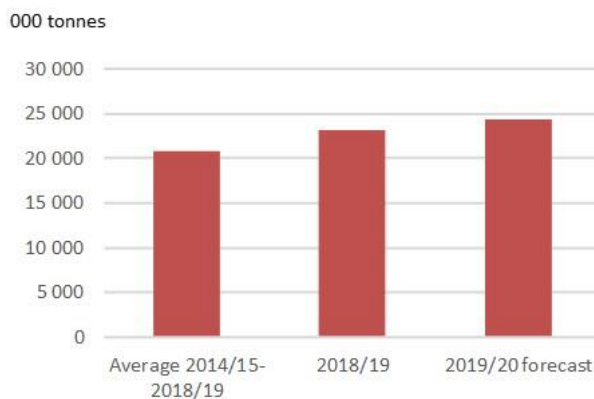
Source: FAO/GIEWS Country Cereal Balance Sheet.

Prices of white maize and black beans started to decline since May

Prices of white maize and black beans increased sharply in March and April, reflecting the increased domestic demand and a significant depreciation of the domestic currency amid the COVID-19 pandemic. Prices of maize declined since May due to increased market availabilities from the harvest of the minor season crop, and as of June 2020, they were near their year-earlier levels. Prices of beans only slightly decreased in May and were nearly 40 percent higher year on year. Prices of rice remained stable during the first half of 2020 and were similar to a year earlier in June.

Mexico

Cereals Imports

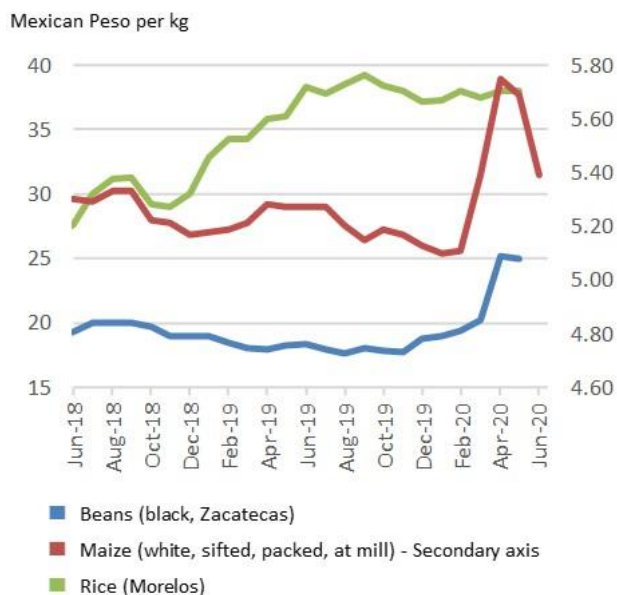


Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Source: FAO/GIEWS Country Cereal Balance Sheets.

Mexico

Wholesale prices of selected cereals in Mexico City



Disclaimer: The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.