



GIEWS Country Brief Mexico

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FOOD SECURITY SNAPSHOT

- Unfavourable prospects for 2021 wheat crop production due to dry weather conditions
- Cereal production in 2020 estimated at average level
- Cereal import requirements in 2020/21 marketing year forecast at high levels
- Prices of black beans well above year-earlier values

Unfavourable prospects for 2021 wheat crop production due to dry weather conditions

Planting operations of the 2021 main season wheat crop concluded in January. The planted area is estimated at below-average levels, as farmers have gradually shifted production to the more remunerative maize crop since 2015. According to satellite imagery, vegetation conditions of germinating crops are slightly below average in the key producing northwestern area as of mid-February (see VCI map). Drier and hotter weather conditions, forecast for the March-May period, weaken production prospects for 2021 wheat crops, as the supply of water for irrigation is likely to be reduced, with negative consequences on yields.

Planting of the 2021 minor season maize crop is nearly completed. The planted area is officially estimated to be close to average levels, but higher than the low levels recorded in 2020, due to production incentives by the Government. According to the incentive scheme, the Government will purchase maize grain that will be harvested in the second quarter of 2021 by medium-size farms (up to 50 hectares), granting an additional MXN 100 (about USD 5) per each tonne purchased.

Cereal production in 2020 estimated at average level

Aggregate cereal production in 2020 is officially estimated at a near-average level of 36.4 million tonnes. The 2020 maize output, which accounts for 75 percent of the national cereal production, is estimated at average level of 27.5 million tonnes.

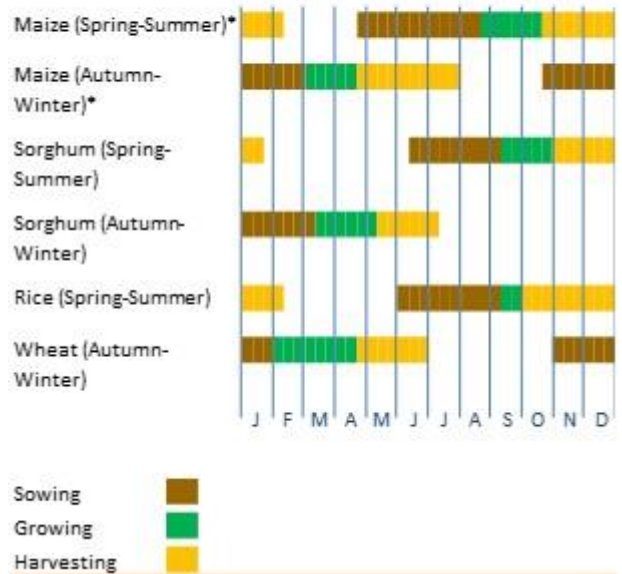
Cereal import requirements in 2020/21 marketing year forecast at high levels

Cereal import requirements in the 2020/21 marketing year (October/September) are forecast at a high level of 23.8 million tonnes, continuing the rising trend since 2013 mainly due to growing demand for yellow maize by the feed industry.

Mexico

Crop Calendar

(*major foodcrop)



Mexico - Vegetation Condition Index (VCI)

Dekad 3, February 2021



Source: FAO/GIEWS Earth Observation System.

Prices of grains higher year on year in February 2021

Prices of rice have been stable since November 2020 and, in February 2021, were well above their levels a year earlier. The high price level reflects an increase in domestic demand amid the COVID-19 pandemic and a significant depreciation of the domestic currency in the second quarter of 2020, which made imports costlier. Similarly, prices of white maize and black beans in February 2021 were about 25 percent higher year on year as the weak national currency increased production costs. Markets are reportedly well supplied with the 2020 maize and beans main crops, harvested in the October 2020-January 2021 period.

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Cereal Production

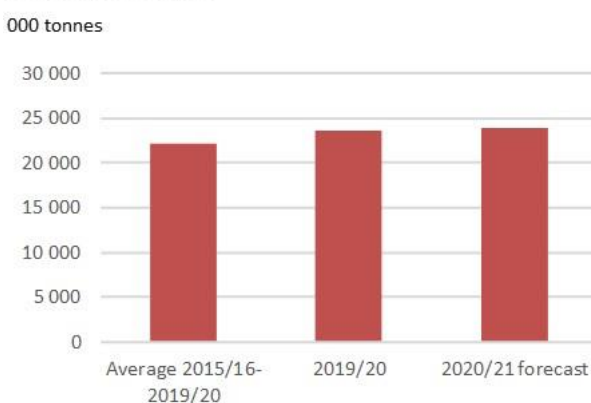
	2015-2019	2019	2020	change
	average		estimate	2020/2019
000 tonnes				
Maize	27 021	27 228	27 450	0.8
Sorghum	4 787	4 353	4 762	9.4
Wheat	3 452	3 244	2 965	-8.6
Others	1 288	1 339	1 245	-7.0
Total	36 547	36 164	36 422	0.7

Note: percentage change calculated from unrounded data.

Source: FAO/GIEWS Country Cereal Balance Sheet.

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Cereals Imports

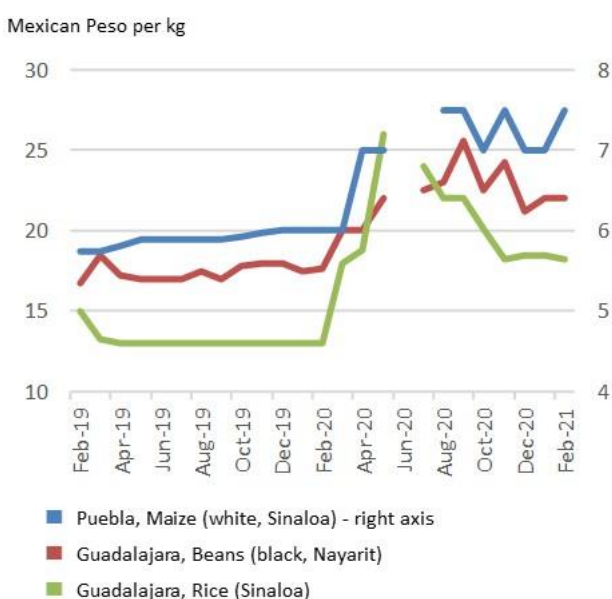


Note: Includes rice in milled terms. Split year refers to individual crop marketing years (for rice, calendar year of second year shown).

Source: FAO/GIEWS Country Cereal Balance Sheets.

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Wholesale prices of selected cereals



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

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