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Mexico

Market Development Reports

Market Snapshot: Oilseeds

2008

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Report Highlights:

Mexico is the second largest market for U.S. soybeans and the largest market for soybean meal. The main oilseeds imported into the country are soybean and canola (rapeseed). Mexico produces a small quantity of soybeans - less than 100,000 metric tons (MT) in FY 2007. Mexico does not produce canola seed. Currently, there is a government policy to increase the national production of oilseeds.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Mexico City ATO [MX2]
[MX]

Best Prospects

The U.S. continues to be the major supplier of oilseeds to Mexico due to geographic proximity and successful market promotion efforts. Imports will continue to be dominated by soybeans, followed by rapeseed, peanuts, and sunflower seeds. The U.S. is expected to hold approximately 73 percent of the oilseed import market, followed by Canada. Rapeseed consumption is expected to increase as crushers move away from soybean and sunflower seeds to rapeseed, due to its higher oleic content.

Consumption

Total oilseeds consumption is estimated to increase by two percent in the coming year; primarily attributable to the livestock sector. The poultry sector continues to be the major consumer of soybean meal in Mexico.

Mexican production of oilseeds is very limited and therefore it is highly dependent on imports. Five companies represent nearly 80 percent of crushing capacity in Mexico. These include HISA, Agydsa, Ragdsa, Cargill, and La Corona.

Domestic soybean production accounts for less than 3 percent of total consumption, with the remainder coming from imports. Mexican peanut production is expected to remain unchanged in marketing year (MY) 2007/08, due to unattractive domestic prices and practically nonexistent government supports. Rapeseed and sunflower production are basically non-existent.

Competition

Soybeans continue to be the main imported oilseed, representing 71 percent of total oilseed imports in MY 2007/08, though soybean imports are forecast to increase by only 1.7 percent this marketing year. This slight increase primarily reflects the sluggish performance of the poultry and hog sectors. Meat industry producers are anticipating a slowdown in consumer demand as a result of price increases.

Rapeseed (primarily canola) is the second most imported oilseed in Mexico. For MY 2007/08, rapeseed imports are expected to reach 1.44 million metric tons. This slight increase is driven by strong demand for canola oil from the HRI market segments. Canada continues to be the primary canola supplier to the Mexican market.

Sunflower seed imports are forecast to decline slightly to 14,000 MT due to its unpopularity as a cooking oil.

Soybean meal will maintain an 84 percent share of the oil meal market, practically all of which is imported from the United States. Soybean oil and rapeseed oil constitute nearly all of the oils consumed in Mexico.

Sunflower seed consumption is expected to decrease slightly, due to sluggish demand from the confection, snack, and bird-food sectors, reflecting an expected slowdown in the Mexican economy. A very small amount of total sunflower production has been used for oil and meal. The main users of sunflower seed continue to be the snack, confection, and bird-food sectors.

Peanut consumption is expected to increase only slightly. Approximately 90 percent of peanuts are consumed as snacks.

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