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Mission to Mexico

By BILL SPIEGEL

WHILE U.S. corn farmers are basking in the crop's high income potential in 2007, companies that import corn from the U.S. are not as enthusiastic.

In February, a group of Kansas corn producers visited several companies in Mexico that fit this description. Much of Mexico, particularly the Midwest, is unable to produce enough yellow corn to meet animal feed needs. Those areas suitable for corn production grow white corn instead, as white-corn tortillas are a staple in the Mexican diet.

Yet, the average Mexican's household income is increasing steadily, stimulating greater demand for animal protein. Meeting the demand for beef, poultry, eggs, pork and dairy products is made possible by U.S. corn exports to Mexico's animal feeders. Charged with helping the Mexican end user learn about U.S. feed-grain products is the U.S. Grains Council, a farmer-funded group that supports market development and education for corn, grain sorghum, barley and related byproducts.

"Mexico is the largest importer of these grains, plus 400,000 tons of distillers dried grains," says Chris Corry, director of international operations for the USGC.

The USGC began working in Mexico in 1982, first to educate end users about U.S. corn; now, the effort has shifted to one of market access and development, Corry says.

With the U.S. ethanol industry booming, however, Mexican companies like Proan are concerned that U.S. farmers

Key Points

- Mexico is an important market for U.S. corn and feed grains.
- USGC is a market development organization.
- Import buyers are concerned about supplies of U.S. corn.

can't grow enough corn to meet ethanol and industrial demand in the U.S. and have enough left over for export.

"There is uncertainty with what will happen with the U.S. corn supply," says Manuel Romo, owner of Proan. "Because of ethanol, the [corn export] situation has changed a lot. We rely heavily on U.S. corn."

Ethanol unknown

Mexican end users know that dried distillers grain will become an increasingly important feedstuff.

"With greater ethanol production comes a larger need for DDGs," says Fernando Lozano, director of Mexico's Association of Feed Manufacturers. Mexico has increased its import of U.S. DDG from 30 tons four years ago to 428 tons in 2006.

"The problem is, there is no standardization for DDG quality, and transportation is a problem," Lozano says.

The USGC is planning a series of training seminars to teach end users how to use DDG, says Ricardo Celma, regional director for USGC's Mexico City office. These seminars will be vitally important as the U.S. seeks to continue its standing as the world's leading provider of feedgrains.

■ Read more about the U.S./ Mexico corn relationship on Page 8.



CASH CORN: In Mexico, yellow corn is sold in "wet markets" like this Mercado in Guadalajara, so customers can buy it in bulk to feed chickens, pigs or cattle. They also can grind the corn for their own feed uses. Mike Brzon, Courtland, recently visited Mexico as part of a group of Kansas farmers.

Powerful Performance

