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# Tracking U.S. Grain, Oilseed and Related Product Exports in Mexico (Summary)

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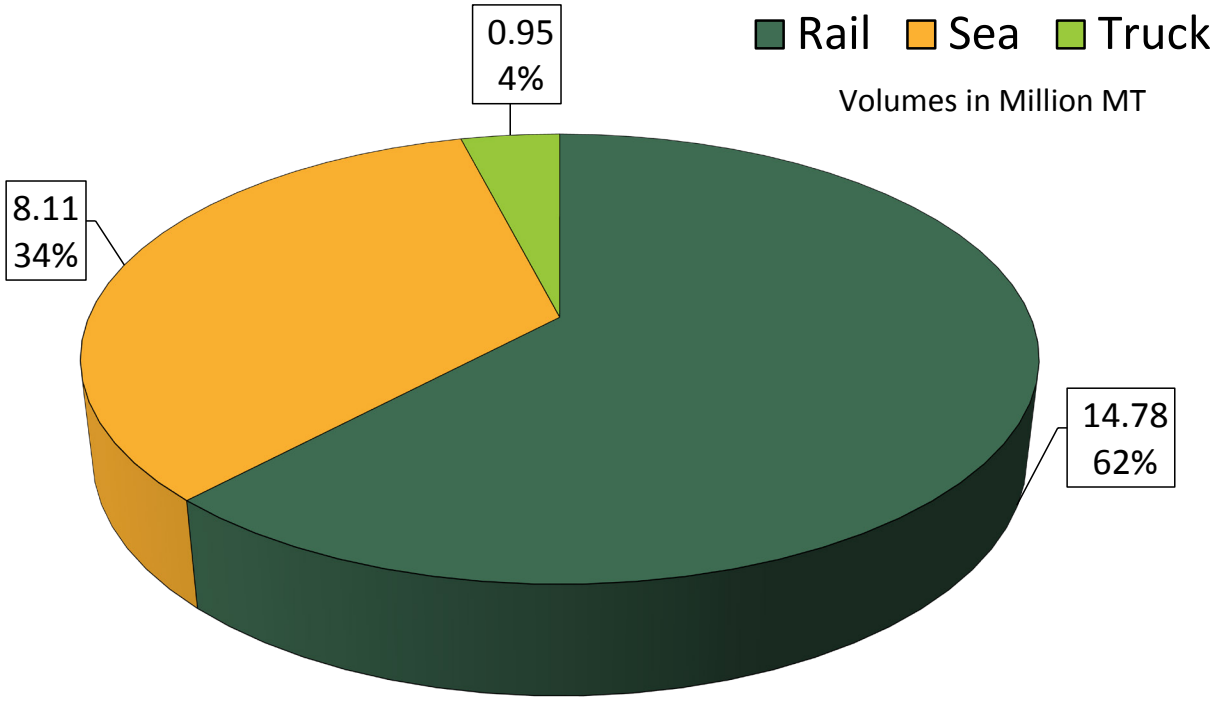
Mexico is the third most important U.S. agricultural export market, after China and Canada, valued at $18.9 billion in Calendar Year 2012. U.S. grain, oilseed, and related product exports to Mexico averaged 22.2 million metric tons (mmt) per year from 2008-2012 with an average annual value of $7.3 billion. Continued trade growth has spurred interest in how these products are transported throughout Mexico and how they are used. Because there is no readily available public data identifying the main entry points of U.S. agricultural exports to Mexico, modes of transportation, and final destinations and use, the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service entered into a cooperative agreement with Texas A&M AgriLife to track U.S. grain, oilseed and related product exports in Mexico.

Texas A&M AgriLife Research and Texas A&M Transportation Institute scientists found that rail continues to be the most important mode of transport for U.S. grains, oilseeds, and products entering Mexico, followed by seaports and trucks. Nearly all Mexican land ports of entry are connected with a U.S. railroad, except for Nuevo Progreso, which does not have rail access (Fig. 1). Increased rail efficiency caused by larger trains and gauge uniformity facilitates North America Railroads (Canada, United States, and Mexico) integration. Once inside Mexico, the majority of the U.S. exports were shipped by rail within Mexico to their final destination (Fig. 2). Two major Mexican rail companies: Ferromex/Ferrosur and Kansas City Southern de Mexico handled U.S. grains, oilseeds, and related products inside Mexico. Jalisco is the largest single destination for rail shipments, followed by Queretaro, and the Estado de Mexico. The largest rail origin-destination pairs, with at least a million metric tons, include Nuevo Laredo-Queretaro, Piedras Negras-Jalisco, Veracruz-Puebla, Nuevo Laredo-Nuevo Leon, Nuevo Laredo-Estado de Mexico, and Ciudad Juárez-Jalisco.

## Figure 1. Mexican Rail Transportation System

Seaports are the second most dominant mode of entry for U.S. agricultural exports to Mexico. It is estimated that at least 42 percent of these imports leave the Mexican seaport area via rail while at least 17 percent leave via truck to their final destination. The remainder falls in a "rail/truck" combination or continues to another Mexican seaport. The ports of Veracruz, Progreso, Coatzacoalcos, and Tuxpan are the main entry points of U.S. agricultural exports to Mexico. Yellow corn, soybeans, hard wheat, and sorghum account for more than two-thirds of U.S. agricultural exports to Mexico. Yellow corn is used mostly for animal feed and corn starch. Soybeans are crushed for meal and oil. Soybean meal is an important protein feed for livestock, dairy, poultry, and aquaculture. Hard wheat is for human consumption. Grain sorghum is used for animal feeding.

**Figure 2. Transportation Modes for U.S. Grains, Oilseeds and Products Exported to Mexico in 2011, Million Metric Tons and Percent of Share**




Source: Servicio de Información Agroalimentaria y Pesquera (SIAP), SAGARPA, Mexico.

The study is based on primary and secondary data gathered from Mexican and American databases of government agencies, private-sector firms, and agricultural organizations. The statistics division of the Mexican Agricultural Ministry, Servicio de Información y Estadística Agroalimentaria y Pesquera of Secretaria de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (SIAP/SAGARPA), provided data to determine volumes of Mexican grain imports from the United States, by entry point and mode of transportation. Ferromex and Kansas City Southern de Mexico data revealed how U.S. products moved within Mexico and final destination by volume and origin. The Global Agricultural Trading System (GATS), USDA's Foreign Agricultural Service, and World Institute for Strategic Economic Research data were used to validate trade volumes and entry points for exports from the United States into Mexico. Finally, data were requested from the U.S. grain organizations in an effort to obtain the fullest picture possible of destinations and uses.

This paper is a summary of:

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