

Monthly Report

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Cotton Council International / National Cottonseed Products Association

Specific goals 2010-2011 for Animals Using USCSM in Mexico

Utilization in Feedlots:

States: Nuevo Leon, Sonora, Sinaloa, Jalisco Tamaulipas, Veracruz

1. Stimulate demand for CSM used in feed lots in Nuevo Leon & Tamaulipas, which is forecast at 17,000 in 2010/11;
MNA of Monterrey has invited CCI-NCPA to their Annual Conferences on Feedlot to be held in October as guest speakers
2. Monitor the amount of CSM used in feed lots in Sonora, Sinaloa and Jalisco, which is estimated at 4,000 mt in 2010/11 ;
3. Monitor cottonseed meal use of dairy, feed lot, and cow-calf operations in Veracruz which is forecast to remain unchanged from an estimated 4,000 mt in 2010/11;
In a recent visit to Forrajes Chapeteados in Jalisco, major supplier of USCSM in Mexico and in the area of Veracruz mentioned that they will be focusing on increasing their sales to this area.

Utilization in cow calf operations

States: Chihuahua, Coahuila

4. Help increase cottonseed meal use in cow-calf operations in Chihuahua estimated to import 4,000 metric tons for 2010/11;
Weather conditions have started to improve with the coming of the Hurricane season which will slow down to the use of USCSM but this will happen after 30 to 60 days when the pastures have enough growth for animal consumption.
5. Maintain the amount of cottonseed meal use of cow-calf operations in Coahuila which is forecast at 1,050 mt in 2010/11;
Weather conditions in Coahuila are pointing to the same results as Chihuahua but forages and most feed ingredients have increased their prices significantly compared to last year due to a residual effect of the past drought.

Utilization in Dairy Operations

States: Coahuila, Chihuahua, Durango, Jalisco

6. Monitor cottonseed meal use of dairy operations in Chihuahua, Cuauhtémoc and Coahuila, which is forecast at 20,000 mt tons in 2010/11;

7. Help increase cottonseed meal use in dairy operations in Jalisco state estimated at 40,000 mt for 2010/11;

This area reports that the dairy sector has been extremely hit indirectly by a prolonged drought which has affected this region by increasing the prices of feed ingredients according to farmers of the area. Recently rain conditions have favored the region bringing some relief to the dairy farmers of the area. Forrajes Chapeatados major provider of USCSM to this area report that availability of USCSM has increased and want to increase their market to the area of Veracruz. They also considered that with their new offices in Progreso Texas they will be serving the Mexican market better. Geographically they are very well located to focus on the Veracruz, Queretaro and Mexico State Market. The last two are close to Mexico City. The Forrajes Chapeatado Company has the potential to import at least 50,000 metric tons per year with a market value of over 15 million dollars.

**New Markets in Mexico for USCSM
State: Hidalgo, Guanajuato, Queretaro**

8. It is reported that in the area of Tizayuca in the state of Hidalgo close to Mexico City a dairy area of 30,000 dairy cows are having difficulty in buying USCSM and will be visited soon..
9. The states of Queretaro and Guanajuato contain the largest numbers of dairy goats in Mexico. CCI / NCPA have conducted different programs in order to promote the use of USCSM in this industry and will continue to closely monitor this situation.

Other objectives

10. Increase the number of influential nutritionists who recommend cottonseed meal use from 15 to 16 in 2010/11;
11. Increase the average number of monthly inquiries from Mexican industry members interested in US cottonseed meal from in 2010/11 as measured by web site statistics; NCPA web site statistics are monitoring this objective.
12. **For the Caribbean region:**
 - a. Continue to identify and provide data regarding market size and scope for protein feed ingredients;
 - b. Continue to determine potential size and scope for US cottonseed meal sales;
 - c. Maintain contact with key industry officials, including buyers, feed mixers and distributors.
 - d. Initiate small-scale feeding trial of up to 10 mt of US CSM
 - e. Establish sales of 4,000 mt to one or more key buyers.
13. Prepare a summary report on the Mexican market for US cottonseed meal, identify the top importers/key customers, and provide a summary description of each.

14. Prepare a summary report on the Caribbean/Central American market for US cottonseed meal, identify the top importers/key customers, and provide a summary description of each

Summary for July 2011

- 1 The Mexican peso for the month of July and end of June was reported at 11.72 pesos to one U.S. dollar compared to 11.57 for May and 11.61 pesos for April.
- 2 Cotton production estimates for Mexico for July, measured in bales and seed (Table. 1) according to Fernando Novoa of the Confederation of Cotton Growers increased to 1,185,878 bales and 450,633 metric tons of cottonseed compared to 1,134,290 bales and 431,030 metric tons of cottonseed for the previous report. According to Mr Novoa fifteen years have passed since Mexico has produced over 1 million bales and it was in 1996/97 with 1,150,000 bales with 290 hectares compared to 197 hectares for this cycle crop.

**Table1. COTTON BALES AND COTTONSEED PRODUCTION FOR 2009-2010.
FINAL PRODUCTION FOR 2010/11AND FORECAST FOR 2011-2012.**

| REGION | BALES | | SEED | | BALES | |
|--------------|----------------|----------------|----------------|----------------|--------------------|----------------|
| | 09-10 | 09-10 | 10-11 | 10-11 | Estimated 11-12 | SEED 11-12 |
| SONORA | 11,050 | 4,199 | 17,215 | 6,542 | 87,500 | 33250 |
| MEX B.C. | 121,250 | 46,075 | 164,014 | 62,325 | 227,740 | 86,541 |
| CHIH. | 146,012 | 55,484 | 406,855 | 154,605 | 679,138 | 258,072 |
| LAGUNA | 132,031 | 50,171 | 108,203 | 41,117 | 162,500 | 61,750 |
| TAMPS. | | | 16,400 | 6,232 | 25,000 | 9,500 |
| SINALOA | | | | | 4,000 | 1,520 |
| Total | 410,343 | 155,930 | 712,687 | 270,821 | 1,185,878 | 450,633 |