Seventh Multi-year Expert Meeting on Commodities and Development
15-16 April 2015
Geneva

The current situation and outlook for grains, rice and oilseeds

By

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
International Grains Council

UNCTAD Multi-Year Expert Meeting on Commodities and Development

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Total grains in 2014/15: Record supplies, falling prices and currency movements

Supplies up 3% y/y to 2.4bn t

Grains* GOI at lowest since mid 2010

US$ index at 12-year high

* Excluding oilseeds and rice
## Wheat: world supply and demand summary

### POINTS TO NOTE

- 2015/16 areas up slightly, but lower average yields to cut production by 1% y/y.

- Small increase in total consumption in 15/16: higher food use expected, but lower feeding.

- World stocks seen falling at end 2015/16, but still comfortable.

- Trade to stay high in 15/16, albeit slightly lower y/y. Growth in milling wheat demand in Far East Asia and Africa, but some retreat from high 2014/15 levels expected in Near East Asia.

### Table: Wheat World Supply and Demand Summary

<table>
<thead>
<tr>
<th></th>
<th>5-year Ave. *</th>
<th>14/15 f’cast</th>
<th>15/16 proj.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td>687</td>
<td>719</td>
<td>709</td>
</tr>
<tr>
<td><strong>Supply</strong></td>
<td>875</td>
<td>906</td>
<td>907</td>
</tr>
<tr>
<td><strong>Trade</strong></td>
<td>144</td>
<td>153</td>
<td>150</td>
</tr>
<tr>
<td><strong>Consumption</strong></td>
<td>687</td>
<td>708</td>
<td>711</td>
</tr>
<tr>
<td><strong>Stocks</strong></td>
<td>188</td>
<td>198</td>
<td>196</td>
</tr>
<tr>
<td><strong>of which: Major exporters</strong></td>
<td>62</td>
<td>66</td>
<td>65</td>
</tr>
</tbody>
</table>

* Refers to 2010/11-2014/15

** Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, US.
Wheat: 2015/16 consumption to be up marginally

Food up 1.3%, feed down 4%

Annual volume changes

Long term changes in food demand

Some upturn in growth recently
Wheat: Another year of strong export competition in 2015/16?

14/15 Black Sea exports high, despite recent measures. But a fall in 15/16?

The EU overtakes the US to become the largest wheat exporter

- Kazakhstan
- Ukraine
- Russia

% of world exports

EU
US

mt

07/08 08/09 09/10 10/11 11/12 12/13 13/14 14/15f 15/16p
Barley: record trade in the current year, but some retreat in 2015/16

Prices: GOI sub-Indices
- Barley: y/y change
- Wheat: y/y change
- Maize: y/y change

Production: 15/16 vs 14/15
- EU: -4%
- Russia: -27%
- Ukraine: -31%
- Rest of world: +9%
- World: -5%

Drop in trade: better local supplies in some importers

Barley:
-30%
-25%
-20%
-15%
-10%
-5%
0%

Wheat:
-30%
-25%
-20%
-15%
-10%
-5%
0%

Maize:
-30%
-25%
-20%
-15%
-10%
-5%
0%

Production:
- EU: -4%
- Russia: -27%
- Ukraine: -31%
- Rest of world: +9%
- World: -5%

06/07 07/08 08/09 09/10 10/11 11/12 12/13 13/14 14/15 15/16 (proj)
### Maize: world supply and demand summary

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td>910</td>
<td>990</td>
</tr>
<tr>
<td><strong>Supply</strong></td>
<td></td>
<td>1,051</td>
<td>1,164</td>
</tr>
<tr>
<td><strong>Trade</strong></td>
<td></td>
<td>105</td>
<td>116</td>
</tr>
<tr>
<td><strong>Consumption</strong></td>
<td></td>
<td>901</td>
<td>974</td>
</tr>
<tr>
<td><strong>Stocks</strong></td>
<td></td>
<td>150</td>
<td>191</td>
</tr>
<tr>
<td><strong>of which:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Major exporters **</td>
<td>44</td>
<td>66</td>
<td>50</td>
</tr>
</tbody>
</table>

* Refers to 2010/11-2014/15
** Argentina, Brazil, Ukraine, US.

### POINTS TO NOTE

- World harvested area in 2015/16 to fall and, assuming some drop in average yields, production seen down by 5% y/y.

- Strong demand anticipated, but slightly lower y/y, reflecting smaller feed use.

- A 10% contraction in end-2015/16 stocks is projected, led by the major exporters.

- Global trade placed 1% higher y/y, as reduced local harvests will trigger buying in some countries, incl. the EU and Mexico.
Maize: Global use at a record in 2014/15, with only a small decline projected in 2015/16.
Maize: Export prices are falling and spreads between origins are unusually narrow

Maize sub Index

Jan 2000 = 100

US$/t fob

Fob price range (main exporters)
Sorghum: Trade could reach a 30-year high in 2015/16 on surging demand from China.
### Rice: world supply and demand summary

<table>
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<tbody>
<tr>
<td><strong>Production</strong></td>
<td>468</td>
<td>475</td>
<td>480</td>
</tr>
<tr>
<td><strong>Supply</strong></td>
<td>573</td>
<td>585</td>
<td>581</td>
</tr>
<tr>
<td><strong>Trade</strong></td>
<td>40</td>
<td>42</td>
<td>43</td>
</tr>
<tr>
<td><strong>Consumption</strong></td>
<td>467</td>
<td>483</td>
<td>487</td>
</tr>
<tr>
<td><strong>Stocks</strong></td>
<td>107</td>
<td>101</td>
<td>94</td>
</tr>
<tr>
<td><em>of which:</em> Major exporters **</td>
<td>35</td>
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<td>26</td>
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</table>

* Refers to 2010/11-2014/15
** India, Pakistan, Thailand, US, Vietnam.

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**POINTS TO NOTE**

- Total use of rice projected to exceed production in 2015/16, resulting in a 7m t drop in world carryovers.
- Much of the decline concentrated in the five major exporters, chiefly Thailand and India, seen falling to an eight-year low of 26m t.
- World trade to edge up in 2015/16, to 42.5m t, second highest total on record, underpinned by demand from African and Asian buyers.
- Thailand to remain the dominant exporter, its shipments seen at more than 11m t in calendar 2016.
Rice: major exporters stocks to contract again in 2015/16, to an eight-year low

Declines due to India and Thailand

Thailand’s stocks to fall as exports remain high

* Pakistan, US, Vietnam
Rice: Trade depends on demand from buyers in sub-Saharan Africa and the Far East

World trade year-on-year volume changes

- World
- Far East Asia
- Sub-Saharan Africa

World trade more than doubles in two decades

- 1996: 19.5m t
- 2016 proj.: 42.5m t
**Soyabeans: world supply and demand summary**

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Production</strong></td>
<td>276</td>
<td>314</td>
<td>311</td>
</tr>
<tr>
<td><strong>Supply</strong></td>
<td>305</td>
<td>344</td>
<td>355</td>
</tr>
<tr>
<td><strong>Trade</strong></td>
<td>102</td>
<td>116</td>
<td>122</td>
</tr>
<tr>
<td><strong>Consumption</strong></td>
<td>272</td>
<td>300</td>
<td>313</td>
</tr>
<tr>
<td><strong>Stocks</strong></td>
<td>32</td>
<td>44</td>
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** Argentina, Brazil, US.

**POINTS TO NOTE**

- Production tentatively seen posting a fractional y/y fall, but remaining high and the second largest outturn on record.

- World trade expected to rise to a fresh peak, but growth still less than in earlier years.

- China’s imports projected at close to 80m t in 2015/16 – equivalent to 65% of global traded volumes.

- Aggregate end-season carryovers likely to remain ample, with stocks especially high in the major exporters.
Soyabean inventories to remain high in the major exporters in 2015/16

US

Brazil

Argentina

05/06 07/08 09/10 11/12 13/14 15/16 proj.
Soyabeans: World trade up by 80% in 10 years, shaped near-entirely by Asian needs

Import demand dominated by China

Brazil and the US compete for top exporter spot

Projection data for 2015/16 period shows:
- Soyabeans trade increased by 80% over 10 years
- Demand shaped largely by Asian needs,
  dominated by China
- Brazil and the US compete for top exporter status.
For more information, please visit: www.igc.int
or email: conf@igc.int