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

Amy Reynolds
Senior Economist, International Grains Council

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

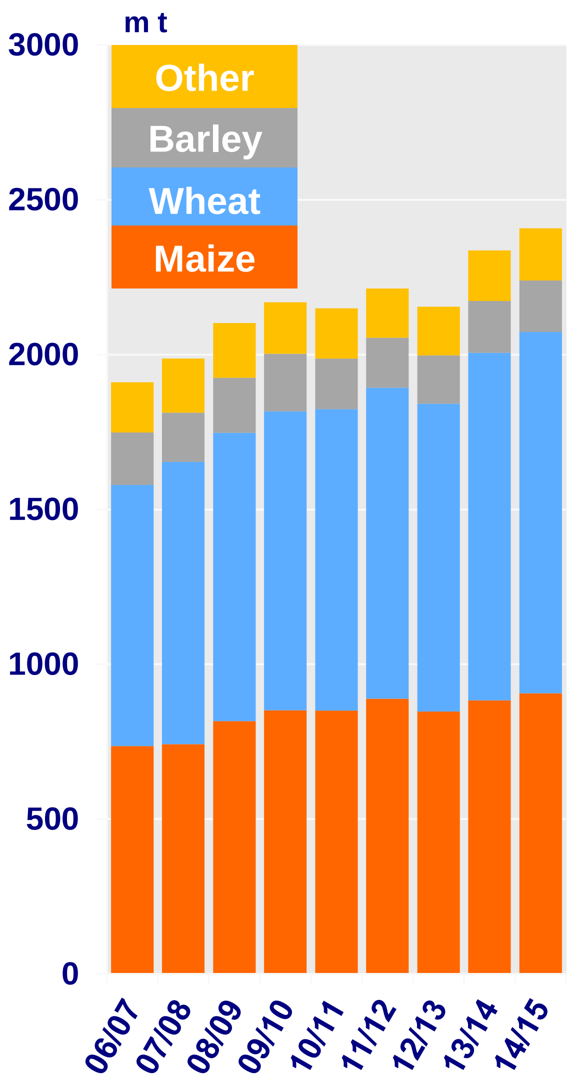
Geneva
15-16 April 2015

Amy Reynolds
International Grains Council
areynolds@igc.int

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

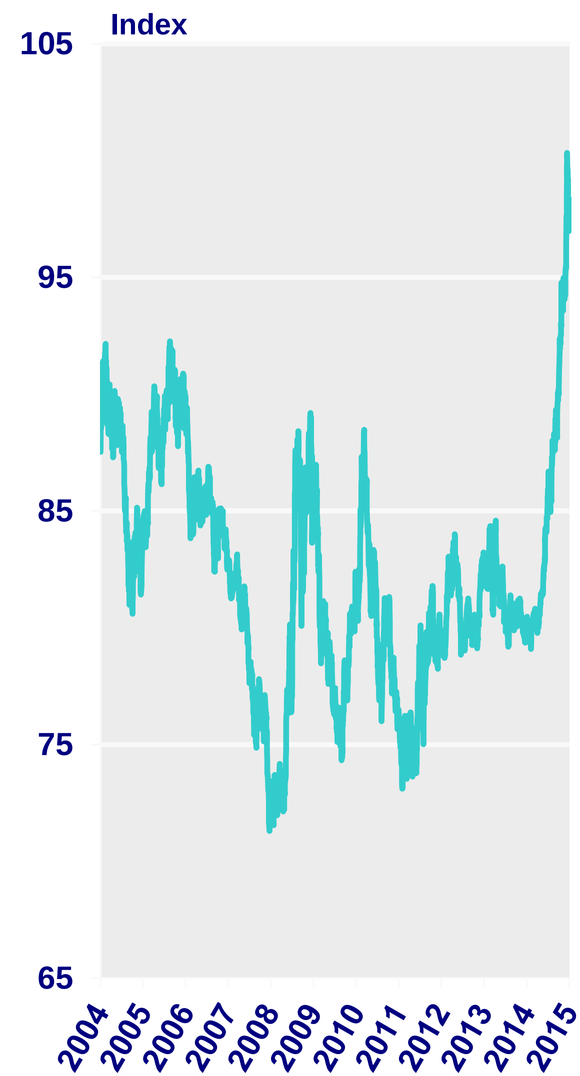
igc.int

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

m t	5-year Ave. *	14/15 f'cast	15/16 proj.
Production	687	**719**	**709**
Supply	875	**906**	**907**
Trade	144	**153**	**150**
Consumption	687	**708**	**711**
Stocks	188	**198**	**196**
of which: **Major exporters ****	62	**66**	**65**

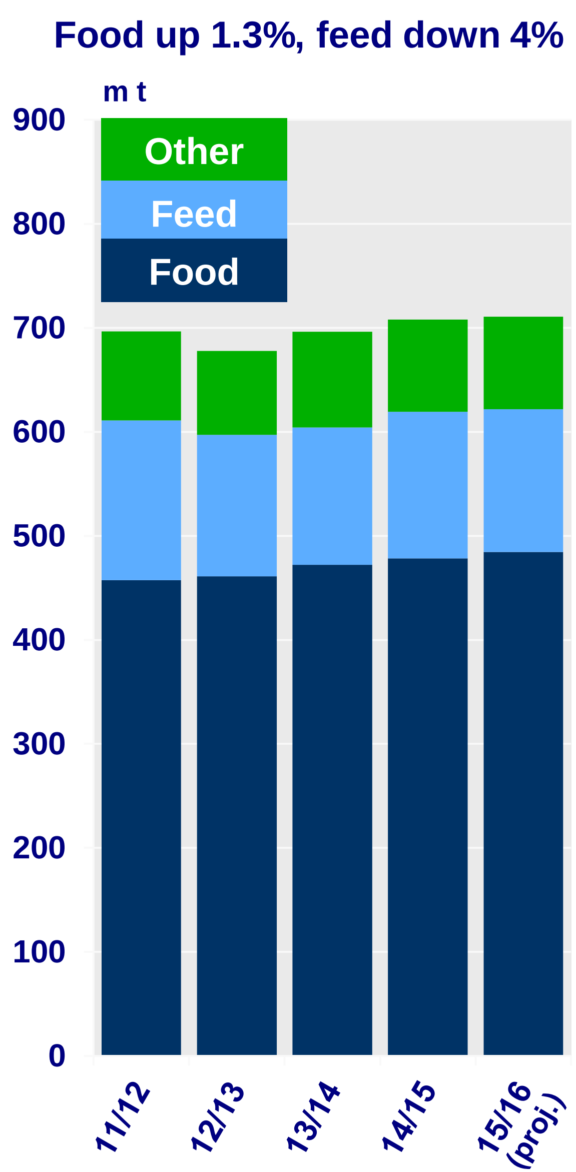
* Refers to 2010/11-2014/15
** Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, US.

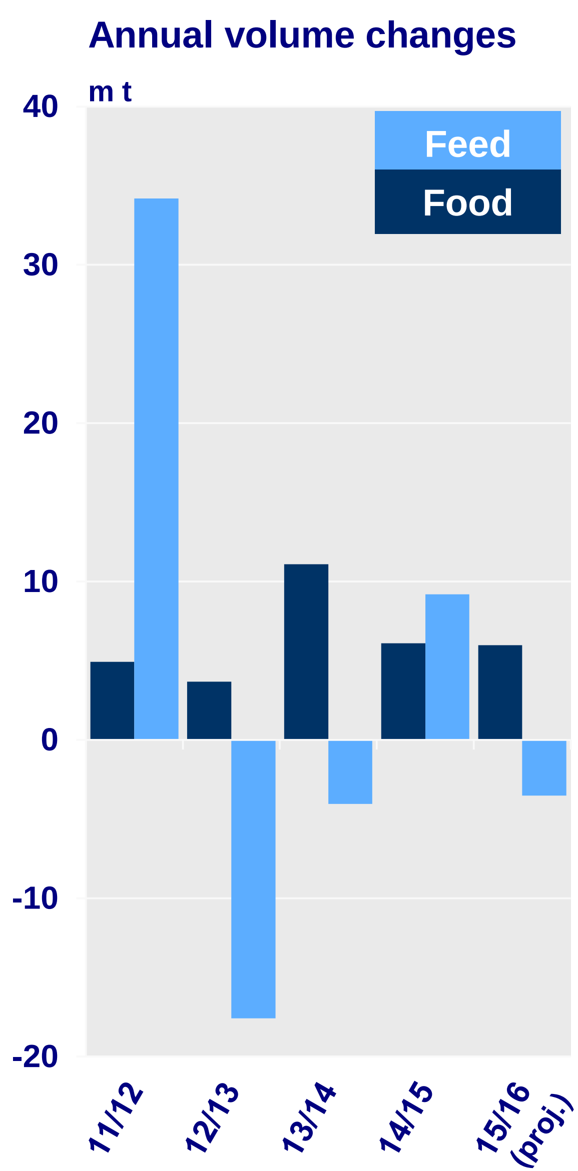
POINTS TO NOTE

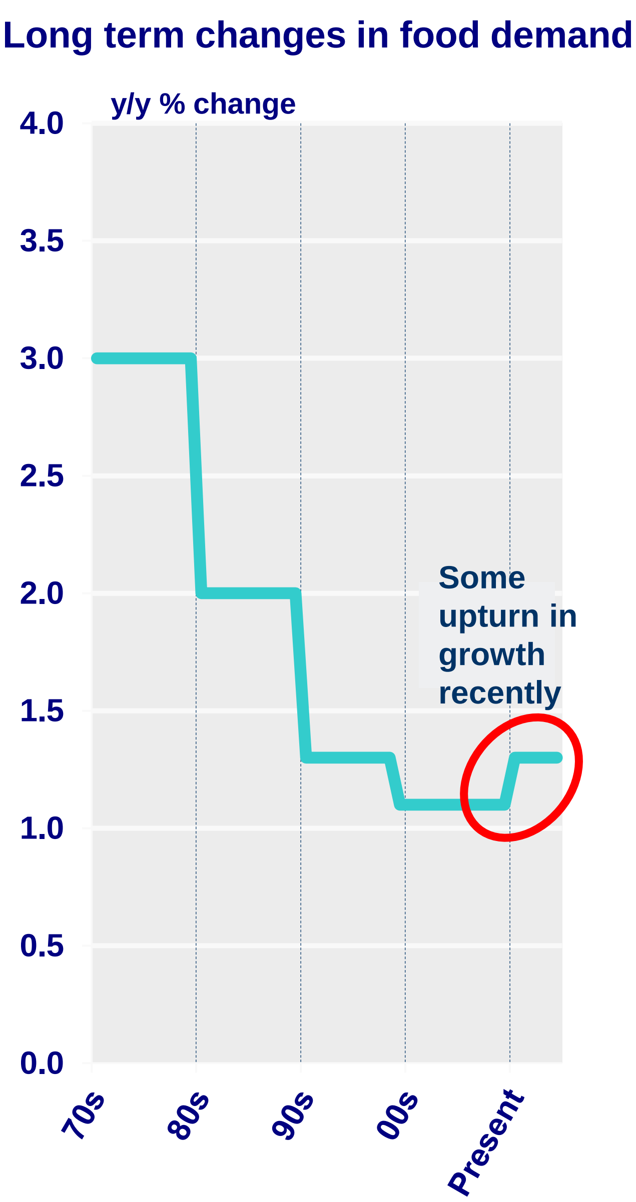
- 2015/16 areas up slightly, but lower average yields to cut production by 1% y/y.
- Small increase in total consumption in 15/16: higher food use expected, but lower feeding.
- World stocks seen falling at end 2015/16, but still comfortable.
- Trade to stay high in 15/16, albeit slightly lower y/y. Growth in milling wheat demand in Far East Asia and Africa, but some retreat from high 2014/15 levels expected in Near East Asia.

Wheat: 2015/16 consumption to be up marginally

igc.int



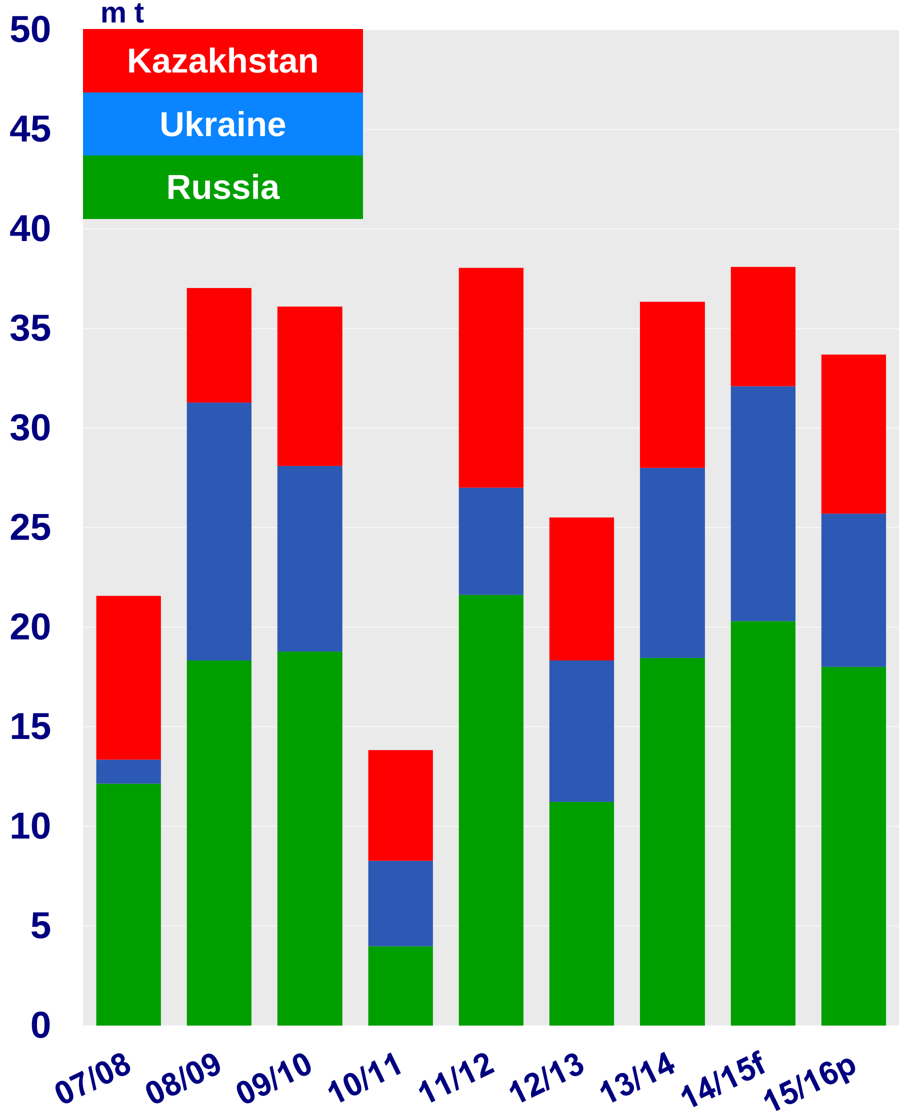




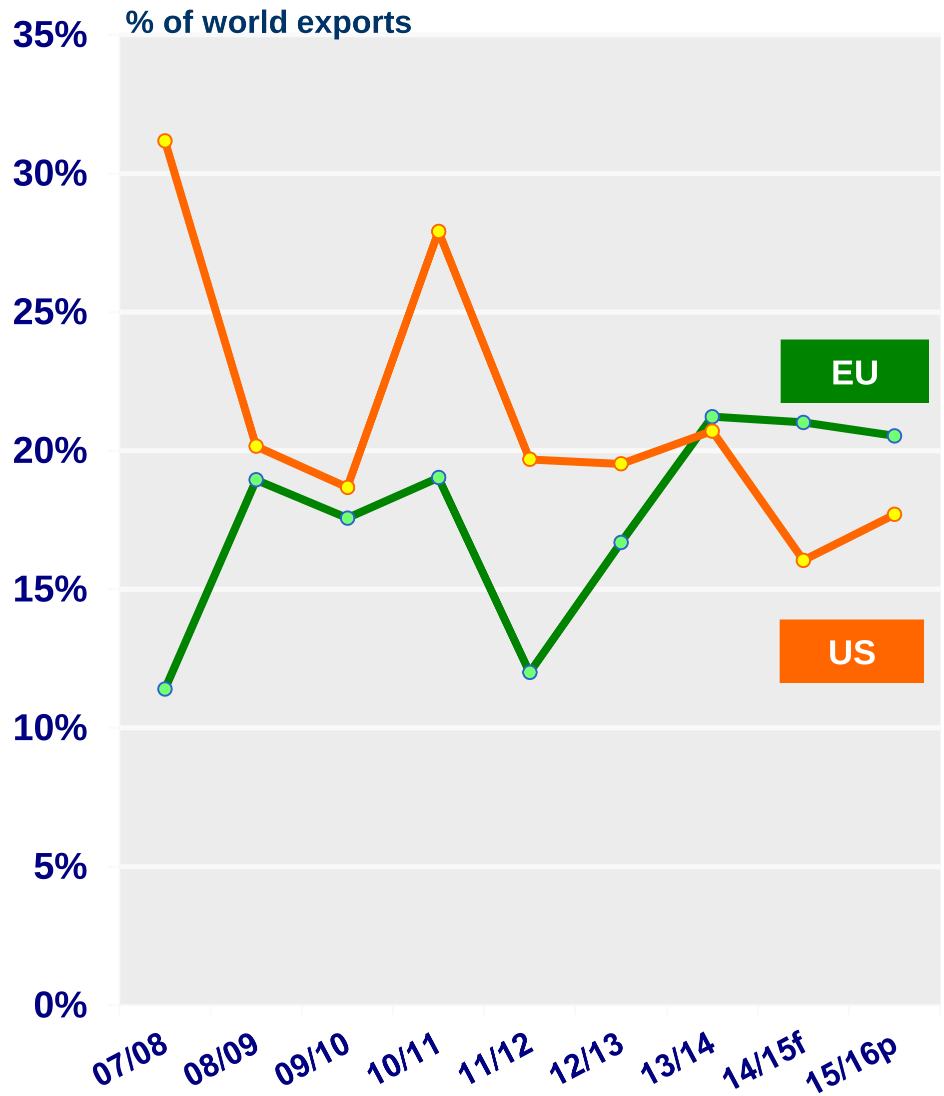
Wheat: Another year of strong export competition in 2015/16?

igc.int

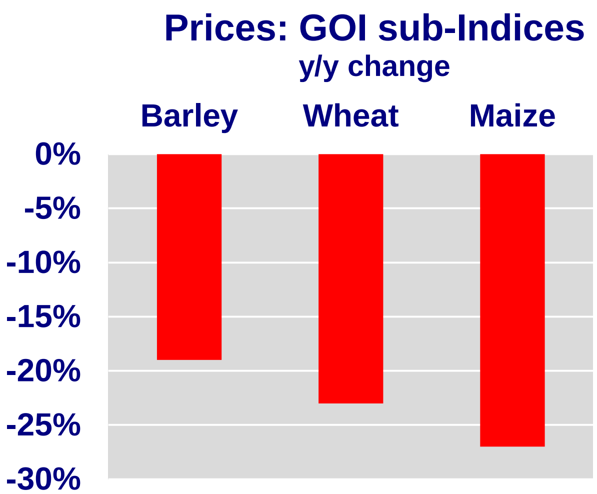
14/15 Black Sea exports high, despite recent measures. But a fall in 15/16?



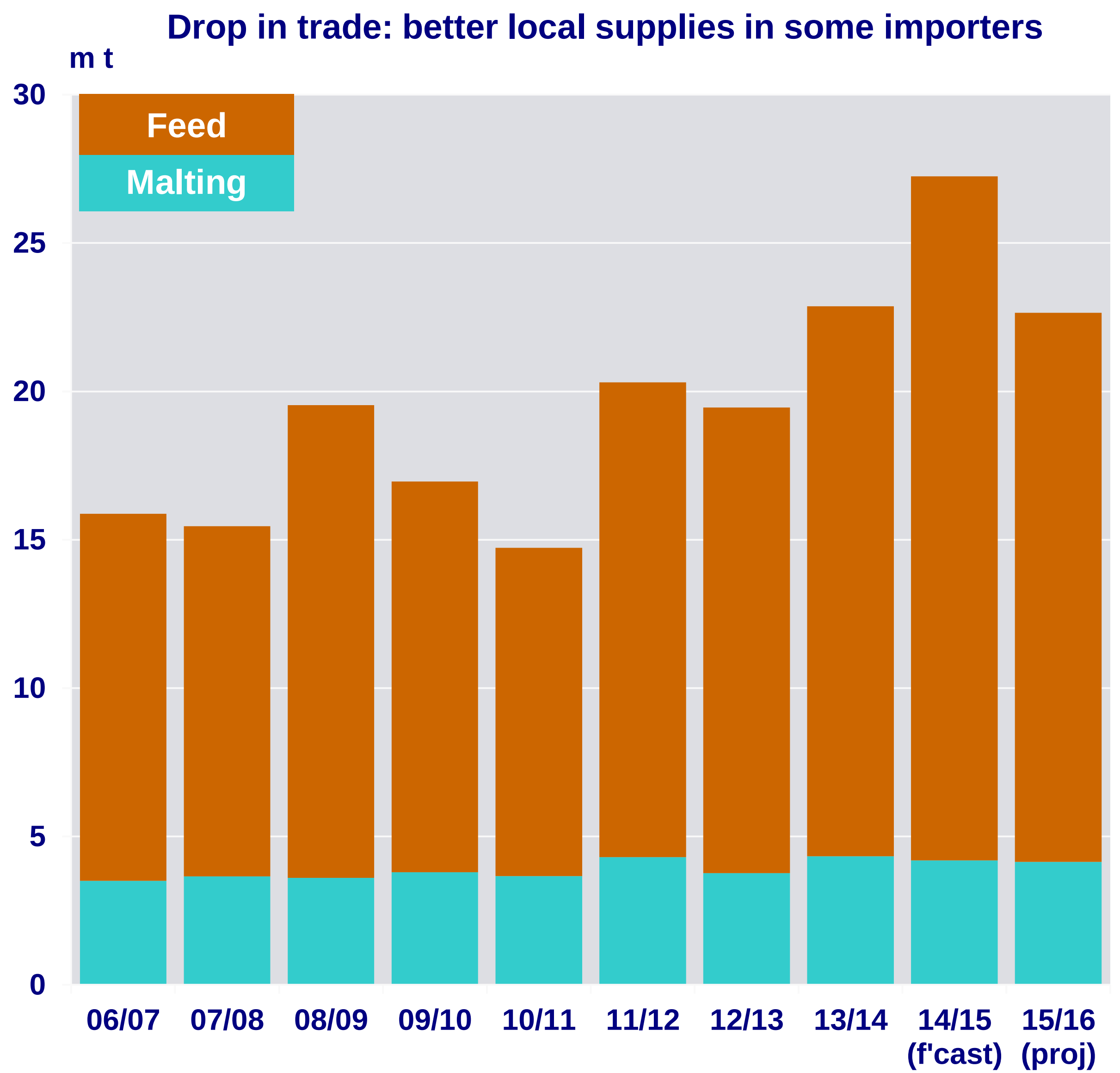
The EU overtakes the US to become the largest wheat exporter



Barley: record trade in the current year, but some retreat in 2015/16



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



Maize: world supply and demand summary

igc.int

m t	5-year Ave. *	**14/15 f'cast**	**15/16 proj.**
Production	910	**990**	**941**
Supply	1,051	**1,164**	**1,131**
Trade	105	**116**	**118**
Consumption	901	**974**	**961**
Stocks	150	**191**	**171**
of which: **Major exporters ****	44	**66**	**50**

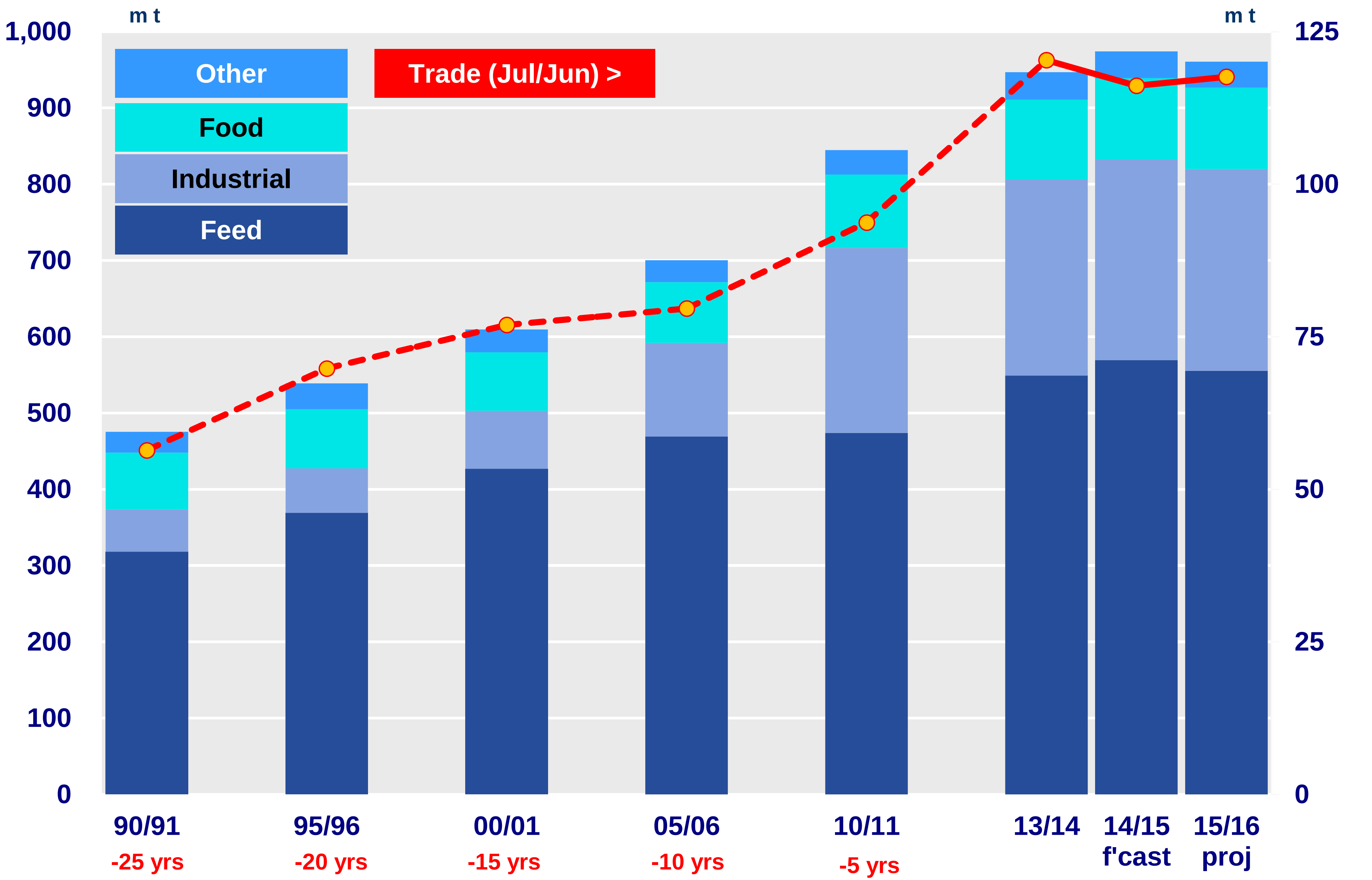
* Refers to 2010/11-2014/15
** Argentina, Brazil, Ukraine, US.

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.

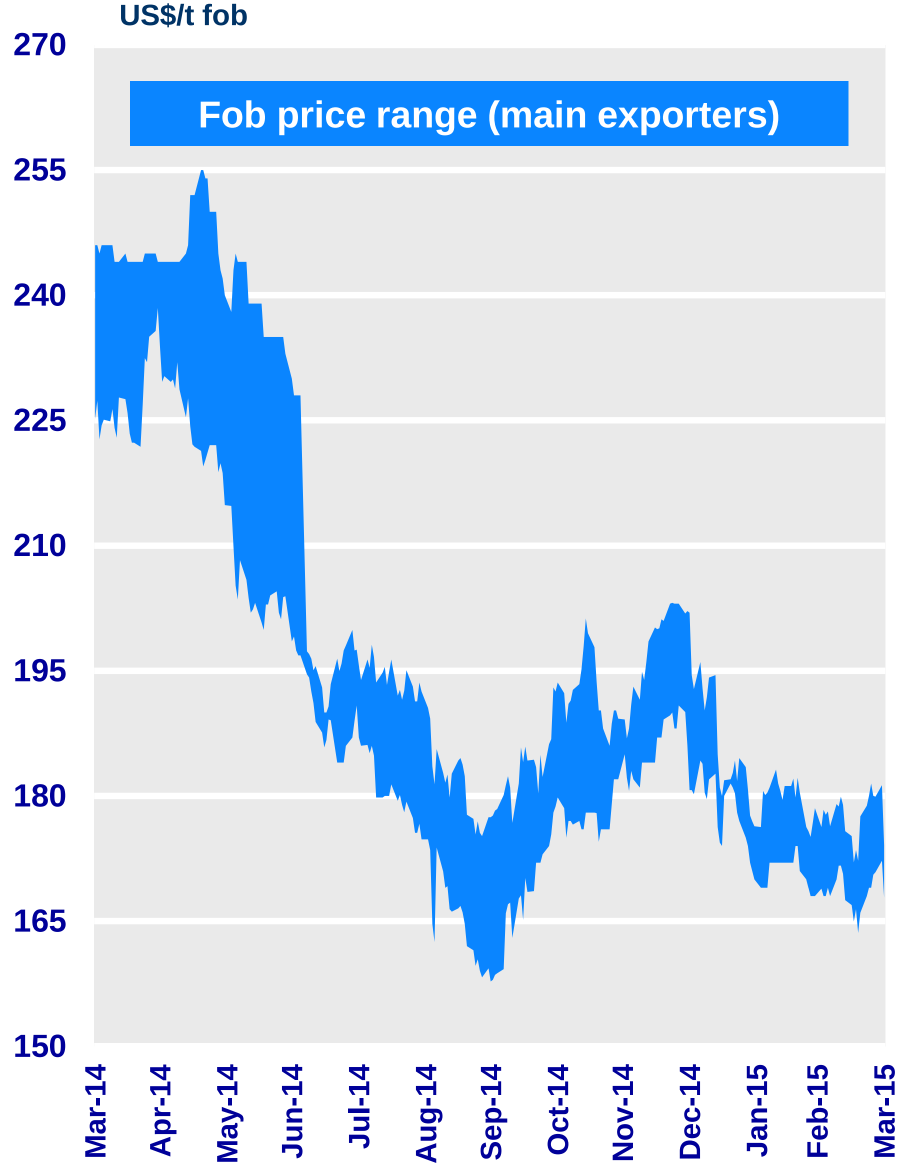
igc.int



Maize: Export prices are falling and spreads between origins are unusually narrow

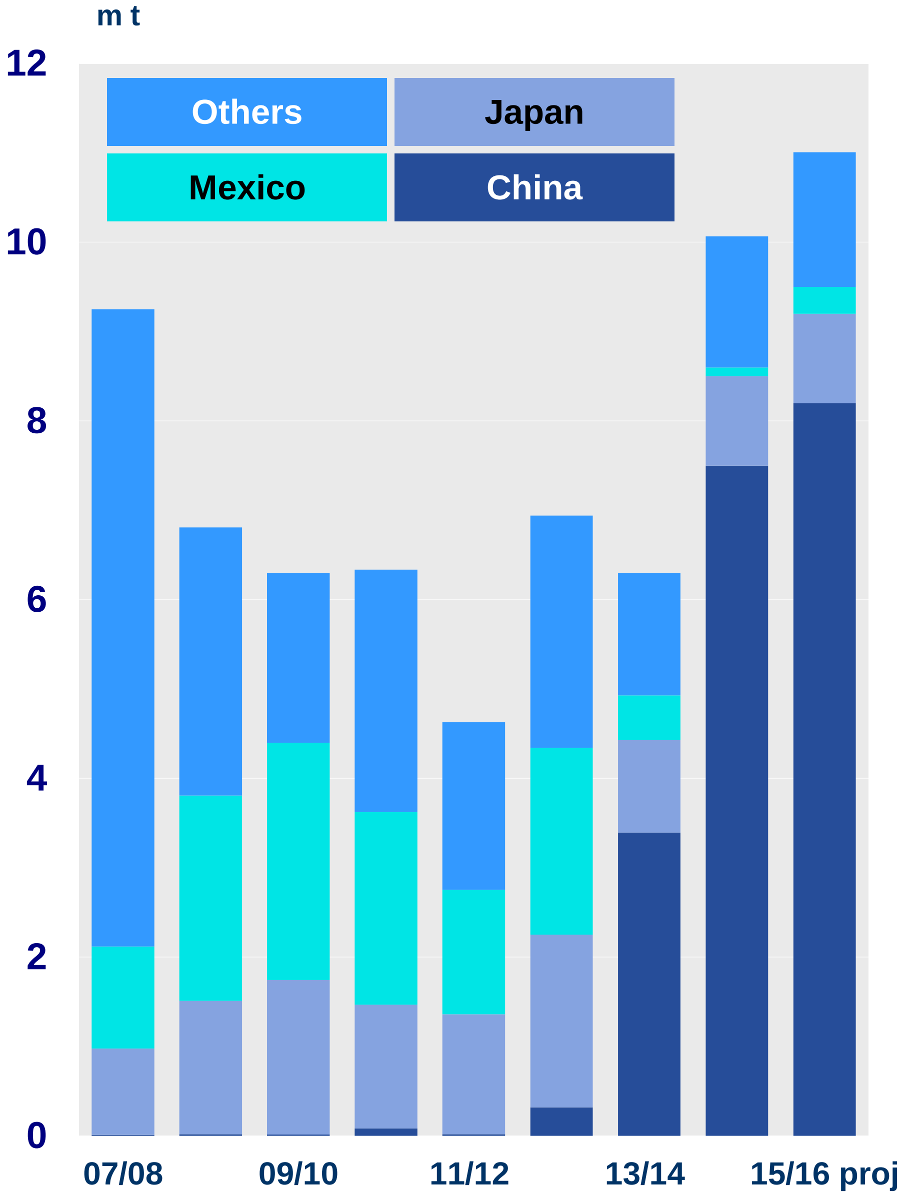
IGC 2015

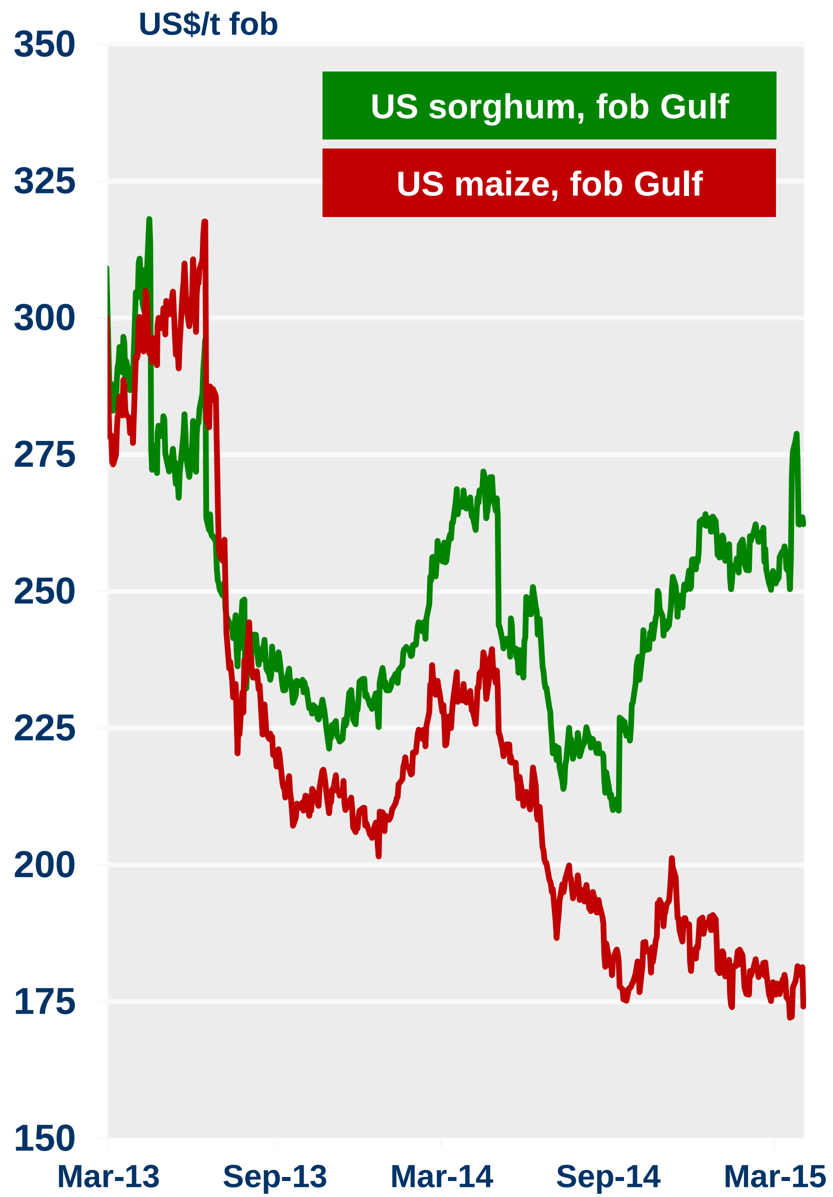
igc.int



Sorghum: Trade could reach a 30-year high in 2015/16 on surging demand from China

igc.int





IGC 2015

Rice: world supply and demand summary

igc.int

m t (milled basis)	5-year Ave. *	**14/15 f'cast**	**15/16 proj.**
Production	468	**475**	**480**
Supply	573	**585**	**581**
Trade	40	**42**	**43**
Consumption	467	**483**	**487**
Stocks	107	**101**	**94**
of which: **Major exporters ****	35	**31**	***26***

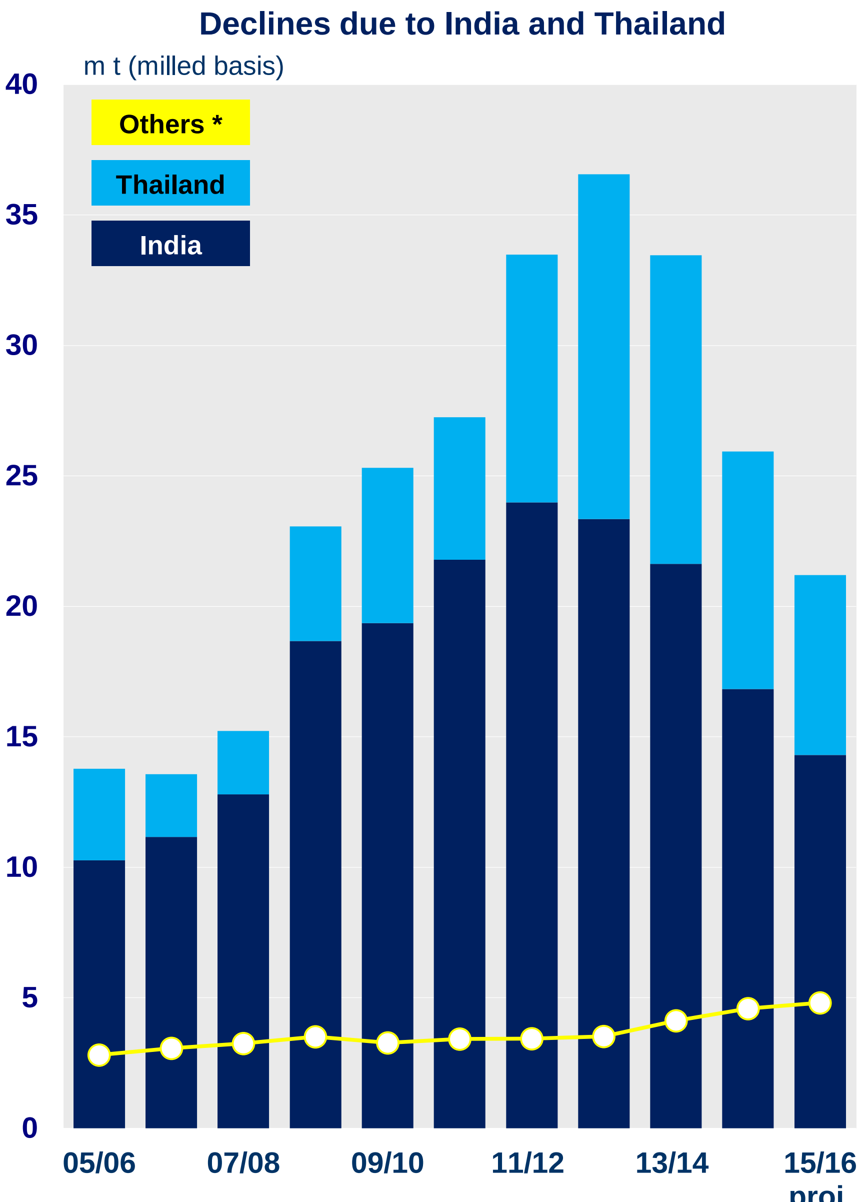
* Refers to 2010/11-2014/15
** India, Pakistan, Thailand, US, Vietnam.

POINTS TO NOTE

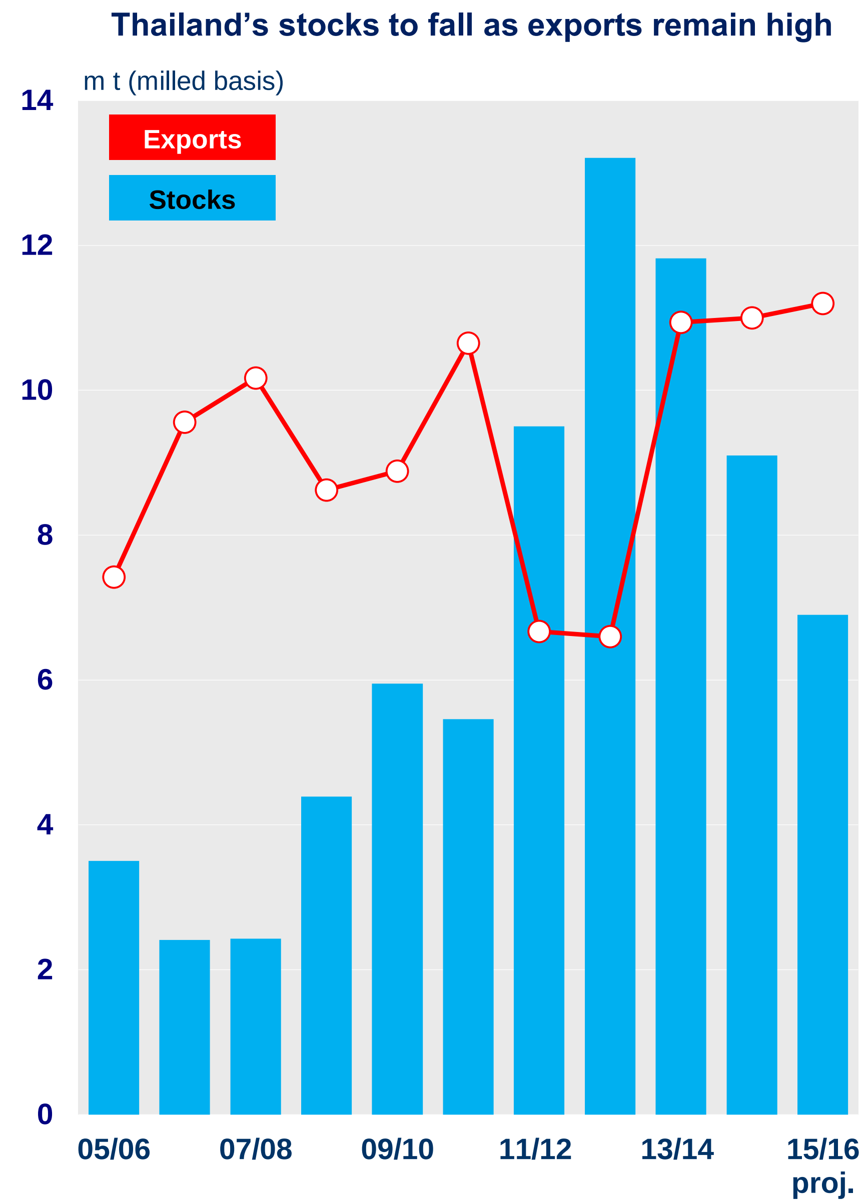
- Total use of rice projected to exceed production in 2015/16, resulting in a 7m t drop in world carryovers.
- Much of the decline concentrated in the five major exporters, chiefly Thailand and India, seen falling to an eight-year low of 26m t.
- World trade to edge up in 2015/16, to 42.5m t, second 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

igc.int



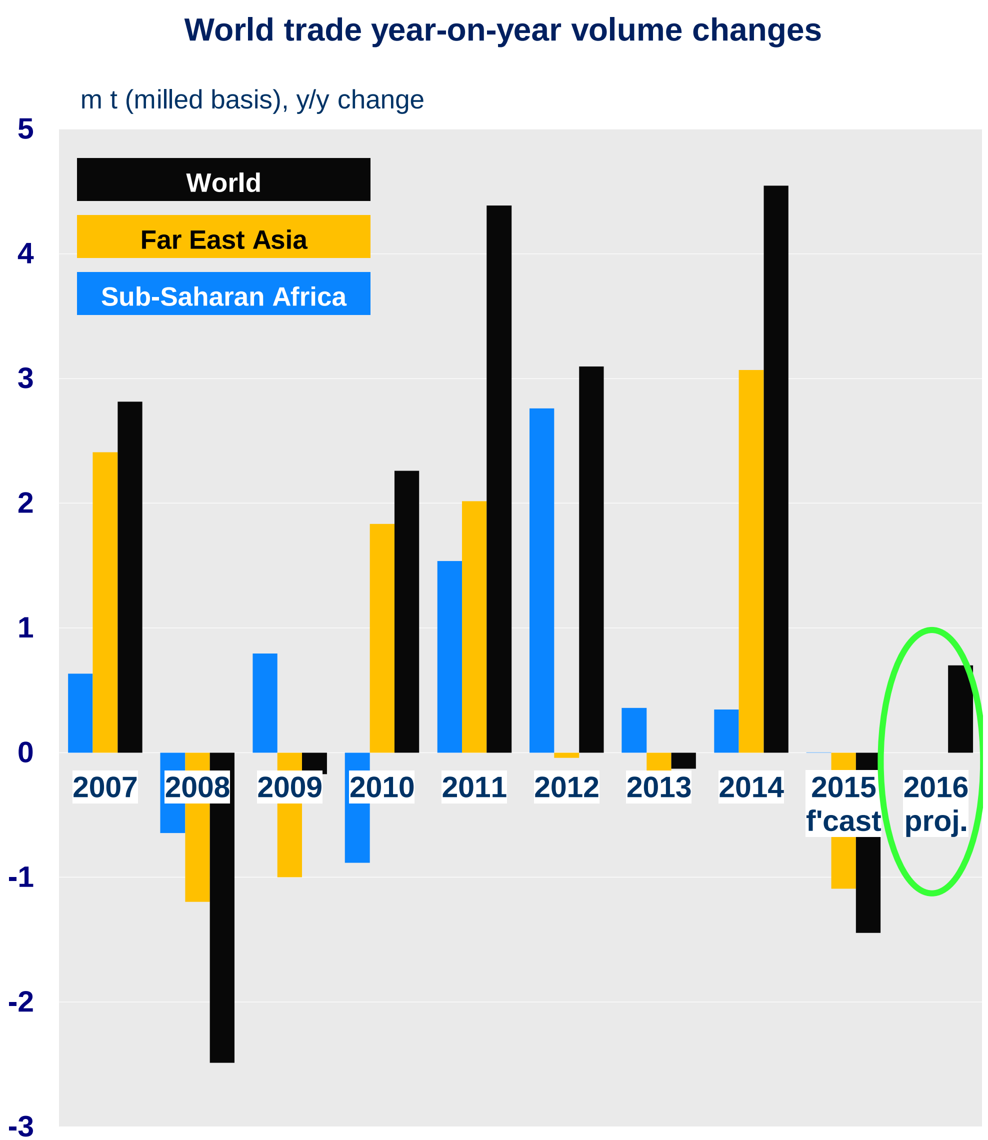
* Pakistan, US, Vietnam

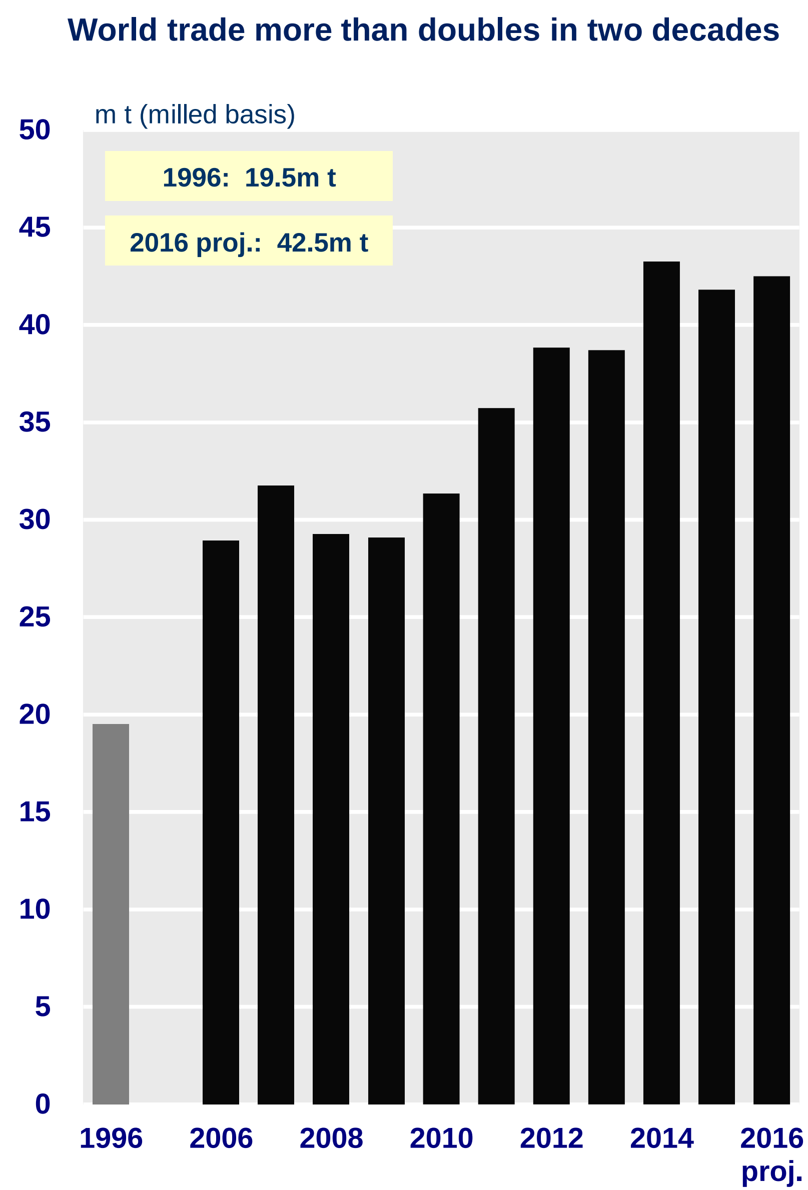


Rice: Trade depends on demand from buyers in sub-Saharan Africa and the Far East

IGC 2015

igc.int





Soyabeans: world supply and demand summary

igc.int

m t	5-year Ave. *	14/15 f'cast	15/16 proj.
Production	276	**314**	**311**
Supply	305	**344**	**355**
Trade	102	**116**	**122**
Consumption	272	**300**	**313**
Stocks	32	**44**	**42**
of which: **Major exporters ****	13	**26**	***25***

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

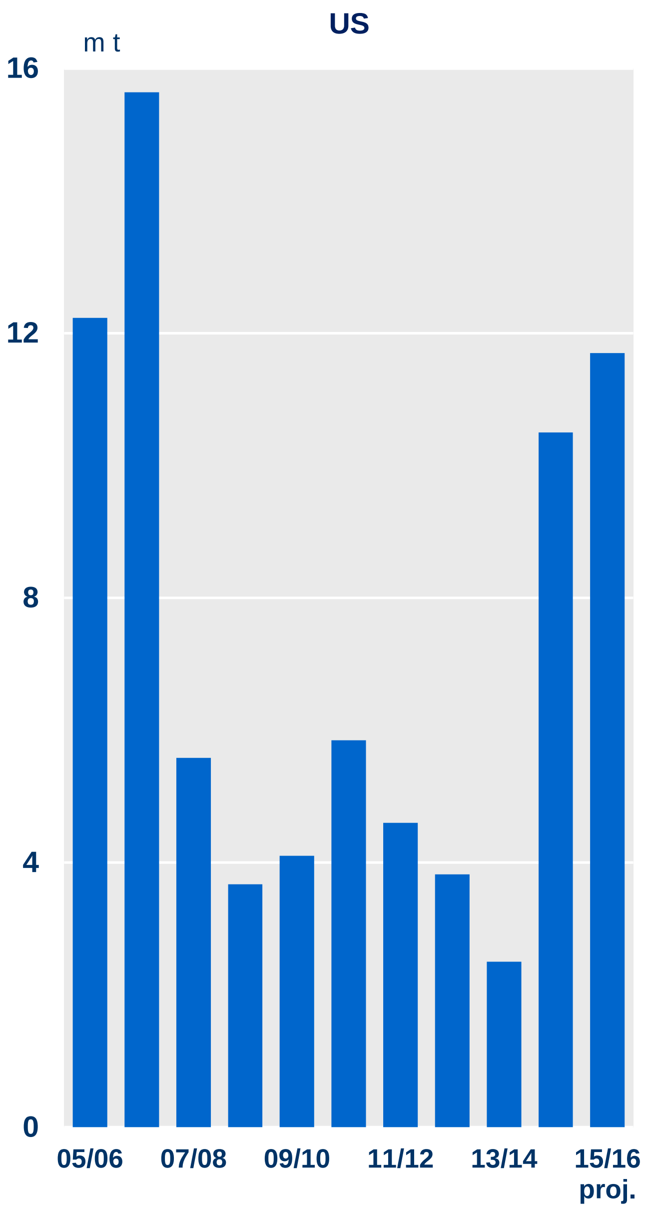
POINTS TO NOTE

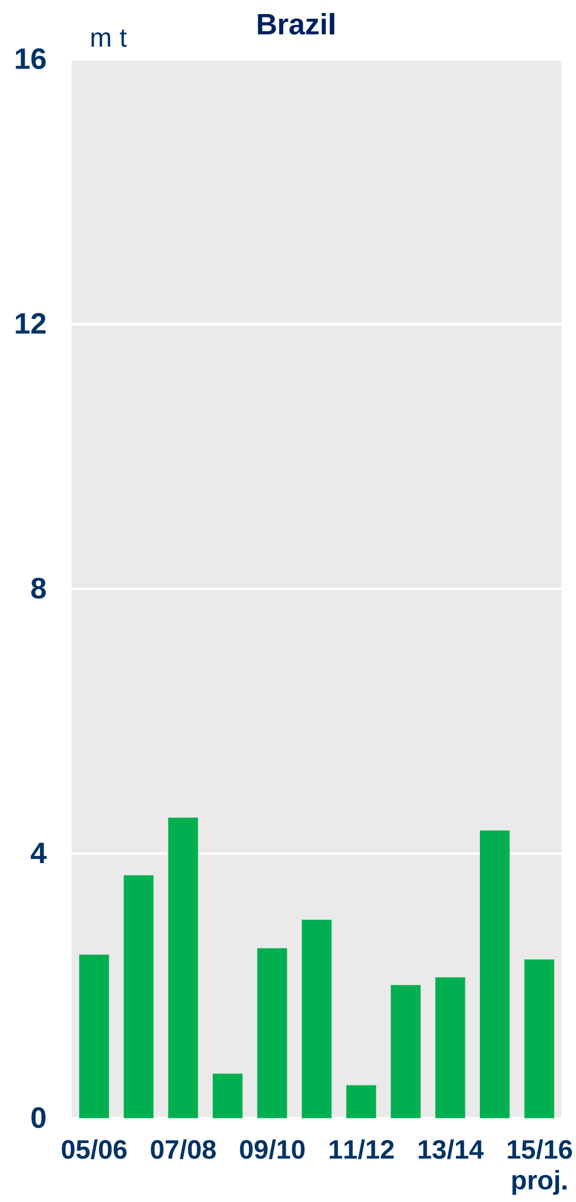
- Production tentatively seen posting a fractional y/y fall, but remaining high and the second largest outturn on record.
- World trade expected to rise to a fresh peak, but growth still less than in earlier years.
- China's imports projected at close to 80m t in 2015/16 – equivalent to 65% of global traded volumes.
- Aggregate end-season carryovers likely to remain ample, with stocks especially high in the major exporters.

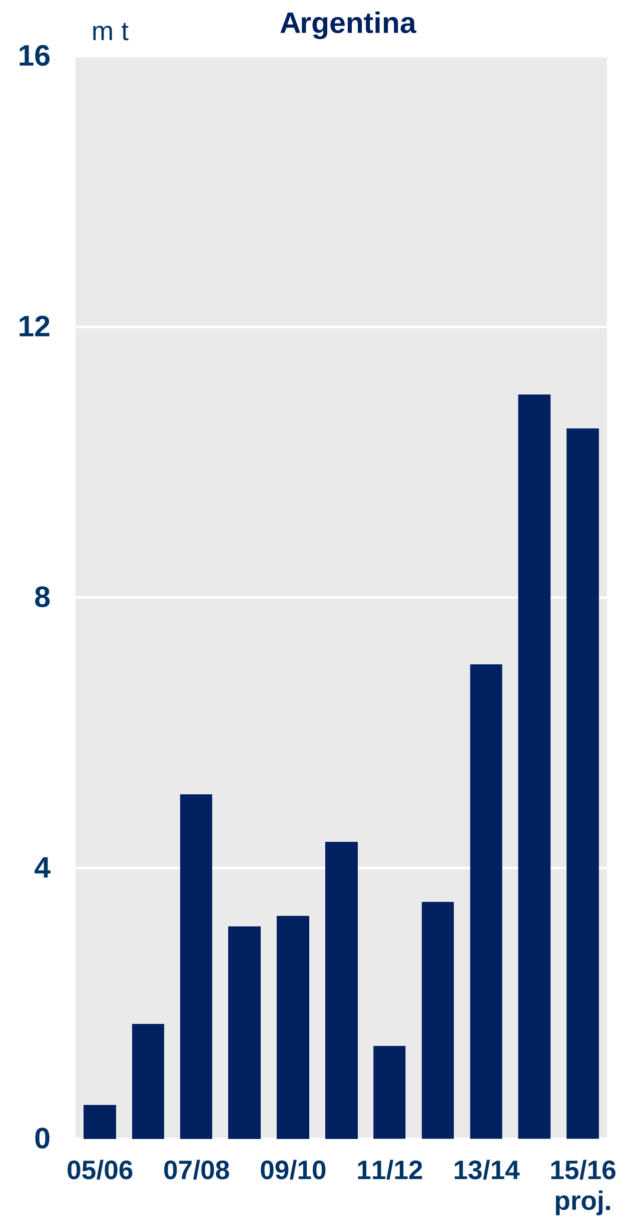
Soyabeans: Inventories to remain high in the major exporters in 2015/16

IGC 2015

igc.int



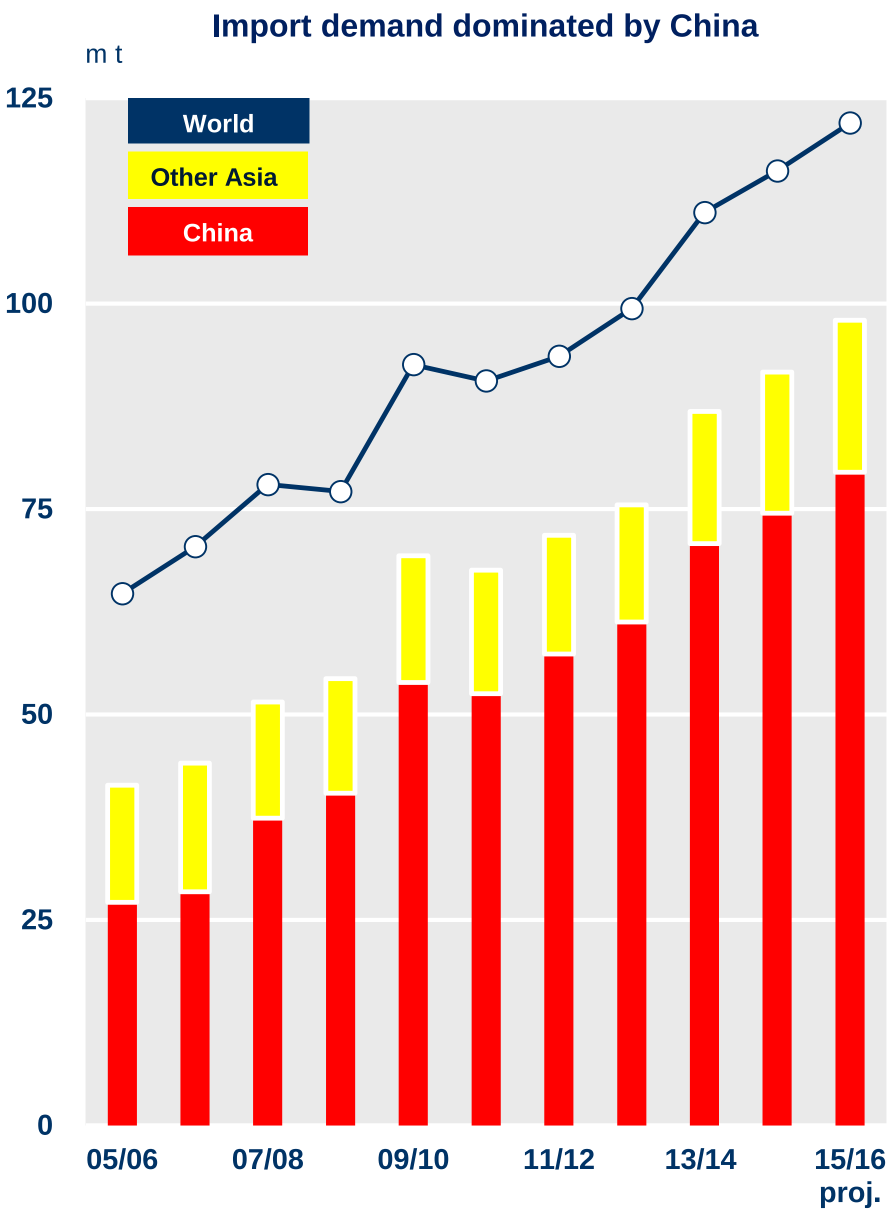


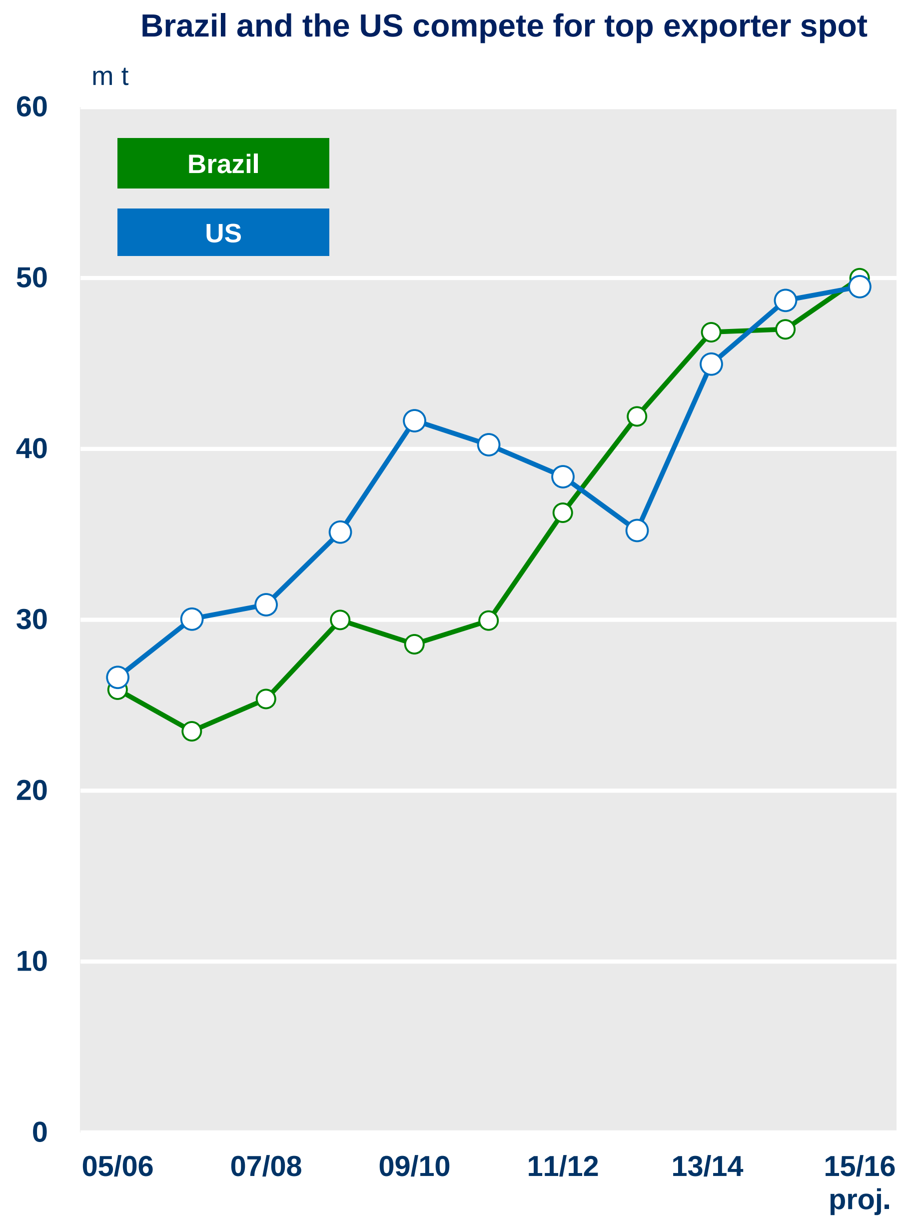


Soyabeans: World trade up by 80% in 10 years, shaped near-entirely by Asian needs

IGC 2015

igc.int





For more information, please visit: www.igc.int or email: conf@igc.int