



Grain Market Report

Summary

24 Sept 2020

HIGHLIGHTS

The outlook for world **total grains** (wheat and coarse grains) production in 2020/21 is lowered by 3m t m/m (month-on-month), to 2,227m, with a cut for maize partly offset by increases for barley and oats. A 6m t downward adjustment for maize output includes reductions for the USA, China and the EU, but increases for Argentina and Brazil. The figure for the world wheat outturn is little-changed m/m, with higher figures for Russia and Australia balanced by cuts for Argentina and Canada. Global consumption is placed 2m t lower m/m, mainly owing to a downgrade for US industrial use of maize. The projection for world grains stocks is down by 1m t m/m, as a reduced forecast for US maize inventories (-3m t) is nearly offset by small increases for other grains. With upward revisions for wheat, maize and barley, the projection for total grains trade in 2020/21 (Jul/Jun) is boosted by 3m t m/m, to a record 398m, an increase of 1% y/y (year-on-year).

With data showing heavier than anticipated shipments in recent weeks, the Council's figure for world **soya bean** trade in 2019/20 is raised by 1m t, to a record of 164m, some 8% higher y/y. Fractional adjustments for carry-in stocks and production – seen rebounding to a new peak – result in a reduced projection for total supplies and carryovers in 2020/21. However, at 50m t, stocks would still be slightly larger y/y. The outlook for world import demand is raised slightly, to a record of 165m t, a 1% y/y gain.

Largely reflecting a higher figure for consumption, world **rice** ending stocks in 2019/20 are forecast 2m t lower m/m, at 175m, broadly steady y/y. The outlook for global production in 2020/21 is trimmed m/m and, together with a reduced figure for carry-ins, the overall decrease in supplies is channelled to a lower projection for carryovers, placed at 180m t (+5m y/y). Trade in 2021 is seen little-changed from previously, at 45m t, a 7% y/y increase.

The IGC **Grains and Oilseeds Index** (GOI) rallied by 9% m/m, with solid gains for all the components other than rice.

	17/18	18/19	19/20 est.	20/21 f'cast	
million tons				27.08	24.09
TOTAL GRAINS ^{a)}					
Production	2138	2139	2181	2230	2227
Trade	370	364	394	395	398
Consumption	2152	2166	2182	2222	2220
Carryover stocks	650	623	622	630	629
<i>year/year change</i>	-14	-27	0		7
Major exporters ^{b)}	179	165	164	176	174
WHEAT					
Production	762	732	762	763	763
Trade	176	168	185	181	183
Consumption	742	738	745	749	749
Carryover stocks	268	262	279	294	294
<i>year/year change</i>	20	-7	18		15
Major exporters ^{b)}	83	71	66	66	65
MAIZE (CORN)					
Production	1091	1129	1121	1166	1160
Trade	153	165	173	177	178
Consumption	1118	1148	1145	1178	1176
Carryover stocks	343	324	300	288	285
<i>year/year change</i>	-27	-18	-24		-16
Major exporters ^{c)}	75	68	70	78	79
	17/18	18/19 est.	19/20 f'cast	20/21 proj.	
million tons				27.08	24.09
SOYABEANS					
Production	344	363	338	373	373
Trade	153	152	164	164	165
Consumption	344	348	354	368	369
Carryover stocks	48	62	47	52	50
<i>year/year change</i>	0	15	-15		3
Major exporters ^{d)}	17	32	19	19	17
million tons (milled basis)					
RICE					
Production	494	498	497	505	504
Trade	46	43	42	45	45
Consumption	485	487	497	500	500
Carryover stocks	165	175	175	181	180
<i>year/year change</i>	9	10	0		4
Major exporters ^{e)}	32	39	41	47	45

Figures may not add due to rounding. All calculations are based on unrounded figures.

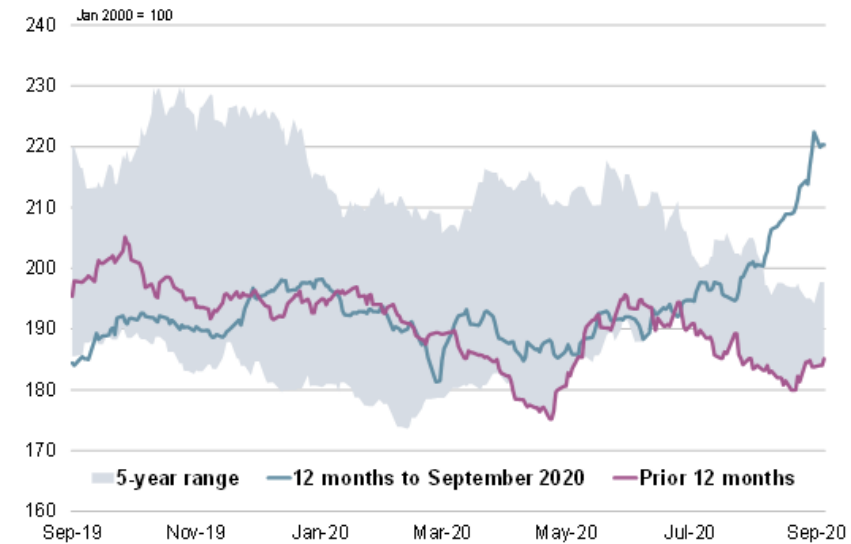
a) Wheat and coarse grains

b) Argentina, Australia, Canada, EU*, Kazakhstan, Russia, Ukraine, USA

c) Argentina, Brazil, Ukraine, USA

d) Argentina, Brazil, USA

e) India, Pakistan, Thailand, USA, Vietnam



OVERVIEW

At 2,227m t, world **total grains** (wheat and coarse grains) production in 2020/21 is seen expanding by 46m y/y, led by a 39m rise in maize output to an all-time high of 1,160m. World wheat production is expected to edge upward to a record, while only a small fall from last season's peak is predicted for barley. The global outturn of sorghum is seen at a four-year high, oats at a 12-year peak, and rye at the most in six seasons. While the outlook for demand is somewhat opaque because of the pandemic, there are signs that grains consumption is holding-up well. Total grains use is projected to expand by 39m t y/y, to a new peak of 2,220m, with much of the gain for feed and industrial uses of maize, but with wheat, sorghum and oats usage seen growing as well. Global total grains stocks are predicted to expand by 7m t y/y, to a three-year high of 629m, as a fourth consecutive fall for maize (-16m) is outweighed by expansions for wheat (+15), barley (+4m) and other grains. At 398m t, up 1% y/y, a new peak for trade is anticipated, mainly on increased shipments of maize and sorghum.

m t	17/18	18/19	19/20 (est.)	20/21 (f'cast)	y/y change
Opening stocks	663	650	623	622	- 0.1%
Production	2,138	2,139	2,181	2,227	+ 2.1%
Total supply	2,802	2,789	2,804	2,849	+ 1.6%
Total use	2,152	2,166	2,182	2,220	+ 1.8%
<i>of which: Food</i>	708	714	725	733	+ 1.2%
<i>Feed</i>	959	965	985	1,001	+ 1.6%
<i>Industrial</i>	367	368	354	365	+ 3.0%
Closing stocks	650	623	622	629	+ 1.1%
<i>Major exporters</i> ^{a)}	179	165	164	174	+ 9.4% a)
Trade (Jul/Jun)	370	364	394	398	+ 1.1%

^{a)} Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA
EU-28 to 19/20, EU-27 from 20/21. Change on EU-27 basis

At 164m t, global **soybean** trade in 2019/20 is seen expanding by 8% y/y, the quickest rate of growth in three seasons and stemming from strong demand from China – amid recovering feed demand – and an array of smaller markets. Despite worries about yield prospects, US production is still anticipated to rebound in 2020/21, underpinning a solid increase in global output to a new high. Consumption is predicted at a peak of 369m t, the 4% increase representing an acceleration of growth on an uplift in use in China, together with recovering demand in other key processors. While US stocks could tighten, world reserves are likely to rise on accumulation in China and other countries. Global import demand is predicted to advance by 1% y/y, to a peak of 165m t.

m t	17/18	18/19 (est.)	19/20 (f'cast)	20/21 (proj.)	y/y change
Opening stocks	47	48	62	47	- 24.5%
Production	344	363	338	373	+ 10.1%
Total supply	392	411	400	419	+ 4.7%
Total use	344	348	354	369	+ 4.5%
<i>of which: Crush</i>	301	305	311	323	+ 4.0%
Closing stocks	48	62	47	50	+ 6.8%
<i>Major exporters</i> ^{a)}	17	32	19	17	- 10.0%
Trade (Oct/Sep)	153	152	164	165	+ 0.6%

^{a)} Argentina, Brazil, USA

Despite an anticipated 14% y/y increase in India's exports, global **rice** trade is seen falling for a third successive season in 2020 owing to a contraction in buying by African countries. This also partly explains expectations for a steep decline in Thailand's sales to a multi-year low. World consumption in 2019/20 is forecast to expand, with growth in India linked to COVID-19-related food security measures. Inventories are seen broadly steady y/y as gains in key exporters and China offset falls in importing nations. Underpinned by firm prices and broadly favourable conditions, production in 2020/21 could edge up to a peak of 504m t (497m), with uptake and inventories potentially reaching new highs. Trade is expected to rebound by 7% in 2021 on stronger African demand.

m t (milled basis)	17/18	18/19 (est.)	19/20 (f'cast)	20/21 (proj.)	y/y change
Opening stocks	155	165	175	175	+ 0.1%
Production	494	498	497	504	+ 1.4%
Total supply	649	662	672	679	+ 1.1%
Total use	485	487	497	500	+ 0.6%
Closing stocks	165	175	175	180	+ 2.4%
<i>Major exporters^{a)}</i>	32	39	41	45	+ 8.5%
Trade (Jan/Dec)	46	43	42	45	+ 6.8%

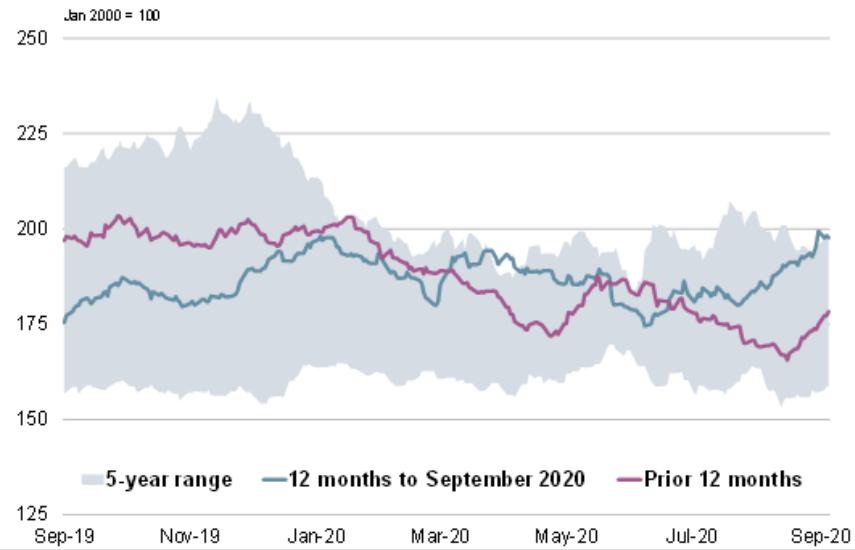
^{a)} India, Pakistan, Thailand, USA, Vietnam

MARKET SUMMARY

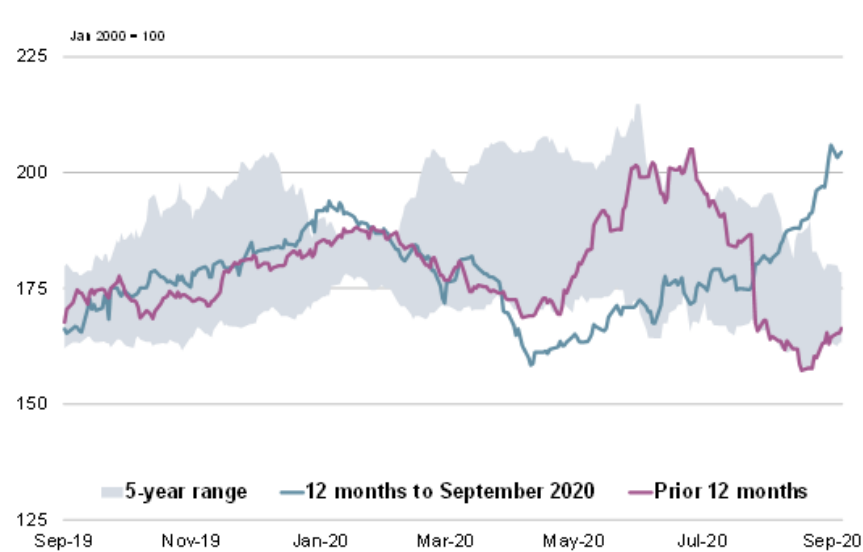
With soyabean and maize export prices soaring to multi-year peaks, the IGC GOI rose by 9% from the last GMR, up by almost one-fifth compared to a year earlier.

Jan 2000 = 100	GMR 514	m/m change*	y/y change
IGC GOI	220	+ 8.6%	+ 19.0%
Wheat sub-Index	198	+ 6.5%	+ 10.9%
Maize sub-Index	204	+ 10.3%	+ 22.9%
Barley sub-Index	204	+ 4.8%	+ 9.9%
Rice sub-Index	187	- 1.2%	+ 15.5%
Soyabeans sub-Index	220	+ 12.5%	+ 24.5%

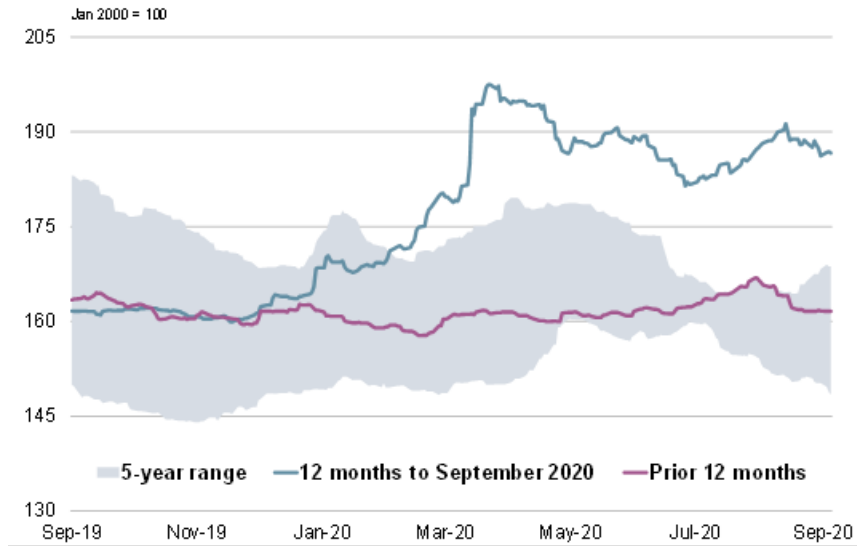
*Change vs. GMR 513



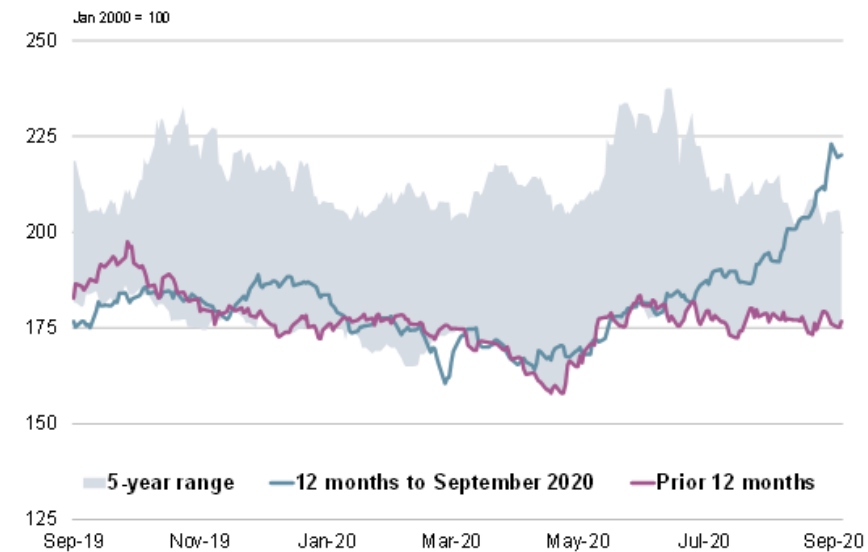
Linked mainly to accelerating export interest and spillover from rowcrops, the IGC GOI **wheat** sub-Index gained by 6% m/m, touching its highest since February 2019.



The IGC GOI **maize** sub-Index rallied by 10%, reaching a 28-month peak in late September. Bolstered by solid export demand and downgraded crop expectations, advances were especially strong in the US.



Weighed by sluggish international buying interest, the IGC GOI **rice** sub-Index eased by 1% m/m, with broad-based losses recorded across Asia's main exporters.



The IGC GOI **soya beans** sub-Index surged by 13%, rallying to a more than four-year high, mainly on buoyant US export demand and dwindling old crop Brazilian supplies.