



# Grain Market Report

## Summary

25 April 2019

### HIGHLIGHTS

Mainly because of increases for maize in Argentina and Brazil, the forecast for **total grains** (wheat and coarse grains) production in 2018/19 is 3m t higher m/m (month-on-month), at 2,128m. Consumption is lowered by 5m t m/m with most of the adjustment for feed and industrial use of maize in the USA. With bigger supply and smaller usage, the outlook for grain stocks is lifted by 8m t, to 611m, a drop of 36m y/y (year-on-year). Trade is placed a little higher m/m, as upward revisions for wheat and maize outweigh cuts for barley and sorghum.

For 2019/20, the projection for grains production is boosted by 2m t, to 2,178m, including updated figures for wheat and maize. Larger opening inventories, higher output and lower consumption boost the forecast for world ending stocks by 13m t, to 588m, with those in the major exporters now placed slightly higher y/y.

Tied to improved prospects in South America, the outlook for **soyabean** output in 2018/19 is raised by 3m t m/m, to a record of 362m, a 6% y/y rise. With use unchanged from before, the net increase in supplies is channelled to inventories, seen up by 10m t y/y. The outlook for production in 2019/20 is lifted by 2m t m/m, to 361m. Together with a larger figure for opening stocks, aggregate carryovers are pegged 5m t higher than in March. The projection of trade is trimmed to 153m t and would be little-changed y/y.

Reflecting a reduced consumption figure, the forecast for world **rice** stocks in 2018/19 is 1m t higher m/m, at 158m, up 8m y/y, including a modest increase for the major exporters. The 2019 trade outlook is cut but, at 47m t, remains historically high. The Council's projections for 2019/20 are mostly maintained from March, with an anticipated solid increase in availabilities absorbed by gains in uptake and inventories, the latter rising by 5m t y/y. Trade in 2020 is predicted steady m/m, at 48m t.

The IGC **Grains and Oilseeds Index** (GOI) declined by 5% m/m, with the biggest falls for wheat and maize

	16/17	17/18 est.	18/19 f'cast	19/20 proj.	
million tons				28.03	25.04
<b>TOTAL GRAINS <sup>a)</sup></b>					
<b>Production</b>	2187	2142	<b>2128</b>	<b>2175</b>	<b>2178</b>
<b>Trade</b>	353	369	<b>369</b>	<b>369</b>	<b>368</b>
<b>Consumption</b>	2126	2152	<b>2165</b>	<b>2204</b>	<b>2201</b>
<b>Carryover stocks</b>	658	648	<b>611</b>	<b>575</b>	<b>588</b>
<i>year/year change</i>	60	-10	<b>-36</b>		<b>-23</b>
<b>Major exporters <sup>b)</sup></b>	181	179	<b>162</b>	<b>151</b>	<b>163</b>
<b>WHEAT</b>					
<b>Production</b>	757	763	<b>735</b>	<b>759</b>	<b>762</b>
<b>Trade</b>	177	176	<b>172</b>	<b>174</b>	<b>174</b>
<b>Consumption</b>	736	740	<b>741</b>	<b>752</b>	<b>752</b>
<b>Carryover stocks</b>	248	271	<b>264</b>	<b>270</b>	<b>274</b>
<i>year/year change</i>	21	23	<b>-6</b>		<b>10</b>
<b>Major exporters <sup>b)</sup></b>	78	82	<b>68</b>	<b>68</b>	<b>72</b>
<b>MAIZE (CORN)</b>					
<b>Production</b>	1132	1090	<b>1118</b>	<b>1124</b>	<b>1125</b>
<b>Trade</b>	137	152	<b>162</b>	<b>160</b>	<b>160</b>
<b>Consumption</b>	1091	1118	<b>1145</b>	<b>1162</b>	<b>1161</b>
<b>Carryover stocks</b>	365	338	<b>311</b>	<b>266</b>	<b>275</b>
<i>year/year change</i>	40	-27	<b>-26</b>		<b>-37</b>
<b>Major exporters <sup>c)</sup></b>	80	70	<b>71</b>	<b>59</b>	<b>67</b>
<b>SOYABEANS</b>					
<b>Production</b>	351	341	<b>362</b>	<b>359</b>	<b>361</b>
<b>Trade</b>	148	153	<b>152</b>	<b>154</b>	<b>153</b>
<b>Consumption</b>	337	344	<b>352</b>	<b>359</b>	<b>360</b>
<b>Carryover stocks</b>	49	45	<b>55</b>	<b>51</b>	<b>56</b>
<i>year/year change</i>	14	-3	<b>10</b>		<b>1</b>
<b>Major exporters <sup>d)</sup></b>	24	18	<b>34</b>	<b>28</b>	<b>33</b>
million tons (milled basis)					
<b>RICE</b>					
<b>Production</b>	491	494	<b>500</b>	<b>505</b>	<b>505</b>
<b>Trade</b>	47	46	<b>47</b>	<b>48</b>	<b>48</b>
<b>Consumption</b>	485	486	<b>492</b>	<b>499</b>	<b>499</b>
<b>Carryover stocks</b>	142	150	<b>158</b>	<b>162</b>	<b>164</b>
<i>year/year change</i>	6	8	<b>8</b>		<b>5</b>
<b>Major exporters <sup>e)</sup></b>	32	32	<b>35</b>	<b>38</b>	<b>38</b>

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

a) Wheat and coarse grains

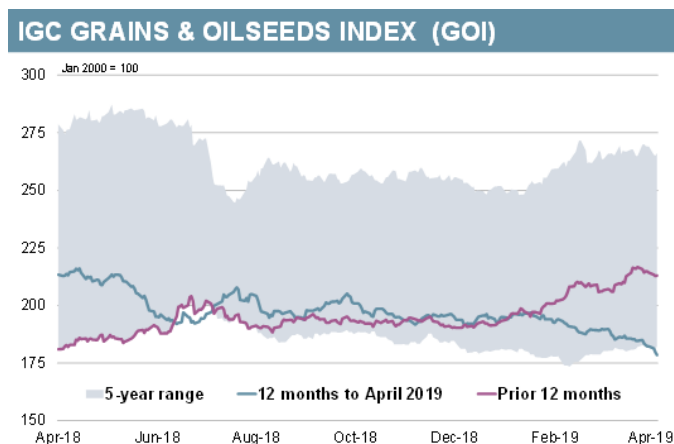
b) Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA

c) Argentina, Brazil, Ukraine, USA

d) Argentina, Brazil, USA

e) India, Pakistan, Thailand, USA, Vietnam

## 2. IGC Grains & Oilseeds Index (GOI)



### OVERVIEW

World **total grains** (wheat and coarse grains) production in 2018/19 fell by 13m t y/y, to 2,128m, while consumption is expected to climb by a similar amount, to 2,165m. Total grains stocks (aggregate of respective local marketing years) are forecast to contract by 36m t, to 611m, including falls for maize (-26m), wheat (-6m) and barley (-2m). Grains trade is expected to match the season before, as the tenth consecutive rise for maize compensates for smaller shipments of wheat, barley and sorghum.

World total grains production in 2019/20 is projected to climb by 2%, to 2,178m t, including bigger harvests of wheat (+26m), maize (+6m) and barley (+8m). Despite increased output, overall availabilities will edge only slightly higher owing to the smallest opening stocks in three seasons. Increases for food, feed and industrial uses are envisaged to propel total consumption to a new high of 2,201m t (+2% y/y). Amid record demand and only a minor supply expansion, a third successive depletion of global stocks is predicted, to a five-year low of 588m t (-23m y/y). Little change in trade is projected as larger wheat shipments are balanced by a fall for maize.

### 3. Total grains: Supply and demand summary

m t	16/17	17/18 (est.)	18/19 (fcast)	19/20 (proj.)	y/y change
Opening stocks	598	658	648	611	- 5.6%
Production	2,187	2,142	2,128	2,178	+ 2.3%
<b>Total supply</b>	<b>2,785</b>	<b>2,800</b>	<b>2,776</b>	<b>2,789</b>	<b>+ 0.5%</b>
<b>Total use</b>	<b>2,126</b>	<b>2,152</b>	<b>2,165</b>	<b>2,201</b>	<b>+ 1.7%</b>
<i>of which: Food</i>	697	705	712	722	+ 1.5%
<i>Feed</i>	948	964	971	984	+ 1.4%
<i>Industrial</i>	356	365	367	374	+ 1.8%
<b>Closing stocks</b>	<b>658</b>	<b>648</b>	<b>611</b>	<b>588</b>	<b>- 3.8%</b>
<i>Major exporters <sup>a)</sup></i>	181	179	162	163	+ 0.3%
<b>Trade (Jul/Jun)</b>	<b>353</b>	<b>369</b>	<b>369</b>	<b>368</b>	<b>- 0.1%</b>

<sup>a)</sup> Argentina, Australia, Canada, EU Kazakhstan, Russia, Ukraine, USA

Stemming from a rebound in Argentina, but with other producers threshing bigger crops, 2018/19 world **soyabean** output is forecast at a record of 362m t, a 6% y/y gain. With modest consumption growth anticipated, aggregate stocks are seen at a peak of 55m t, on heavy accumulation in the major exporters. While shipments to China are anticipated to fall, other buyers should secure more, leaving global trade only a fraction lower y/y, at 152m t. The US harvest in 2019/20 may be slightly smaller than in the prior season but, with potential increases elsewhere, world production is predicted to be little-changed y/y, at 361m t. Amid expectations for gains in feed uptake, total use is seen rising further, although the outlook is highly tentative given policy and demand-side uncertainties in China. Trade is placed at 153m t, marginally higher y/y.

#### 4. Soyabeans: Supply and demand summary

m t	16/17	17/18 (est.)	18/19 (fcast)	19/20 (proj.)	y/y change
Opening stocks	35	49	45	55	+ 21.1%
Production	351	341	362	361	- 0.4%
<b>Total supply</b>	<b>386</b>	<b>390</b>	<b>407</b>	<b>416</b>	<b>+ 2.0%</b>
<b>Total use</b>	<b>337</b>	<b>344</b>	<b>352</b>	<b>360</b>	<b>+ 2.2%</b>
<i>of which: Crush</i>	294	301	310	316	+ 2.1%
<b>Closing stocks</b>	<b>49</b>	<b>45</b>	<b>55</b>	<b>56</b>	<b>+ 1.5%</b>
<i>Major exporters<sup>a)</sup></i>	24	18	34	33	- 4.5%
<b>Trade (Oct/Sep)</b>	<b>148</b>	<b>153</b>	<b>152</b>	<b>153</b>	<b>+ 0.5%</b>

<sup>a)</sup> Argentina, Brazil, USA

Global **rice** production in 2018/19 is forecast to be up by 1% y/y, at a record of 500m t, including bigger harvests in key exporters and sub-Saharan Africa. Consumption could reach a new high amid ample availabilities and rising populations, while aggregate stocks may expand on gains in India and China. World output in 2019/20 is tentatively seen at a peak of 505m t as acreage expansion in some Asian producers more than offsets falls in China and the Americas. Amid plentiful supplies, growth in total use and inventories is expected, with trade in 2020 potentially up on demand from buyers in Africa.

#### 5. Rice: Supply and demand summary

m t (milled basis)	16/17	17/18 (est.)	18/19 (fcast)	19/20 (proj.)	y/y change
Opening stocks	136	142	150	158	+ 5.3%
Production	491	494	500	505	+ 0.9%
<b>Total supply</b>	<b>627</b>	<b>636</b>	<b>650</b>	<b>663</b>	<b>+ 2.0%</b>
<b>Total use</b>	<b>485</b>	<b>486</b>	<b>492</b>	<b>499</b>	<b>+ 1.5%</b>
<b>Closing stocks</b>	<b>142</b>	<b>150</b>	<b>158</b>	<b>164</b>	<b>+ 3.4%</b>
<i>Major exporters<sup>a)</sup></i>	32	32	35	38	+ 9.1%
<b>Trade (Jan/Dec)</b>	<b>47</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>+ 2.7%</b>

<sup>a)</sup> India, Pakistan, Thailand, USA, Vietnam

## MARKET SUMMARY

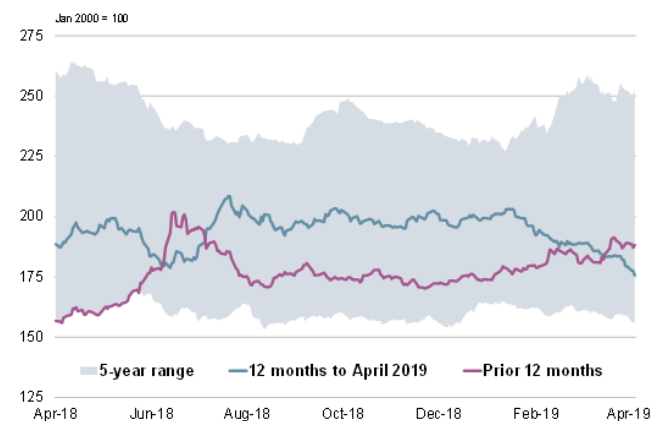
Pressured by mostly favourable outlooks for northern hemisphere winter grains and rowcrops in South America, the IGC GOI slumped by 5% m/m, to a more than three-year low.

### 6. IGC Grains & Oilseeds Prices Index (GOI)

Jan 2000 = 100	GMR 498	m/m change*	y/y change
<b>IGC GOI</b>	<b>179</b>	- 4.6%	- 16.2%
Wheat sub-Index	176	- 6.4%	- 6.6%
Maize sub-Index	169	- 5.7%	- 17.4%
Barley sub-Index	203	- 4.0%	- 8.4%
Rice sub-Index	161	- 0.1%	- 10.3%
Soyabeans sub-Index	163	- 4.5%	- 23.2%

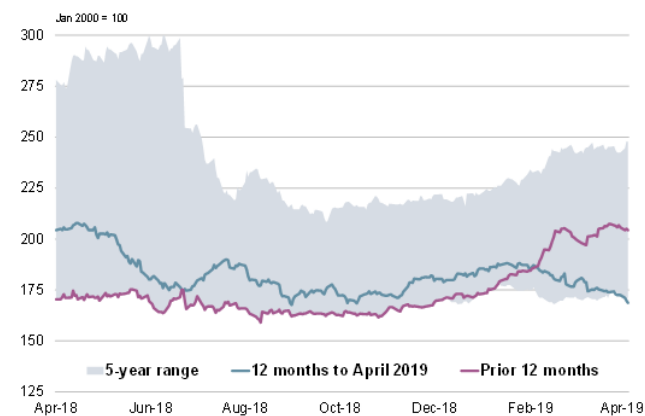
\*Change vs. GMR 497

### 7. Wheat: GOI sub-Index



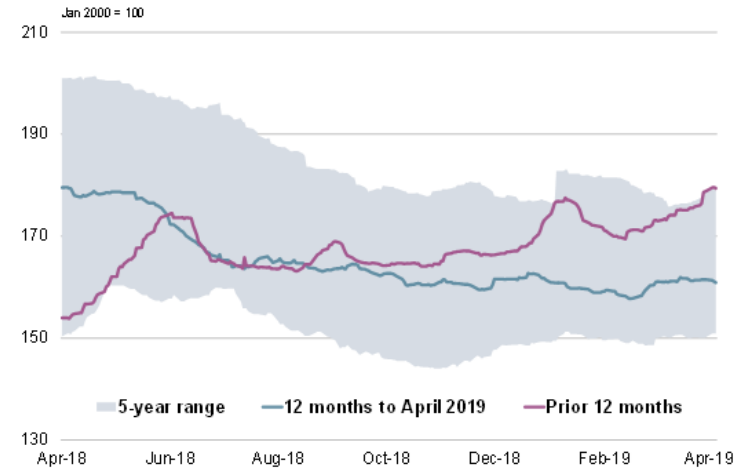
Owing to ample spot availabilities and broadly favourable new crop prospects, the IGC GOI **wheat** sub-Index fell by 6% m/m.

### 8. Maize: GOI sub-Index



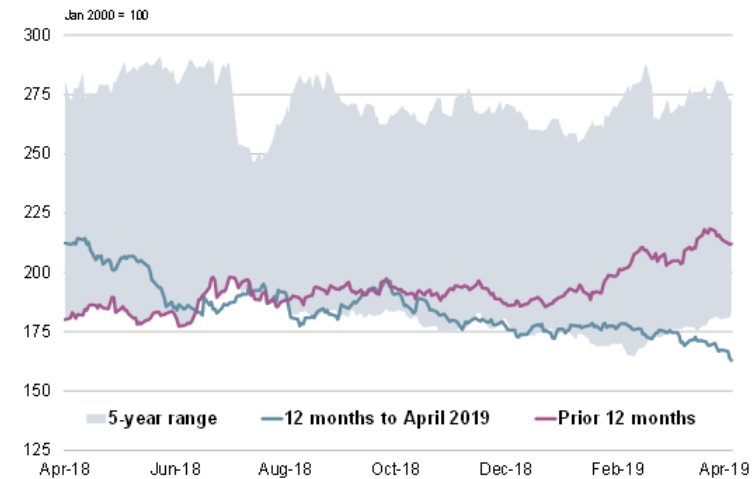
The IGC GOI **maize** sub-Index tumbled by 6%, to a six-month low, on comfortable US supplies and expectations for large South American surpluses.

### 9. Rice: GOI sub-Index



With global markets largely stable m/m, the IGC GOI **rice** sub-Index is unchanged compared to the last GMR.

### 10. Soyabeans: GOI sub-Index



The IGC GOI **soyabean** sub-Index declined by 4% from late-March, to its lowest since December 2008, on seasonal harvest pressure and underlying demand constraints.