



Grain Market Report

Summary

HIGHLIGHTS

With outlooks for production and consumption of **total grains** (wheat and coarse grains) trimmed, the forecast for world stocks at the end of 2019/20 is raised slightly m/m (month-on-month). At an all-time high of 386m t, the forecast for trade (Jul/Jun) is lifted by 6m m/m, including higher numbers for wheat, maize, barley and sorghum. Increases for maize, barley, oats and wheat boost the projection for production in 2020/21 by 7m t m/m, to a record 2,237m, an increase of 62m y/y (year-on-year). The figure for consumption is the same m/m, as a cut for demand in the industrial sector is offset by upward adjustments for food and feed. Higher opening inventories and larger output add 8m t to the projection for world 2020/21 ending stocks, seen building by 20m t y/y, to a three-season high of 635m. Mostly on an upgrade for wheat shipments, grains trade in 2020/21 (Jul/Jun) is placed 3m t higher m/m, at 390m.

The Council's 2019/20 world **soyabean** output estimate is pegged marginally higher m/m and, with uptake trimmed slightly, global stocks are raised by 3m t, to 44m, representing a marked tightening y/y. Linked to heavier than expected shipments to China, the trade outlook is upgraded to a peak of 155m t, a 2% y/y gain. A nominal increase for Brazil lifts the projection for 2020/21 global production to 364m t, up by 8% y/y and a record. Mainly reflecting higher opening stocks, carryovers are boosted to 45m t, a modest y/y expansion. Given assumed firm import demand from China, world trade is placed at a peak of 160m t, up 1m m/m.

With few changes to the 2019/20 global **rice** supply and demand balance sheet from previously, end-season carryovers are maintained at 176m t, a record level on gains in China and leading exporters. The 2020/21 production outlook is trimmed m/m, with the net reduction in total supplies leading to a modestly lower figure for inventories, placed at 180m t, albeit still a new high. The projection for trade in 2021 is unchanged m/m, at 44m t (+4% y/y).

The IGC **Grains and Oilseeds Index** (GOI) strengthened by 1% m/m, with gains for maize, soyabean and rice export quotations outweighing falls for wheat and barley.

	17/18	18/19 est	19/20 f'cast	20/21 proj.	
million tons				28.05	25.06
TOTAL GRAINS ^{a)}					
Production	2137	2138	2175	2230	2237
Trade	370	364	386	387	390
Consumption	2150	2166	2181	2218	2218
Carryover stocks	648	620	615	627	635
<i>year/year change</i>	-12	-28	-5		20
Major exporters ^{b)}	179	164	160	181	182
WHEAT					
Production	762	732	762	766	768
Trade	176	169	181	178	180
Consumption	740	740	749	750	751
Carryover stocks	269	261	274	290	290
<i>year/year change</i>	22	-8	13		16
Major exporters ^{b)}	83	70	64	68	65
MAIZE (CORN)					
Production	1090	1129	1117	1169	1172
Trade	153	165	169	175	175
Consumption	1118	1147	1141	1177	1175
Carryover stocks	341	323	299	288	296
<i>year/year change</i>	-28	-18	-24		-3
Major exporters ^{c)}	74	67	66	80	83
SOYABEANS					
Production	345	362	337	363	364
Trade	153	152	155	159	160
Consumption	344	349	353	363	363
Carryover stocks	47	60	44	42	45
<i>year/year change</i>	0	13	-16		1
Major exporters ^{d)}	17	31	20	16	16
million tons (milled basis)					
RICE					
Production	494	497	496	506	505
Trade	46	43	42	44	44
Consumption	484	488	494	500	501
Carryover stocks	165	174	176	182	180
<i>year/year change</i>	9	9	2		4
Major exporters ^{e)}	32	39	43	46	46

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

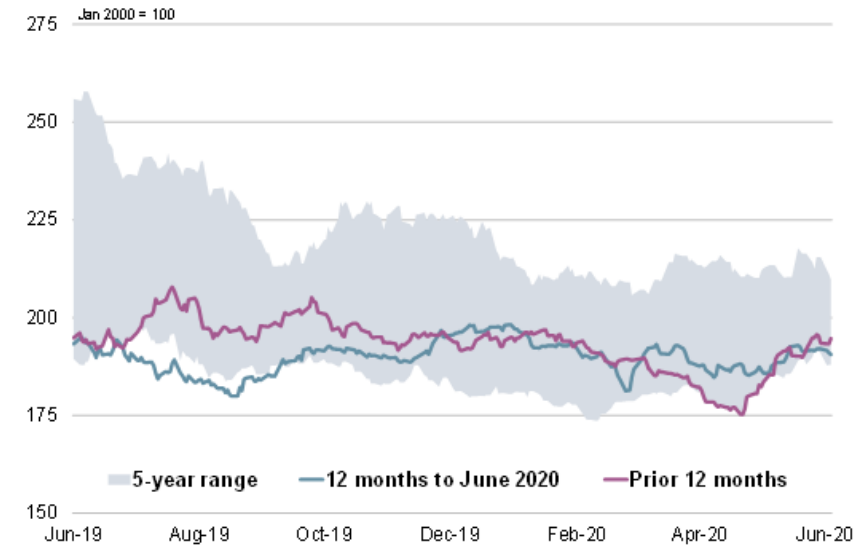
a) Wheat and coarse grains

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

World **total grains** (wheat and coarse grains) production in 2019/20 is expected to climb by 37m t y/y, to 2,175m, including record harvests of wheat and barley. Expected increases for food and feed are seen outweighing an anticipated drop in industrial demand, to lift total consumption by 15m t y/y, to 2,181m, leading to a 5m y/y drawdown of stocks. Global trade (Jul/Jun) is predicted at a new high of 386m t (+22m y/y), including record shipments of wheat and maize.

At 2,237m t, total grains production in 2020/21 is projected to be up by 62m y/y, led by a jump in maize output (+55m) to a new peak, but with wheat (+6m) also at a record. While consumption prospects are somewhat uncertain, all components of demand are assumed to rise, taking total use to a fresh high of 2,218m t (+37m y/y). As projected supplies are more than ample to meet anticipated demand, the first build-up of global stocks in four years is expected, placed 20m t higher y/y, at 635m; this includes increases for wheat and barley, but a fourth successive depletion of maize inventories, to a seven-year low. Led by the twelfth annual expansion of maize shipments, total grains trade is seen growing by 5m t y/y, to a record 390m.

m t	17/18	18/19 (est.)	19/20 (f'cast)	20/21 (proj.)	y/y change
Opening stocks	661	648	620	615	- 0.9%
Production	2,137	2,138	2,175	2,237	+ 2.8%
Total supply	2,798	2,786	2,796	2,852	+ 2.0%
Total use	2,150	2,166	2,181	2,218	+ 1.7%
<i>of which: Food</i>	707	716	725	732	+ 1.0%
<i>Feed</i>	959	966	985	998	+ 1.4%
<i>Industrial</i>	366	366	352	366	+ 3.9%
Closing stocks	648	620	615	635	+ 3.3%
<i>Major exporters^{a)}</i>	179	164	160	182	+ 17.8% a)
Trade (Jul/Jun)	370	364	386	390	+ 1.2%

^{a)} Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA

EU28 to 19/20, EU27 from 20/21. Change on EU27 basis

Although Brazilian output reached a new high, world **soyabean** production fell by 7% y/y in 2019/20 on a significantly reduced US harvest, with declines, too, in Argentina, Canada, India and Ukraine. And with total use edging up, carryovers are seen contracting sharply on a sizeable reduction in the US. Trade is predicted at a high of 155m t on bigger deliveries to Asia. On the basis of a rebound in US production, world output in 2020/21 could reach a peak of 364m t, an 8% y/y gain. With consumption growth likely to quicken, inventories are predicted to increase only marginally, with exporters' stocks set to tighten. Traded volumes are projected to expand by 3% y/y.

m t	17/18	18/19 (est.)	19/20 (f'cast)	20/21 (proj.)	y/y change
Opening stocks	47	47	60	44	- 27.2%
Production	345	362	337	364	+ 8.1%
Total supply	392	410	397	408	+ 2.7%
Total use	344	349	353	363	+ 2.7%
<i>of which: Crush</i>	302	307	310	317	+ 2.4%
Closing stocks	47	60	44	45	+ 3.3%
<i>Major exporters^{a)}</i>	17	31	20	16	- 17.7%
Trade (Oct/Sep)	153	152	155	160	+ 3.3%

^{a)} Argentina, Brazil, USA

Despite record production in India, smaller crops elsewhere in Asia and in other regions resulted in a marginal y/y fall in global **rice** production in 2019/20. Total use is seen at a new high on

population growth and efforts to ensure food security in key consumers. Inventories are likely to increase on gains in China and key exporters; linked to accumulation in India, aggregate stocks in the five major exporters are predicted to climb by 10%, to 42.9m t. With elevated international prices and state support seen underpinning expanded acreage, world production in 2020/21 is projected to rise by 2% y/y, to a record of 505m t, while uptake and carryovers may scale fresh peaks. Trade is forecast to recover to 44m t in 2021 on stronger demand from buyers in Africa in particular.

m t (milled basis)	17/18	18/19 (est.)	19/20 (f'cast)	20/21 (proj.)	y/y change
Opening stocks	155	165	174	176	+ 1.0%
Production	494	497	496	505	+ 1.7%
Total supply	649	662	670	681	+ 1.6%
Total use	484	488	494	501	+ 1.3%
Closing stocks	165	174	176	180	+ 2.4%
<i>Major exporters^{a)}</i>	32	39	43	46	+ 8.0%
Trade (Jan/Dec)	46	43	42	44	+ 4.2%

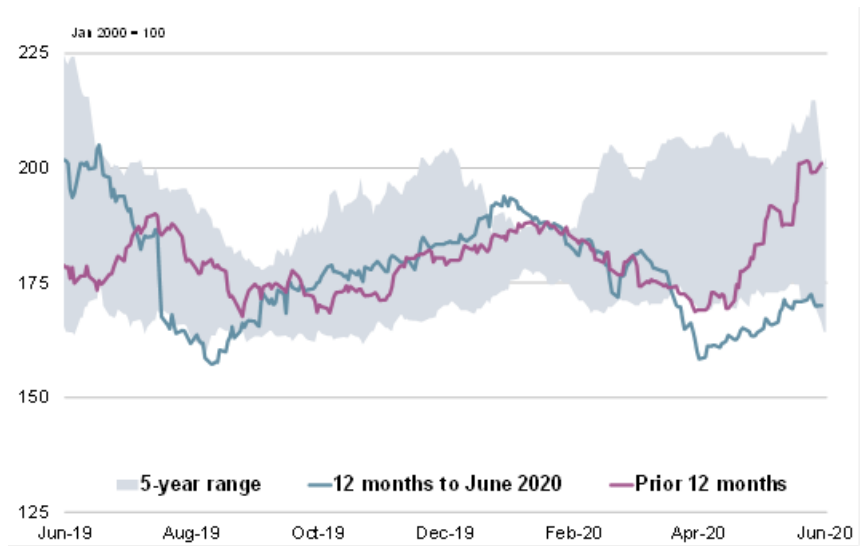
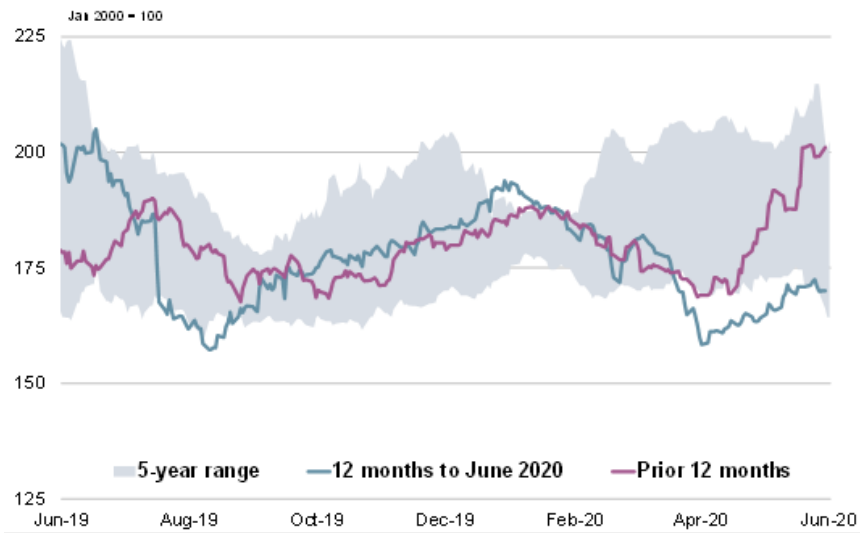
^{a)} India, Pakistan, Thailand, USA, Vietnam

MARKET SUMMARY

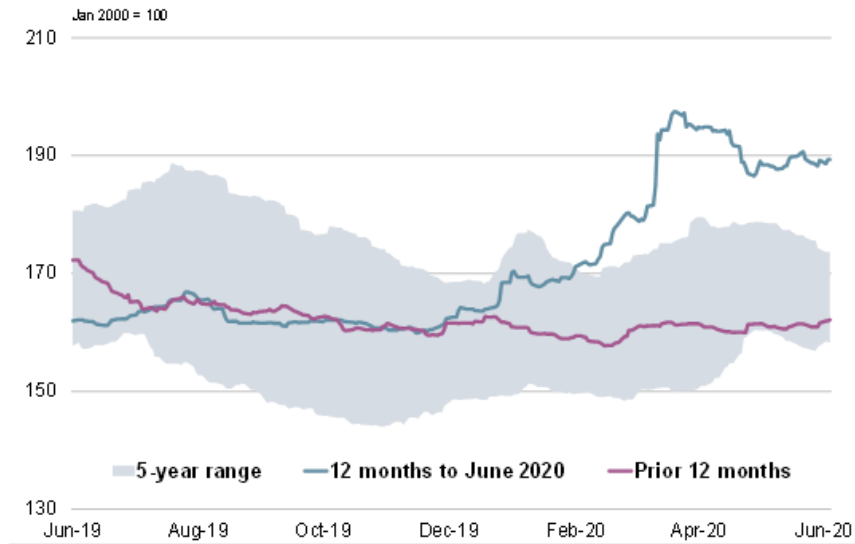
The IGC GOI gained by a net 1% m/m, as firmer rowcrop and rice export prices more than compensated for declines in wheat and barley, which eased partly on seasonal factors.

Jan 2000 = 100	GMR 511	<i>m/m change*</i>	<i>y/y change</i>
IGC GOI	191	+ 1.4%	- 2.1%
Wheat sub-Index	177	- 4.4%	- 3.7%
Maize sub-Index	170	+ 3.0%	- 15.4%
Barley sub-Index	181	- 3.5%	- 9.3%
Rice sub-Index	189	+ 0.6%	+ 16.8%
Soyabeans sub-Index	180	+ 4.7%	- 1.2%

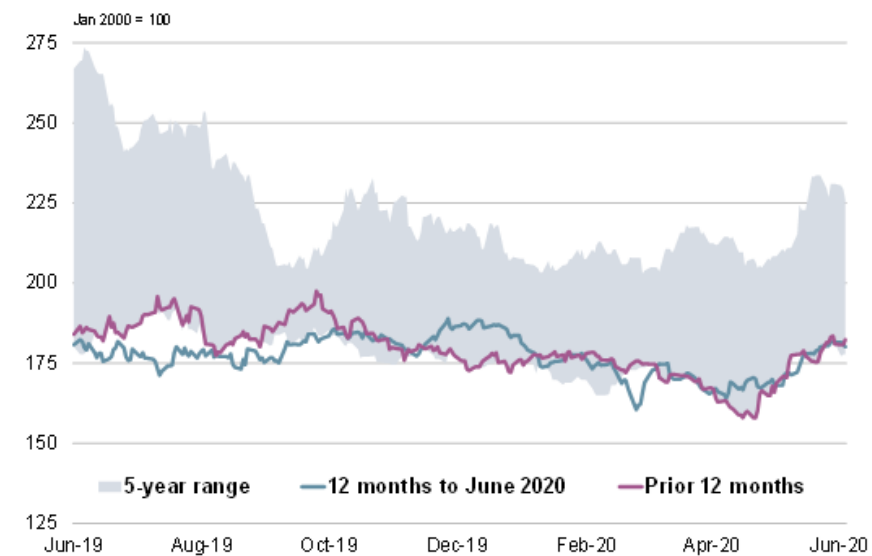
*Change vs. GMR 510



The IGC GOI **maize** sub-Index rose for a second successive month, up by 3% from late May, mostly on firmer US values, with price support tied to solid buying interest and tight spot Gulf loading capacity.



Underpinned primarily by gains in Thailand, linked to tighter supplies and currency movements, the IGC GOI **rice** sub-Index firmed slightly m/m.



The IGC GOI **soybeans** sub-Index strengthened by 5%, to a five-month peak, boosted by dwindling Brazilian availabilities and a pickup in US export demand, mainly from China.