



Grain Market Report

Summary

HIGHLIGHTS

With a cut for wheat more than offset by a larger figure for maize, the forecast for world **total grains** (wheat and coarse grains) production in 2019/20 is 1m t higher m/m (month-on-month) at 2,176m, up by 2% y/y (year-on-year). The forecast for consumption is down by 11m t m/m, with the biggest reduction for industrial usage, led by a sharp slowdown in demand for ethanol processing. Having been raised by 12m t m/m, only a modest y/y decline in world stocks is now envisaged. The outlook for trade is increased on stronger than expected shipments of wheat and sorghum.

The projection for total grains production in 2020/21 is reduced by 5m t m/m, to 2,218m, as less than ideal conditions are harming crop prospects in Europe and the Black Sea region. Consumption is placed 4m t lower m/m, including another reduction for industrial use; nonetheless, all sectors of demand are seen showing strong y/y growth. The global stocks projection is boosted by 12m t m/m and only a slight y/y contraction in total grains carryovers is expected. Mainly due to reduced prospects for feed wheat shipments, the projection for grains trade is trimmed m/m.

Further downgrades for South American producers lower the 2019/20 global **soyabean** output forecast by 3m t, to 338m, down by 24m y/y. With the net reduction in supplies matched by a cut to total use, world end-season stocks are predicted unchanged m/m, at 38m t, a contraction of almost one-third y/y. Modest adjustments to the Council's projections for supply and demand in 2020/21 leave carryovers steady m/m, at a below-average 40m t. Global import demand is predicted to advance by 5m t y/y, to an all-time peak of 157m, up 3% y/y.

Reflecting a marginal production cut, 2019/20 aggregate **rice** carryovers are trimmed to 176m t, but would still be the most on record. Against the backdrop of firm prices, export restrictions and logistical constraints, the outlook for trade in 2020 is reduced m/m, to about 43m t, steady y/y. The Council's projection for output in 2020/21 is lowered and, with a slight upward revision to total use, inventories are cut by 4m t, to 181m, up by 5m y/y and a new peak. Expectations for trade in 2021 have been scaled back slightly, but volumes are still seen growing by 4% y/y.

The IGC **Grains and Oilseeds Index** (GOI) weakened by 3% m/m, led by a heavy decline for maize. The soyabean, wheat and barley sub-Indices were also lower, but rice saw a solid gain.

	17/18	18/19 est.	19/20 f'cast	20/21 proj.	
million tons				26.03	30.04
TOTAL GRAINS ^{a)}					
Production	2139	2139	2176	2223	2218
Trade	370	364	381	385	384
Consumption	2151	2164	2181	2226	2222
Carryover stocks	650	625	620	605	617
<i>year/year change</i>	-12	-25	-5		-4
Major exporters ^{b)}	179	164	165	168	174
WHEAT					
Production	762	732	762	768	764
Trade	176	168	178	180	177
Consumption	739	738	748	760	755
Carryover stocks	271	265	279	283	289
<i>year/year change</i>	22	-6	14		9
Major exporters ^{b)}	83	70	67	63	64
MAIZE (CORN)					
Production	1092	1129	1119	1157	1158
Trade	153	165	169	170	173
Consumption	1119	1147	1145	1173	1173
Carryover stocks	341	323	297	274	281
<i>year/year change</i>	-27	-18	-27		-16
Major exporters ^{c)}	74	67	65	74	78
SOYABEANS					
Production	344	362	338	366	364
Trade	153	152	152	157	157
Consumption	347	351	356	365	363
Carryover stocks	44	55	38	40	40
<i>year/year change</i>	-3	11	-17		2
Major exporters ^{d)}	16	31	18	16	17
million tons (milled basis)					
RICE					
Production	494	500	498	509	507
Trade	46	43	43	45	44
Consumption	486	490	495	501	502
Carryover stocks	163	173	176	185	181
<i>year/year change</i>	8	10	3		5
Major exporters ^{e)}	31	39	42	46	45

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

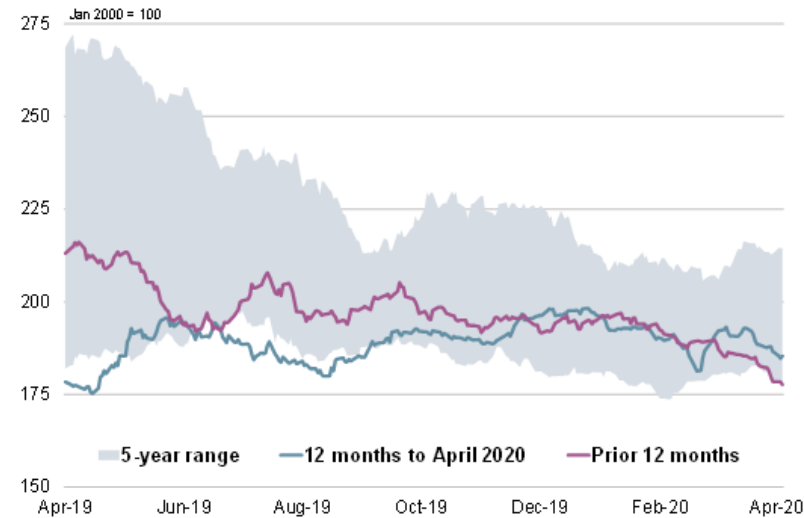
a) Wheat and coarse grains

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

World **total grains** (wheat and coarse grains) production in 2019/20 is estimated to have climbed by 2% y/y, to 2,176m t, as a fall in maize output was outweighed by larger wheat and barley harvests. Disruptions caused by the COVID-19 pandemic have negatively impacted demand, particularly for industrial processing, and grains consumption is expected to be only modestly higher y/y. A relatively small fall in carryover stocks is anticipated, as a drawdown of maize inventories is partly balanced by build-ups of wheat and barley. Trade is expected to be a new peak, including record volumes of wheat and maize.

At 2,218m t, global total grains production in 2020/21 is projected to rise by 43m y/y, with the biggest increase for maize (+39m); outturns of both maize and wheat are seen at a record level. Consumption is forecast to show a strong gain, to a new all-time high of 2,222m t (+41m y/y), including increases for food (+10m), feed (+14m) and industrial uses (+17m). World grains stocks are expected to edge lower, as contractions for maize and barley are only partly offset by larger wheat inventories. Trade (Jul/Jun) is predicted to rise by 1% y/y, with shipments of maize seen expanding for the twelfth successive year.

m t	17/18	18/19 (est.)	19/20 (f'cast)	20/21 (proj.)	y/y change
Opening stocks	662	650	625	620	- 0.8%
Production	2,139	2,139	2,176	2,218	+ 2.0%
Total supply	2,801	2,789	2,801	2,838	+ 1.3%
Total use	2,151	2,164	2,181	2,222	+ 1.9%
<i>of which: Food</i>	708	716	721	731	+ 1.3%
<i>Feed</i>	959	964	983	996	+ 1.4%
<i>Industrial</i>	366	367	358	374	+ 4.6%
Closing stocks	650	625	620	617	- 0.6%
<i>Major exporters</i> ^{a)}	179	164	165	174	+ 7.8% a)
Trade (Jul/Jun)	370	364	381	384	+ 0.8%

^{a)} Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, USA
EU28 to 19/20, EU27 from 20/21. Change on EU27 basis

With a heavily reduced US harvest outweighing bigger crops elsewhere, world **soyabean** output in 2019/20 is seen dropping by 7% y/y. As consumption edges up, inventories are expected to plunge, centred on a significantly tighter US carryout. Trade is forecast steady y/y, at 152m t. Tied to an assumed rebound in acreage in the US, where prices have moved in favour of soyabeans, global output could rebound by 8% y/y in 2020/21. Nevertheless, due to low carry-ins, a y/y increase in supplies is largely absorbed by expanded consumption, leaving inventories at a below-average 40m t. Tied to larger sales to China, global trade could expand by 3% y/y, to a new high.

m t	17/18	18/19 (est.)	19/20 (f'cast)	20/21 (proj.)	y/y change
Opening stocks	47	44	55	38	- 31.1%
Production	344	362	338	364	+ 7.7%
Total supply	392	407	394	403	+ 2.2%
Total use	347	351	356	363	+ 2.0%
<i>of which: Crush</i>	305	310	313	318	+ 1.6%
Closing stocks	44	55	38	40	+ 4.2%
<i>Major exporters</i> ^{a)}	16	31	18	17	- 4.8%
Trade (Oct/Sep)	153	152	152	157	+ 2.9%

^{a)} Argentina, Brazil, USA

Despite record production in India, smaller harvests elsewhere could see 2019/20 global **rice** output edge lower y/y, yet remain above average. Population growth is expected to underpin record use, although consumption patterns could be altered by the ongoing COVID-19 pandemic. Reflecting subdued demand, together with restrictions in some exporters, trade in 2020 is predicted to be little-changed y/y, at around 43m t. Production is projected to increase in 2020/21, with stocks advancing to a new peak on gains in India and China. Trade may expand by 4% y/y in 2021 on an assumed upturn in African buying interest.

m t (milled basis)	17/18	18/19 (est.)	19/20 (f'cast)	20/21 (proj.)	y/y change
Opening stocks	154	163	173	176	+ 1.8%
Production	494	500	498	507	+ 1.8%
Total supply	648	663	671	682	+ 1.8%
Total use	486	490	495	502	+ 1.3%
Closing stocks	163	173	176	181	+ 3.0%
Major exporters ^{a)}	31	39	42	45	+ 7.0%
Trade (Jan/Dec)	46	43	43	44	+ 3.7%

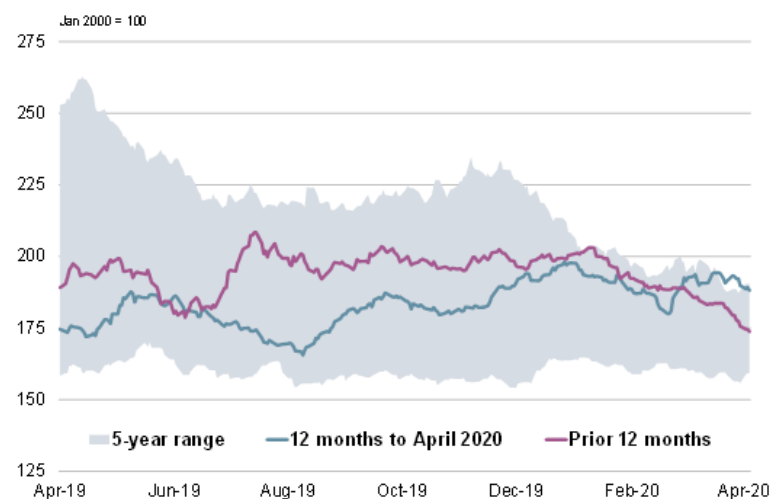
^{a)} India, Pakistan, Thailand, USA, Vietnam

MARKET SUMMARY

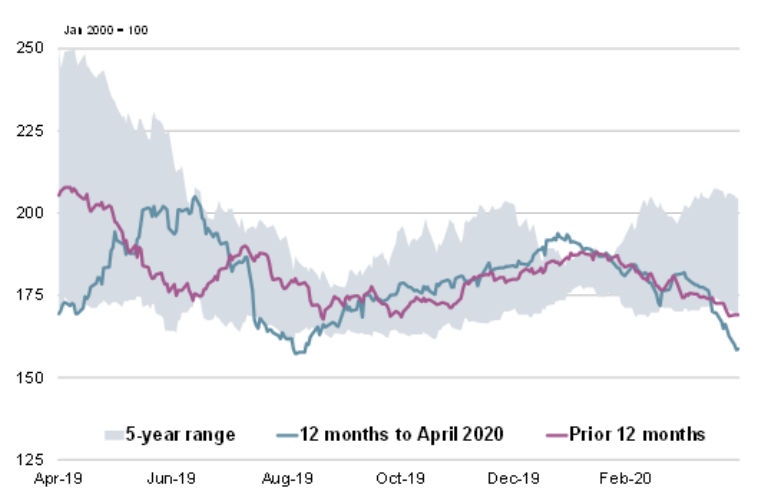
With net falls in maize, soyabean and wheat export prices only partly tempered by strong gains in rice, the IGC GOI finished 3% lower compared to the March GMR.

Jan 2000 = 100	GMR 509	<i>m/m change*</i>	<i>y/y change</i>
IGC GOI	185	- 2.8%	+ 4.3%
Wheat sub-Index	188	- 2.3%	+ 8.3%
Maize sub-Index	159	- 12.1%	- 6.1%
Barley sub-Index	193	- 0.7%	- 5.0%
Rice sub-Index	194	+ 8.6%	+ 20.9%
Soyabeans sub-Index	166	- 4.3%	+ 2.2%

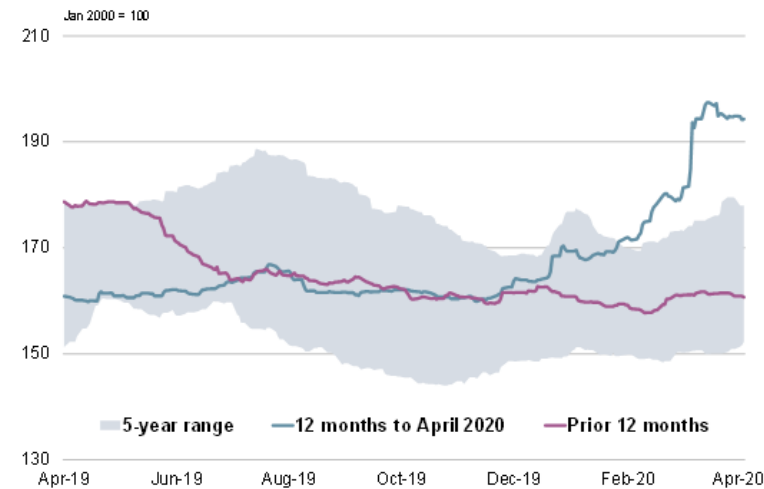
*Change vs. GMR 508



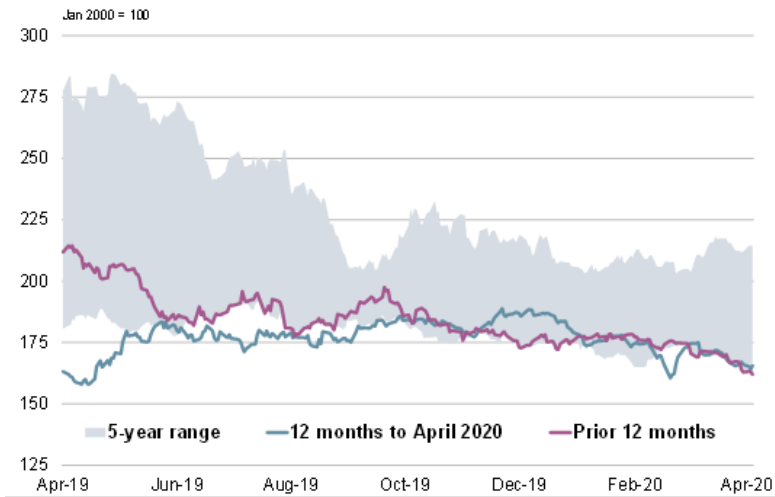
Driven by losses in North America, the IGC GOI **wheat** sub-Index dropped by 2% m/m. Some price support stemmed from less than ideal conditions for 2020/21 crops in parts of Europe and the Black Sea region.



The IGC GOI **maize** sub-Index tumbled by 12%, on sagging demand from US ethanol processors and a seasonal increase in South American supplies.



Underpinned by the imposition of export restrictions in some suppliers, including in Vietnam, the IGC GOI **rice** sub-Index posted a 9% monthly gain, touching its highest since June 2013.



The IGC GOI **soybeans** sub-Index retreated by a net 4%. In addition to currency-related weakness in Brazil, softer US prices were linked to thin buying interest and broader coronavirus worries.