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# Market Monitor

No.24 – December 2014

[www.amis-outlook.org](http://www.amis-outlook.org)

The **Market Monitor** is a product of the [Agricultural Market Information System \(AMIS\)](#). It covers the international markets for wheat, maize, rice and soybeans, giving a synopsis of major market developments and the policy and other market drivers behind them. The analysis is a collective assessment of the market situation and outlook by the ten international organizations that form the AMIS Secretariat. Ultimately, the report aims at improving market transparency and detecting emerging problems that might warrant the attention of policy makers.

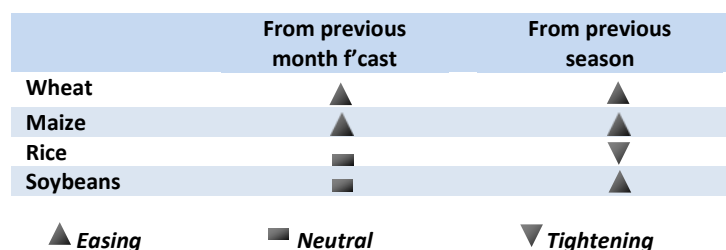
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## World Supply-Demand Outlook

Large production and ample inventories continue to point to a further easing of the global market situation in 2014/15 for all AMIS crops. However, as some weather disruptions in a number of major producing countries have affected prospects of newly planted crops, the international prices of wheat, maize and soybeans all rose in November. By contrast, rice prices have remained under pressure, coinciding with the busiest harvesting period in the year.



WHEAT	million tonnes							
	USDA		IGC		FAO-AMIS			
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15		
	est.	f'cast	est.	f'cast	est.	f'cast		
		10-Nov		27-Nov		6-Nov	4-Dec	
Production	715	720	713	717	717	723	725	
Supply	890	906	882	904	876	898	900	
Utilization	704	713	695	712	688	703	704	
Trade	166	155	155	150	157	150	150	
Ending Stock	186	193	187	193	175	192	193	

MAIZE	million tonnes							
	USDA		IGC		FAO-AMIS			
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15		
	est.	f'cast	est.	f'cast	est.	f'cast		
		10-Nov		27-Nov		6-Nov	4-Dec	
Production	989	990	984	982	1011	1015	1020	
Supply	1127	1163	1116	1158	1142	1190	1196	
Utilization	954	972	940	963	946	968	971	
Trade	130	113	120	113	125	114	114	
Ending Stock	173	192	176	195	176	210	212	

RICE (milled)	million tonnes							
	USDA		IGC		FAO-AMIS			
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15		
	est.	f'cast	est.	f'cast	est.	f'cast		
		10-Nov		27-Nov		6-Nov	4-Dec	
Production	476	475	476	475	498	496	496	
Supply	586	582	586	583	673	678	677	
Utilization	480	483	478	482	491	500	500	
Trade	42	42	40	41	40	40	40	
Ending Stock	106	99	108	102	181	178	177	

SOYBEANS	million tonnes							
	USDA		IGC		FAO-AMIS			
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15		
	f'cast		est.	f'cast	est.	f'cast		
		10-Nov		27-Nov		6-Nov	4-Dec	
Production	285	312	284	308	284	308	309	
Supply	341	379	332	337	312	338	339	
Utilization	272	286	283	297	281	296	297	
Trade	113	116	111	115	114	117	118	
Ending Stock	67	90	29	40	30	40	40	

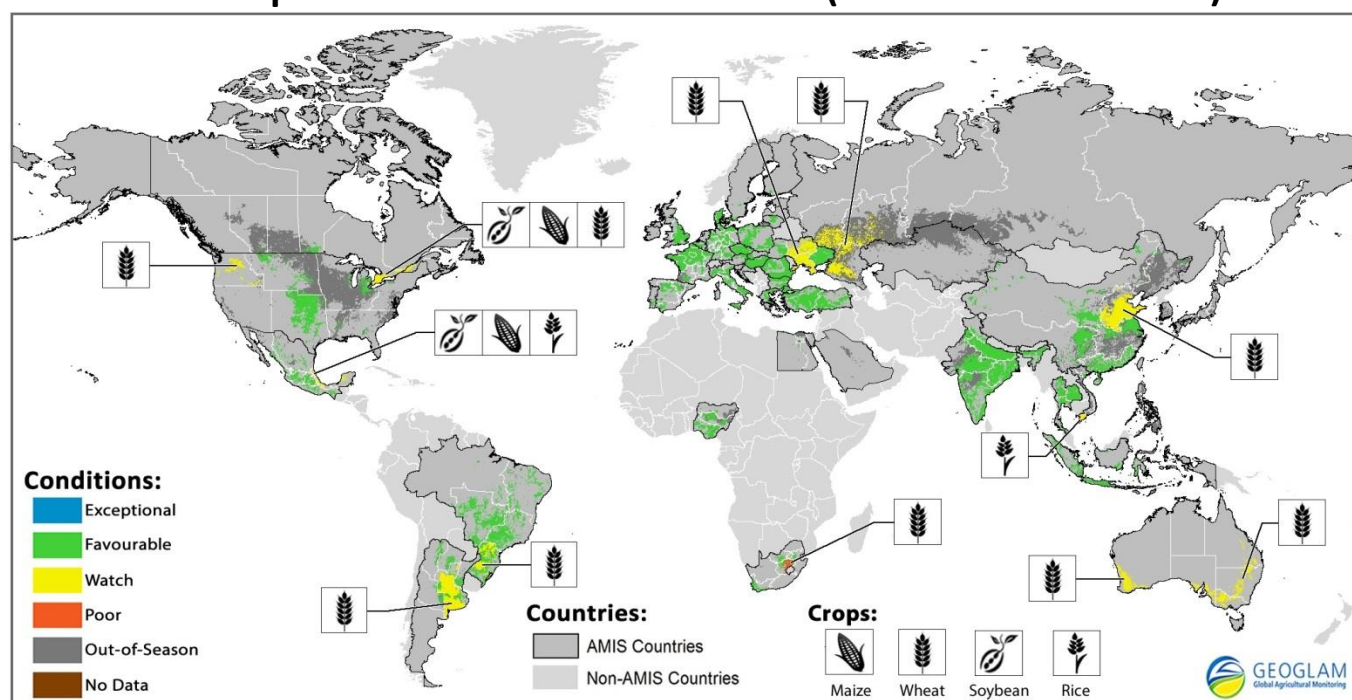
- **Wheat** production in 2014 to exceed last month's forecast on upward adjustments in the EU and Russia more than offsetting downward adjustments in Brazil, Turkey and the US.
- Utilization to expand at its fastest pace in three years on lower prices and a strong rebound in feed use.
- Trade in 2014/15 to fall sharply as higher domestic production curtails imports by many importing countries, in particular China and countries in North Africa.
- Stocks (ending in 2015) to be boosted by this year's record production with largest increases in the EU (+6mt), India (+5.9mt), Russia (+3.3mt) and China (+3mt).
- **Maize** production in 2014 to exceed previous month's forecast mostly on bigger harvests in China (+2.2mt), the EU (+1.5mt) and Mexico (+1.5mt) more than offsetting a downward adjustment in the US (-1.7mt).
- Utilization in 2014/15 to increase more significantly than was anticipated last month, largely on stronger growth in feed use in the EU and Mexico.
- Trade in 2014/15 to contract significantly with lower imports by the EU (-6mt) accounting for most of the anticipated decline.
- Stocks (ending in 2015) to climb to their highest level on record, boosted by a record world production in 2014 and a sharp rebound in the US inventories (+19.6mt).
- **Rice** production forecast for 2014 still pointing to a slight y/y decline, reflecting contractions in India, Indonesia, Sri Lanka and Thailand.
- Utilization to expand by 1.7 percent, with food accounting for 83 percent of the total.
- Trade in 2015 raised slightly but remains close to last month forecast and to the current 2014 estimate.
- Stocks (ending in 2015) revised down and now foreseen to end 2 percent lower than in the previous season.
- **Soybean** production forecast slightly increased on higher than anticipated yields in the US. Global y/y production set to grow by 8.5 percent, setting an all-time record.
- Utilization forecast about unchanged; increase from last season estimated at 5.3 percent, slightly below the rate recorded in 2013/14.
- Trade forecast for 2014/15 virtually unchanged, confirming an expansion of about 3 percent over 2013/14, which mainly reflects higher import demand in China and increased US exports.
- Stock forecast (2014/15 carry-out) unvaried from the previous month, thus confirming the anticipated y/y recovery that is driven by replenishments in the US and Brazil.

Estimates and forecasts may differ across sources for many reasons, including different methodologies. All changes, in absolute or percentage terms, reported in the supply/demand commentaries are calculated based on unrounded figures. For more information see the last page of this report.



## Crop Monitor

### Crop Conditions in AMIS countries (as of November 28th)



Crop condition map synthesizing information for all four AMIS crops as of November 28th. Crop conditions over the main growing areas for wheat, maize, rice, and soybean are based on a combination of national and regional crop analyst inputs along with earth observation data. **Crops that are in other than favourable conditions are displayed on the map with their crop symbol.**

#### Highlights

**Wheat** conditions in the northern hemisphere are mixed at this early stage of the season. In the EU, US, China and India, planting progresses and conditions are generally favourable. In Russia, Ukraine and Canada conditions are mixed for the autumn planted crop. In the southern hemisphere conditions are mixed. In Australia, winter wheat prospects have deteriorated following very warm and dry spring conditions in eastern States. However, recent shower and storm activity across much of the southern grain belt have slowed harvest activities. In Argentina and Brazil, conditions are mixed. In South Africa conditions remain favourable over the winter rainfall region (main area) but mixed over the summer rainfall region.

**Maize** conditions in the northern hemisphere remain overall favourable. In the US and the EU, harvest is coming to a close and conditions are very good. In Ukraine, India, Nigeria and Mexico, conditions are favourable. In Canada, conditions remain mixed. Harvest is complete in western Canada but is delayed up to several weeks in central Canada. In the southern hemisphere conditions are generally favourable. In Brazil, Argentina, and South Africa conditions are favourable for the newly planted crop.

**Rice** conditions are generally favourable. In India, conditions are good for both the kharif and rabi crops. In Indonesia, Viet Nam, China and Thailand conditions are favourable. In Nigeria, harvest is almost complete and the crop is in good condition. In Brazil, conditions are generally favourable. Planting is slightly delayed in the southern region due to excessive rain.

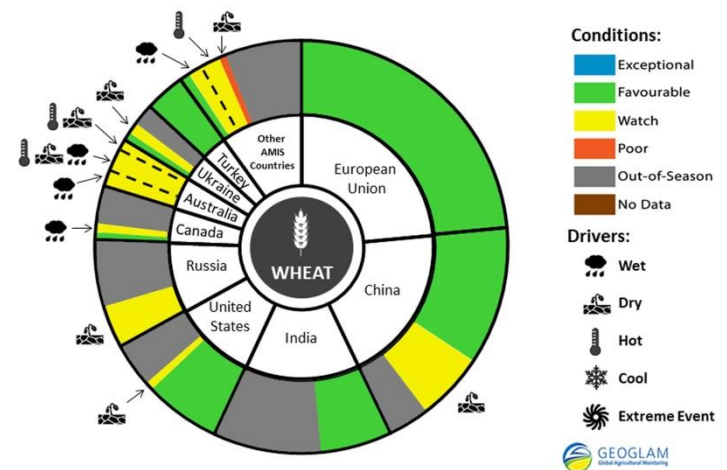
**Soybeans** prospects in the northern hemisphere remain overall very good. In the US harvest is almost complete and conditions are very good. In Canada, conditions remained mixed due to excess moisture in eastern Canada, which turned to early snow and delayed harvest. In India, conditions are favourable. In Nigeria, harvest has begun and conditions are favourable. In the southern hemisphere conditions are favourable for both Brazil and Argentina.

#### El Niño situation update

The probability of an El Niño event in the November-January time frame has increased to about 70%, according to the Australian Bureau of Meteorology (BOM) and the International Research Institute for Climate and Society (IRI). The BOM and IRI cite recent observations of atmospheric pressure patterns, upper level winds, and increased Pacific sea surface temperatures, as well as international climate models that project these conditions to continue over the next two to three months. The formal definition of an El Niño, however, has not been met because these conditions have not been in place long enough, and certain atmospheric features have not yet appeared. A strong event is not expected, in any case. Nonetheless, potential impacts of El Niño should be considered: below-normal rainfall in parts of Asia, Southern Africa, and Australia, affecting rice, maize, and wheat; and above-average rainfall in major regions of South America, benefiting maize, soy and wheat. The BOM sees increased chances of below-average rainfall and above-average temperatures for many parts of Australia in the months ahead. The IRI forecast map shows an increased chance of below-average precipitation in Southeast Asia.

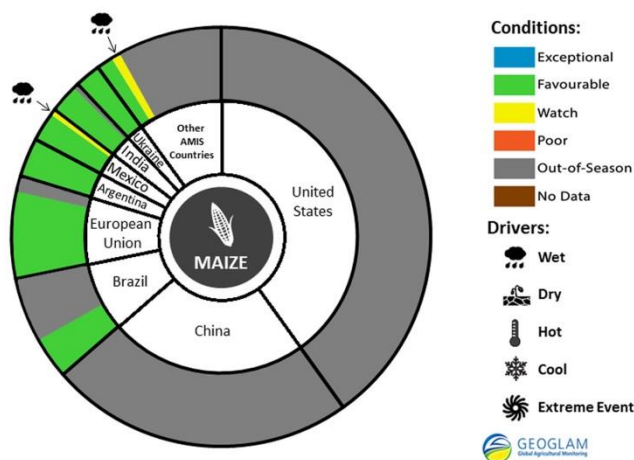
**Wheat** conditions in the northern hemisphere are mixed at this early stage of the season. In **Russia**, conditions are mixed. Severe early frosts without snow followed by warmer than usual temperatures and lack of precipitation, may have damaged the winter crop but cannot be detected until after the snowmelt. In **Ukraine**, winter wheat conditions are mixed. Dry weather earlier in the season hampered crop emergence and establishment. In the **EU**, weather conditions have been predominantly favourable for the sowing of winter wheat. In the northern half of France, the largest wheat producer of the EU, rainfall caused some delay, but was followed by a drier period. In Germany and the United Kingdom, sowing conditions were good to excellent. In other parts of the EU, sowing generally proceeded well. Even where sowing activities were delayed, no serious problems were encountered thanks to above-average temperatures across the EU. In the **US**, winter wheat planting is nearly complete and has emerged as normal with good condition throughout most of the country. Some continued dryness has been present in the Pacific Northwest and Southern Great Plains but it is too premature to warrant real concern at this time. In **Canada**, conditions are mixed. In western Canada, winter wheat acreages decreased due to the late harvest, but germination of seeded crop was very good due to plentiful soil moisture. In central Canada, particularly in Ontario, seeding was delayed by late harvest and excess moisture followed by snow. In the Atlantic region, the germination of winter wheat was slow due to low soil moisture. In **China**, planting almost concludes and conditions are mixed. There are some concerns over poor soil moisture in the central region which may hamper wheat development before dormancy. Conditions are favourable in the Loess Region for wheat emergence. In **India**, planting progresses normally. In the southern hemisphere conditions are mixed. In **Argentina**, conditions are mixed. There is some concern over high temperatures in several regions, which may impact harvest. In **Brazil**, harvest has begun and conditions are mixed. There are issues over quality in the southern growing region due to excessive rainfall early in the season. In **Australia**, winter wheat prospects have deteriorated following very warm and dry spring conditions in eastern States. New South Wales and Victoria have been particularly affected by below average spring rainfall and soil moisture deficiencies. However, recent shower and storm activity across much of the southern grain belt have slowed harvest activities. In **South Africa** conditions remain favourable over the winter rainfall region (main area) owing to normal to above-normal rainfall in winter, and yields are expected to be above normal. Over the summer rainfall region, yields are still expected to be below normal, despite recent widespread rain.

### Wheat conditions for AMIS countries as of November 28<sup>th</sup>



For detailed description of the pie chart please see box on page 4.

### Maize conditions for AMIS countries as of November 28<sup>th</sup>

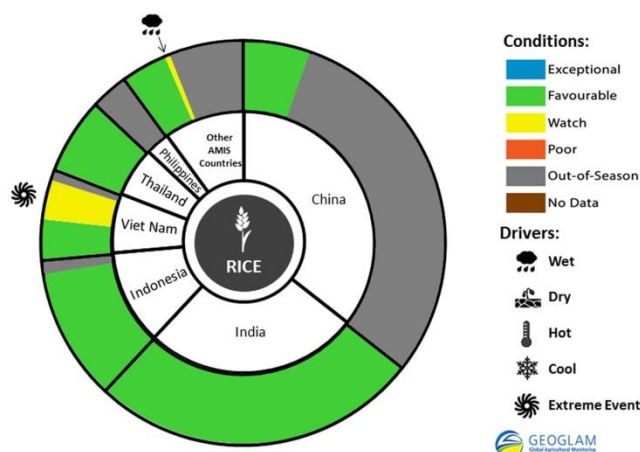


For detailed description of the pie chart please see box on page 4.

Maize conditions in the northern hemisphere remain overall favourable. In the **US**, harvest is essentially complete. The production estimate is reduced slightly relative to last month but still on track to be a US record. In the **EU**, harvest is complete and conditions were good to very good. In **Ukraine**, harvest is nearly complete and conditions are favourable. In **Mexico**, conditions are favourable. There was some delay in the sowing of the crop due to excess moisture, which could extend the season in the spring. In **Canada**, conditions remained mixed. Harvest is complete in western Canada but is delayed up to several weeks in central Canada, particularly in Ontario, due to excess moisture then early snow. In **India**, harvest has begun and conditions are mostly favourable. In **Nigeria**, harvest has begun and conditions are favourable. In the southern hemisphere conditions are generally favourable. In **Brazil**, conditions are favourable. Some regions initially delayed planting due to lack of rain but these regions have resumed planting normally. In **Argentina**, planting continues and conditions remain favourable. In **South Africa**, conditions during the planting season for maize are favourable due to above-normal rainfall over especially the western maize production region.

**Rice** conditions are generally favourable. In **India**, conditions are good and harvest has begun for the first season of rice. Planting has begun for the second season crop and the crop is in favourable condition. In **Indonesia**, the dry season crop remains in good condition owing to favourable weather. In **Viet Nam**, overall conditions are favourable. The rice growth stages range from transplanting to harvest. There are concerns for the summer season rice in southern growing areas due to unfavourable weather. In **Thailand**, conditions are favourable and crop stages range from planting to harvest. In **China**, conditions remain generally favourable. Late rice is mostly harvested except for the southern region where it is in maturity to harvest stages. In **Nigeria**, harvest is almost complete and the crop is in good condition. In **Brazil**, conditions are generally favourable. Planting is slightly delayed in the southern region due to excessive rain.

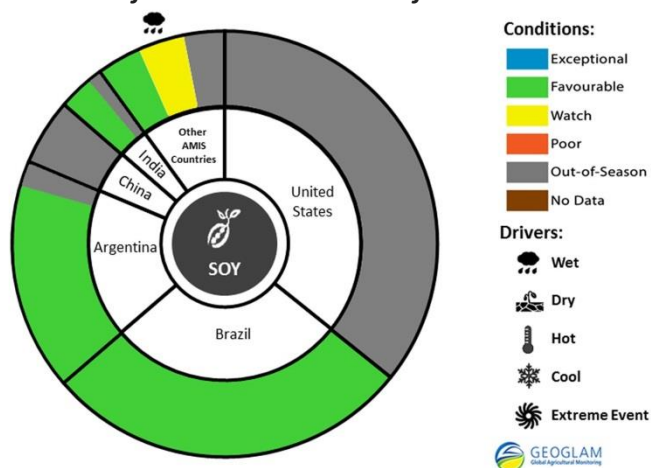
### Rice conditions for AMIS countries as of November 28<sup>th</sup>.



For detailed description of the pie chart please see box below.

For detailed description of the pie chart please see box below.

### Soy Conditions for AMIS countries as of November 28<sup>th</sup>.



For detailed description of the pie chart please see box below.

For detailed description of the pie chart please see box below.

rainfall in the centre-west and southeast regions was resolved this month due to sufficient rainfall so planting resumes as normal. In **Argentina**, planting continues and conditions remain favourable.

**Soybeans** prospects in the northern hemisphere remain overall very good. In the **US**, harvest is essentially complete and the forecasted bumper crop, based on both record yields and planted area, has indeed occurred. In short, soybean production is significantly higher than ever before in the US. In **Canada**, conditions remain mixed. Harvest is complete in western Canada but is delayed up to several weeks in eastern Canada, due to excess moisture which turned to early snow. About half of Prince Edward Island's crop has yet to be harvested. In **India**, harvest is almost complete and conditions are favourable. In **Nigeria**, harvest has begun and conditions are favourable. In the southern hemisphere conditions are favourable. In **Brazil**, conditions are favourable. The delay in planting from last month due to below average

**Pie chart description:** Each slice represents a country's share of total AMIS production (5-year average). Main producing countries (representing 90 percent of production) are shown individually, with the remaining 10 percent grouped into the "Other AMIS Countries" category. The area within each slice is divided between crops in-season (colour) and out-of-season (gray). The in-season portion is coloured according to the various crop conditions within that country. When conditions are labelled as 'poor' or 'watch', icons are added that provide information on the key climatic drivers affecting conditions. The coloured areas reflect conditions by area rather than overall national production.

**Sources and Disclaimers:** The Crop Monitor assessment is conducted by GEOGLAM with inputs from the following partners (in alphabetical order): Argentina (INTA), Asia Rice Countries (AFSIS, ASEAN+3 & Asia RiCE), Australia (ABARES & CSIRO), Brazil (CONAB & INPE), Canada (AAFC), China (CAS), EU (EC JRC MARS), Indonesia (LAPAN & MOA), International (CIMMYT, FAO, IFPRI & IRRI), Japan (JAXA), Mexico (SIAP), Russia (IKI), South Africa (ARC & GeoTerralmage & SANSNA), Thailand (GISTDA & OAE), Ukraine (NASU-NSAU & UHMC), USA (NASA, UMD, USGS – FEWS NET, USDA (FAS, NASS)), Viet nam (VAST & VIMHE-MARD). The findings and conclusions in this joint multi-agency report are consensual statements from the GEOGLAM experts, and do not necessarily reflect those of the individual agencies represented by these experts. Map data sources: Major crop type areas based on the IFPRI/IIASA SPAM 2005 beta release (2013), USDA/NASS 2013 CDL, 2013 AAFC Annual Crop Inventory Map, GLAM/UMD, GLAD/UMD, Australian Land Use and Management Classification (Version 7), SIAP, ARC, and JRC. Crop calendars based on GEOGLAM partner crop calendars and USDA/FAO crop calendars.

**More detailed information on the GEOGLAM crop assessments is available at** [www.geoglam-crop-monitor.org](http://www.geoglam-crop-monitor.org).

**For more information regarding the new crop monitor and pie charts:** <http://www.geoglam-crop-monitor.org/content/about-geoglam-crop-monitor>.

## Policy Developments

### WHEAT

- **Argentina** authorized exports of 1.5 million tonnes of wheat and wheat flour from the new crop, currently being harvested. The quota is to be exported from 15 December.
- On 8 November, the support price of domestic third-class wheat in **Kazakhstan** was raised by about 50 percent, to KZT 42,000 per tonne (USD 232 per tonne).
- In November, the **Russian Federation** continued intervention purchase tenders on grains, including wheat.

### MAIZE

- **Argentina** authorized exports of 8 million tonnes of maize of the new crop, to be gathered from March. The quota is to be exported from 15 March 2015.
- The State Administration of Grains of **China** announced the start of the 2014/15 intervention programme for maize. The price is maintained at the 2014 level, set at CNY 2,220-2,260 (USD 362-368)
- As from 8 November, the **EU** suspended import duties on maize and several other cereals. The import duty had been reinstated since 16 July and subsequently revised on several occasions.

### RICE

- In November, **Brazil** sold about 140,000 tonnes of rice from government stocks in several consecutive auctions
- **India** started rice procurement from the 2014/15 crop.
- In July 2014, **Indonesia's** BULOG (Bureau of Logistics) was instructed to import around 500,000 tonnes of rice.
- **Viet Nam** Food Association cut the minimum export price for 25 percent broken rice by 8 percent to USD 380 FOB.

### OTHER DEVELOPMENTS

- On 27 November 2014, WTO's General Council formally adopted a set of decisions on Public Stockholding for Food Security Purposes (WT/GC/W/688) and on the Post-Bali Work Programme to be agreed by July 2015 (WT/GC/W/690). Simultaneously, the General Council paved the way for the Trade Facilitation Agreement to be inserted into Annex 1A of the WTO Agreement, opening it for ratification by the membership.



## International Prices

### International Grains Council (IGC) Grains and Oilseeds Index (GOI) and GOI sub-Indices

	Nov- 2014 Average*	% Change	
		M/M	Y/Y
<b>GOI</b>	227	+ 3.2%	- 11.5%
<b>Wheat</b>	223	+ 1.1%	- 6.8%
<b>Maize</b>	193	+ 4.9%	- 11.2%
<b>Rice</b>	175	- 2.0%	- 2.3%
<b>Soybeans</b>	225	+ 5.5%	- 16.5%

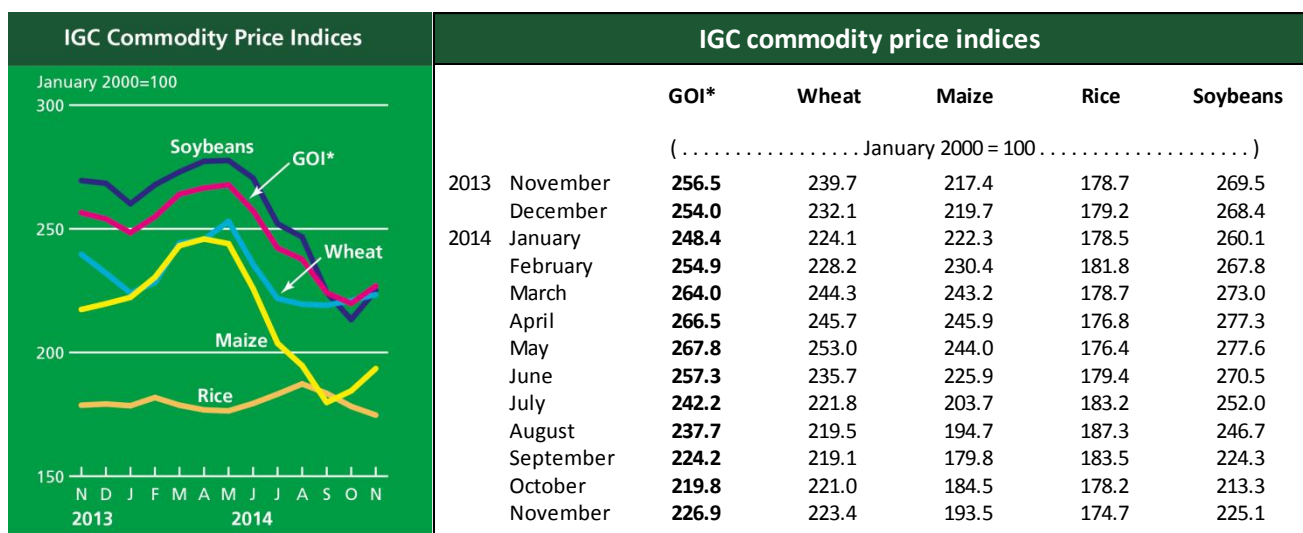
\*Jan 2000=100, derived from daily export quotations

**Wheat:** World wheat export prices were modestly firmer during November, with day-to-day movements frequently following other commodities, specially strength in maize and soybeans. Some support reflected a spell of cold weather in the US, raising concerns about possible damage to the recently sown 2015/16 crop. There was also some underpinning from recent less than ideal weather for the next crops in the Black Sea region. Quotations in the EU stayed attractive relative to other origins, helping to maintain a record pace of export sales.

**Maize:** World maize export prices maintained their recent firmer tone, drawing support from gains in the soybean complex, occasionally strong US cash markets and some surprise at a reduced yield estimate from the USDA. However, with exportable supplies of maize (and other feed grains) still comfortable, average quotations were more than 11 percent lower y/y. Northern hemisphere harvests were virtually completed and, with strong competition for export business, price spreads between the main origins narrowed.

**Rice:** Global markets for white and parboiled rice weakened further during November, pressured by imminent new crop arrivals and concerns about sluggish international demand. Thailand's large state reserves continued to weigh, but declines in Asia were led by Vietnam where, apart from a mild pick-up in cross-border trade with China, buying interest remained subdued. In generally light activity, export prices for white rice in India softened on rising new crop availabilities.

**Soybeans:** After the previous month's declines, global soybean prices were markedly firmer in November. While market sentiment was weighed by the advancing US harvest, coupled with improved planting weather in South America, quotations were underpinned by solid buying interest from China. Strength in US soy meal values provided underlying support amid tight pipeline supplies.



\*GOI: Grains and Oilseeds Index

## Futures Markets

### Futures Prices

	Nov 2014 Average	% Change	
		M/M	Y/Y
<b>Wheat</b>	199	+6.0%	-16.8%
<b>Maize</b>	147	+6.8%	-11.8%
<b>Rice</b>	266	-3.1%	-23.0%
<b>Soybeans</b>	379	+7.0%	-20.4%

Source: CME

### Historical Volatility – 30 Days

	Monthly Averages		
	Nov 2014	Oct 2014	Nov 2013
<b>Wheat (Nearby)</b>	21.5%	23.0%	13.6%
<b>Maize (May)</b>	28.6%	27.7%	16.0%
<b>Rice (Nearby)</b>	16.3%	13.2%	16.6%
<b>Soybeans (Nearby)</b>	29.8%	34.7%	16.2%

### Futures Prices

Wheat, maize and soybeans futures continued to increase in November, after reaching a bottom in late September. Rice prices were lower m/m. Fundamental news remained sparse, although continued dry weather caused concern over Russian winter wheat development as well as soybean production in Brazil, where planting is about completed. Also, wheat production estimates were lowered in Australia because of drought in some regions. In the US, abnormally cold temperatures have caused concern over winter wheat development. The modest price increases in recent weeks can also be attributed to a number of exogenous factors such as China cutting interest rates (potentially supportive to soybean imports) and the European Central Bank policy of boosting growth and combating low inflation, even as these measures helped support the US dollar.

### Volumes and Volatility

Volumes were considerably higher for maize m/m, reflecting possibly increased hedging in deferred months by warehouses which were reportedly storing some of the record maize crop on the ground. Wheat volumes were also higher m/m. Soybean volumes, however, were considerably lower, probably a result of options expiration on the November futures contract, which took place in late October, a month that saw near record volume. Implied volatility was little changed m/m, maintaining levels in the mid-twenties, which, although not historically high, were above the mid-teen levels exhibited a year ago.

### Forward curves

Forward curves maintained their price configuration m/m of upward sloping curves (contango), reflecting a near-term adequate supply situation.

### Basis levels

Basis levels remained negative (a discount to futures prices) throughout the major maize and soybean growing areas, due to burdensome new crop supplies and continued logistical constraints. Whereas FOB gulf values for maize and soybeans were quoted around USD 30 to USD 35 per tonne premiums to respective futures, the average basis levels in Iowa (the largest producer) for maize and soybeans were quoted at minus USD 12 to minus USD 15 respectively, according to the Iowa Farm Bureau. Prior to harvest, domestic soybean basis levels were quoted as high as USD 100 per tonne premium over futures. Soft Red Wheat basis remained about unchanged, but inched up in the gulf export market.

### Investment flows

Managed money reduced its net short exposure in wheat while increasing its net long position in maize. Managed money increased its long position in soybeans modestly and appeared less active in options markets, following options expiration on the November future contract in late October. Swaps dealers have gradually increased their net long presence in wheat since May, despite the significant costs of rolling long positions forward in a perpetual contango [upward sloping] market.



## Monthly US Ethanol Update

- Cash maize prices, which rose through October, continued to rise at a slower pace in November.
- Ethanol prices rose faster than maize input costs, increasing producer margins even as ethanol output expanded. DDGs prices continued to trade at a discount to maize prices in the cash market.
- Ethanol production for the week ending 21/11/2014 was a record 982,000 barrels a day, equivalent to an annual product rate of 15.05 billion gallons.
- The rise in ethanol prices over October and November has run counter to oil and RBOB gasoline prices with the ethanol price discount to gasoline largely disappearing in the month of November.
- The EPA stated they would not release the final 2014 RFS mandates in calendar 2014 and missed the statutory November 30, 2014 deadline to release the final mandates for 2015, leaving final mandate volumes for both 2014 and 2015 unresolved.

Spot prices IA, NE and IL/eastern corn belt average	November 2014*	October 2014**	November 2013
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Maize price (USD per tonne)	139.89	128.78	166.27
DDGs (USD per tonne)	114.71	104.90	209.37
Ethanol price (USD per gallon)	2.15	1.68	2.06

### Nearby futures prices

CME, NYSE

Ethanol (USD per gallon)	1.98	1.68	1.85
RBOB Gasoline (USD per gallon)	2.05	2.26	2.64
Ethanol/RBOB price ratio	96.7%	74.2%	70.1%

### Ethanol margins

IA, NE and IL/eastern corn belt  
average, USD per gallon)

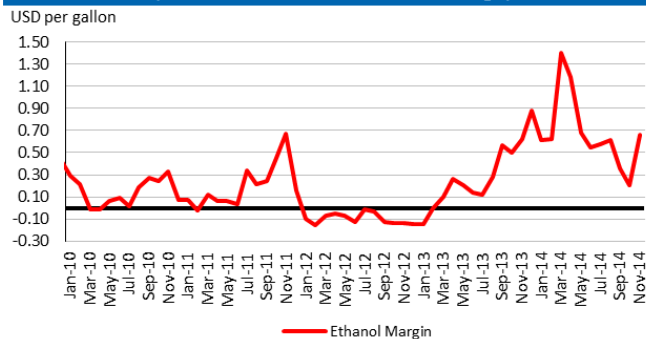
Ethanol receipts	2.15	1.62	2.06
DDGs receipts	0.35	0.32	0.65
Maize costs	1.29	1.19	1.54
Other costs	0.55	0.55	0.55
Production margin	0.66	0.21	0.62

### Ethanol production

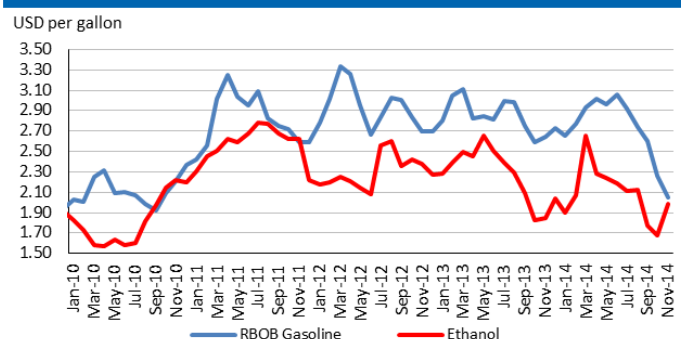
(million gallons)

Monthly production total	1,230	1,199	1,172
Annualized production pace	14,968	14,111	14,265

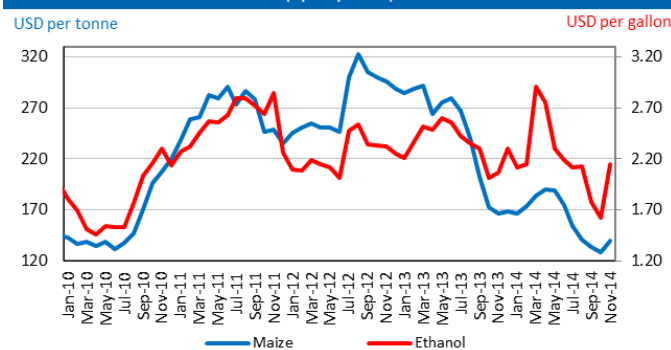
**Ethanol production margin**  
(IA, NE, IL/eastern corn belt average)



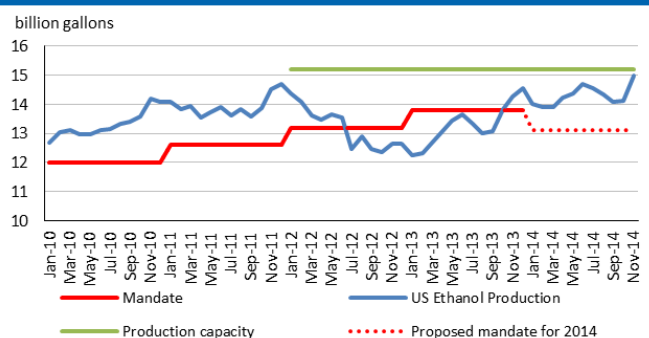
**Ethanol and RBOB gasoline**  
(nearby futures prices, CME, NYSE)



**Ethanol price vs. maize price**  
(Spot prices)



**Ethanol production pace, capacity and annual mandate**



Based on USDA data and private sources. \* Estimated using available weekly data to date.

\*\* Estimated using preliminary weekly data in place of monthly estimates.

#### Chart and tables description:

**Ethanol Production Margins:** The ethanol margin gives an indication of the profitability of maize-based ethanol production in the United States. It uses current market prices for maize, Dried Distillers Grains (DDGs) and ethanol, with an additional USD 0.55 per gallon of production costs

**Ethanol Production Pace, Capacity and Mandate:** Overview of the volume of maize-based ethanol production in the United States; it also highlights overall production capacity and the production volume that is mandated by public legislation. Name-plate (i.e. nominal) ethanol production capacity in the US is roughly 14.9 billion gallons per annum, but plants can exceed this level, so the actual capacity is assumed to be 15.2 billion gallons.

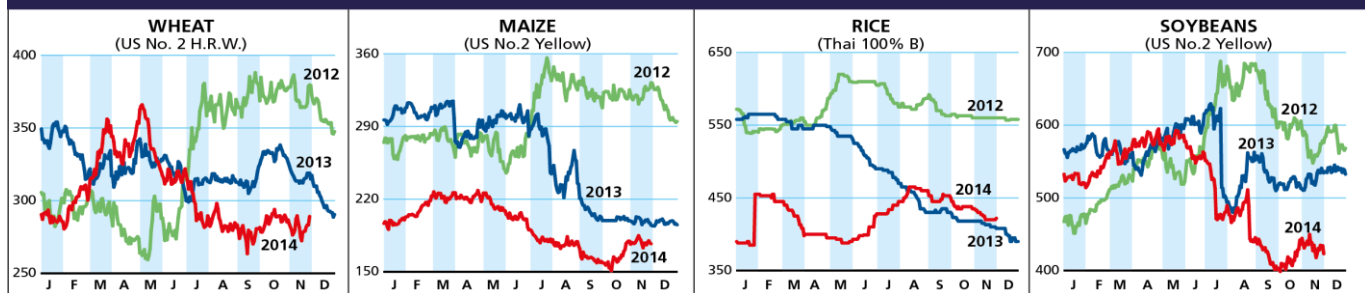
**DDGs:** By-product of maize-based biofuel production, commonly used as feedstuff.

**RBOB:** Reformulated Blendstock for Oxygenate Blending, gasoline nearby futures (NYSE).

## Supplementary tables and charts

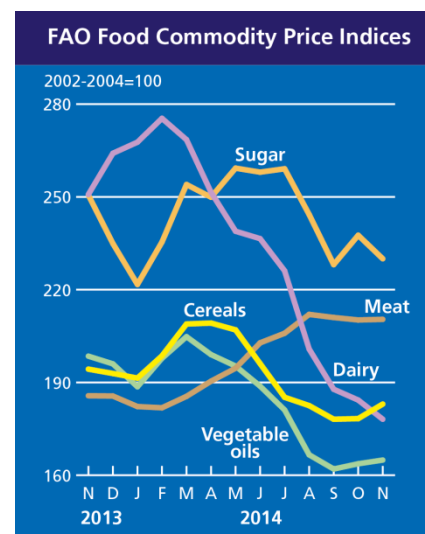
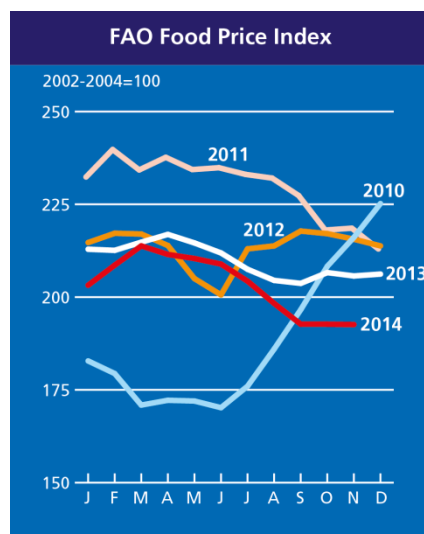
## Selected Export Prices and Price Indices

Daily quotations of selected export prices (USD/tonne, 2012-2014)



Daily quotations of selected export prices

	Effective Date	Quotation (1)	Week ago (2)	Month ago (3)	Year ago (4)	% change (1) over (2)	% change (1) over (4)
( ..... USD/tonne ..... )							
<b>Wheat (US No. 2, HRW)</b>	01-Dec	299	279	287	315	7.2%	-5.0%
<b>Maize (US No. 2, Yellow)</b>	02-Dec	175	179	180	194	-2.2%	-10.0%
<b>Rice (Thai 100% B)</b>	02-Dec	422	420	433	408	0.5%	3.4%
<b>Soybeans (US No.2, Yellow)</b>	01-Dec	422	428	438	535	-1.4%	-21.1%

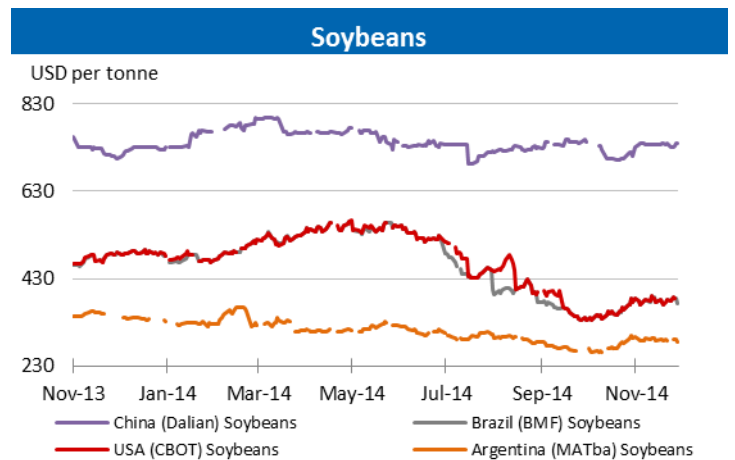
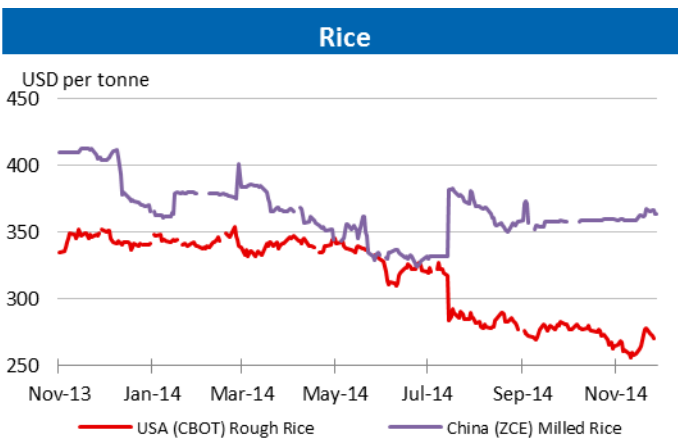
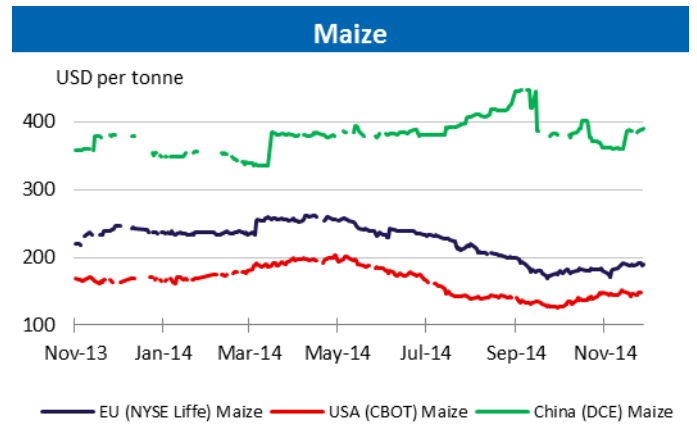
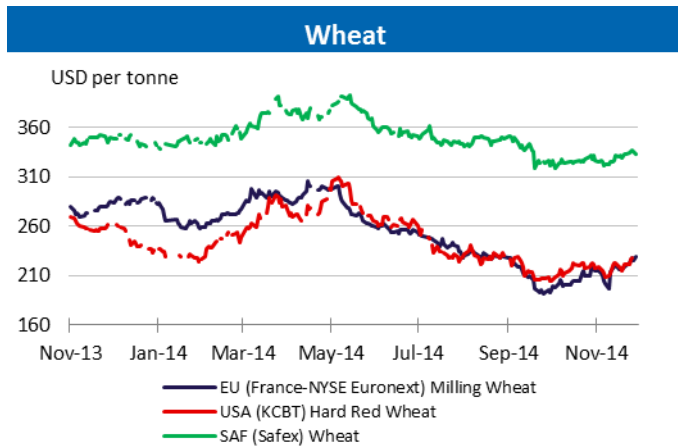


FAO food price indices

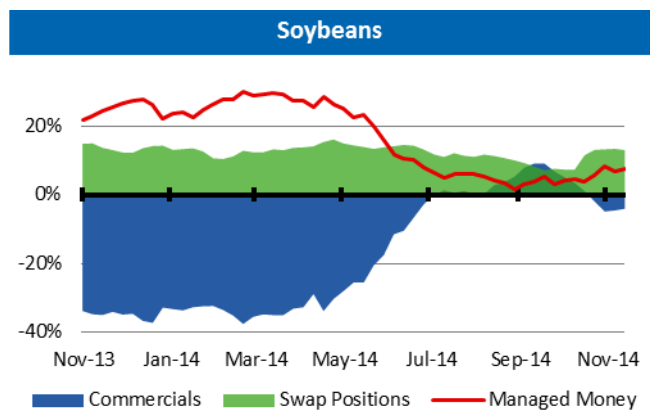
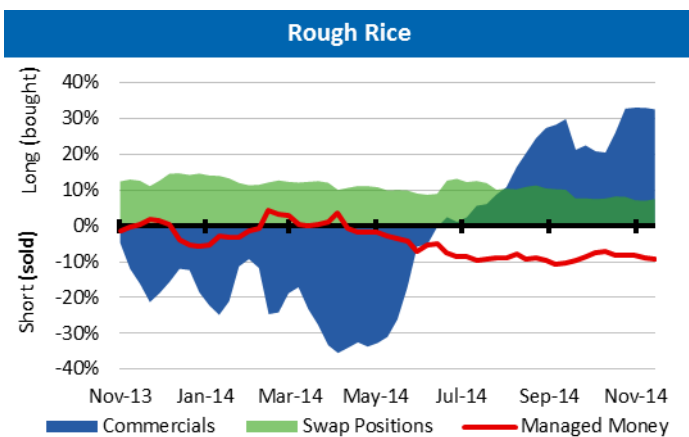
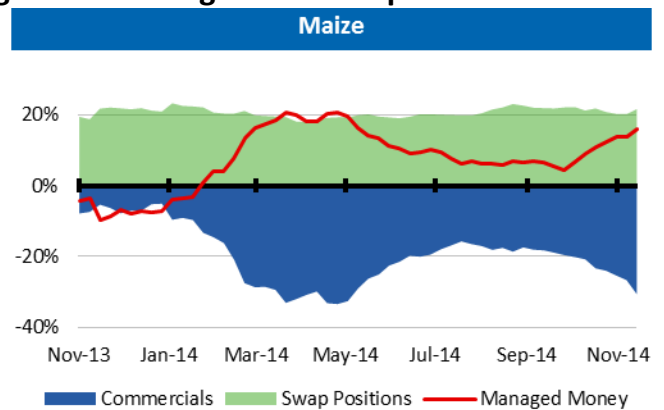
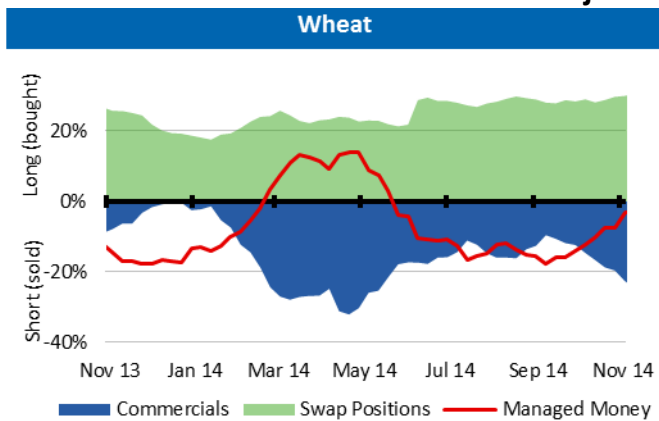
		Food Price Index	Meat	Dairy	Cereals	Oils and Fats	Sugar
( ..... 2002-2004 = 100 ..... )							
2013	November	205.7	185.7	250.8	194.3	198.5	250.6
	December	206.2	185.6	264.1	192.9	196.0	234.9
2014	January	203.2	182.2	267.7	191.4	188.6	221.7
	February	208.6	181.8	275.4	198.6	197.8	235.4
	March	213.8	185.5	268.5	208.9	204.8	254.0
	April	211.5	190.4	251.5	209.2	199.0	249.9
	May	210.4	194.6	238.9	207.0	195.3	259.3
	June	208.9	202.8	236.5	196.1	188.8	258.0
	July	204.3	205.9	226.1	185.2	181.1	259.1
	August	198.3	212.0	200.8	182.5	166.6	244.3
	September	192.7	211.0	187.8	178.1	162.0	228.1
	October	192.7	210.2	184.3	178.3	163.7	237.6
	November	192.6	210.4	178.1	183.0	164.9	230.0

## Market Indicators

### Daily Quotations from Leading Exchanges - nearby futures



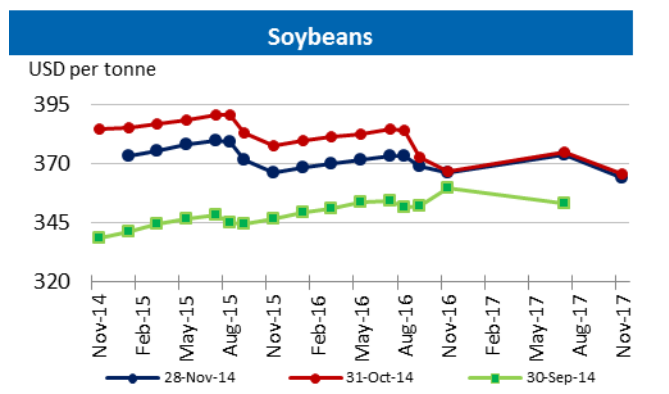
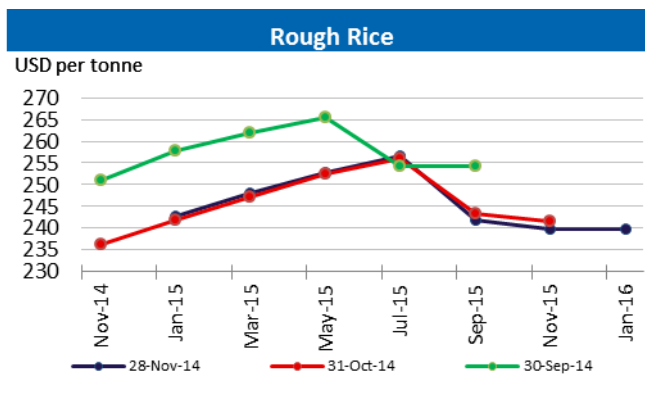
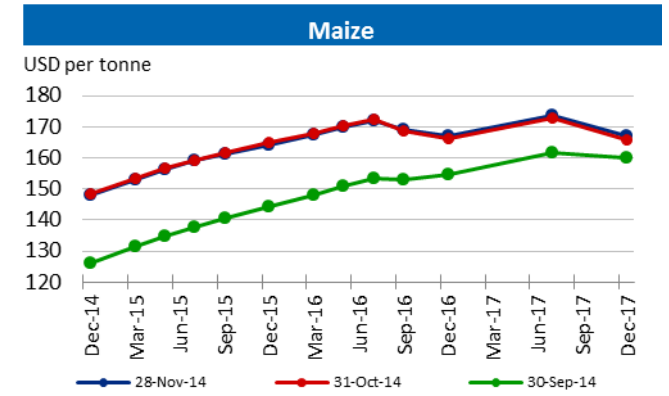
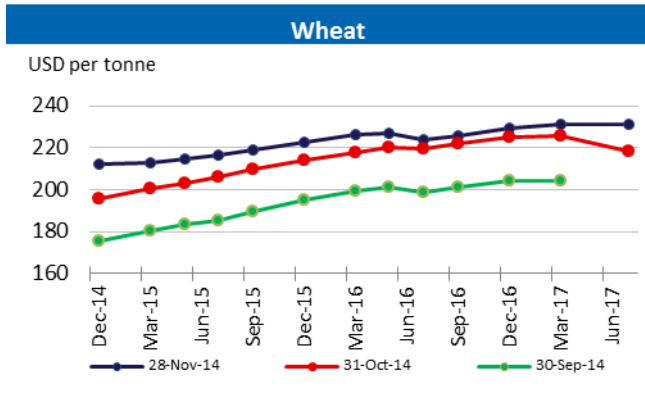
### CFTC Commitment of Traders - Major Categories Net Length as % of Open Interest\*\*



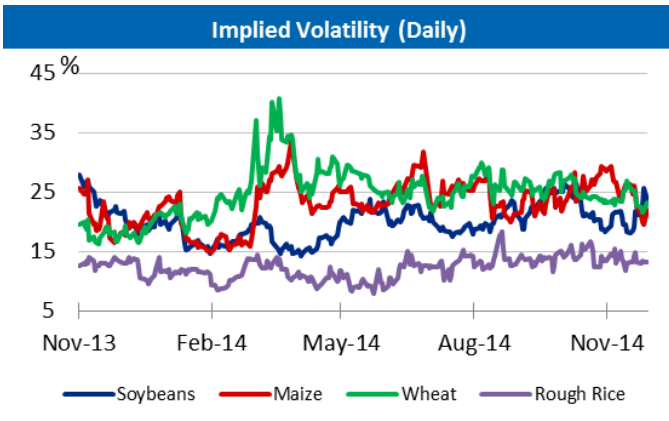
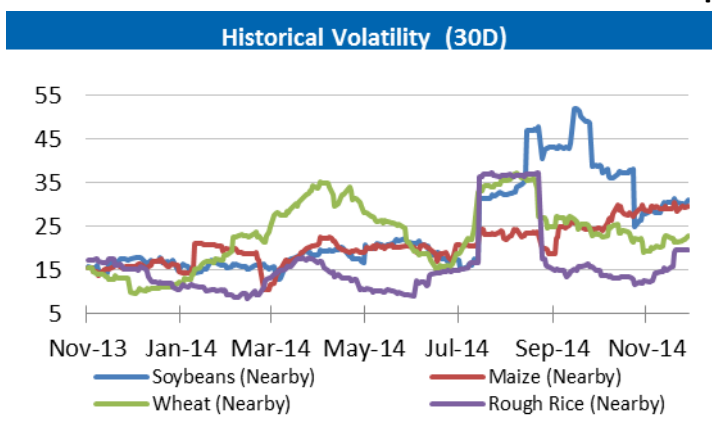
\*\* Disaggregated Futures Only



### Forward Curves



### Historical and Implied Volatilities



### Maize use for Ethanol in the US

#### Maize Use for Ethanol (excluding non-fuel) in the United States

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14* estim.	2014/15* (f'cast)
	<i>thousand tonnes</i>									
Maize Production	282,263	267,503	331,177	307,142	332,550	316,166	313,956	273,188	353,709	365,952
Ethanol Use	40,726	53,837	77,453	93,396	116,616	127,538	127,005	117,886	130,409	130,185
Yearly ethanol use change(%)	21%	32%	44%	21%	25%	9.4%	-0.4%	-7.2%	10.6%	0.3%
As Production (%)	14%	20%	23%	30%	35%	40.3%	40.5%	43.1%	36.9%	35.7%

Source: WASDE-USDA. \* 10 November 2014

#### AMIS Market Indicators

Some of the indicators covered in this report are updated regularly on the AMIS website. These, as well as other market indicators, can be found at:

<http://www.amis-outlook.org/amis-monitoring/indicators/>

## Explanatory Notes and Calendar

The notions of **tightening** and **easing** used in the summary table of “**World Supply and Demand**” reflect judgmental views which take into account market fundamentals, inter-alia price developments and short-term trends in demand and supply, especially changes in stocks.

All totals (aggregates) are computed from unrounded data. World supply and demand estimates/forecasts in this report are based on the latest data published by USDA, IGC and FAO. They may vary due to several reasons, including different methodologies and release dates.

**FAO-AMIS:** World estimates and forecasts are based on information received from AMIS countries as well as FAO data.

**Dates:** Refer to the release date of the data from the selected sources: FAO, IGC, and USDA.

**Production:** For wheat production data refer to the first year of the marketing season shown (e.g. the 2014 production is allocated to the 2014/15 marketing season). For maize and rice, FAO-AMIS production data refers to the season corresponding to the first year shown, as for wheat. However, in the case of rice, 2014 production also includes secondary crops gathered in 2015. By contrast, for rice and maize, the USDA and IGC aggregate production of the northern hemisphere of the first year (e.g. 2014) with production of the southern hemisphere of the second year (2015 production) in the corresponding 2014/15 global marketing season. For soybeans, this latter method is used by all three sources.

**Supply:** Defined as production plus opening stocks.

**Utilization:** For wheat, maize and rice utilization includes food, feed and other uses (“other uses” comprise seeds, industrial utilization and post-harvest losses). For soybeans, it comprises crush, food and other uses.

**Trade:** Data refer to exports. For wheat and maize, trade is reported on a July/June marketing year basis, except for the USDA maize trade estimates, which are reported on an October/September basis. For rice, trade covers flows from January to December of the second year shown and for soybeans from October to September. Trade between European Union member states is excluded.

**Ending Stocks:** In general, ending stocks refer to the sum of carry-overs at the close of each country’s national marketing year. In the case of maize and rice, in southern hemisphere countries the definition of the national marketing year is not the same across the three sources as it depends on the methodology chosen to allocate production. For Soybeans, the USDA world stock level is based on an aggregate of stock levels as of 31 August for all countries, coinciding with the end of the US marketing season. The IGC and FAO-AMIS measure of world stocks is the sum of carry-overs at the close of each country’s national marketing year.

## AMIS Crop Calendar

Largest producers*		J	F	M	A	M	J	J	A	S	O	N	D
WHEAT	EU (21%) <i>(spring)</i>												
	<i>(winter)</i>												
	China (17%) <i>(spring)</i>												
	<i>(winter)</i>												
	India (12%) <i>(winter)</i>												
	<i>(spring)</i>												
MAIZE	USA (9%) <i>(winter)</i>												
	<i>(spring)</i>												
	Russia (8%) <i>(spring)</i>												
	<i>(winter)</i>												
	USA (36%)												
	China (21%) <i>(north)</i>												
<i>(south)</i>													
Brazil (7%) <i>(1st crop)</i>													
<i>(2nd crop)</i>													
EU (7%)													
Mexico (3%) <i>(spring-summer)</i>													
<i>(autumn-winter)</i>													
RICE	China (29%) <i>(intermediary crop)</i>												
	<i>(late crop)</i>												
	India (21%) <i>(kharif)</i>												
	<i>(rabi)</i>												
	Indonesia (9%) <i>(main Java)</i>												
	<i>(second Java)</i>												
Viet Nam (6%) <i>(winter-spring)</i>													
<i>(autumn)</i>													
<i>(winter)</i>													
SOYBEANS	USA (35%)												
	Brazil (28%)												
	Argentina (18%)												
	China (6%)												
	India (4%)												

\* The percentages refer to the global share of production (average 2008-12).

■ Planting ■ Harvesting

### Main sources

Bloomberg, CFTC, CME Group, FAO, GEOGLAM, Inter-Continental Exchange, IGC, Reuters, USDA, US Federal Reserve, World Bank

### 2015 Release Dates

05 February, 05 March, 02 April, 07 May, 04 June, 09 July, 10 September, 08 October, 05 November, 03 December

### Contacts and Subscriptions

AMIS Secretariat

Email: [AMIS-Secretariat@fao.org](mailto:AMIS-Secretariat@fao.org)

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