



INTERNATIONAL GRAINS COUNCIL

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Grain Market Report

GMR 454 – 23 April 2015

HIGHLIGHTS

At 1,947m t, the projection for world **total grains** (wheat and coarse grains) production in 2015/16 is 10m higher m/m (month-on-month), but still 3% lower than the previous season's record. Most of the y/y (year-on-year) decline in output is for maize (corn); while this is raised by 11m t m/m, it is still seen dropping by some 43m, to 951m, led by a contraction in the US. Owing to reduced prospects in Argentina, China and India, production of wheat is trimmed by 4m t m/m, to 705m, down by 2% y/y.

The projection for global consumption is boosted by 10m t, to 1,970m, with much of the revision in the feed sector. The forecast for carryover stocks is also lifted, by 9m t, to 415m, a 23m retreat y/y but still about 9% above the five-year average. Reflecting increases for wheat, maize and sorghum, world grains trade is 2m t higher m/m, at 306m, an only modest y/y decline.

The 2014/15 global **rice** outturn is seen fractionally lower m/m, at 474m t, a negligible fall from the previous year's record. With a reduced figure for carry-ins leading to tighter supplies, global end-season stocks are cut slightly, to 100m t, the y/y drop of 8% mostly in the major exporters. Forecast trade in 2015 is down marginally m/m, to 41m t, a decline of 4% from the 2014 peak owing to reduced demand from Asian buyers.

Primarily reflecting an upgraded outlook for South America, forecast 2014/15 world **soyabean** output is placed 3m t higher m/m, at a record of 317m, up 11% y/y. The increase is partly absorbed through higher use, while world end-season carryovers are also lifted, to a peak of 47m t, entirely due to the major exporters – seen more than doubling y/y, to 28m. Owing to a less pronounced rise in China's imports, global trade is expected to expand by just 4% y/y.

Mainly because of weakness in wheat amid mostly good prospects for the 2015 harvest, the IGC **Grains and Oilseeds Index** (GOI) fell by 2% m/m, to its lowest since July 2010.

WORLD ESTIMATES					
	12/13	13/14 est.	14/15 f'cast	15/16 proj.	
million tons				26.03	23.04
TOTAL GRAINS^{a)}					
Production	1794	2002	2008	1937	1947
Trade	269	307	311	304	306
Consumption	1818	1936	1971	1960	1970
Carryover stocks	335	401	438	406	415
year/year change	-24	66	37	-23	
Major exporters^{b)}	99	122	150	131	133
WHEAT					
Production	655	713	721	709	705
Trade	141	155	152	150	151
Consumption	676	698	709	711	711
Carryover stocks	171	187	199	196	194
year/year change	-21	16	12	-6	
Major exporters^{b)}	51	56	67	65	65
MAIZE (CORN)					
Production	866	992	994	941	951
Trade	99	121	118	118	119
Consumption	863	947	970	961	969
Carryover stocks	130	174	198	171	181
year/year change	2	45	24	-17	
Major exporters^{c)}	33	51	69	50	53
	11/12	12/13	13/14 est.	14/15 f'cast	
million tons (milled basis)				26.03	23.04
RICE					
Production	467	472	476	475	474
Trade	39	39	43	42	41
Consumption	458	469	479	483	483
Carryover stocks	109	112	109	101	100
year/year change	8	3	-3	-9	
Major exporters^{d)}	37	40	37	31	30
million tons					
SOYABEANS					
Production	241	272	285	314	317
Trade	94	99	111	116	116
Consumption	254	267	282	300	301
Carryover stocks	23	28	30	44	47
year/year change	-13	5	2	16	
Major exporters^{e)}	6	9	12	26	28

Figures may not add due to rounding

a) Wheat and coarse grains

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

c) Argentina, Brazil, Ukraine, US

d) India, Pakistan, Thailand, US, Vietnam

e) Argentina, Brazil, US

IGC GRAINS & OILSEEDS INDEX (GOI)

350 Jan 2000 = 100



See: http://www.igc.int/grainsupdate/igc_goi.xlsb

OVERVIEW

- **The projection for world total grains production in 2015/16 is 10m t higher m/m, but still down by 3% from the previous year's record.**
- **Global grains stocks are expected to contract, led by maize, but remain comfortable.**
- **Only a modest retreat in world grains trade is forecast in 2015/16, seen staying at a high level.**
- **World end-season rice stocks in 2014/15 are forecast to fall to a five-year low, mainly on a 20% drop in major exporters' carryovers.**
- **Global soyabean inventories in 2014/15 are seen swelling to a peak of 47m t, the 55% y/y expansion due to leading exporters.**

Total grains: Supply and demand summary

	12/13	13/14 (est.)	14/15 (f'cast)	15/16 (proj.)	y/y change
Opening stocks	359	335	401	438	+ 9.2%
Production	1,794	2,002	2,008	1,947	- 3.1%
Total supply	2,153	2,337	2,409	2,385	- 1.0%
Total use	1,818	1,936	1,971	1,970	- 0.1%
of which: Food	629	645	654	661	+ 1.1%
Feed	777	845	873	864	- 0.9%
Industrial	299	317	323	326	+ 0.8%
Closing stocks	335	401	438	415	- 5.2%
major exporters ^{a)}	99	122	150	133	- 11.4%
Trade (Jul/Jun)	269	307	311	306	- 1.5%

a) Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, US

Only a modest decline in world **total grains** (wheat and coarse grains) supply is expected in 2015/16, with large stocks at the start of the season partly compensating for a smaller anticipated harvest. Global wheat and maize outturns are seen retreating from the record results of the previous year, but total grains production, at 1,947m t, would still be about 3% higher than the five-year average, reflecting mostly favourable prospects in key growing areas.

World consumption is expected to virtually match last year's all-time peak, at 1,970m t, underpinned by growth in human food demand, which continues to be driven mainly by population increase. Livestock sector needs will likely stay high, but feed utilisation of grains will continue to face competition from alternatives, especially oilseed meals which are expected to be in abundant supply. Industrial use is forecast to rise, mainly for starch and brewing, with demand in the ethanol sector seen broadly unchanged y/y. Global stocks at the end of 2015/16 are projected to contract by 5%, to 415m t; most of the reduction is for maize in the major exporters, but with falls, too, for wheat and barley.

After reaching an anticipated record in the current season, world trade in 2015/16 (Jul/Jun) is expected to

be 1% lower y/y, at 306m t. The decline is led by barley, which will likely be down from the unprecedented level of trade in 2014/15. Barley import needs in some countries are seen being curtailed by better domestic harvests and improved pasture conditions. A modest fall is expected for wheat, but trade in maize and sorghum are forecast to expand.

At 474m t, world **rice** output in 2014/15 is anticipated to be marginally below the previous year's record. As increased uptake, mainly in Asia, boosts consumption to a new peak of 483m t, world end-season inventories are forecast to contract by 8% y/y, to a five-year low. Within the total, major exporters' stocks are seen dropping by one-fifth, to 30m t, on heavy falls in Thailand and India. Global trade in 2015 is expected to recede by about 4%, mainly on reduced buying interest from Asian importers.

Underpinned by exceptional outturns in key producers, global **soyabean** output in 2014/15 is forecast to increase by 11%, to a record of 317m t. And with total use set to rise by 7%, to around 301m t, aggregate closing stocks are seen expanding sharply, to a peak of 47m – tied to increases in leading exporters, namely the US and Argentina. Owing to less pronounced growth in shipments to Far East Asia, chiefly China, trade is forecast to rise by a relatively modest 4%, albeit to a new high. World **rapeseed/canola** stocks are seen dropping by around 6%, as a steep fall in Canada, the largest exporter, is only partly offset by heavy accumulation in the EU.

MARKET SUMMARY

World grains and oilseeds export quotations moved lower in April, with all of the IGC GOI sub-Indices recording net losses m/m. Led by a comparatively steep drop in average wheat export prices, the IGC GOI was down by 2% from the last GMR.

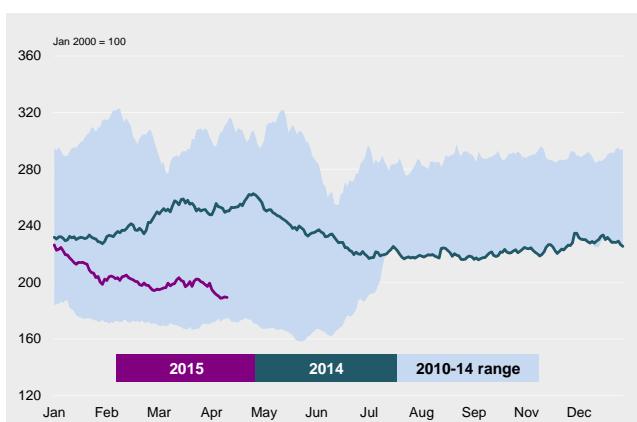
Price weakness was mainly attributed to bearish market fundamentals, with nearby availabilities more than sufficient to meet current demand. Outlooks for some northern hemisphere wheat producers improved, while South American maize and soyabean harvest prospects became even more favourable.

IGC Grains & Oilseeds Prices Index (GOI)*

	GMR 454	Change**	y/y change
IGC GOI	199	- 2.2%	- 25.0%
Wheat sub-Index	189	- 5.7%	- 24.4%
Maize sub-Index	180	- 1.3%	- 26.4%
Barley sub-Index	203	- 2.4%	- 19.1%
Rice sub-Index	163	- 1.2%	- 8.2%
Soyabeans sub-Index	191	- 0.8%	- 30.3%

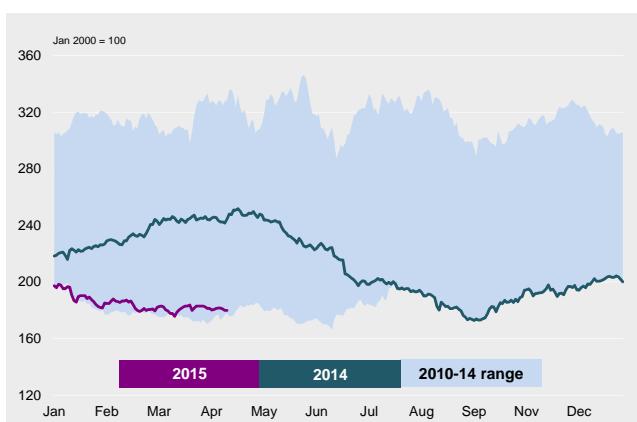
*Jan 2000=100, **Change vs. GMR 453

Wheat: GOI sub-Index



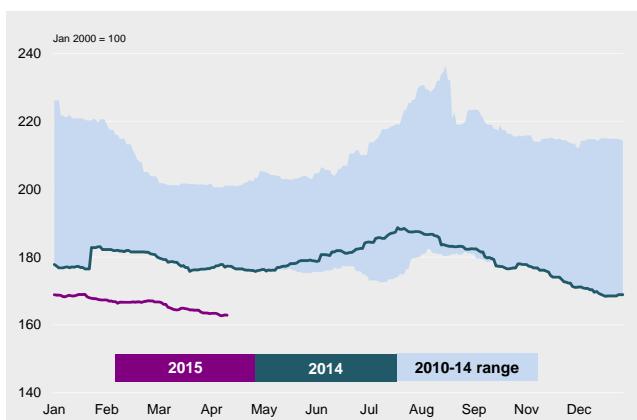
Wheat export quotations were mostly lower due to reduced concerns about northern hemisphere crop conditions. With US prices also pressured by slow export demand and continued strength in the value of the dollar, the IGC GOI wheat sub-Index fell by a net 6%.

Maize: GOI sub-Index



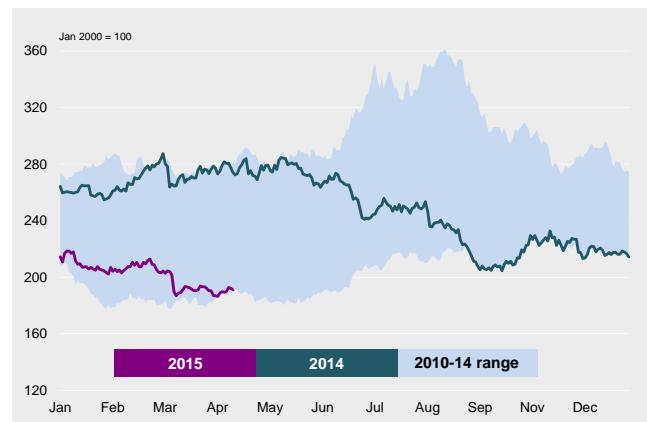
World **maize** export prices were pressured by comfortable global supplies, with spot availabilities boosted by large 2014/15 harvests in South America. While overall losses were limited by speculative short covering, the IGC maize GOI sub-Index weakened by 1% m/m.

Rice: GOI sub-Index



Against a backdrop of slow global demand, Asian white and parboiled **rice** export prices were quoted mostly lower in April. With most markets under pressure, the IGC GOI rice sub-Index was down by 1% m/m, to its lowest in more than seven years.

Soyabean: GOI sub-Index



Average **soyabean** export prices in the US and South America were down slightly m/m. Markets were pressured by ample world supplies, with values down by 30% y/y. However, overall losses were pared by mildly supportive USDA plantings and stocks data, as well as light speculative short covering and a slowdown in producer selling.

More detailed analysis, including US dollar fob export prices and commentary on other grains and oilseeds markets is included within the report.

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