

# Grain Market Report

GMR543 - 18 May 2023

## Summary

### HIGHLIGHTS

Forecast **total grains** (wheat and coarse grains) production in 2022/23 is lifted by 2m t m/m (month-on-month), to 2,254m, mainly on an uprated estimate for Brazilian maize. Incorporating a larger carry-in and, with the consumption estimate the same as before, end-season stocks (aggregate of respective local marketing years) are placed 5m t higher, at 589m. Tied to larger wheat flows, the trade outlook is raised by 2m t, to 411m.

With an uprated maize forecast more than offsetting downgrades for wheat and barley, 2023/24 total grains production is now seen at an all-time peak, up by 3m t from April, to 2,294m. Despite a larger supply outlook, forecast end-season stocks are seen slightly tighter m/m, at 580m t, due a comparatively sharper gain in consumption, placed 9m higher m/m, at 2,302m. Total trade is seen 1m t higher than previously.

In line with a further downgrading of prospects in Argentina, forecast global **soyabean** use in 2022/23 is cut by 2m t m/m, to 364m (-2m), with stocks uprated slightly, to 50m (+5m). Trade is forecast broadly steady m/m and 12m t higher y/y (year-on-year). Including increases for Brazil and China, the projection for world production in 2023/24 is lifted by 2m t, to 403m (+9%). Taking account of a larger figure for carry-ins, inventories are raised by 4m t m/m. Global import demand is trimmed by 1m t from before.

There are few changes to expectations for **rice** supply and demand in 2022/23, with global reserves pegged fractionally lower m/m, at 171m t (-7m), also feeding through to a reduced number for closing stocks in 2023/24, placed at 173m (+2m). Near-unchanged m/m, trade in 2024 (Jan/Dec) is projected at 54m t, slightly higher y/y.

Predominantly because of much softer rowcrop export prices, but with wheat and barley also lower, the IGC **Grains and Oilseeds Index (GOI)** dropped by a further 7% m/m.

### OVERVIEW

Mostly because of a much smaller maize crop, **total grains** (wheat and coarse grains) production fell by 2% in 2022/23, to 2,254m t, marking the first y/y reduction in five seasons. Total consumption is predicted to dip by 1%, mainly on softer feed use, with ending stocks forecast to recede

## 1. World Estimates

	20/21	21/22	22/23	23/24	
		est	f'cast	proj.	
				20.04	18.05
million tons					
<b>TOTAL GRAINS <sup>a)</sup></b>					
Production	2228	2293	2254	2291	2294
Trade	426	424	411	407	408
Consumption	2242	2297	2264	2293	2302
Carryover stocks	602	598	589	581	580
year/year change	-14	-4	-9		-8
Major exporters <sup>b)</sup>	131	141	147	146	146
<b>WHEAT</b>					
Production	774	781	803	787	783
Trade	190	195	200	193	194
Consumption	772	783	795	794	795
Carryover stocks	277	274	283	277	271
year/year change	2	-3	8		-12
Major exporters <sup>b)</sup>	58	60	68	60	57
<b>MAIZE (CORN)</b>					
Production	1137	1223	1153	1208	1217
Trade	188	180	170	172	173
Consumption	1156	1218	1170	1202	1211
Carryover stocks	279	284	266	264	272
year/year change	-19	5	-18		7
Major exporters <sup>c)</sup>	43	51	54	48	54
<b>SOYABEANS</b>					
Production	370	356	369	401	403
Trade	159	156	168	174	173
Consumption	370	366	364	389	389
Carryover stocks	55	45	50	60	64
year/year change	1	-10	5		14
Major exporters <sup>d)</sup>	17	11	14	19	21
million tons (milled basis)					
<b>RICE</b>					
Production	510	515	509	521	521
Trade	51	55	53	54	54
Consumption	509	519	516	519	520
Carryover stocks	183	178	171	174	173
year/year change	0	-4	-7		2
Major exporters <sup>e)</sup>	50	46	43	45	44

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

by a further 2%, led by declines in maize. At 411m t, total trade is seen slightly larger than average, but 3% down y/y.

World grains output is projected to rebound to a record 2,294m t in 2023/24. In a broad reversal of the prior season's trends, maize and sorghum crops are expected to be larger, while wheat and barley outturns could decline. Amid gains in feed, food and industrial uses, total consumption is predicted to reach 2,302m t (+2%), leading to a further drawdown in end-season inventories, to 580m (-1%), potentially the tightest in nine years. Restricted by smaller wheat shipments, trade is projected to dip again, to 408m t.

Global **soyabean** output in 2022/23 is placed at 369m t (+4%) as a record Brazilian harvest more than compensates for falls elsewhere. With a marginal contraction in uptake anticipated, stocks are set to rise. World import demand is forecast to expand strongly on shipments to Argentina and Asia. Global output is projected at a peak of 403m t (+9%) in 2023/24, with much of the y/y gain stemming from better crops in South America. Boosted by demand for soya products from feed, food and industrial sectors, consumption is seen up by 7% y/y, while stocks could accumulate significantly, including in the three majors. Trade is predicted at a record of 173m t (+3%).

World **rice** production is estimated to have contracted by 1% y/y in 2022/23. Despite a modest decline in use, inventories are predicted to contract by 7m t y/y, including tighter exporter stocks. Linked to softer demand from importers in Asia especially, trade in 2023 is seen dropping by 5% y/y, to 53m t. Amid expectations for acreage gains and improved yields, production is projected to rebound solidly in 2023/24, to 521m t (+2%), with modest gains in uptake and stocks predicted. Trade could recover in 2024 on African buying.

With a much improved global harvest boosting supplies, **dry peas** stocks are seen rising by around two-thirds y/y in 2022/23. Trade is seen up by 7% y/y on Asian demand. With increases in Russia, India and the US anticipated, 2023/24 output is predicted at 14.0m t (+3%), while further gains in uptake and stocks are envisaged. Trade is seen little-changed y/y. Total pulses world import demand in 2023 is forecast to advance by 5% y/y, to 18.2m t, including larger shipments of dry peas, lentils, and chickpeas.

## MARKET SUMMARY

The downtrend in world grain and oilseed export markets gathered pace in recent weeks, with the IGC GOI down by 7%, at a 23-month low. Similar to the month before, the rice market was again an outlier, with average fob prices firmer overall.

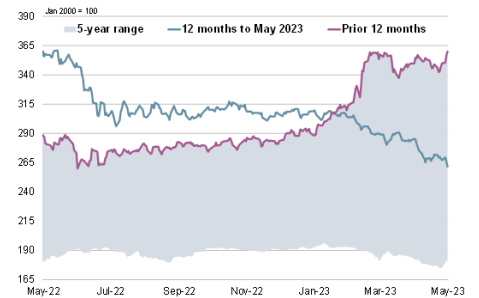
The IGC GOI **wheat** sub-Index weakened by 3% during the past month. Amid differing supply outlooks, there were mixed trends across the leading origins (and grades).

Led by a steep fall in Brazil, the IGC GOI **maize** sub-Index slumped by 13%, dropping to its lowest since December 2020.

The IGC GOI **rice** sub-Index ticked higher m/m, underscored by tightening supplies and firmer domestic markets in some key exporters in Asia.

A bearish fundamental outlook was reflected in lower export quotations, predominantly in the US, with the IGC GOI **soyabeans** sub-Index down

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



## 3. Total grains: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	616	602	598	589	- 1.6%
Production	2,228	2,293	2,254	2,294	+ 1.7%
<b>Total supply</b>	<b>2,844</b>	<b>2,895</b>	<b>2,853</b>	<b>2,883</b>	<b>+ 1.1%</b>
<b>Total use</b>	<b>2,242</b>	<b>2,297</b>	<b>2,264</b>	<b>2,302</b>	<b>+ 1.7%</b>
of which: Food	745	751	755	761	+ 0.8%
Feed	1,008	1,041	1,011	1,038	+ 2.7%
Industrial	360	369	365	370	+ 1.1%
<b>Closing stocks</b>	<b>602</b>	<b>598</b>	<b>589</b>	<b>580</b>	<b>- 1.4%</b>
Major exporters <sup>a)</sup>	131	141	147	146	- 0.7%
<b>Trade (Jul/Jun)</b>	<b>426</b>	<b>424</b>	<b>411</b>	<b>408</b>	<b>- 0.5%</b>

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

## 4. Soyabeans: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	54	55	45	50	+ 11.3%
Production	370	356	369	403	+ 9.3%
<b>Total supply</b>	<b>425</b>	<b>411</b>	<b>414</b>	<b>453</b>	<b>+ 9.5%</b>
<b>Total use</b>	<b>370</b>	<b>366</b>	<b>364</b>	<b>389</b>	<b>+ 7.0%</b>
of which: Crush	326	326	325	347	+ 6.7%
<b>Closing stocks</b>	<b>55</b>	<b>45</b>	<b>50</b>	<b>64</b>	<b>+ 27.5%</b>
Major exporters <sup>a)</sup>	17	11	14	21	+ 53.4%
<b>Trade (Oct/Sep)</b>	<b>159</b>	<b>156</b>	<b>168</b>	<b>173</b>	<b>+ 3.1%</b>

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

## 5. Rice: Supply and demand summary

m t (milled basis)	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	182	183	178	171	- 3.8%
Production	510	515	509	521	+ 2.4%
<b>Total supply</b>	<b>692</b>	<b>697</b>	<b>687</b>	<b>693</b>	<b>+ 0.8%</b>
<b>Total use</b>	<b>509</b>	<b>519</b>	<b>516</b>	<b>520</b>	<b>+ 0.8%</b>
<b>Closing stocks</b>	<b>183</b>	<b>178</b>	<b>171</b>	<b>173</b>	<b>+ 1.0%</b>
Major exporters <sup>a)</sup>	50	46	43	44	+ 2.3%
<b>Trade (Jan/Dec)</b>	<b>51</b>	<b>55</b>	<b>53</b>	<b>54</b>	<b>+ 2.2%</b>

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

by a net 8%.

## 6. Pulses: Dry peas supply and demand summary

m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
Opening stocks	1.6	1.8	1.5	2.5	+ 61.7%
Production	14.9	12.4	13.7	14.0	+ 2.5%
<b>Total supply</b>	<b>16.5</b>	<b>14.2</b>	<b>15.2</b>	<b>16.5</b>	<b>+ 8.5%</b>
<b>Total use</b>	<b>14.7</b>	<b>12.6</b>	<b>12.7</b>	<b>13.5</b>	<b>+ 6.5%</b>
<b>Closing stocks</b>	<b>1.8</b>	<b>1.5</b>	<b>2.5</b>	<b>2.9</b>	<b>+ 19.0%</b>
Major exporters <sup>a)</sup>	1.5	1.1	2.0	2.6	+ 26.3%
<b>Trade (Jan/Dec)</b>	<b>5.5</b>	<b>4.9</b>	<b>5.3</b>	<b>5.3</b>	<b>+ 0.8%</b>

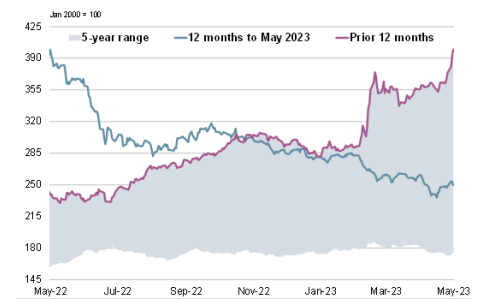
a) Australia, Canada, EU, Russia, USA  
EU-28 to 19/20. EU-27 from 20/21.

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

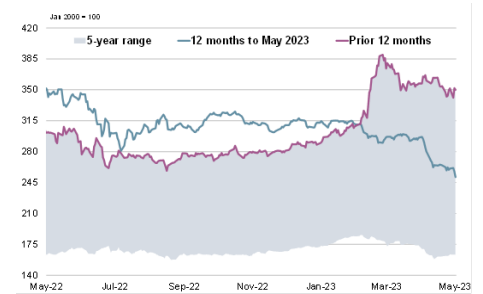
Jan 2000 = 100	GMR 543	m/m change*	y/y change
<b>IGC GOI</b>	<b>262</b>	<b>- 7.0%</b>	<b>- 27.3%</b>
Wheat sub-Index	250	- 2.6%	- 37.5%
Maize sub-Index	251	- 13.5%	- 28.2%
Barley sub-Index	234	- 12.8%	- 43.7%
Rice sub-Index	205	+ 1.9%	+ 15.8%
Soyabean sub-Index	255	- 8.1%	- 24.2%

\*Change vs. GMR 542

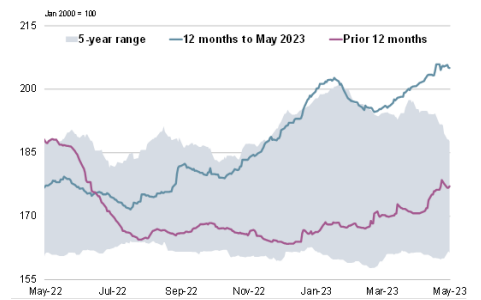
## 8. Wheat: GOI sub-Index



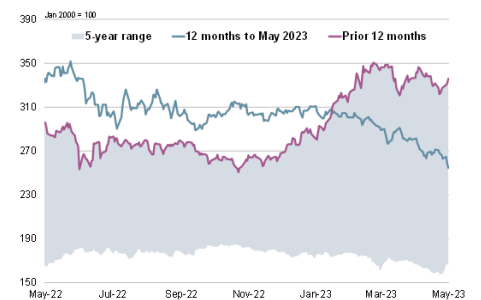
## 9. Maize: GOI sub-Index



## 10. Rice: GOI sub-Index



## 11. Soyabeans: GOI sub-Index



## Wheat

### OUTLOOK FOR 2022/23

**Buoyed by strong yields, global output rose by 3%, to a new peak.**

**Consumption to reach a new high on expanding food and feed demand.**

**Stocks are seen at a record level, with larger than average inventories in the main exporters.**

**Trade is forecast to be the largest ever, up by 2% y/y.**

### Production

With no changes from the April GMR, the world production estimate is maintained at a record 803m t (+3%).

### Consumption

Global consumption is set to reach a new peak, forecast at 795m t (+1%), including gains for food and feed. This is 2m t higher m/m,

## 1. Wheat: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	275	277	274	283	+ 3.1%
Production	774	781	803	783	- 2.5%
<b>Total supply</b>	<b>1,049</b>	<b>1,058</b>	<b>1,077</b>	<b>1,066</b>	<b>- 1.1%</b>
<b>Total use</b>	<b>772</b>	<b>783</b>	<b>795</b>	<b>795</b>	<b>- 0.0%</b>
of which: Food	534	545	548	554	+ 1.0%
Feed	150	148	152	147	- 3.7%
Industrial	23	24	24	25	+ 5.3%
<b>Closing stocks</b>	<b>277</b>	<b>274</b>	<b>283</b>	<b>271</b>	<b>- 4.2%</b>
Major exporters <sup>a)</sup>	58	60	68	57	- 16.0%
<b>Trade (Jul/Jun)</b>	<b>190</b>	<b>195</b>	<b>200</b>	<b>194</b>	<b>- 2.8%</b>

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

primarily owing to an uprated food use estimate for India, based on updated statistics for end-of-season government stocks.

## Stocks

World ending stocks are pegged at 283m t (274m), an all-time high but 1m lower m/m. The envisaged accumulation in China and the main exporters - the latter led by the EU and Russia - is set to outweigh drawdowns elsewhere, notably in India and Morocco.

## Trade

Boosted by a sharp increase in deliveries to Europe, world trade (Jul/Jun) is projected to expand by 2% y/y, to a record 199.6m t. This forecast is up by 1.6m t m/m, including sizeable upward revisions for China, the EU and Turkey, mostly sourcing their supplies from Australia, Ukraine and Russia, respectively.

Placed 1.0m t y/y higher m/m, projected arrivals to the **EU** of 11.5m (5.2m) will be the highest since 2002/03. While deliveries from Ukraine have been unusually large, trade statistics also show a sharp y/y increase in imports from the UK (mainly to Spain and the Netherlands) and Canada (mostly to Italy).

Aided by ample local supplies, exports by **Australia** and **Russia** are on track to reach new records, pegged at 30.0m t (26.1m) and 45.0m (31.9m), respectively, with outlooks for both raised m/m. Significant, although smaller than earlier, volumes have been dispatched from **Ukraine** in recent weeks, despite logistics-related disruptions and bottlenecks. Consequently, the full-year export forecast is lifted slightly m/m, to 15.5m t (18.9m), still the least in eight years.

The export outlook is also raised for the UK, but forecasts for Brazil and the EU are lowered.

## OUTLOOK FOR 2023/24

*After four successive y/y increases, world production is forecast to contract by 3% in 2023/24.*

*Consumption to match the prior year's peak amid contrasting trends among demand components.*

*Stocks are forecast to recede y/y, with key exporters' inventories potentially dropping to an 11-year low.*

*Trade could retreat by 3% amid reduced surpluses in the main exporters.*

## Production

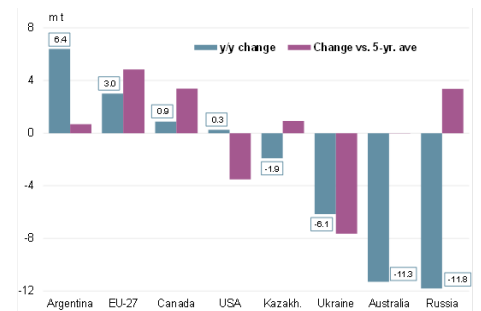
At 783m t, global output is forecast to be larger than average but 3% below the prior season's record, with the drop mainly linked to a projected moderation in yields. Although northern hemisphere prospects are broadly favourable, outlooks for US, the EU (Spain) and Tunisia have deteriorated further. Despite a partly offsetting increase for Turkey, where recent rains have partly alleviated earlier drought concerns, the world projection is cut by almost 5m t m/m.

Recent weather was mixed across Europe's main winter cropping regions. Widespread showers underscored yield expectations in some areas, including in previously dry parts of France and Romania.

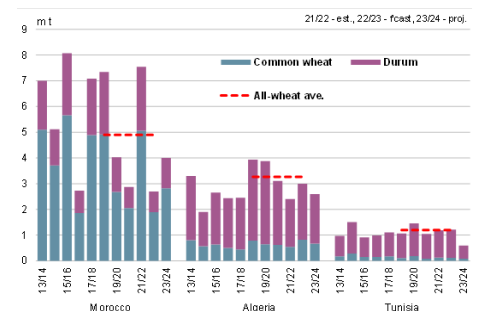
## 2. Wheat: Production in selected countries

mt	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
EU	125.7	137.5	133.8	136.8	+2.2%
Russia	85.4	75.0	95.4	83.6	-12.4%
USA	49.8	44.8	44.9	45.2	+0.6%
Canada	35.4	22.3	33.8	34.7	+2.6%
Australia	31.9	36.2	39.2	27.9	-28.8%
Ukraine	25.4	33.0	26.3	20.2	-23.4%
Argentina	17.6	22.1	12.6	19.0	+50.8%
Kazakhstan	14.3	11.8	16.4	14.5	-11.6%
<b>Selected others</b>					
China	134.3	136.9	137.7	139.0	+0.9%
India	107.9	109.6	107.7	108.0	+0.2%
Turkey	19.5	17.7	19.8	18.8	-4.6%
North Africa	16.1	20.3	16.9	17.2	+2.3%
UK	9.7	14.0	15.5	14.8	-4.5%
<b>World total</b>	<b>773.7</b>	<b>780.9</b>	<b>803.0</b>	<b>782.7</b>	<b>-2.5%</b>

## 3. Wheat: 2023/24 major exporter production change



## 4. Wheat: North Africa production, selected growers



However, accompanying cool temperatures have more recently given rise to concerns about slow crop development. In contrast, the drought in Spain has intensified, with recent extreme heat further exacerbating soil moisture shortages. Cumulative **EU** production is placed at 136.8m t (+2%), down by 1.0m from April.

The outlook for winter wheat in **Russia** is good overall, with conditions favouring development since its emergence from dormancy. Spring sowings progressed quickly, complete on almost half of intended area by mid-May. Based on an expected smaller area and lower yields, the total outturn is placed 12% lower y/y, at 83.6m t, unchanged m/m.

Because of earlier cold weather and a late snowmelt, planting of **Canada's** main spring crop is off to a slow start in some areas. Concerns are beginning to building about dryness, with more rains needed. Based on a predicted 2% increase in harvested area, provisionally seen at 10-year peak, all-wheat output is forecast to reach 34.7m t (+3%).

Showers arrived too late to revive HRW crop prospects in the southern **US** Plains, where widespread yield losses and larger than normal levels of abandonment are expected. In contrast, prospects for SRW wheat remain favourable overall. Thwarted by cold and wet soils, spring seeding continued at an unusually slow pace, seen at 40% complete as at 14 May (57% average), with notable delays in North Dakota and Minnesota. Because of a downgraded winter crop outlook, forecast all-wheat production is slashed by 4.3m t m/m, to 45.2m t (+1%).

Given comparatively favourable returns, especially when sown in combination with a second soyabean crop, wheat acreage is projected to stay high in **Argentina**. However, owing to widespread soil moisture deficiencies at the start of the season, there is a risk that not all intended area will be planted. While much will hinge on upcoming weather, production is tentatively forecast to rebound sharply, to 19.0m t (+51%).

Crops across North Africa remained under considerable heat stress in recent weeks, with smaller than average outturns predicted in Morocco, Algeria and Tunisia.

Conditions in **Australia** are broadly beneficial for sowing and early crop development, with recent showers seen as useful. Linked to a pullback in prices and longer-range forecasts for dryness, acreage is projected to fall by 5% y/y. Assuming poorer yields, output could contract by 29% from the prior year's record, to 27.9m t.

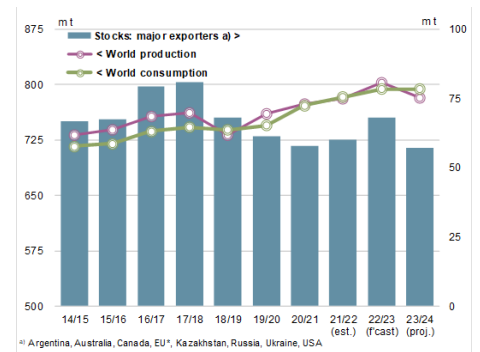
## Consumption

Receding global wheat supplies and ample availabilities of feed substitutes are expected to cap advances in consumption in 2023/24, which is seen matching the prior year's peak of 795m t, up slightly from the last report.

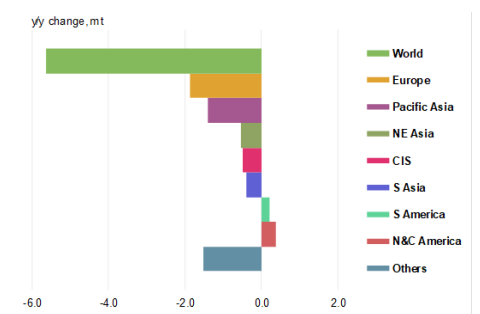
Population growth should continue to underpin global food demand, while some consumers in Pacific Asia and Africa are expected to switch back to wheat-based products amid potentially softer prices. At a record 554m t (+1%), the forecast is raised by 2m m/m, mainly for India, where uptake is placed marginally above the upwardly revised 2022/23 estimate.

Assuming increased competition from feed alternatives, notably in Europe and Pacific Asia, global feeding of wheat is forecast to drop by 4% y/y, to 147m t, slightly above the prior five-year average. Owing to an

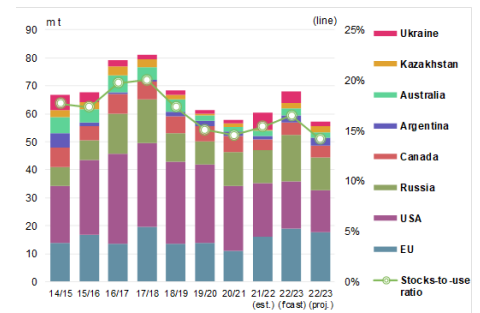
## 5. Wheat: World supply and demand



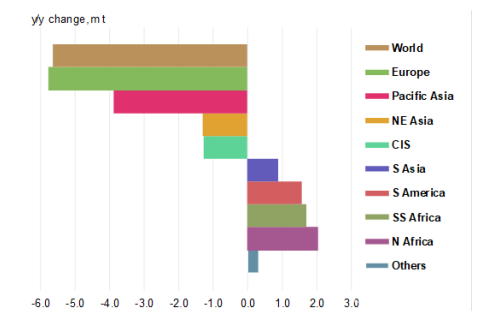
## 6. Wheat: Changes in feed use in 2023/24



## 7. Wheat: Major exporters' stocks



## 8. Wheat: Changes in 2023/24 imports (Jul/Jun)



updated local supply outlook, the feed use projection for **China** is raised by 1.0m t m/m, to 26.0m (27.0m). Still, with forecasts trimmed for Egypt, Russia, Thailand and the US, the global figure is 1m t lower than in the April GMR.

## Stocks

Global carryover stocks are pegged at 271m t, 4% below the previous year's record, chiefly due to anticipated tightening in India and most key exporters. The forecast is 6m t lower m/m, in part tied to a reduced projection for **India**, seen at a seven-year low of 11.8m t (13.2m). Mainly owing to reductions for Australia, Canada and the US, the outlook for major exporters' inventories is cut by 3.1m t m/m, to 57.2m, marking the least in 11 years, with the stocks-to-use ratio of 14% (16%) potentially the lowest on record.

## Trade

With deliveries to the EU expected to fall back from the current season's unusually high levels amid larger local production and reduced flows from Ukraine, global trade (Jul/Jun) is forecast to recede by 3% y/y, to 194.0m t, still the second largest on record and 0.9m higher m/m. Smaller deliveries are also forecast to China, Turkey and parts of the CIS, but tighter supplies and robust domestic demand could see North Africa import record volumes, while arrivals to South Asia and sub-Saharan Africa could rebound to 2021/22 levels.

The import projection for the **EU** is lifted by 0.5m t m/m, to 5.5m (11.5m), on expectations for larger purchases by drought-hit Spain. Tied to reduced crop estimates, projected deliveries to the US and Tunisia are also lifted, the latter pegged at a record high. Although placed 1.0m t higher m/m, at 7.5m, predicted purchases by **China** are short of the prior year's record of 12.0m, amid expectations for ample local wheat supplies and strong competition from maize and sorghum for feed.

Heavy envisaged carry-in stocks are seen capping **Turkey's** import needs at a three-year low of 9.5m t, down by 0.5m m/m. Import figures for Brazil, Iran and Thailand are also trimmed from before.

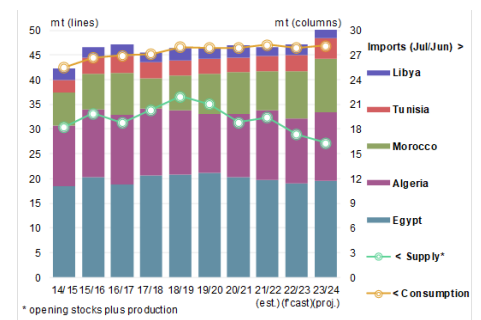
Shipments by Australia, Ukraine and the US are set to decline in the season ahead on smaller exportable surpluses, with forecasts for these origins scaled back since last month. With prices seen competitive well into the new season, exports by **Russia** are expected to remain large, even if smaller than in the year before, forecast at 43.5m t (45.0m), up by 1.5m m/m. Amid likely reduced international competition and bigger domestic outturns, Canada and the EU are set to boost dispatches, with those by Argentina tentatively pegged well above the prior season's lowly level, assuming a rebound in output.

## RECENT MARKET DEVELOPMENTS

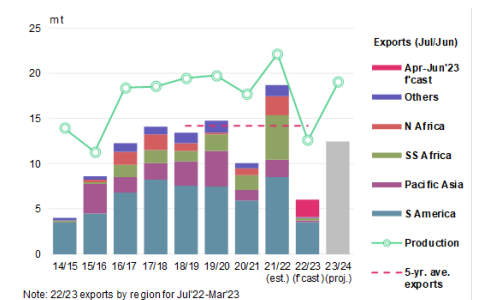
After initially dropping to a near two-year low in early May amid sustained competition for export business and negative influences from external markets, a more bullish tone later prevailed in world wheat markets, as traders re-focused on production issues in North America and risks to seaborne shipments from Ukraine. Nonetheless, with values retreating sharply yesterday on news of the extension of the Black Sea Grain Initiative, the IGC GOI wheat sub-Index was quoted 3% lower m/m and down by more than one-third y/y.

Lacklustre export progress continued to weigh on US prices, albeit as HRW and DNS quotations remained well-supported amid lingering

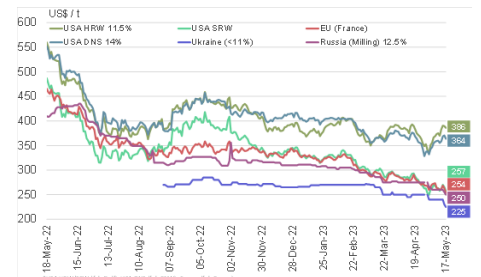
## 9. Wheat: North Africa supply, demand and imports



## 10. Wheat: Argentina exports



## 11. Wheat: Export prices\* May 2022 – May 2023



worries about adverse weather in the US Plains and spring crop sowing delays, respectively.

Russian old and new crop prices were assessed sharply lower following tenders by Egypt and Algeria, where offers were quoted below the earlier rumoured minimum floor price. Softness was also noted in the Ukrainian market, although as activity was contained by uncertainty surrounding the future of the shipping corridor.

EU prices weakened against an adequate supply backdrop, slowing late-season overseas demand and Russian export competition. Fob values in Australia also declined, in part reacting to a slowdown in purchases by the main Asian buyers, but those in Argentina advanced steeply as lingering dryness sparked worries about new crop prospects.

## Durum

### SUPPLY AND DEMAND OUTLOOK

*Production is forecast 1% lower in 2023/24.*

*Consumption is seen marginally higher y/y, but short of the average level.*

*Carryovers may be the smallest in more than 30 years.*

*Trade to expand by 4% y/y, to a three-year high.*

### OUTLOOK FOR 2022/23

With larger harvests in North America more than outweighing declines in the EU and Morocco, global **production** expanded by 5% y/y, to 32.7m t.

Although use in North Africa may drop y/y amid reduced local availabilities, global **consumption** is pegged 1% higher y/y, mainly on a rebound in food use in North America. At 5.8m t (6.5m) and 2.4m (2.7m), projected world and major exporters' **stocks** will be the lowest in 15 years. **Trade** is set to rebound to 8.6m t (6.0m) on a larger surplus in Canada and increased import needs in the EU, Turkey and North Africa.

### OUTLOOK FOR 2023/24

World **production** is forecast to drop to 32.4m t (-1%). With drought-related reductions for Tunisia, Morocco and the EU (Spain) more than compensating for an upgrade for Turkey, the projection is 0.5m t lower m/m.

EU output is placed 5% higher y/y, at 7.4m t, trimmed by 0.1m m/m. After an earlier dry spell, heavy rains have spread across southern Italy, resulting in localised flooding. While crop conditions in France are better than average, drought is of increasing concern in Spain. Plantings in North America have started slowly due to cool, wet soils and late snowmelt in some areas. However, the pace of fieldwork in Canada has recently accelerated.

Only a marginal increase in global **consumption** is envisaged, to 33.5m t. While uptake in North Africa is pegged a little higher y/y, the forecast

### 1. Durum: Supply and demand summary

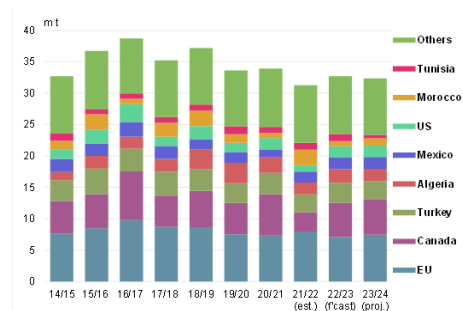
m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	8.9	8.2	6.5	5.8	-11.1%
Production	33.9	31.3	32.7	32.4	-0.9%
<b>Total supply</b>	<b>42.8</b>	<b>39.5</b>	<b>39.2</b>	<b>38.2</b>	<b>-2.6%</b>
<b>Total use</b>	<b>34.5</b>	<b>33.0</b>	<b>33.4</b>	<b>33.5</b>	<b>+0.2%</b>
of which: Food	31.7	30.6	31.1	31.3	+0.6%
Feed	0.8	0.5	0.5	0.4	-19.0%
<b>Closing stocks</b>	<b>8.2</b>	<b>6.5</b>	<b>5.8</b>	<b>4.7</b>	<b>-18.9%</b>
Major exporters <sup>a)</sup>	3.8	2.7	2.4	1.8	-24.0%
<b>Trade (Jul/Jun)</b>	<b>9.0</b>	<b>6.0</b>	<b>8.6</b>	<b>9.0</b>	<b>+4.4%</b>

<sup>a)</sup> Canada, EU, Mexico, USA

### 2. Durum: Production in selected countries

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
EU	7.3	8.0	7.1	7.4	+5.0%
Canada	6.6	3.0	5.4	5.7	+4.7%
Mexico	1.2	1.8	1.9	1.9	-0.9%
USA	1.9	1.0	1.7	1.8	+3.4%
<b>Selected others</b>					
Algeria	2.5	1.9	2.2	1.9	-11.3%
Morocco	0.8	2.5	0.8	1.2	+45.7%
Tunisia	1.0	1.1	1.1	0.5	-53.1%
<b>World total</b>	<b>33.9</b>	<b>31.3</b>	<b>32.7</b>	<b>32.4</b>	<b>-0.9%</b>

### 3. Durum: World production





assumes larger than normal imports, as regional supplies are expected to fall to a 21-year low.

Amid continued drawdowns in the EU and North Africa, **stocks** are forecast to fall to 4.7m t (-19%), the lowest in more than three-decades and down by 0.7m m/m.

**Trade** is set to climb to a three-year high of 9.0m t (+4%), with import needs in North Africa pegged one-third above their five-year average level.

## RECENT MARKET DEVELOPMENTS

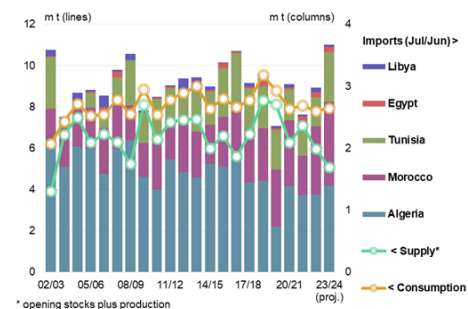
World durum markets continued to soften during the past month, albeit as participants noted deteriorating production prospects in parts of North Africa, the major importing region.

Prices in Canada (CWAD, St. Lawrence) were quoted US\$5 lower m/m, at US\$390 fob (US\$575). While the updated official outlook confirmed expectations for above-average domestic production in 2023/24, price support likely stemmed from a sustained strong pace of shipments. US Lakes quotations dropped by US\$10 m/m, to US\$370 fob (US\$595 year ago), despite reported spring sowing delays and a y/y increase in export commitments.

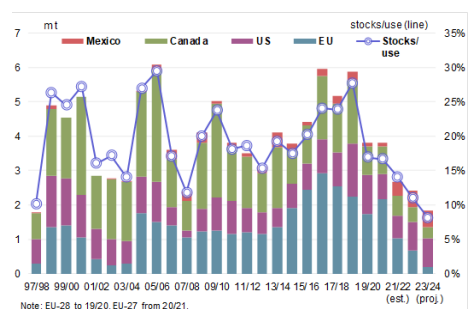
French (La Pallice) quotations declined by US\$9 m/m, to US\$411 (US\$542), amid generally good local crop condition and sustained outlooks for a larger EU crop in 2023/24. According to Sitagri, prices at in Spain (Seville) and Greece (Thessaloniki), were assessed at US\$406 and US\$332, down by US\$5 and US\$21, respectively.

In early May, Tunisia's state buyer secured around 100,000t optional-origin durum at US\$379-\$387 c&f, Jun/Jul shipment.

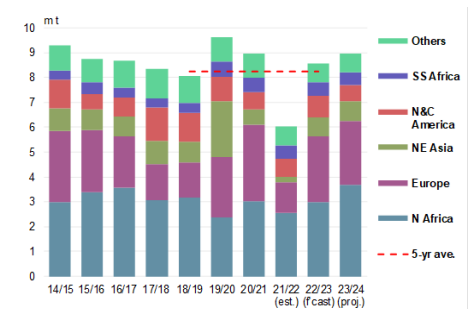
## 4. Durum: North Africa supply, demand and imports



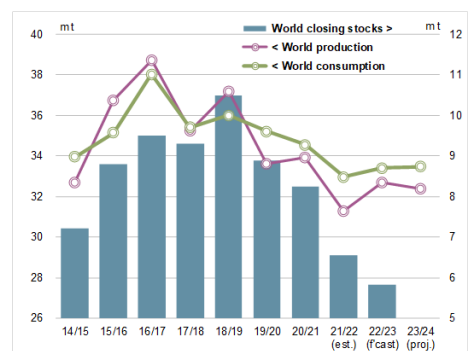
## 5. Durum: Major exporters' ending stocks



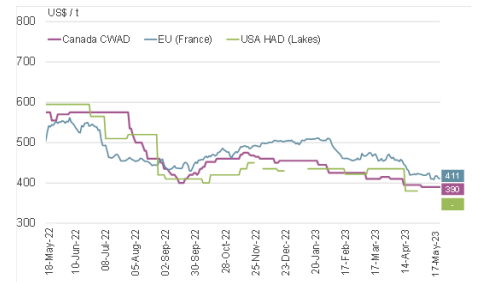
## 6. Durum: World imports



## 7. Durum: World supply and demand



## 8. Durum: Export prices May 2022 – May 2023



## Maize

### OUTLOOK FOR 2022/23

*Including declines in most major exporters, world output to contract by 6% in 2022/23.*

*Led by reduced feeding, consumption is seen decreasing y/y.*

*World inventories are expected to tighten, largely on smaller Chinese stocks.*

*Despite unusually large EU purchases, global trade is set to fall.*

### Production

World production is estimated at 1,153m t, down by 6% y/y, with declines in both acreage and yields. Harvests were smaller in many key exporters and producers, including in Ukraine (-36% y/y), Argentina (-27%), the EU (-26%) and the US (-9%). However, some offsetting stemmed from a record outturn in Brazil (+11%). Linked to increases for Brazil and Pakistan, the estimate is 3m t higher m/m.

Forecast output in **Brazil** is raised by 2.4m t m/m, to 125.5m (112.8m). The upward revision is predominantly tied to an upgraded second (safrinha) projection, with regular rains underscoring a mostly favourable outlook. Although dry weather in the far south of the country has curtailed first (full-season) yields, latest harvest data have shown smaller than previously predicted losses.

With a larger proportion of area sown to late season varieties and, with some farmers prioritising the collection of soyabeans, **Argentina's** maize harvest made relatively slow progress, officially seen at about one-third complete. Average yields have been disappointing, seen mostly below average due to the punishing drought. Pending more updates from later-planted areas, forecast production (including for on-farm uses) is kept at 42.8m t (-27%).

### Consumption

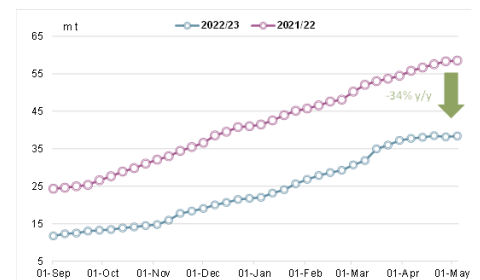
At 1,170m t, world use is forecast to contract by 4% y/y, with declines across all demand segments. Owing to an adjustment for Ukraine, as

### 1. Maize: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	298	279	284	266	- 6.3%
Production	1,137	1,223	1,153	1,217	+ 5.6%
<b>Total supply</b>	<b>1,435</b>	<b>1,502</b>	<b>1,436</b>	<b>1,483</b>	<b>+ 3.3%</b>
<b>Total use</b>	<b>1,156</b>	<b>1,218</b>	<b>1,170</b>	<b>1,211</b>	<b>+ 3.4%</b>
of which: Food	137	137	134	134	+ 0.0%
Feed	678	722	690	724	+ 4.9%
Industrial	298	308	306	309	+ 1.0%
<b>Closing stocks</b>	<b>279</b>	<b>284</b>	<b>266</b>	<b>272</b>	<b>+ 2.5%</b>
Major exporters <sup>a)</sup>	43	51	51	65	+ 27.5%
<b>Trade (Jul/Jun)</b>	<b>188</b>	<b>180</b>	<b>170</b>	<b>173</b>	<b>+ 1.5%</b>

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

### 2. Maize: US export (Sep/Aug) commitments



well as downgraded feed outlooks for parts of Asia and the Americas, the estimate is down by 2m t m/m.

Forecast industrial uptake is maintained at 306m t. With declines in the US and China more than offsetting an increase for Brazil, uptake is seen 1% lower y/y.

### Stocks

World stocks are forecast to contract to 266m t (-6%), with notable tightening in Argentina, China and Ukraine. Due to m/m increases for Argentina, Brazil, the EU and the US, the total is lifted by 7.4m t m/m, with major exporters' inventories now seen at 50.6m (-1%).

### Trade

Global trade (Jul/Jun) is forecast to decline by 6% y/y, to 170.1m t, up slightly m/m. Imports are down in the majority of the main buyers, most notably in Canada (-4.7m), China (-3.4m), Turkey (-1.6m) North Africa (-1.3m), Iran (-1.0m) Peru and South Korea (-0.9m), but with gains in the EU (+7.8m), the US (+0.6m) and Saudi Arabia (+0.5m).

Owing to much larger domestic feedgrain availabilities, purchases by **Canada** will decline markedly, seen falling to 1.7m t (-73%). In contrast, **EU** arrivals are set to soar by 43% y/y, to 26.0m t, as users supplemented drought-reduced local supplies with additional imports.

Forecast dispatches (Oct/Sep) from **Ukraine** are increased by 1.0m t, to 24.5m t (-9%) amid continued strong shipments. Marketing year exports over the first seven months totalled 20.0m t, of which 64% was sent through the safe shipping corridor.

Reflecting slow export progress to date, projected **US** shipments (Sep/Aug) are cut by 1.9m t m/m, to 45.1m (-28%). As at 4 May, MY commitments stood at 38.4m t, down 34% y/y.

### OUTLOOK FOR 2023/24

*Linked mainly to predicted better productivity, world output is forecast to increase by 6% y/y.*

*Global consumption is projected to rise on stronger feed and industrial uptake.*

*Mainly driven by an expansion in US inventories, stocks are set to recover y/y.*

*Trade is forecast to rebound on stronger Asian demand.*

### Production

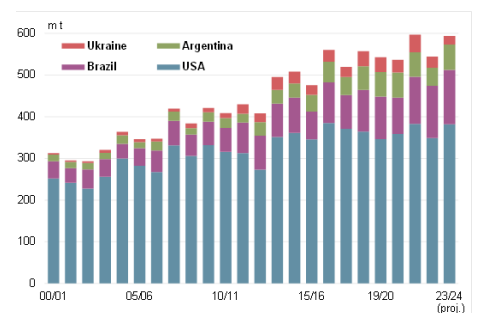
At 1,217m t, 2023/24 world production is placed 6% higher y/y, seen second only to the record of two years ago. Assuming better weather, average yields are projected to improve, most notably in Argentina and the EU. Predominantly because of increased projections for Brazil and China, but with a series of upgrades too, for some producers in Asia, the forecast is 9m t higher m/m.

Damp, cool spring weather hampered planting and early crop development across much of central and southeastern Europe. While

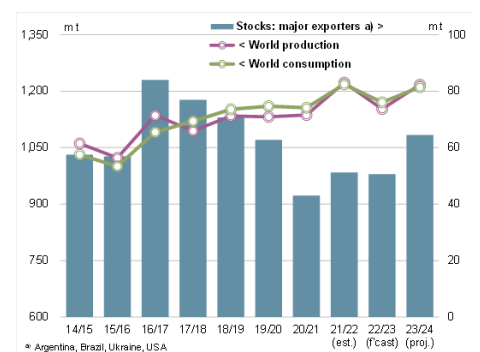
### 3. Maize: Production in selected countries

mt	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
USA	358.4	382.9	348.8	381.8	+ 9.5%
Brazil	87.1	112.8	125.5	130.2	+ 3.7%
Argentina	60.5	59.0	42.8	61.0	+ 42.5%
Ukraine	30.3	42.1	27.0	21.0	- 22.2%
<b>Selected others</b>					
China	260.7	272.6	277.2	279.4	+ 0.8%
EU	68.0	71.2	52.8	65.1	+ 23.3%
India	31.7	33.7	34.6	33.7	- 2.7%
South Africa	17.0	16.1	16.5	15.6	- 5.4%
Russia	13.9	15.2	15.8	15.5	- 2.1%
<b>World total</b>	<b>1137.0</b>	<b>1222.6</b>	<b>1152.6</b>	<b>1217.3</b>	+ 5.6%

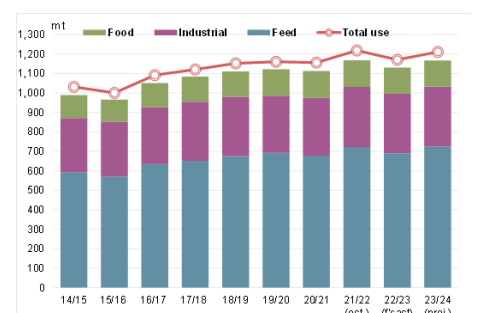
### 4. Maize: Major exporter production



### 5. Maize: World supply and demand



### 6. Maize: World consumption



this may restrict final acreage, the **EU** outturn is seen slightly higher m/m, at 65.1m t (+22%) on better moisture supplies in Romania.

Despite some delays in the northwestern Corn Belt, **US** sowings made speedy progress overall, seen at 65% complete, versus 59% on average. Plantings are placed 4% higher y/y and, assuming normal levels of abandonment and trend yields, production could reach 381.8m t (+9%).

Planting of 2023/24 South American crops is still some months away. Given expected favourable returns and, assuming much improved weather, output in **Argentina** (including for on-farm uses) is projected to rebound to 61.0m t (+43%). **Brazil's** outturn is also seen larger, pegged at 130.2m t (+4%).

## Consumption

Owing to larger availabilities and expectations for some price moderation, world consumption is projected to rebound to 1,211m t (+3%), boosted by increased feed (+5%) and industrial (+1%) uptake. Mainly due to revised feed use figures for Asia and Mexico, the total is up by 9m t m/m.

Buoyed by expected improved price competitiveness amid ample global and domestic supplies, feed use in **China** is forecast at 210.0m t (+1%).

Mostly due to a further expansion of Brazil's ethanol industry, global industrial consumption is forecast to rise to 309m t (+1%). The projection is up by 1m t m/m on an uprated US fuel ethanol figure, tied to expectations for additional investment in E15 retail outlets and an outlook for a modest uptick in gasoline demand.

## Stocks

With projected larger US and Brazilian inventories more than offsetting decreases for China and Ukraine, global stocks are anticipated to recover to 272m t (+3%). The outlook is hiked by 8m t m/m on increases for Argentina, Brazil, the EU and the US. Major exporters' carryovers are placed at an above-average 64.5m t (+27%), including 51.0m (+42%) in the **US**.

## Trade

Trade is projected to rebound to 172.5m t (+1%), seen 2% below the five-year average. The y/y advance is largely tied to stronger import demand in Pacific Asia, including China. In contrast, EU imports could decline markedly amid larger domestic supplies. The forecast is lifted by 0.3m t from April.

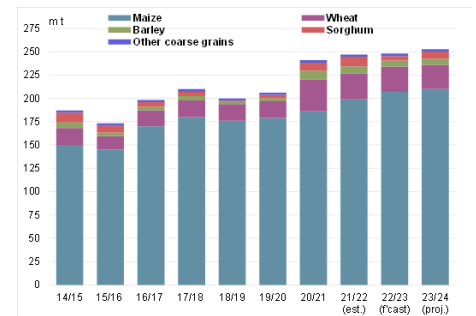
Amid sustained strong demand, mainly from domestic feed users, imports by **Mexico** are projected at a larger than average 18.0m t (+7%), expected to be sourced primarily from the US, but with some volumes too, from Brazil.

**US** exports (Sep/Aug) could recover to 53.5m t (+14%). Reflecting anticipated strong competition from Brazil, the forecast is down by 2.4m t m/m.

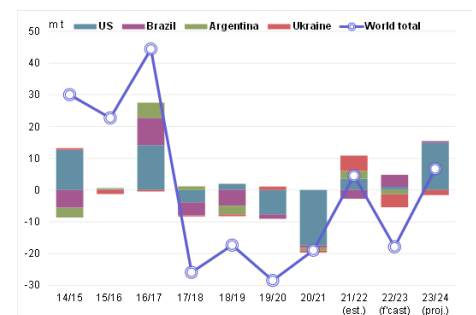
Due to a smaller crop, MY (Oct/Sep) shipments from **Ukraine** are predicted to drop to 15.0m t (-39%), unchanged m/m.

Aided by ample exportable supplies and anticipated strong demand, including from China, dispatches from **Brazil** in the year ending February

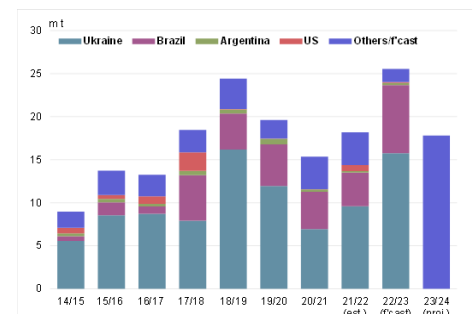
## 7. Maize: China feed grain demand



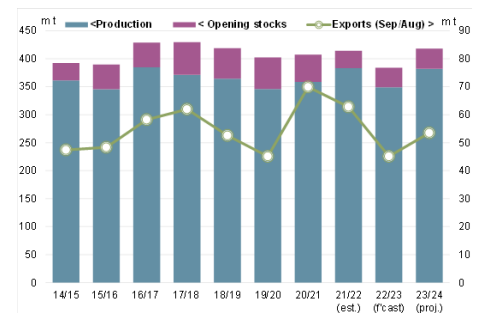
## 8. Maize: Changes in end-season inventories



## 9. Maize: EU imports (Jul/Jun)



## 10. Maize: US exports (Sep/Aug)



2024 are set to reach a fresh peak of 49.0m t (+2%). The phytosanitary agreement signed with China late last year provides an additional outlet for supplies, with 2.2m t shipped in the final four months of the previous marketing year. In contrast, due to severe drought damage, Argentine shipments over the same period are set to be much smaller y/y.

## RECENT MARKET DEVELOPMENTS

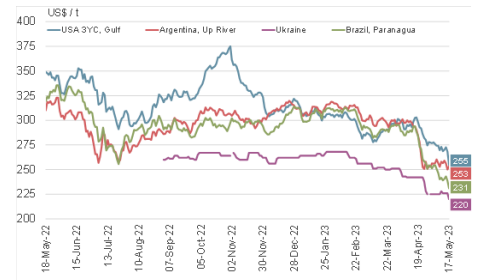
The IGC GOI maize sub-Index slumped by 13% m/m, falling to its lowest since late-2020, with losses across all origins.

**US** maize futures fell sharply, dropping by up to 13% m/m, as broadly favourable conditions and rapid plantings bolstered expectations for ample new crop supplies. A number of Chinese export sales cancellations also added to the negative sentiment. Gulf export prices decreased by US\$44 m/m, to US\$255 fob, with the premium over comparable offers from Argentina shrinking to just US\$2/t.

In **Argentina**, values declined by US\$31, to US\$253 fob (Up River), on rising new crop supplies and overall slow demand.

Amid record crop expectations, nearby quotations in **Brazil** dropped by US\$53, to US\$231 fob (Paranagua), albeit were thinly quoted ahead of second (safrinha) crop arrivals from July onwards.

## 11. Maize: Export prices May 2022 – May 2023



## Barley

### SUPPLY/DEMAND OUTLOOK

*Production is seen dropping by 5% in 2023/24.*

*Due to reduced feeding, global use is projected to decline in the coming season.*

*World inventories are seen contracting at the end of 2023/24.*

*Trade is expected to fall for a third consecutive year.*

### 1. Barley: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	28	28	24	25	+ 4.1%
Production	160	146	154	146	- 5.2%
<b>Total supply</b>	<b>188</b>	<b>175</b>	<b>177</b>	<b>171</b>	<b>- 3.9%</b>
<b>Total use</b>	<b>159</b>	<b>151</b>	<b>153</b>	<b>148</b>	<b>- 2.8%</b>
of which: Food	7	7	7	7	- 0.4%
Feed	109	103	106	103	- 3.3%
Industrial	32	28	28	28	- 0.1%
<b>Closing stocks</b>	<b>28</b>	<b>24</b>	<b>25</b>	<b>22</b>	<b>- 11.1%</b>
<b>Major exporters<sup>a)</sup></b>	<b>17</b>	<b>13</b>	<b>14</b>	<b>11</b>	<b>- 18.4%</b>
<b>Trade (Jul/Jun, excl. malt)</b>	<b>35</b>	<b>33</b>	<b>31</b>	<b>29</b>	<b>- 5.1%</b>

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

### OUTLOOK FOR 2022/23

#### Production

At 153.6m t, the world harvest was 5% larger y/y, up by 3% compared to the recent average, boosted by excellent overall yields.

#### Consumption

Buoyed by increased feed use, global uptake rose to an estimated 152.6m t (+1%), up by 0.9m m/m, on an uprated forecast for Australia.

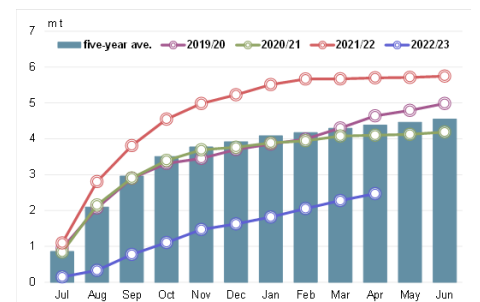
#### Stocks

World inventories are forecast to rise to 24.8m t (+4%) on larger exporter stocks. Mostly due to reductions for Australia and Russia, the outlook is lowered by 1.7m t m/m.

#### Trade

Global trade in 2022/23 (Jul/Jun, excluding malt) is expected to recede to 30.8m t (-5%), on reduced Chinese buying. The total is lifted by 0.2m t m/m on larger than previously anticipated purchases by South American

### 2. Barley: Ukraine cumulative exports (Jul/Jun)



importers. Incorporating latest shipping data, the export forecast for Ukraine is up slightly from April.

## OUTLOOK FOR 2023/24

### Production

Assuming little overall change in acreage and, with yields provisionally seen below the prior year's record, production is projected to drop to 145.7m t (-5%). Entirely because of a reduction for the EU, the forecast is down by 1.4m t m/m.

Recent weather was mixed in Europe. While rains underscored mostly favourable outlooks in western and central areas, the Spanish drought has intensified, with hot, dry conditions seen limiting yields. Cumulative **EU** production is placed 1.4m t lower m/m at 50.9m (-1%).

Crop forecasts for the main Black Sea exporters are unchanged compared to before. Spring sowings progressed quickly in Russia, with regular showers useful for crop establishment. While rains also favoured winter grain development in Ukraine, there were some resulting delays to spring fieldwork.

A delayed snowmelt has complicated early planting operations in Western **Canada**, but with progress recently gathering pace. Concerns about the onset of hot, dry weather are also mounting. With a slightly larger acreage figure balanced by lower yields, production is seen steady y/y, at 10.0m t.

Helped by recent rains, **Australia's** seeding campaign is off to a good start. However, area is projected to drop to a 10-year low and, with yields also seen retreating from the excellent results seen in recent years, output could fall to 9.9m t (-30%).

### Consumption

Global use is projected to drop by 3% y/y, to 148.4m t on reduced feeding, including in China and the EU.

### Stocks

World inventories are expected to shrink to a below-average 22.1m t (-11%). Reflecting smaller carry-ins and a tighter EU outlook, the total is down by 3.1m t m/m. Major exporters' stocks are pegged at 11.5m t (-18%).

### Trade

Global trade in 2023/24 (Jul/Jun, excluding malt) is projected unchanged m/m, at a smaller than average 29.3m t (-5%). Much of the y/y drop is tied to reduced purchases by China, Saudi Arabia, and the EU.

With Spain seen as a potentially smaller buyer, **EU** imports are projected to fall by nearly 50% y/y, to 1.2m t. Amid increasingly competitive maize prices, barley purchases by **China** are seen dropping to 8.4m t (-2%).

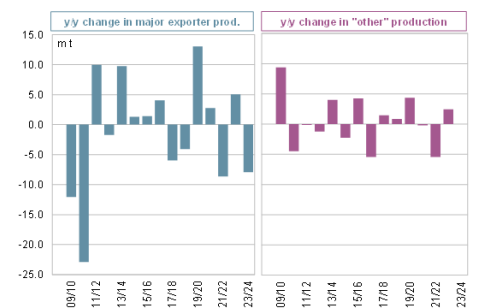
Owing to a much tighter exportable surplus, **Ukraine** shipments (Jul/Jun) are predicted to almost halve, to 1.3m t.

Despite a potentially smaller crop, supplies in **Russia** will remain ample due to heavy carry-in, with dispatches (Jul/Jun) pegged at 5.4m t (+7%).

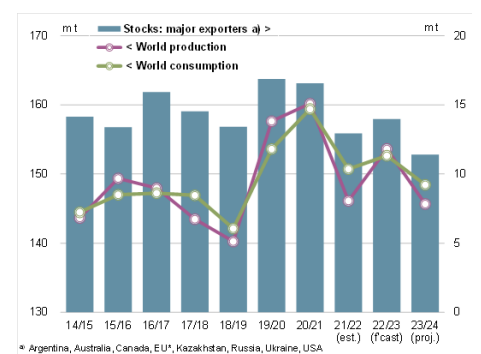
## 3. Barley: Production in selected countries

mt	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
EU	54.0	51.6	51.4	50.9	-0.9%
Russia	20.6	17.6	22.1	19.8	-10.3%
Canada	10.7	7.0	10.0	10.0	-0.1%
Australia	14.6	14.4	14.1	9.9	-30.0%
Argentina	4.0	5.2	4.5	5.0	+11.0%
Ukraine	7.9	10.0	6.6	5.4	-18.0%
USA	3.7	2.6	3.8	3.7	-3.3%
Kazakhstan	3.7	2.4	3.3	3.1	-4.5%
<b>Selected others</b>					
Turkey	8.3	5.8	8.5	7.5	-12.4%
UK	8.1	7.0	7.4	7.2	-2.7%
North Africa	2.6	4.4	2.6	3.1	+18.7%
<b>World total</b>	<b>160.2</b>	<b>146.1</b>	<b>153.6</b>	<b>145.7</b>	<b>-5.2%</b>

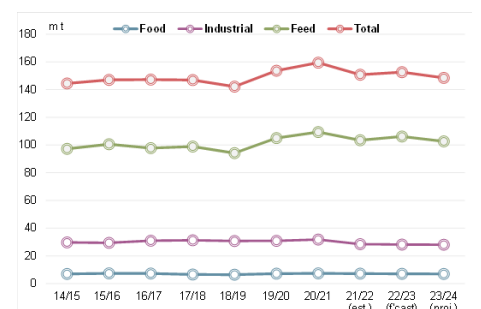
## 4. Barley: Change in production (eight major exporters vs. others)



## 5. Barley: World supply and demand



## 6. Barley: Global consumption





# Sorghum

## SUPPLY/DEMAND OUTLOOK

**World 2023/24 output is projected to increase sharply.**

**Stronger feed demand to lift consumption by 7% in the coming season.**

**Linked to accumulation in the major exporters, stocks to expand slightly in 2023/24.**

**Trade to rebound on stronger Chinese demand.**

## OUTLOOK FOR 2022/23

Pulled lower mainly by smaller harvests in the major exporters, global **production** dropped to 57.2m t (-7%), a three-year low. Owing to a second successive, drought-related downgrade for Argentina, the estimate is down by 0.6m t m/m.

The Council's forecast for world **consumption** is lowered by 0.4m t m/m, to 58.2m (-5%), chiefly reflecting a downgrade for feeding, seen at 20.6m (-21%). Estimates for food and industrial uptake are broadly unchanged m/m, at 31.0m t (+9%) and 5.0m (+4%), respectively. Mainly tied to a downward adjustment for Australia, forecast **stocks** are cut by 0.2m t, to 3.5m, down 22% y/y. Ending inventories in the major exporters are expected to plunge by nearly half y/y, to 0.9m t. At 6.7m t (-46%), the outlook for **trade** (Jul/Jun) is raised by 0.2m m/m, on an increase for China, to 5.2m (-52%).

## OUTLOOK FOR 2023/24

Primarily because of a projected recovery in yields, world **production** is forecast 9% higher y/y, at a larger than average 62.4m t. Larger outturns are predicted in a number of countries, with the steepest gains in the US and Argentina.

US sowings progressed normally, seen at 28% finished by mid-May. Despite expectations for a 6% drop in plantings, tied to strong competition from alternatives, harvested area is seen 14% higher y/y on assumed sharply reduced levels of abandonment. Based on trend yields, output is projected to rebound sharply, to 8.9m t (+87%).

**Consumption** is forecast to rise to 62.2m t (+7%), down by 0.3m m/m. Amid larger exportable supplies and improved price competitiveness, feed demand is projected to rebound by 18% y/y, to an above average 24.2m t, with particularly solid gains foreseen in China. Food use is predicted to be marginally higher y/y, at 31.2m t, underpinned by firmer uptake in India.

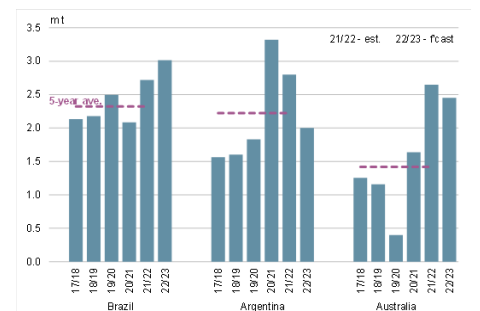
End-season **stocks** are expected to build slightly y/y, to 3.7m t, but will likely remain tighter than normal. Forecast **trade** is trimmed by 0.2m t, to 9.4m (+41%) on a revised outlook for China, now pegged at 7.9m (+53%). Exports by Argentina (Mar/Feb) could decline by more than one-third y/y. In contrast, shipments by the US (Sep/Aug) are set to more than

## 1. Sorghum: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
Opening stocks	5.4	4.4	4.5	3.5	-22.4%
Production	62.6	61.2	57.2	62.4	+9.0%
<b>Total supply</b>	<b>67.9</b>	<b>65.7</b>	<b>61.7</b>	<b>65.9</b>	<b>+6.7%</b>
<b>Total use</b>	<b>63.5</b>	<b>61.1</b>	<b>58.2</b>	<b>62.2</b>	<b>+6.7%</b>
of which: Food	31.9	28.4	31.0	31.2	+0.5%
Feed	25.7	26.2	20.6	24.2	+17.6%
Industrial	4.1	4.8	5.0	5.0	+0.0%
<b>Closing stocks</b>	<b>4.4</b>	<b>4.5</b>	<b>3.5</b>	<b>3.7</b>	<b>+6.1%</b>
Major exporters <sup>a)</sup>	0.8	1.7	0.9	1.2	+34.7%
<b>Trade (Jul/Jun)</b>	<b>9.7</b>	<b>12.3</b>	<b>6.7</b>	<b>9.4</b>	<b>+40.8%</b>

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

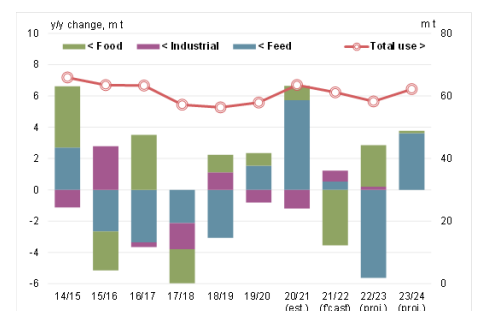
## 2. Sorghum: Southern hemisphere production (selected countries)



## 3. Sorghum: Production in selected countries

m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
USA	9.5	11.4	4.8	8.9	+87.3%
Argentina	3.3	2.8	2.0	3.0	+51.3%
Australia	1.6	2.6	2.5	2.0	-17.9%
<b>Selected others</b>					
Nigeria	6.6	6.7	7.2	7.2	-0.5%
Mexico	4.3	4.9	4.8	4.9	+1.0%
India	4.8	4.2	4.1	4.3	+6.6%
China	3.0	3.0	3.1	3.2	+1.1%
Brazil	2.1	2.7	3.0	3.1	+3.7%
<b>World total</b>	<b>62.6</b>	<b>61.2</b>	<b>57.2</b>	<b>62.4</b>	<b>+9.0%</b>

## 4. Sorghum: Consumption changes



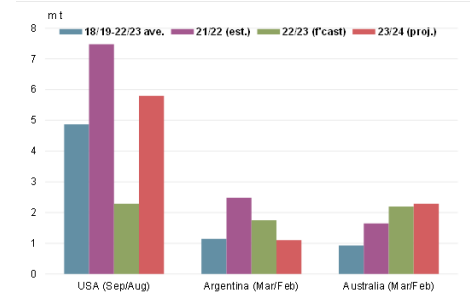


double y/y, while dispatches from Australia (Mar/Feb) may be a little higher.

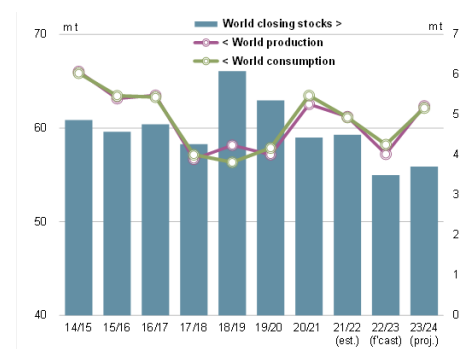
### RECENT MARKET DEVELOPMENTS

Quotations at the **US** Gulf dropped by US\$44 m/m, to US\$304 fob, on losses in maize futures. Similarly, prices in **Argentina** declined by US\$30, to US\$280 fob (Up River). In **Australia**, offers weakened by US\$28, to US\$306 fob (Brisbane) on thin export demand, notably from China.

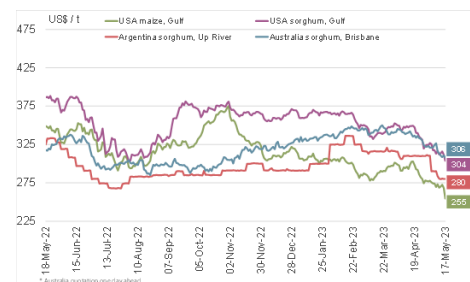
### 5. Sorghum: Major exporter shipments



### 6. Sorghum: World supply and demand



### 7. Sorghum: Export prices May 2022 - May 2023



# Oats

## SUPPLY/DEMAND OUTLOOK

**World 2023/24 production is seen 9% lower y/y.**

**Global consumption to fall by 4% in the season ahead.**

**Stocks at the end of 2023/24 are projected to shrink by 16%.**

**Trade volumes are seen similar to average in 2023/24.**

## OUTLOOK FOR 2022/23

After a sharp drop in the season before, world **production** rebounded sharply, to 25.9m t (+16%). **Consumption** is forecast to climb by 9% y/y, to 25.1m t, underpinned by an expected surge in feeding, to 16.7m (+11%), together with growth in food demand, at 5.7m (+2%). **Stocks** are estimated to expand by one-quarter y/y, to 3.8m t. At 2.7m t, the outlook for **trade** (Jul/Jun) is seen 12% higher y/y on firm demand in the US and China.

## OUTLOOK FOR 2023/24

Including projected smaller outturns in Canada, the US, Russia and Australia, global **production** is forecast to fall to 23.5m t (-9%), unchanged m/m.

In Europe, there are heightened concerns about dryness in some northern producers, as well as in Spain, where drought has intensified. For now, forecast EU output is maintained at 7.4m t, unchanged compared to the past two years. Sowings in Western Canada are underway, with concerns about dryness in parts of Saskatchewan and Alberta. Amid low prices and ample availabilities, area is projected to fall sharply, potentially limiting production to 3.7m t (-30%).

Amid smaller supply prospects, global **consumption** is projected to fall by 4% y/y, to 24.1m t. Feed usage could contract by 5% y/y, to 15.9m t, including declines in Canada, the US and Russia. However, food uptake is forecast to grow slightly y/y, to 5.8m t, on firm demand for oat based food products. **Stocks** are predicted to contract by 16% y/y, to 3.2m t, led by a sharp decline in Canada. **Trade** is projected to be smaller by 8% y/y, to 2.5m t.

## RECENT MARKET DEVELOPMENTS

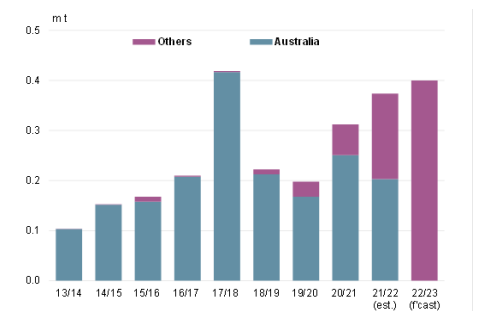
In two-sided trading, sometimes tracking movements in other grains market, nearby (Jul) US oats futures were marginally firmer m/m.

## 1. Oats: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	2.3	3.7	3.1	3.8	+25.2%
Production	25.8	22.3	25.9	23.5	-9.2%
<b>Total supply</b>	<b>28.1</b>	<b>26.1</b>	<b>29.0</b>	<b>27.4</b>	<b>-5.6%</b>
<b>Total use</b>	<b>24.3</b>	<b>23.0</b>	<b>25.1</b>	<b>24.1</b>	<b>-4.0%</b>
of which: Food	5.4	5.6	5.7	5.8	+1.3%
Feed	16.2	15.1	16.7	15.9	-5.0%
Industrial	0.1	0.1	0.1	0.1	+0.0%
<b>Closing stocks</b>	<b>3.7</b>	<b>3.1</b>	<b>3.8</b>	<b>3.2</b>	<b>-15.7%</b>
Major exporters <sup>a)</sup>	2.2	1.8	2.7	2.0	-23.8%
<b>Trade (Jul/Jun)</b>	<b>2.6</b>	<b>2.4</b>	<b>2.7</b>	<b>2.5</b>	<b>-8.3%</b>

<sup>a)</sup> Canada, EU, Australia

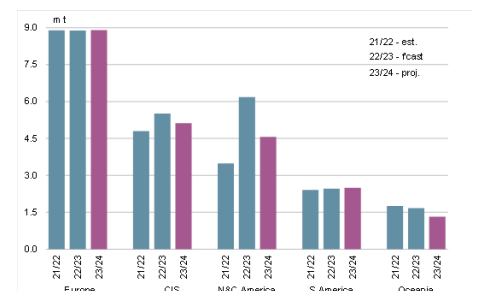
## 2. Oats: China imports



## 3. Oats: Production in selected countries

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
EU	8.4	7.4	7.4	7.4	-
Canada	4.6	2.8	5.2	3.7	-29.6%
Australia	1.9	1.7	1.6	1.2	-22.2%
<b>Selected others</b>					
Russia	4.1	3.8	4.5	4.0	-11.1%
Brazil	0.9	1.1	1.2	1.2	+0.9%
USA	1.0	0.6	0.8	0.8	-8.6%
<b>World total</b>	<b>25.8</b>	<b>22.3</b>	<b>25.9</b>	<b>23.5</b>	<b>-9.2%</b>

## 4. Oats: Regional production



# Rye

## SUPPLY AND DEMAND OUTLOOK

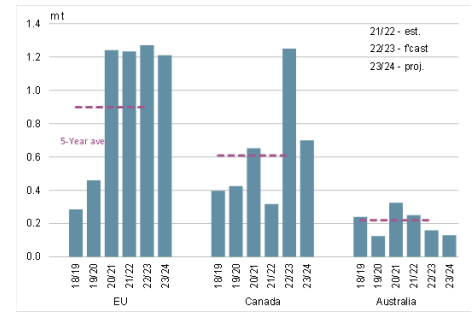
**Global 2023/24 production is seen at a smaller than average 12.5m t, unchanged y/y.**

**Consumption in the season ahead is expected to similar to average.**

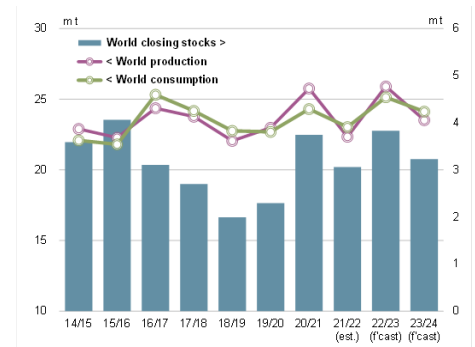
**Stocks at the end of 2023/24 are projected to tighten again.**

**World trade could rebound by 6% next year.**

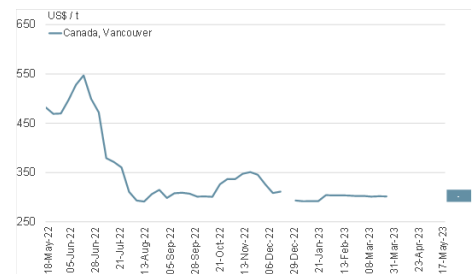
## 5. Oats: Major exporter stocks



## 6. Oats: World supply and demand



## 7. Oats: Export prices May 2022 - May 2023



## 1. Rye: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
Opening stocks	1.2	1.5	1.9	1.5	-19.1%
Production	14.8	12.9	12.5	12.5	+0.1%
<b>Total supply</b>	<b>16.0</b>	<b>14.4</b>	<b>14.3</b>	<b>14.0</b>	<b>-2.4%</b>
<b>Total use</b>	<b>14.4</b>	<b>12.6</b>	<b>12.8</b>	<b>12.5</b>	<b>-2.5%</b>
of which: Food	6.5	6.1	6.3	6.2	-2.0%
Feed	5.5	4.0	4.2	4.0	-4.1%
Industrial	1.9	1.9	1.8	1.8	-0.6%
<b>Closing stocks</b>	<b>1.5</b>	<b>1.9</b>	<b>1.5</b>	<b>1.5</b>	<b>-1.4%</b>
Major exporters <sup>a)</sup>	1.2	1.5	1.3	1.3	-2.2%
<b>Trade (Jul/Jun)</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>+5.9%</b>

<sup>a)</sup> Canada, EU, Russia

## OUTLOOK FOR 2022/23

Global **production** totalled 12.5m t (-3%), marking a second successive contraction. Owing to marginal increases in food and feed uses, global **consumption** is placed at 12.8m t (+2%). With declines in the EU and Ukraine offsetting an accumulation in Canada, ending **stocks** are predicted to fall to 1.5m t (-19%). Linked to markedly smaller EU purchases, world **trade** (Jul/Jun) could decline by almost one-quarter, to 396,000t,

## OUTLOOK FOR 2023/24

Due to offsetting changes across the major growers, world **production** is seen little changed y/y, at 12.5m t. With recent rains favouring crop prospects in the main producing regions, EU output is predicted to increase to 7.5m t (+4%).

**Consumption** is projected at 12.5m t (-3%), with ending **stocks** seen 1% lower y/y, at 1.5m, a second consecutive decline. Reflecting larger EU purchases, world **trade** is predicted to recover slightly, to 419,000t (+6%).

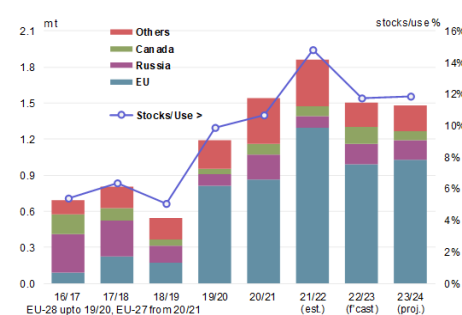
## RECENT MARKET DEVELOPMENTS

Cash milling rye quotations in the EU (Germany) dropped a further 9% over the past month, down by almost half y/y. In Russia, cash prices were slightly firmer overall.

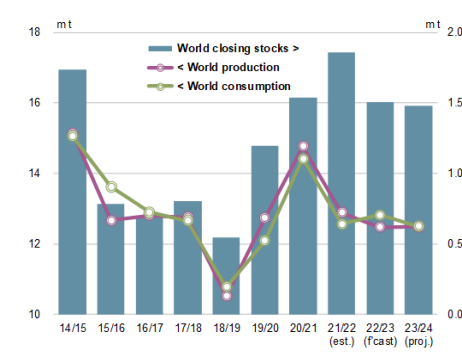
## 2. Rye: Production in selected countries

mt	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
EU	8.7	7.8	7.3	7.5	+ 3.7%
Russia	2.4	1.7	2.0	1.9	- 7.5%
Canada	0.5	0.4	0.5	0.3	- 34.6%
<b>Selected others</b>					
Ukraine	0.5	0.6	0.3	0.3	- 5.0%
USA	0.3	0.2	0.3	0.3	+ 25.4%
<b>World total</b>	<b>14.8</b>	<b>12.9</b>	<b>12.5</b>	<b>12.5</b>	<b>+ 0.1%</b>

## 3. Rye: Ending stocks



## 4. Rye: World supply and demand



## 5. Rye: Prices

### May 2022 - May 2023



# Rice

## OUTLOOK FOR 2022/23

*World rice output contracted by 1% y/y.*

*Global consumption is anticipated to decline marginally on reduced Asian demand.*

*Aggregate stocks are forecast to drop.*

*Trade may retreat from the prior year's peak on smaller shipments to Asia.*

## Production

Unchanged compared to the April GMR, the Council's 2022/23 global rice production estimate is pegged at 509m t, the 1% y/y decline linked to reduced harvests in Asia and the Americas.

## Consumption

Global rice consumption in 2022/23 is forecast to contract by 1% y/y, to 516m t, led by a drop in uptake in India and China. However, amid population growth and tighter availabilities of wheat, usage in sub-Saharan Africa is anticipated to rise by 4% y/y, to 37.5m t.

## Stocks

Global end-season rice stocks in 2022/23 (aggregate of local marketing years) are seen falling to 171.4m t (178.2m). In **India**, carryovers are forecast to decline for the second successive season, to 32.0m t (32.2m), amid reduced government inventories, albeit with losses likely to be pared by solid secondary (rabi) crop procurements in the coming months.

## Trade

World trade in rice in 2023 (Jan/Dec) is anticipated to retreat from the prior season's record, to 52.6m t (55.2m).

The Pacific Asian region is expected to procure less, including smaller imports by China, linked to Indian restrictions on the sale of 100% broken rice. Dispatches to the **Philippines** could also fall, to 2.9m t (3.8m), as higher international prices deter buying interest.

Deliveries to sub-Saharan Africa (including cross-border trade and re-exports) may be little-changed y/y, at 19.2m t, with another season of above-average shipments of parboiled rice, principally to West Africa.

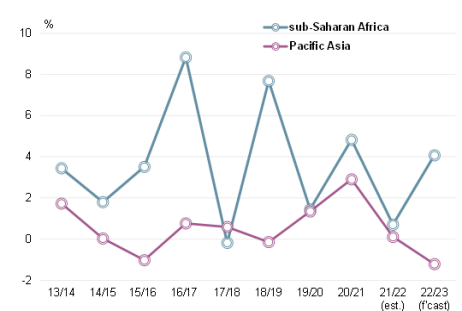
Despite the imposition of trade restrictions, including on sales of 100% broken rice, **India** is expected to remain by far the leading exporter, its

## 1. Rice: Supply and demand summary

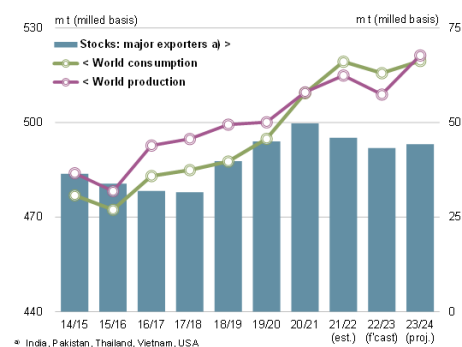
m t (milled basis)	20/21	21/22 (est.)	22/23 (f'cast.)	23/24 (proj.)	y/y change
Opening stocks	182	183	178	171	- 3.8%
Production	510	515	509	521	+ 2.4%
<b>Total supply</b>	<b>692</b>	<b>697</b>	<b>687</b>	<b>693</b>	<b>+ 0.8%</b>
<b>Total use</b>	<b>509</b>	<b>519</b>	<b>516</b>	<b>520</b>	<b>+ 0.8%</b>
<b>Closing stocks</b>	<b>183</b>	<b>178</b>	<b>171</b>	<b>173</b>	<b>+ 1.0%</b>
Major exporters <sup>a)</sup>	50	46	43	44	+ 2.3%
<b>Trade (Jan/Dec)</b>	<b>51</b>	<b>55</b>	<b>53</b>	<b>54</b>	<b>+ 2.2%</b>

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

## 2. Rice: Annual (y/y) consumption change (%) in sub-Saharan Africa and Pacific Asia

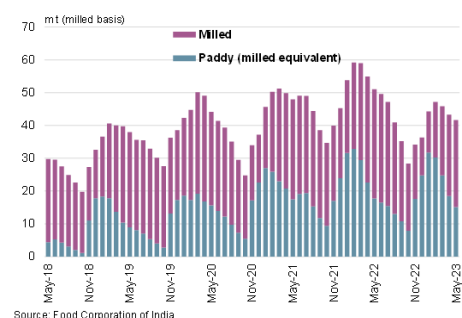


## 3. Rice: Supply and demand



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

## 4. Rice: Food Corporation of India stocks



Source: Food Corporation of India

dispatches seen reaching 20.6m t (22.1m). While Thailand may sell more, Pakistan and the US are set to ship less owing to sub-par crops.

## OUTLOOK FOR 2023/24

*A solid recovery in global rice output is anticipated on better crops in Asia and the Americas.*

*World rice consumption is projected to rebound as population growth boosts requirements.*

*Stocks are tentatively seen returning to growth following two successive y/y declines.*

*Trade may tick higher on increased demand from buyers in sub-Saharan Africa.*

## Production

Amid expectations for acreage gains in Asia and the Americas, together with improved yields, world rice production is predicted to rebound solidly in 2023/24, reaching a peak of 521m t (+2%). With those regions home to a number of leading exporters, increased state support and elevated international prices for white and parboiled rice are seen affecting an expansion of main crop plantings as combined output in the five majors increases to a high of 196m t (+3%).

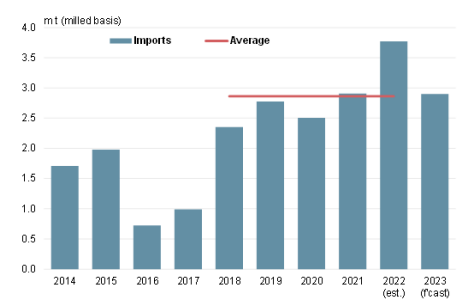
**India's** main (kharif) crop is typically central in shaping prospects for global rice production and export availabilities. Leaving aside the influence of government support to farmers, the outlook for production will ultimately depend on the Southwest monsoon, an annual weather event that normally makes the Indian mainland on or around 1 June, and which is crucial in providing moisture for rain-fed crops. However, the outlook for 2023/24 carries an added degree of uncertainty, in that a shift to El Niño conditions could result in a lessening in the intensity of summer precipitation, potentially negatively impacting fieldwork and final yields. Pending more information, the Council's outlook for production (which includes the winter (rabi) harvest) is provisionally maintained at 132.5m t (130.8m).

In **Pakistan**, heavy flooding caused significant crop damage in 2022/23, with losses concentrated in non-basmati growing areas of Sindh province. Looking to prospects for the next outturn, relatively high prices are likely to tempt farmers to seed more and, assuming improved conditions, production could rebound by more than one-quarter y/y, to 8.5m t.

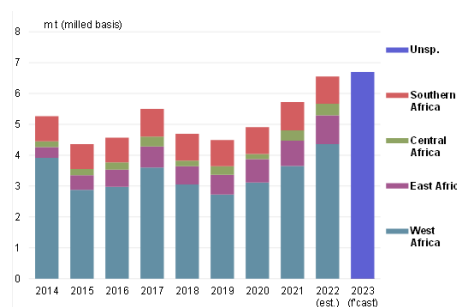
Prospects for the Americas appear brighter than in the prior season, with **US** output seen rising by 24% y/y, to 6.3m t, chiefly as growers respond to higher international prices for long- and medium-grain varieties by seeding a much larger area. Fieldwork has progressed fairly swiftly, estimated to be 83% complete by 14 May, ahead of a year earlier and the average of recent seasons.

Further south, seeding of **Brazil's** 2023/24 crop is a number of months away so the outlook is highly tentative. Nevertheless, assuming improved conditions in key growing regions, notably in the southern state of Rio

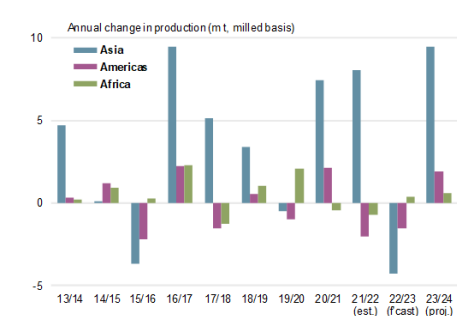
## 5. Rice: Imports by the Philippines



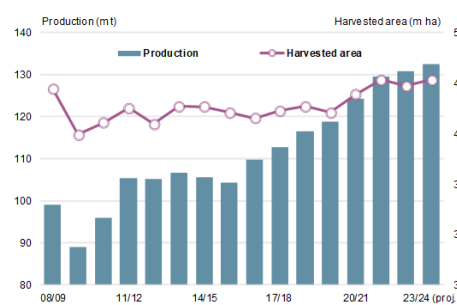
## 6. Rice: Parboiled exports from India and Thailand to sub-Saharan Africa



## 7. Rice: Annual (y/y) production change by region



## 8. Rice: Harvested area vs production in India



Grande do Sul, promote a return to higher (trend) yields, output is seen rising by 5% y/y, to 7.1m t.

## Consumption

Global consumption is projected to increase by 1% y/y in 2023/24, to 520m t, as population growth boosts requirements in key consuming regions. However, uptake in Asia is seen broadly unchanged y/y, at about 444m t; this would be slightly below previous peaks owing to lower feed use in China, and as dietary changes cap food uptake in some markets.

## Stocks

Following two successive seasons of decline, global stocks are tentatively anticipated to expand in 2023/24, to 173.2m t (171.4m). However, much hinges on broadly positive crop outcomes in major producers, notably in **India** where inventories could edge up, to 32.4m t.

## Trade

The outlook for trade in rice in 2024 (Jan/Dec) remains highly tentative at this stage and will ultimately be shaped by a range of factors. Nonetheless, volumes are projected to rise by 2% y/y, to 53.8m t, albeit remaining below the 2022 all-time peak.

Sub-Saharan African imports are expected to increase, in line with long-term trends, with arrivals placed at 20.5m t (19.2m). Among other key regions, deliveries to markets in Pacific Asia could retreat, led by a marked contraction in **Indonesian** arrivals, to 0.4m t (1.6m).

With **India's** exports potentially still capped by restrictions on the sale of 100% broken, dispatches may be little-changed y/y, at 20.7m t. Assuming a much improved local outturn, shipments by **Pakistan** could rebound to 4.1m t (3.8m), albeit remaining below earlier highs.

Elsewhere, shipments by Thailand and Vietnam may be little changed, but the US is expected to sell more following an improved crop.

## RECENT MARKET DEVELOPMENTS

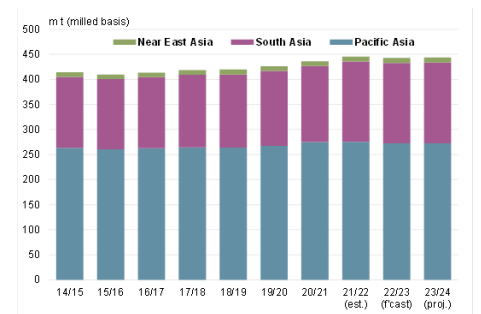
International rice prices increased over the past month, the IGC GOI rice sub-index rising by 2% m/m.

In **Thailand**, fob prices for 5% broken firmed by US\$15, to US\$494 fob Bangkok, owing to strength in the domestic market as exporters purchased supplies to cover previously agreed sales, albeit as fresh demand remained subdued. Indian prices were mixed, as tight export availabilities supported white rice, while slow buying interest ahead of rabi-crop harvesting weighed on parboiled values. Elsewhere, offers in Pakistan were underpinned by tight supplies, while Vietnamese quotations ticked higher on local market strength.

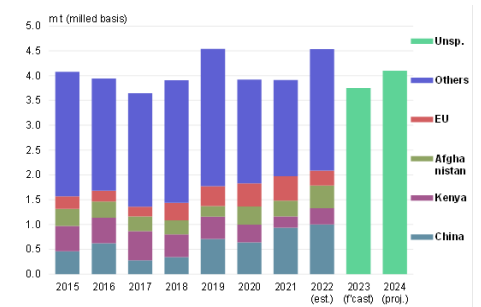
## 9. Rice: Production in selected countries

m t (milled basis)	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
India	124.4	129.5	130.8	132.5	+ 1.3%
Vietnam	27.8	28.5	27.7	28.1	+ 1.5%
Thailand	18.9	19.9	20.2	20.7	+ 2.5%
USA	7.2	6.1	5.1	6.3	+23.7%
Pakistan	8.3	8.7	6.7	8.5	+ 28.0%
<b>Selected others</b>					
China	148.3	149.0	146.0	148.9	+ 2.0%
Indonesia	34.5	34.4	34.0	35.1	+ 3.2%
Bangladesh	34.6	35.8	36.3	36.3	- 0.1%
Philippines	12.9	13.0	12.9	13.2	+ 2.8%
Brazil	8.0	7.3	6.8	7.1	+ 4.6%
<b>World total</b>	<b>509.6</b>	<b>514.9</b>	<b>508.9</b>	<b>521.3</b>	+ 2.4%

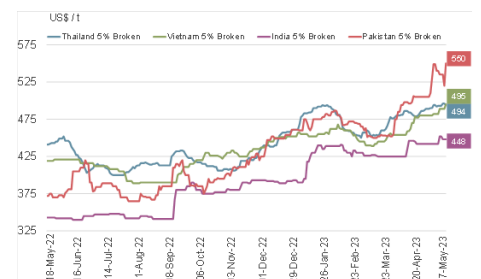
## 10. Rice: Consumption in Asia



## 11. Rice: Exports by Pakistan



## 12. Rice: Export prices May 2022 – May 2023



# Soyabeans

## OUTLOOK FOR 2022/23

*In a year of contrasting fortunes in South America, world output is seen 4% higher y/y.*

*Total use is set to fall as a contraction in uptake in Argentina outweighs gains in other key consumers.*

*Major exporters' reserves are predicted to remain below average.*

*Trade is forecast to rise by 12m t y/y.*

## Production

With bigger or record crops in Brazil, Asia and the Black Sea region more than compensating for smaller harvests in the US and Argentina, global production in 2022/23 is seen expanding by 4% y/y, to 369m t.

Nevertheless, this falls well short of initial expectations and stems from the impact of sustained suboptimal conditions for crop development in **Argentina**. With harvesting thus far confirming substantially below-par yields, the forecast for 2022/23 output is cut by 2.5m t, to 23.0m.

In **Brazil**, where threshing is largely complete, recent official data point to better than anticipated crops in Northern and Centre-West states. Consequently, the figure for production in 2022/23 is placed slightly higher m/m, at 154.5m t (126.5m). Elsewhere, the estimate for **Paraguay** is maintained at 9.0m t (4.3m).

## Consumption

Despite prospects for expanded production and trade, the Council expects a further marginal decline in world utilisation as an unprecedented contraction in processing in Argentina outweighs gains in other key consumers, including the US, Brazil and China.

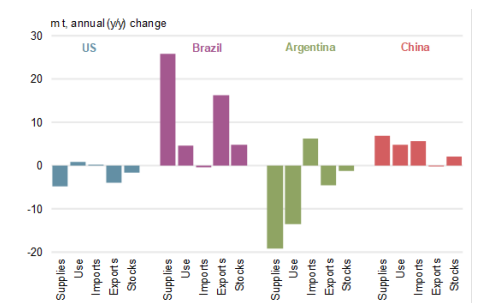
While crushers in **Argentina** are expected to import record volumes, availabilities for processing are still set to tighten markedly on a poor harvest. Trimmed by 1.2m t m/m, local use is seen falling by about 30%

## 1. Soyabeans: Supply and demand summary

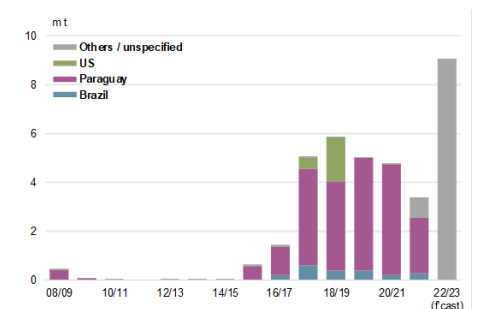
m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Opening stocks	54	55	45	50	+11.3%
Production	370	356	369	403	+9.3%
<b>Total supply</b>	<b>425</b>	<b>411</b>	<b>414</b>	<b>453</b>	<b>+9.5%</b>
<b>Total use</b>	<b>370</b>	<b>366</b>	<b>364</b>	<b>389</b>	<b>+7.0%</b>
of which: Crush	326	326	325	347	+6.7%
Food	21	20	21	22	+5.6%
Feed	13	12	12	12	+1.6%
<b>Closing stocks</b>	<b>55</b>	<b>45</b>	<b>50</b>	<b>64</b>	<b>+27.5%</b>
Major exporters <sup>a)</sup>	17	11	14	21	+53.4%
<b>Trade (Oct/Sep)</b>	<b>159</b>	<b>156</b>	<b>168</b>	<b>173</b>	<b>+3.1%</b>

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

## 2. Soyabeans: Annual (y/y) changes in balance sheet components



## 3. Soyabeans: Deliveries to Argentina (Oct/Sep)





y/y, to 32.0m, the steep drop manifested in prospects for reduced trade in soya products.

The outlook for **US** uptake is maintained at a record of 63.6m t (62.7m), with **Brazilian** domestic demand seen growing solidly, to 56.6m (52.0m), as a big crop boosts supplies for processing.

## Stocks

World inventories in 2022/23 are forecast at a nominal 50.2m t (45.1m). Although seen edging up, major exporters' reserves are set to remain historically tight, pegged at just 13.5m t (11.4m).

## Trade

Amid heavy and attractively priced Brazilian availabilities, trade is seen advancing solidly in 2022/23 (Oct/Sep), by 8% y/y, to 167.6m t, underpinned by sizeable deliveries to Asia and the Americas.

With processors stepping up purchases in efforts to compensate for a plunge in local production, deliveries to **Argentina** are predicted to more than double during the current (Oct/Sep) trade year, to 9.0m t. While the bulk will be secured from Paraguay, Brazilian exporters are also expected to ship record amounts to the market.

Recent data confirm that **Brazilian** exports continue to progress solidly, February-April dispatches totalling 32.6m t, a 9% y/y gain and the largest ever exported during this period, shaped by demand from crushers in Asia and Argentina. With industry sources suggesting that shipments could be almost 50% higher y/y in May, the stage is set for record volumes. At 93.4m t, exports in 2023/24 (Feb/Jan) are predicted to advance by 21% y/y.

The start of the **Paraguayan** campaign has witnessed heavy shipments to Argentina. With March-April volumes rebounding solidly y/y, to 2.0m t (0.8m), local MY (Mar/Feb) shipments are predicted at 6.1m (2.9m). Despite prospects for sizeable arrivals, **Argentina's** export potential will be greatly restricted by a poor harvest, the 2023/24 (Apr/Mar) full-season tally pegged at just 1.5m t (6.0m).

Amid record processing and tightening inventories, **US** export sales have dwindled over a number of weeks, 2022/23 (Sep/Aug) cumulative commitments now running 13% behind y/y as at early May. For the year in full, dispatches are forecast at a three-year low of 55.0m t (-7%).

**Ukrainian** exporters have ramped up shipments in 2022/23 (Sep/Aug) on large deliveries to the EU and Turkey, with volumes set to total 2.6m t (1.4m).

## OUTLOOK FOR 2023/24

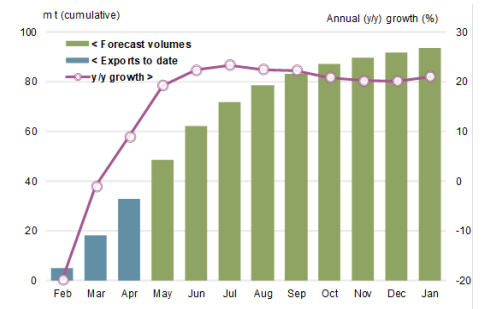
*With heavy crops in major producers anticipated, world output is predicted at a new peak.*

*Chiefly on solid gains in the three majors, utilisation is seen expanding solidly.*

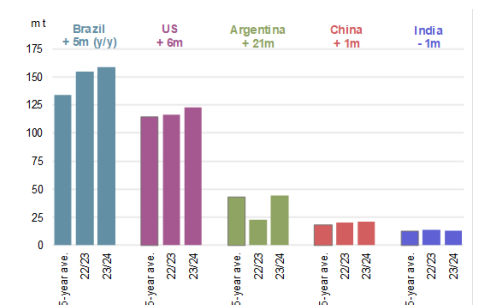
*A heavy crop should also allow for significant stock accumulation.*

*Record trade is anticipated, rising by 3% y/y.*

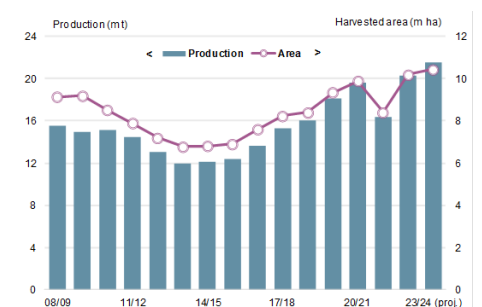
## 4. Soyabeans: Brazilian cumulative (monthly) exports in 2023/24 (Feb/Jan) vs y/y growth



## 5. Soyabeans: Production in selected key countries



## 6. Soyabeans: Harvested area vs production in China



## Production

Based on a record harvested area and an uplift in yields, world production is predicted to expand by 9% y/y, to a peak of 403m t. However, the outlook is particularly tentative since the y/y increase largely hinges on crop outcomes in South America, where planting in key growers will not commence for at least four months; moreover, a rebound in output in Argentina is central to expectations.

**US** production is forecast at a record of 122.7m t, 5% higher y/y, mainly on improved productivity. Seeding has progressed swiftly, to be about half complete by mid-May (27% year ago, 36% five-year average), including solid advances in Illinois, Indiana, Minnesota and Missouri, more than compensating for delays in North Dakota.

Soyabean acreage in **China** is predicted to expand to a peak of 10.4m ha (+2%), the increase reportedly linked to enhanced planting technology and farmer subsidies. With better yields, output is pegged at a high of 21.5m t (20.3m).

With growers seen boosting acreage for the eighteenth consecutive season amid anticipated growth in domestic and export demand, **Brazilian** output in 2023/24 is provisionally seen at a record of 159.0m t (154.5m). In **Argentina**, much will depend on weather patterns and the potential for a recovery in yields, with production provisionally placed at 44.0m t (23.0m).

## Consumption

With the Council anticipating a near-40% expansion of total supplies, world utilisation is predicted to expand strongly in 2023/24, by 25m t y/y, to a record of 389m.

Much of the y/y gain is linked to the major exporters, including record uptake in both the US and Brazil, supported by growing demand for soya oil for biofuels production. However, expectations rest more significantly on the extent to which processing in Argentina recovers, this hinging on a rebound in local output. Assuming this does eventuate, combined consumption in the three majors is projected at a high of 168.2m t (152.2m).

Relatively more modest increases are likely across Asia, led by **China**, where total use is predicted at 117.8m t (+4%). While a new high, it would represent only a 10m t net increase over a six-year period, underscoring that other consumers have also been important in supporting the expansion of global use. Direct food uptake is also seen at a record of 15.7m t (14.7m); with local supplies channelled to the sector, an uplift in demand has coincided with solid increases in domestic output over many years.

## Stocks

Although the Council predicts a solid y/y gain in uptake, a record global outturn should also allow for significant inventory accumulation in 2023/24, predicted at 64.0m t (50.2m). Prospects point to a recovery in major exporters' reserves, potentially increasing by in excess of 50%, to 20.7m t.

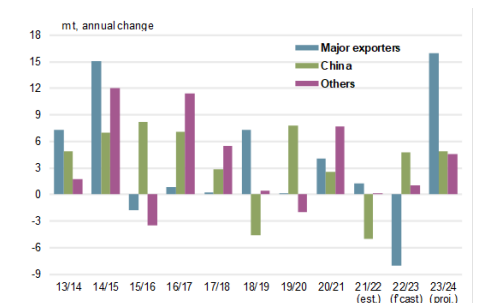
## Trade

Global trade in 2023/24 (Oct/Sep) is projected 3% higher y/y, at a record of 172.8m t. With Argentina's purchases assumed to fall back as

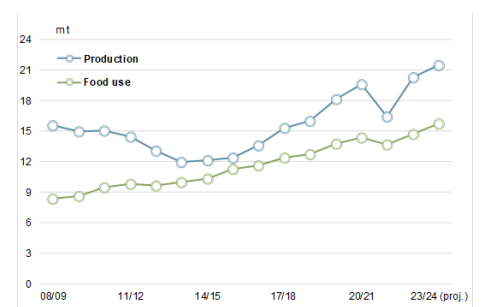
## 7. Soybeans: Production in selected countries

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
USA	114.7	121.5	116.4	122.7	+ 5.5%
Brazil	139.4	126.5	154.5	159.0	+ 2.9%
Argentina	46.2	44.0	23.0	44.0	+ 91.3%
<b>Selected others</b>					
China	19.6	16.4	20.3	21.5	+ 5.9%
India	12.6	13.0	14.0	13.3	- 5.0%
Paraguay	9.8	4.3	9.0	10.0	+ 11.1%
Canada	6.4	6.3	6.5	6.6	+ 0.9%
Russia	4.3	4.8	6.0	6.1	+ 0.8%
Ukraine	2.8	3.4	3.9	4.3	+ 8.4%
Uruguay	1.7	3.0	2.3	2.8	+ 19.6%
<b>World total</b>	<b>370.4</b>	<b>356.4</b>	<b>369.1</b>	<b>403.3</b>	<b>+ 9.3%</b>

## 8. Soybeans: Annual (y/y) changes in consumption



## 9. Soybeans: Production vs direct food use in China



production recovers, the Asian region will likely provide the engine of import demand growth, led by modest gains in China, principally to satisfy feed demand requirements.

Elsewhere, North African arrivals are predicted to increase, but would be well short of past highs owing to another season of below-par Egyptian arrivals. In the EU, where livestock numbers have declined compared to earlier years, arrivals are predicted just a fraction higher y/y, at 14.0m t.

**US 2023/24 (Sep/Aug)** export commitments totalled a meagre 1.9m t by early May, a three-year low and an annual reduction of 83%. The steep fall is explained by a plunge in demand from China as processors looked to Brazil for imports given an attractively priced surplus. Consistent with the normal shift in demand to northern hemisphere supplies later this year, a marked uplift in US exports is anticipated. Nevertheless, prospects are likely to be restricted by domestic requirements and potentially sustained competition from Brazil. Dispatches are predicted at 54.3m t (-1%).

Outlooks for South American suppliers are notional given that respective local marketing years are almost a year away in some cases. On the basis of projected heavy availabilities and improved logistics, Brazilian exporters should be well positioned to absorb the bulk of the overall rise in trade.

### RECENT MARKET DEVELOPMENTS

Reflecting increasingly bearish fundamentals, with sizeable price declines in the US and Argentina, the IGC GOI sub-Index retreated by 8%, to an 18-month low.

CME futures fell by up to 10% as prospects for heavy global supplies pressured. The progressing harvest in Brazil was an especially bearish influence, while seasonally softer demand for **US** old crop supplies weighed. Outlooks for a potentially record 2023/24 US outturn, planting of which advanced swiftly, added to the negative tone, with a drop in soya product values pressuring at times. With basis levels broadly steady m/m, Gulf quotations retreated by 11%, to US\$525 fob.

Up River values in **Argentina** largely tracked the US market lower, falling by 10%, to US\$515 fob, but were nominally quoted. In contrast, the drop in **Brazilian** values (Paranagua) was relatively modest, at 3%. To a large extent, this was linked to the steeper declines of earlier as harvesting got underway. While the Brazilian-US fob price spread narrowed, supplies were still competitively priced, at US\$468 fob.

## Rapeseed Canola

### OUTLOOK FOR 2022/23

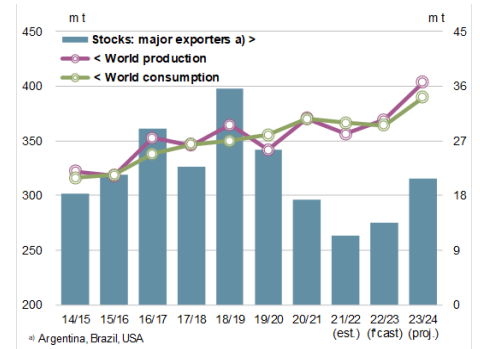
*Global production reached an unprecedented high in 2022/23.*

*Amid heavy supplies, total use is seen reaching a new peak.*

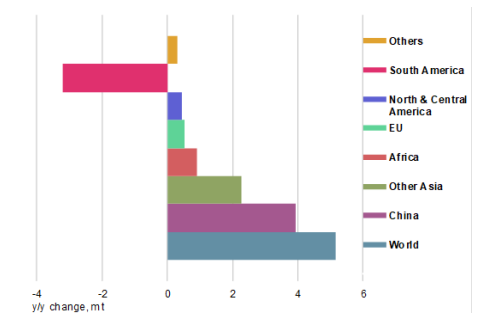
*Stocks are set to accumulate markedly.*

*Record trade is anticipated.*

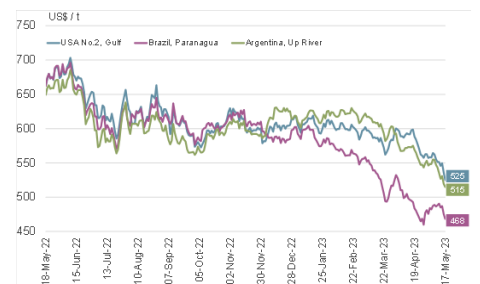
### 10. Soyabeans: World supply and demand



### 11. Soyabeans: Annual (y/y) change in arrivals



### 12. Soyabeans: Export prices: May 2022 – May 2023



## Production

Placed marginally higher m/m to reflect historic adjustments for South Asian producers, 2022/23 world rapeseed/canola output is estimated up by almost one-fifth y/y, at a peak of 87.4m t.

## Consumption

Global consumption is seen reaching a new high of 85.5m t (76.0m). This includes solid gains in EU uptake, linked to expanded demand for rapeseed/canola products from feed and industrial sectors, also partly reflecting tighter supplies of alternative derivatives.

## Stocks

Given a much improved supply backdrop, 2022/23 world inventories may expand by as much as 50%, to 5.4m t, the most in three years, including heavy gains in Australia.

## Trade

Expectations for trade in 2022/23 (Oct/Sep) are trimmed from before, albeit remaining at a peak of 19.3m t (14.6m).

Amid uncertainties surrounding near-term (cross-border) arrivals from Ukraine, shipments to the **EU** are seen 0.3m t lower m/m, at 6.4m (6.5m). Elsewhere, deliveries to **China** are placed slightly higher m/m, at 3.6m t (1.3m), to reflect heavier than anticipated purchases from Canada. In contrast, the forecast for **Japan's** imports is cut by 0.4m t, to 2.2m (2.0m).

**Canada's** (Oct/Sep) exports are seen rebounding by almost 70% y/y, to 8.6m t, while a bumper outturn could see **Australian** shipments reach a peak of 5.7m (5.5m). In contrast, expectations for **Ukrainian** (Oct/Sep) dispatches are cut by 0.3m t m/m, to 3.0m (2.7m), still above average.

Among minor suppliers, **EU** exports have progressed solidly to date, with local MY (Jul/Jun) shipments placed at an eight-year high of 480,000t (420,000t).

## OUTLOOK FOR 2023/24

*Another sizeable global outturn is anticipated.*

*World utilisation is seen edging up to a fresh high.*

*Stocks may be little-changed y/y as a drawdown in Australia is offset by gains elsewhere.*

*Trade could decline from the prior year's record.*

## Production

Although the projection for global production in 2023/24 is pegged slightly higher m/m, the underlying picture is unchanged: with bigger or above-average outcomes expected in all major growers, another heavy world outturn is predicted, placed at 86.4m t (87.4m).

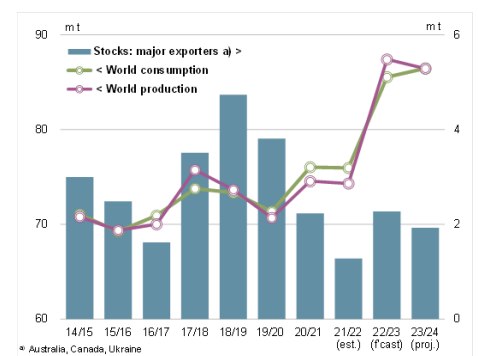
With generally favourable conditions for crop development prevailing across core producing regions, the Council's forecast for **EU** rapeseed output is updated slightly, to a five-year peak of 20.0m t (19.5m). Bigger

## 1. Rapeseed/canola: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
Opening stocks	6.7	5.2	3.6	5.4	+ 52.5%
Production	74.6	74.3	87.4	86.4	- 1.1%
<b>Total supply</b>	<b>81.2</b>	<b>79.5</b>	<b>91.0</b>	<b>91.9</b>	<b>+ 1.0%</b>
<b>Total use</b>	<b>76.0</b>	<b>76.0</b>	<b>85.5</b>	<b>86.5</b>	<b>+ 1.1%</b>
of which: <i>Crush</i>	73.0	72.7	81.5	82.3	+ 1.0%
<i>Feed</i>	2.2	2.2	2.8	2.8	+ 1.1%
<i>Food</i>	0.8	0.8	0.8	0.8	-
<b>Closing stocks</b>	<b>5.2</b>	<b>3.6</b>	<b>5.4</b>	<b>5.4</b>	<b>- 0.4%</b>
<i>Major exporters<sup>a)</sup></i>	2.2	1.3	2.3	1.9	- 15.0%
<b>Trade (Oct/Sep)</b>	<b>16.5</b>	<b>14.6</b>	<b>19.3</b>	<b>18.9</b>	<b>- 1.8%</b>

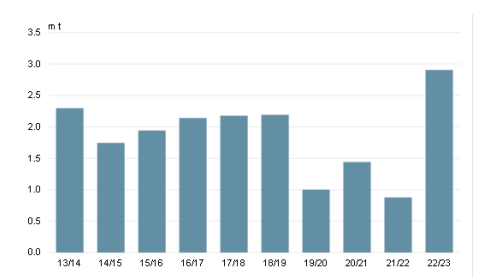
<sup>a)</sup> Australia, Canada, Ukraine

## 2. Rapeseed/canola: World supply and demand



<sup>a)</sup> Australia, Canada, Ukraine

## 3. Rapeseed/canola: Shipments by Canada to China (January-March)



outturns in France, Germany and Romania are anticipated, contrasting with a slightly reduced harvest in Poland.

At 8.7m ha, **Canadian** canola sowings are officially projected little-changed y/y in 2023/24. However, since the number was based on a grower survey conducted between mid-December and mid-January, the outlook is somewhat tentative given that a softening of international values in the period since may have encouraged some farmers to slightly alter seeding intentions. Nonetheless, amid prospects for another year of high local utilisation and record world trade, the Council expects harvested area to edge up as production rises to 18.5m t (18.2m).

The Council projects a significant contraction in **Australian** output in 2023/24. Amid ample global export availabilities and a steep retreat in fob quotations over the past year, growers will likely scale back sowings. However, much of the predicted near-30% decline in output, to 5.8m t, stems from expectations for below-trend yields; although early conditions for plantings were favourable, long-range outlooks point to hotter, drier weather, consistent with a shift to an El Niño event.

## Consumption

Consumption growth in 2023/24 is expected to be relatively modest, albeit as total use reaches a new peak. Uptake in China is predicted to rise to 18.5m t (18.1m), with crush volumes likely partly underpinned by demand for rapeseed/canola meal from the country's sizeable aquaculture sector.

## Stocks

World stocks in 2023/24 are projected little-changed y/y, at 5.4m t, including gains in the **EU**, where a large local outturn and another season of solid arrivals may push inventories up to 0.8m (0.6m). However, major exporters' reserves are predicted to decline by 15% y/y, including a sharp fall in Australia.

## Trade

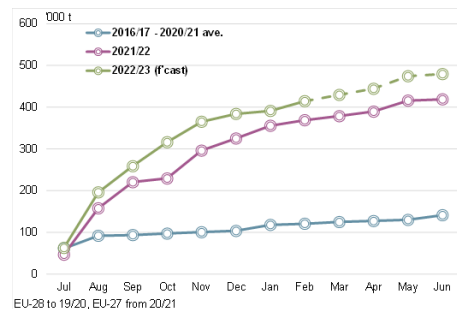
World trade is tentatively seen retreating by 2% y/y in 2023/24 (Oct/Sep), to 18.9m t. Demand from key buyers in Asia is anticipated broadly steady y/y, including sizeable dispatches to China as demand for rapeseed/canola products underpins requirements. However, the US and the EU may secure less given potentially improved harvests.

Assuming another decent harvest boosts availabilities, **Canada** should retain its position as the largest exporter, its (Oct/Sep) shipments reaching 8.7m t (8.6m). In contrast, a smaller crop is likely to restrict the ability of **Australian** exporters to respond to global demand. Nevertheless, reflecting larger carry-in stocks, dispatches are placed at an above-average 5.1m t (5.7m).

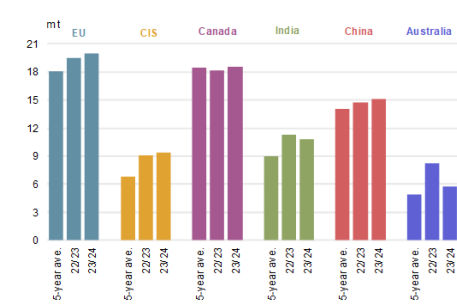
## RECENT MARKET DEVELOPMENTS

ICE canola futures retreated 8% m/m as losses in soyabeans and background weakness in global vegetable oil markets pressured, while fob values (Vancouver) also softened. In Australia, ample supplies continued to weigh, quotations (Kwinana) falling by US\$42, to US\$563.

## 4. Rapeseed/canola: EU exports (Jul/Jun)



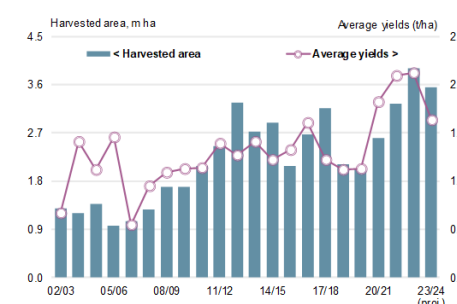
## 5. Rapeseed/canola: Production in selected countries



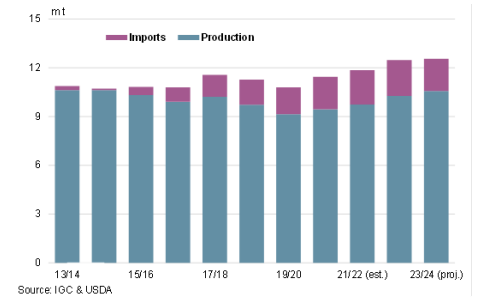
## 6. Rapeseed/canola: Production in selected countries

mt	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
Canada	19.5	13.8	18.2	18.5	+1.8%
Australia	4.8	6.8	8.3	5.8	-29.9%
Ukraine	2.6	2.9	3.7	3.8	+1.5%
<b>Selected others</b>					
EU	16.7	17.1	19.5	20.0	+2.4%
China	14.0	14.7	14.7	15.1	+3.0%
India	8.5	10.5	11.3	10.9	-4.0%
Russia	2.6	2.8	4.5	4.8	+6.1%
USA	1.6	1.2	1.7	1.8	+4.8%
<b>World total</b>	<b>74.6</b>	<b>74.3</b>	<b>87.4</b>	<b>86.4</b>	<b>-1.1%</b>

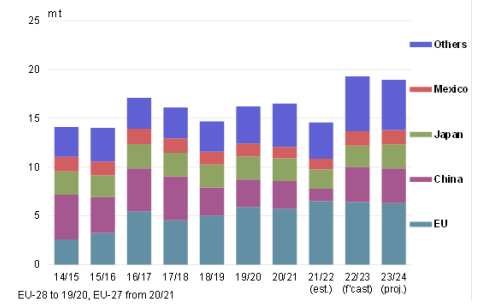
## 7. Canola: Harvested area vs average yields in Australia



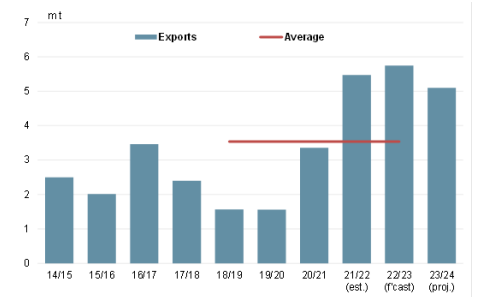
## 8. China: Production and imports of rapeseed/canola meal



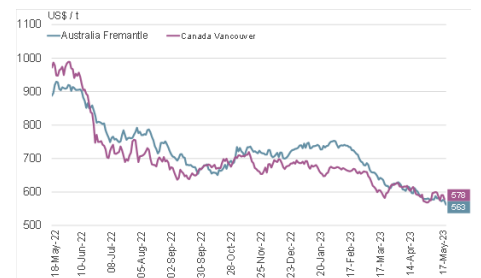
## 9. Rapeseed/canola: World imports



## 10. Canola: Australian exports



## 11. Canola: Export prices: May 2022 – May 2023



# Sunflowerseed

## SUPPLY/DEMAND OUTLOOK

*Global production is predicted to rebound in 2023/24 on better crops in the EU and the Black Sea region.*

*World uptake is seen registering two consecutive years of growth.*

*Inventories are predicted to tighten across the forecast period.*

*Trade is projected to contract in 2023/24, albeit with volumes still the third largest on record.*

## OUTLOOK FOR 2022/23

Reflecting smaller harvests in the EU and the Black Sea region, world **output** is estimated some 8% smaller y/y. In Argentina, where cutting was recently completed, production is maintained at an above-average 3.9m t (4.0m). With global **consumption** seen edging up, **inventories** are set to decline.

**Trade** is forecast to expand solidly, to a peak of 4.8m t (4.1m), near-entirely linked to bigger shipments by Ukraine – across western borders and from Black Sea ports – to buyers in the EU and Near East Asia (Turkey). After totalling an unprecedented 1.7m t in September-March, Ukrainian shipments are expected to tail off markedly, but with the full MY (Sep/Aug) still placed at a record of 2.4m t, a near-50% y/y gain. Among other key suppliers, volumes are forecast little-changed y/y.

## OUTLOOK FOR 2023/24

Amid potentially bigger crops in key producers, global **output** is seen rebounding in 2023/24, to 55.3m t (51.9m). Prospects for a better season in the EU are central to the Council's expectations; while growers may scale back plantings slightly given a sizeable fall in quotations for sunflowerseed and derivatives over the past year, yields are predicted to recover on improved growing conditions. Linked to better harvests in Hungary and Romania in particular, output is seen expanding by 14% y/y, to 10.5m t.

Planting in Ukraine was officially estimated to be complete on 2.7m ha (1.5m year ago) as at 12 May. Including a notional figure for acreage in uncontrolled territories, total harvested area is seen expanding solidly, by 11% y/y; together with below-trend yields, production is tentatively predicted at 13.5m t (12.2m).

With a further uplift in processing and total **use** anticipated amid expanding local and international demand for sunflower products, world **inventories** in 2023/24 are projected to tighten further, led by a reduction in Ukraine; at 1.3m t (1.7m), stocks in that country would be around two-thirds smaller than two seasons earlier.

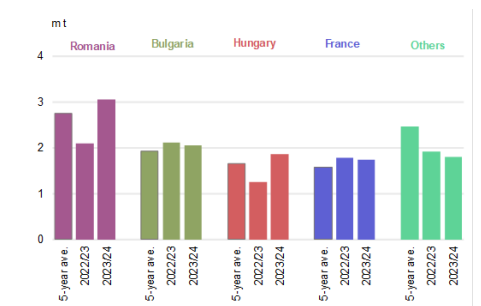
Amid expectations for an improved domestic outturn, shipments to the EU are projected to contract sharply in 2023/24, to 1.4m t (2.3m), in line with average and likely comprising sizeable, albeit smaller, arrivals from Ukraine. With deliveries to Near East Asia seen broadly unchanged y/y, world **trade** is predicted to decline by 15% y/y, to 4.0m t. Although

## 1. Sunflowerseed: Supply and demand summary

m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
Opening stocks	3.1	2.3	6.9	5.0	-28.0%
Production	48.3	56.3	51.9	55.3	+6.5%
<b>Total supply</b>	<b>51.4</b>	<b>58.6</b>	<b>58.8</b>	<b>60.3</b>	<b>+2.5%</b>
<b>Total use</b>	<b>49.1</b>	<b>51.7</b>	<b>53.9</b>	<b>56.0</b>	<b>+3.9%</b>
of which: Crush	44.8	47.5	48.9	49.8	+2.0%
Feed	2.2	2.1	1.8	1.9	+3.2%
Food	2.2	2.1	2.1	2.2	+6.3%
<b>Closing stocks</b>	<b>2.3</b>	<b>6.9</b>	<b>5.0</b>	<b>4.3</b>	<b>-13.1%</b>
Major exporters <sup>a)</sup>	1.0	5.9	4.0	3.4	-13.4%
<b>Trade (Oct/Sep)</b>	<b>2.8</b>	<b>4.1</b>	<b>4.8</b>	<b>4.0</b>	<b>-15.4%</b>

<sup>a)</sup> EU, Moldova, Russia, Ukraine

## 2. Sunflowerseed: EU production by state

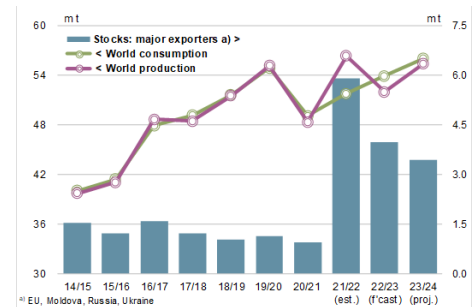


## 3. Sunflowerseed: Production in selected countries

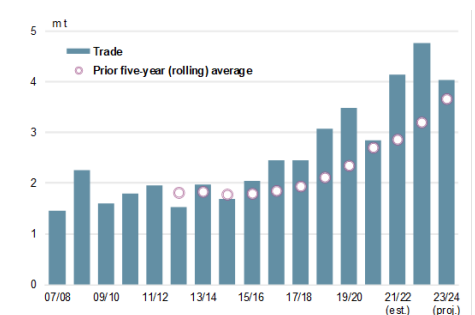
m t	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
EU	9.0	10.4	9.2	10.5	+14.2%
Moldova	0.5	1.0	0.7	0.9	+30.8%
Russia	13.3	15.7	16.0	16.3	+1.9%
Ukraine	13.1	16.4	12.2	13.5	+10.7%
<b>Selected others</b>					
Argentina	3.4	4.0	3.9	4.1	+5.1%
China	2.6	2.4	2.7	2.8	+3.8%
Kazakhstan	0.8	1.0	1.3	1.3	+1.9%
South Africa	0.7	0.8	0.8	0.8	+9.0%
Turkey	1.6	1.8	1.9	2.0	+4.5%
USA	1.4	0.9	1.3	1.1	-13.8%
<b>World total</b>	<b>48.3</b>	<b>56.3</b>	<b>51.9</b>	<b>55.3</b>	<b>+6.5%</b>

volumes are anticipated to fall, mirroring the reduction in EU imports, Ukraine should remain the biggest exporter.

#### 4. Sunflowerseed: World supply and demand



#### 5. Sunflowerseed: World trade vs prior five-year (rolling) average



## Pulses

### OUTLOOK FOR DRY PEAS SUPPLY AND DEMAND

*World production is expected to increase for a second consecutive year in 2023/24.*

*Amid expanded supplies, consumption is predicted to rise.*

*Linked to accumulation in key exporters, inventories are seen up by one-fifth y/y.*

*Trade is projected broadly steady in 2023/24.*

### OUTLOOK FOR 2022/23

Global dry peas **production** is forecast to expand by 11% y/y, to 13.7m t, underpinned by growth in key suppliers. **Consumption** is seen only modestly higher y/y, at 12.7m t, as increases in China, Russia and Canada are mostly countered by decreases elsewhere. Led by a build-up in Russia, **stocks** are expected to grow by nearly two-thirds y/y, to 2.5m t.

**Trade** in 2023 (Jan/Dec) could increase by 7% y/y, to 5.3m t, on a rebound in Chinese demand, to 1.9m t (+13%). Buying by Bangladesh could also surge, by more than 60% y/y, given a large surplus in Canada. Moreover, reflecting a strong pace of shipments during early 2023, with

#### 1. Dry peas: Supply and demand summary

mt	20/21	21/22 (est.)	22/23 (f'cast)	23/24 (proj.)	y/y change
Opening stocks	1.6	1.8	1.5	2.5	+ 61.7%
Production	14.9	12.4	13.7	14.0	+ 2.5%
<b>Total supply</b>	<b>16.5</b>	<b>14.2</b>	<b>15.2</b>	<b>16.5</b>	<b>+ 8.5%</b>
<b>Total use</b>	<b>14.7</b>	<b>12.6</b>	<b>12.7</b>	<b>13.5</b>	<b>+ 6.5%</b>
<b>Closing stocks</b>	<b>1.8</b>	<b>1.5</b>	<b>2.5</b>	<b>2.9</b>	<b>+ 19.0%</b>
<i>Major exporters<sup>a)</sup></i>	<i>1.5</i>	<i>1.1</i>	<i>2.0</i>	<i>2.6</i>	<i>+ 26.3%</i>
<b>Trade (Jan/Dec)</b>	<b>5.5</b>	<b>4.9</b>	<b>5.3</b>	<b>5.3</b>	<b>+ 0.8%</b>

a) Australia, Canada, EU, Russia, USA  
EU-28 to 19/20. EU-27 from 20/21.



around half destined for China, Canadian shipments are forecast at 2.6m t (+20%). Dispatches by Turkey, which include re-exports, are seen little-changed y/y, at 0.3m t.

## OUTLOOK FOR 2023/24

**Production** is projected at a three-year peak of 14.0m t (+3%) in 2023/24, underpinned by gains in Russia, the EU and the US. USDA's (March) Prospective Plantings report predicted a slight y/y increase in US planted area, including expanded sowings in Montana, North Dakota and Idaho. Based on a normal abandonment rate and average yields, output is forecast to increase by 46% y/y, to 0.7m t. Sowings are underway, with progress in Montana and North Dakota pegged at 55% and 22% done, respectively, as at mid-May, behind average in both cases.

In contrast, Canadian output is set to drop by 5% y/y, to 3.3m t, linked to a reduced planted area owing to competition from alternative crop options, also reflecting large carry-in stocks and softer than expected export demand. Seeding is underway in Saskatchewan, but with delays due to suboptimal conditions during April.

**Consumption** could grow by 6% y/y, to 13.5m t, shaped by demand from China, Russia, Canada and the EU, while **stocks** are pegged at 2.9m, up by 19% y/y on accumulation in key suppliers. **Trade** in 2024 (Jan/Dec) is tentatively seen broadly steady y/y, at 5.3m t.

## OUTLOOK FOR PULSES TRADE

Mainly due to updated figures for dry peas and lentils, the outlook for world pulses trade in 2023 (Jan/Dec) is lifted by 0.8m t from March, to 18.2m t, a 5% y/y gain.

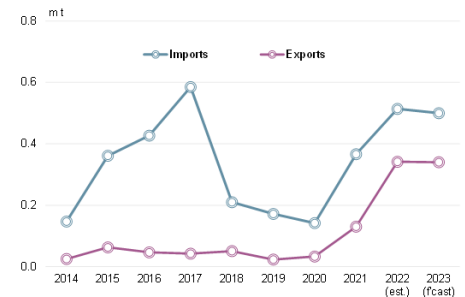
After contracting to a seven-year low in the prior year, dry peas import demand is predicted to climb by 7% y/y, to 5.3m t.

Trade in lentils could reach a three-year high of 4.4m t (+8%), mainly on firm demand in India, placed at 0.8m (+12%). This is inked to the relaxation of a tariff on imports and a poor 2022/23 pigeon pea crop, which is likely to result in larger purchases. Due to a record crop in 2022/23 and a strong pace of shipments to date, including to India, Turkey and the UAE, Australian exports are pegged at 1.3m t, up by one-quarter y/y. Shipments by Canada are seen slightly higher y/y, at 2.0m t.

Chickpeas trade flows are seen gaining by 7% y/y, to 1.9m t. Shipments to Bangladesh are expected to rise by around one-fifth y/y, to 0.4m t. Accordingly, and also taking account of a large surplus owing to two successive decent crops, dispatches by India are expected to reach 0.3m t (+28%). Demand in Pakistan is forecast steady y/y, at 0.4m t.

Supported by deliveries to China and India, trade in urd/mung beans is projected at 2.1m t (+1%). Kidney beans purchases are placed at 1.6m t (+1%), with broad beans at 1.3m (-1%).

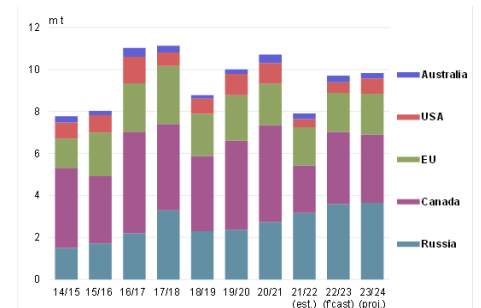
## 2. Dry peas: Turkey exports and imports



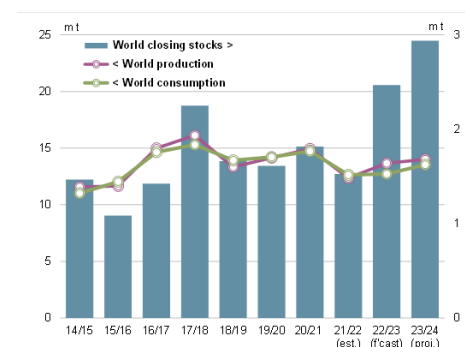
## 3. Dry peas: Production in selected countries

Country	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
<b>Major exporters</b>					
Canada	4.6	2.2	3.4	3.3	-5.1%
EU	2.0	1.8	1.9	1.9	+4.1%
Russia	2.7	3.2	3.6	3.7	+1.4%
Ukraine	0.5	0.6	0.3	0.3	+12.0%
USA	1.0	0.4	0.5	0.7	+45.6%
<b>Selected others</b>					
Australia	0.4	0.3	0.3	0.3	-20.3%
India	0.9	0.9	0.9	1.0	+7.3%
<b>World total</b>	<b>14.9</b>	<b>12.4</b>	<b>13.7</b>	<b>14.0</b>	<b>+2.5%</b>

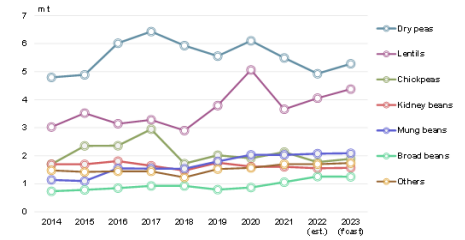
## 4. Dry peas: Production in major exporters



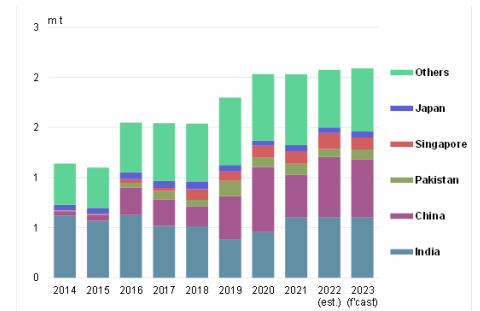
## 5. Dry peas: World supply and demand



## 6. Pulses: World trade (Jan/Dec)



## 7. Pulses: Urd/mung bean demand (Jan/Dec)



# Ocean Freight

## OCEAN FREIGHT MARKET DEVELOPMENTS

The dry bulk freight complex was mixed during the past month. While the Baltic Dry Index rose by 4%, the upswing was entirely linked to a rebound in average Capesize values, while rates in the grains and oilseeds segments continued to slide, led by a steep drop in Panamax earnings. While holidays in some regions curtailed activity at times, overall demand for commodities has fallen short of expectations thus far during the second quarter. Despite recent divergent trends, rates across all bulker sizes were quoted sharply lower y/y as at mid-May.

Despite recent weakness in some vessel segments, brokers pointed to potential upside in the medium-term, as new emissions-related requirements, which formally entered into force on 1 January 2023, were expected to tighten vessel supply and lead to slower bulker speeds, while also resulting in additional compliance costs.

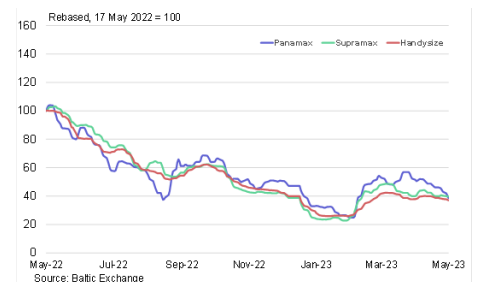
A 33% m/m rebound in **Capesize** rates was driven by a continued upturn in coal and iron ore shipments from Australia. Signs of tightening tonnage availability in the Atlantic amid increased demand for shipments out of Brazil and West Africa were also termed supportive. Recent trade statistics from China were deemed positive for Capesize earnings, as

## 1. Summary of dry bulk freight markets

4 Jan 1985 = 1000	GMR 543	m/m change*	y/y change
<b>Baltic Dry Index (BDI)</b>	<b>1425</b>	+ 3.9%	- 54.0%
Capesize sub-Index	<b>2184</b>	+ 32.9%	- 44.7%
Panamax sub-Index	<b>1260</b>	- 24.0%	- 61.3%
Supramax sub-Index	<b>1090</b>	- 5.3%	- 60.3%
Baltic Handysize Index (BHSI) **	<b>617</b>	- 3.4%	- 62.9%

Source: Baltic Exchange \* Change vs GMR 542, \*\* 23 May 2006 = 1000.

## 2. Baltic Indices: Grains and oilseeds carrying sectors



data showed a y/y upturn in coal and iron ore arrivals in April, even if the volume for the latter was down compared to the month before.

Weakness in the **Panamax** sector partly stemmed from lower-than-expected soyabean imports by China, with April arrivals 10% lower y/y, in part due to customs-related delays and increased port inspections.

**Supramax** rates also eased on low enquiry levels in the Mediterranean and the Black Sea region, coupled with coal supply issues in Indonesia, where heavy rains and landslides affected mining operations and transportation. Likewise, limited activity in Europe and the Mediterranean weighed on **Handysize** earnings.

Softer fuel prices and timecharter rates contributed to a 10% m/m drop in the IGC Grains and Oilseeds Freight Index (GOFI), with weakness most pronounced in rates out of Australia and Brazil.

### 3. IGC Grains & Oilseeds Freight Index (GOFI)

Jan 20 19 = 100	GMR 543	m/m change*	y/y change
<b>IGC GOFI</b>	<b>136</b>	- 9.7%	- 43.1%
Argentina sub-Index	<b>176</b>	- 7.3%	- 41.1%
Australia sub-Index	<b>83</b>	- 14.0%	- 52.3%
Brazil sub-Index	<b>176</b>	- 12.6%	- 43.7%
Black Sea sub-Index	<b>143</b>	- 5.8%	- 40.5%
Canada sub-Index	<b>104</b>	- 7.0%	- 43.8%
Europe sub-Index	<b>117</b>	- 5.9%	- 45.1%
US sub-Index	<b>108</b>	- 9.7%	- 43.6%

\*Change vs GMR 542

### 4. Baltic Dry Index (BDI) and IGC Grains & Oilseeds Freight Index (GOFI)



## National Policy

### LATEST NATIONAL TRADE RELATED MEASURES

**EU:** The European Commission imposed on 2 May 2023 import restrictions on **wheat, maize, rapeseed** and **sunflowerseed** from Ukraine into Bulgaria, Hungary, Poland and Slovakia until 5 June. Ukrainian supplies can be sold and transhipped to other EU states or to markets outside of the EU. (see <https://ec.europa.eu/>)

**EU (France):** ANSES (Agency for Food, Environmental and Occupational Health & Safety) permitted on 20 April 2023 the application of phosphine pesticide on grains exported outside the EU, when required by importing countries. (see <https://www.diplomatie.gouv.fr/>)

**NIGERIA:** On 27 April 2023, the government increased import tariffs on **rice** in packing of more than 5kg or in bulk to 60% (from 50%) and those on **wheat** or meslin **flour** to 70% (50%).

**RUSSIA:** Following the detection of quarantine objects, Rosselkhoznadzor prohibited on 4 May 2023 the import of seeds of **maize** and **sunflowerseed** from eight shipping points in France, Germany, Hungary, Kazakhstan and Turkey.

**TURKEY:** Effective from 1 May 2023, the government set import duties for **wheat, maize, barley, sorghum** and **oats** at 130%. (see <https://www.resmigazete.gov.tr/>)

**UKRAINE:** The government cancelled on 16 May 2023 export licensing requirements for a number of agricultural products, including **millet, oats** and **rye**. (see <https://www.kmu.gov.ua/>)

On 17 May 2023, the Black Sea Grain Initiative was extended for a further two months. (see <https://www.un.org/>)

## OTHER NATIONAL POLICY DEVELOPMENTS

**CHINA:** To support **wheat** production in 22 provinces, the Agriculture Ministry allocated on 27 April 2023 CNY1.6bn (US\$231.0m) in fertiliser and pesticide subsidies. (see <http://www.moa.gov.cn/>)

**EU (Poland):** The government approved on 21 April 2023 PLN10bn (US\$2.4bn) for special support measures for farmers, including increased fuel and **fertiliser** subsidies. Additionally, farmers owning up to 300ha of farmland will receive payments for sales between 15 April and 15 June, to ensure a minimum price of PLN1,400/t (US\$334). (see <https://www.gov.pl/>)

**EU (Romania):** The government authorised on 20 April 2023 the allocation of €20.1m (US\$22.0m) to support domestic cereal growers, evenly split between the EU emergency support and the state budget. (see <https://gov.ro/>)

**RUSSIA:** The government allocated on 12 May 2023 an additional RUB10.0bn (US\$130.0m) to partly compensate domestic farmers for the production and sale of **wheat, rye, barley** and **maize**.

**TUNISIA:** Due to drought curtailing production prospects, the Agriculture Minister increased on 12 May 2023 the domestic **durum** procurement price by 8% from before, to TND1,400/t (US\$451).

## OTHER DEVELOPMENTS

**USA:** As part of its bi-annual assessment and effective from 1 May 2023, CME Group set the daily price trading limit for **soyabean** futures at US\$1.05/bu (US\$1.00 previously), and for CBOT and KCBT **wheat** futures at \$0.60 (\$0.65). **Maize** unchanged from before at US\$0.45. (see <https://www.cmegroup.com/>)

## OTHER DEVELOPMENTS

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# Quarterly Update Industrial

## QUARTERLY UPDATE: INDUSTRIAL USE OF GRAINS

At 365m t, the projection for world industrial use of grains in 2022/23 is 1% lower compared to the previous year's peak, albeit a little higher than the average for the prior five years. Global processing is set to contract after two consecutive years of growth, with slower demand envisaged from all main outlets, including ethanol, starch and brewing. The forecast is trimmed slightly since the March 2023 update (GMR 541), as a fresh downgrade for the manufacture of starch, including in the US and the

EU, is partly offset by an upward revision for fuel ethanol production in the EU.

After plunging by more than 6% in 2019/20, in part due to the impact of the COVID-19 pandemic on fuel demand, the global uptake for ethanol subsequently rebounded strongly and reached a new all-time high in the previous season, led by advances in the US. However, with elevated feedstock prices seen capping margins in some producers, the global uptake of grains for ethanol (including non-fuel uses) is expected to retreat, potentially falling by 1% y/y, to 189m t, including envisaged declines in the top-three processors - the US, the EU and China.

Fuel ethanol production in the US (almost entirely maize-based) is forecast to absorb around 134.4m t of grains this season, down by 1% y/y, but broadly matching the recent average. Following a rebound at the start of the calendar year, US weekly ethanol output has been relatively stable, fluctuating around the 1m t barrel/day mark in the period since, supported by positive production margins. Still, accumulated maize processing for biofuel since the start of MY2022/23 (Sep/Aug) lagged last season by around 3% as at mid-May. US stocks of fuel ethanol exhibited two-sided trends throughout the past year. After hitting a near one-year high in March 2023, inventories subsequently receded and were estimated to be 3% lower y/y as at 12 May.

Overseas demand for ethanol likely provided support to US production in the first quarter of the current year, with trade statistics through March 2023 indicating an uptrend in dispatches, bolstered by robust demand from Canada and the UK. Nonetheless, 2022/23 cumulative exports (Sep/Aug) were still lagging last season by 16% at the end of March, including smaller deliveries to Brazil, India, South Korea and parts of sub-Saharan Africa. Notably, exports to Brazil – a key market in previous years – have been declining over the past five years, with only negligible volumes delivered since June 2022.

Although raised in the past two months, projected use for ethanol in the EU, where producers use both maize and wheat as feedstocks, is set to be the lowest in 11 years, at 10.1m t, down by 1.0m y/y. While some countries continue to maintain or expand national blending mandates, overall production has been contained by poor production margins in the first half of the season.

In China, the uptake for ethanol (mostly maize-based and for non-fuel uses) is also forecast to edge lower this season, to 20.2m t (20.8m), the least in five years. Aside from relatively high maize prices, producers of the biofuel are reportedly faced with stricter government controls amid increased focus on food security.

Contrary to the trends in other main processors, the output of maize-based biofuel in Brazil is set to post an eighth consecutive expansion this season, with around 9.5m t of the grain expected to be utilized (+17% y/y) by 18 maize ethanol plants. Even though maize-based ethanol is mostly consumed domestically, processors, mostly located in the key maize producing states of the Centre-West region, benefit from relatively low feedstock prices and strong local demand for co-products such as Dried Distillers Grains.

Similar to the ethanol industry, the manufacture of starch in the key processors is seen challenged by poor production margins, as weak economic conditions and elevated inflation rates continue to constrict consumption of starch-based products. At a projected 142.5m t, global uptake for starch will be 1% lower y/y, led by a decline in China, by far

## 1. World industrial use of grains, by sector

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
Ethanol	180.9	190.6	188.8	191.6	1.5%
of which: biofuels*	161.1	170.8	168.9	171.7	1.7%
Starch	141.1	143.8	142.5	143.9	1.0%
Brewing	37.2	33.8	33.6	33.5	-0.4%
Others/unspec	0.6	0.8	0.6	0.6	0.0%
<b>TOTAL</b>	<b>359.9</b>	<b>369.0</b>	<b>365.5</b>	<b>369.7</b>	<b>1.1%</b>
of which: USA	161.1	169.6	167.4	168.8	0.9%
China	93.6	93.1	91.9	91.5	-0.5%
EU**	34.4	33.2	31.6	32.2	1.9%
Brazil	12.5	13.7	15.2	17.7	16.0%
Canada	6.0	6.1	6.2	6.3	1.3%
Mexico	4.8	5.0	4.8	4.8	-0.4%
Russia	5.0	4.8	5.0	5.1	2.0%
Japan	4.2	4.4	4.4	4.4	0.0%
Argentina	3.4	3.7	3.7	3.7	0.0%

\* excluding non-fuel uses

\*\* EU-28 to 2019/20, EU-27 from 2020/21

## 2. World use of grains for fuel ethanol

m t	20/21	21/22 (est.)	22/23 (fcast)	23/24 (proj.)	y/y change
<b>USA</b>	<b>128.1</b>	<b>136.1</b>	<b>134.4</b>	<b>135.6</b>	<b>0.9%</b>
of which: maize	127.7	135.3	133.4	134.6	1.0%
sorghum	0.2	0.6	0.8	0.8	0.0%
<b>EU*</b>	<b>10.2</b>	<b>10.3</b>	<b>9.4</b>	<b>9.6</b>	<b>2.1%</b>
of which: maize	5.9	6.3	5.8	5.7	-1.7%
wheat	3.0	2.8	2.4	2.7	12.5%
<b>China</b>	<b>8.1</b>	<b>8.4</b>	<b>7.8</b>	<b>6.8</b>	<b>-12.8%</b>
of which: maize	6.5	7.0	6.4	5.4	-15.6%
<b>Canada</b>	<b>3.8</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>	<b>0.0%</b>
of which: maize	3.4	3.4	3.4	3.4	0.0%
<b>Argentina</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>0.0%</b>
of which: maize	2.2	2.2	2.2	2.2	0.0%
<b>Brazil</b>	<b>6.9</b>	<b>8.1</b>	<b>9.5</b>	<b>11.8</b>	<b>24.2%</b>
of which: maize	6.9	8.1	9.5	11.8	24.2%
Others	1.9	1.9	1.8	1.9	2.4%
<b>TOTAL GRAINS</b>	<b>161.1</b>	<b>170.8</b>	<b>168.9</b>	<b>171.7</b>	<b>1.7%</b>
of which: maize	153.8	163.4	161.8	164.3	1.5%
wheat	5.3	5.0	4.5	4.9	7.0%
sorghum	0.6	1.1	1.3	1.3	0.0%
rye	0.8	0.8	0.8	0.8	0.0%
barley	0.3	0.3	0.3	0.3	0.0%

\* EU-28 to 2019/20, EU-27 from 2020/21

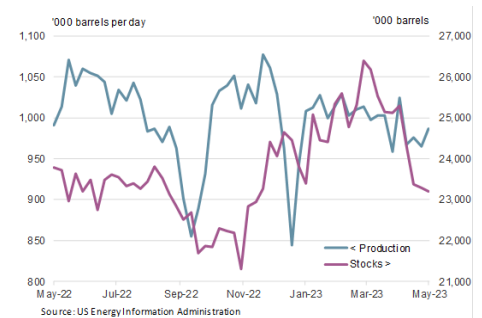
the world's largest producer of grains-based starches accounting for nearly one-half of global output. While utilization rates at China's processing plants are expected to pick up following the removal of COVID-19 related restrictions earlier this year, local sources point to elevated feedstock prices and sustained poor production economics, which can cap output in the coming months. The unofficial ban on starch exports, introduced in July 2022, is also seen as a headwind for the domestic starch production.

Global use by the brewing sector (mostly barley) is projected at 33.6m t, down fractionally from the year before. After a steep decline in 2021/22, demand in the industry held up relatively well this season, with only modest declines envisaged in Mexico, India and parts of sub-Saharan Africa.

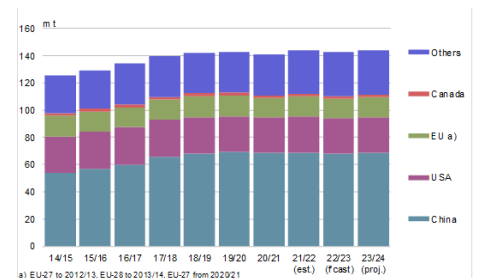
Assuming some improvement in global economic conditions, world industrial use of grains is predicted to rebound in 2023/24, with projected total uptake of 370m t (+1%) slightly above the 2021/22 peak. Expanding use is likely to be driven by maize-based ethanol, notably in Brazil, where three new maize-based ethanol plants are expected to start operation in 2023 or early 2024. Fuel ethanol output in the US is also projected to edge higher y/y, tied to an envisaged uptick in gasoline consumption and ethanol blending rates. The US Environmental Protection Agency has recently sent a final rule on biofuel blending requirements to the White House for review, with the mandates for the next three years expected to be finalised in June this year. While the proposal published in December implied increased blending volumes, the document also included first provisions for electric vehicle manufacturers to generate credits from using biofuels to charge electric vehicles. Modest y/y growth in ethanol output is also predicted in the EU, as some member states expected to continue to implement national biofuel mandates, although with volumes seen below earlier peaks.

Consumption by the global starch industry is projected to climb by 1% y/y, to 144m t, with demand in China and the EU seen rebounding to the 2021/22 levels. In contrast, use for brewing is expected to continue its downtrend, pegged marginally lower y/y, in part owing to shifting consumer preferences.

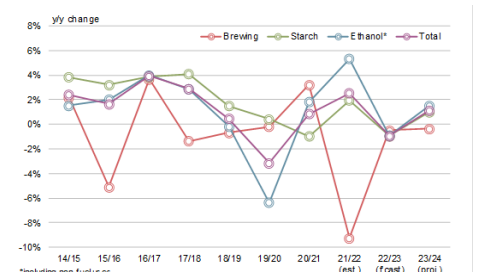
### 3. US: fuel ethanol production and stocks



### 4. World use of grains for starch



### 5. Changes in industrial use of grains, by sector



## Market Focus Millet

### MILLETS: WORLD CONSUMPTION AND TRADE

#### Introduction

Millet is a collective term referring to a diverse group of small-grained dryland cereals, including pearl, proso, foxtail, barnyard, little, kodo, browntop, finger and guinea millets as well as fonio, teff and sorghum. The various millets have different physical and qualitative characteristics, depending on the production environment, especially related to climate and soil types. However, all millets are generally resilient to erratic precipitation, high temperatures and poor quality soils. Most millets grow

quickly and can be cultivated in areas where growing seasons are short. Moreover, with fertiliser and pesticide requirements typically low, millets are an extremely useful option on marginal farmland, with production concentrated in parts of Far East Asia and sub-Saharan Africa.

At its 75th session in March 2021, the United Nations General Assembly declared 2023 the International Year of Millets (IYM 2023). The IYM 2023 will be an opportunity to raise awareness of, and direct policy attention to the nutritional and health benefits of millets and their suitability for cultivation under adverse and changing climatic conditions. The initiative will also promote the sustainable production of millets, while highlighting their potential to provide new sustainable market opportunities for producers and consumers.

The Council's regular analysis has routinely included a comprehensive monitoring of trends in sorghum production, consumption, trade and stocks, as well as market developments. Supply and demand estimates for other millets (hereby referred to as "millets") are assessed separately and are currently included within "other coarse grains."

With millets mainly produced (and consumed) in low- and middle-income countries, there are relatively few sources of official supply and demand information. Even where available, statistics can be inconsistent. Most sources generally combine the various species and varieties of millets but may also include sorghum.

### Production

Annual world production of millets has trended modestly higher in recent decades and averaged 30.5m t in the five years to 2022/23. Harvested area has declined overall, partly because of urbanisation and economic development, as well as broader changes in land use and a shift to more profitable crops. However, acreage losses have been broadly compensated by a slight improvement in yields, albeit with average productivity of less than 1.0 t/ha still significantly lower compared to other grains, including sorghum.

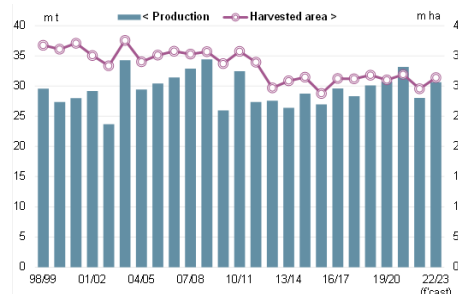
### Consumption

Annual global consumption has mostly exceeded 30.0m t in recent years, with use particularly high in sub-Saharan Africa, which typically accounts for around 45% of the total. Consumption in South Asia (mainly in India) takes a 41% share of global uptake, with a further 10% in Pacific Asia (mainly in China). Use outside of these regions is comparatively small, seen averaging only around 1.2m t per year.

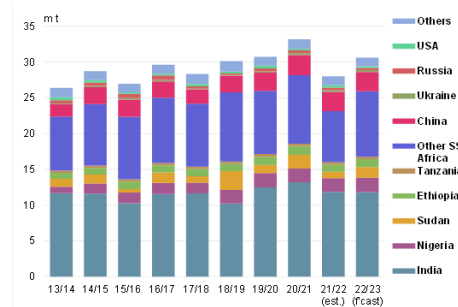
Millets are predominantly used for human food consumption, seen accounting for about three-quarters of overall demand. Millets offer a number of nutritive benefits, providing a good source of minerals, fibre, antioxidants and protein. Millets are a key staple for low-and middle-income groups of countries across sub-Saharan Africa, with particularly high levels of consumption in Niger, Nigeria, Sudan and Ethiopia. While the types of foods and millets-based recipes vary from region to region, it is mostly used for porridges, flat breads, or is steamed and consumed as couscous. They are also an important calorific source in rural parts of Far East Asia, where millets are used in a range of savoury and confectionary dishes. Direct food use remains limited in other countries.

Despite population gains, there has been little overall change in food consumption of millets over the past twenty years or so, restrained by broad changes in dietary preferences, incomes and lifestyle, as well as

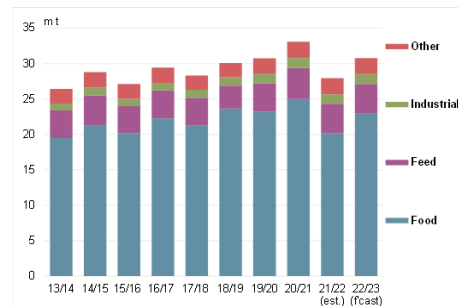
## 1. Millets: World production and harvested area



## 2. Millets: World production



## 3. Millet: World consumption



rural-to-urban migration. Supply-side constraints have also been a factor, as some farmers switched to higher yielding, more profitable alternatives. This is in contrast to a strong uptrend in food demand for some other cereals, particularly wheat and rice, but also maize.

An estimated 4.0m t of millets are directed into livestock feed rations each year, equivalent to around 13% of total uptake. Given their high levels of energy and protein, millets are particularly suitable as an animal feed ingredient, including for poultry, cattle and aquaculture. However, because of their overriding importance as a food source in low- and middle-income countries, coupled with limited, occasionally variable, levels of production and overall low yields, feed consumption remains comparatively low. China and India are the largest two feed consumers, with some expansion noted in the former over recent seasons. In high income countries, is mainly consumed for feed, used extensively as an ingredient in bird seed mixes.

Comparatively smaller amounts of millets are processed for industrial uses, mainly for alcohol production. There has been a sustained upswing in demand in India, where locally-produced pearl millet is widely used by whisky distilleries. Depending on prices and availabilities of competing feedstocks, millets are occasionally processed for the manufacture of starch, but is not generally favoured due to its relatively low starch content. Millets are also used in a range of malted and brewed beverages across sub-Saharan Africa, mainly to produce traditional opaque beer.

### Trade

Most millets are consumed within the country of origin. However, regional, informal cross-border trade is not accounted for and is likely a considerable volume, especially in Africa. On average, trade only accounts for 1% of total production, significantly lower compared to wheat (24%), maize (15%), barley (20%), sorghum (13%), oats (10%) and rye (4%).

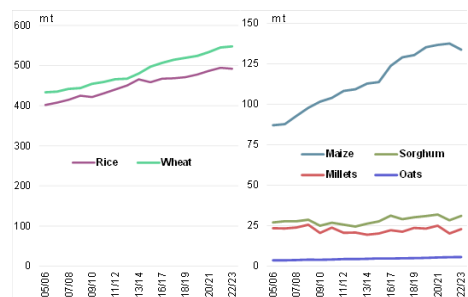
Total trade volumes are typically small, averaging 339,000t in the five seasons to 2022/23 (Jul/Jun), many times lower compared to wheat (187.7m), maize (175.5m), barley (29.9m), sorghum (7.5m) and oats (2.4m), but only about 20% below rye (435,000t).

There have been mixed trends in world millets trade, with volumes over the past decade ranging from 423,300t in 2017/18, to an estimated 279,000t in 2022/23, the lowest in recent history.

The EU has emerged as the world's largest importer, with arrivals recently averaging 51,000t per year, followed by Indonesia (41,000t), Turkey (31,000t), UAE (15,800t), Saudi Arabia (13,500t) and Canada (11,000t). Available statistics show that sub-Saharan Africa remains a relatively small importer, with average regional purchases estimated at 33,900t over the past decade. However, it is likely that, similar to other cereals, sizeable unrecorded volumes of millets are moved informally across African borders.

World exports are dominated by four countries (Ukraine, Russia, India and the US), which together make up 70% of total recorded shipments. Ukraine is normally the world's largest supplier, shipping about 76,300t annually, mainly destined for the EU, but with smaller markets too, across Asia and Africa. Despite challenges related to the ongoing events in the Black Sea region, Ukrainian exports have held up quite well over the past

## 4. Cereals: Comparison of world food consumption



## 5. Millets: World trade (Jul/Jun)

IMPORTS	tons				
	18/19	19/20	20/21	21/22 (est)	22/23 (fcast)
<b>EUROPE</b>	<b>28,584</b>	<b>73,670</b>	<b>72,073</b>	<b>49,337</b>	<b>70,000</b>
EU*	25,077	71,238	58,648	33,498	53,000
United Kingdom**	-	-	11,446	13,455	16,000
Others	3,508	2,432	1,978	2,384	1,000
<b>CIS</b>	<b>1,509</b>	<b>851</b>	<b>1,330</b>	<b>4,076</b>	<b>3,000</b>
<b>N &amp; C AMERICA</b>	<b>19,976</b>	<b>18,926</b>	<b>36,572</b>	<b>19,063</b>	<b>17,000</b>
Canada	14,195	14,325	18,266	9,066	10,000
Mexico	3,009	2,657	3,792	4,859	4,000
USA	393	593	12,577	2,898	1,000
Others	2,379	1,352	1,938	2,239	3,000
<b>S AMERICA</b>	<b>3,641</b>	<b>1,209</b>	<b>7,184</b>	<b>12,762</b>	<b>5,000</b>
Brazil	2,000	256	6,330	10,503	3,000
Others	1,641	952	855	2,260	1,000
<b>ASIA</b>	<b>211,233</b>	<b>178,004</b>	<b>208,805</b>	<b>178,129</b>	<b>148,000</b>
<b>NEAR EAST ASIA</b>	<b>67,974</b>	<b>62,093</b>	<b>83,695</b>	<b>80,665</b>	<b>80,000</b>
Qatar	934	2,046	2,478	2,430	2,000
Saudi Arabia	8,140	13,298	13,228	14,804	20,000
Turkey	12,887	21,306	26,781	32,796	22,000
UAE	16,998	8,809	19,165	13,765	20,000
Yemen	6,206	2,576	4,163	2,747	5,000
Others	22,809	14,059	17,880	14,122	11,000
<b>PACIFIC ASIA</b>	<b>116,613</b>	<b>108,936</b>	<b>115,957</b>	<b>94,553</b>	<b>52,000</b>
Indonesia	55,000	79,808	72,038	59,941	20,000
Philippines	3,997	1,027	2,914	5,434	8,000
Thailand	7,038	4,660	8,920	7,429	8,000
Others	50,577	23,441	32,085	21,749	16,000
<b>SOUTH ASIA</b>	<b>26,646</b>	<b>6,975</b>	<b>9,153</b>	<b>2,912</b>	<b>16,000</b>
Bangladesh	79	128	936	680	8,000
Nepal	1,328	1,477	2,389	567	4,000
Others	26,568	6,847	5,828	1,666	4,000
<b>AFRICA</b>	<b>62,584</b>	<b>40,396</b>	<b>49,993</b>	<b>25,329</b>	<b>33,000</b>
<b>NORTH AFRICA</b>	<b>15,992</b>	<b>20,167</b>	<b>25,102</b>	<b>18,058</b>	<b>22,000</b>
Libya	1,193	4,594	4,318	4,454	8,000
Morocco	4,012	5,773	11,906	6,586	8,000
Others	10,786	9,800	8,878	7,018	6,000
<b>OCEANIA</b>	<b>2,326</b>	<b>5,415</b>	<b>954</b>	<b>653</b>	<b>1,000</b>
<b>WORLD TOTAL</b>	<b>331,514</b>	<b>325,145</b>	<b>381,101</b>	<b>292,648</b>	<b>279,000</b>

EXPORTS	tons				
	18/19	19/20	20/21	21/22 (est)	22/23 (fcast)
Argentina	1,161	1,851	9,080	8,371	4,000
Australia	127	673	3,159	2,028	1,000
Canada	3,860	4,181	8,367	10,090	7,000
China	5,234	5,906	4,832	4,716	5,000
EU*	2,711	2,437	7,896	9,651	7,000
India	41,849	44,893	62,841	52,255	93,000
Russia	14,293	50,392	50,344	60,522	34,000
Ukraine	23,475	81,131	176,601	88,661	91,000
USA	80,721	108,926	30,869	51,093	24,000
Others	158,083	24,756	27,111	5,261	12,000
<b>WORLD TOTAL</b>	<b>331,514</b>	<b>325,145</b>	<b>381,101</b>	<b>292,648</b>	<b>279,000</b>

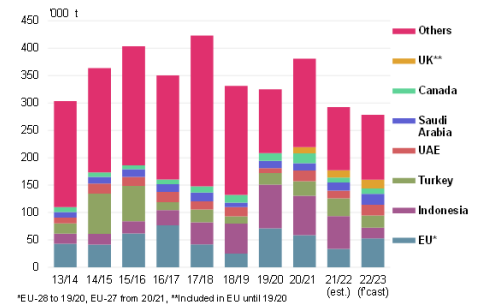
\* EU-28 to 19/20, EU-27 from 20/21  
 \*\* Included in EU until 19/20



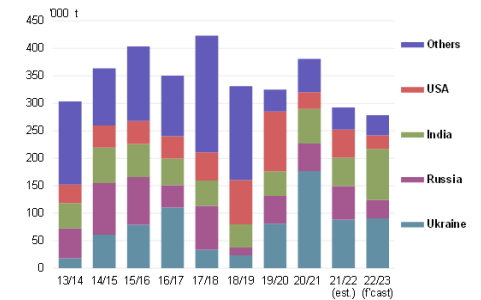
year or so, albeit with no millet fixtures noted under the safe shipping corridor agreement.

At an average 56,400t, Russia is the second biggest exporter, with a large portion of shipments typically sent to Turkey. US exports (averaging 50,400t) have varied considerably in recent seasons and have dropped sharply from the 109,000t peak in 2019/20. In contrast, Indian shipments are on the rise (averaging 56,100t), with widespread markets in Asia and Africa, including Saudi Arabia and the UAE.

## 6. Millets: World imports (Jul/Jun)



## 7. Millets: World exports (Jul/Jun)



## Market Focus Soya\_oil

### SPECIAL FEATURE: FACTORS INFLUENCING SOYA OIL EXPORT PATTERNS

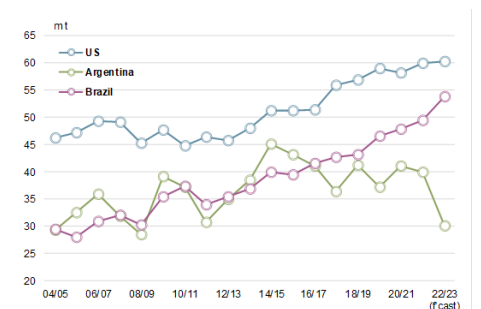
#### Introduction

Reflecting prospects for the smallest crop in more than two decades and a heavy contraction in availabilities for processing, Argentina's soya product exports are predicted to contract sharply in 2022/23 (Oct/Sep). Given the backdrop of expanding local demand, in large part linked to respective biofuels programmes, suppliers in Brazil and the US will be unable to fully compensate in spite of potentially record crush volumes in both nations. As a consequence, soya oil trade is predicted to contract by almost one-fifth y/y, to a nine-year low of 10.0m t, with a number of importers set to ration demand, potentially switching a portion of requirements to alternatives.

#### Trends in key exporters and prospects for 2022/23

Data already show a sizeable y/y reduction in volumes: based on official customs statistics and IGC estimates, aggregate shipments by key soya oil exporters are estimated to have totalled 5.4m t during the first seven months of the current trade year, the 13% y/y contraction reflecting smaller dispatches by the US and Argentina to key destinations in Asia,

## 1. Soyabeans: Processing in leading exporters



Africa and the Americas, only slightly offset by bigger shipments by others, including Brazil.

While soya oil is channelled to Argentina's industrial (biodiesel) sector, the international market is relatively far more important, absorbing the bulk of locally processed availabilities; central in responding to world demand, the country's exporters have traditionally accounted for almost half of global shipment flows in the past decade. However, having fallen in 2021/22, a further sizeable contraction in dispatches is anticipated in 2022/23. After already progressing slowly through to the end of April, an exceptionally poor harvest will ensure that supplies remain tight in the coming months, notwithstanding prospects for record soyabean imports. As a consequence, soya oil exports in the trade year ending 30 September 2023 are predicted at a 22-year low of just 3.4m t (-31%).

Over more than a decade, the pattern of Brazilian soya oil shipments has been influenced by the nation's biofuels programme. As increasingly stringent blending mandates were rolled out and biodiesel production trended higher, consumption of soya oil – which typically accounts for some 70% of total feedstock utilisation – advanced, thereby restricting availabilities for export. Shipments generally fluctuated in the 1.0m-1.5m t range between 2012/13 and 2020/21, significantly lower than in earlier periods.

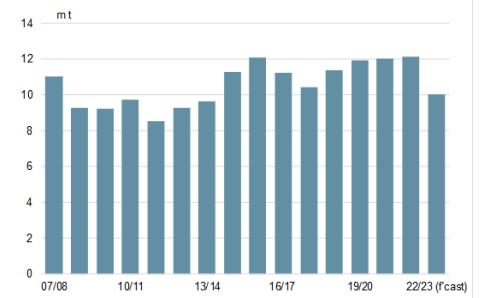
However, with the government scaling back its blending mandate in April 2021 (by three percentage points, to B10 (10%)) in efforts to counter the impact of high energy and raw material costs, soya oil exportable supplies received a boost. Dispatches in 2021/22 (Oct/Sept) nearly doubled y/y, to a 16-year peak of 2.4m t, occurring at a time of tighter availabilities in other key exporters.

While it is possible that Brazil could displace Argentina as the biggest supplier of soyameal to the world market in the current trade year, given a huge crop and a record crush, its ability to emerge as the dominant soya oil exporter is less likely. Although volumes have continued to progress strongly, expanding by about one-third y/y in the first seven months of the current trade year, the new administration's uprating of the national biodiesel blending mandate, from B10 to B12 (12%), effective 1 April 2023, is expected to divert additional supplies to local producers. Nevertheless, given that the pace to date has been robust, also taking account of an especially poor crop in Argentina, full-year exports in 2022/23 could still expand to 2.7m t (2.4m). As an aside, progressive annual increases in the mandate are intended, potentially reaching B15 (15%) in 2026, which may impact soya oil exports in the coming years.

Despite the backdrop of a reduced harvest, US processing is seen at a record in 2022/23. Since food use has changed little over the past decade, the uptrend is linked to expanding consumption of soya oil in the country's quick growing industrial (biofuels) sector, notably for biodiesel and renewable diesel. After having more than doubled in the past 10 years, demand is seen rising further, to a record of 5.3m t (4.7m). As a consequence, US export potential is set to be greatly reduced; with cumulative shipments contracting by 86% y/y during the first seven months of the current season, the full year total is projected at 0.2m t (0.8m), just one-fifth of the prior five-year average and the smallest volume on record.

Concerning other suppliers to the world market, the downturn in US volumes means that the EU has emerged as the third largest exporter in recent years, chiefly on demand from importers in Africa, with total dispatches usually in the region of 0.9m t per annum. Other exporters of

## 2. Soya oil: World trade (Oct/Sept)

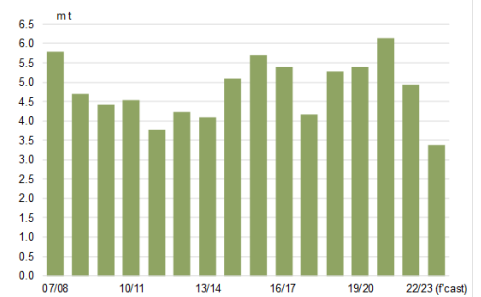


## 3. Soya oil: Shipments by selected key exporters (October-April)

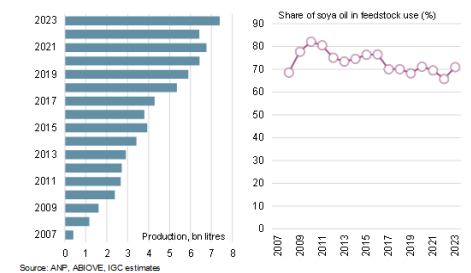
mt	17/18	18/19	19/20	20/21	21/22	22/23	y/y change
Argentina	2.3	2.6	2.7	3.5	2.7	2.2	-20.1%
Bolivia	0.1	0.2	0.2	0.2	0.3	0.2	-24.3%
Brazil	0.7	0.4	0.5	0.5	1.2	1.5	+31.6%
Canada	0.1	0.1	0.1	0.1	0.1	0.1	+2.0%
China	0.1	0.1	0.1	0.0	0.1	0.1	+9.2%
EU	0.5	0.5	0.5	0.6	0.6	0.5	-11.8%
Paraguay	0.4	0.4	0.3	0.3	0.3	0.1	-59.2%
Russia	0.3	0.3	0.4	0.3	0.2	0.4	+77.3%
Ukraine	0.1	0.2	0.2	0.1	0.1	0.2	+19.5%
USA	0.6	0.6	0.8	0.7	0.7	0.1	-86.2%
<b>Sub-total</b>	<b>5.2</b>	<b>5.4</b>	<b>5.6</b>	<b>6.3</b>	<b>6.1</b>	<b>5.4</b>	<b>-12.5%</b>

\* Figures based on customs data and IGC estimates; the countries listed account for the bulk of world trade.

## 4. Soya oil: Exports by Argentina (Oct/Sept)



## 5. Biodiesel: Production vs share of soya oil in total feedstock use



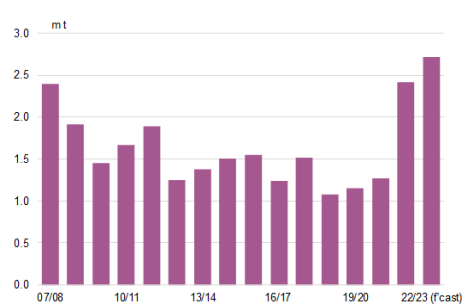
Source: ANP, ABOVE, IGC estimates

note include Paraguay and Russia, annual shipments by each typically in the region of 0.6m t.

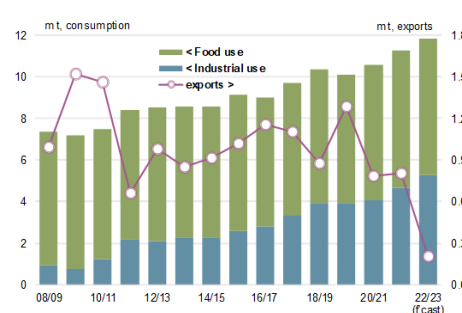
### Prospects for exports in 2023/24 – key considerations

Looking ahead, the outlook for global import demand in 2023/24 (Oct/Sep) will ultimately be shaped by purchases from buyers in Asia and Africa to meet local food consumption needs. Tentatively assuming a bigger crop in Argentina supports expanded processing and an associated increase in the production of soya products, including soya oil, availabilities for export could recover. In contrast, however, shipments by other suppliers, notably Brazil and especially the US, may be constrained by expanding domestic biodiesel programmes. Moreover, USDA's May WASDE report pointed to a further expansion of US domestic soya oil consumption in 2023/24, entirely linked to gains in industrial (biofuels) demand. As a consequence, shipments to world markets are likely to remain miniscule compared to earlier years, at around 0.3m t (0.2m). The government's intention to roll out more demanding biodiesel blending mandates through to 2026 may also place a limit on Brazilian dispatches, albeit with the country still expected to remain by far the second largest soya oil exporter. Elsewhere, y/y changes in shipments by other suppliers are set to be mostly nuanced.

### 6. Soya oil: Brazilian exports (Oct/Sep)



### 7. Soya oil: US exports vs local consumption by sector



### 8. Soya oil: Summary of shipments by selected exporters

