

Grain Market Report

Summary

HIGHLIGHTS

Mainly linked to adjustments for maize, but with barley and wheat harvests also seen larger compared to the November GMR, the outlook for world 2023/24 **total grains** (wheat and coarse grains) production is increased by around 11m t m/m (month-on-month). Although much of the additional supply will be absorbed by increased use for feed, the forecast for global carryover stocks (aggregate of respective local marketing years) is lifted by 5m t from previously, to 590m. The figure for trade (Jul/Jun) is also boosted by 5m t, including uprated estimates for maize and wheat.

The Council's first projections for 2024/25 wheat supply and demand point to a slightly larger harvest y/y (year-on-year), with potentially better yields seen more than compensating for a modest pullback in acreage. With offsetting changes for food and feed, consumption is projected to match the prior year's record level and exceed production, potentially leading to a further drawdown in stocks, to a six-season low. A modest retreat in trade is predicted, including smaller deliveries to China and the EU.

With a downgraded outlook for Brazil outweighing increases elsewhere, 2023/24 global **soyabean** production is forecast 3m t lower than in November, at 392m (+6% y/y). Nevertheless, given expectations for record supplies, consumption and stocks are seen expanding, the latter to a five-year peak; largely on an increased figure for Argentina, major exporters reserves are pegged about 5m t higher m/m. Trade is projected broadly steady m/m, at 168m t (-2%).

Owing to a scaling back of expectations for leading Asian producers, 2023/24 world **rice** output is forecast 10m t lower m/m, with the net drop in availabilities channelled to reduced figures for consumption and stocks; the 5m m/m cut in global inventories is linked to smaller numbers for China and the major exporters. Trade is seen near-unchanged m/m, at 50m t, with a downgraded projection for India contrasting with increases for other suppliers.

The IGC **Grains and Oilseeds Index (GOI)** declined by 6% compared to the last Market Report,

1. World Estimates

	20/21	21/22	22/23 est.	23/24 f cast	
million tons				16.11	11.01
TOTAL GRAINS ^{a)}					
Production	2227	2296	2269	2295	2307
Trade	427	426	428	410	415
Consumption	2243	2297	2271	2308	2314
Carryover stocks	602	600	598	585	590
<i>year/year change</i>	-15	-2	-2		-8
Major exporters ^{b)}	132	144	145	158	161
WHEAT					
Production	774	780	804	787	788
Trade	191	198	208	196	198
Consumption	773	784	795	804	804
Carryover stocks	277	273	282	264	266
<i>year/year change</i>	0	-4	9		-16
Major exporters ^{b)}	59	61	66	58	60
MAIZE (CORN)					
Production	1136	1225	1165	1223	1230
Trade	188	180	180	173	176
Consumption	1155	1217	1177	1213	1218
Carryover stocks	279	287	275	285	287
<i>year/year change</i>	-19	8	-12		12
Major exporters ^{c)}	43	53	50	72	70
SOYABEANS					
Production	371	357	371	395	392
Trade	159	156	172	168	168
Consumption	370	362	364	386	384
Carryover stocks	55	50	57	62	66
<i>year/year change</i>	1	-5	7		9
Major exporters ^{d)}	17	16	14	13	18
million tons (milled basis)					
RICE					
Production	509	514	514	521	511
Trade	51	55	51	50	50
Consumption	510	520	520	520	516
Carryover stocks	181	176	170	171	166
<i>year/year change</i>	-1	-6	-6		-5
Major exporters ^{e)}	49	44	42	45	43

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

predominantly on a pullback in soyabean export quotations.

(see chart)

(see chart)

At 2,307m t, the world total grains (wheat and coarse grains) outturn is set to be the largest on record, with the 2% y/y increase tied mainly to a solid rebound in maize production. Consumption is expected to climb by 2% y/y, to 2,314m t, with feed, food and industrial uptake seen at fresh peaks. Global inventories may contract to 590m (-1%), a seventh successive drawdown. Including smaller wheat, maize and barley shipments, cumulative world trade is forecast to retreat by 3% y/y, to 415m t.

(see chart)

Tied to prospects for a rebound in Argentina, global **soyabean** production in 2023/24 is seen at a peak of 392m t (+6%). Also linked to gains in Argentina, consumption is predicted at a record, while aggregate inventories are set to climb for a second successive year, including accumulation in key exporters. After the prior year's exceptional expansion, world import demand could retreat by almost 4m t as China and Argentina buy less, with Brazilian exports likely to contract by 3% y/y.

(see chart)

On the basis of reduced yield expectations in Asia's dominant growers, outweighing gains elsewhere, global **rice** output in 2023/24 is predicted to contract by 1% y/y. As a consequence, the Council anticipates a softening of demand, while stocks are set to tighten, including in key exporters. World trade is projected to contract by 2% in 2024, most on weaker buying interest from Asian importers, most notably Indonesia. India will remain by far the biggest exporter despite another sizeable fall in shipments.

(see chart)

Global lentils output is seen down by 7% y/y on declines in major exporters, with consumption set to contract given reduced availabilities. World import demand is forecast to drop by 8% in 2024 (Jan/Dec), including a comparable reduction in Indian arrivals (-7%). Total trade in all varieties of pulses is predicted at 19.5m t (-4%), tied to expectations for smaller shipments of dry peas, lentils and broad beans.

(see chart)

MARKET SUMMARY

2. IGC Grains & Oilseeds Index (GOI)



3. Total grains: Supply and demand summary

m t	20/21	21/22	22/23 (est.)	23/24 (f'cast)	y/y change
Opening stocks	617	602	600	598	- 0.4%
Production	2,227	2,296	2,269	2,307	+ 1.7%
Total supply	2,844	2,897	2,869	2,904	+ 1.2%
Total use	2,243	2,297	2,271	2,314	+ 1.9%
of which: Food	745	752	756	761	+ 0.7%
Feed	1,008	1,043	1,020	1,049	+ 2.9%
Industrial	360	369	363	371	+ 2.2%
Closing stocks	602	600	598	590	- 1.3%
Major exporters ^{a)}	132	144	145	161	+ 11.3%
Trade (Jul/Jun)	427	426	428	415	- 3.0%

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

4. Soyabeans: Supply and demand summary

m t	20/21	21/22	22/23 (est.)	23/24 (f'cast)	y/y change
Opening stocks	55	55	50	57	+ 14.7%
Production	371	357	371	392	+ 5.7%
Total supply	426	412	421	450	+ 6.8%
Total use	370	362	364	384	+ 5.5%
of which: Crush	327	322	323	339	+ 4.9%
Closing stocks	55	50	57	66	+ 15.3%
Major exporters ^{a)}	17	16	14	18	+ 27.7%
Trade (Oct/Sep)	159	156	172	168	- 2.1%

^{a)} Argentina, Brazil, USA

5. Rice: Supply and demand summary

m t (milled basis)	20/21	21/22	22/23 (est.)	23/24 (f'cast)	y/y change
Opening stocks	182	181	176	170	- 3.1%
Production	509	514	514	511	- 0.7%
Total supply	691	696	690	681	- 1.3%
Total use	510	520	520	516	- 0.8%
Closing stocks	181	176	170	166	- 2.7%
Major exporters ^{a)}	49	44	42	43	+ 1.3%
Trade (Jan/Dec)	51	55	51	50	- 2.0%

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

Largely on a pullback in soyabean fob prices, but with modest declines too in grains quotations, the IGC GOI eased by 6% overall, down by 19% y/y. The downside was partly countered by fresh gains in rice.

(see chart)

(see chart)

The IGC GOI **wheat** sub-Index edged lower over the past two months, but with mixed movements across the leading origins.

(see chart)

Linked almost entirely to softer US quotations, the IGC GOI **maize** sub-Index dipped by 1% in the period since the November report.

(see chart)

The IGC GOI **rice**-sub Index rose by a net 8%, underpinned largely by a significant purchase by Indonesia's state food logistics agency.

(see chart)

The IGC GOI **soyabeans** sub-Index worked 12% lower, with weakness especially evident over the past fortnight, influenced mainly by improving South American weather outlooks.

6. Pulses: Lentils supply and demand summary

m t	20/21	21/22	22/23 (est.)	23/24 (fcast)	y/y change
Opening stocks	1.4	1.7	1.6	1.5	- 2.9%
Production	6.9	5.9	7.5	6.9	- 6.8%
Total supply	8.4	7.6	9.0	8.5	- 6.1%
Total use	6.6	6.0	7.5	7.0	- 6.6%
Closing stocks	1.7	1.6	1.5	1.5	- 3.7%
Major exporters ^{a)}	0.6	0.3	0.2	0.1	- 35.4%
Trade (Jan/Dec)	3.7	4.2	5.2	4.8	- 7.7%

a) Australia, Canada, USA

7. IGC Grains & Oilseeds Prices Index (GOI)

Jan 2000 = 100	GMR 550	m/m change*	y/y change
IGC GOI	247	- 5.7%	- 19.4%
Wheat sub-Index	222	- 1.0%	- 20.4%
Maize sub-Index	225	- 1.0%	- 26.7%
Barley sub-Index	221	- 0.5%	- 27.8%
Rice sub-Index	262	+ 7.8%	+ 32.4%
Soyabeans sub-Index	236	- 12.4%	- 23.3%

*Change vs. GMR 549

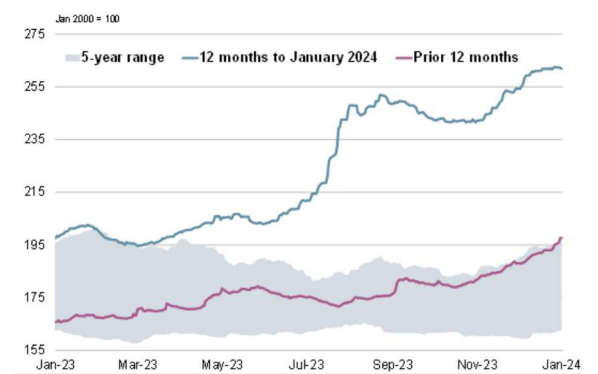
8. Wheat: GOI sub-Index



9. Maize: GOI sub-Index



10. Rice: GOI sub-Index



11. Soyabeans: GOI sub-Index

