



# Grain Market Report

GMR 449 – 30 October 2014

## HIGHLIGHTS

World grains and oilseeds export markets had a firmer tone during October, but rice values were weaker; overall, the IGC **Grains and Oilseeds Index (GOI)** increased by 6% m/m (month-on-month). Strength mainly came from maize (corn) and soyabean harvest delays in the US. Maize prices, in particular, posted a sharp jump, with the IGC GOI sub-Index gaining 11%, while the soyabeans sub-Index rose by 9%. Wheat prices were 3% higher, but rice quotations fell by 3%, on plentiful supplies amid mostly slow demand.

The forecast of world **total grains** production (wheat and coarse grains) is raised by 5m t, to 1,988m, virtually matching last season's record. Most of the increase from before is for maize, as expectations for US yields continued to improve. The projection of total grains consumption is up slightly from before, at 1,961m t, a 2% y/y increase. The end-2014/15 carryover forecast is unchanged from the last GMR, at a 15-year high of 429m t.

World **rice** output in 2014/15, at 476m t, is forecast to match the previous year's all-time peak, as increases in some Asian producers offset a decline in India. With world use set to expand by 1%, global end-season stocks are seen falling by about 5% y/y, mainly in the major exporters. The forecast of world trade in 2015 is maintained at a new high of almost 41m t, with China remaining the leading importer. A *Market Focus* note highlights the progress of Thailand's shipments.

Global **soyabean** production is projected 3m t lower than previously, at 307m, but still 8% higher y/y and a new record. Given a reduced forecast of consumption, end-season carryovers are placed marginally higher than before, at 40m t. The y/y increase of close to two-fifths is almost entirely in the major exporters, primarily in the US. Projected world trade is little changed from before, with the 3% y/y increase a marked slowdown from recent years, mainly due to slower growth in China's purchases.

## WORLD ESTIMATES

	11/12	12/13	13/14 est.	14/15 f'cast	25.09 30.10
million tons					
<b>TOTAL GRAINS<sup>a)</sup></b>					
Production	1851	1790	1993	1983	1988
Trade	271	269	308	292	295
Consumption	1855	1815	1927	1958	1961
Carryover stocks	360	335	401	429	429
year/year change	-4	-25	66		28
Major exporters <sup>b)</sup>	124	96	119	147	149
<b>WHEAT</b>					
Production	695	655	713	717	718
Trade	145	141	155	147	149
Consumption	698	677	697	709	710
Carryover stocks	191	169	185	195	193
year/year change	-2	-22	16		8
Major exporters <sup>b)</sup>	68	48	52	60	60
<b>MAIZE (CORN)</b>					
Production	877	861	983	974	980
Trade	98	99	120	115	113
Consumption	876	859	939	959	961
Carryover stocks	130	132	176	191	194
year/year change	1	2	44		18
Major exporters <sup>c)</sup>	32	33	52	66	72
million tons (milled basis)					
<b>RICE</b>					
Production	467	472	476	476	476
Trade	39	38	40	41	41
Consumption	459	469	477	481	481
Carryover stocks	107	110	109	104	103
year/year change	7	3	-1		-5
Major exporters <sup>d)</sup>	37	40	39	34	34
million tons					
<b>SOYABEANS</b>					
Production	241	272	284	310	307
Trade	94	99	111	114	115
Consumption	254	267	283	300	297
Carryover stocks	23	27	29	39	40
year/year change	-13	5	1		11
Major exporters <sup>e)</sup>	6	9	10	21	22

Figures may not add due to rounding

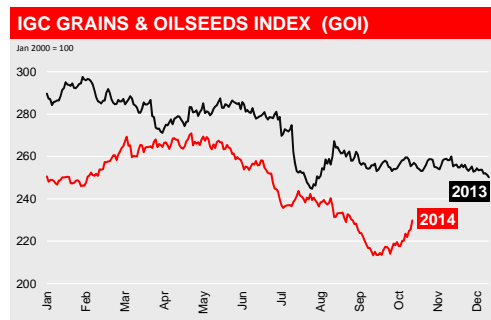
a) Wheat and coarse grains

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

c) Argentina, Brazil, Ukraine, US

d) India, Pakistan, Thailand, US, Vietnam

e) Argentina, Brazil, US

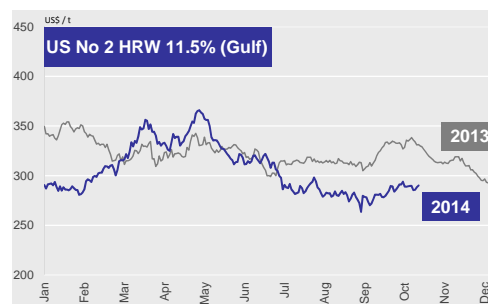


See: [http://www.igc.int/grainsupdate/igc\\_goi.xlsb](http://www.igc.int/grainsupdate/igc_goi.xlsb)

## SUMMARY OUTLOOK FOR KEY GRAINS AND OILSEEDS

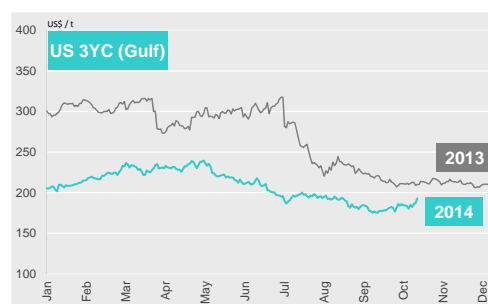
### WHEAT

- With the 2014/15 northern hemisphere harvest in its final stages, the world wheat production forecast is increased slightly from the last GMR. Planting of 2015/16 winter crops is well advanced, with total area projected to rise by 1% y/y.
- Global demand is forecast to increase quite strongly, due to above-average growth in food, feed and industrial consumption. Overall use is placed at a record 710m t, up 1m compared to the September report and 2% higher y/y.
- Led by gains in the eight major exporters, end-season inventories are seen at their highest in four years. EU closing stocks are forecast to nearly double.
- The IGC GOI wheat sub-Index rose by 3%, mainly on strength in other markets. Durum prices rallied on tightening global availabilities.



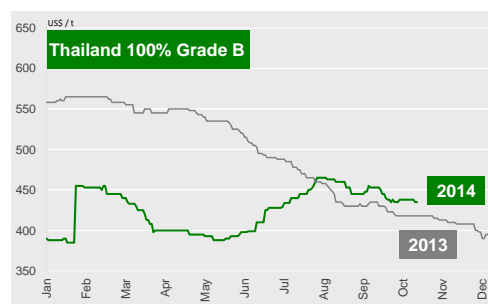
### MAIZE

- Despite further upgrades to US and EU crop forecasts, world production is still placed slightly short of last year's record, due to expected declines in China and South America.
- Global supplies appear comfortable, particularly in the key exporters, with ending stocks forecast at their highest since 1987/88.
- Consumption is projected to increase to a new record. With world meat production continuing to rise, competitively-priced maize should be well placed to capture additional demand.
- During October, prices consolidated from recent sharp losses, but remained close to four-year lows. Mostly led by strength in US futures, the IGC GOI maize sub-Index was 11% higher m/m.



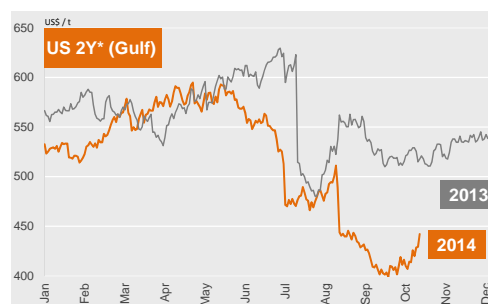
### RICE

- World production in 2014/15 is forecast to show little change y/y. Demand is seen at a new record peak, but growth in Asia may be slower than in earlier years. Closing stocks are placed at a four-year low, but still in line with average.
- Following the disbanding of Thailand's paddy mortgage scheme earlier this year, efforts to boost exports have been successful, and the country will likely be the world's top exporter in 2015.
- In contrast to strength in other markets, rice values dropped to a five-month low on generally sluggish global demand.



### OILSEEDS

- With hot weather disrupting the early stages of 2014/15 **soybean** planting in Brazil, the world production forecast is lowered by 3m t, still 8% higher y/y and a new record.
- Export quotations increased, supported by adverse weather in parts of the US and Brazil as well as robust buying interest, including from China, and sharp gains in soyameal prices.
- The 2014/15 **rapeseed/canola** crop is expected to be large, as a bigger EU harvest is seen almost offsetting declines in Canada and Australia. For 2015/16, EU plantings are forecast down 4% y/y.



\* Soyabeans