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Committee on Agriculture

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**STATEMENT BY THE INTERNATIONAL GRAINS COUNCIL  
97<sup>TH</sup> MEETING OF THE COMMITTEE ON AGRICULTURE  
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**"COVID-19 AND AGRICULTURE"**

The following submission, dated 15 March 2021, is being circulated at the request of the International Grains Council (IGC).

**1 FOR GRAINS, OILSEEDS AND RICE, THE OUTLOOK FOR THE NEXT FIVE YEARS POINT TO CONTINUED RISE IN PRODUCTIVITY AND EXPANSION OF TRADE**

1.1. The International Grains Council's latest five-year supply and demand projections for the major grains explains why there should be no complacency regarding productivity and trade facilitation to sustain the global balance sheet and to meet the demand from importing countries.

1.2. The following projections are a possible supply and demand scenario for the next five-year period to 2025/26, taking account of a number of broad assumptions, historical trends and expert analyses of demand trends in a post COVID-19 era.

1.3. If growth in average yields matches recent trends, and assuming normal weather, global grain (wheat plus coarse grains) production is projected at successive records during the next five years to 2025/26. This will be sufficient to keep pace with projected demand growth, but will allow little rebuilding of stocks, with the ratio of total grains stocks-to-use tightening a little.

1.4. For wheat, global outturns (chart 1) are projected to reach consecutive record highs during the next five seasons. With the strongest net production gains seen in Argentina, Ukraine and the European Union, global output in 2025/26 is placed at 822 m t, up by 57 m compared to 2020/21. Assuming sustained levels of government support for food grains, wheat acreage in China is projected to remain high over the next five years which, combined with steady productivity gains, could see that country overtaking the European Union as the world's largest grower towards the end of the forecast period. The inventories in the major exporters show only a small gain, as modest recoveries from below-normal levels in the European Union and the Russian Federation are partly countered by slight drawdowns elsewhere, including in the United States of America.

1.5. While the rate of stock depletion for maize (corn) is projected to slow compared with the recent seasons, the outlook for world maize supply and demand (chart 2) remains relatively tight. In comparison, world balance sheets for other grains remain relatively comfortable, with further wheat stock accumulation projected to new peaks, and only minor changes over the baseline for other grains.

1.6. International grain trade is seen expanding by an average rate of 2% annually, led by higher shipments of wheat and maize. While annual increases are expected to be slower than in recent years, rising feed needs will continue to drive growth in maize shipments, with China a regular buyer of sizeable volumes. Expanding milling wheat imports account for much of the growth in wheat trade.

1.7. For soybeans (chart 3), assuming area gains and improvements in productivity, global production is predicted to also hit successive peaks during the medium-term, but with growth likely

to slow after an initially solid increase in 2021/22. The markets in Asia and the Americas will continue to shape the pattern of soymeal demand during the next five years, with food and industrial (biodiesel) sectors also set to contribute to growth in soy oil usage. A modest uptrend in world inventories is anticipated, tied to gains in major exporters.

1.8. World soybeans trade is set to grow progressively, albeit at a slower pace than in the past, with China's share of the world total staying at about 60%. Other buyers in Asia are set to secure a higher share of the total, while the European Union will remain an important market given the likelihood of tight local rapeseed supplies. Brazil will remain the preeminent supplier.

1.9. World rice production (chart 4) is anticipated to trend higher in the next five years. Gains will predominantly be due to improved yields as prospects for area growth in the major rice producing regions of Asia appear limited. By contrast, while remaining a relatively small producing region, sub-Saharan African output is expected to grow especially quickly as policy initiatives to promote production encourage planting.

1.10. While population growth will continue to underpin larger food requirements through to 2025/26, changing consumer preferences in Far East Asia, the world's biggest consuming region, may contain growth in food uptake of rice. This includes China, where stocks are tentatively seen broadly stabilising in the coming years amid official efforts to better manage inventories and maintain crop quality. Nevertheless, global inventories are likely to continue growing, led by gains in India. Trade is projected to expand as larger requirements in sub-Saharan Africa underpin demand, while India is seen remaining the world's biggest exporter.

**Chart 1: Wheat Medium-term Supply and Demand summary**

	19/20 est.	20/21 f'cast	21/22 proj.	22/23 proj.	23/24 proj.	24/25 proj.	25/26 proj.	y/y change		
								previous five year average*	21/22	average 21/22- 25/26
Yield (t/ha)	3.5	3.4	3.5	3.6	3.6	3.7	3.7	0.7%	3.8%	1.7%
Area (m ha)	217	224	221	221	221	221	221	0.0%	-1.5%	-0.3%
<b>Production (m t)</b>	<b>763</b>	<b>765</b>	<b>782</b>	<b>792</b>	<b>802</b>	<b>812</b>	<b>822</b>	0.7%	2.3%	1.4%
<b>Consumption (m t)</b>	<b>746</b>	<b>752</b>	<b>769</b>	<b>786</b>	<b>797</b>	<b>807</b>	<b>817</b>	0.9%	2.3%	1.7%
of which:										
<i>food</i>	523	531	538	547	556	564	572	1.3%	1.4%	1.5%
<i>feed</i>	139	138	146	152	154	155	156	-0.4%	5.7%	2.5%
<i>industrial</i>	24	23	23	23	23	23	23	0.8%	0.1%	0.1%
<b>Trade (Jul/Jun, m t)</b>	<b>184</b>	<b>186</b>	<b>183</b>	<b>186</b>	<b>188</b>	<b>191</b>	<b>194</b>	2.4%	-1.6%	0.8%
<b>Stocks (m t)</b>	<b>279</b>	<b>292</b>	<b>305</b>	<b>311</b>	<b>316</b>	<b>321</b>	<b>326</b>	..	..	..
<i>y/y change</i>	+ 17	+ 13	+ 13	+ 6	+ 5	+ 5	+ 5	..	..	..
Major exporters**	64	61	64	63	63	64	66	..	..	..

Notes:

\* 2016/17 – 2020/21.

\*\* Argentina, Australia, Canada, European Union, Kazakhstan, Russian Federation, Ukraine, and the United States of America.

**Chart 2: Maize medium-term Supply and Demand Summary**

		19/20 est.	20/21 f'cast	21/22 proj.	22/23 proj.	23/24 proj.	24/25 proj.	25/26 proj.	y/y change		average 21/22- 25/26
									previous five year average*	21/22	
	Yield (t/ha)	5.8	5.8	5.9	6.0	6.1	6.2	6.2	1.5%	2.6%	1.5%
	Area (m ha)	194	198	199	201	202	203	204	0.9%	0.7%	0.7%
	<b>Production (m t)</b>	<b>1,124</b>	<b>1,146</b>	<b>1,185</b>	<b>1,213</b>	<b>1,235</b>	<b>1,256</b>	<b>1,277</b>	2.4%	3.4%	2.2%
	<b>Consumption (m t)</b>	<b>1,153</b>	<b>1,169</b>	<b>1,196</b>	<b>1,218</b>	<b>1,241</b>	<b>1,262</b>	<b>1,283</b>	3.2%	2.3%	1.9%
	of which:										
	<i>food</i>	130	131	133	135	136	138	139	3.0%	1.2%	1.2%
	<i>feed</i>	691	696	706	717	730	742	755	4.2%	1.4%	1.6%
	<i>industrial</i>	293	302	315	324	331	337	343	1.5%	4.2%	2.6%
	<i>of which ethanol</i>	164	172	181	187	191	195	197	1.1%	5.6%	2.9%
	<b>Trade (Jul/Jun, m t)</b>	<b>174</b>	<b>185</b>	<b>187</b>	<b>190</b>	<b>194</b>	<b>200</b>	<b>206</b>	6.4%	0.8%	2.2%
	<b>Stocks (m t)</b>	<b>298</b>	<b>275</b>	<b>264</b>	<b>258</b>	<b>253</b>	<b>247</b>	<b>242</b>	..	..	..
	<i>y/y change</i>	- 29	- 23	- 11	- 6	- 5	- 6	- 5	..	..	..
	Major exporters**	64	58	61	66	70	74	78	..	..	..

Notes:

\* 2016/17 – 2020/21.

\*\* Argentina, Brazil, Ukraine, and the United States of America.

**Chart 3: Soybean medium-term Supply and Demand Summary**

		19/20 est.	20/21 f'cast	21/22 proj.	22/23 proj.	23/24 proj.	24/25 proj.	25/26 proj.	y/y change		average 21/22- 25/26
									previous five year average*	21/22	
	Yield (t/ha)	2.8	2.9	2.9	2.9	3.0	3.0	3.0	2.1%	0.6%	0.8%
	Area (m ha)	122	126	132	133	135	136	137	1.0%	4.4%	1.7%
	<b>Production (m t)</b>	<b>338</b>	<b>365</b>	<b>384</b>	<b>390</b>	<b>398</b>	<b>405</b>	<b>413</b>	3.1%	5.0%	2.5%
	<b>Consumption (m t)</b>	<b>352</b>	<b>369</b>	<b>379</b>	<b>388</b>	<b>397</b>	<b>405</b>	<b>412</b>	3.1%	2.7%	2.2%
	of which:										
	<i>food</i>	21	22	22	22	23	23	23	3.7%	2.3%	1.7%
	<i>feed</i>	15	15	15	15	15	16	16	3.1%	0.5%	0.6%
	<i>crush</i>	307	323	333	341	349	357	363	3.1%	2.9%	2.3%
	<b>Trade (Jul/Jun, m t)</b>	<b>170</b>	<b>168</b>	<b>171</b>	<b>174</b>	<b>177</b>	<b>180</b>	<b>183</b>	4.8%	1.7%	1.7%
	<b>Stocks (m t)</b>	<b>49</b>	<b>45</b>	<b>49</b>	<b>51</b>	<b>52</b>	<b>52</b>	<b>53</b>	..	..	..
	<i>y/y change</i>	- 13	- 4	+ 4	+ 2	+ 1	+ 0	+ 1	..	..	..
	Major exporters**	20	12	15	17	18	19	20	..	..	..

Notes:

\* 2016/17 – 2020/21.

\*\* Argentina, Brazil, and the United States of America.

**Chart 4: Rice medium-term Supply and Demand Summary**

		19/20 est.	20/21 f'cast	21/22 proj.	22/23 proj.	23/24 proj.	24/25 proj.	25/26 proj.	y/y change		
									previous five year Average*	21/22	average 21/22- 25/26
	Yield (t/ha)	3.1	3.1	3.1	3.1	3.2	3.2	3.2	0.7%	0.5%	0.6%
	Area (m ha)	160	162	163	163	163	163	164	0.3%	0.2%	0.2%
	<b>Production (m t)</b>	<b>497</b>	<b>503</b>	<b>507</b>	<b>511</b>	<b>516</b>	<b>519</b>	<b>523</b>	1.0%	0.7%	0.8%
	<b>Consumption (m t)</b>	<b>497</b>	<b>501</b>	<b>505</b>	<b>510</b>	<b>514</b>	<b>518</b>	<b>521</b>	1.2%	0.8%	0.8%
	<b>Trade (Jul/Jun, m t)</b>	<b>42</b>	<b>45</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>50</b>	<b>51</b>	3.0%	4.6%	2.5%
	<b>Stocks (m t)</b>	<b>176</b>	<b>178</b>	<b>181</b>	<b>182</b>	<b>184</b>	<b>186</b>	<b>188</b>	..	..	..
	y/y change	+ 0	+ 3	+ 2	+ 1	+ 2	+ 2	+ 2	..	..	..
	Major exporters**	41	43	44	45	46	47	49	..	..	..

Notes:

\* 2016/17 – 2020/21.

\*\* India, Pakistan, Thailand, United States of America, and Viet Nam.

Figures for production, consumption, trade, and stocks are milled basis.