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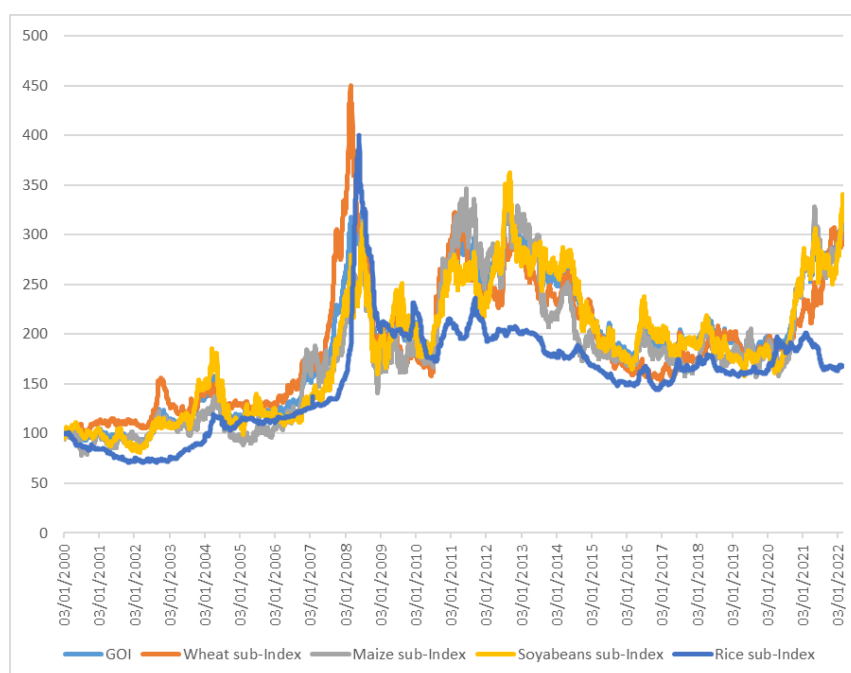
The following submission, dated 8 March 2022, is being circulated at the request of the International Grains Council (IGC).

Global grains trade under the Marrakesh Agreement

Global grain trade volumes have increased since the Marrakesh Agreement. Soyabean trade has increased most spectacularly, rising by more than 200% over the two last decades. In 2021 close to half of all production was traded on the global market. Although wheat remains the most widely traded of all grain and oilseed commodities, growth has been comparatively slower, with volumes increasing by 93% across the same period. Nevertheless, wheat trade is directed into a far larger number of importing countries, with traded volumes representing a quarter of overall production.

The IGC maintains a series of indicators to monitor developments in the physical market, including the Grains and Oilseeds Index (GOI), a trade-weighted measure of international daily price movements across seven core commodities, calculated daily using 34 USD-denominated export quotations at leading origins.

Figure 1: IGC Grains and Oilseeds Index (Jan 2000=100)



1 WHEAT - TRADE IN 2021/22 (JULY/JUNE)

1.1. With global buying interest showing little sign of abating despite elevated prices, world trade in 2021/22 (Jul/Jun) is forecast to reach a record 196.9 million tonnes (m t) (+3% year on year (y/y)). Recent upwards revisions to the Council's forecast partly reflects larger than expected year-to-date purchases by some buyers in Asia, including Bangladesh, Indonesia, the Philippines and South Korea.

1.2. Partly linked to small local harvests and high prices, exports by Canada and the United States of America are forecast to drop y/y, pegged at 16.0m t (27.6m t last year) and 22.8m t (26.5m t), respectively. Conversely, exports by Argentina are forecast to be third largest on record, estimated at 14.1m t (10.1m t). Relatively small exporters - Brazil and India - have boosted market presence this season, with shipments aided by record domestic outturns. Owing to huge sales to Bangladesh and unusually large dispatches to some Asian destinations, India's exports are forecast to reach 6.5m t (3.5m t), potentially the most since 2012/13.

1.1 Preliminary prospects for trade in 2022/23 (July/June)

1.3. Assuming some recovery in production across Near East Asia, global trade in 2022/23 (Jul/Jun) is expected to contract by 2% y/y, to 193m t, the second largest volume ever. China's purchases may also retreat further from the 2020/21 peak, but potentially smaller outturns could underpin import needs in Europe, and parts of South America and North Africa.

1.4. With envisaged softer global demand and larger surpluses in the leading exporters, competition for business is set to strengthen in the season ahead. Improved local harvests could see Canada, Kazakhstan and Russia re-gain some market share from Australia, the European Union and Ukraine, while the US shipments are seen little changed y/y and slightly below the average level.

2 RICE TRADE IN 2022 (JAN/DEC)

2.1. Trade in 2022 (Jan/Dec) is anticipated to retreat from the prior year's record. However, at 49.1m t, volumes are expected to remain well above average.

2.2. Deliveries to sub-Saharan Africa (including cross border trade and re-exports) are anticipated to reach a peak of 18.7m t, tied to population-driven gains in food use and limited production growth. In North Africa, arrivals may be underpinned by a partial switch to rice owing to tight supplies of high-quality milling wheat. While India is expected to remain the world's leading exporter, shipments are seen falling to 17.5m t on reduced South Asian demand and increased competition from alternative suppliers. Amid more competitive prices, Thailand's monthly dispatches accelerated in the second half of 2021, with volumes in the current year potentially reaching 7.8m t.

2.1 Preliminary prospects for 2022/23

2.3. The Council's expectations for world rice acreage in 2022/23 are highly tentative given that the start of planting campaigns in key producers is a considerable time away in most regions. Nevertheless, on the basis of area gains in Asia and, to a lesser extent, in Africa and the Americas, the global area for harvesting is predicted to increase slightly y/y, to a record of 166 million hectare (m ha), as production establishes a new peak. Within the total, combined acreage in the five major exporters is projected to expand by 1% y/y.

2.4. With food use shaping global rice consumption trends, uptake in 2022/23 is tentatively expected to rise on population growth. However, gains may be pared by ongoing dietary shifts in some of Asia's largest markets. The outlook for world trade in 2023 (Jan/Dec) is tentative. Nevertheless, demand is expected to remain robust, including from sub-Saharan Africa, where further consumption gains could push up trade to a new high. India is likely to remain by far the world's largest supplier of competitively priced supplies.

3 MAIZE TRADE IN 2021/22 (JULY/JUNE)

3.1. Mainly because of a predicted pullback in purchases by China, world trade in 2021/22 (Jul/Jun) is forecast to contract by 5% from the prior year's peak, to 178.8m t. Amid tight feed grain

availabilities in the Prairies, purchases by Canada are forecast to rise to 3.5m t, sourced almost entirely from the United States of America. Imports by China are seen at a larger than average 16.5m t, albeit potentially down by more than 40% from the season before.

3.2. The United States of America will remain the world's dominant exporter, but with shipments (Sep/Aug) seen slightly lower y/y, at 63.5m t (69.9m t). Although dispatches from Brazil during the latter months of the marketing year (Mar/Feb) far exceeded expectations, with January shipments 15% higher y/y, total shipments are seen dropping to a five-season low of 20.5m t amid production problems and a resulting drop in exportable supplies.

3.1 Preliminary prospects for 2022/23

3.3. Ahead of the northern hemisphere spring planting season, high input costs and limited nearby fertiliser supplies could potentially result in some pullback in maize acreage in some growers. However, given strong market prices, only minor reductions are expected in the United States of America, Ukraine and the European Union. Including tentative projections for further increases in South American sowings, which are at least seven months away, global harvested area is seen little changed y/y, at a larger than average 204.1m ha.

3.4. Global consumption is projected to increase further in 2022/23, with all demand components provisionally seen higher y/y. Rising meat consumption will likely support a further broad based expansion in feed use. The ongoing economic recovery and gradual rollback of remaining COVID-19 restrictions should also provide a favourable backdrop for growth in demand for maize-based biofuel and starch. While much may depend on China's future import needs, global trade is forecast to rise, albeit likely remaining short of the 2020/21 peak.

4 SOYABEAN TRADE IN 2021/22 (OCT/SEP)

4.1. Against the backdrop of worsening prospects for production and availabilities in South American exporters, chiefly Brazil, the Council's expectations for world trade in 2021/22 (Oct/Sep) are scaled back from January. Moreover, with some importers set to ration demand for shrinking surpluses, volumes are placed at 161.2m t (160.9m t), including reductions for China, the European Union, Argentina and a range of smaller buyers. Furthermore, the situation will be particularly disconcerting for importers in some regions given that it comes in the face of existing supply tightness and high prices for rapeseed/canola and derivatives.

4.2. Reflecting a sizeable fall in shipments to China, but with other buyers also taking in less, the Council's forecast for US exports 2021/22 (Sep/Aug) is placed at 56.7m t (-8% y/y).

4.3. The Council's outlook for local MY 2022/23 (Feb/Jan) exports by Brazil is placed at 82.1m t, down by 7% y/y. Although sizeable volumes are anticipated in the early part of the season, with the total for February shipments likely to be the biggest on record, a smaller harvest will cut into potential exports in future months.

4.1 Preliminary prospects for 2022/23

4.4. With tightening world market availabilities and elevated international prices likely to elicit a supply response, the 2022/23 global area for harvesting is tentatively anticipated to expand by about 2% y/y, to a record of 133.9m ha. Assuming trend-like yields are achieved, and reflecting a heavy drop in production in 2021/22, world output could recover strongly.

4.5. World consumption is projected to increase in 2022/23 on continued modest gains in Asia. Growth in uptake in food and industrial market segments is also seen contributing to the expansion. The outlook for world trade in 2022/23 (Oct/Sep) will hinge on demand from Asia (China), but with a range of smaller buyers in other regions, including in Europe, Africa and the America, likely to contribute to growth in volumes. While US exports could advance after the prior season's fall, Brazil's share of global import demand is predicted to increase.
