



**STATEMENT BY THE INTERNATIONAL GRAINS COUNCIL
103RD MEETING OF THE WTO COMMITTEE ON AGRICULTURE
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Submission by the International Grains Council (IGC)

The following submission, dated 7 November 2022, is being circulated at the request of the International Grains Council (IGC).

OUTLOOK FOR TRADE IN 2022/2023

(All figures are taken from October 2022 Grain Market Report; m/m (month-on-month) changes, where applicable, refer to changes compared to September report; figures in brackets refer to prior season)

1 SUPPLY & DEMAND SUMMARY

1.1. The outlook for 2022/2023 (see table Annex 1) world **total grains** (wheat and coarse grains) production is maintained at 2,256 million tonnes but still the second largest on record. Global consumption is placed 3 million tonnes lower m/m, including reductions for feed, food and industrial uses. Unusual declines in both feed and industrial uptake, overall consumption is projected to recede by 1%, to a still much larger than average 2,271 million tonnes. Taking smaller than previously estimated opening inventories into account, the figure for world carryover stocks (aggregate of respective local marketing years) is 3 million tonnes lower than previously, at 584 million tonnes. The outlook for trade (Jul/Jun) is cut slightly, to 408 million tonnes owing to smaller import figures for maize (primarily in Asia), wheat (including for Egypt and China) and sorghum (China).

1.2. With reduced outlooks for the United States (US) and India outweighing an updated figure for Brazil, 2022/2023 global **soyabean** output is pegged marginally lower m/m, at 386 million tonnes, up by 9% y/y (year-on-year). Due to an increased opening stocks estimate, total supplies are placed marginally higher than before and, with consumption unchanged m/m the Council's expectations for global reserves are updated by 1 million tonnes, to 54 million (46 million). World import demand is projected at about 166 million tonnes (+7%), 1 m higher m/m.

1.3. Chiefly stemming from a downgraded figure for Indian production, global **rice** output in 2022/2023 is trimmed by 3 million tonnes, to 505 million tonnes (-2% y/y). Also featuring smaller carry-ins, the net drop in supplies is channelled to reduced outlooks for consumption and stocks, the latter scaled back by a further 4 million tonnes, to 169 million tonnes, almost 9 million down y/y. Trade in 2023 is predicted near-unchanged from September, at 49 million tonnes (-5%).

1.4. The Council's latest assessment of global pulses markets foresees a record **chickpeas** outturn in 2022/2023 on an exceptional Indian crop. Consumption is predicted to grow, while stocks could accumulate significantly, led by gains in India. Trade is tentatively anticipated to expand to 1.9 million tonnes (+4% y/y) on firmer Asian demand, with Australian dispatches seen broadly steady y/y.

2 PROSPECTS FOR WORLD TRADE IN GRAINS, RICE AND OILSEEDS

2.1. World **wheat** trade (Jul/Jun) is predicted to fall by 2% from the previous season's peak, to 192.3 million tonnes, likely contained by better harvests in parts of the CIS, Near East Asia, as well as Brazil and Mexico. Smaller deliveries are also envisaged to Pacific Asia - the largest importing region. While some importers in the region have recently accelerated new crop purchases from Australia, aggregate arrivals may still fall short of the prior year's elevated level.

2.2. Among the main buyers, purchases by Egypt are forecast to contract to 11.4 million tonnes (11.8 million tonnes), potentially a six-year low but still more than any other importer. Aside from a larger domestic outturn, this season's arrivals may be contained by a reported increase in the extraction rate of wheat flour by local mills, for the production of subsidised bread. Additionally, some private importers have reportedly faced payment difficulties recently, amid a US dollar shortage. In contrast, deliveries to Morocco are seen at the highest ever level of 6.1 million tonnes (4.8 million), following a poor domestic harvest.

2.3. World **maize** trade (Jul/Jun) is anticipated to drop for a second consecutive year, to 171.6 million tonnes (-4%), potentially the smallest since 2018/19 amid restricted export flows from Ukraine and tighter US supplies. The outlook is cut by 0.7 million tonnes m/m as reduced import forecasts for Japan, the Republic of Korea and Viet Nam outweigh increases for Argentina and the US. The projection for EU imports is unchanged m/m, at 20.5 million tonnes (+15%). Although official data showed cumulative arrivals significantly higher than one year earlier, the pace is expected to slow later in the season. In addition to reduced availabilities in Ukraine, there will also likely be a step up in competition for Brazilian maize towards the end of 2022, following the recent conclusion of a phytosanitary agreement for exports to China.

2.4. Because of tighter supplies and a slow pace of export sales, US MY (Sep/Aug) shipments are forecast to contract by 13% y/y, to 54.6 million tonnes, down 3.2 million m/m. The MY (Oct/Sep) export outlook for Ukraine is unchanged m/m, at 17.0 million tonnes (-28%), with much resting on the extension of the safe shipping corridor agreement past November. Reflecting a strong rate of exports and competitive pricing, forecast MY (Mar/Feb) dispatches from Brazil are increased by 1.0 million tonnes m/m, to 42.5 million, more than double the prior year's level.

2.5. Prospects for **soyabean** trade in 2022/2023 (Oct/Sep) are tentatively upbeat, stemming from expectations for much improved harvests and availabilities in key exporters, primarily Brazil. At 166.5 million tonnes, world import demand is predicted to expand by 7% y/y, still short of the 2019/2020 peak but above average. While the Council expects larger shipments to China to be a key feature, the expansion of import demand is likely to be broad-based, with gains in some regions, such as the EU, potentially reflecting the relative abundance of the oilseed compared to alternatives.

2.6. Continuing the trend of recent years, deliveries to South Asia, notably to Bangladesh and Pakistan, are expected to trend higher on rising food and feed sector needs, with a similar picture foreseen for North Africa, where an expansion of processing capacity has seen imports scale up significantly.

2.7. In the Americas, Argentine imports are expected to grow solidly given an assumed recovery in Paraguayan production, while a continued uptrend in Mexican imports to a new peak is anticipated.

2.8. With aggregate northern hemisphere shipments likely to retreat, international buyers will be more reliant on South American exporters, notably Brazil and, to a lesser extent, Paraguay and Argentina. With an assumed sizeable increase in production swelling availabilities, Brazilian suppliers will be well positioned to absorb the bulk of international demand in the February-July period. Consistent with the Council's outlook for a 7% expansion of trade, Brazilian shipments in 2023/2024 (Feb/Jan) are projected at 91.0 million tonnes, a record and a gain of about one-fifth y/y. Equally, a crop of 10.0 million tonnes could see a more than doubling of Paraguayan local MY dispatches, to 6.2 million tonnes, underpinned by a ramping up of deliveries to Argentina for processing.

2.9. Global **rice** trade in 2023 (Jan/Dec) is tentatively seen retreating from the prior year's record to 48.9 million tonnes (51.5 million). While Asian importers may buy less, including a scaling back of purchases (of 100% broken) by China, deliveries to sub-Saharan Africa are seen rising to a peak of 19.4 million tonnes (19.1 million) as population growth underpins.

2.10. Indian dispatches could retreat to 16.4 million tonnes (19.6 million) as recently imposed trade restrictions compress export potential, most notably for 100% broken rice. In contrast, Thailand may sell more, while Viet Nam's shipments are anticipated to remain elevated. U.S. deliveries in 2023 are expected to remain below-average, at 2.6 million tonnes (2.6 million), amid tight exportable supplies of long- and medium-grain varieties. Despite a flood-damaged harvest, Pakistan's exports are expected to be little changed y/y as large carryovers underpin availabilities. Elsewhere, outlooks for shipments by South American suppliers are tentative given that planting has only recently got underway. Nevertheless, demand from regional buyers is expected to remain robust amid reduced US availabilities, with aggregate regional exports potentially reaching 3.2 million tonnes (3.5 million), including Brazilian shipments of 930,000 tonnes (1.1 million).

3 IGC ACTIVITIES

3.1. Webinars organised by the IGC are topical in nature and provide a unique opportunity for a diverse range of international experts to exchange views and provide scenarios on grains, oilseeds, rice and pulses market developments. In line with the Grains Trade Convention, which seeks to further international cooperation, to promote the expansion of international trade and to contribute to market transparency in order to enhance world food security, webinars are open to the public. The IGC has organised several webinars more recently, including:

- 29 September 2022: South American soyabean and maize production outlook in 2022/2023, covering the countries of Brazil, Argentina and Paraguay.
- 25 October 2022: What quality we can expect from wheat harvests in 2022? This meeting was organised jointly with the Ministries of Agriculture of countries of the Mediterranean region (MedAmin) together with key exporters as a means of sharing respective data collection methodologies.
- 31 October and 29 November 2022: how to reintegrate the Black Sea region within the global trade system, with contributions from the agri-food chain in Ukraine, international lenders and trade associations.

ANNEX 1

WORLD ESTIMATES FOR GRAINS, OILSEEDS AND RICE

	19/20	20/21	21/22	22/23	
million tonnes			est.	f'cast	
				22 Sep	20 Oct
TOTAL GRAINS ^{a)}					
Production	2,192	2,226	2,290	2,256	2,256
Trade	397	426	424	409	408
Consumption	2,199	2,239	2,293	2,274	2,271
Carryover stocks	615	603	600	587	584
<i>year/year change</i>	-7	-13	-3		-15
Major exporters ^{b)}	153	132	141	143	142
WHEAT					
Production	761	773	782	792	792
Trade	185	190	197	193	192
Consumption	745	770	782	785	784
Carryover stocks	275	278	278	286	286
<i>year/year change</i>	16	3	0		8
Major exporters ^{b)}	61	59	63	70	70
MAIZE (CORN)					
Production	1,132	1,136	1,218	1,168	1,167
Trade	175	188	179	172	172
Consumption	1,160	1,155	1,217	1,191	1,189
Carryover stocks	298	279	280	262	258
<i>year/year change</i>	-28	-19	1		-22
Major exporters ^{c)}	63	43	50	56	51
SOYABEANS					
Production	341	370	355	387	386
Trade	169	159	156	165	166
Consumption	355	369	364	378	378
Carryover stocks	54	56	46	53	54
<i>year/year change</i>	-14	1	-9		8
Major exporters ^{d)}	26	17	12	13	13

	19/20	20/21	21/22	22/23	
million tonnes (milled basis)		est.	f'cast	proj.	
				22 Sep	20 Oct
RICE					
Production	500	509	516	508	505
Trade	44	51	52	49	50
Consumption	495	509	520	515	514
Carryover stocks	181	182	178	173	169
<i>year/year change</i>	5	1	-4		-10
Major exporters ^{e)}	45	50	47	48	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, Russian Federation, Ukraine, USA.
- c) Argentina, Brazil, Ukraine, USA.
- d) Argentina, Brazil, USA.
- e) India, Pakistan, Thailand, USA, Viet Nam.