



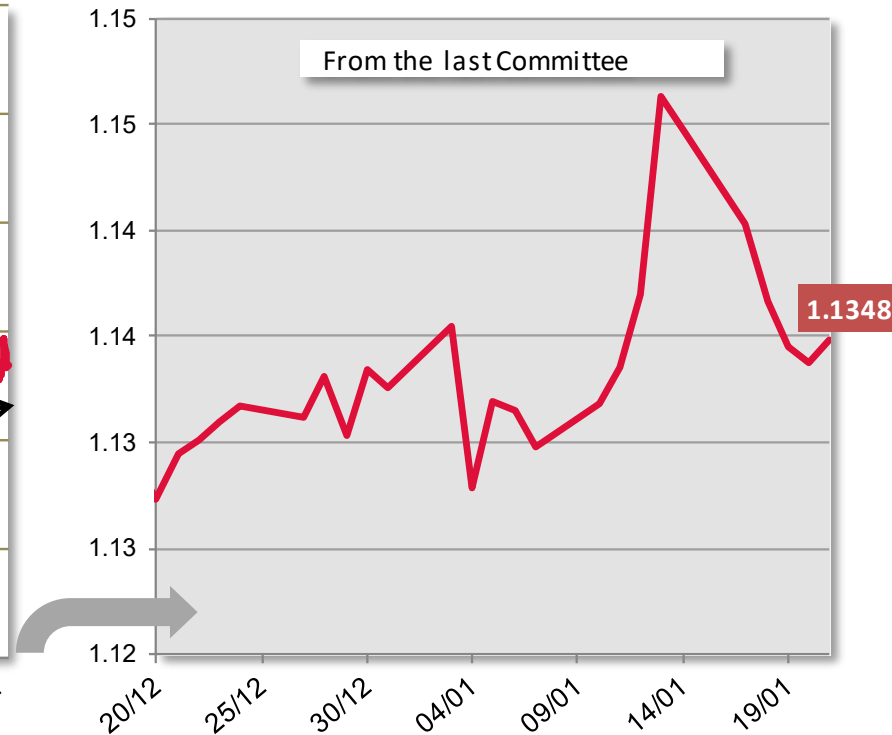
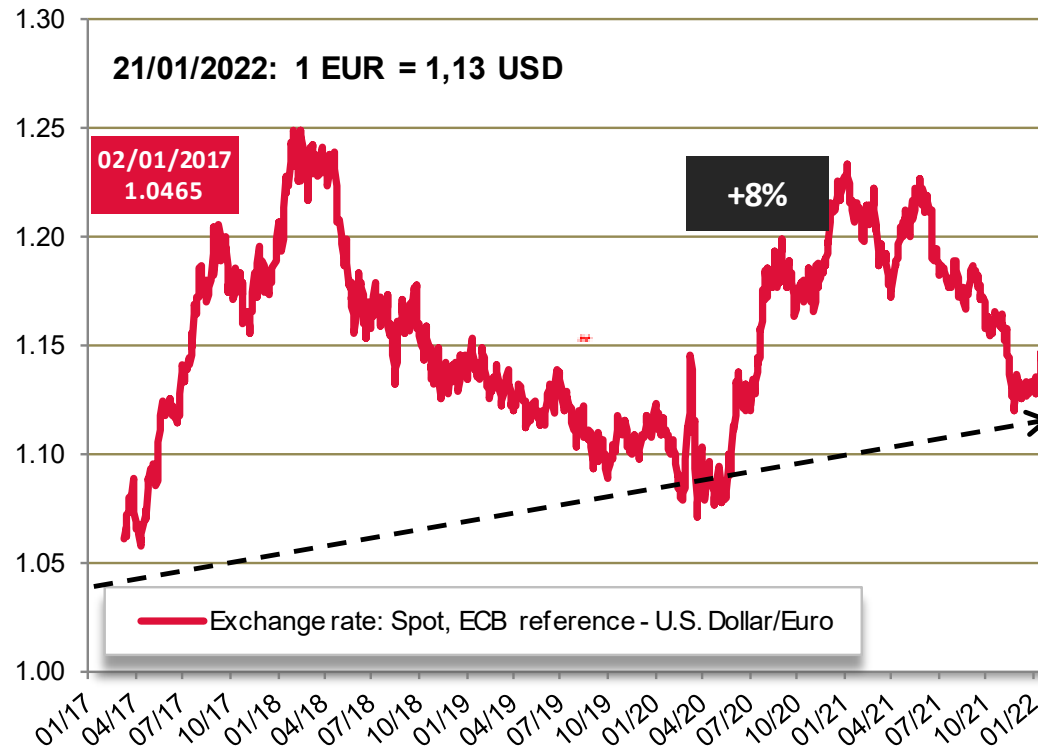
Cereals market situation

Committee for the Common Organisation of Agricultural
Markets

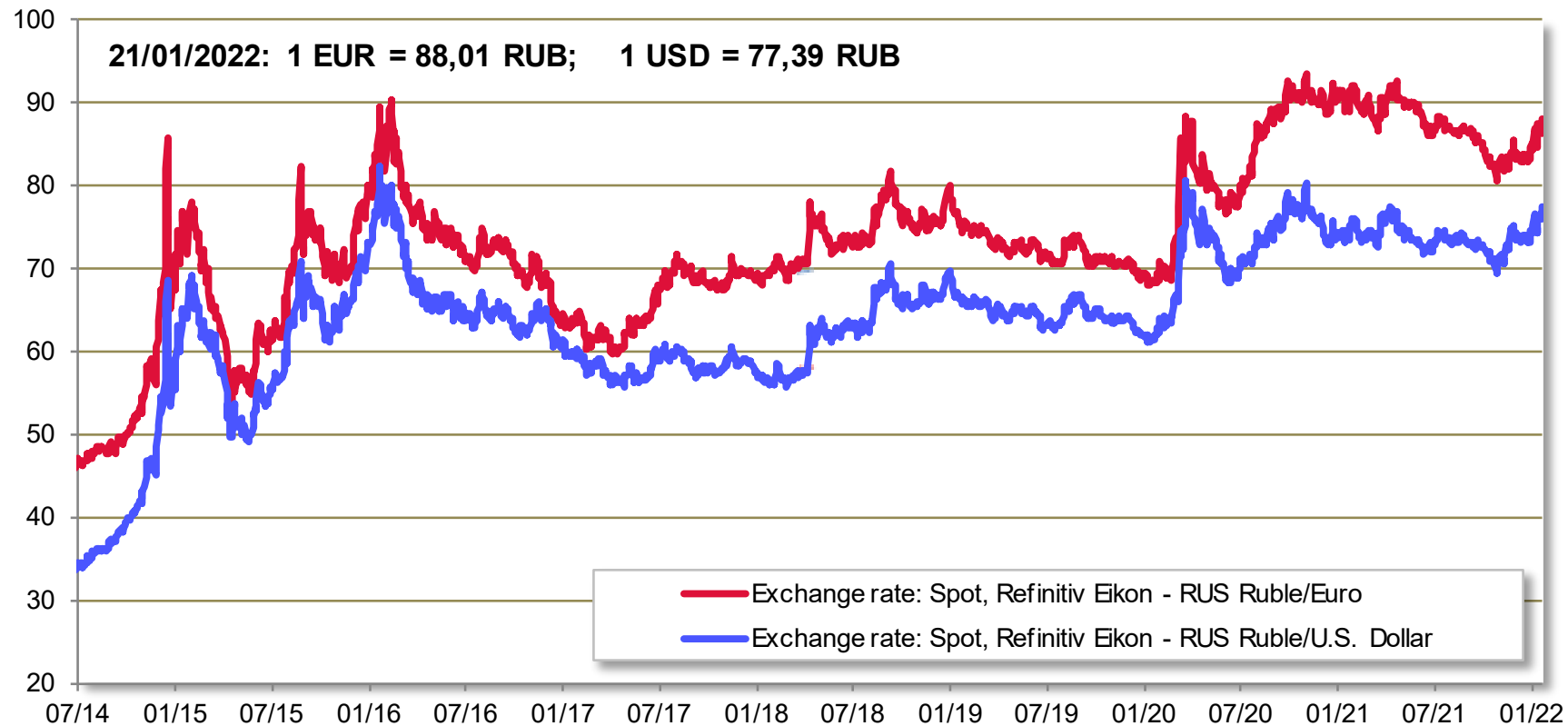
27 January 2022

Exchange Rates

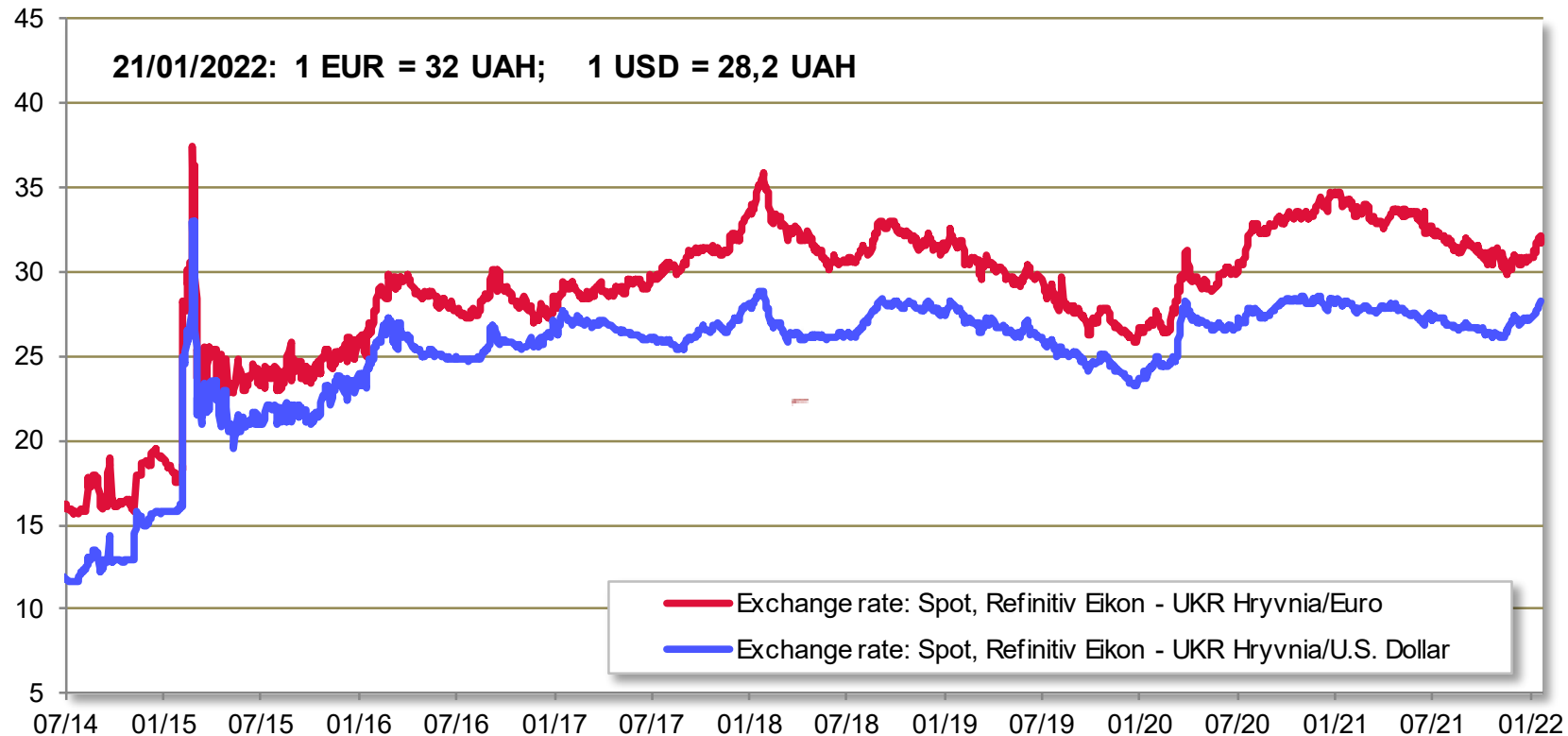
Euro – US Dollar exchange rate



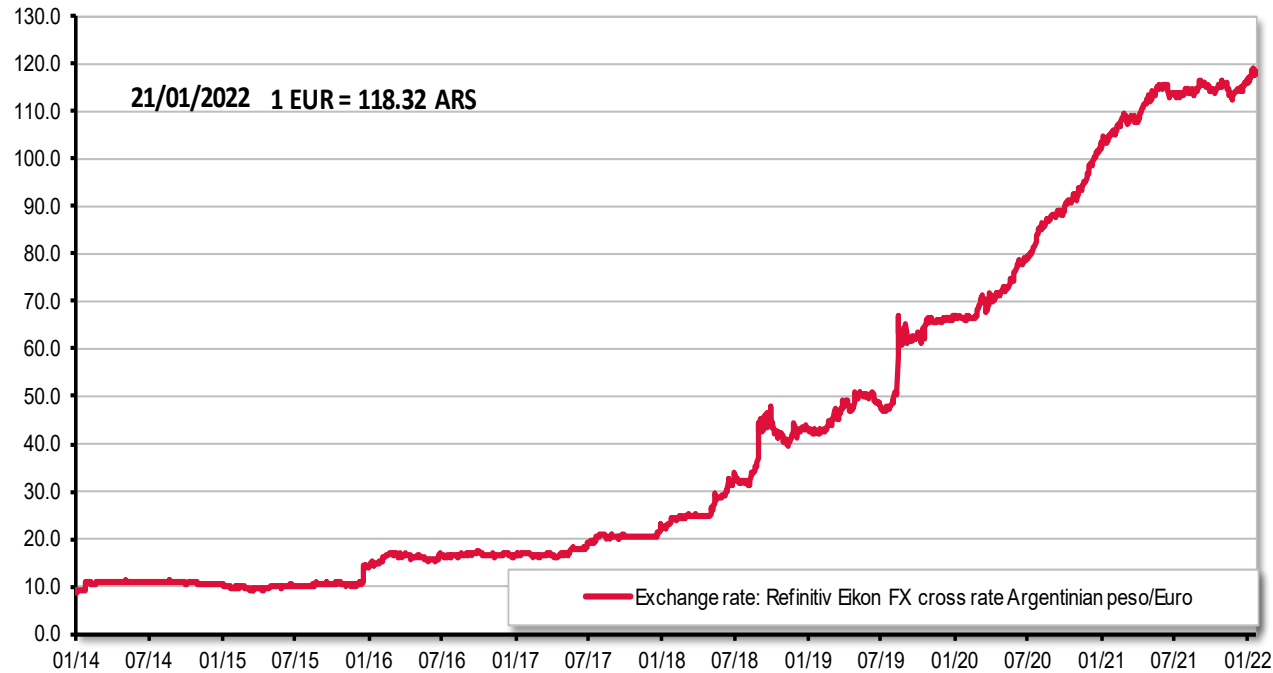
Euro and US Dollar – Russian Rouble exchange rate



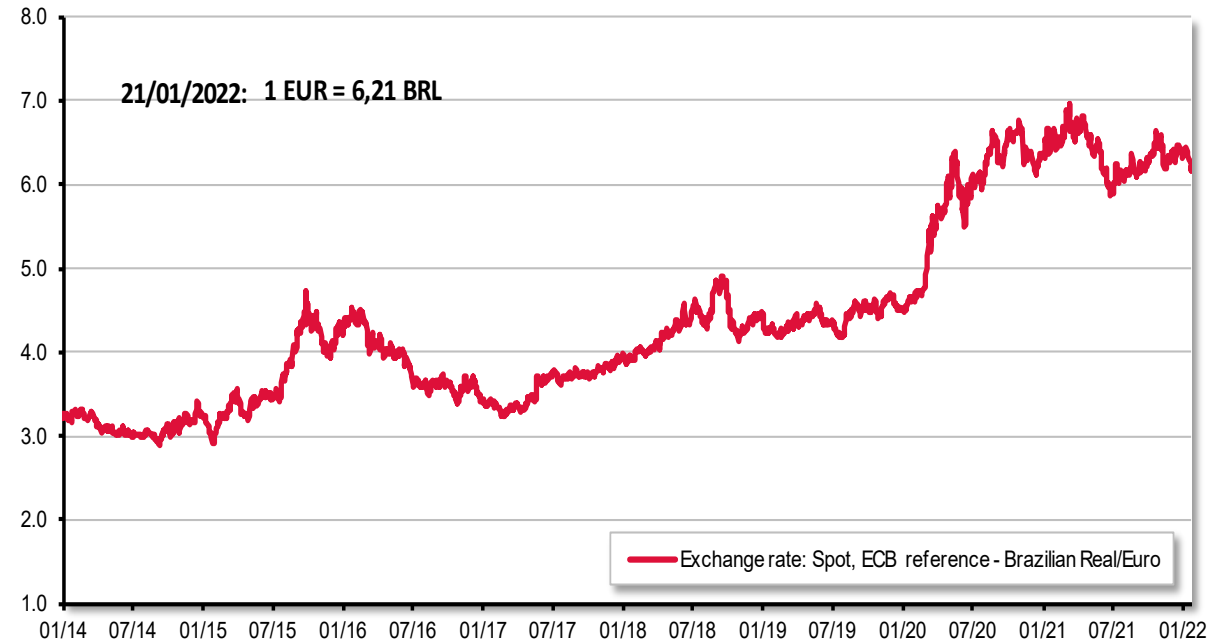
Euro and US Dollar - Ukraine Hryvnia exchange rate



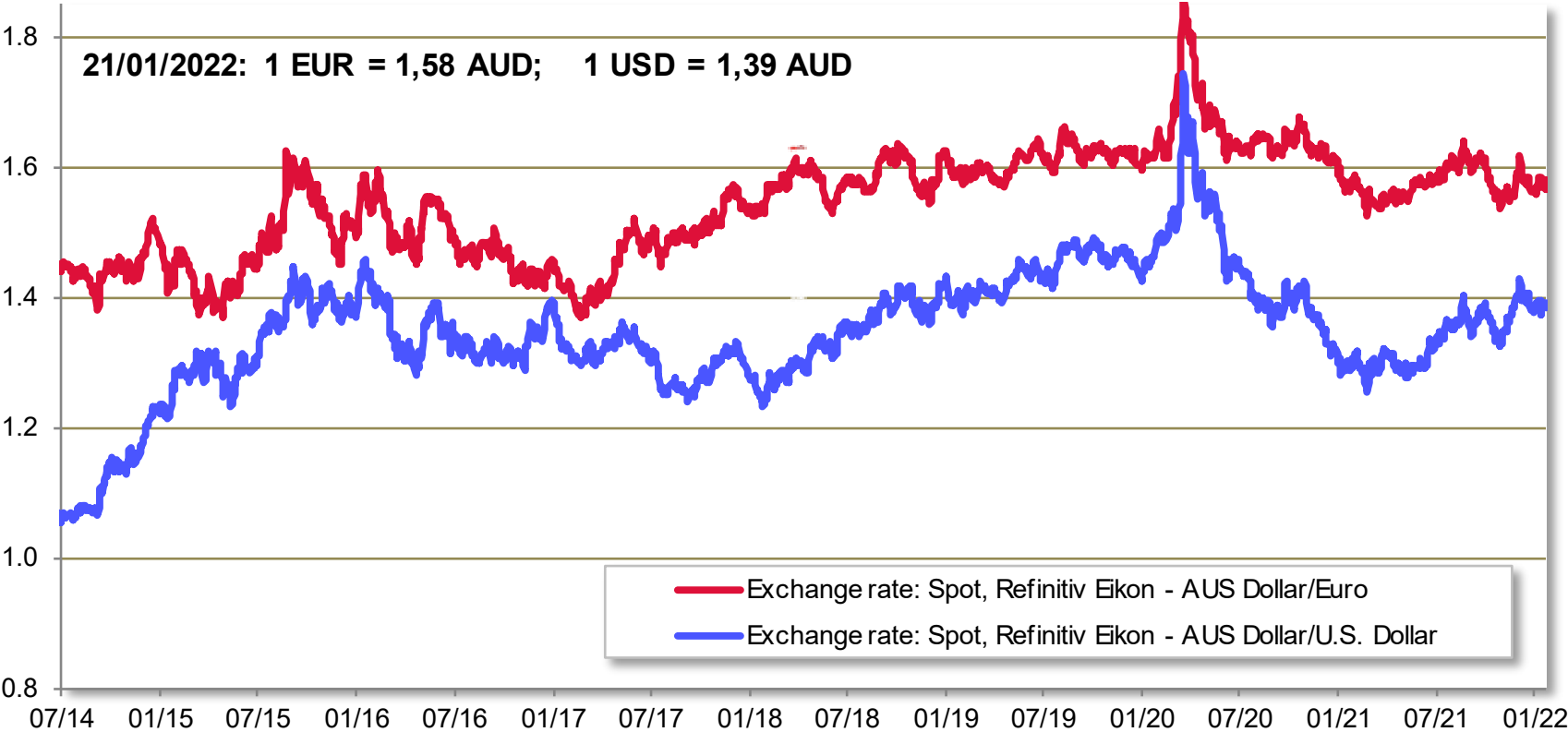
Euro – Argentine Peso exchange rate



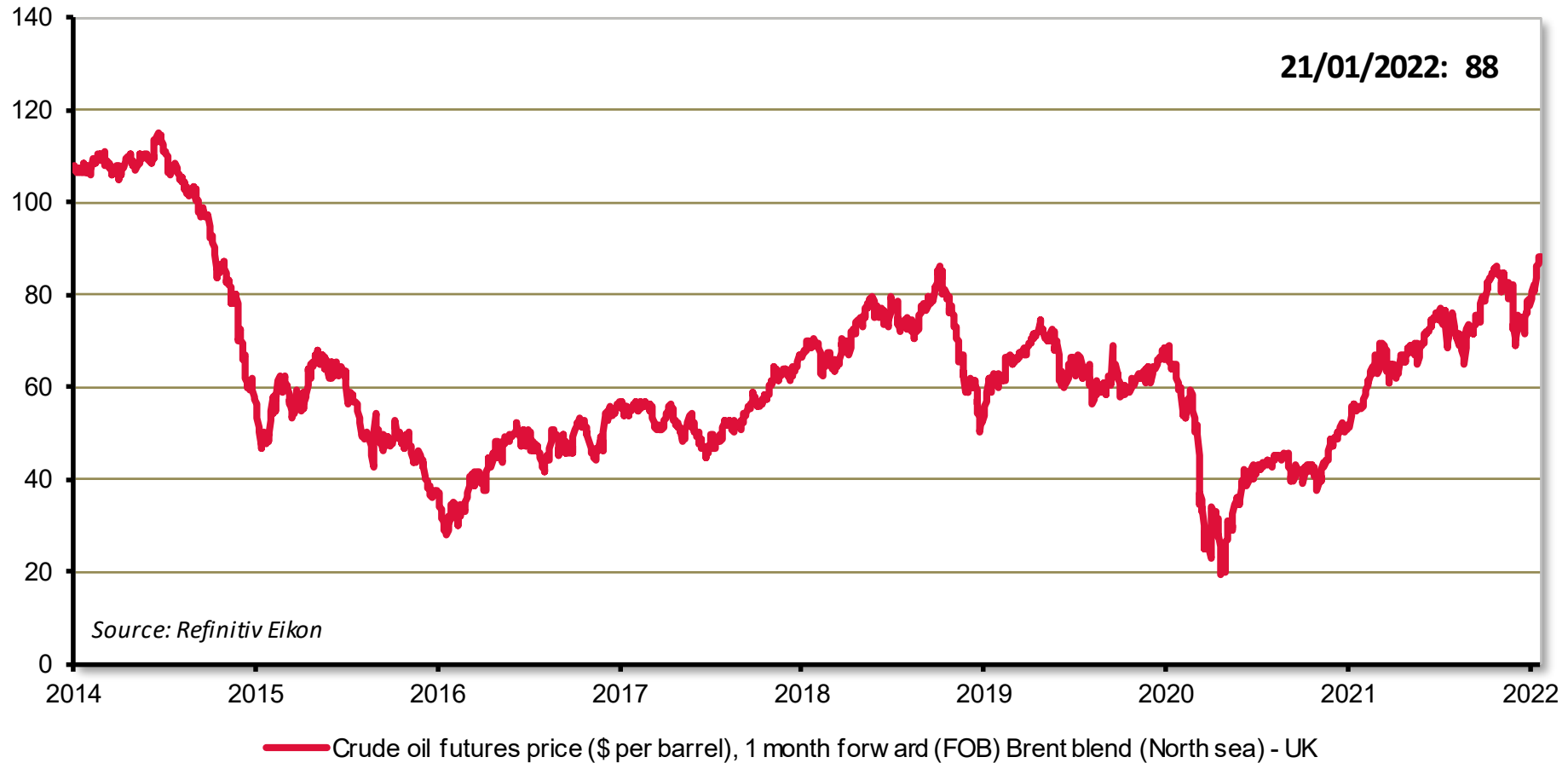
Euro – Brazilian Real exchange rate



Euro and US Dollar – Australian Dollar exchange rate



Crude oil price (USD/barrel)



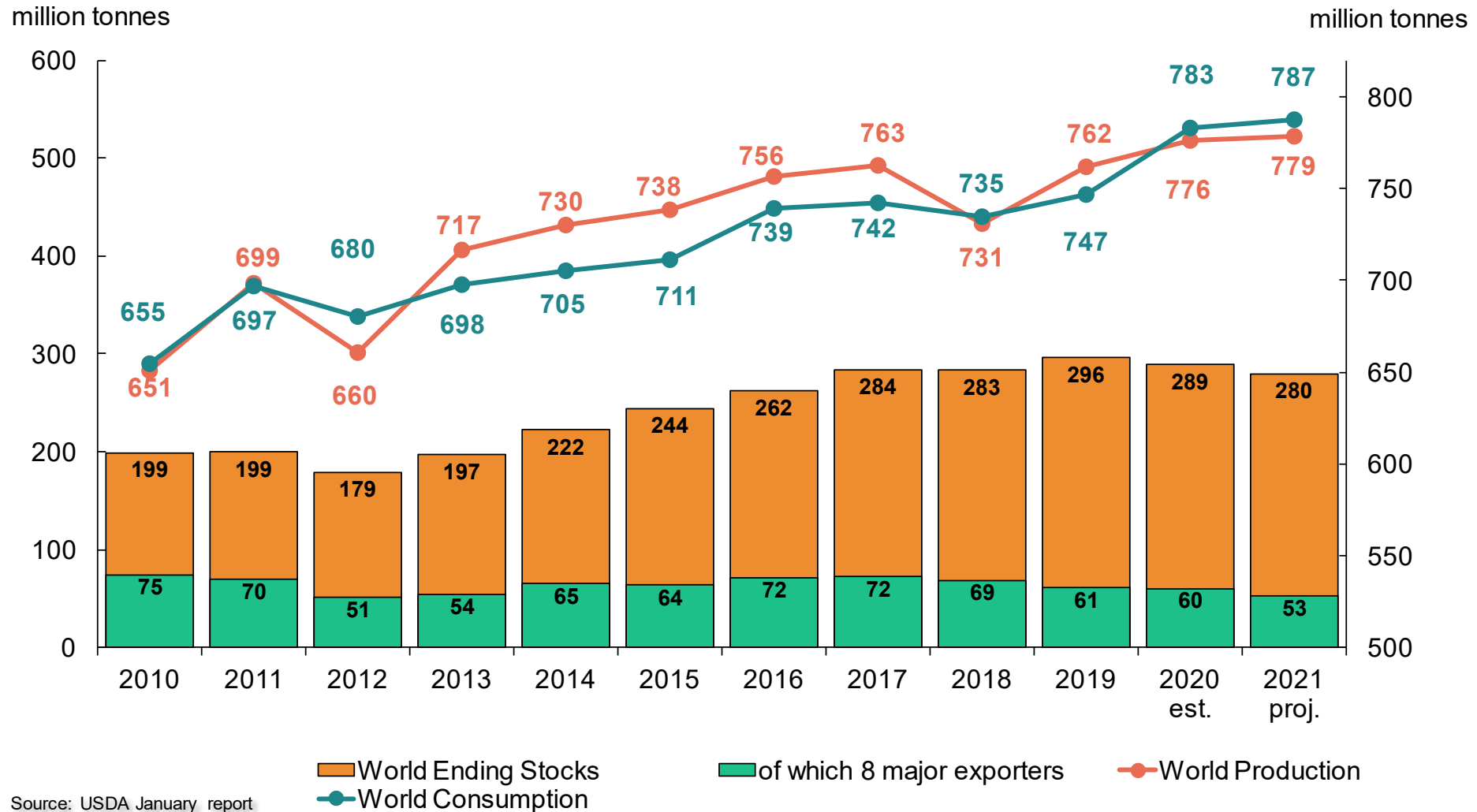
Baltic Dry Index



World Cereals Forecasts

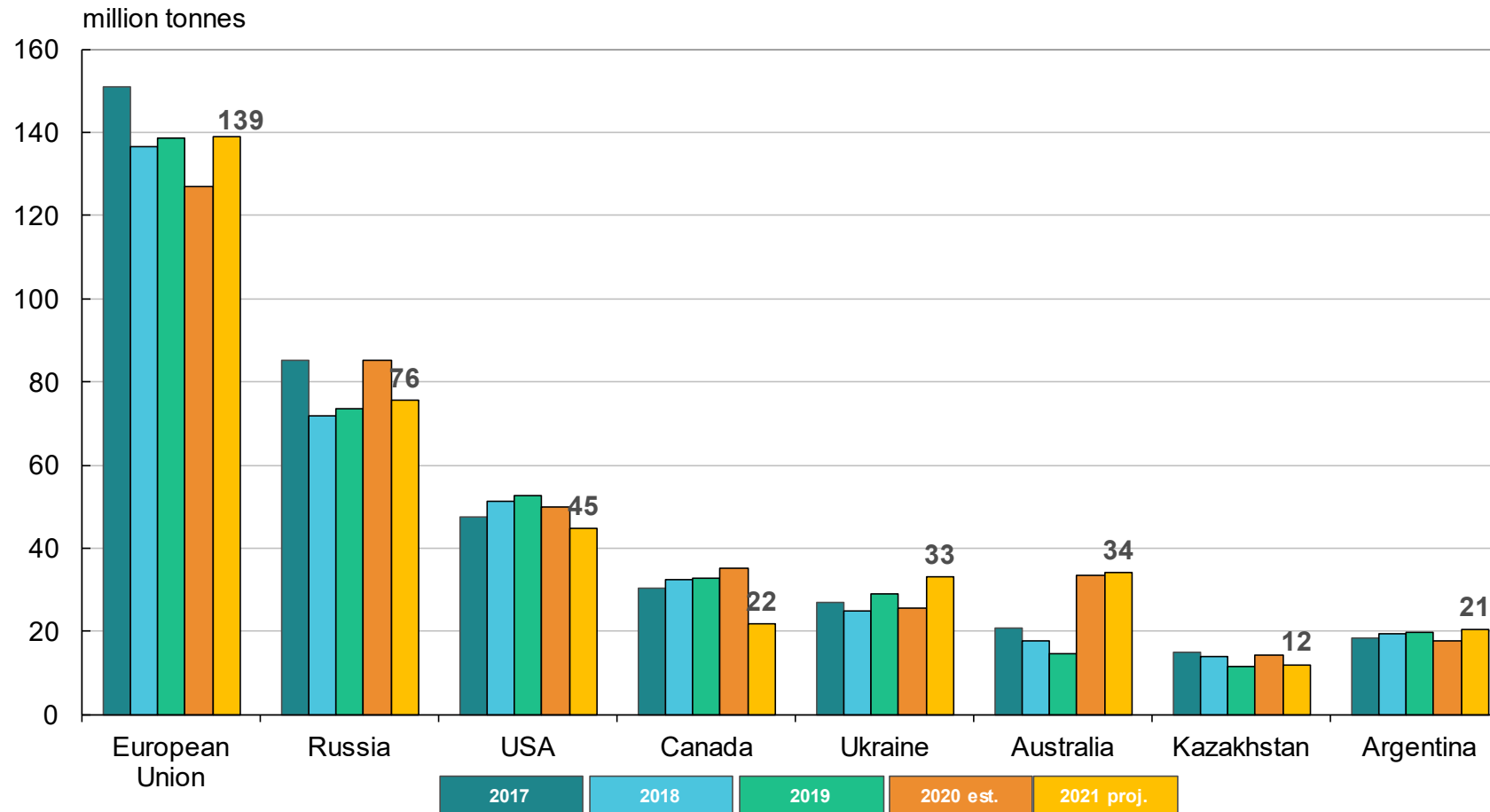
USDA

World wheat: USDA



Source: USDA January report

USDA: Wheat production forecast



Source: USDA January report

USDA 2021/22 Supply and Demand Estimates

(WASDE – 620 of 12 January 2022)

Wheat production forecasts in selected countries (all wheat; million tonnes)

	2021/22	Share of total	2020/21	m/m change (m t)	y/y change (%)
EU-27	138.9	17.8%	126.9	+0.2	+9.4%
USA	44.8	5.8%	49.8	-	-10.0%
Canada	21.7	2.8%	35.2	-	-38.5%
Russia	75.5	9.7%	85.4	-	-11.5%
Ukraine	33.0	4.2%	25.4	-	+29.8%
Australia	34.0	4.4%	33.3	-	+2.1%
Argentina	20.5	2.6%	17.7	+0.5	+16.1%
China	137.0	17.6%	134.3	-	+2.0%
India	109.5	14.1%	107.9	-	+1.5%
World	778.6	100.0%	775.9	+0.7	+0.4%

Wheat import forecasts for selected countries and regions

	2018/19	2019/20	2020/21	2021/22*
Algeria	7.515	7.145	7.680	7.700 (+0.2m m/m)
Egypt	12.354	12.811	12.149	13.000
Morocco	3.724	4.879	5.191	4.500
North Africa	26.956	27.991	28.246	28.500 (+0.2m)
Nigeria	4.659	5.338	6.586	6.200
Sub-Saharan Africa	22.572	26.953	26.581	27.060 (-0.25m)
Saudi Arabia	2.902	3.652	2.818	3.500
Vietnam	3.500	3.570	3.900	3.800
Indonesia	10.934	10.586	10.450	10.750
SE Asia	27.757	27.561	26.505	27.000
China	3.145	5.376	10.618	9.500

Source: USDA (data in million tonnes, incl. flour, July/June); *forecast

North Africa = Algeria, Egypt, Libya, Morocco and Tunisia

South East Asia = Indonesia, Malaysia, Philippines, Thailand and Vietnam

USDA 2021/22 Supply and Demand Estimates

(WASDE – 620 of 12 January 2022)

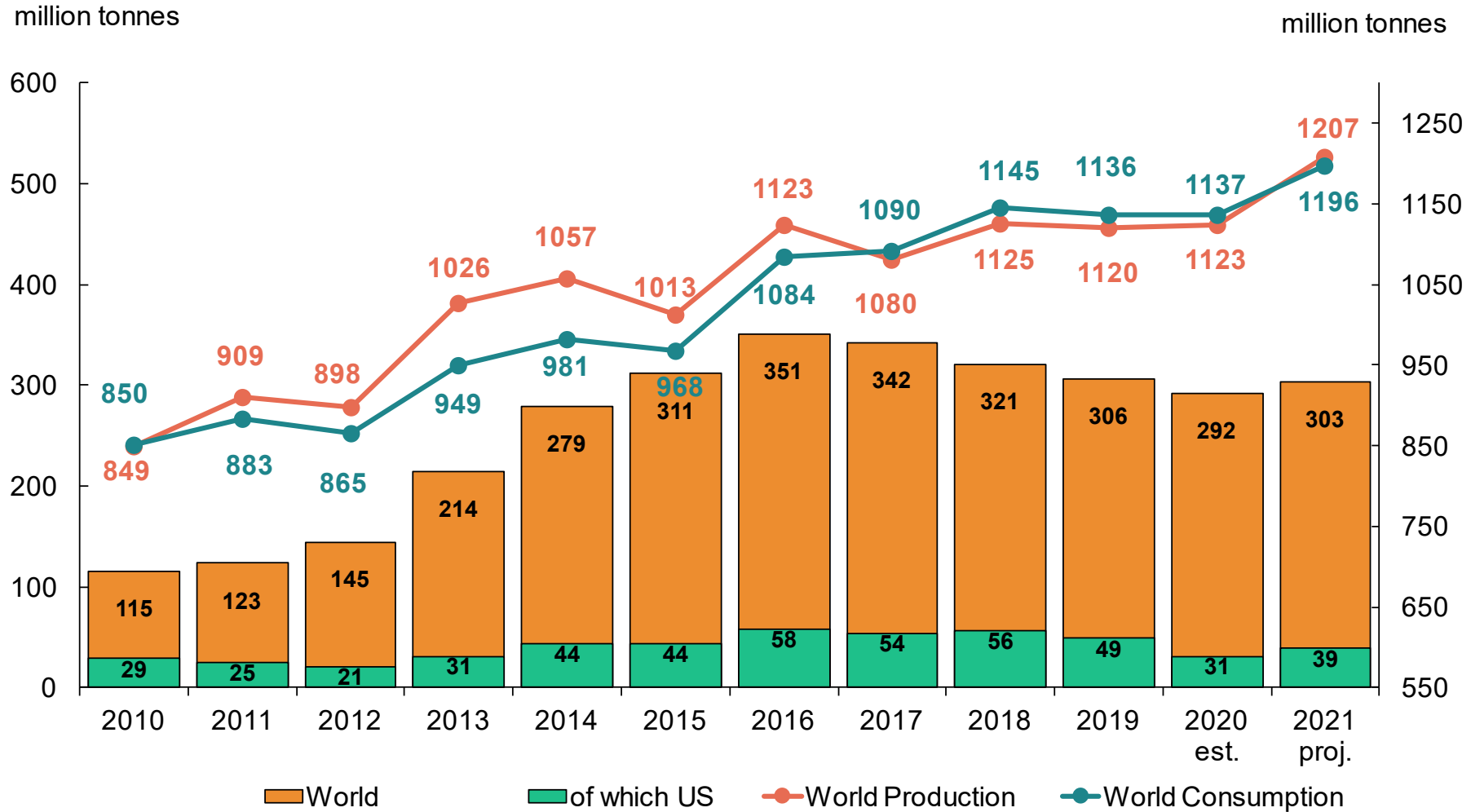
Wheat: mainly linked to a larger ARG crop, world production forecast increased by 0.7m m/m to 778.6m t (+2.7m or +0.4% y/y). On reduced feed demand, global wheat consumption was reduced by 1.9m to 787.5m t (+0.6% y/y), incl. feed use lowered to 159.6m t (+1.2%). Ending stocks increased by 1.8m m/m to 280.0m t (-3.1% y/y), with combined stocks in China and India (169.0m) representing 60.4% of world total.

ARG harvest is estimated at a record 20.5m t (+0.5m m/m, + 2.9m y/y), with the monthly increase linked to higher yield (3.15 t/ha; +14.1% y/y). Harvested area is placed at 6.5m ha, fractionally higher y/y (+1.6%).

The **EU** production was lifted slightly to 138.9m t (+0.2m m/m, +12.0m y/y) on larger harvested area (24.14m ha; +5.1% y/y).

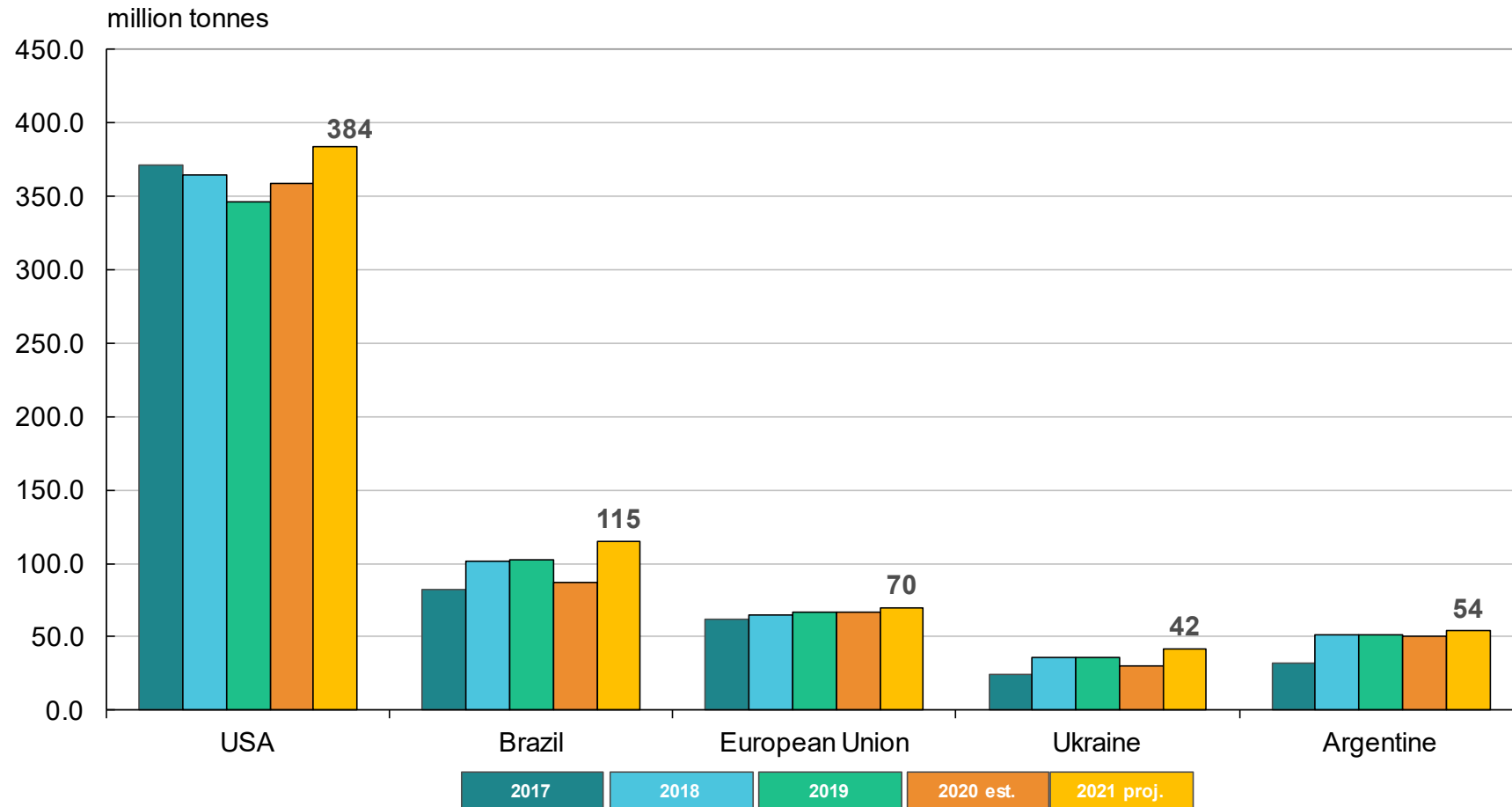
World exports were lowered by 1.1m to 204.4m t (+0.9% y/y) as smaller RUS and US exports are only partly offset by larger EU shipments. With 37.5m t (+0.5m m/m; +7.8m y/y), the **EU** is expected to be the largest exporter, followed by **RUS** (35.0m; -1.0m m/m). **RUS** export forecast decreased due to the additional restrictive measures announced.

World maize: USDA



Source: USDA January report

USDA: maize production forecast



Source: USDA January report

USDA 2021/22 Supply and Demand Estimates

(WASDE – 620 of 12 January 2022)

Maize production forecasts in selected countries (million tonnes)

	2021/22	Share of total	2020/21	m/m change (m t)	y/y change (%)
EU-27	70.0	5.8%	67.1	-0.4	+4.3%
USA	383.9	31.8%	358.5	+1.4	+7.1%
Ukraine	42.0	3.5%	30.3	+2.0	+38.6%
Russia	15.0	1.2%	13.9	-	+8.1%
Brazil	115.0	9.5%	87.0	-3.0	+32.2%
Argentina	54.0	4.5%	50.5	-0.5	+6.9%
China	272.6	22.6%	260.7	-	+4.6%
South Africa	17.0	1.4%	16.9	-	+0.6%
World	1,207.0	100%	1,122.8	-1.8	+7.5%

USDA 2021/22 Supply and Demand Estimates

(WASDE – 620 of 12 January 2022)

Maize: led by reduced prospects for South American harvests, world production outlook was lowered by 1.8m m/m to 1,207.0m t (+7.5% or +84.1m t y/y). Global consumption is expected to increase by 5.2% y/y to 1,196.1m t (+5.2% or +59.3m y/y), incl. feed use at 751.1m t (+3.9%). **EU** demand was slightly lowered to 79.9m t (-0.4m m/m; +2.3m t y/y), incl. 59.3m (+2.1m y/y) of feed use. Linked to higher use for ethanol production (135.3m t; +5.9% y/y), **US** consumption was lifted to 315.2m t (+2.8%). World ending stocks decreased to 303.1m t (-2.5m m/m; +3.7% y/y), incl. 210.2m in **China** (+2.2% y/y; 69.4% of world total).

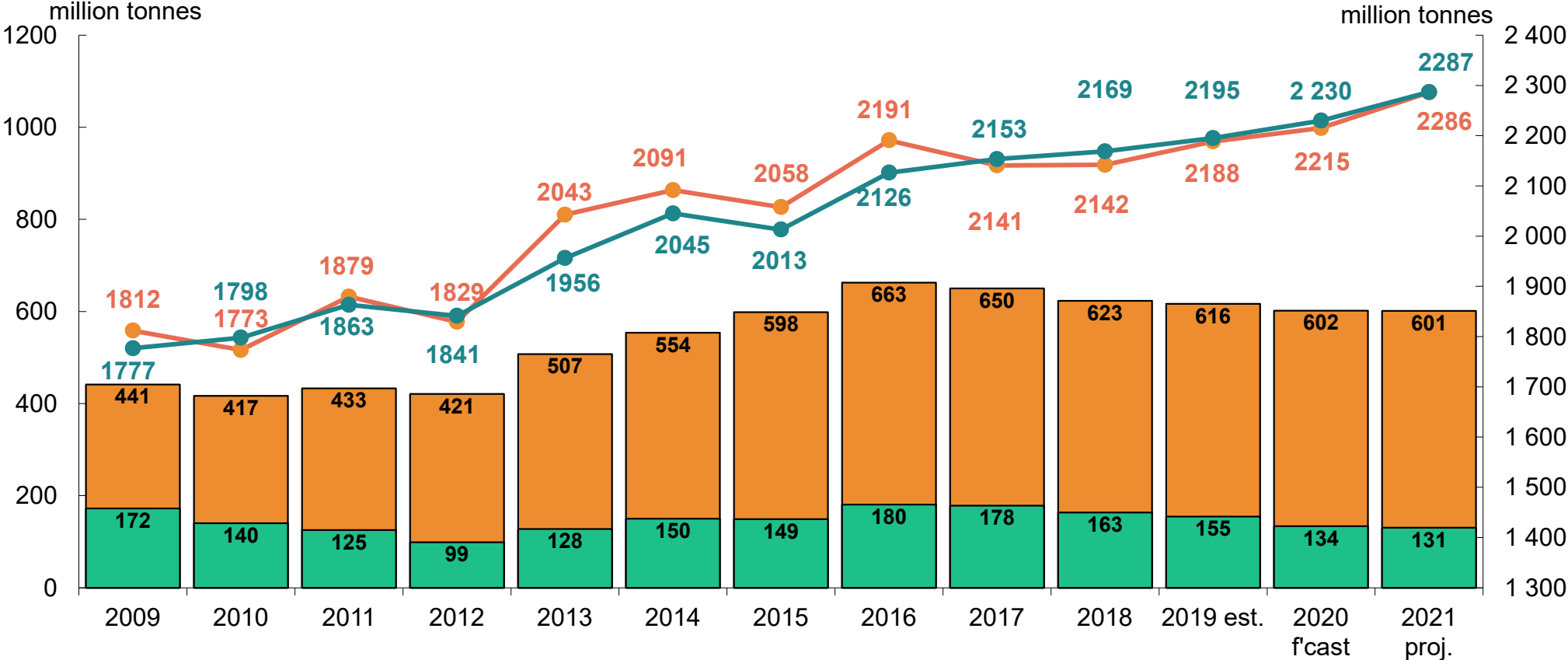
The **UKR** production estimate was lifted again, up by 2m m/m to a record 42.0m t (+38.6% or +11.7m t y/y) due to higher productivity. Yield reached a new peak of 7.92 t/ha (+41% y/y), while harvested area was slightly reduced m/m to 5.3m ha (-2% y/y). The **US** crop was raised slightly to 383.9m t following an upward revision of the harvested area to 34.56m ha (+3.7% y/y), while yield was kept unchanged at 11.11 t/ha. In **BRA** the yield prospects of the first maize crop were negatively impacted by hot and dry growing conditions, in particular in the southern states of Paraná and Rio Grande do Sul, where about one third of the first crop is grown. While total harvested maize area is forecast at a record 20.8m ha (+5% y/y), yield is seen at 5.53 t/ha, slightly below the 10-Y trend. Total maize output is now estimated at 115m t (-3m m/m; +32.2% or + 28m t y/y).

World exports are forecast at 204.2m t (+13.8% y/y), incl. **UKR** with 33.5m t (+1m m/m; +40.4% y/y), **US** with 61.6m t (-1.9m m/m; -11.9% y/y) and **BRA** with 43.0m t (+120%).

World Cereals Forecasts

International Grains Council

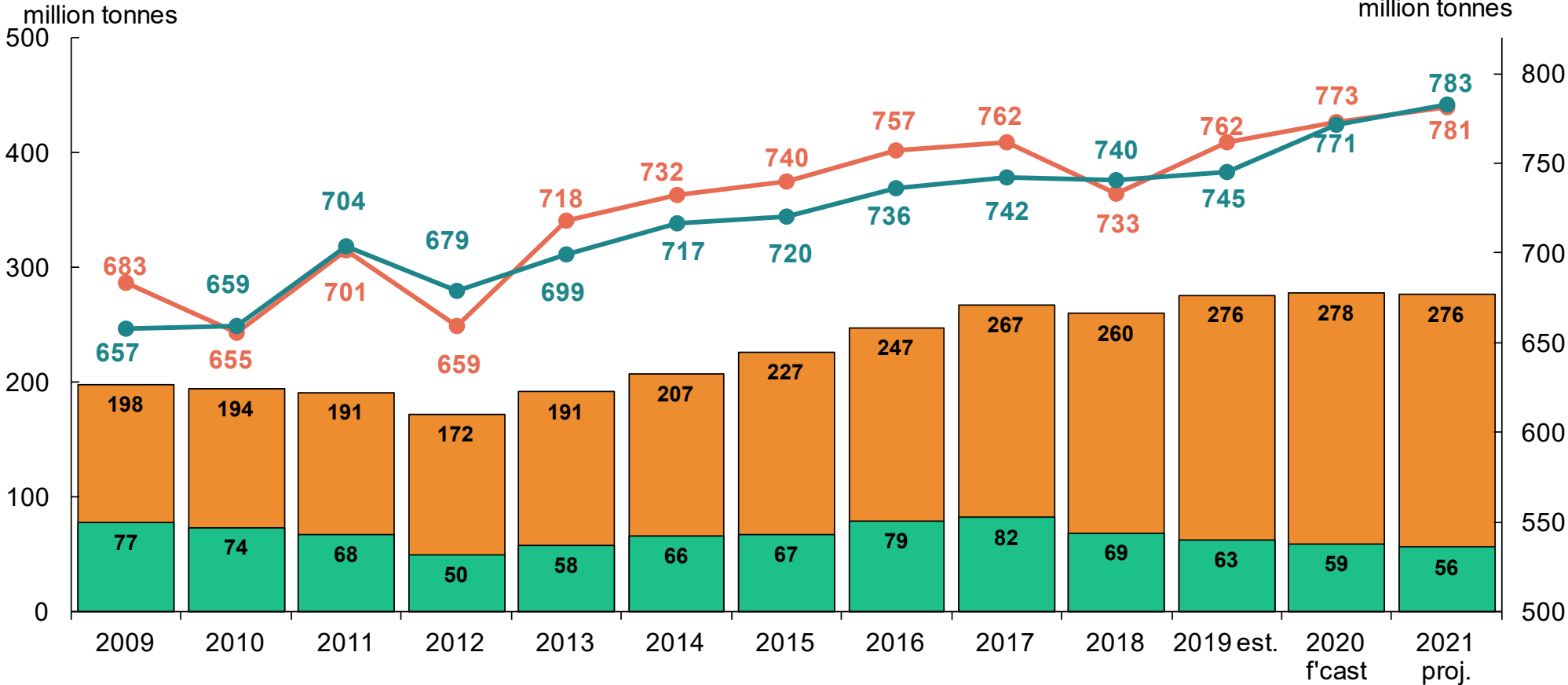
World cereals: IGC



Source: IGC January report

■ World Ending Stocks
 ■ of which 8 major exporters
 ● World Production
 ● World Consumption

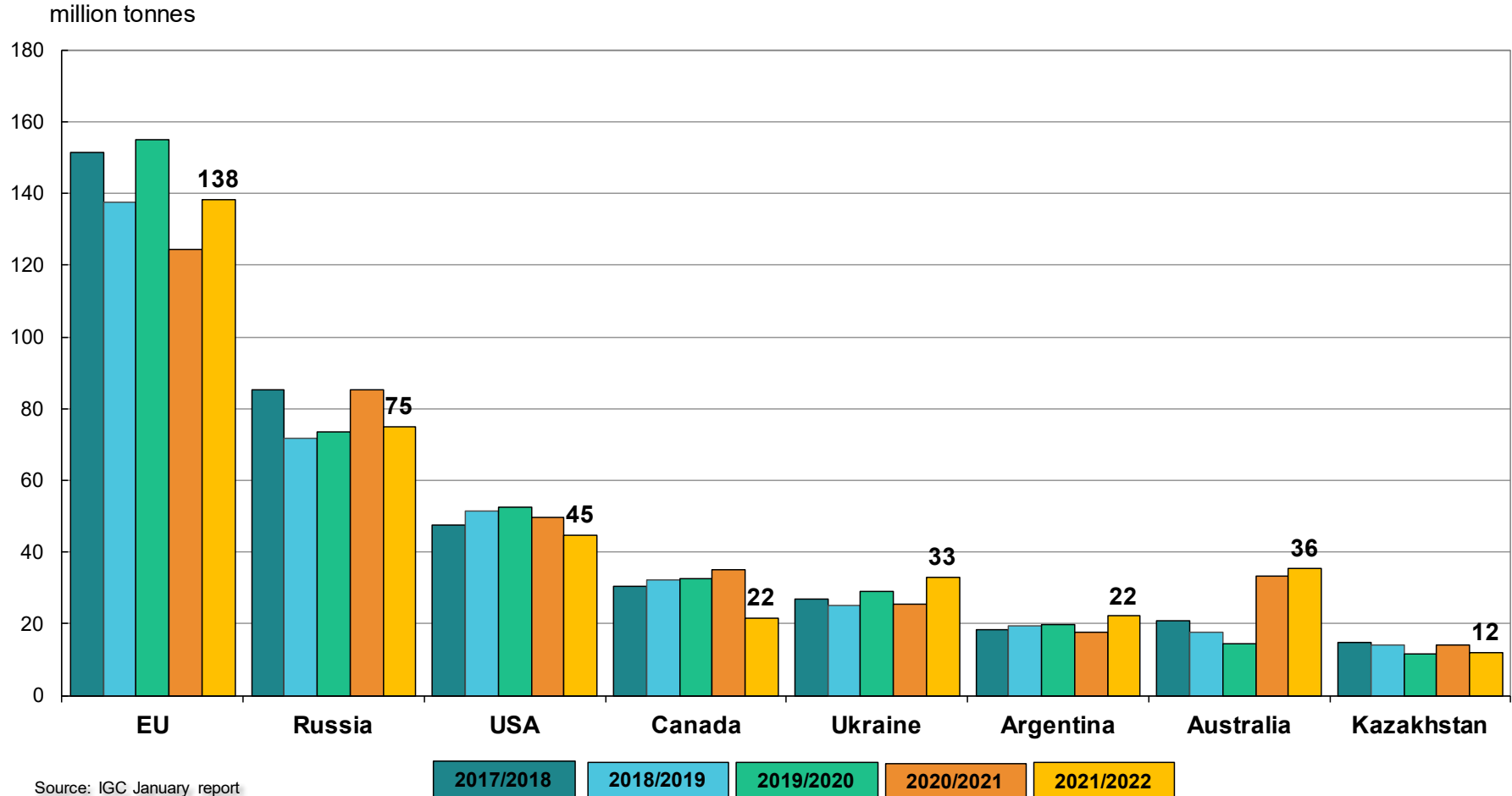
World wheat: IGC



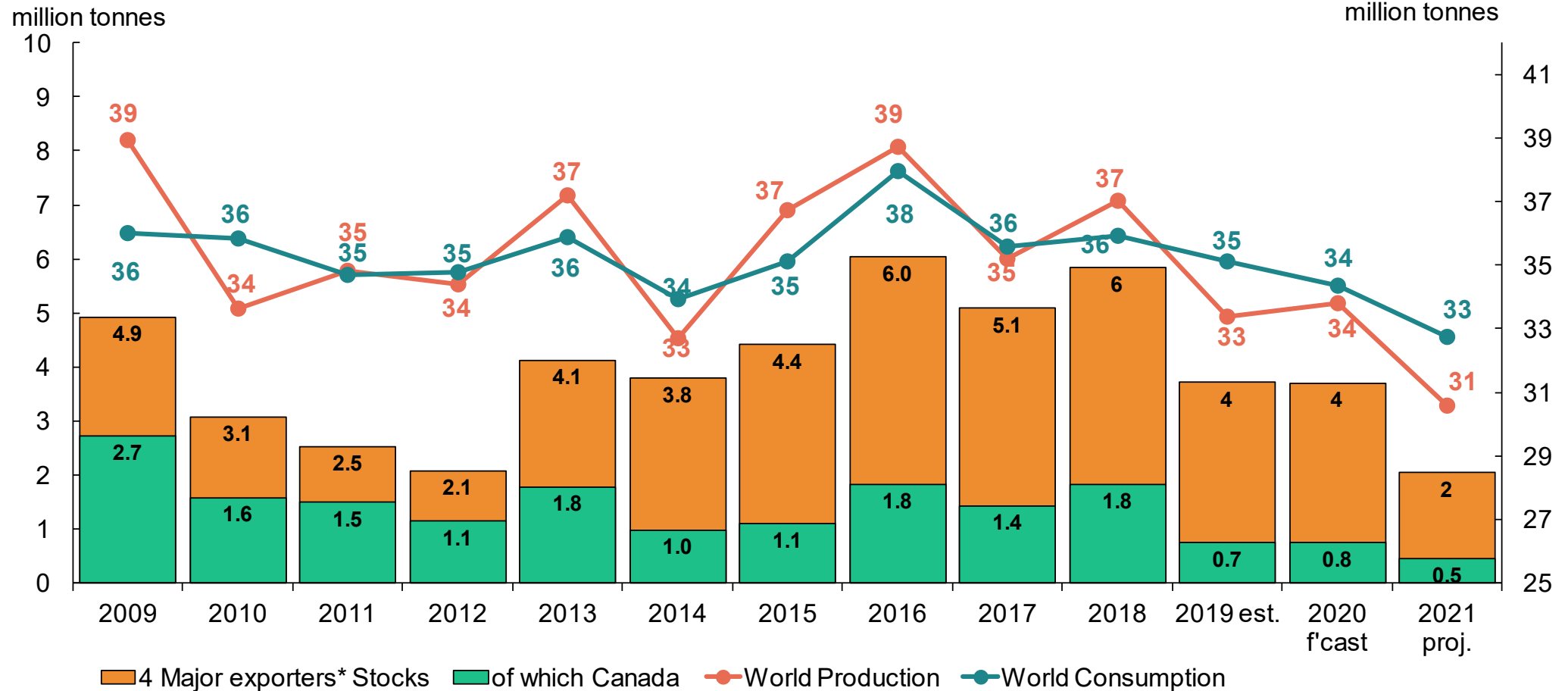
Source: IGC January report

■ World Ending Stocks
 ■ of which 8 major exporters
 —●— World Production
 —●— World Consumption

IGC: Wheat production forecast



World durum wheat: IGC



*4 major exporters: Canada, EU, Mexico and USA

Source: IGC January report

Summary of the IGC Grain Market Report

(GMR 528 of 13/01/2022)

Outlook for 2021/22

Wheat production in selected countries (all wheat; million tonnes)

	2018/19	2019/20	2020/21 (estimate)	2021/22 (forecast)	m/m change (m t)	y/y change
EU-27 (2020/21) <i>EU-27 + UK to 2019/20</i>	137.7	155.0	124.5	138.2	+0.2	+11.1%
USA	51.3	52.6	49.8	44.8	-	-10.0%
Canada	32.4	32.7	35.2	21.7	-0.1	-38.5%
Russia	71.7	73.6	85.4	75.0	-	-12.1%
Ukraine	25.1	29.2	25.4	33.0	-	+29.8%
Australia	17.6	14.5	33.3	35.5	+3.5	+6.6%
China	131.4	133.6	134.3	137.1	-	+2.1%
India	99.7	103.6	107.9	109.5	-	+1.5%
World	732.7	761.5	773.1	781.3	+3.8	+1.1%

Summary of the IGC Grain Market Report

(GMR 528 of 13/01/2022)

Outlook for 2021/22

Total world grains production is estimated at a record 2,286.0m t (-1.5m from Nov; +3.2% or +71.0m y/y), with reductions for coarse grains (especially maize in South America), more than off-setting increases for wheat. Consumption was lowered by 3.0m to 2,286.7m t (+2.6% or +57.0m y/y), incl. 750.2m of food use (+1.4% y/y), 1,040.1m for feeding (+3.3%) and 370.3m for industrial use (+2.9% y/y). Ending stocks are fractionally higher from Nov at 601.1m t (-0.1% y/y), representing the fifth consecutive reduction.

Wheat: world production reached a new peak of 781.3m t (+3.8m from Nov; +1.1% or +8.1m t y/y), incl. record crops in ARG, AUS, India, MOR and UKR. Harvest was completed in **ARG** yielding 22.1m t (+2.2m from Nov; +25.6% y/y) as more intense use of fertilisers and timely late-season rains increased productivity. **AUS** wheat production forecast was raised by 3.5m to a record 35.5m t (+6.6%) aided by ample rainfall, which, in contrast, led to some quality downgrades. Increases for ARG and AUS were partly offset by reduced output forecasts in Ethiopia, Uzbekistan and Turkmenistan.

World consumption is forecast at a record 782.8m t (+1.3m from Nov; +1.5% y/y), incl. new peaks both for food use (540.5m; +1.5%) and feed use (154.9m; +3.2%). Ending stocks increased by 1.8m to 276.0m t (-0.6% y/y) on larger production. Stocks in the major exporters are placed at 56.1m t (-5.2%), lowest since 2012/13, however including a 10-Y high of 6.6m t (+57% y/y) in **AUS**.

Summary of the IGC Grain Market Report

(GMR 528 of 13/01/2022)

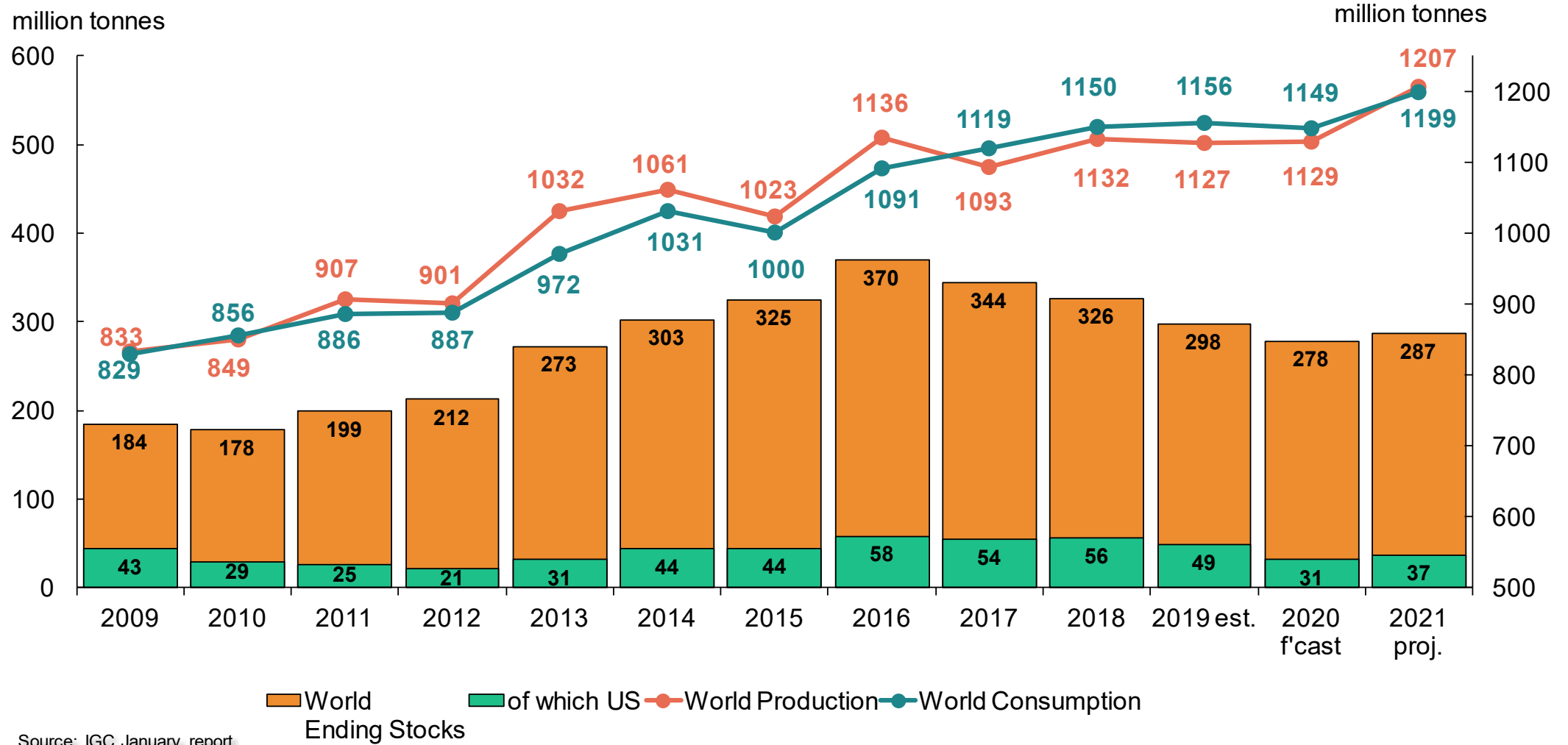
Outlook for 2021/22

Led by increased purchases by Near East Asia, world trade is forecast at a new peak of 196.1m t (+2.9% y/y) in 2021/22 (Jul/Jun). On record local harvests, exports were lifted to 13.8m t for **ARG** (+37%) and to 24.7m for **AUS** (+25%). **RUS** shipments lowered to 33.3m t (-12.9%) following the imposition of export quota. **EU** exports are forecast at 32.9m (+17.1%) and for **UKR** at 24.5m t (+46%).

Outlook for wheat in 2022/23: world harvested area is projected at 226.6m ha, 3% above 5-Y average, but slightly down y/y (-0.3%). Wheat area is forecast to remain broadly stable in the **EU** (23.8m ha; -0.3%), **RUS** (28.0m ha; -0.2%) and **UKR** (7.4m ha; +0.6%), while to increase in **CAN** (9.9m ha; +7.1%) and **US** (15.9m ha; +5.9%). Tentatively, world production is expected to increase to 792m t (+1.4% y/y), although lot will depend on the price and availability of fertilizers in addition to weather. Mostly driven by population growth, consumption is projected to increase by 1.2% to 792m t, incl. 546m of food use and 156m of feed use. Ending stocks are seen steady y/y at 276m t, with China and India remaining the largest stock holders with little changes.

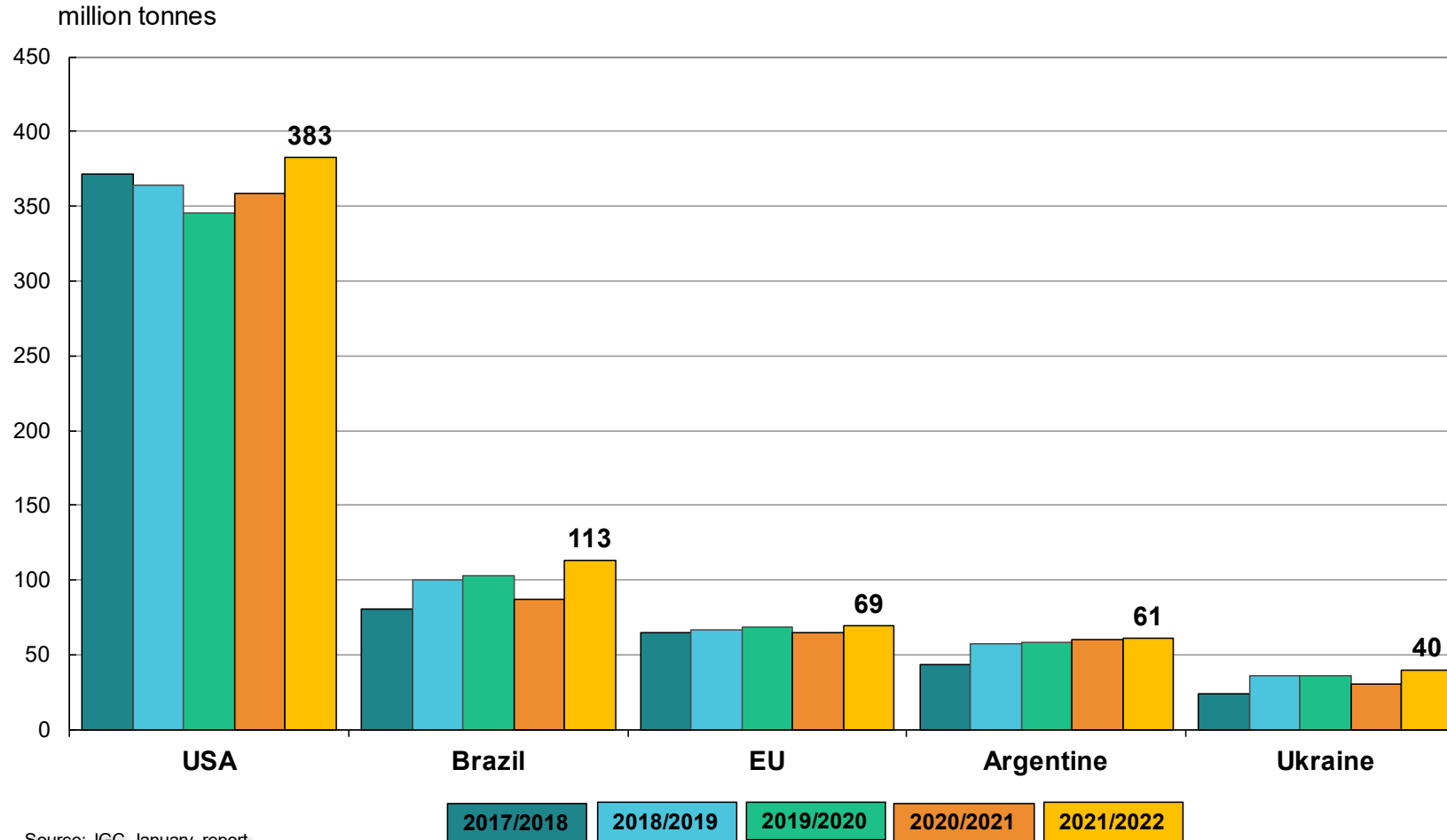
Durum wheat: reflecting further reduction in CAN, partly offset by a larger crop in MEX, estimated world production was lowered by 0.5m m/m to 30.6m t (-9.6% or -3.2m t y/y). The **EU** crop decreased slightly to 7.4m t (-0.1m m/m; +3.6% y/y). Updated official harvest data showed smaller results in **CAN** than expected before and production was cut by 0.9m to 2.7m t (-59.6% y/y). On better yields, **MEX** harvest was raised by 0.5m to 1.8m t (+49.4%). With further tightening supplies consumption reduced by 0.6m to 32.7m t (-4.7%). Stocks lowered to 5.9m t (-27% y/y), incl. 2.0m t (-45%) in the 4 major exporters (CAN, EU, MEX, US).

World maize: IGC



Source: IGC January report

IGC: maize production forecast



Summary of the IGC Grain Market Report

(GMR 528 of 13/01/2022)

Outlook for 2021/22

Maize production in selected countries (million tonnes)

	2018/19	2019/20	2020/21 (estimate)	2021/22 (forecast)	m/m change (m t)	y/y change
EU-27 (2020/21) <i>EU-27 + UK to 2019/20</i>	67.0	68.1	64.9	69.4	+1.1	+6.9%
USA	364.3	346.0	358.4	382.6	-	+6.7%
Ukraine	35.8	35.9	30.3	40.0	+1.5	+32.0%
Russia	11.4	14.3	13.9	14.6	-0.4	+5.2%
Brazil	100.0	102.5	87.0	112.9	-4.6	+29.7%
Argentina	56.9	58.5	60.5	61.0	-2.3	+0.8%
China	257.3	260.8	260.7	272.6	-0.2	+4.6%
World	1,132.3	1,127.5	1,129.2	1,207.4	-4.4	+6.9%

Summary of the IGC Grain Market Report

(GMR 528 of 13/01/2022)

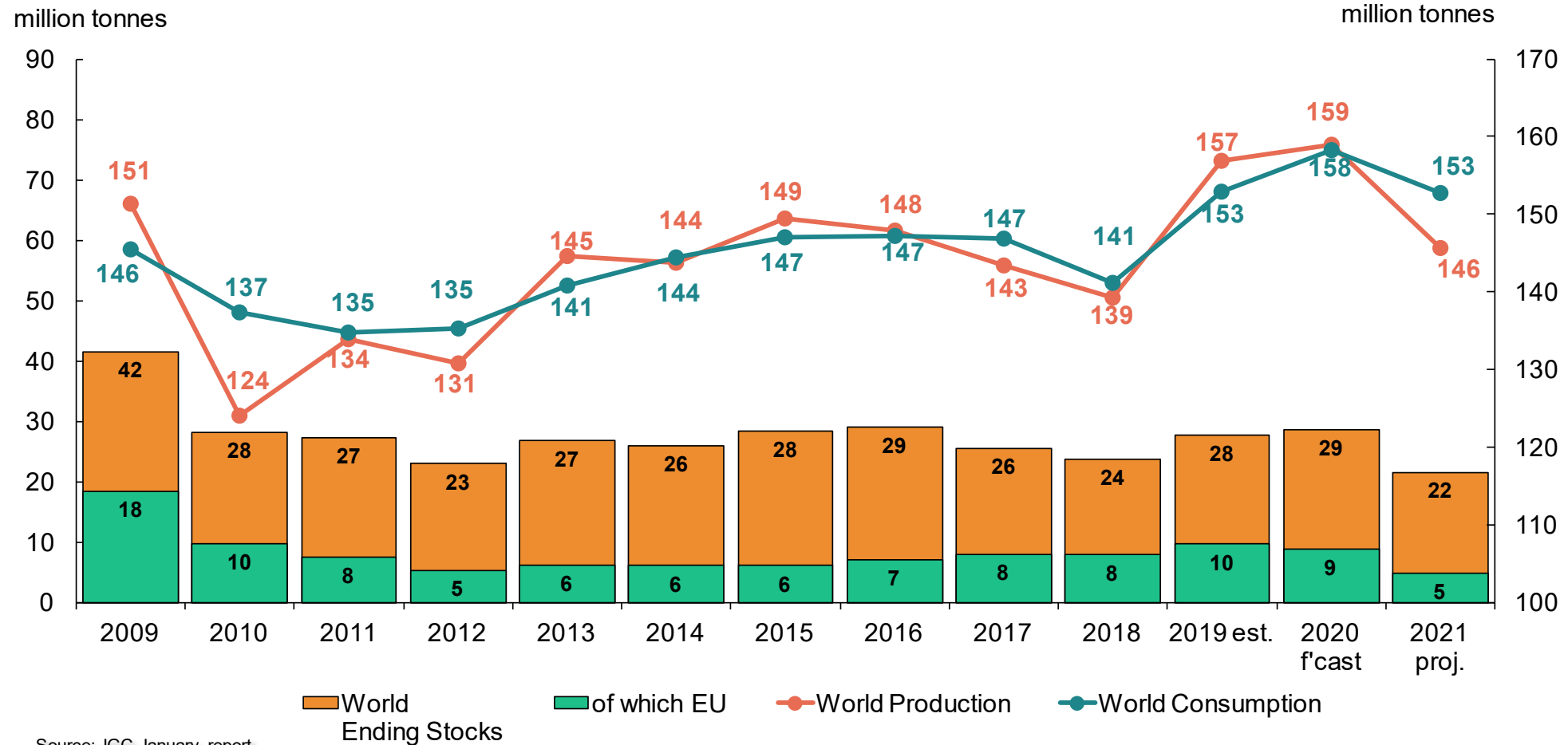
Outlook for 2021/22

Maize: estimated world production was reduced by 4.4m to 1,207.4m t (+6.9% or +78.2m y/y), an all-time high. Consumption was lowered by 3.9m from Nov to 1,198.8m t (+4.3% y/y), still a record, incl. feed use at 711.8m (-4.1m from Nov; +4.7% y/y) and industrial use at 307.6m (-1m from Nov; +3.2% y/y). Ending stocks are fractionally lower from before at 286.8m t (+3.1% y/y but 11% below 5-Y average), of which 190.2m t attributed to **China** (-2.1% y/y; 66.3% of total).

Despite earlier delays, **UKR** harvest was completed by mid-Dec, similar to normal. With yields exceeding expectations, production was lifted by 1.5m to a record 40m t (+32%). Hot and dry conditions in South America are expected to reduce yield potentials. **BRA** forecast was cut by 4.6m to 112.9m t, still a record, while the **ARG** crop was lowered by 2.3m to 61.0m t (+0.8%; incl. on-farm use). Widespread rains maintained a favourable outlook in **South Africa** with production forecast at an above average level of 16.5m t (-1.9% y/y).

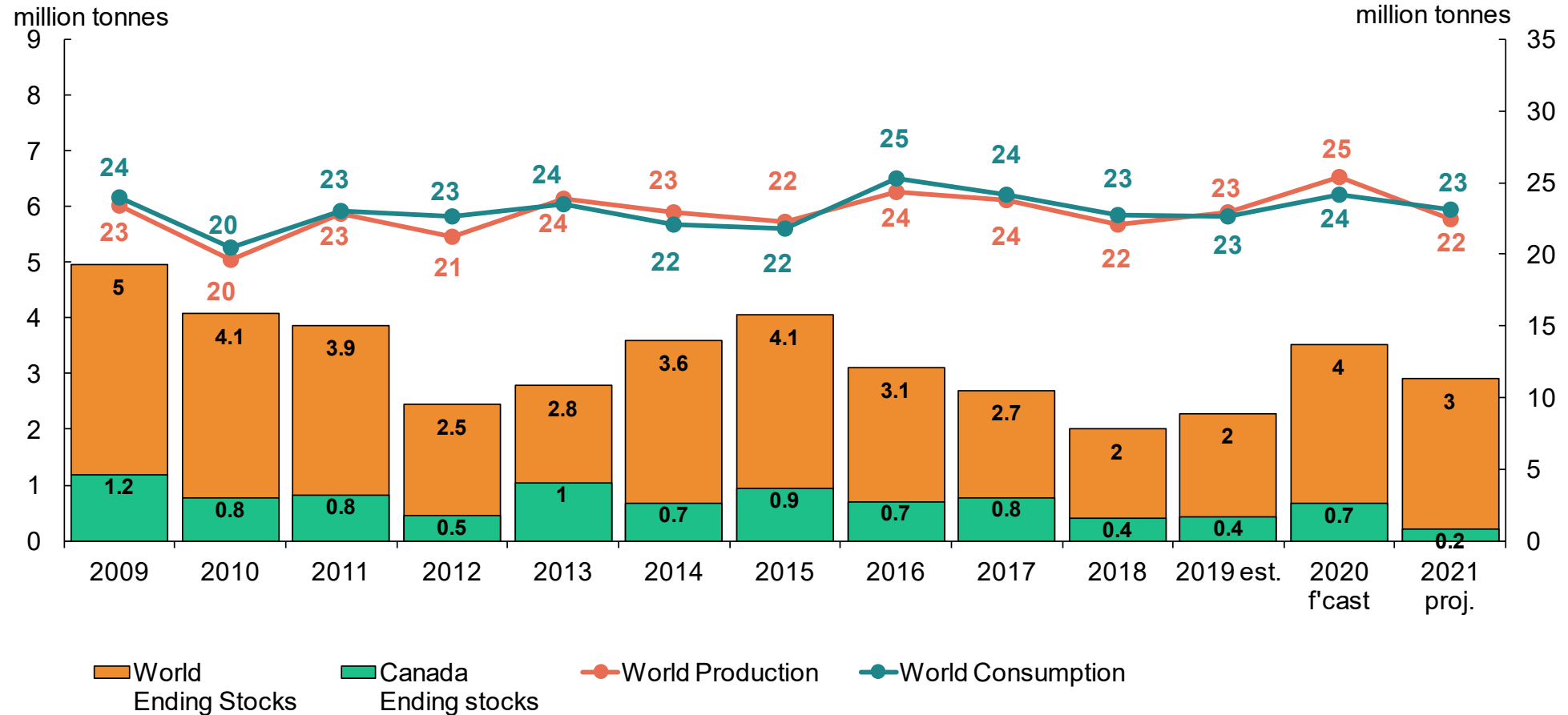
World trade is forecast to decrease from last season's record to 177.3m t (Jul/Jun; -6.0% y/y), incl. **EU imports** at 14.5m t (-5.0%) and **Chinese** imports at 16.5m t (-43.1% y/y). Following a downgraded production outlook, **MEX** imports were raised to a record 17.5m t (+3.4% y/y), making MEX potentially the largest importer. On larger availabilities, **UKR** exports were lifted by 1m to a record 31.9m t (+38.1%), while **BRA** shipments reduced further to 21.0m t (-40.2% y/y).

World barley: IGC



Source: IGC January report

World oats: IGC



Source: IGC January report

Summary of the IGC Grain Market Report

(GMR 528 of 13/01/2022)

Outlook for 2021/22

Barley production in selected countries (million tonnes)

	2018/19	2019/20	2020/21 (estimate)	2021/22 (forecast)	m/m change (m t)	y/y change
EU-27 (2020/21) <i>EU-27 + UK to 2019/20</i>	56.3	63.4	54.8	52.1	-0.1	-4.9%
United Kingdom	6.6	8.2	8.1	7.0	-0.1	-14.2%
Russia	16.7	19.9	20.6	17.6	-0.5	-14.7%
Ukraine	7.6	9.5	7.9	10.2	-	+28.4%
Australia	8.8	10.1	13.1	13.7	+0.9	+4.5%
Canada	8.4	10.4	10.7	6.9	-0.2	-35.3%
Turkey	7.0	7.6	8.3	5.8	-	-30.7%
World	139.2	156.9	159.0	145.7	-0.4	-8.4%

Summary of the IGC Grain Market Report

(GMR 528 of 13/01/2022)

Outlook for 2021/22

Barley: world production is forecast at a 3-year low of 145.7m t (-8.4% or -13.4m t y/y). Harvest in **CAN** was severely impacted by drought with production falling by 35.3% to 6.9m t, the lowest on record. Based on updated official data indicating smaller area and yields y/y, the RUS crop was lowered by 0.5m to 17.6m t (-14.7%), the smallest in 3 years. Aided by favourable growing conditions, harvest in **AUS** reached a record of 13.7m t (+0.9m from Nov; +4.5%).

World barley consumption forecast was cut by 0.2m to 152.7m t (-3.5% y/y), incl. feed use lowered to 104.0m t (-4.8%). Due to smaller production and strong demand, ending stocks are forecast falling by 24.5% y/y to 21.5m t. Despite tighter supplies, world trade is expected to remain robust reaching 34.2m t, only 1.7% below last season's record. Imports by **China** are forecast at an all-time high at 12.5m t (+3.9% y/y), while shipments to **Saudi Arabia** are placed at 6.6m t (-5.7%), the annual fall reflecting strong competition from maize.

Oats: following sharp decreases in North America, as well as smaller crops in the EU and RUS, world production fell by 11.6% y/y to 22.4m t (-0.5m t from Nov and -3.0m t y/y). The **EU** harvest was lowered by 0.2m to 7.6m t (-7.9% y/y), while the **RUS** crop cut by 0.3m to 3.8m t (-7.9%). Linked to reduced feed use (15.1m t; -5.2% y/y), consumption forecast decreased to 23.1m t (-4.5% y/y), incl. 5.6m for food use (+0.5%). Stocks are expected to fall to 2.9m t (-17.8%), slightly above recent average.

Cereals Market News and Prices

Market News 1. (27-1-2022)

Russia

- **RUS** (*Customs*): as of 20 January, 2021/22 **grain** exports amounted to 25.1m t (-25% y/y), incl. **wheat** at 21.0m (-24%), **barley** at 2.7m (-32%) and **maize** at 1.1m (-28%).
- **RUS**: government decided to introduce a grain export quota of 11.0m t, incl. 8.0m t of **wheat** for the period of 15 Feb – 30 June 2022. Out-of-quota exports will be subject to an export tax of 50% but not less than EUR 100 per tonne. For exports within the quota, the floating export tax, fixed on a weekly basis, will continue to apply.
- **RUS** (*Rosstat*): according to preliminary data, **grain** production reached 120.6m t (clean weight; -9.7% y/y) in 2021/22, incl. 75.9m t of **wheat** (-11.7%).
- **RUS** (*IGC referring to AgMin*): based on increasing area and improving yields, durum production may reach 1.8m t by 2025, from an estimated 0.73m t in 2021/22).

Market News 2. (27-1-2022)

Russia: export tax on wheat, barley and maize

<i>In USD per tonne</i>	<i>pre - 2 June 2021</i>	<i>22-28 Dec</i>	<i>29 Dec – 11 Jan</i>	<i>12-18 Jan</i>	<i>19-25 Jan</i>	<i>26 Jan-1 Feb</i>
Wheat exp tax	50 EUR / t (≈ USD 60)	94.00	94.90	98.20	97.50	95.8
<i>7-d ave wheat price</i>	<i>n/a</i>	<i>334.30</i>	<i>335.60</i>	<i>340.40</i>	<i>339.30</i>	<i>336.90</i>
Barley	10 EUR / t (≈ USD 12)	84.80	83.50	86.20	79.00	74.40
<i>7-d ave barley price</i>	<i>n/a</i>	<i>306.20</i>	<i>304.40</i>	<i>308.20</i>	<i>297.9</i>	<i>291.30</i>
Maize	25 EUR / t (≈ USD 30)	55.00	69.00	67.70	46.10	50.60
<i>7-d ave maize price</i>	<i>n/a</i>	<i>263.60</i>	<i>283.60</i>	<i>281.80</i>	<i>250.9</i>	<i>257.40</i>

Floating export tax was introduced without an end date. It is announced on a weekly basis. Calculation is based on the prices registered by Moscow Exchange (wheat = www.moex.com/ru/index/CRFOB barley = www.moex.com/ru/index/BRFOB maize = www.moex.com/ru/index/CRFOB)

Wheat = 70% of the difference between weekly benchmark export price and USD 200 /t; **Barley** and **maize** = USD 185 applied (instead of USD 200)

Market News 3. (27-1-2022)

Ukraine / Turkey

- **UKR** (*AgMin*): exports of grains and pulses in MY 2021/22 (Jul/Jun) amounted to 36.1m t (+27.6% y/y) by 21/Jan, incl. 16.6m t of **wheat** (+28.7%), 5.4m t of **barley** (+38.5%) and 13.7m t of **maize** (+23.4%). Wheat exports have reached 65.6% of the export target (25.3m t) agreed for 2021/22. In view of tight supplies of milling wheat on the domestic market, government asked traders to focus on feed wheat exports during the rest of the MY.
- **UKR** (*APK consultancy*): **grain** production in 2021/22 is estimated at 83.7m t (+2.1m from before; +30% y/y), incl. **maize** at 39.9m t (+31.7%), while exports are forecast at 58.9m t (+29.5%).
- **Turkey** (*TURKSTAT - Statistical Institute*): **cereals** production declined by 14.3% y/y in 2021 to 31.9m t, incl. **wheat** decreasing by 13.9% to 17.7m t and **barley** down by 30.7% to 5.8m t, while **maize** harvest increased by 3.8% to 6.8m t.
- **Turkey** (*government*): the elimination of the import duties on wheat, barley, rye, oats, maize, chickpeas and lentils was extended until 31 December 2022.

Market News 4. (27-1-2022)

USA

- USDA's **Winter Wheat and Canola Seedings** report (12 January 2022): the estimates included in the report are based on a survey carried out in the first half of December 2021 covering 77,100 farm operators in the US.
- Plantings of winter wheat for the 2022 harvest are estimated at 13.92m ha (+2.2% y/y and +13.0% from 2020).
- The total includes:
 - **Hard Red Winter** wheat: 9.63m ha (+1% y/y)
 - **Soft Red Winter** wheat: 2.86m ha (+6% y/y)
 - **White Winter** wheat: 1.44m ha (+2%)

Market News 5. (27-1-2022)

USA: Grains export inspections w/e 20/January/2022

Commodity	MY 2021/22	MY 2020/21	Change
Maize	16 437 247	18 901 338	- 13.0 %
Sorghum	2 149 543	2 820 398	- 23.8 %
Soya beans	34 752 128	45 559 886	- 23.7 %
Wheat	13 218 112	16 152 320	- 18.2 %

Marketing Year = June/May for wheat and September/August for maize, sorghum and soybeans;
www.ams.usda.gov/mnreports/wa_gr101.txt

Market News 6. (27-1-2022)

Canada: Outlook for Principle Field Crops in 2022/23

(source: AAFC; crop year = Aug/July)

21-1-2022	2020/21	2021/22 f'	2022/23 f'	m/m	y/y
Durum prod' (m t)	6.57	2.65	5.52	<i>n/a</i>	+108.1%
exports (m t)	5.77	2.35	4.30	<i>n/a</i>	+83.0%
All wheat prod'(m t)	35.18	21.65	31.16	<i>n/a</i>	+43.9%
exports (m t)	26.41	16.35	21.30	<i>n/a</i>	+30.3%
Barley prod' (m t)	10.74	6.95	10.59	<i>n/a</i>	+52.4%
exports (m t)	4.57	2.55	3.35	<i>n/a</i>	+31.4%
Oats prod' (m t)	4.58	2.61	4.36	<i>n/a</i>	+67.3%
exports (m t)	2.93	2.27	2.70	<i>n/a</i>	+18.9%
Canola prod' (m t)	19.49	12.60	20.20	<i>n/a</i>	+60.4%
Exports (m t)	10.53	5.40	10.00	<i>n/a</i>	+85.2%

Market News 7. (27-1-2022)

China

China Agricultural Supply and Demand Estimates for 2021/22 (IGC)

12 January		Forecast (Mt)	+/- prev' f'cast (Mt)	2020/21 (Mt)	+/- y/y
Maize	Production	272.6	-	260.7	+5%
	Consumption	287.7	-3.0	282.2	+2%
	Feed use	186.0	-1.0	180.0	+3%
	Industrial	80.0	-2.0	80.0	+0%
	Imports	20.0	-	29.6	-32%
Soya beans	Production	16.4	-	19.6	-16%
	Consumption	118.1	-	113.3	+4%
	Imports	102.0	-	99.8	+2%

Market News 8. (27-1-2022)

Brazil

CONAB December report: S&D Outlook for 2021/22 (www.conab.gov.br)

- **Maize:** due to persisting hot and dry conditions reducing yield potential, production forecast was cut by 4.3m m/m to 112.9m t. The downward adjustment concerns the first maize crop only, which is now place at 24.8m t with yield lowered sharply to 5.5 t/ha (-14.8% m/m and -3.4% y/y). Domestic demand is expected to increase by 6.7% y/y to 76.8m t (+6.7% y/y), while exports are forecast at 36.7m t (+82.5%).
- **Soya beans:** mainly linked to worsening yield prospects (3.48 t/ha; -1.4% y/y), production forecast was lowered moderately m/m to 140.5m t (+2.3% or +3.2m t y/y). In view of a small crop, exports were lowered to 89.3m t (+3.7% y/y), while consumption is seen slightly higher at 52.4m t (+1.2% y/y).
- **Wheat:** production is fractionally lower m/m due to reduced yield (2.80 t/ha; +5.3% y/y). Domestic demand unchanged m/m at 12.5m t (+5.5% y/y), with imports forecast at 6.5m t (+0.3m m/m; +8.3% y/y).

11-01-2022	Forecast	+/- previous f'cast	Previous year	+/- y/y
<i>Wheat prod (m t)</i>	7.7	-0.1	6.2	+23.2%
Soya beans prod (m t)	140.5	-2.3	137.3	+2.3%
Maize prod (m t)	112.9	-4.3	87.0	+29.7%
<i>Maize 1st crop</i>	24.8	-4.3	24.7	+0.3%
<i>Maize 2nd crop</i>	86.3	-	60.7	+42.0%
<i>Maize 3rd crop</i>	1.9	-	1.6	+17.0%
<i>Maize exports</i>	36.7	-	20.1	+82.6%

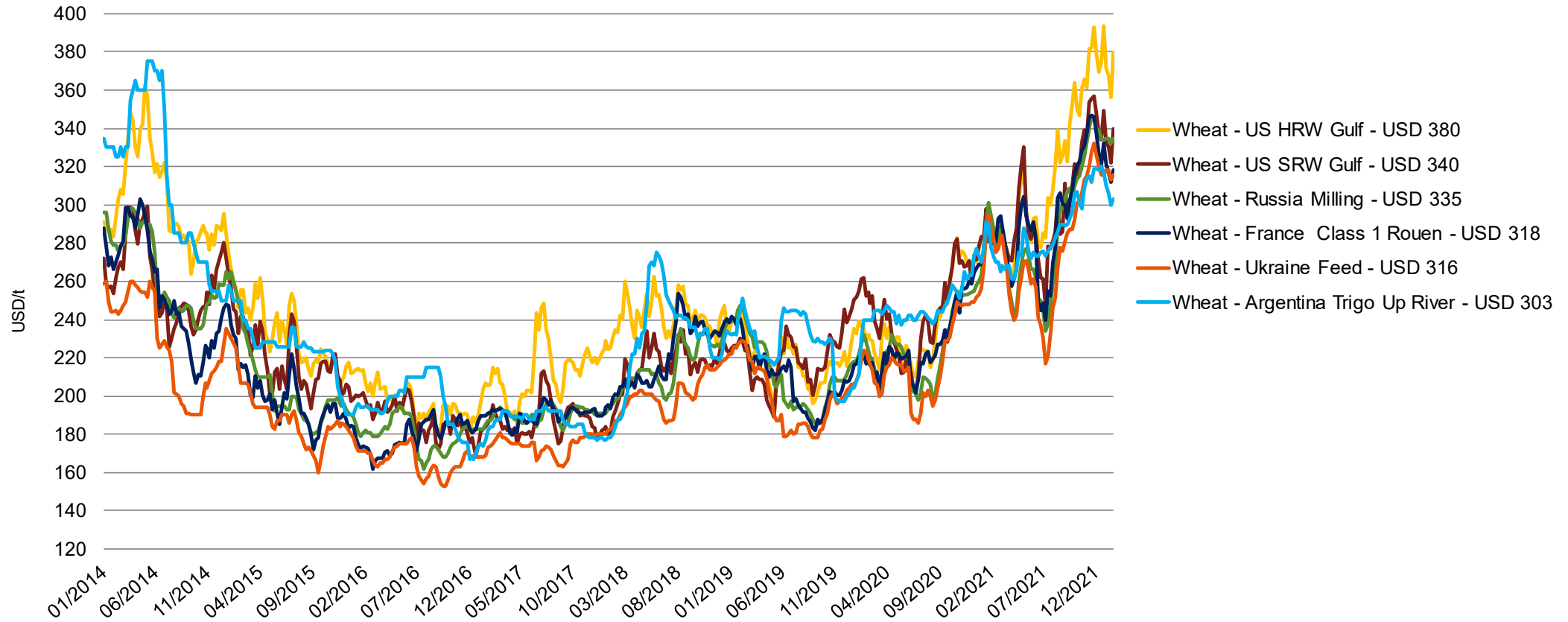
Market News 9. (27-1-2022)

- **FAO**: the FAO Food Price Index (FFPI) reached a 10-year high in 2021, despite a small decrease in December. For the entire year of 2021 the FFPI averaged 125.7 points (+27.6 points or +28.1% y/y) with all sub-indices sharply up y/y. The FAO Cereal Price Index averaged 140.5 points in December (-0.9 points m/m), including decreases for wheat and barley, while maize remaining firm. As for 2021, the Cereal Price Index reached an average of 131.2 points (+28.0 points or +27.2% y/y), the highest annual average since 2012. Maize and wheat prices were 44.1% and 31.3% higher than their respective 2020 average.
- **ARG** (*IGC*): the government established a system to regulate maize and wheat exports, with '*equilibrium volumes*' to be determined, based on supply. **Maize** export quota for MY 2020/21 (Mar/Feb) was fixed at 41.6m t, while MY 2021/22 (Dec/Nov) wheat export quota at 14.5m t.
- **ARG** (*Rosario Grains Exchange*): dry and hot conditions are expected to reduce yield potential of the **maize** crop. The production forecast was therefore lowered by 8m to 48.0m t (-7.7% y/y).
- **ARG** (*BAGE - 19/1/2022*): **Maize** sowings were completed on 87.9% of the forecast area (7.3m ha; +0.5m ha y/y) with production forecast unchanged at 57.0m t (+8.6% y/y). **Wheat** harvest was completed with output estimated at a record 21.8m t (+24% y/y). Barley threshing has also terminated and the crop is placed at 5.0m t (+25%). **Sorghum** area is forecast at 1.0m ha (+5.3%) with plantings 80% done so far and production forecast at 3.5m t (+2.9%).

Market News 10. (27-1-2022)

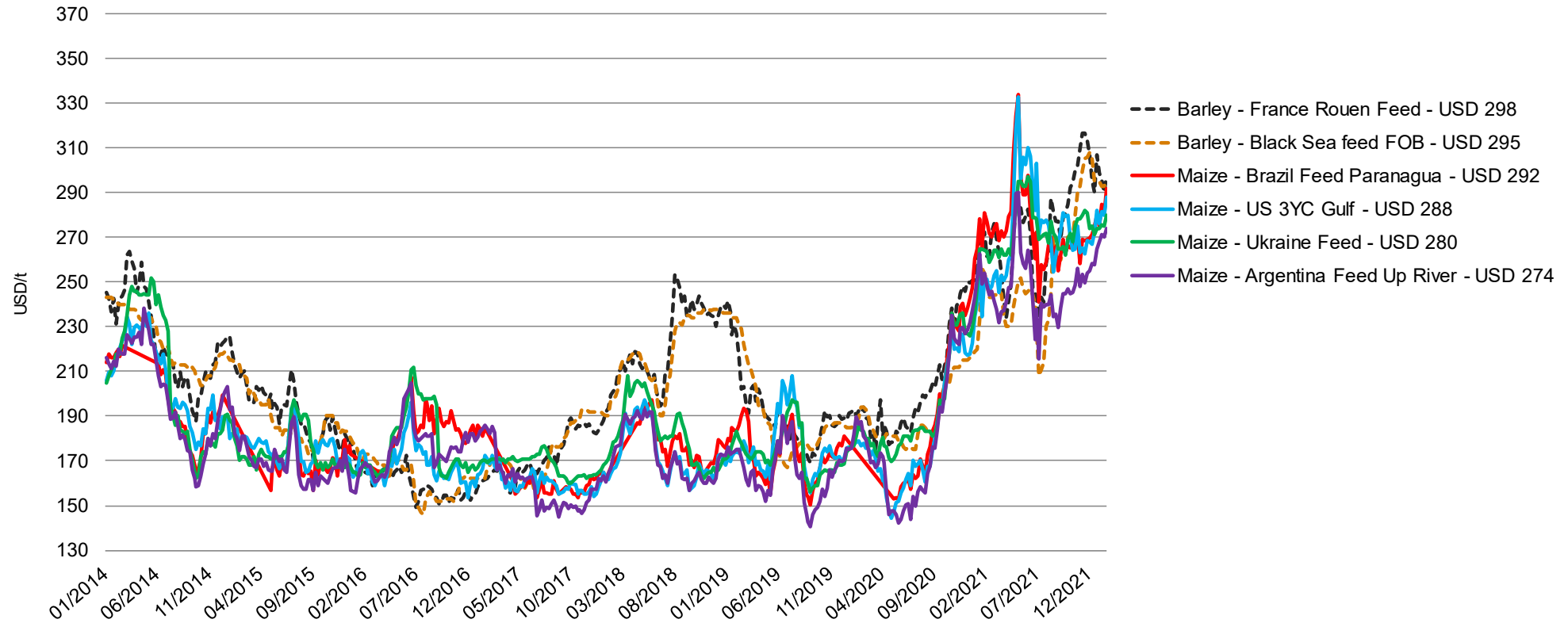
- **BRA** (*IGC referring to ANEC*): while **soya bean** exports reached a record 86.6m t in calendar year 2021, **maize** shipments fell sharply, down by 23.4% y/y to 25.6m t, reflecting smaller local harvest and strong domestic demand.
- **Algeria** (*government*): in order to improve food security and encourage farmers to increase cereals production, the official purchase prices were raised for domestic production: soft **wheat** to DZD 5,000 per 100 kg (≈ EUR 315 per tonne), **durum** wheat to DZD 6,000 per 100 kg (≈ EUR 378 per tonne) and **barley** to DZD 3,400 per 100 kg (≈ EUR 214 per tonne).
- **China** (*Customs*): **Maize** imports in calendar year 2021 reached 28.4m t (+152% y/y), **wheat** imports amounted to 9.8m t (+17%), **barley** to 12.5m t (+55%) and **sorghum** to 9.4m t (+96%).
- **India** (*IGC referring to Refinitiv*): aided by sufficient soil moisture, 2022/23 **wheat** production is forecast at 111.0m t (+1.5m t y/y), potentially a new record, with yields seen at 3.5t/ha.

World common wheat prices (USD/t)



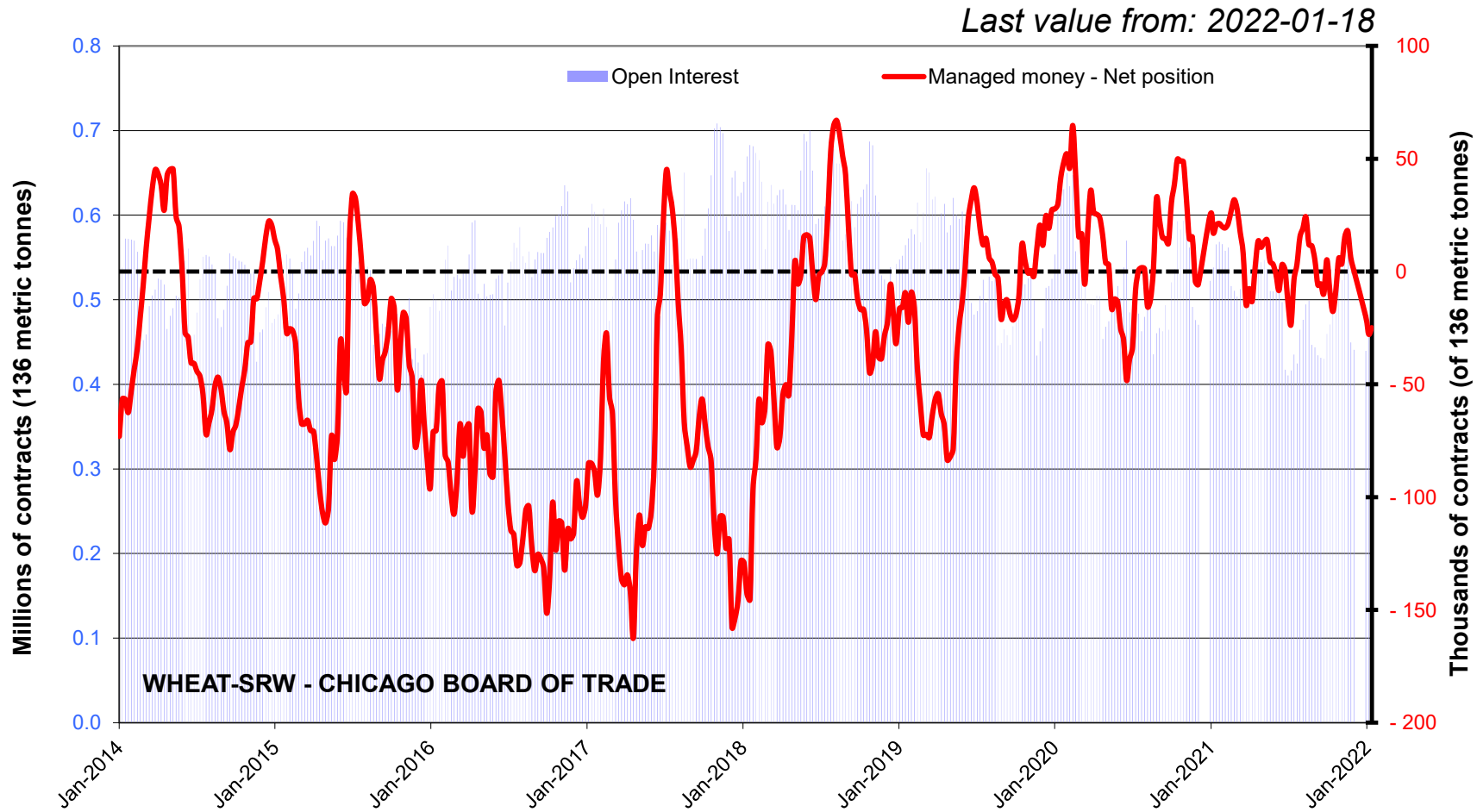
Source: IGC
Latest prices referring to (if not stated otherwise): 21/01/2022

World maize and barley prices (USD/t)

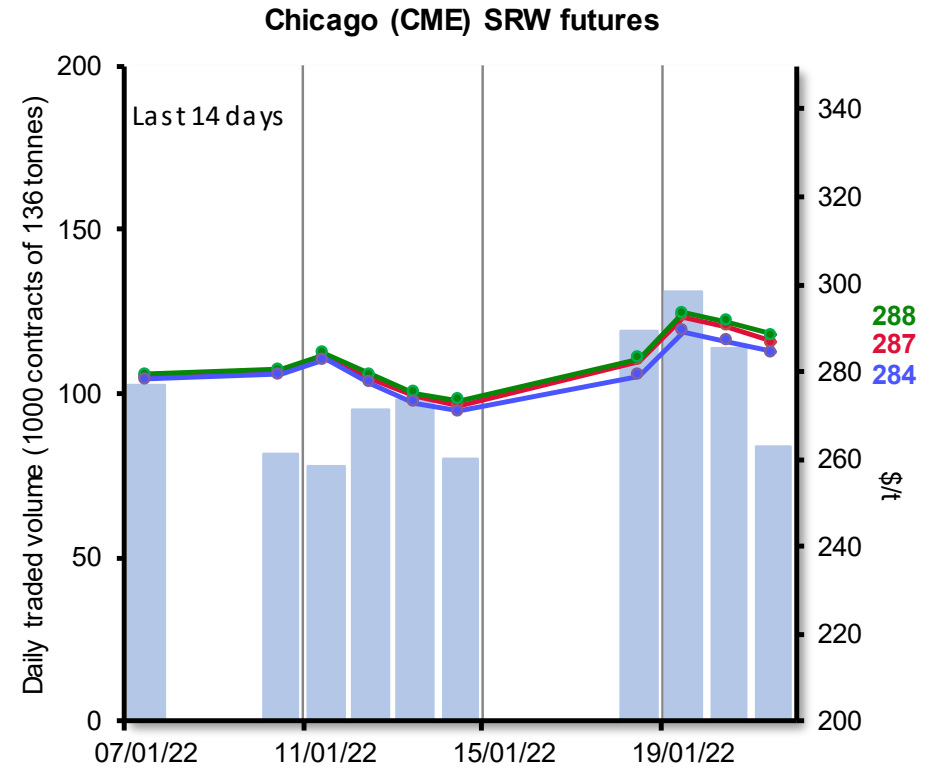
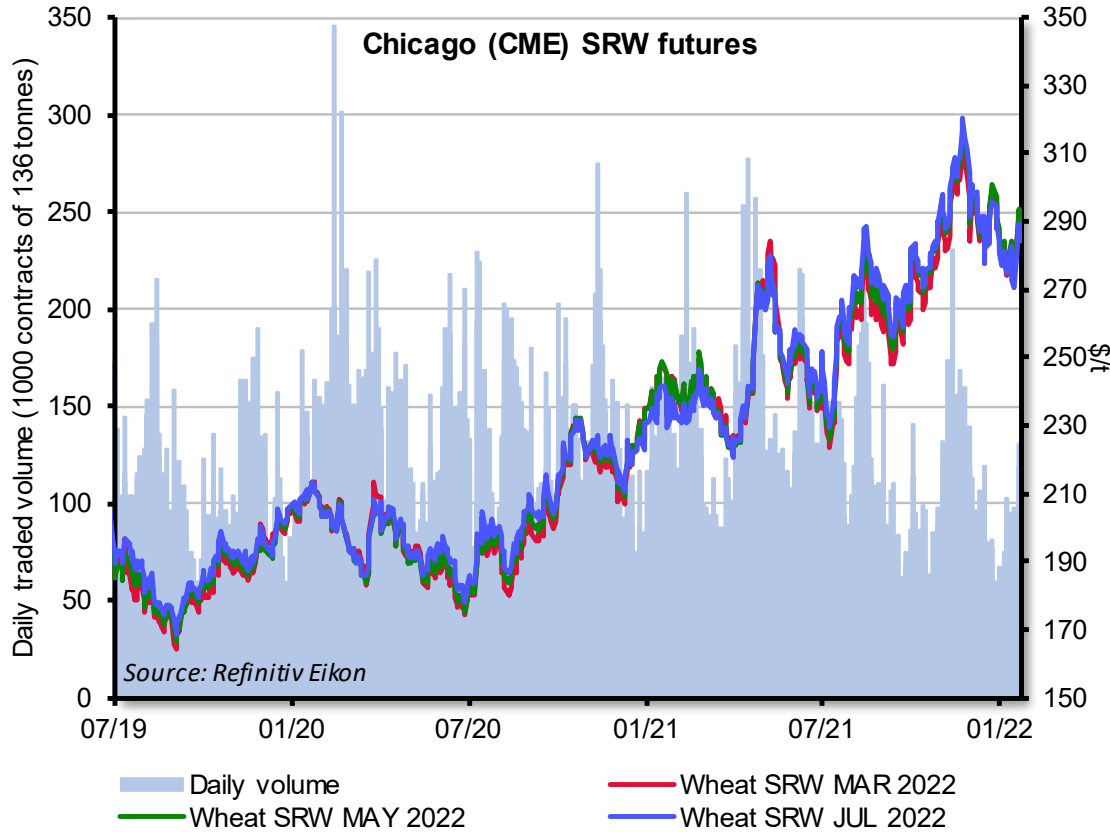


Source: IGC
Latest prices referring to (if not stated otherwise): 21/01/2022

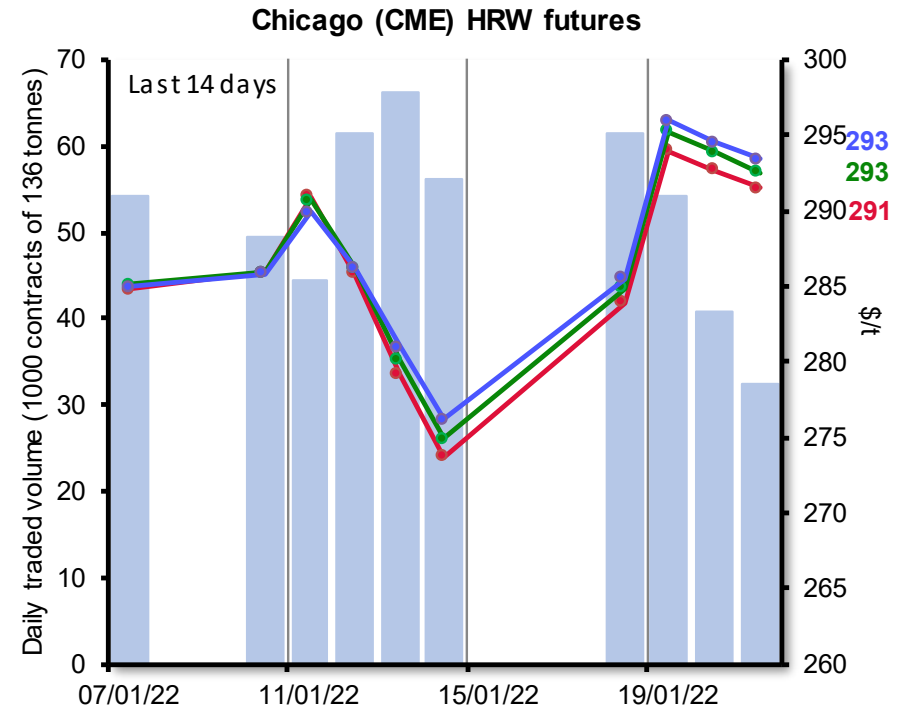
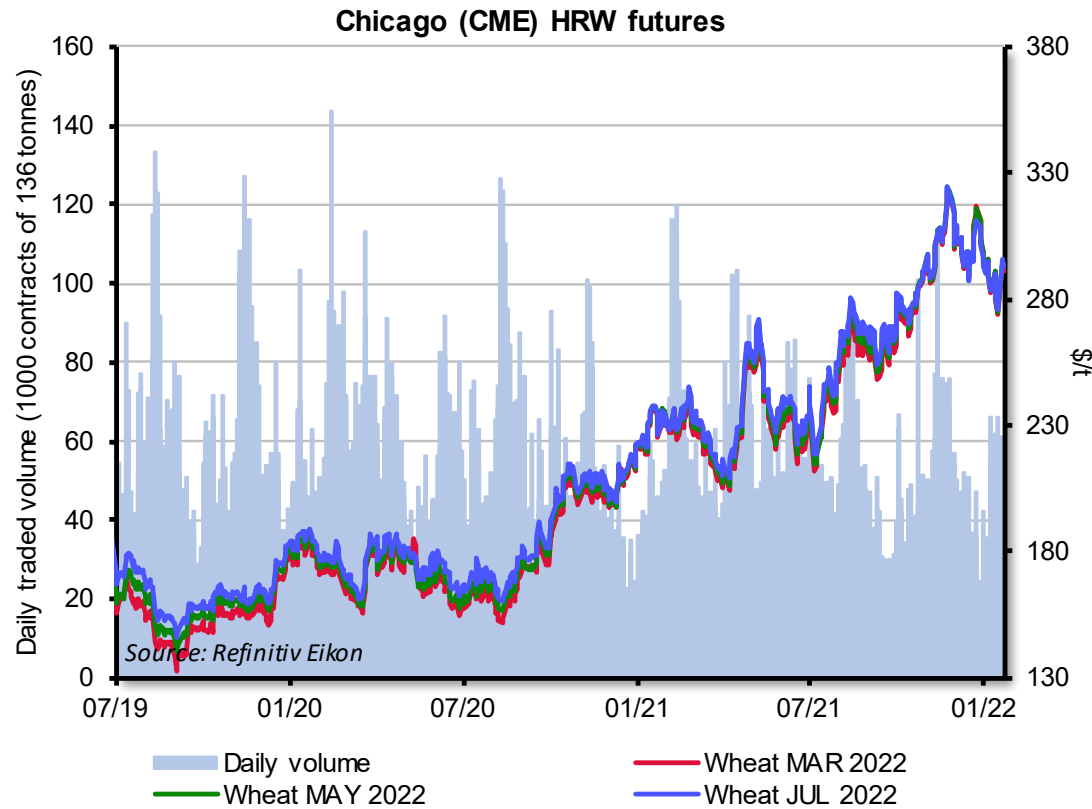
CME wheat: open interest and net position of traders



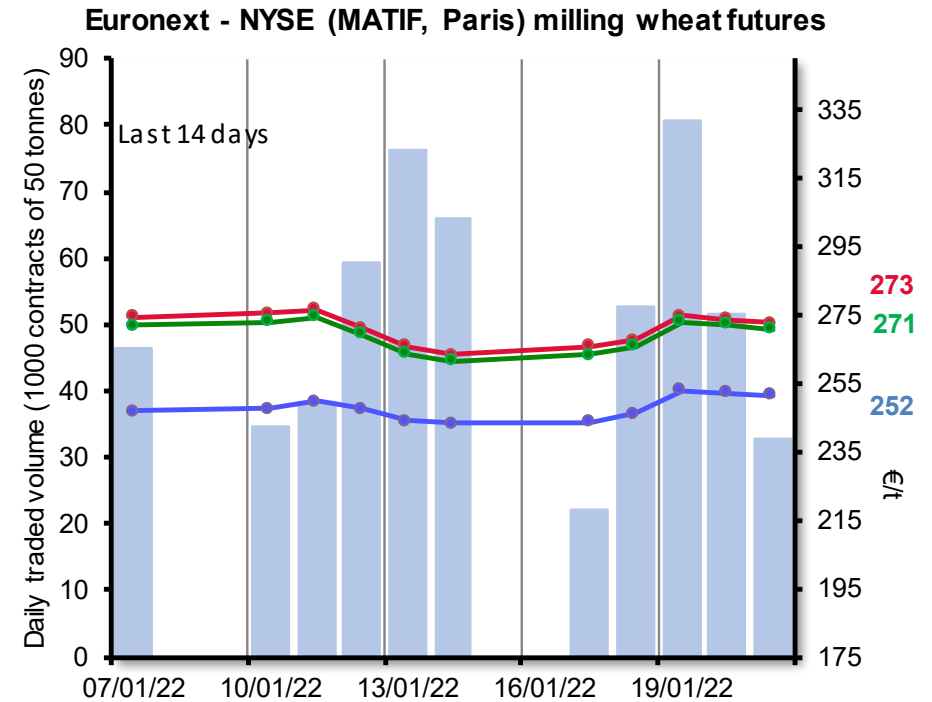
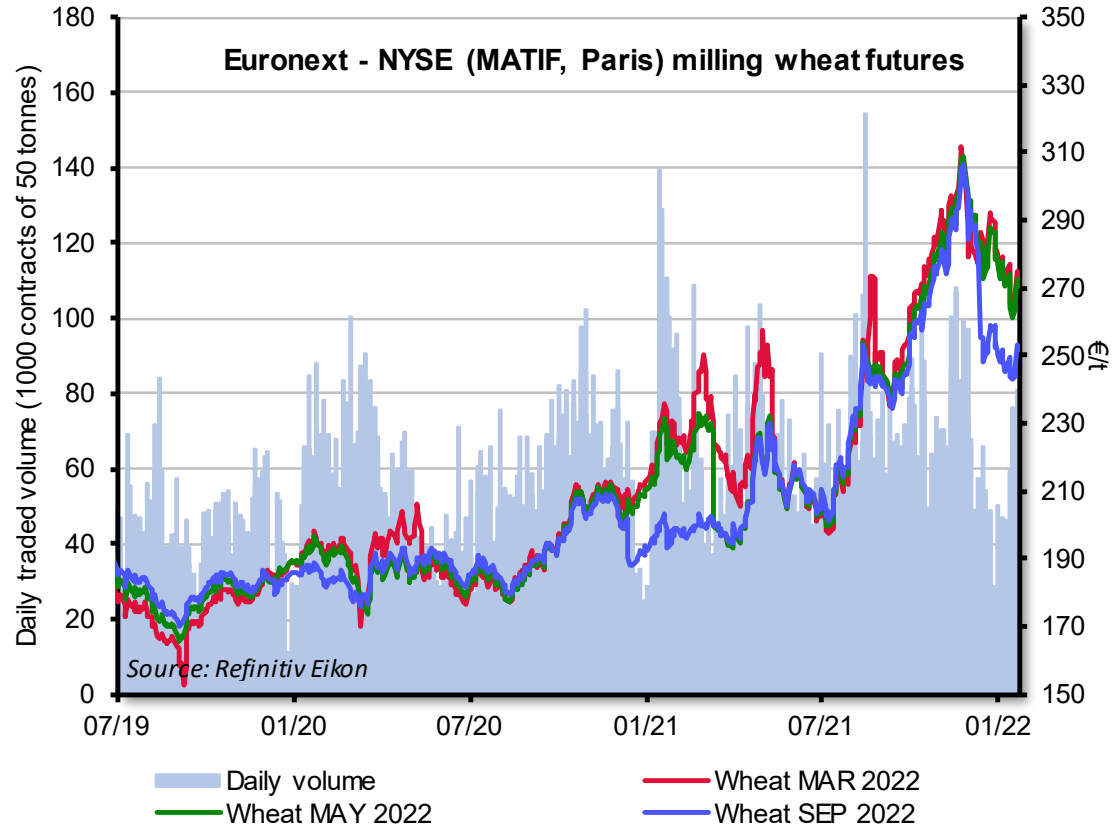
US CME SRW wheat futures



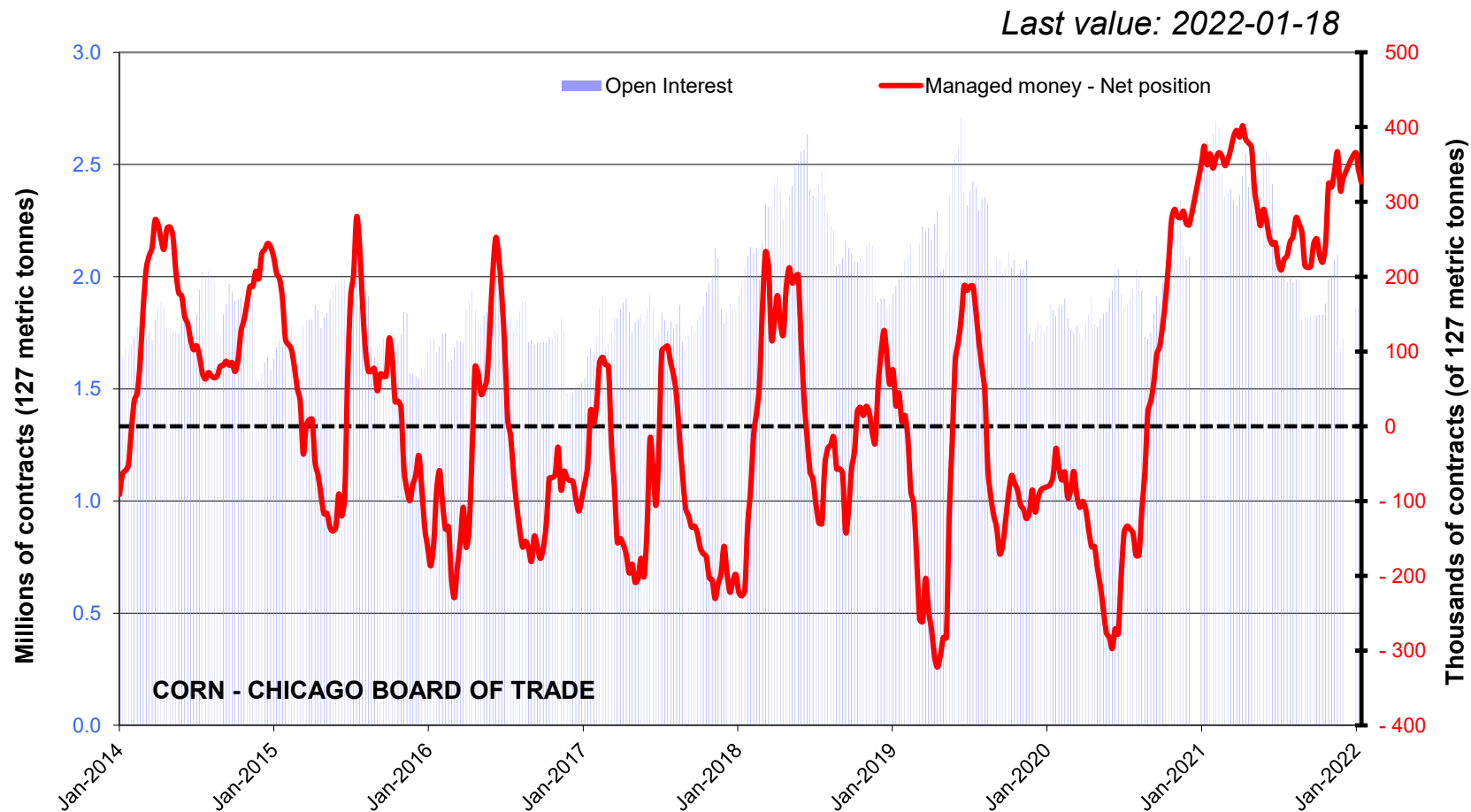
US CME HRW wheat futures



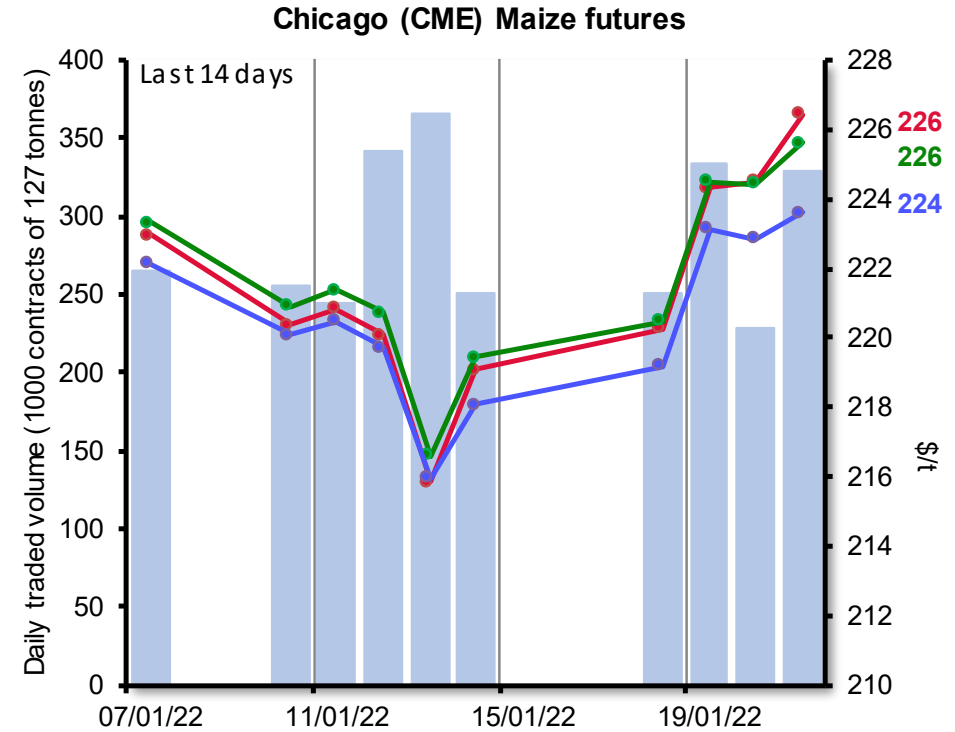
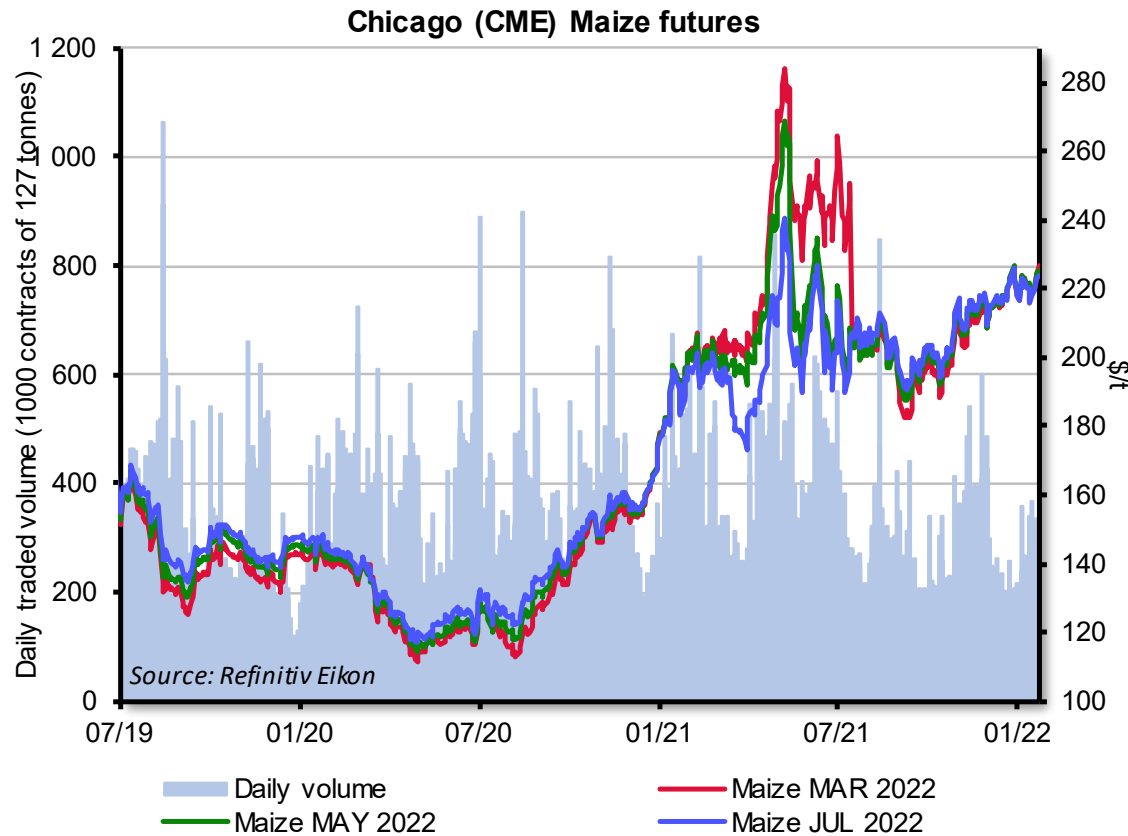
EU Milling Wheat Futures



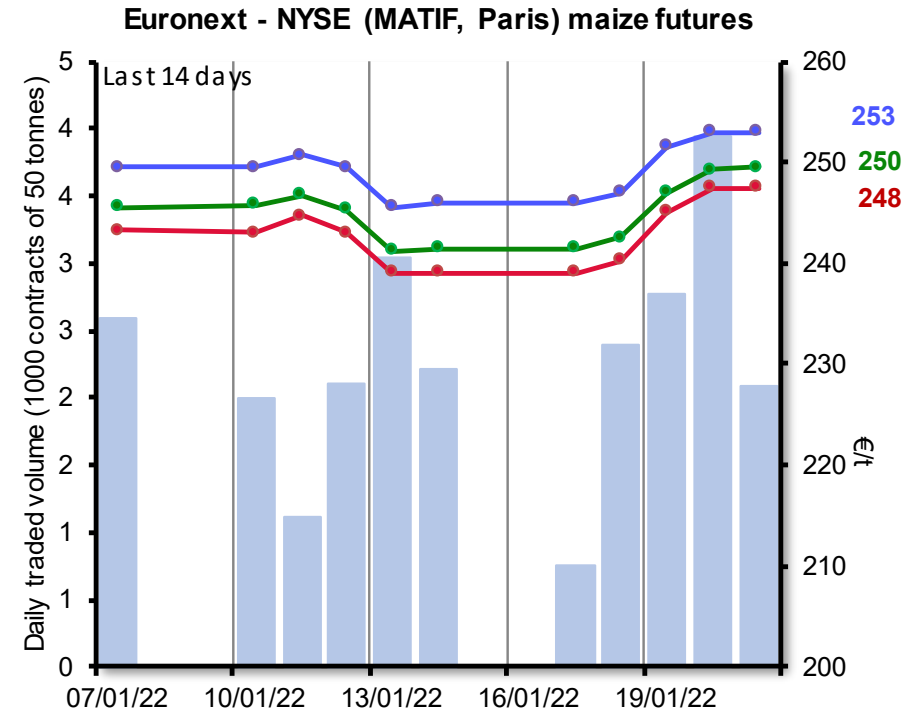
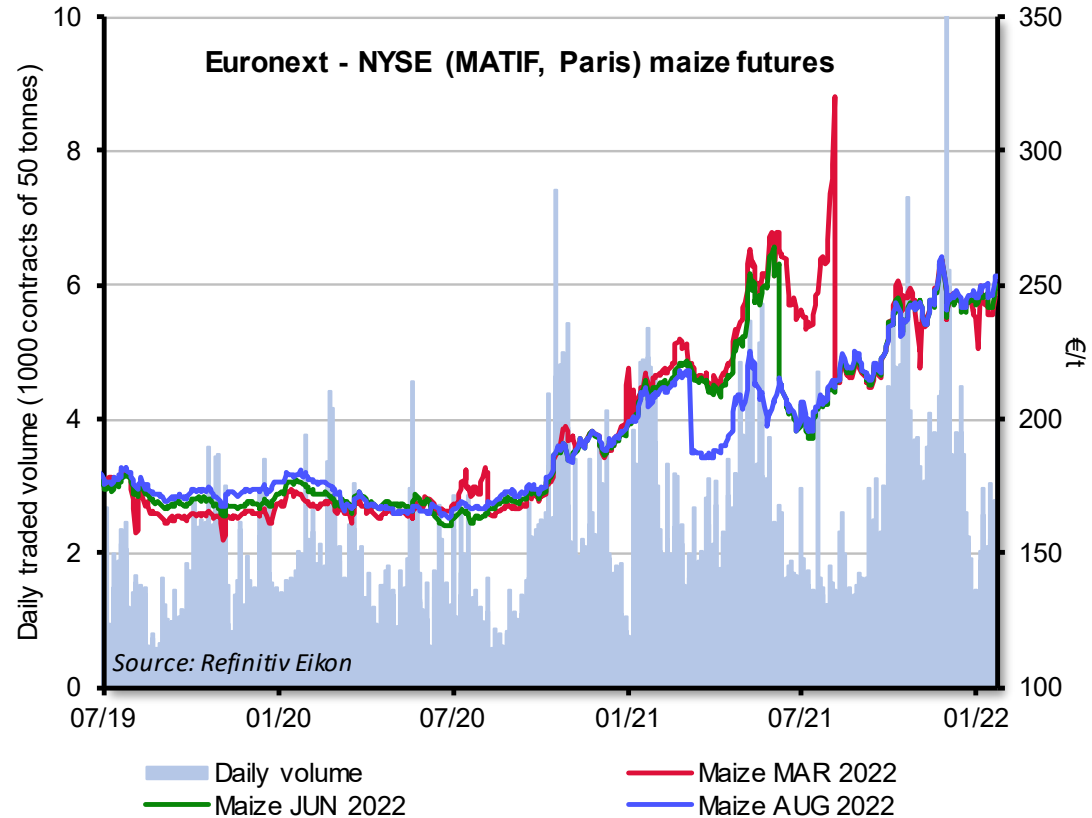
CME maize: open interest and positions of traders



CME maize futures



EU maize futures



Cereals Trade

Selected cereals trade for the past 6 weeks

Country	Crop	Quantity (t)	Price (\$/t)	Origins	Delivery
<i>Algeria</i>	wheat	≈ 600 000	348.0-350.0 (c&f)	Likely ARG, EU, UKR	Apr
<i>Algeria</i>	feed barley	≈ 205 000	323-324 (c&F)	optional	Feb/Mar
<i>Egypt</i>	wheat	300 000	330.5-338.3 (fob) <i>Freight: 23.0-32.5 \$/t</i>	EU(FR): 60 000 EU (RO): 60 000 UKR: 180 000	Feb/Mar
<i>Tunisia</i>	durum	75 000	693.7-703.7 (c&f)	optional	Jan/Feb
<i>Turkey</i>	feed barley	345 000	316-331.8 (c&f)	optional	Feb/Mar
<i>Iran</i>	wheat	195 000	EUR 365 per t (c&f)	Likely EU (DE) or RUS	Feb/Mar

EU cereals trade 2021/22, situation at 02 Jan 2022

(updated on 24/01/2022)

- **Imports:** 10.3 million tonnes (11.7 million tonnes last year; 14.1 million tonnes two years ago)

- | | | |
|-----------------------|-------------|---|
| ➤ 1.5 million tonnes | soft wheat | ↑ |
| ➤ 0.82 million tonnes | durum wheat | ↓ |
| ➤ 7.34 million tonnes | maize | ↓ |
| ➤ 475 thousand tonnes | barley | ↑ |

- **Exports:** 25.6 million tonnes (20.7 million tonnes last year; 24.3 million tonnes two years ago)

- | | | |
|------------------------|-------------|---|
| ➤ 15.46 million tonnes | soft wheat | ↑ |
| ➤ 4.86 million tonnes | barley | ↑ |
| ➤ 476 thousand tonnes | durum wheat | ↑ |
| ➤ 3.18 million tonnes | maize | ↑ |

* The United Kingdom is no longer a Member State of the European Union, however until the end of the transition period it was still a part of the EU Customs Union. Due to the absence of intra-trade data in the surveillance system, the totals of the EU trade data therefore also include the UK data until 31/12/2020. The data as of 1/1/2021 is therefore not comparable with the

Conclusions

- **Wheat** price movements were volatile, supported by geopolitical tensions lately
- IGC projects **wheat** production to reach a record level in 2022/23
- RUS announced a grain export quota for 15 02 – 30 06 2022
- ARG introduced an export quota scheme for **wheat** and **maize**
- BRA **maize** production forecast lowered on weather concerns
- ARG and AUS **wheat** harvests terminated with record crops
- On *fob* basis ARG **wheat** & **maize** remained the cheapest origin

Thank you

Market data the for cereals, oilseeds and protein crops are available at the EU Crops Market Observatory

<https://ec.europa.eu/agriculture/market-observatory/crops>



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.



Keep in touch



ec.europa.eu/



europa.eu/



[@EU_Commission](https://twitter.com/EU_Commission)



[@EuropeanCommission](https://www.facebook.com/EuropeanCommission)



[European Commission](https://www.linkedin.com/company/european-commission)



[europeancommission](https://www.instagram.com/europeancommission)



[@EuropeanCommission](https://www.medium.com/@EuropeanCommission)



[EUTube](https://www.youtube.com/EUTube)



[EU Spotify](https://www.spotify.com/EU_Spotify)