



# **Market situation Cereals**

**DG AGRI C 4**

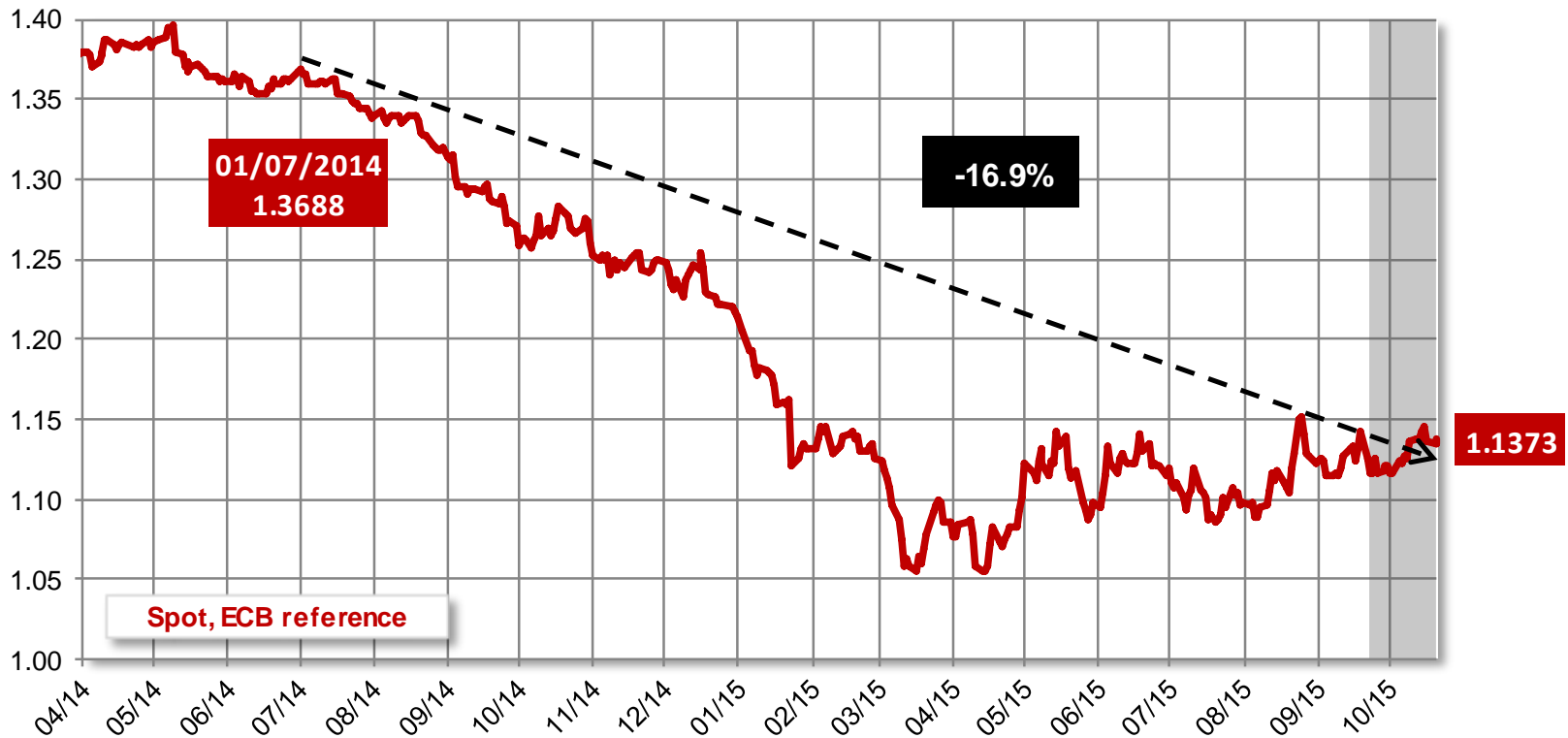
**Civil Dialogue Group on Animal Products**

**Pig Meat**

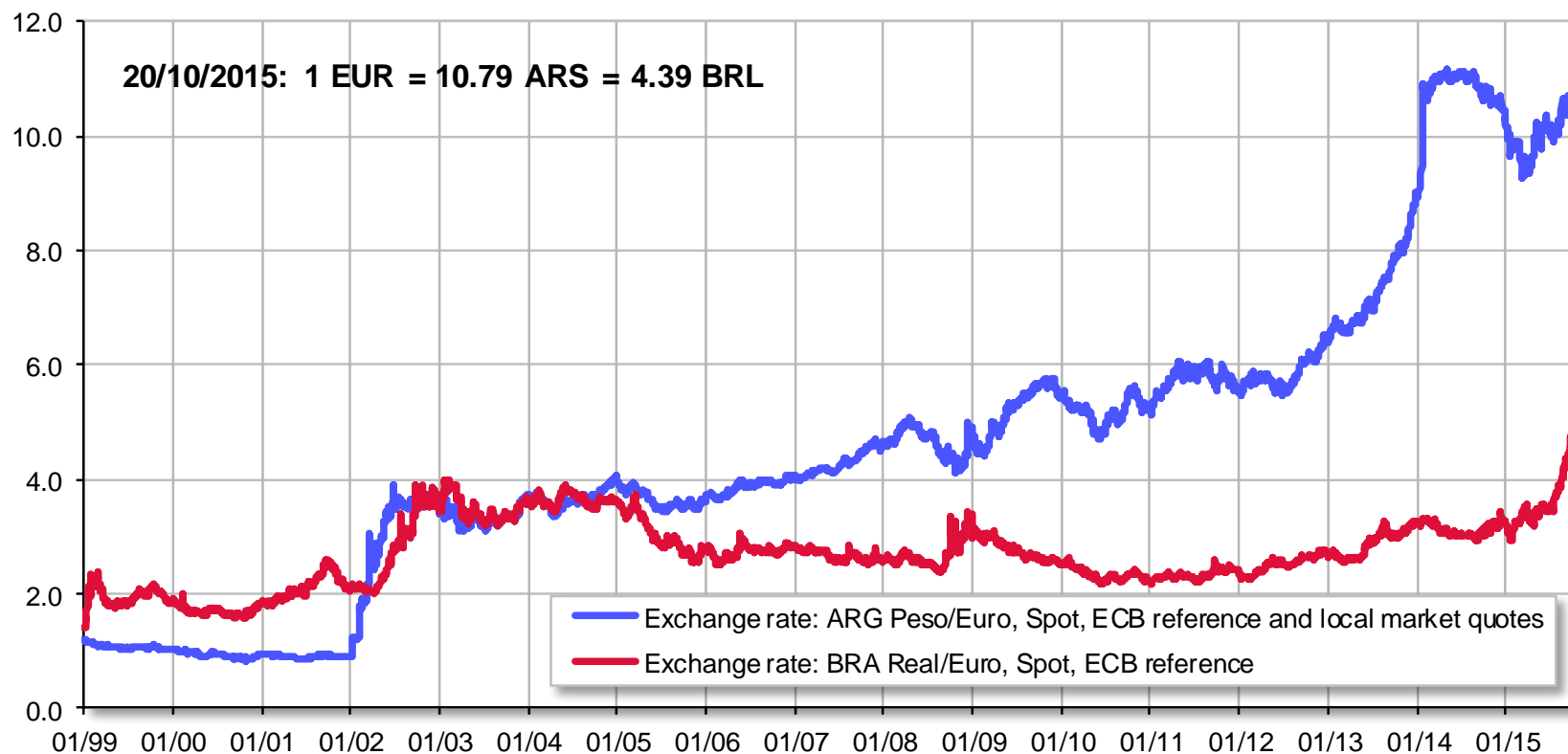
**28 October 2015**

# Exchange Rates

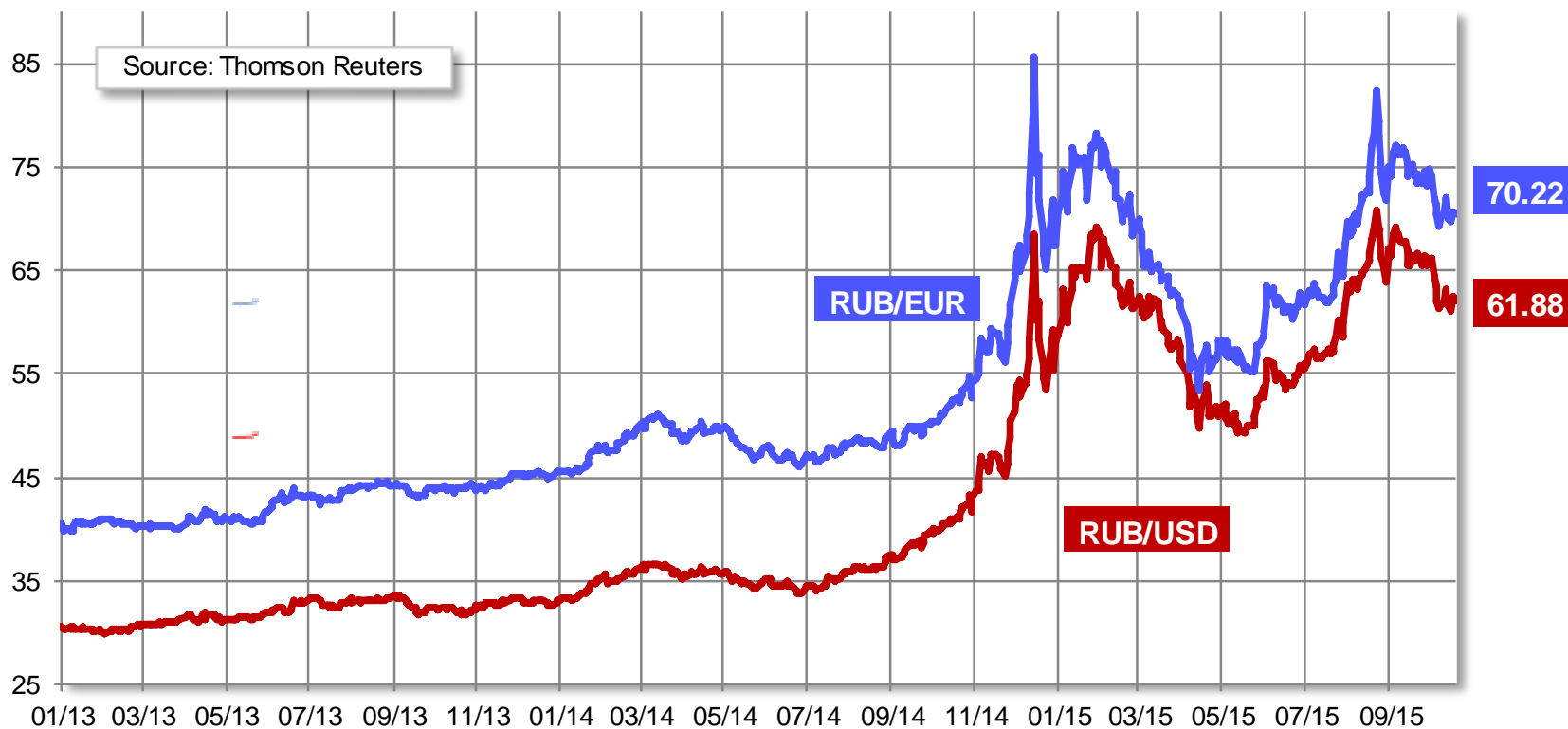
# Euro – Dollar exchange rate



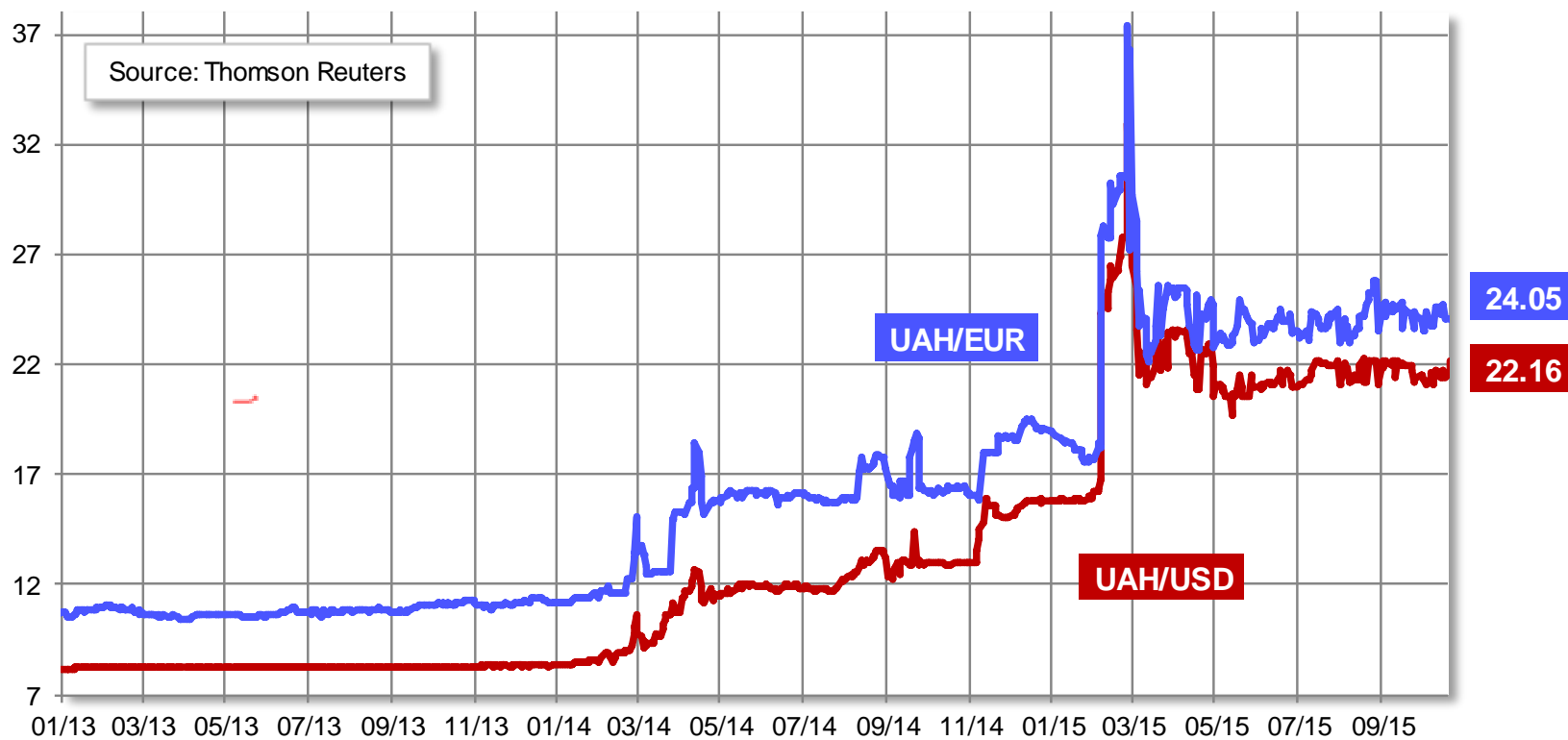
# Euro – Argentine Peso and Brazilian Real exchange rate



# Euro and Dollar – Russian Rouble exchange rate



# Euro and Dollar - Ukraine Hryvnia exchange rate



## Crude oil price (\$/barrel)

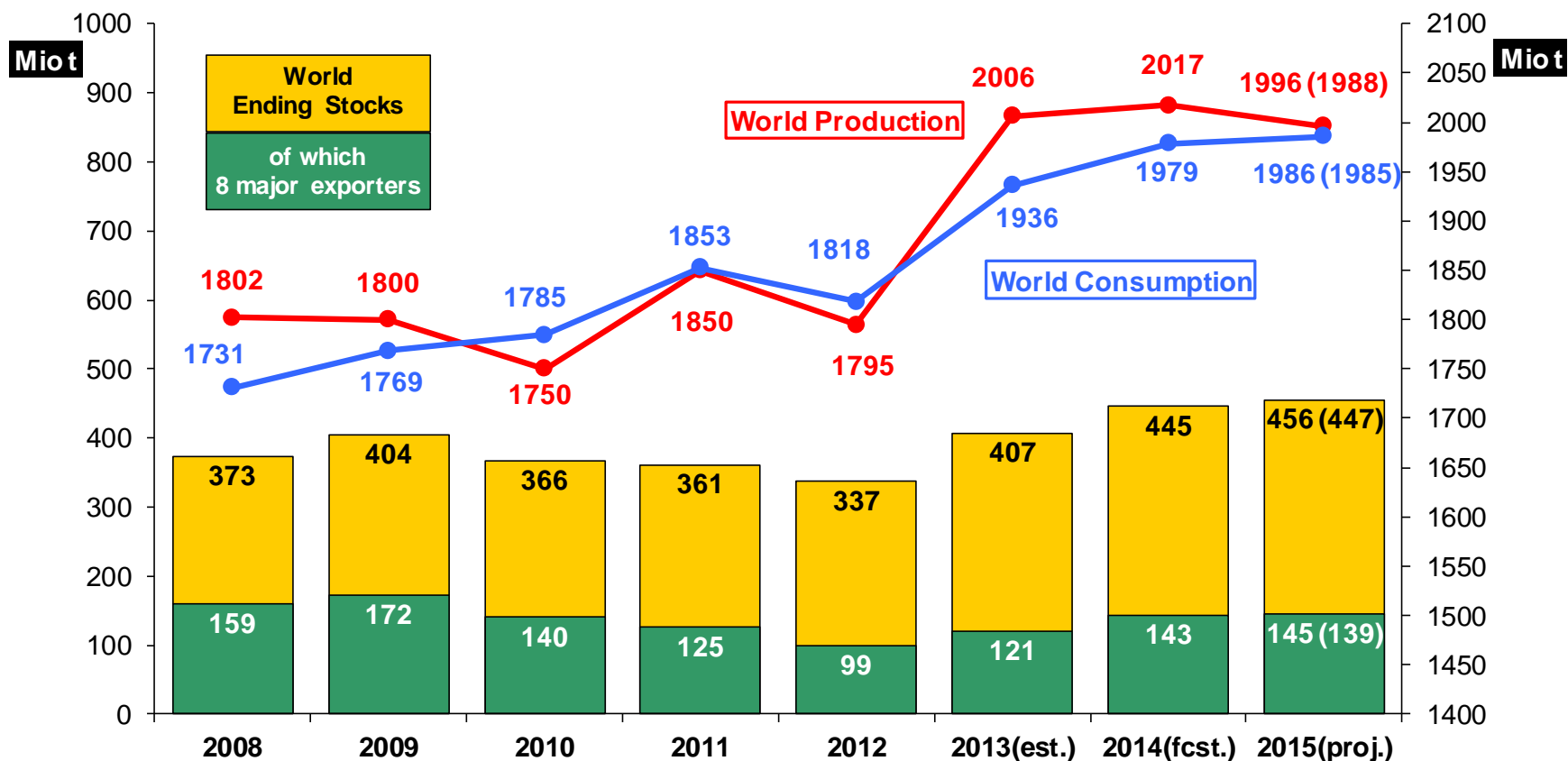




# Cereals World Forecasts



# World cereals: IGC

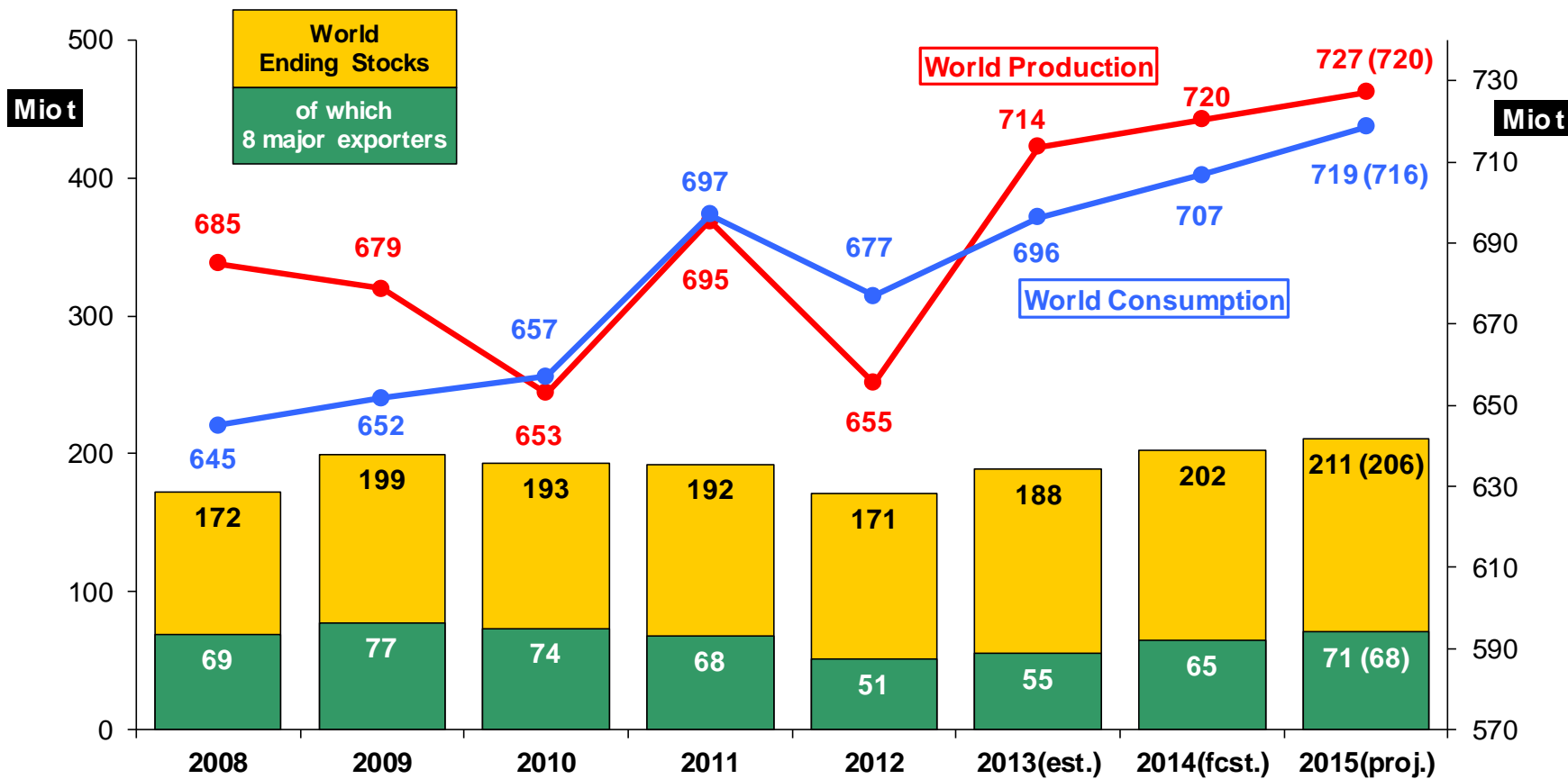


Source: IGC September report



European Commission

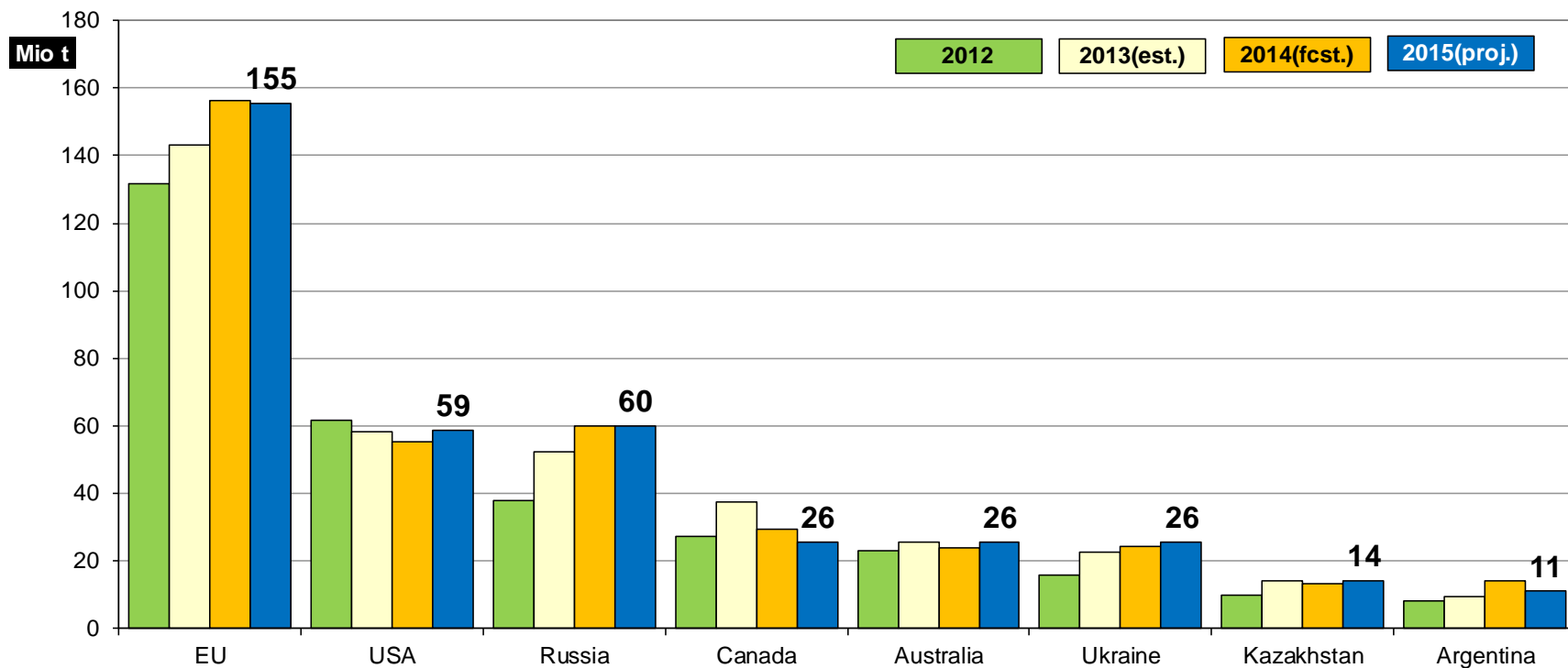
# World wheat: IGC



Source: IGC September report

# IGC: Wheat production forecast

## All wheat

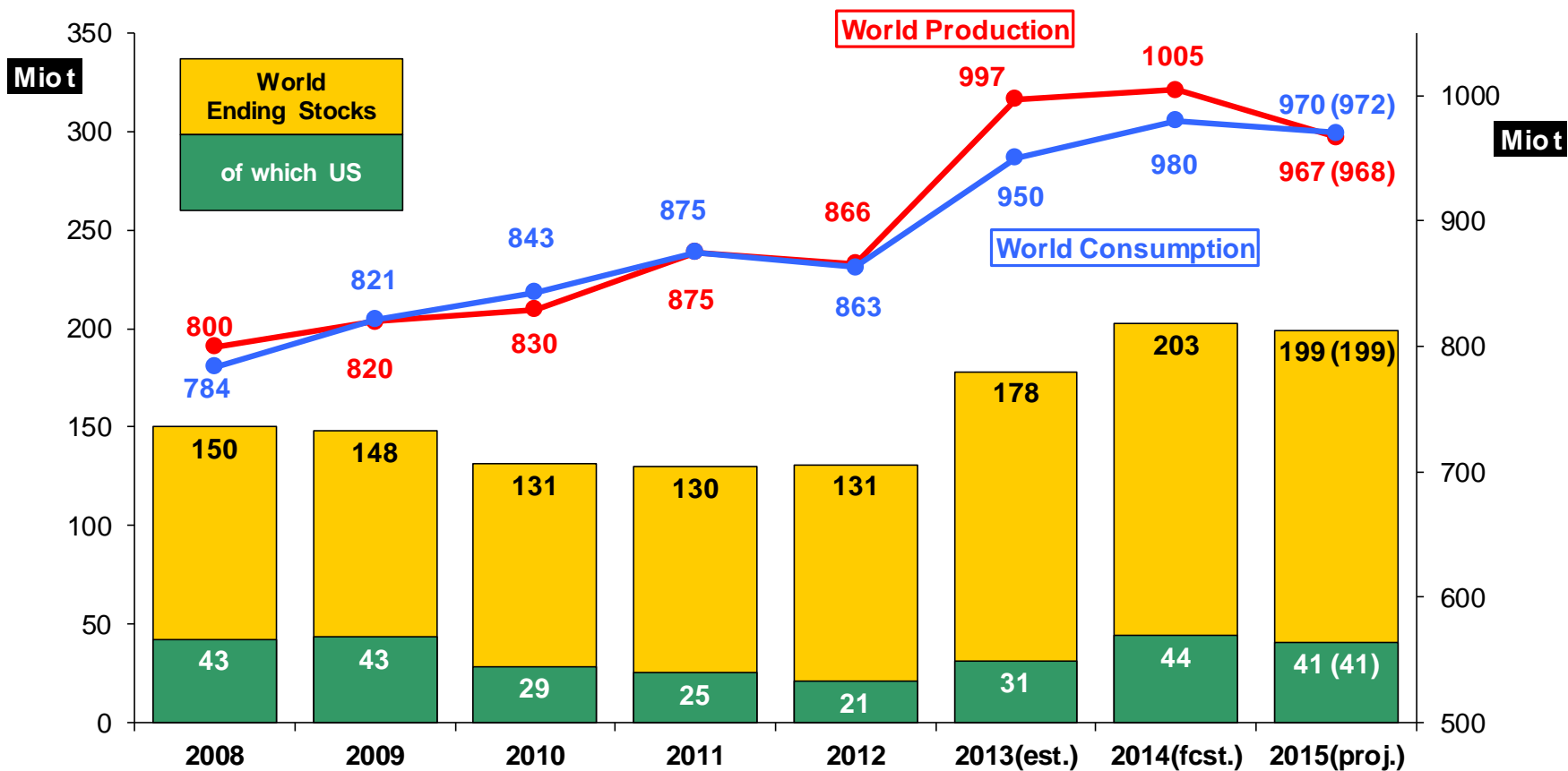


Source: IGC September report



European Commission

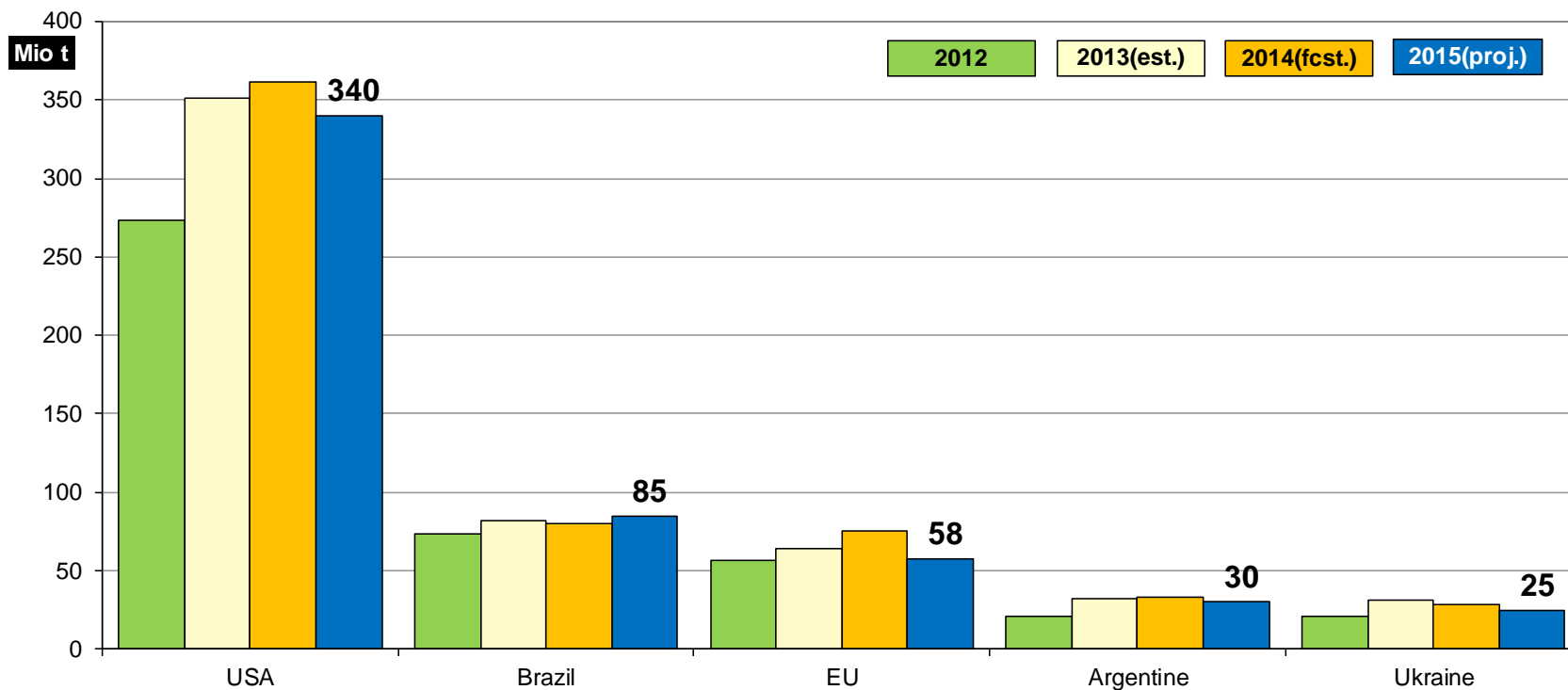
# World maize: IGC



Source: IGC September report

# IGC: maize production forecast

## Maize

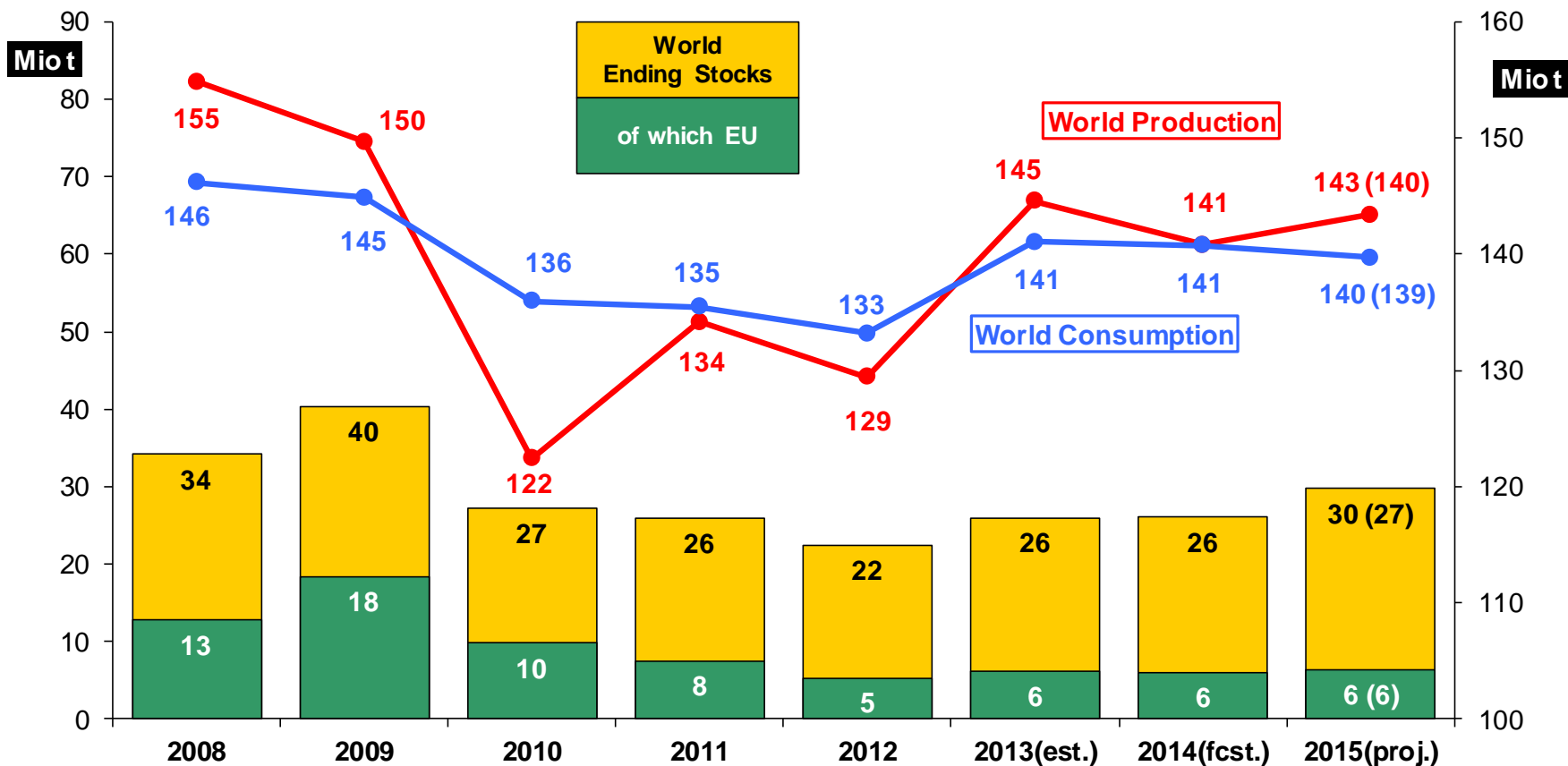


Source: IGC September report



European  
Commission

# World barley: IGC



Source: IGC September report

## Summary of IGC Report (24-09-2015) 2015/16 Estimates (1)

- **Total grains**: due to higher wheat estimate production was raised for total grains, up by 8 Mt to 1,996 Mt (– 21 Mt or -1,0% from last year).
- **Wheat**: projected **output** was increased again, by 7 Mt to 727 Mt, which would be the third consecutive record if realized. The increase is mainly due to higher EU estimate, which was raised by 3.6 Mt to 155.5 Mt, only fractionally below last year's record. The wheat crop projections were also increased for Russia (+ 1 Mt to 60 Mt) and Ukraine (+0.5 Mt to 25.5 Mt) as reported yields were better than anticipated. Harvest was also completed in China with production estimated at a record of 129 Mt (+1.5 Mt m/m; +2.2% y/y). Reflecting increased supply wheat **consumption** was raised by 3 Mt to 719 Mt, a new record. Also record for the ending stocks, which were increased by 5 Mt m/m to 211 Mt.

## Summary of IGC Report (24-09-2015) 2015/16 Estimates (2)

- **Maize**: harvest is now underway in the Northern hemisphere, while planting has started in South America. **Production** is now forecast at 967 Mt (- 1Mt m/m; - 38 Mt or - 3.8% y/y). The EU estimate was cut once again, down by 2.5 Mt to 57.6 Mt (-24% y/y) reflecting the effects of the drought. On the other hand small increases were made to the Chinese (+ 1Mt to a record of 227 Mt) and Ukrainian crops (+0.5 Mt to 24.5 Mt). **Maize use** estimate was reduced by 2 Mt to 970 Mt mainly due to lower feed use in the EU (-3 Mt to 50 Mt m/m; - 10 Mt y/y). World feed use is seen at 560 Mt (-1.8% y/y), which would account for 57% of overall consumption. Ending stocks are now put at 199 Mt (- 4 Mt y/y).
- **Barley**: world **production** is now estimated at 143 Mt (+2% y/y) following small increases for EU (60 Mt), Russia (17.5 Mt), Ukraine (8.2 Mt) and Canada (7 Mt). World barley **consumption** was raised by 1 Mt again to 140 Mt (- 1 Mt y/y).



# EU Balance Sheets and Forecasts



# 2014/2015 Marketing Year

## Cereals

EU-28 <i>Sep-15</i>	Cereals balance sheet:Marketing year: <b>2014/2015</b>									
	Common									(Mio t)
	wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EUR 28
Beginning stocks (01.07.2014)	9,1	7,2	0,3	15,3	1,1	0,2	0,6	0,6	0,3	34,7
Usable production	148,7	60,2	7,6	77,9	8,7	0,8	7,7	13,0	4,5	329,2
Import	2,9	0,1	2,8	9,4	0,1	0,1	0,0	0,0	0,1	15,6
<b>TOTAL AVAILABILITIES</b>	<b>160,7</b>	<b>67,5</b>	<b>10,7</b>	<b>102,6</b>	<b>9,9</b>	<b>1,1</b>	<b>8,3</b>	<b>13,6</b>	<b>5,0</b>	<b>379,4</b>
<b>USE</b>										
- Human	48,0	0,4	8,1	5,0	3,0	0,2	1,1	0,1	0,0	65,7
- Seed	4,7	2,3	0,4	0,5	0,5	0,0	0,5	0,5	0,3	9,6
- Industrial	10,5	9,3	0,1	10,0	1,5	0,0	0,1	0,6	0,1	32,1
of which alcohol o.w. bioethanol/biofuel	4,4	0,7		4,7	0,8			0,5		11,0
- Animal feed	52,4	35,9	0,1	60,0	3,5	0,6	4,9	11,3	3,3	172,0
<b>TOTAL USE</b>	<b>115,5</b>	<b>47,8</b>	<b>8,7</b>	<b>75,4</b>	<b>8,5</b>	<b>0,8</b>	<b>6,6</b>	<b>12,4</b>	<b>3,7</b>	<b>279,5</b>
Losses (excl on-farm)	0,9	0,4	0,1	0,6	0,1	0,0	0,1	0,1	0,0	2,2
<b>Solde disponible</b>	<b>44,3</b>	<b>19,3</b>	<b>2,0</b>	<b>26,6</b>	<b>1,3</b>	<b>0,3</b>	<b>1,7</b>	<b>1,1</b>	<b>1,2</b>	<b>97,6</b>
Export	33,3	12,7	1,2	4,0	0,2	0,0	0,2	0,0	0,0	51,7
<b>Ending stocks (30.06.2015)</b>	<b>11,0</b>	<b>6,6</b>	<b>0,8</b>	<b>22,6</b>	<b>1,1</b>	<b>0,3</b>	<b>1,4</b>	<b>1,1</b>	<b>1,2</b>	<b>46,1</b>



# EU BALANCE SHEET 2014/2015

EU Production at record level (including soft wheat and maize)  
+ Mainly yield effect  
+ higher percentage of feed wheat

Record EU trade for wheat, barley and maize  
+ EU 1st world exporter of soft wheat

Strong recovery in stocks



# 2015/2016 Marketing Year

## Cereals

# EU 28- 2015 Production Forecasts

EU EVOL CEREALS USABLE PRODUCTIONS					
	2013/2014	2014/2015	2015/2016	2015/2016	%change
Mio t			Aug fcst	Sept fcst	2014/2015
<b>TOTAL</b>	<b>304,8</b>	<b>329,2</b>	<b>296,6</b>	<b>301,9</b>	<b>-8,3</b>
Soft wheat	135,1	148,7	140,7	144,6	-2,8
Durum wheat	8,0	7,6	7,9	8,0	5,3
Barley	60,6	60,2	57,2	59,0	-2,0
Maize	66,8	77,9	58,7	58,4	-25,0
Rye	10,1	8,7	8,1	8,1	-6,9
Oats	8,3	7,7	7,5	7,4	-3,9
Sources : DG AGRI -C4					

EU-28	Cereals balance sheet: Marketing year: 2015/2016										
<i>Sep-15</i>	Common										(Mio t)
	wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others		EUR 28
<b>Beginning stocks (01.07.2015)</b>	11,0	6,6	0,8	22,6	1,1	0,3	1,4	1,1	1,2		46,1
<b>Usable production</b>	144,6	59,0	8,0	58,4	8,1	0,6	7,4	11,5	4,3		301,9
<b>Import</b>	3,0	0,3	1,8	11,0	0,1	0,2	0,0	0,0	0,1		16,6
<b>TOTAL AVAILABILITIES</b>	158,6	65,8	10,6	92,1	9,3	1,2	8,9	12,6	5,6		364,6
<b>USE</b>											
- Human	48,0	0,4	8,1	5,0	3,0	0,2	1,2	0,1	0,0		65,8
- Seed	4,7	2,3	0,4	0,5	0,5	0,0	0,5	0,5	0,3		9,6
- Industrial	10,6	9,3	0,1	10,0	1,5	0,0	0,1	0,6	0,1		32,3
of which alcohol											12,8
o.w. bioethanol/biofuel	4,5	0,7		4,7	0,8			0,5			11,2
- Animal feed	52,0	35,6	0,1	62,3	3,4	0,7	4,8	11,0	3,2		173,1
<b>TOTAL USE</b>	115,3	47,5	8,7	77,8	8,4	0,9	6,5	12,1	3,6		280,8
Losses (excl on-farm)	0,9	0,4	0,1	0,6	0,1	0,0	0,1	0,1	0,0		2,2
<b>Solde disponible</b>	42,4	17,9	1,9	13,7	0,9	0,3	2,3	0,4	1,9		81,6
<b>Export</b>	27,9	9,0	1,2	3,0	0,2	0,0	0,2	0,0	0,0		41,5
<b>Ending stocks (31.08.2015)</b>	127,4	52,5	7,5	16,1	7,8	0,8	7,8	10,4	4,8		235,0
<b>Ending stocks (30.06.2016)</b>	14,5	8,9	0,6	10,7	0,7	0,3	2,1	0,4	1,9		40,1



# EU BALANCE SHEET 2015/2016

Good level of harvest : higher percentage of milling wheat  
Lower feed grain

Good quality

Comfortable availabilities

Slight increase in use for animal feed

Decrease in stocks





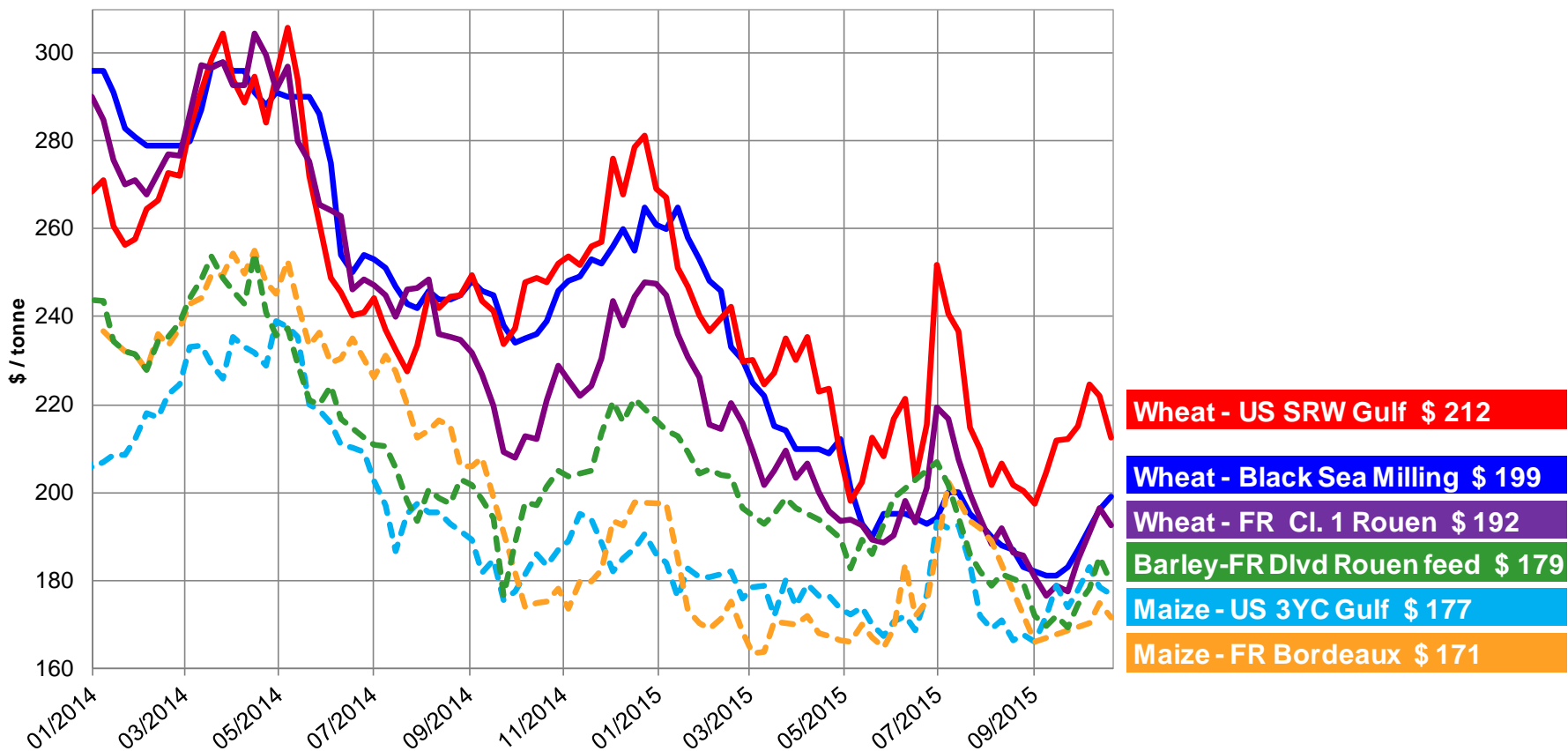
European  
Commission

# Cereals Prices

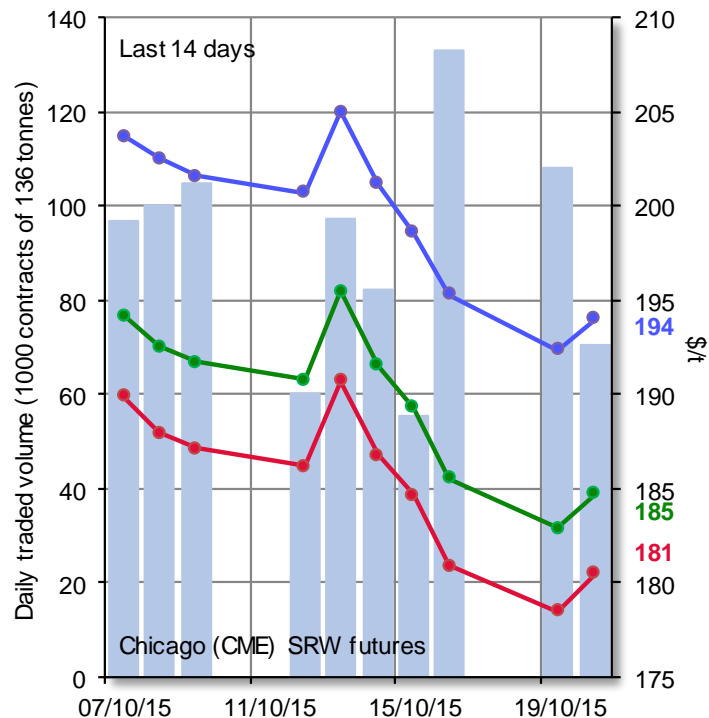
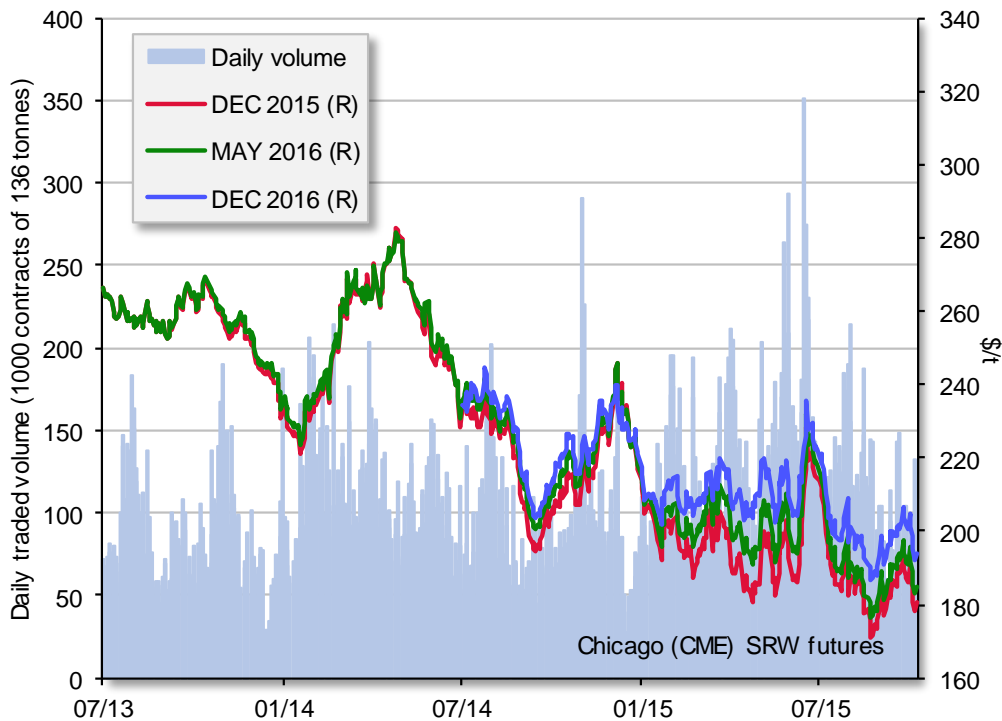


European  
Commission

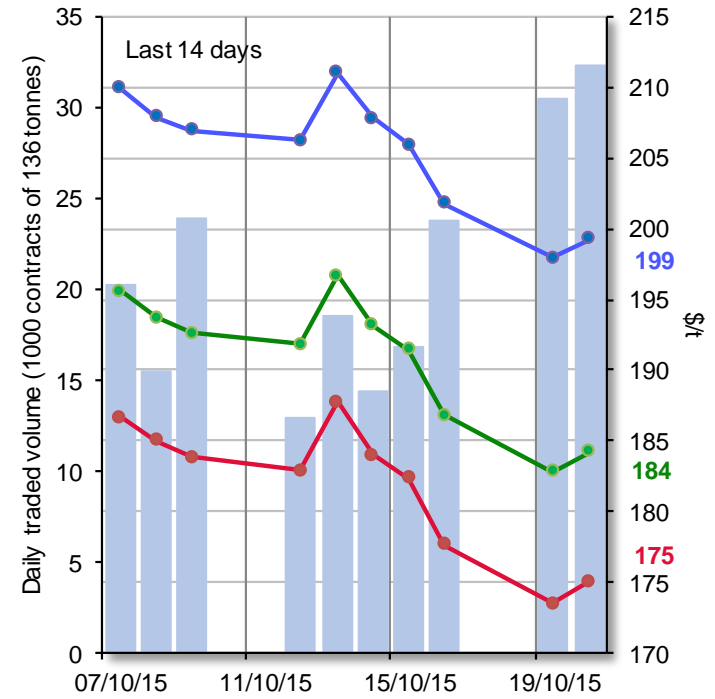
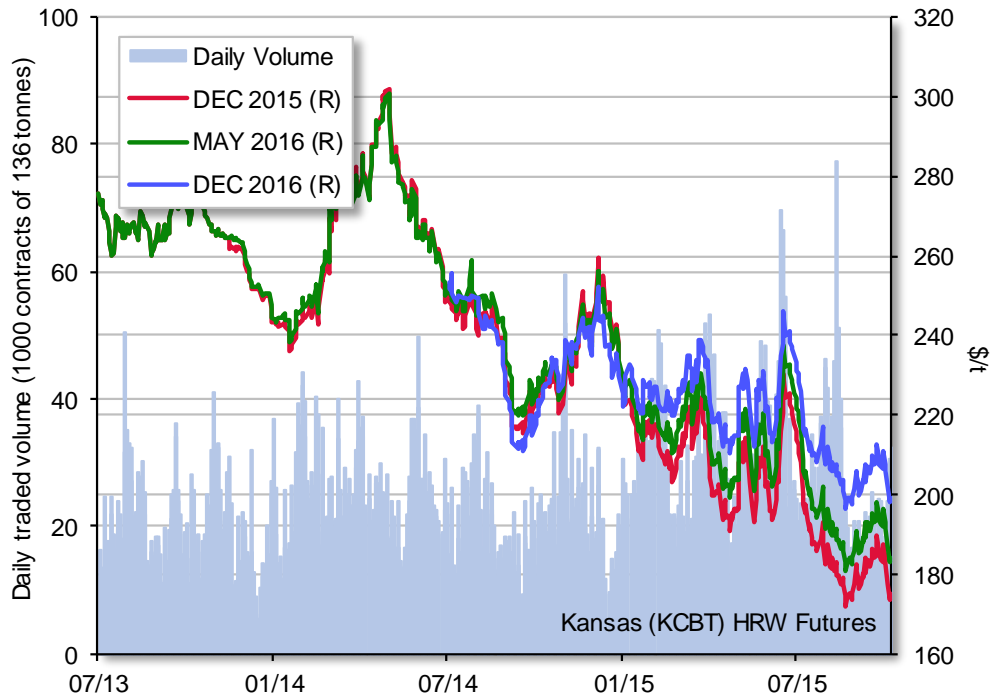
# World cereal prices (\$/t)



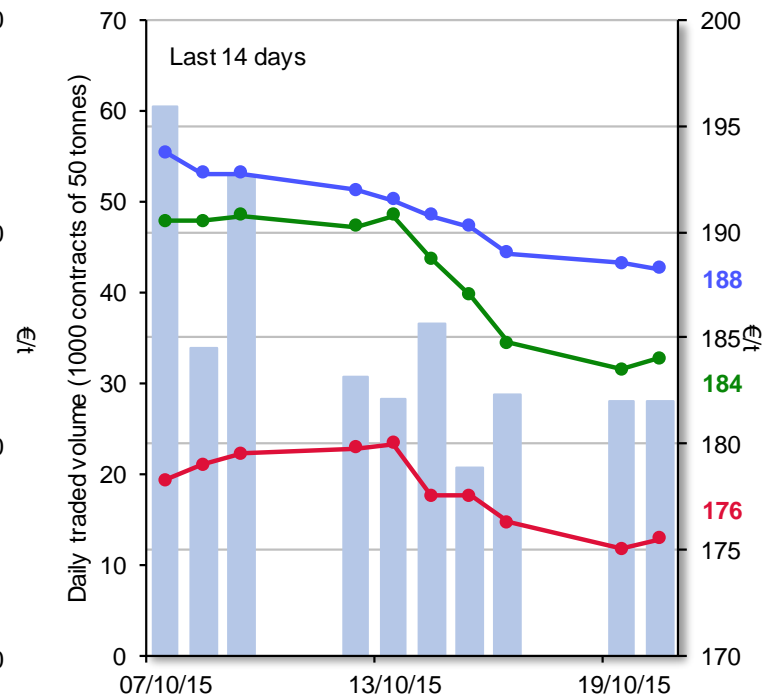
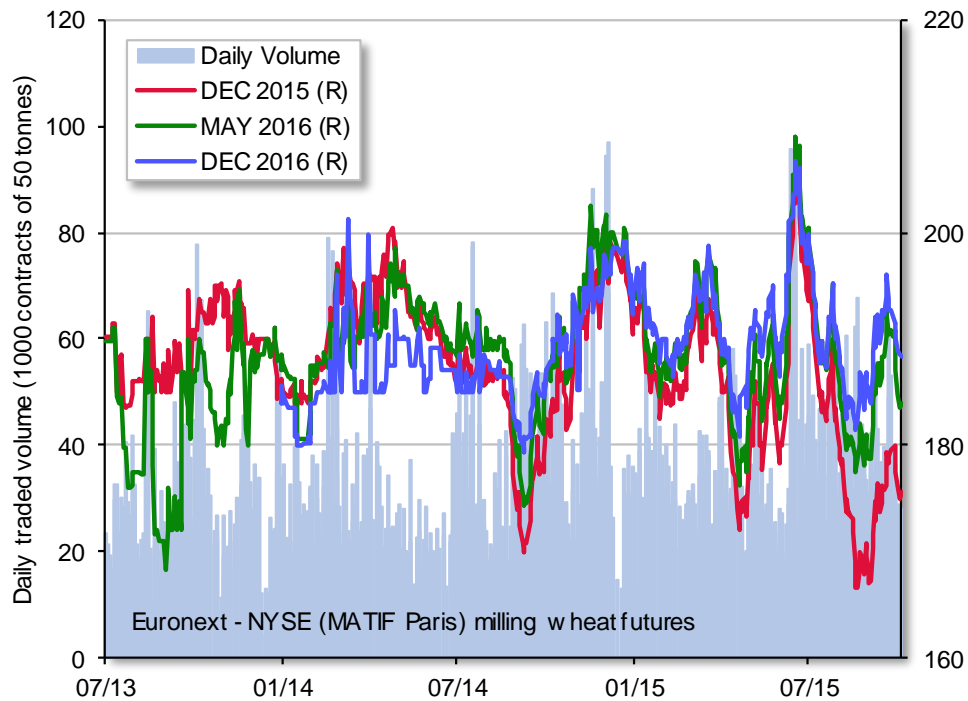
# US CME SRW wheat futures



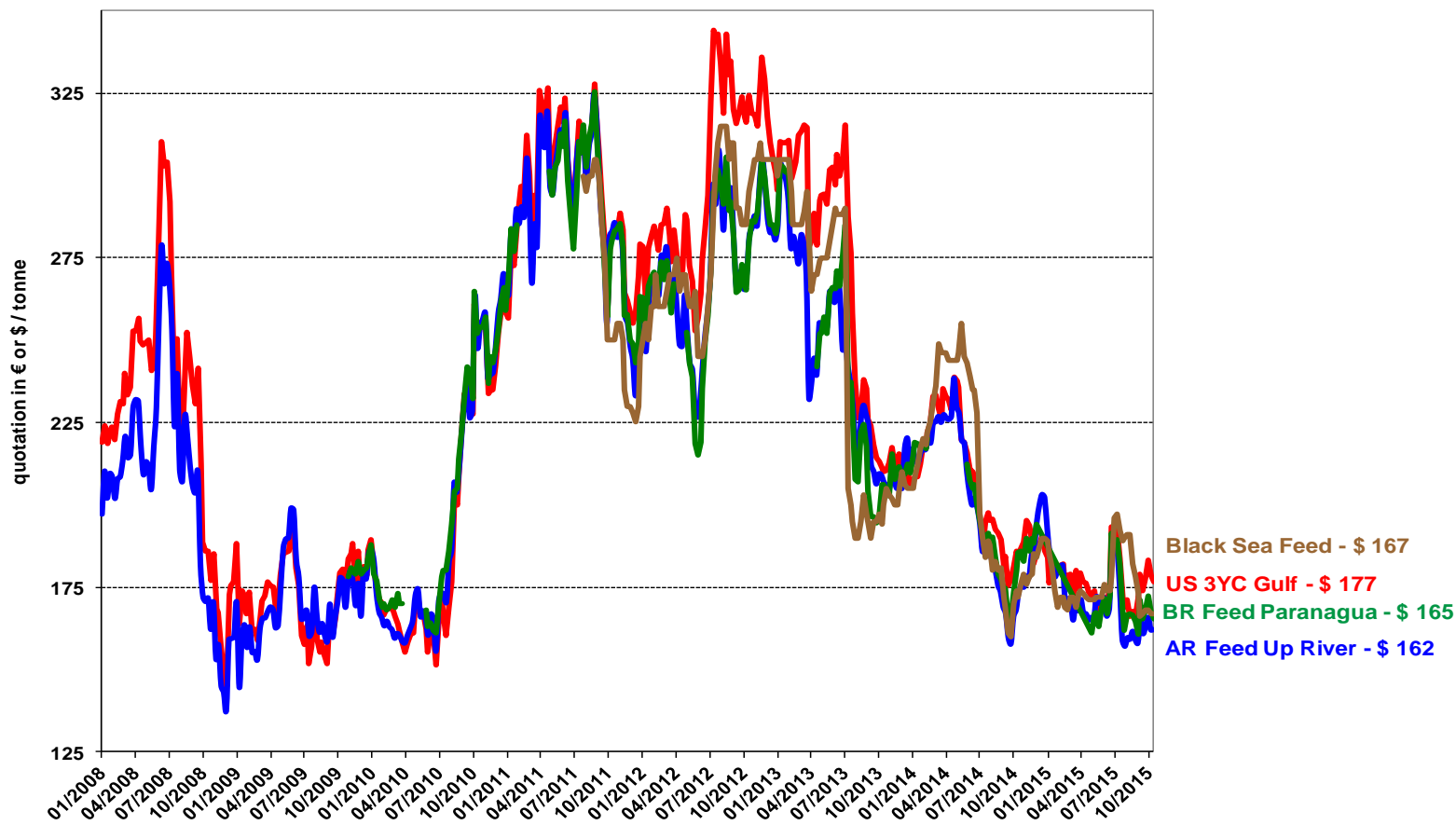
# US KCBT HRW wheat futures



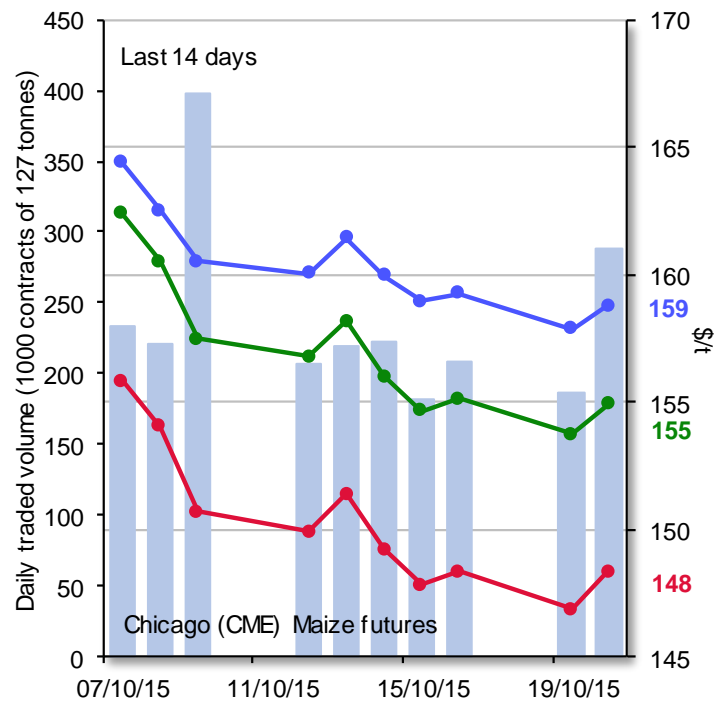
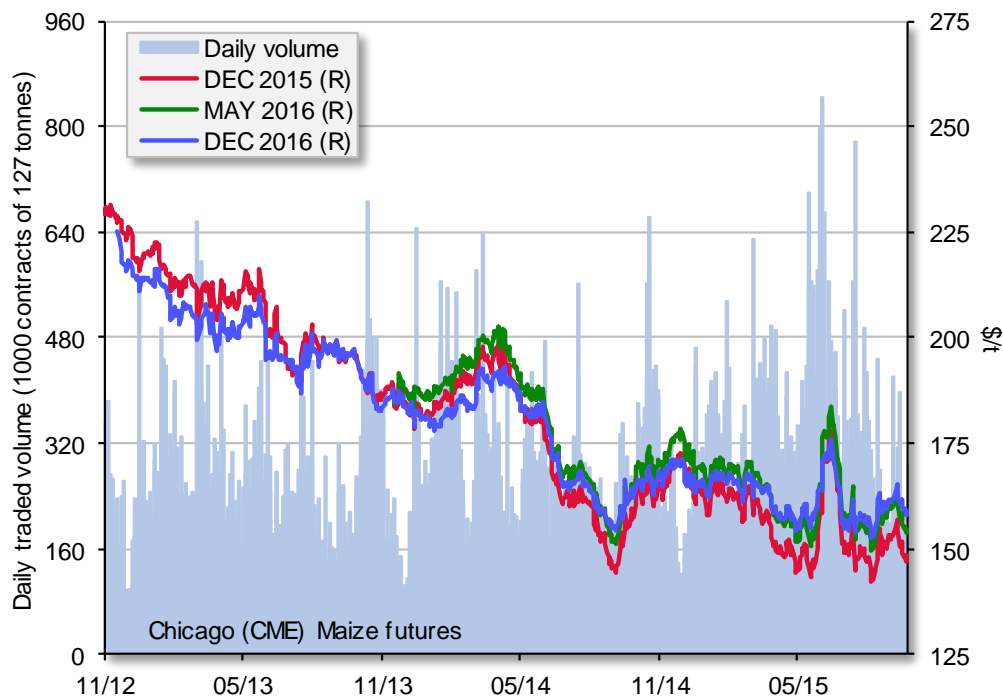
# EU Milling Wheat Futures



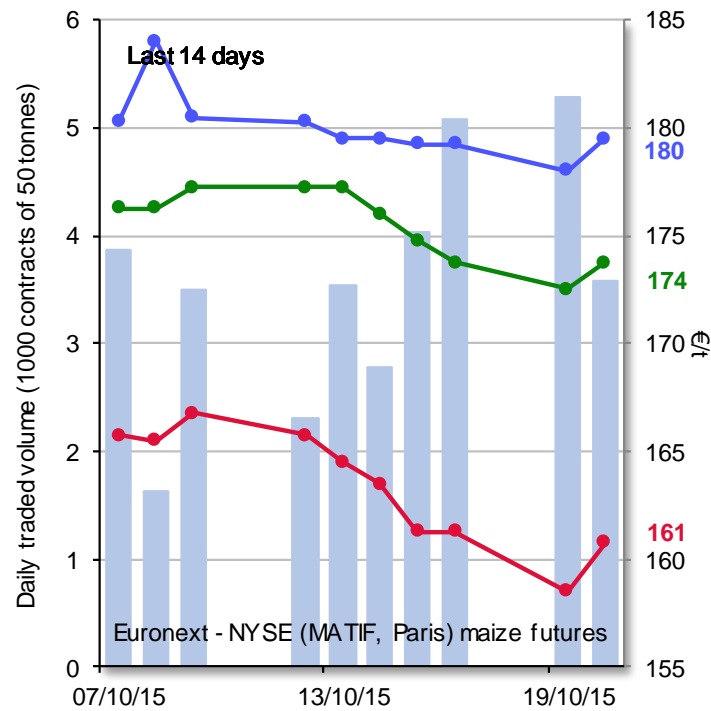
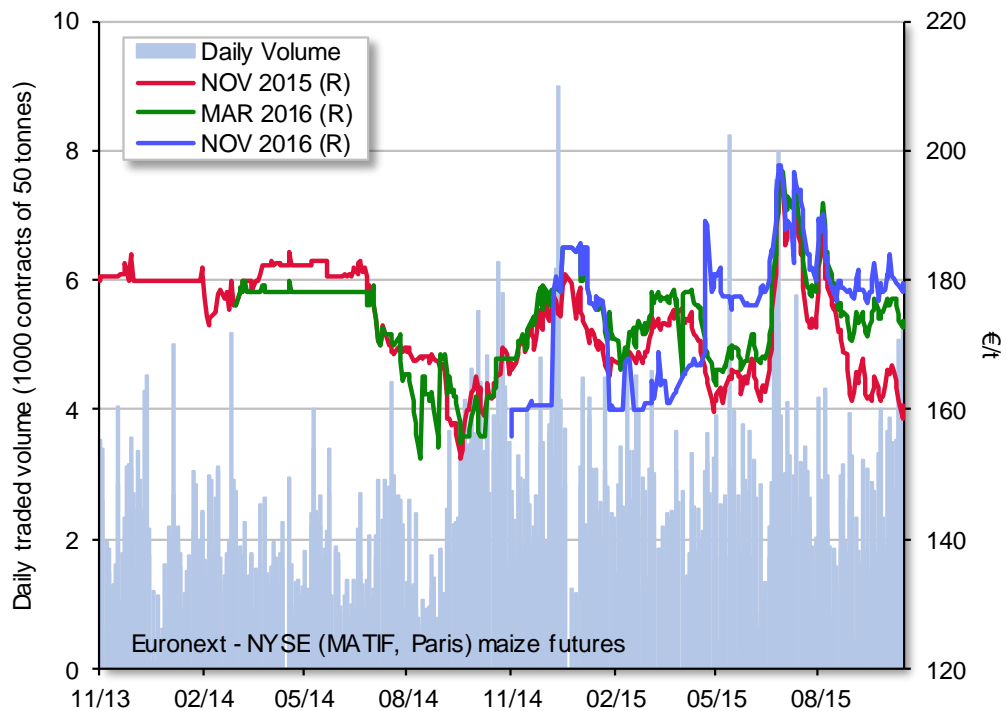
## World maize export prices (fob, US\$ per tonne)



# CME maize futures

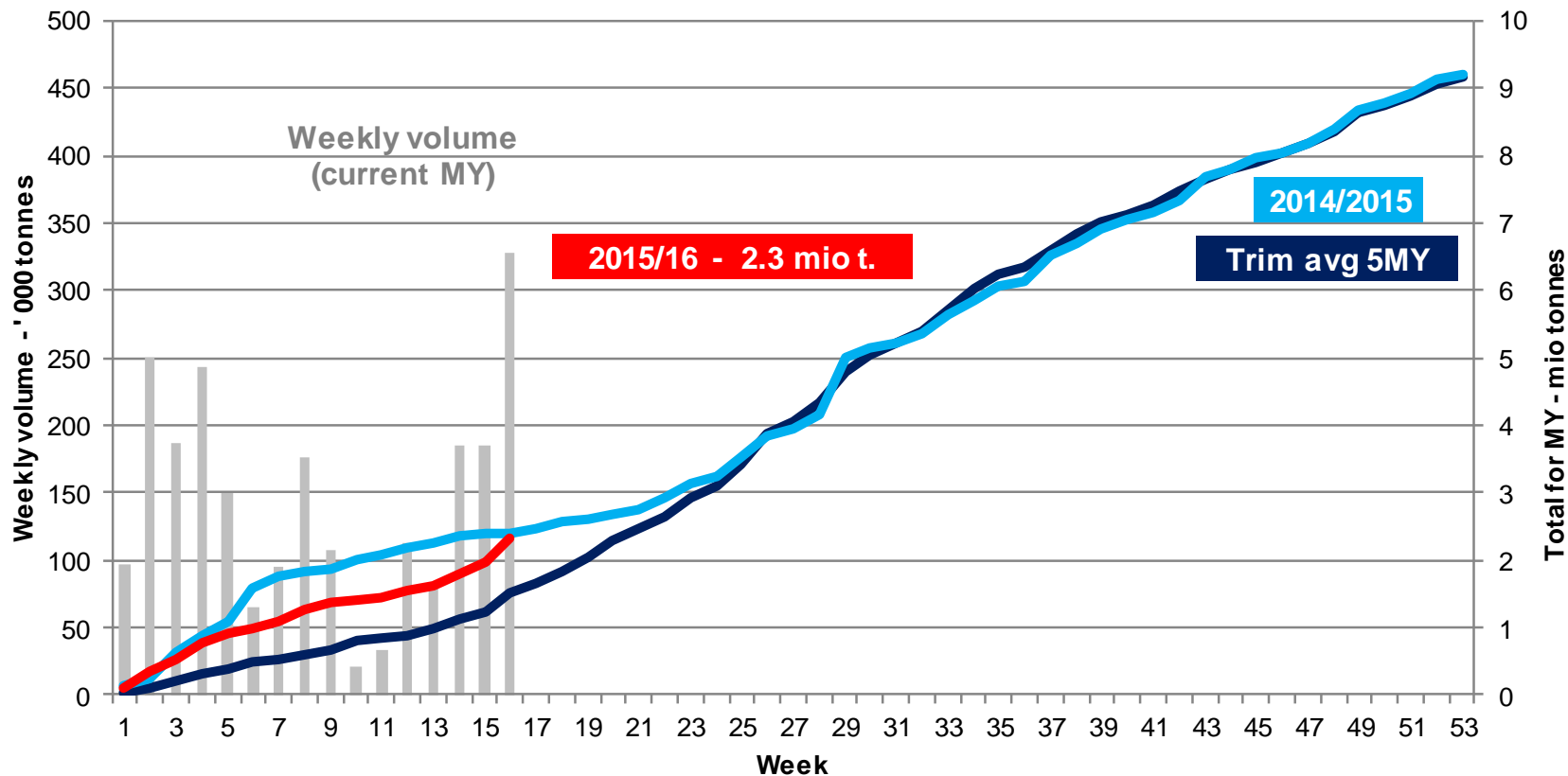


# EU maize futures





# EU Maize import commitments 2015/16



## EU Commitments 2015/2016 (16 weeks)

- **Imports:** 4.2 mio t (4.5 mio t last year; 2.5 mio t two years ago)
  - 1268 thousand tons soft wheat
  - 425 thousand tons durum wheat
  - 2.3 mio t maize
  - 213 000 tons barley
- **Exports:** 12 mio t (12.4 mio t last year; 13.8 mio t two years ago)
  - 6.9 mio t soft wheat
  - 4.1 mio t barley
  - 406 thousand tons durum wheat
  - 527 thousand tons maize
- So far, the EU is a net cereal exporter of 7.8 mio t, against 7.9 mio t last year and 11.3 mio t two years ago.

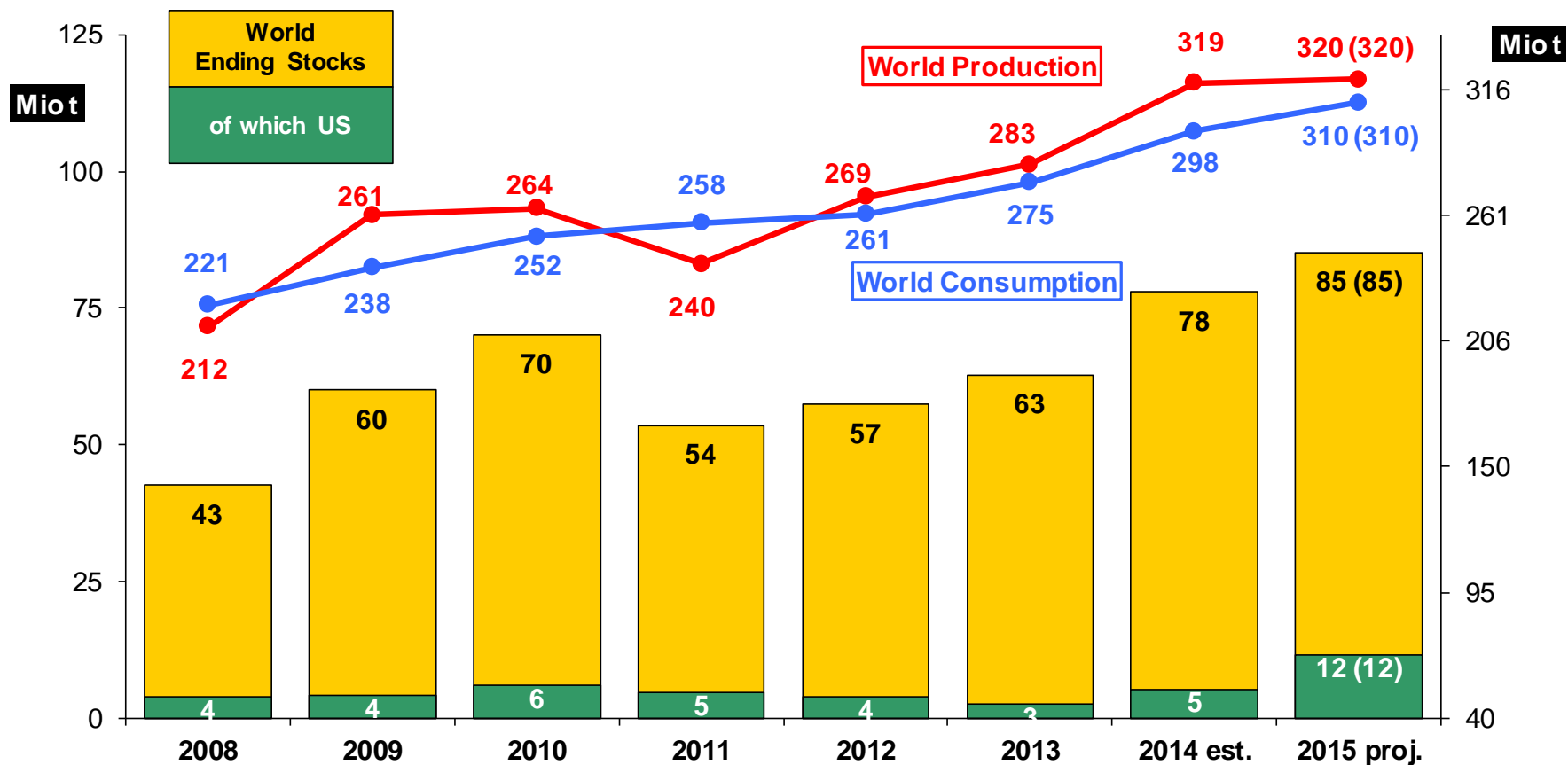
# Oilseeds

## Forecasts and prices



European Commission

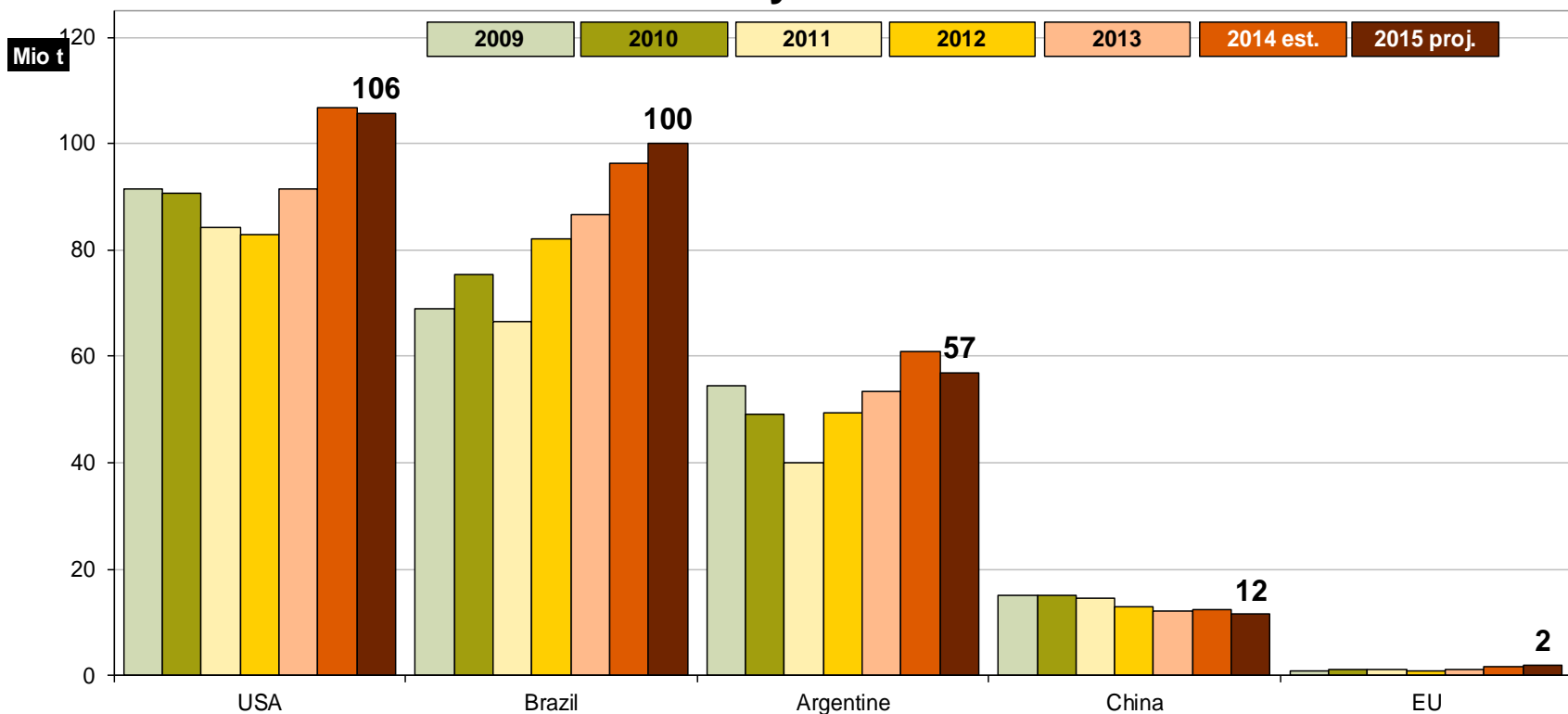
# World soya: USDA



Source: USDA October report

# USDA: soybeans production forecast

## Soybeans



Source: USDA October report

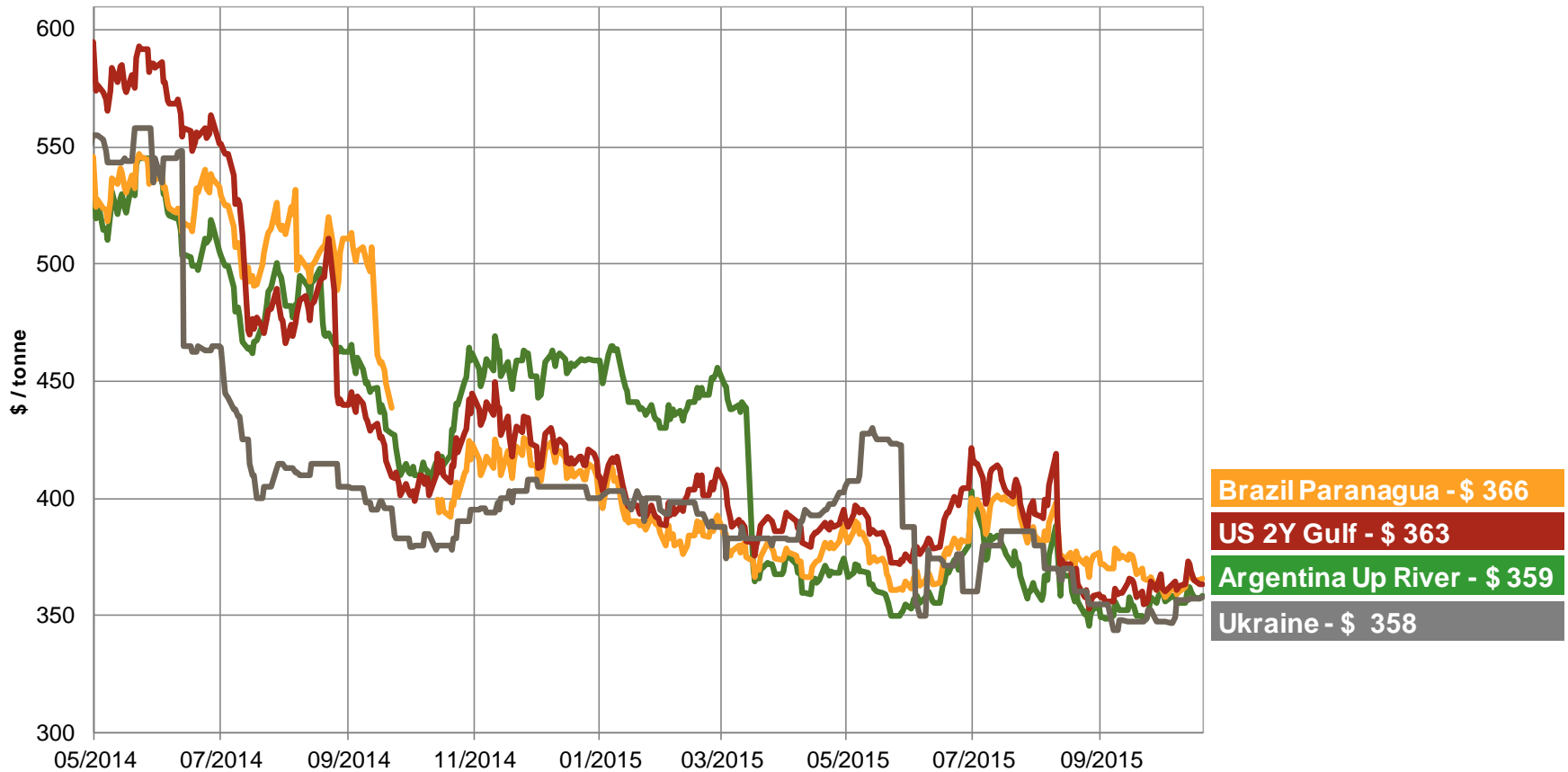
## EU 28- 2015 Production Forecasts

EU EVOL Oilseeds and Protein crops Production					
Mio t	2013	2014	2015 Aug fcst	2015 Sept fcst	% change 2014/2015
Rapeseed	20,90	24,28	20,81	21,08	-13,2
Sunflower	9,06	9,07	7,70	7,67	-15,5
Soja	1,07	1,85	1,97	1,97	6,6
Linseed	0,14	0,14	0,13	0,13	-11,9
<b>TOTAL</b>	<b>31,17</b>	<b>35,35</b>	<b>30,60</b>	<b>30,84</b>	<b>-12,7</b>
Field peas	1,23	1,28	1,58	1,61	25,8
Broad beans	1,02	1,29	1,20	1,20	-6,6
Sweet lupins	0,13	0,13	0,14	0,14	8,5
<b>TOTAL</b>	<b>2,38</b>	<b>2,70</b>	<b>2,92</b>	<b>2,95</b>	<b>9,5</b>
Sources : DG AGRI - C4					

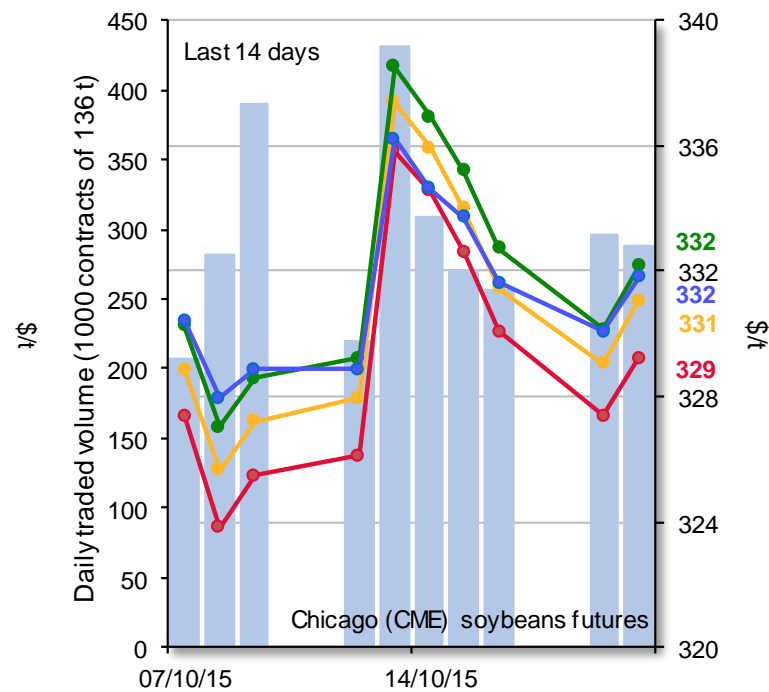
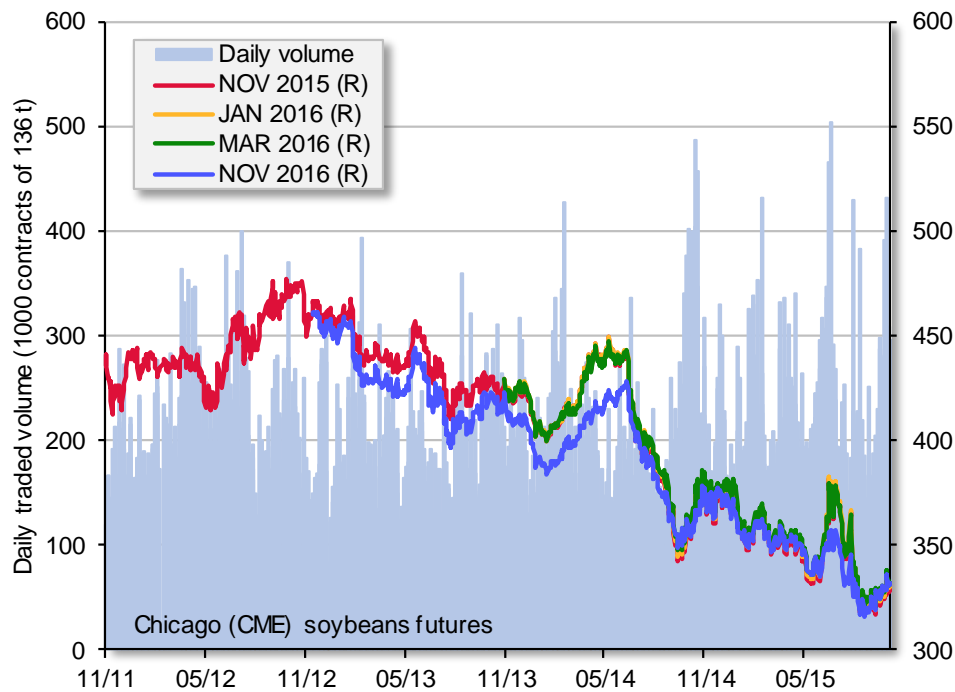


European  
Commission

## Soybeans export prices \$/ton (fob)

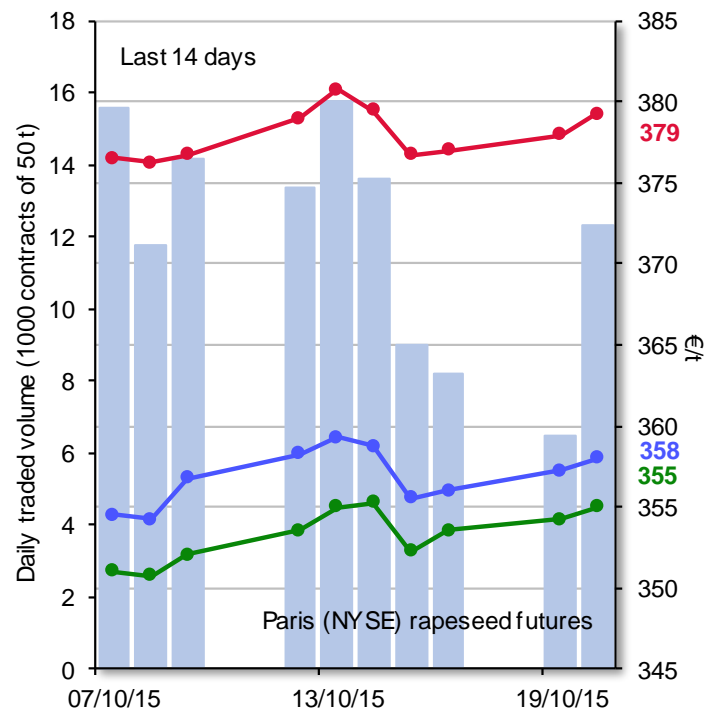
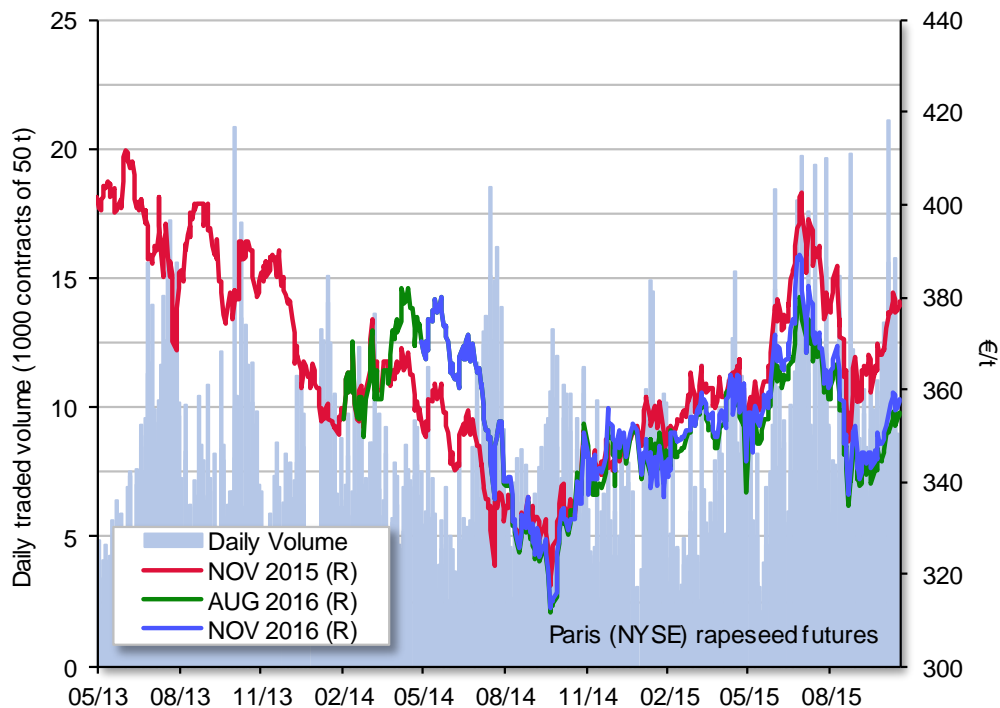


# CME soya futures





# NYSE Euronext rapeseed futures



## Conclusions

- **2015/16 crop year:**
  - 3rd consecutive record wheat crop
  - soybeans also record
  - Smaller maize crop, however ample supply due to stocks
- Cereals & soybean prices likely to remain low
- Some switch to feed wheat from maize
- Strong US dollar hampers competitiveness for US exports
- RUS/UKR possibly record wheat exports

**Thank you for your attention!**

**Balance sheet updates & market presentation  
available:**

**[http://ec.europa.eu/agriculture/cereals/balance-sheets/index\\_en.htm](http://ec.europa.eu/agriculture/cereals/balance-sheets/index_en.htm)**