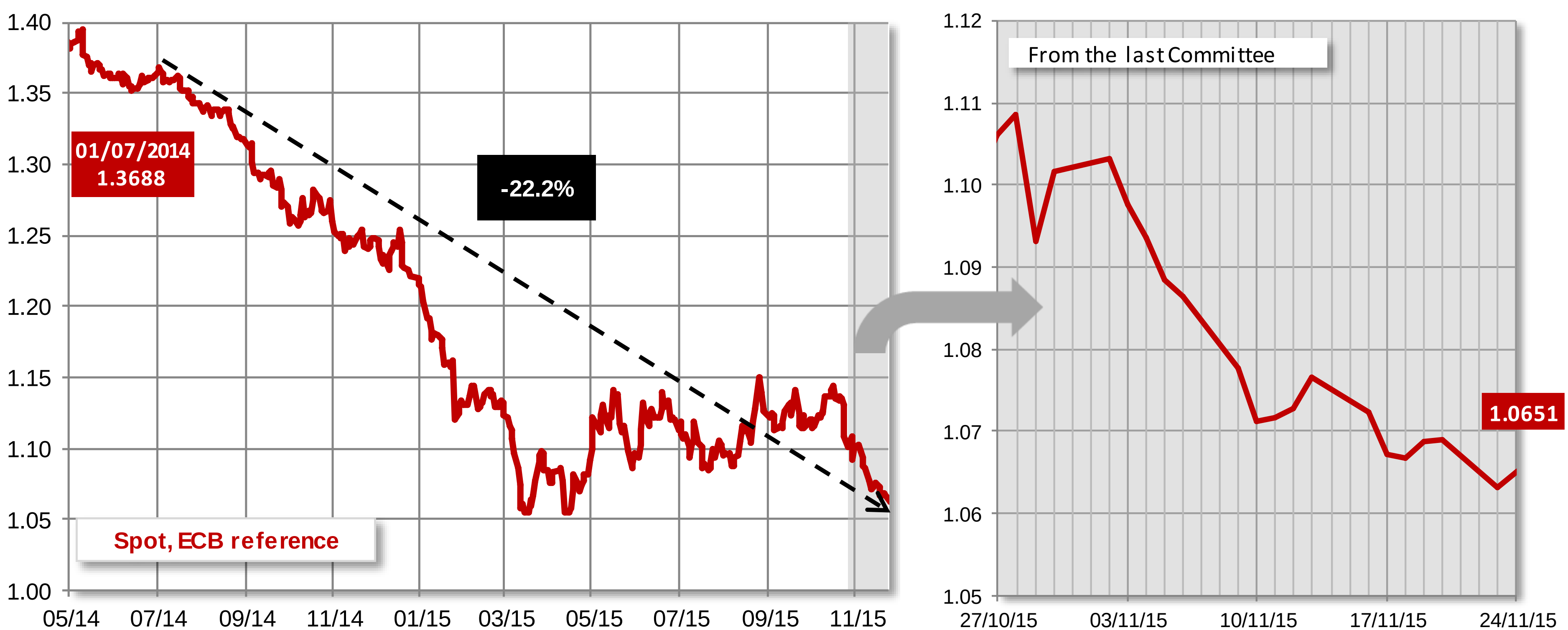
EU COP balance sheets 2014/2015 and forecasts 2015/16

AGRI C 4

26 November 2015

European Commission
Agriculture and Rural Development

Euro – Dollar exchange rate



Crude oil price ($/barrel)

European Commission

Baltic Dry Index

Agriculture and Rural Development

European Commission

2014/2015 Marketing Year

Cereals

EU TRADE 2014/2015

EU net exporter

+ Common wheat export new record :
    - Russian export tax and exports restrictions in UKR,
    - extension of maximum level of humidity (13.5%) for Egyptian purchases,

+ Barley Export new record (FR competitiveness on Chinese market)

+ Maize Export new record (Access to the Chinese market)

+ exchange rate
+ low costs of freights

European Commission

EU-28	Cereals balance sheet:Marketing year: 2014/2015									(Mio t)
Nov-15	Common 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**
TOTAL AVAILABILITIES	**160,7**	**67,5**	**10,7**	**102,6**	**9,9**	**1,1**	**8,3**	**13,6**	**5,0**	**379,4**
USE										
- 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										**12,6**
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**
TOTAL USE	**115,5**	**47,8**	**8,7**	**75,4**	**8,5**	**0,8**	**6,6**	**12,4**	**3,7**	**279,5**
Losses (excl on-farm)	0,9	0,4	0,1	0,6	0,1	0,0	0,1	0,1	0,0	**2,2**
Solde disponible	**44,3**	**19,3**	**2,0**	**26,6**	**1,3**	**0,3**	**1,7**	**1,1**	**1,2**	**97,6**
Export	**33,3**	**12,7**	**1,2**	**4,0**	**0,2**	**0,0**	**0,2**	**0,0**	**0,0**	**51,7**
Ending stocks (30.06.2015)	**11,0**	**6,6**	**0,8**	**22,6**	**1,1**	**0,3**	**1,4**	**1,1**	**1,2**	**46,1**

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 and barley

Strong recovery in stocks

2015/2016 Marketing Year

Cereals

EU 28- 2015 areas Forecasts

EU EVOL CEREALS AREA					
Mio ha	2013	2014	2015 Oct fcst	2015 Nov fcst	% change 2014/2015
TOTAL	**57,9**	**58,1**	**57,5**	**57,5**	-1,1
Soft wheat	23,4	24,4	24,3	24,3	-0,4
Durum wheat	2,4	2,3	2,4	2,4	5,0
Barley	12,7	12,4	12,4	12,4	-0,3
Maize	9,8	9,6	9,0	9,0	-6,4
Rye	2,6	2,1	2,2	2,2	6,0
Oats	2,6	2,5	2,5	2,5	-0,5
Sources : DG AGRI - C4					

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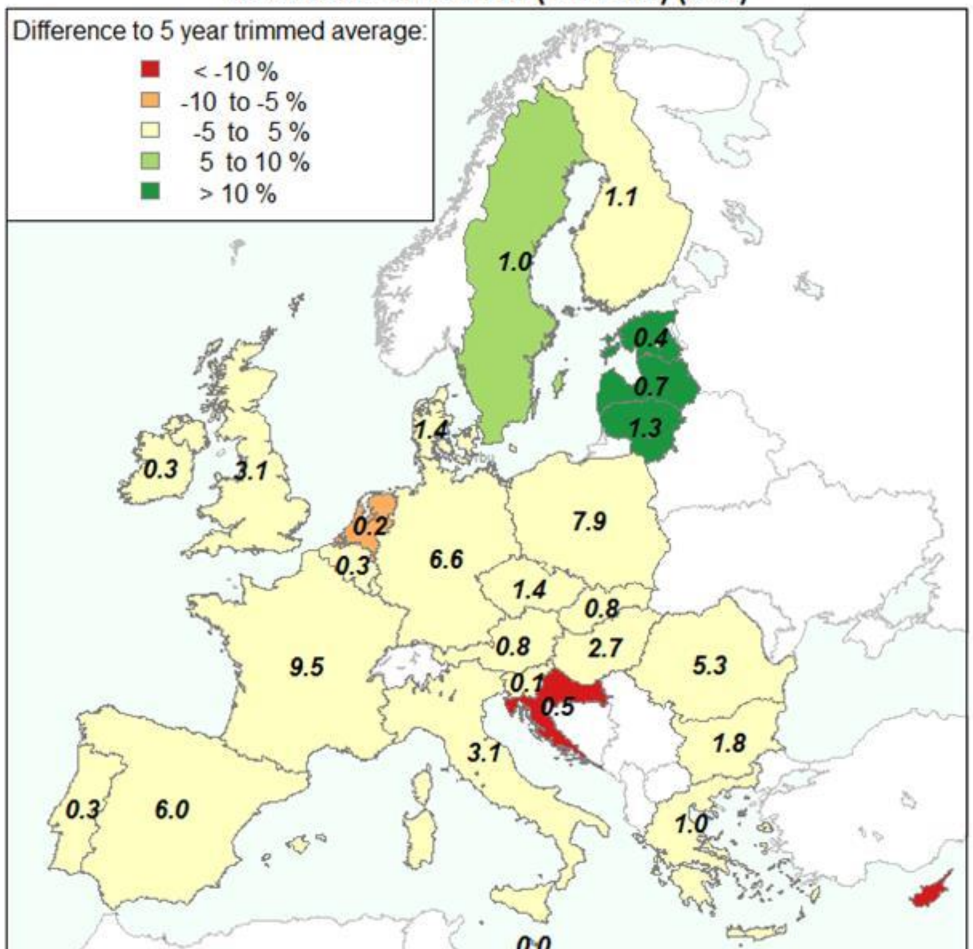
All cereals area 2015 (mio ha) (est.)



Calculations and cartography: European Commission DG AGRI C4 2015-10-28 © EuroGeographics for the administrative boundaries

EU28 area : 57.5 (mio ha) Difference to 5 year trimmed average: 0 %

EU 28- 2015 Production Forecasts

EU EVOL CEREALS USABLE PRODUCTIONS

Mio t	2013/2014	2014/2015	2015/2016 Oct fcst	2015/2016 Nov fcst	%change 2014/2015
TOTAL	**304,8**	**329,2**	**308,3**	**308,5**	-6,3
Soft wheat	135,1	148,7	149,2	149,1	0,3
Durum wheat	8,0	7,6	8,4	8,5	11,8
Barley	60,6	60,2	60,9	60,8	1,0
Maize	66,8	77,9	57,4	57,5	-26,2
Rye	10,1	8,7	8,1	8,2	-5,7
Oats	8,3	7,7	7,5	7,5	-2,6

EU 28 - 2015 production Forecasts

Most important producers		
(80% of EU production)		
total cereals prod changes 2014/2015		
FR	-1,6%	
DE	-7,2%	
PL	-8,0%	
IT	-3,8%	
UK	-0,1%	
ES	-3,9%	
HU	-14,7%	
RO	-25,2%	

EU 28- 2015 production Forecasts

2015/2016 Marketing Year					
	usable prod				
Mio t	EC DG AGRI Novembre	Stratégie Grain Novembre	ADM Europe Octobre	Copa Cogeca Septembre	Coceral Septembre
Cereals	308,5	308,0	307,3	303,4	307,3
Soft Wheat	149,1	149,8	150	146	148,2
Durum Wheat	8,5	8,0	8,3	7,6	7,9
Barley	60,8	60,5	59,5	56,8	60,3
Maize	57,5	57,3	58,5	60,1	59,5
Rye	8,2	8,5	7,5	8,8	8,4

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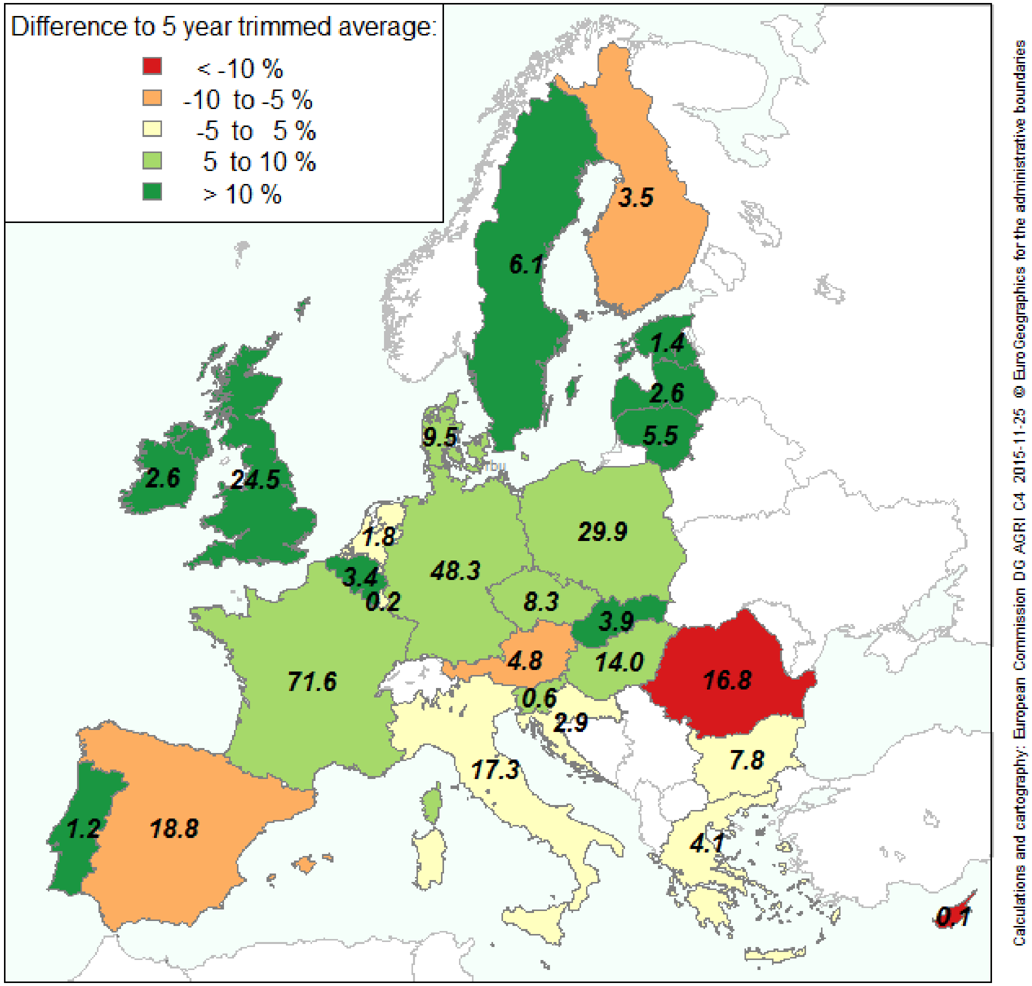
All cereals production 2015 (mio t) (est.)

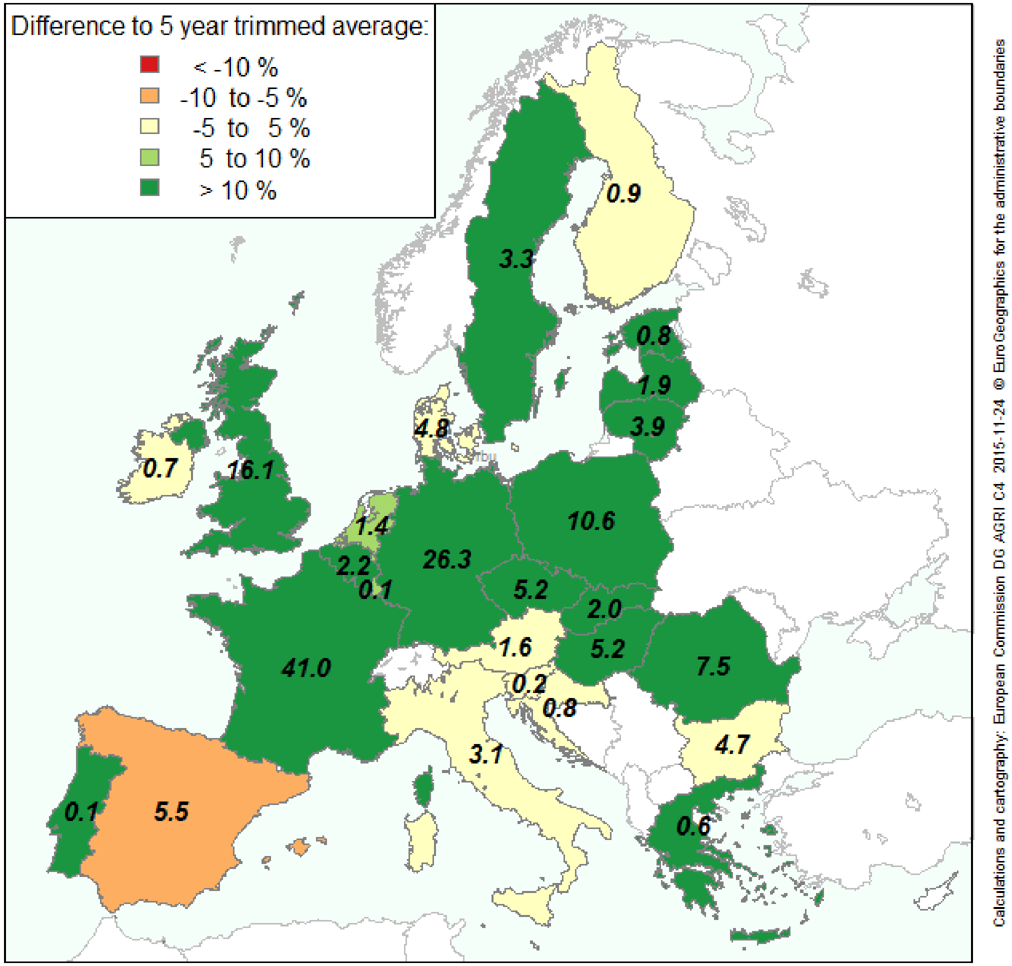


EU28 production : 308.5 (mio t) Difference to 5 year trimmed average: 6 %

Development

European Commission

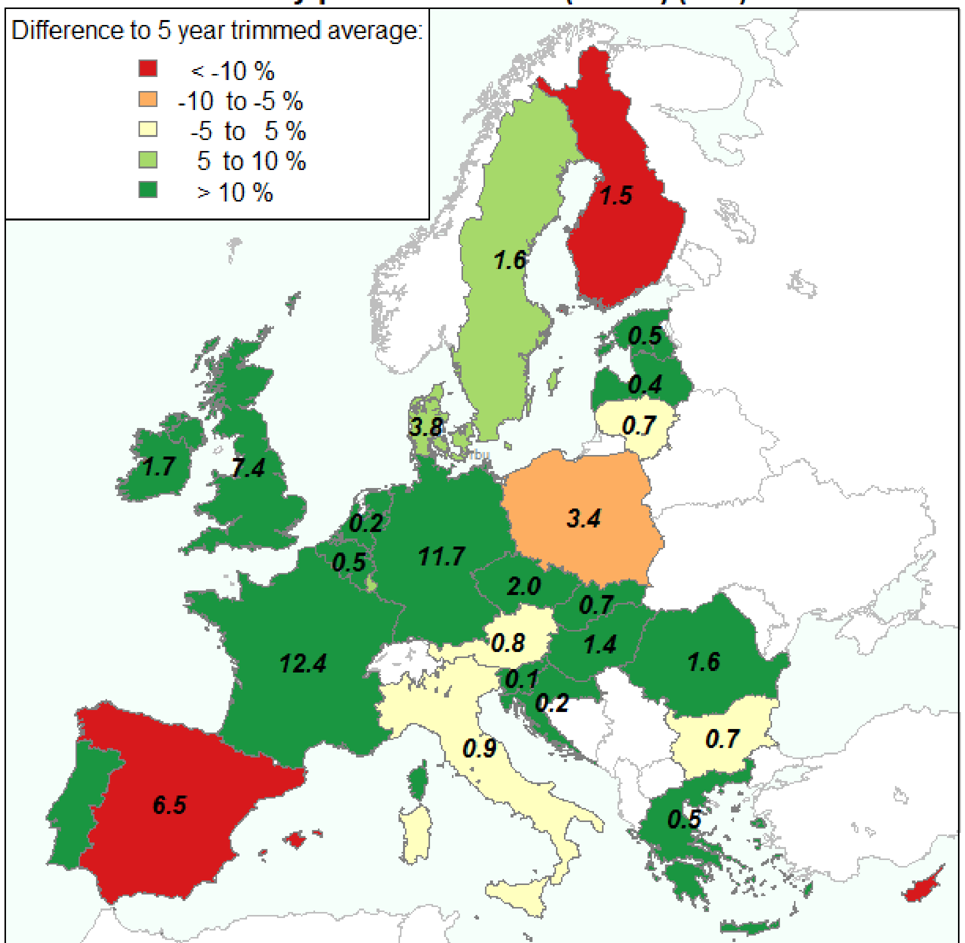
Soft wheat production 2015 (mio t) (est.)



EU28 production : 149.1 (mio t) Difference to 5 year trimmed average: 14 %

Development

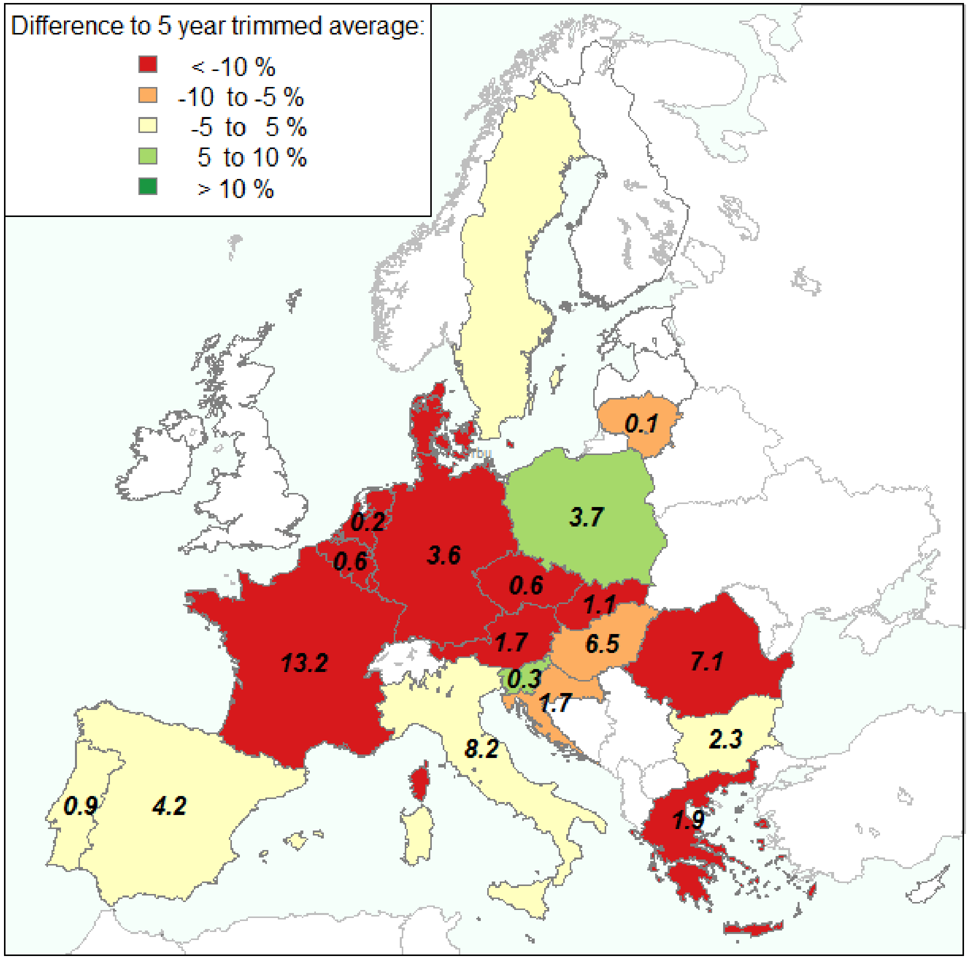
Barley production 2015 (mio t) (est.)



Calculations and cartography: European Commission DG AGRI C4 2015-11-25 © EuroGeographics for the administrative boundaries

EU28 production : 60.8 (mio t) Difference to 5 year trimmed average: 9 %

Maize production 2015 (mio t) (est.)



Calculations and cartography: European Commission DG AGRI C4 2015-11-24 © EuroGeographics for the administrative boundaries

EU28 production : 57.5 (mio t) Difference to 5 year trimmed average: -12 %

TRADE MEASURES

- China : Barley Trade protocol agreement with UK

- Morocco: despite record harvest of 11 Mt (incl. 5.2 Mt soft wheat) import duty on wheat reduced from 75% to 50% as from 1-Nov.

- India: increased its wheat imp duty from 10% to 25%

- Argentina: farmers expect rapid changes to exp policy after presidential elections. (Soybean exp tax is 35%; maize and wheat 20-23% plus exp quota.)

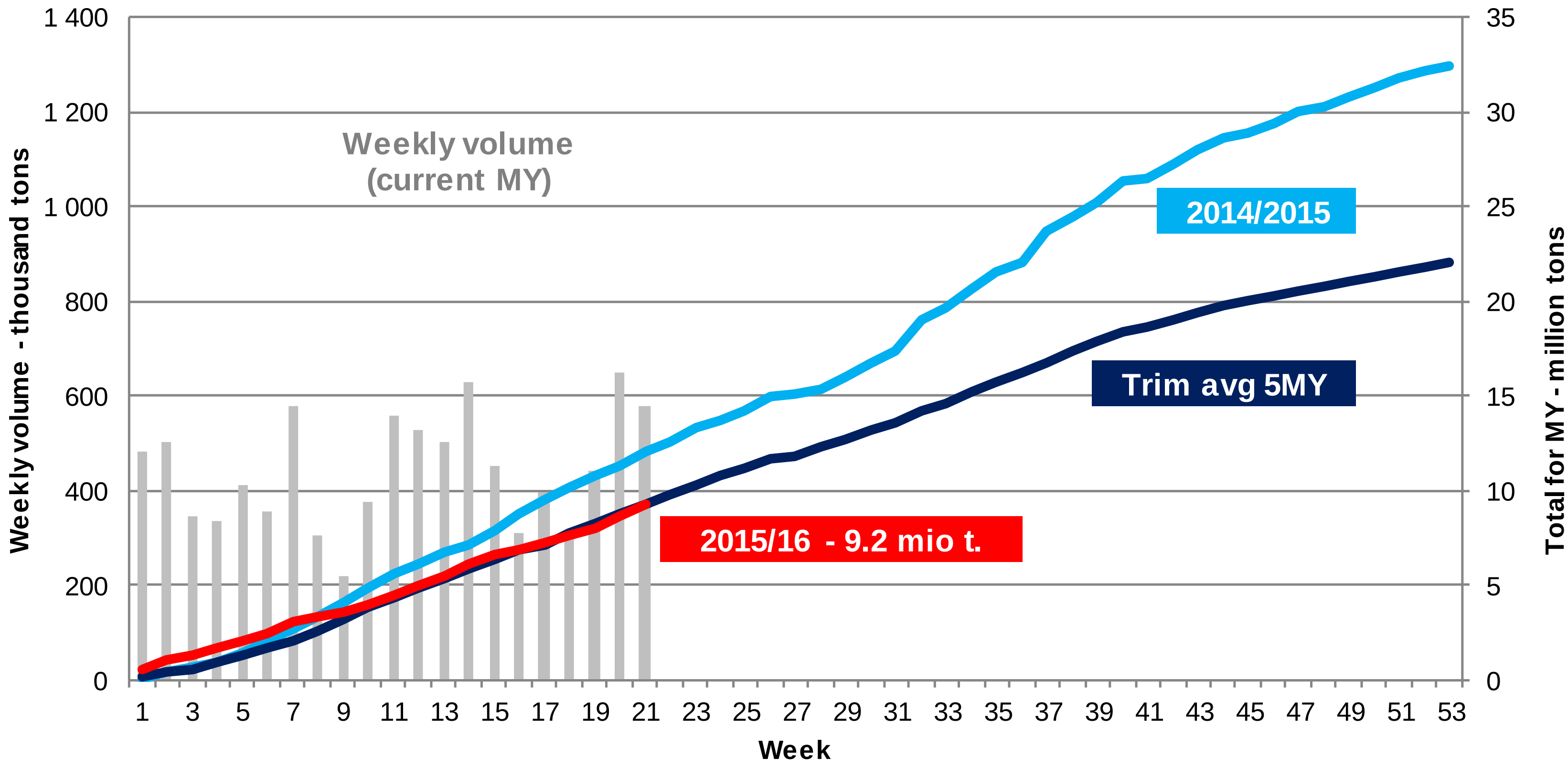
- Ukraine : Export memorandum signed: 16.6 Mt wheat (8.8 Mt milling), 16 Mt maize and 3.9 Mt barley

- Russia : wheat export tax : exp tax calculation changed as from 1 Oct 2015; Exp tax = [(price/2)-6,500 RUB], min 10 RUB

Russian Wheat Export Tax

RUS wheat export tax 1-10-2015			
Exp price (fob) in RUB per tonne	Price in EUR/t	exp duty equals (RUB/t)	exp duty in EUR/t
(1 $ = 65.5 RUB; 1 € = 69.7 RUB)			
11152	160	10	0,14
11849	170	10	0,14
12546	180	10	0,14
13243	190	122	1,74
13940	200	470	6,74
14637	210	819	11,74
15334	220	1167	16,74
16031	230	1516	21,74
Export tax = [(wheat price in RUB / 2) - 6500 RUB]		min. 10 RUB per tonne	

EU wheat and flour export commitments 2015/16



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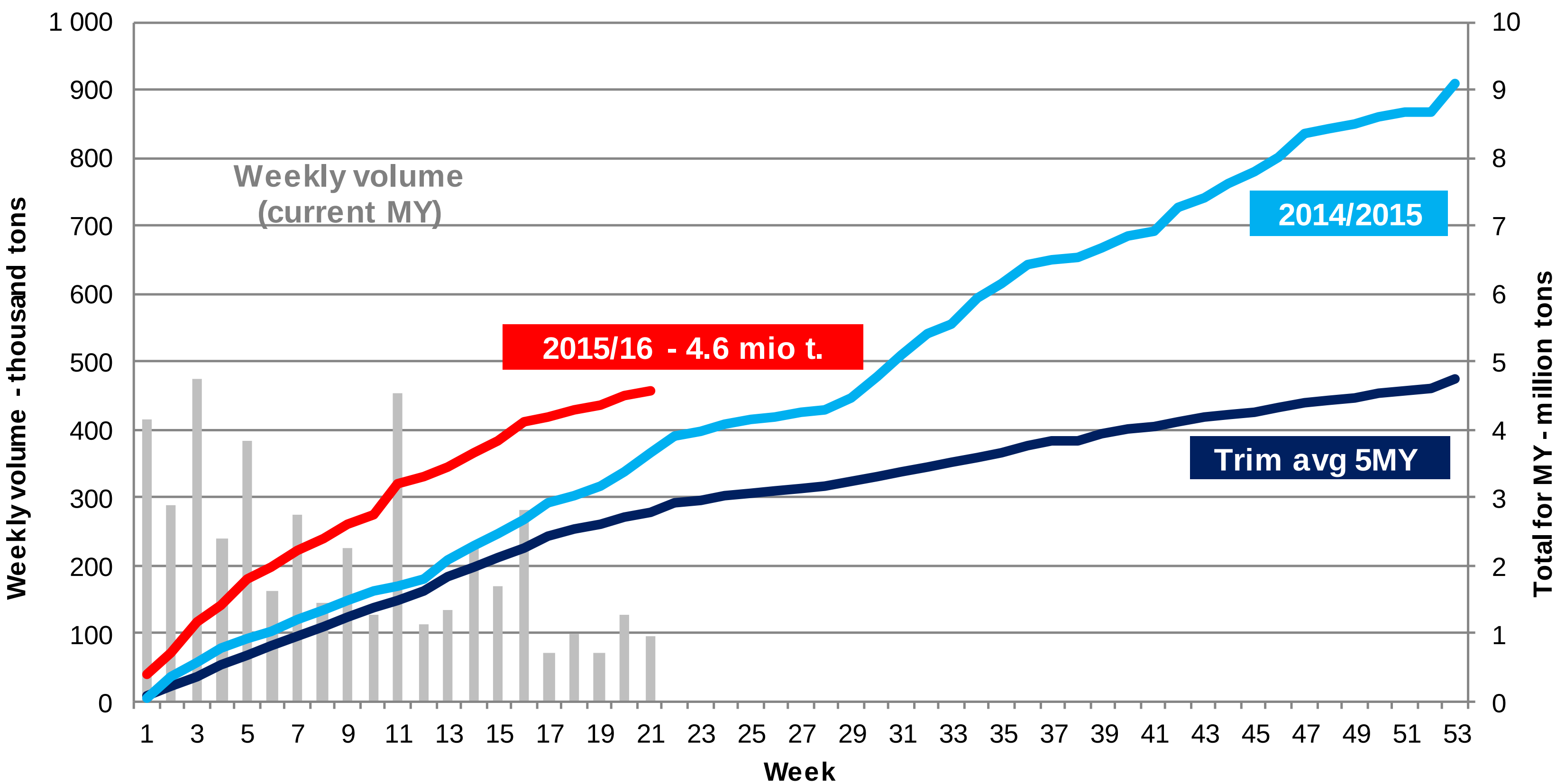
EU barley export commitments 2015/16



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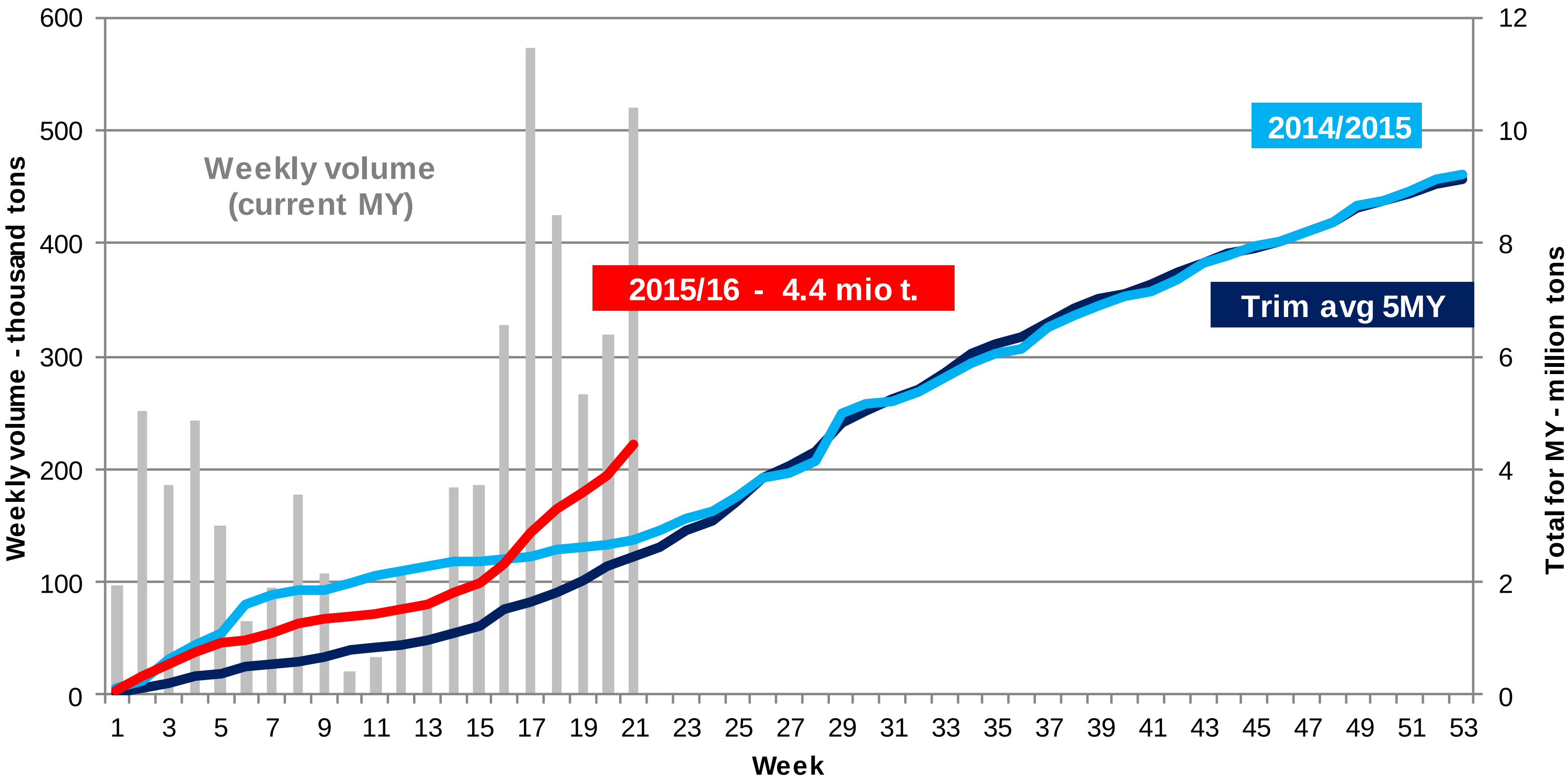
EU Maize import commitments 2015/16



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EU-28	Cereals balance sheet:Marketing year: 2015/2016									
Nov-15	Common									(Mio t)
	wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EUR 28
Beginning stocks (01.07.2015)	**11,0**	**6,6**	**0,8**	**22,6**	**1,1**	**0,3**	**1,4**	**1,1**	**1,2**	**46,1**
Usable production	**149,1**	**60,8**	**8,5**	**57,5**	**8,2**	**0,7**	**7,5**	**11,7**	**4,3**	**308,5**
Import	**3,0**	**0,4**	**1,8**	**11,0**	**0,1**	**0,2**	**0,0**	**0,0**	**0,1**	**16,7**
TOTAL AVAILABILITIES	**163,1**	**67,8**	**11,1**	**91,2**	**9,4**	**1,3**	**9,0**	**12,8**	**5,6**	**371,3**
USE										
- 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	53,5	36,5	0,1	60,8	3,4	0,7	4,8	11,0	3,2	**174,0**
TOTAL USE	**116,8**	**48,4**	**8,7**	**76,3**	**8,4**	**0,9**	**6,5**	**12,1**	**3,6**	**281,7**
Losses (excl on-farm)	0,9	0,4	0,1	0,6	0,1	0,0	0,1	0,1	0,0	**2,2**
Solde disponible	**45,4**	**19,0**	**2,4**	**14,3**	**0,9**	**0,4**	**2,4**	**0,6**	**2,0**	**87,4**
Export	**27,9**	**10,0**	**1,3**	**2,5**	**0,2**	**0,0**	**0,2**	**0,0**	**0,0**	**42,1**
Ending stocks (31.10.2015)	**113,8**	**45,7**	**6,5**	**55,1**	**6,3**	**0,7**	**6,7**	**8,7**	**4,3**	**247,9**
Ending stocks (30.06.2016)	**17,5**	**9,0**	**1,1**	**11,8**	**0,8**	**0,4**	**2,2**	**0,6**	**1,9**	**45,3**

EU BALANCE SHEET 2015/2016

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

Good quality (wheat and barley)

Comfortable availabilities

Slight increase in use for animal feed

Decrease in stocks

Marketing year 2015/2016

Oilseeds and Protein Forecasts

EU 28- 2015 areas Forecasts

EU EVOL Oilseeds and Protein crops AREA					
Mio ha	2013	2014	2015 Oct fcst	2015 Nov fcst	% change 2014/2015
Rapeseed	6,70	6,71	6,36	6,36	-5,2
Sunflower	4,58	4,18	4,13	4,13	-1,3
Soja	0,47	0,57	0,80	0,80	41,2
Linseed	0,07	0,08	0,08	0,08	1,3
TOTAL	11,82	11,54	11,28	11,37	-1,5
Field peas	0,45	0,49	0,69	0,69	42,5
Broad beans	0,36	0,40	0,50	0,50	23,9
Sweet lupins	0,06	0,08	0,09	0,10	20,7
TOTAL	0,86	0,97	1,28	1,29	33,0
Sources : DG AGRI - C4					

EU 28- 2015 Production Forecasts

EU EVOL Oilseeds and Protein crops Production					
Mio t	2013	2014	2015 Oct fcst	2015 Nov fcst	% change 2014/2015
Rapeseed	20,90	24,28	21,17	21,26	-12,4
Sunflower	9,06	9,07	7,17	7,11	-21,6
Soja	1,07	1,85	2,13	2,18	17,5
Linseed	0,14	0,14	0,13	0,13	-7,7
TOTAL	31,17	35,35	30,60	30,68	-13,2
Field peas	1,23	1,28	1,78	1,83	42,5
Broad beans	1,02	1,29	1,42	1,37	6,8
Sweet lupins	0,13	0,13	0,15	0,16	24,0
TOTAL	2,38	2,70	3,34	3,36	24,6
Sources : DG AGRI - C4					

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2016/2017 Marketing Year

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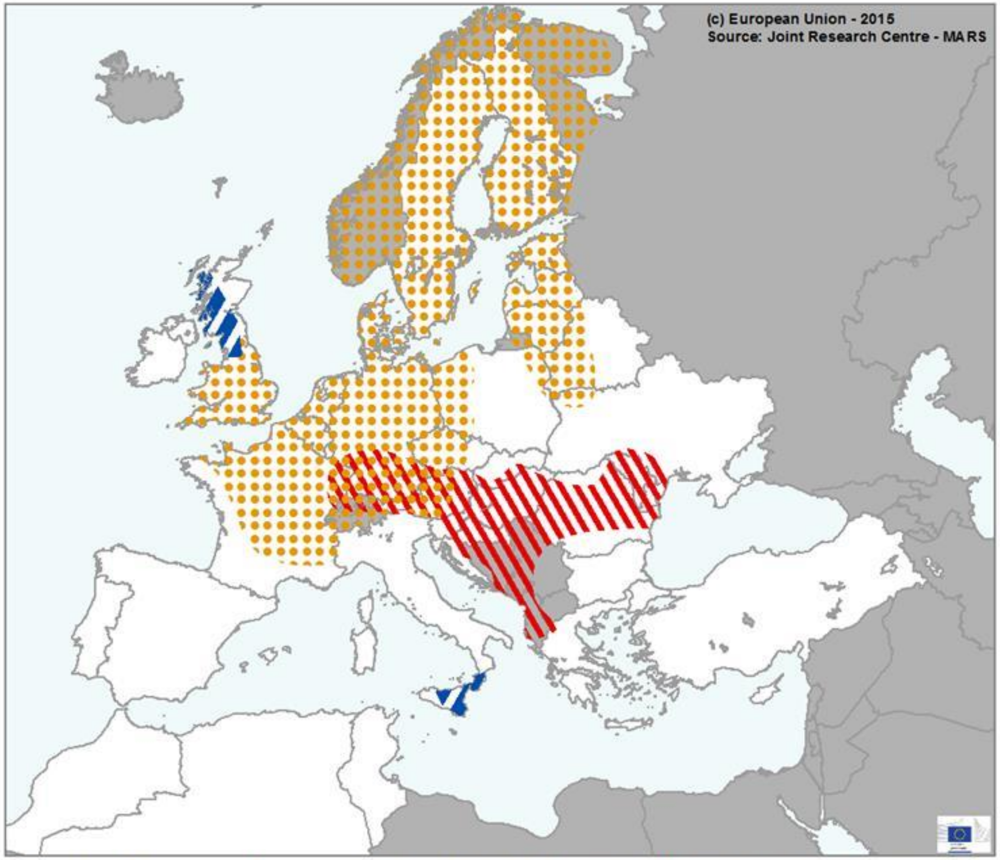
AREAS OF CONCERN - EXTREME WEATHER EVENTS



Based on observed and forecasted data from 23 October 2015 until 30 November 2015

Rain surplus

Rain deficit

Temperature accumulation surplus

Agriculture
and Rural
Development

2016/2017 Marketing Year

Winter Grains Sowings	
Soft Wheat	+ 2%
Durum wheat	+ 5%
Barley	+ 2%
Rye	+ 1%
Rapeseed	0 %
Source : Stratégie Grains	

European Commission

Thank you for your attention!

Balance sheet updates & market presentation available:

http://ec.europa.eu/agriculture/cereals/balance-sheets/index_en.htm