



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
United
Nations

Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

COMMITTEE ON COMMODITY PROBLEMS

**EXTRAORDINARY JOINT INTERSESSIONAL MEETING OF THE
INTERGOVERNMENTAL GROUP (IGG) ON GRAINS AND THE
INTERGOVERNMENTAL GROUP ON RICE**

**Rome, Italy, 24 September 2010
Red Room**

**TURMOIL IN GLOBAL CEREAL MARKETS:
OUTLOOK FOR 2010/11**



Turmoil in Global Cereal Markets Outlook for 2010/11

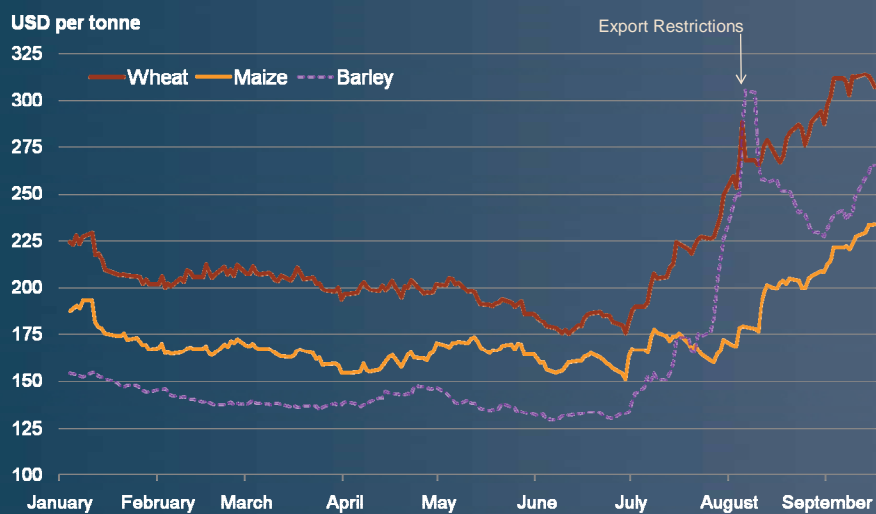
Extraordinary Joint Intersessional Meeting of the Intergovernmental (IGG) Group On Grains
and the IGG on Rice



Abdolreza Abbassian
Secretary of the IGG on Grains, FAO

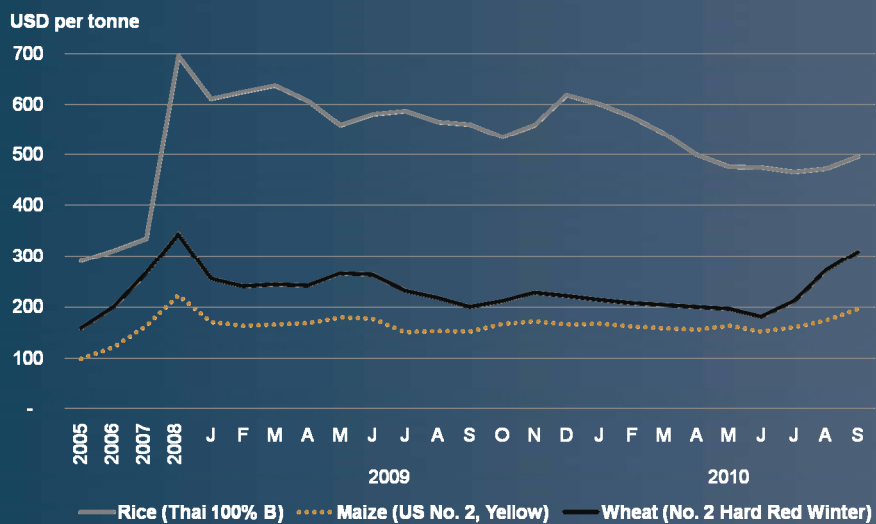


Grain prices jump since July . . .

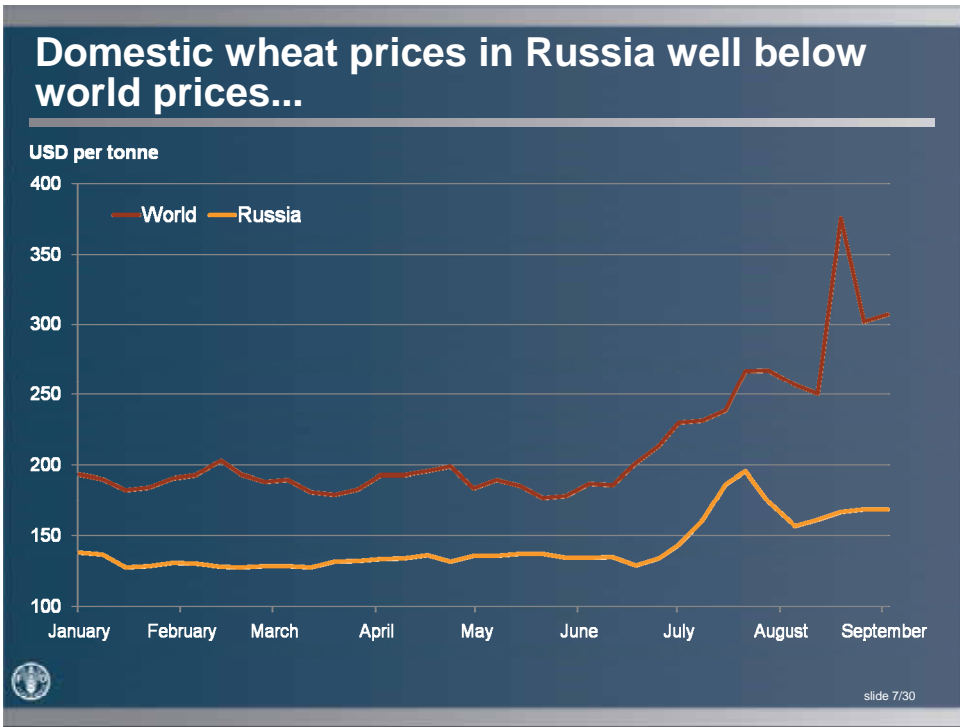
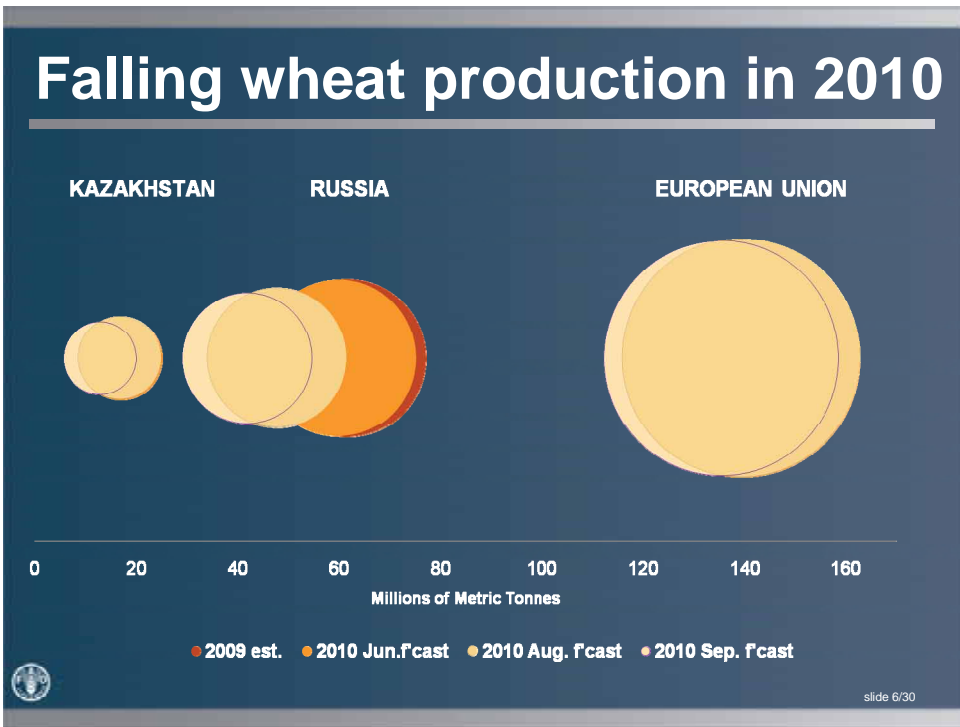


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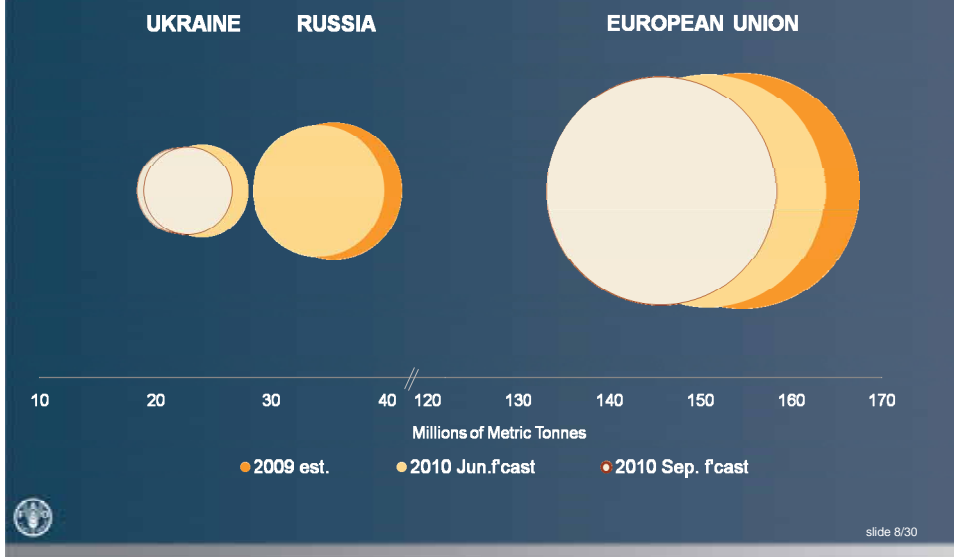
But not rice. . .



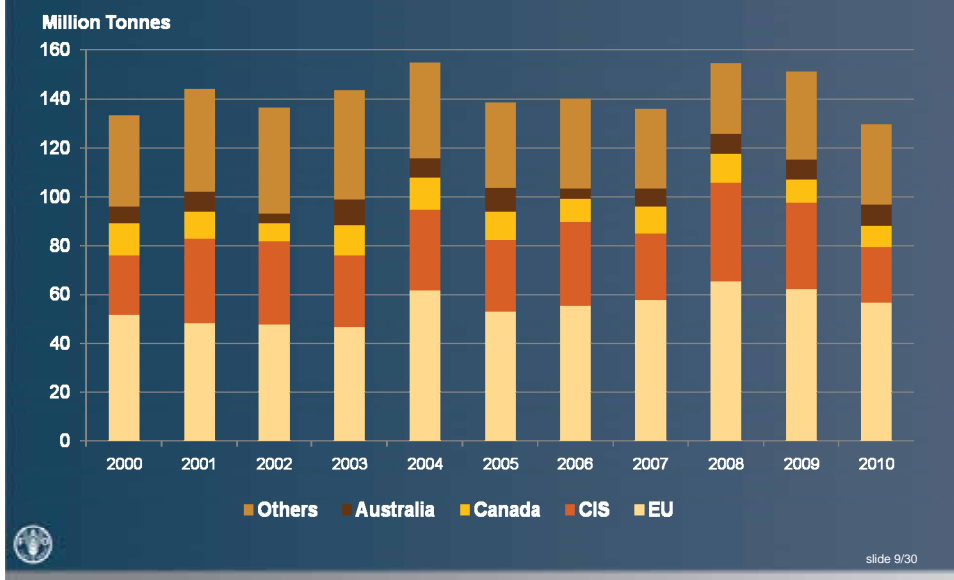
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... and some cuts also in production of coarse grains in 2010



Barley: World production down sharply



Top producers 2009-2010

WHEAT

Country *	2009 estimate	2010 forecast	2010 over 2009
	(..... million tonnes)		(. Percent.)
European Union	138.5	134.5	-2.9
China (Mainland)	115.1	114.0	-1.0
India	80.7	80.7	0.0
United States of America	60.3	61.6	2.2
Russian Federation	61.7	42.0	-32.0
Canada	26.5	22.7	-14.5
Pakistan	24.0	23.9	-0.7
Australia	21.7	25.1	15.9
Ukraine	20.9	17.6	-15.8
Turkey	20.6	19.5	-5.3
Kazakhstan	17.0	13.0	-23.5
Iran Islamic Rep. of	13.0	14.5	11.5
Argentina	7.5	11.5	53.7
Egypt	8.5	8.6	0.9
Uzbekistan	6.6	6.8	1.7
Others	59.5	53.8	-9.5
World	682.1	649.7	-4.7

* Countries listed according to their position in global production (average 2008-2010)



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Top producers 2009-2010

COARSE GRAINS

Country *	2009 estimate	2010 forecast	2010 over 2009
	(..... million tonnes)		(. Percent.)
United States of America	349.5	349.6	0.0
China (Mainland)	173.1	175.4	1.3
European Union	155.5	145.0	-6.8
Brazil	53.7	55.8	4.0
India	34.2	37.6	10.1
Russian Federation	33.4	20.8	-37.9
Mexico	30.1	30.8	2.4
Canada	22.5	22.4	-0.6
Argentina	16.9	28.1	66.1
Ukraine	24.0	22.1	-8.0
Nigeria	21.0	21.1	0.2
Indonesia	17.6	18.0	2.2
South Africa	13.1	14.2	8.5
Australia	13.0	12.7	-2.3
Ethiopia	13.1	12.8	-2.3
Others	154.1	155.6	1.0
World	1124.8	1121.9	-0.3

* Countries listed according to their position in global production (average 2008-2010)



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Top producers 2009-2010

RICE

Country *	2009 estimate	2010 forecast	2010 over 2009
	(..... million tonnes , milled eq.....)		(. Percent)
China(Mainland)	133.6	134.7	0.8
India	89.1	100.3	12.5
Indonesia	40.6	41.0	1.2
Bangladesh	32.4	33.5	3.3
Viet Nam	25.9	26.1	0.5
Myanmar	19.7	19.9	0.7
Thailand	19.5	19.4	-0.6
Philippines	10.2	11.1	9.6
Brazil	8.4	7.5	-10.8
Japan	7.7	7.8	1.0
United States of America	6.9	8.0	15.3
Pakistan	6.7	5.0	-25.8
Cambodia	4.9	4.8	-2.2
Republic of Korea	4.9	4.2	-13.0
Egypt	3.8	3.1	-18.5
Others	39.5	40.5	2.5
World	454.0	466.9	2.8

* Countries listed according to their position in global production (average 2008-2010)



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Cereal Supply and Demand Balances

WHEAT

World Balance (million tonnes)	2007/08	2008/09	2009/10 estimate	2010/11 forecast*	2010 over 2009 (%)
Production	611	685	682	650	-5
Supply	772	829	861	851	-1
Utilization	629	648	659	666	1
Trade	112	139	126	120	-5
Ending Stocks	144	179	201	184	-9
World stock-to-use ratio %	22.2	27.1	30.2	27.7	
Major Exporters' stock-to-disappearance ratio %	11.8	17.2	21.5	18.6	

...two major revisions (production down) in few weeks!



* As of 24 September 2010

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Cereal Supply and Demand Balances

COARSE GRAINS

World Balance (million tonnes)	2007/08	2008/09	2009/10 estimate	2010/11 forecast*	2010 over 2009 (%)
Production	1081	1142	1125	1122	0
Supply	1240	1315	1340	1336	0
Utilization	1072	1090	1125	1122	0
Trade	131	113	109	113	4
Ending Stocks	172	216	214	208	-3
World stock-to-use ratio %	15.8	19.2	19.1	17.9	
Major Exporters' stock-to-disappearance ratio %	12.0	14.5	12.5	10.0	

... coarse grain balance: ... not as good as it was anticipated earlier



* As of 24 September 2010

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Cereal Supply and Demand Balances

RICE

World Balance (million tonnes, milled eq.)	2007/08	2008/09	2009/10 estimate	2010/11 forecast*	2010 over 2009 (%)
Production	440	458	454	467	3
Supply	544	569	578	592	2
Utilization	436	445	452	460	2
Trade	30	29	30	29	-3
Ending Stocks	111	124	125	133	6
World stock-to-use ratio %	24.9	27.4	27.2	29.0	
Major Exporters' stock-to-disappearance ratio %	17.5	21.2	16.4	17.8	

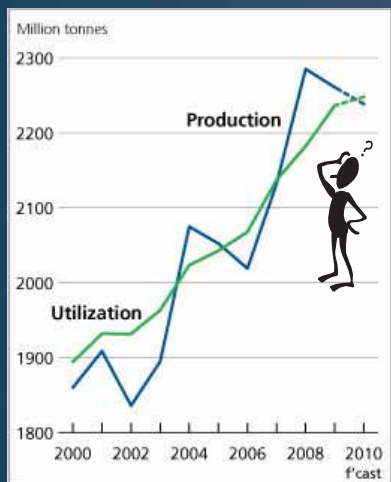
... global production well above projected utilization



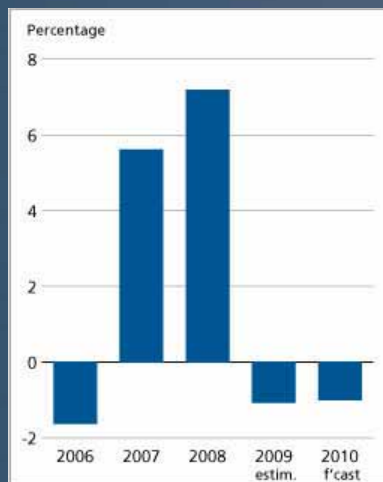
* As of 24 September 2010

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Cereal production and utilization



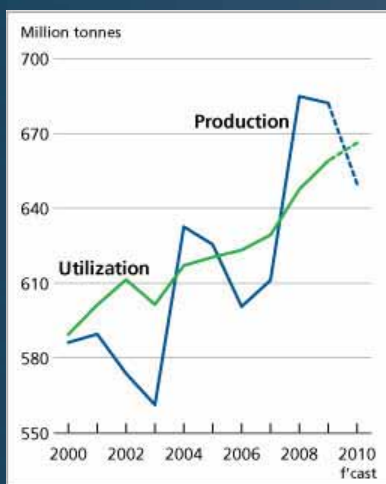
Year-to-year change in cereal production



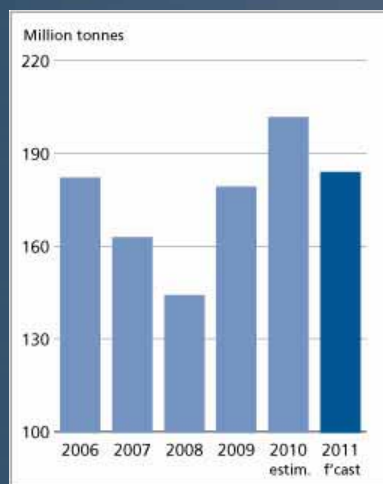
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World wheat supply and demand outlook 2010/11: Tight but manageable...

Production and Utilization



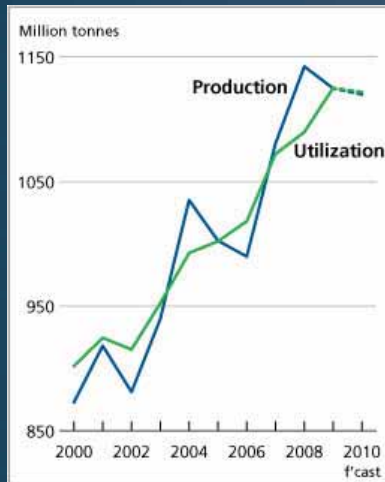
Closing Stocks



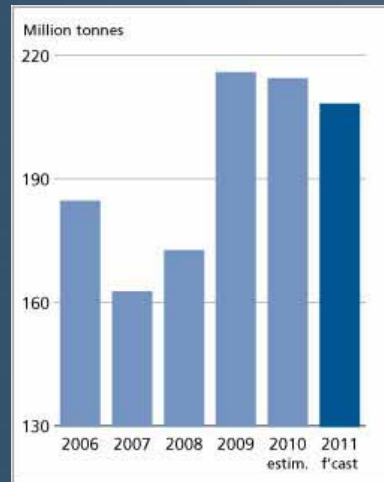
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World coarse grain supply and demand outlook 2010/11: Getting tighter...

Production and Utilization



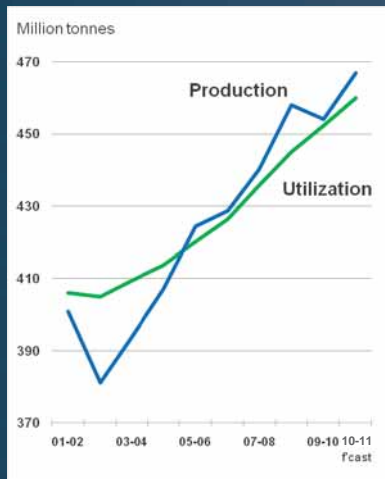
Closing Stocks



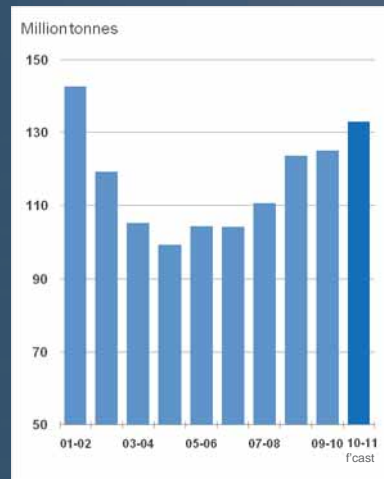
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World rice supply and demand outlook 2010/11: Record production and high stocks

Production and Utilization

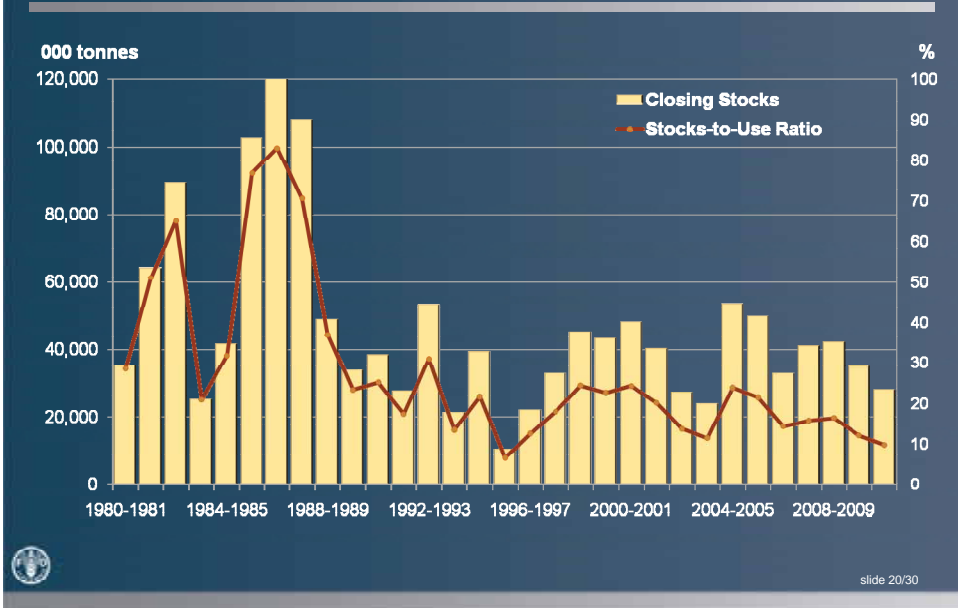


Closing Stocks



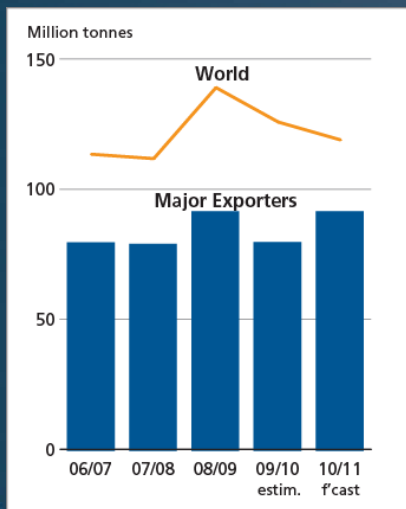
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United States: Maize Stocks and Utilization

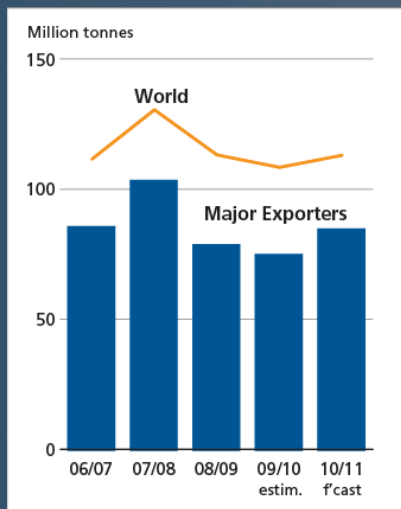


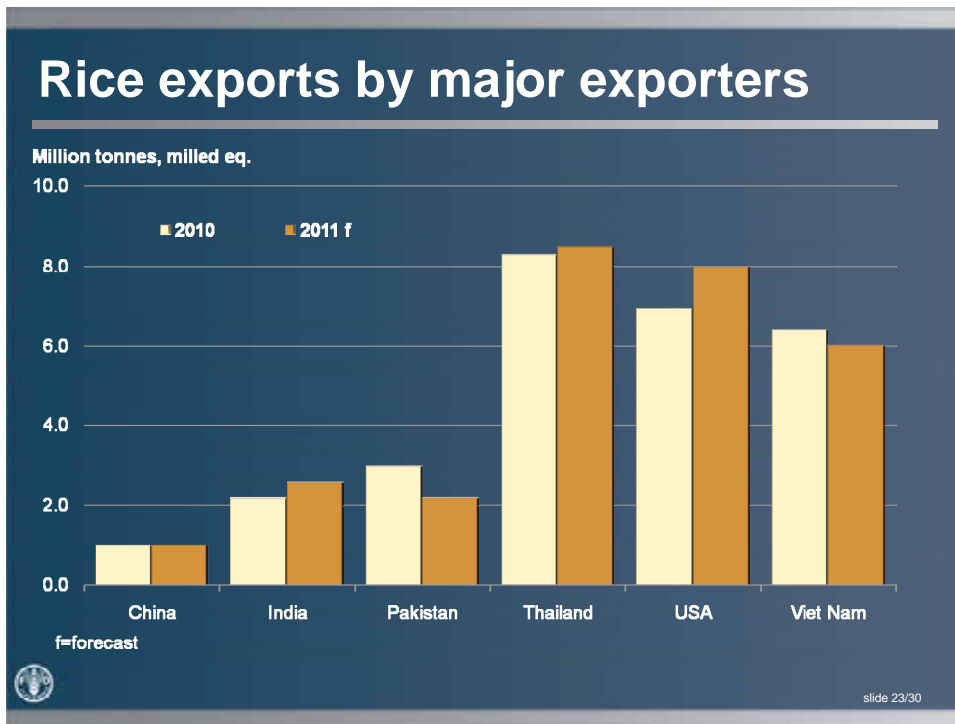
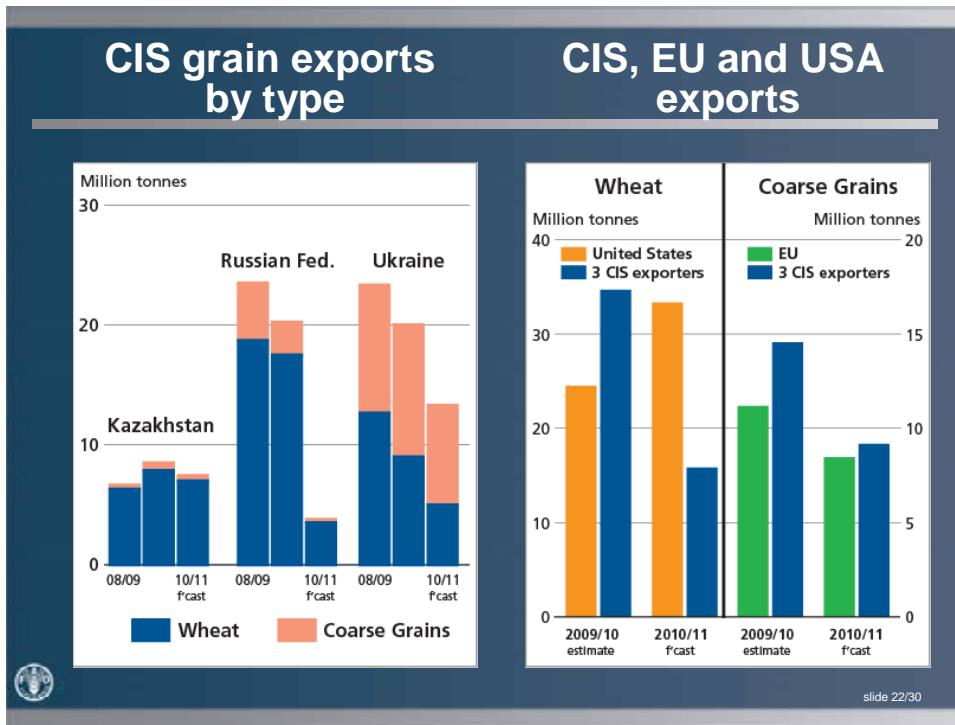
World Trade

Wheat



Coarse grains





Short-Term Risks & Uncertainties

- La Nina (colder-than-normal sea-surface temperatures in the Pacific Ocean) often results in drier periods in Argentina and southern Brazil but wetter weather in Asia. It may strengthen through January
- Any downgrading of wheat crops in southern hemisphere countries before harvest this year- Western Australia not so good
- The final maize harvest in the USA (and China) – production may end up lower
- Adverse growing conditions affecting secondary rice crops in Asia and main crops in southern hemisphere
- Drought in Russia and delayed winter grain sowing (down 20%) – but some rains have arrived
- Crop damage in Pakistan: implications for next season
- Faster/slower economic recovery influencing demand prospects for feed and fuel: tightening maize supplies in the US if demand for ethanol rise faster than predicted
- Larger than currently expected import purchases, maize by China for example
- Trade measures, in particular further exports restrictions
- Developments in outside markets such as currency (US Dollar), equity, energy and other commodity markets



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Are we ready?

- I. We are not in a food crisis and grain prices may even come down a bit
- II. But all indications point to still high prices and volatile markets with many uncertainties lying ahead
- III. Food security under growing market instability and price volatility: Are we ready?



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