Monthly News Report on Grains

MNR Issue 94 - June 2013

About the MNR:

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The main purpose of the MNR is to establish a communication vehicle for closer dialogue between the FAO Secretariat and the Members of the Intergovernmental Group (IGG) on Grains as well as the general public.

The MNRs are dispatched electronically on the last working day of the month except in July and December.

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Market News:

EU Farm subsidies: Deal reached to "green" direct payments, retain coupled support

27 June 2013 International Centre for Trade and Sustainable Development

EU officials have agreed to push ahead with reforms to “green” EU direct farm payments in the next seven years - although national governments will still be allowed to provide “coupled” support for particular products.

EU member states reached a compromise deal yesterday on the final shape of a package of measures with the European Commission and Parliament, following two months of talks on parliamentarians’ revisions to the reform proposals first tabled by the Commission.

The reforms will maintain direct payments to EU farmers, while introducing new “greening” requirements intended to improve the environmental sustainability of European farming and make the subsidies more palatable to taxpayers at a time of fiscal austerity and cuts in public services throughout the union.

Irish agriculture minister Simon Conveney, who helped broker the deal during Ireland’s six-month presidency of the Council of the European Union, described the new agreement as “a balanced package.”

“I am confident that farmers throughout the European Union will benefit from these developments, and that European citizens can be assured that resources are being spent in an efficient, equitable and sustainable manner,” he said.

A proposed cap on payments to large farms reportedly emerged as a sticking point in the final stage of the talks on the bloc’s controversial Common Agricultural Policy (CAP).

Scottish Liberal MEP George Lyon reported that no agreement had been reached “on degressivity, capping, flexibility between pillars, and crisis reserve.” In a comment on the social media network Twitter, he said these issues would now form part of broader negotiations on the bloc’s multi-annual budget framework.

The Commission later also confirmed that all issues linked to the budget framework had been excluded from the new package.

While the Commission had originally proposed that payments be capped at €300,000, with phased reductions for payments of more than €150,000, European member states had sought to make any cap or reductions voluntary.

Under the new deal, all member states will be allowed to “couple” eight percent of farm payments to production, from the total national “envelope” which they receive from Brussels. Successive farm policy

reforms in the EU to date have substantially lowered the extent to which farm subsidies are tied to production, reducing their impact on trade.

The new rules will also allow an additional two percent of coupled support to be provided for protein crops, which are often used as animal feed.

However, EU governments that have historically provided higher levels of coupled payments will be allowed to continue doing so. Those that tied more than five percent to production in any year from 2010 to 2014 will be allowed to provide 13 percent of coupled payments under future rules, with an additional two percent for protein crops.

EU member states that tied more ten percent of support to production during the same period will also be allowed to provide up to 13 percent, if the Commission agrees.

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Argentina blocks wheat exports to fight rising flour, bread prices

26 June 2013 Wall Street Journal

Argentina's government has halted wheat exports as it grapples with rising prices for flour and bread, a staple of the Argentine diet.

The government has informed exporters that it won't authorize further shipments from the 2012-13 crop, said a person from the grain export sector, who spoke on condition of anonymity.

The government also ordered grain exporters to sell about 370,000 metric tons of wheat to local millers that was about to be shipped abroad, he said.

Local media reported Wednesday that Domestic Commerce Secretary Guillermo Moreno met with grain exporters earlier this week to inform them of the restrictions on wheat and flour exports. Spokespersons for Mr. Moreno and the Agriculture Ministry declined to comment.

The measures will likely force Brazil--the top buyer of Argentine wheat--to turn to other markets such as the U.S. or Canada to meet its demand for the grain. Argentina was the world's seventh-largest wheat exporter during the 2012-13 crop year, according to the USDA.

Argentina heavily regulates wheat exports to keep food prices low. Those controls have angered farmers, who for years complained their crop fetched far less at home than on international markets.

Wheat currently fetches $480 a metric ton on the spot market of the Buenos Aires Cereals Exchange, roughly double the price of wheat in the U.S. But with January 2014 wheat futures trading at $195 a ton, it remains to be seen if today's high prices tempt farmers to sow more of the grain.

Frustration with government policies and an uncertain outlook for the economy might lead some farmers to plant less wheat this season, especially in the wheat belt of southern Buenos Aires Province, wheat farmer David Hughes said.

"The government doesn't authorizes exports and doesn't give you any explanation," Mr. Hughes said.

Argentina grew one of its smallest wheat crops in a century last season as dry weather and low prices led farmers to plant other crops like barley. Just 9 million tons of wheat were grown during the 2012-13 season, down from 14.5 million tons a year earlier, according to the Agriculture Ministry. Of that crop, government figures show that 6.2 million metric tons were earmarked for domestic use and just 3.5 million tons set aside for export.

As of June 12, wheat exports this year totaled just under 3 million tons, down from 7.1 million tons a year earlier, according to the ministry. Wheat flour exports reached 465,700 tons, compared to 720,800 a year ago.

Government intervention in the wheat market has led farmers to sow just 3 million to 4 million hectares a year, compared to 6.5 million hectares in the past, said Santiago Labourt, president of wheat industry trade group ArgenTrigo.

"There was very little wheat [from the last crop], while consumption stayed high," Mr. Labourt said in reference to today's high spot prices.

Wheat production is expected to rise during the current season thanks to good weather and higher prices. Farmers will produce about 16 million metric tons during the 2013-14 season, according to government forecasts.

The move to temporarily close wheat exports to cool flour and bread prices comes amid a backdrop of double-digit inflation that is pushing up wages and the prices for most goods and services.

Bakeries in Buenos Aires Province recently agreed to a 28% increase in wages and bonuses for their unionized workforce.

While the government says its consumer price index rose 10.3% on the year at the end of May, most private sector estimates put annual inflation north of 20%. Many economists say inflation is a result of the central bank directly financing the federal government.

With mid-term congressional elections looming in October, President Cristina Kirchner has made containing inflation a priority, especially in the key electoral battle grounds like Buenos Aires Province and the federal capital.

Millers and bakeries in Buenos Aires City have agreed to make small amounts of basic bread available for just 10 pesos ($1.87) a kilo, state news agency Telam reported Wednesday.

Last month, the government also cut a deal with supermarket chains to hold prices steady on 500 basic goods. The agreement includes 1,000 stores across the country and replaced a blanket price freeze on just about all supermarket items that had been in place since early February.

The administration of President Cristina Kirchner has also launched a government-sponsored campaign to train thousands of people belonging to unions, activist groups and churches to police store prices.

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Economists: Second US Farm Bill extension seems inevitable

25 June 2013 The Crop Site

Three Purdue University agricultural economists agree that another extension of 2008 farm legislation is a distinct possibility following the US House's defeat of the proposed farm bill.

Chris Hurt, Otto Doering and Roman Keeney, who closely follow developments of farm legislation, question whether Republican leadership in the House will allow debate on the contents of the farm bill again anytime soon. With the one-year extension set to expire at the end of the fiscal year Sept. 30, farmers could see another extension of the five-year agricultural spending plan.

"There was just too much in the bill to dislike," Hurt said. "Too many amendments passed at the last moment that changed the bill."

One amendment in particular, sponsored by Rep. Steve Southerland (R-Fla.), would have given states the

power to require food stamp recipients to seek work while on the program. That brought a backlash from Democrats and was key to the bill's failure Thursday (June 20).

Without passage of a farm bill, farm legislation would revert to a 1949 law that could lead to steep price increases on some items, including milk, for consumers. Legislators avoided that scenario by extending the 2008 farm bill in late December as dairy subsidies were scheduled to expire and the nation also was about to fall off the "fiscal cliff."

"We cannot go without a farm bill because the 1949 legislation has too extreme of consequences," Hurt said. "So odds may favor a second year of extension of the old farm bill."

Doering believes the bill foundered on elements not directly related to agriculture - primarily the battle over how much spending should be cut from the Supplemental Nutrition Assistance Program, known as food stamps, and from commodity programs.

"There was the lack of real budget cuts in either the Senate or House version for either the food or the commodity titles, which rankled those conservatives wanting to make substantive, deep budget cuts," Doering said. "The regions, especially the South, had already gained what they wanted most out of the commodity titles, so it came down to an almost ideological battle on how much to cut food stamps and whether the bill actually met any real budget-cutting principles."

The Republican majority in the House will not follow its leadership and likely will remain fractured on important issues, such as a long-term budget fix, Doering said.

"It will come together primarily on issues of shared values, and the farm bill was not such an issue," he said.

While it is difficult to predict what Congress will do about farm legislation this year, Keeney said farmers should understand that the Sept. 30 end of the federal fiscal year doesn't mean that all farm programs would end on that date without congressional action. Programs for corn and soybean crops, for example, remain intact throughout the crop season, which extends well beyond September.

"September 30 is not doomsday for farming and safety nets," he said. "Expiration of the fiscal year last year wasn't a big deal at all, and it probably wouldn't be this year, either."

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World's largest wheat importer has agricultural potential

24 June 2013 Emerging Markets

The challenge is not how to feed Egypt, but how to support Egypt to feed itself with the active involvement of investors.

Egypt is the most populous country in the Middle East with more than 82.5 million people. Feeding such a large, and rapidly growing, population under Egypt’s climate and topographic conditions is a challenge. Today, Egypt is the largest importer of wheat in the world.

This makes the country dependent on external supplies and subject to the volatility of global markets. Buffering price and supply swings are politically inevitable, yet they put a huge strain on the government’s coffers. These are funds which are later lacking for crucial investments without which the current vicious circle cannot be broken.

However, this is not how it has to be. Egypt has strong agricultural potential and has the ability to massively improve its agricultural supply. Local and international private companies are ready to invest provided they find the right conditions. One example where there is vast room for improvement is the efficiency of production and distribution infrastructure.

According to estimates, up to 50% of production is wasted through the various stages of processing, logistics, trading and retail distribution. Egypt could save up to $500 million annually if wheat and maize losses were reduced by half. The estimated losses in horticultural products are also substantial, reaching 19% in fresh fruits and 29% in fresh vegetables, partially due to the limited refrigerated storage capacity.
Given this unused- or under-used potential, the challenge is not how to feed Egypt, but how to support Egypt to feed itself with the active involvement of investors. For this, the role of the private sector is critical as the public sector does not have the means and is not equipped to tackle the existing inefficiencies. Private sector investments are urgently needed along the whole value chain from production to storage and distribution.

A more efficient allocation of resources will not only increase and improve output; it will also serve as an engine for innovation and higher added-value production. The search for yields will incentivise producers to tap into new markets with new products, especially in respect to advanced export markets, and with higher returns such as processed food.

The drive for higher efficiency will in turn lead to a better use of resources resulting in higher productivity. For example, opportunities for energy generation can be created through better use of food waste (approximately 28 million tonnes) since around only 5% is used, while the remaining 95% adds to environmental pollution.

With over 20 years of experience in promoting the transition to market economies and facilitating access to finance for private entrepreneurs the EBRD sees itself ideally placed to support reforms to boost Egypt's economy. In the agribusiness sector alone the bank today has a portfolio of 3.4 billion euro. The EBRD can act as a pioneer in attracting foreign direct investors, and it also plays a crucial role as a linchpin between the private and the public sector.

This is all the more important as the public sector also has crucial tasks to fulfill. While private sector investment is key in addressing Egypt's food security challenges, the public sector's role is equally important in helping to improve the business climate and ensure transparent, predictable and coordinated public policies.

For example, the agribusiness sector lacks streamlined regulation to ease the process of owning and leasing agricultural land and – lacking alternative sources of collateral such as warehouse receipts – access to finance from banks remains severely constrained.

There is no doubt that Egypt's agriculture and food industry boasts strengths that can be leveraged. The improvement of the agricultural production and basis is a vital first step. But Egypt could do more and progress with the full participation of the private sector. Egypt can embark on this reform process which ultimately promises rich yields and EBRD stands ready to help.

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Russian crop prospects seen by Union constrained on weather

27 June 2013 Black Sea Grain

Russia, the world's fifth-biggest wheat exporter, will struggle to harvest the 95 million metric tons of grains targeted by the Agriculture Ministry this year because of weather conditions and outdated machinery, according to the country's Grain Producers' Union union.

Temperatures were too high in May in southern regions, increasing the proportion of under-developed seeds with lower starch and gluten content, Pavel Skurikhin, president of the union, said at a news conference in Moscow today.

In Siberia, rains delayed sowing by more than two weeks in May and low temperatures are hindering grain maturation now, which may result in poor yields, he said. Temperatures fell to as low as 4 degrees Celsius at night in Siberia's grain-growing regions this week, according to weather center data. Cold in Siberia along with unfavorable weather in other areas are some of the reasons the wheat crop won't match the government

target of 50 million to 54 million tons, Skurikhin said.

“We don’t say that this year will as bad in terms of the harvest as last year, but the yields we see now don’t let us project a harvest of 95 million tons,” Skurikhin said, without providing a projection of his own. Yields are averaging about 4 tons a hectare (2.47 acres) compared with 3.1 tons a hectare a year earlier, he said.

Russia’s grain harvest target remained unchanged at 95 million tons amid thunderstorms and hail in southern regions, Agriculture Minister Nikolai Fedorov said June 21. The country harvested 70.9 million tons of grain and legumes last year after drought parched fields, according to the state statistics service.

Wheat for September delivery rose 0.7 percent to $6.895 a bushel on the Chicago Board of Trade by 8:56 a.m. local time. The grain is still 11 percent lower this year on forecasts for a bigger global crop.

Russia, which has exported about 15.4 million tons of grain and legumes so far this season that ends June 30, will probably ship 15 million to 20 million tons of grain in 2013-14, Skurikhin said. Wheat shipments may constitute about 70 percent of exports, he said.

Farmers don’t have enough harvesting machinery and about 70 percent of grain harvesters are outdated, which extends the time taken to reap crops by about 20 days and may result in a loss of 20 percent of the harvest this year, Skurikhin said. The union will ask the Agriculture Ministry for help in transporting grain harvesters from European Russia to Siberia to reduce potential harvest losses in September, when local farmers start reaping, he said.

Southern regions account for about 35 percent of the national crop, and Siberia about 13 percent, according to state statistics data.

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Morgan Stanley quits ags in commodities retreat

20 June 2013 Agrimoney

Morgan Stanley warned over the drop in investor interest in commodities as it followed peers such as Barclays in cutting its operations in the sector, including quitting the agriculture segment.

The investment bank, one of the best respected on Wall Street, is to maintain, and potentially grow, some areas with indirect exposure to agriculture, such as fertilizer products which, thanks to the exposure to shale gas, will be merged into the North America power and gas business.

The group's biofuels operations will be merged into the global oils division.

However, it is to quit trading agricultural products, closing also its dry freight and a small Australian power businesses, citing weaker interest in commodities from investors who this year have quit the sector in favour of a return to equities.

Fund managers this month turned their most bearish on commodities in records going back to 2006, with a net 32% underweight on the sector, a survey by Bank of America showed this week.

Morgan Stanley said in a memo to staff: "The commodities revenue pool available to firms in our sector has fallen by almost 50% from the peak years of 2007-09."

The memo added: "Much of this decrease is due to cyclical factors, and we firmly believe that the cycle will turn again in our favour in the future.

However, the bank said that "the revenue pool has also been impacted by certain secular headwinds – such as

increased regulatory compliance and capital costs as well as changes in the way in which clients interface markets".

Clampdowns introduced on banks in the wake of the global financial crisis, notably the Dodd-Frank financial reforms, have been seen as increasing banks' capital costs, increasing the pressure on divisions to prove their commercial worth.

Morgan Stanley's withdrawal from agricultural commodities follows retreats by some other banks too, including Germany's DZ Bank and Barclays, although these two cited moral cause, with crop trading blamed by some anti-hunger campaigners for boosting food prices.

Antony Jenkins, the Barclays chief executive said in February that the bank was quitting speculative trading in grains and soft commodities for "reputational reasons".

Commerzbank earlier this year removed agricultural commodities from a commodity index fund.
And Deutsche Bank last year launched a review into the issue, but in January stuck by agricultural investment products, saying that the investigation found "no evidence that speculation was responsible for price developments".

Morgan Stanley's withdrawal from ags is believed to have been based on commercial grounds, reflecting the decreasing interest in commodities reflecting poorer profitability, with hedge funds said to have suffered losses in both 2011 and 2012.

Ann Berg, a former director of the Chicago Board of Trade, warned last week that hedge funds may be in retreat from agricultural commodity markets, with a "disastrous" bet on corn futures earlier this year adding to the pressures on profitability.

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China flooded with land offers

18 June 2013 West Australian Regional Newspapers

Companies linked to China's biggest agricultural conglomerate are being flooded with offers to buy or lease "hundreds of thousands" of hectares of land in the Wheatbelt in the early stages of their bid to create an independent grain supply chain from the port of Albany.

They have leased five farms and are considering leasing at least two more for this season in addition to three sprawling farms bought since October as part of an initial $150 million spending spree.

The two companies involved in the project supported by the Beidahuang Group - Vicstock Grain and Heilongjiang Feng Agricultural - have planted crops on 40,000ha and are eyeing an additional 8000ha.
Vicstock managing director Will Crozier said the Chinese backers of the project welcomed recent comments from Premier Colin Barnett endorsing foreign investment in WA agriculture.

"It was huge for us and gave our people both here and back in China a lot of heart and a lot of confidence to keep investing in this project," Mr Crozier said. "We are already proving the worth of this investment in WA agriculture and we can keep improving on that."

A report from Landmark Harcourts shows overseas and local investors spent $355 million buying 56 rural properties of 40ha or more in WA in the first quarter of this year. WA topped the list for sales revenue, with NSW next on $196 million.

Vicstock and HFA hope to build up to grain exports of one million tonnes a year from Albany after taking a long-term lease on land at the port. They plan to begin bulk exports early next year after a preliminary $10 million upgrade of a shed and woodchip loader.

The work has been delayed because Vicstock and HFA are in talks with a multinational joint venture partner on operating the port facility.

They already have a deal with Albany Bulk Handling, a joint venture between Asciano - Australia's biggest rail freight and ports operator - and Japanese company Itochu, to load the grain.

Mr Crozier said the Albany facility would be developed in stages, with plans for the construction of upright silos and major upgrades of the harbour and wharf.

HFA has spent $70.5 million buying farms comprising 36,500ha in areas with good port access over the past eight months. It has leased farms in the same areas as part of developing a supply chain to compete with CBH.

The holdings also include about 10,000 sheep and a substantial cattle feedlot.

Vicstock and HFA have employed local staff and used local suppliers for their farm operations, which have included the use of two 27m precision seeding rigs.

"We have been inundated with properties to lease, we have been inundated with properties to buy," Mr Crozier said.

"There's been hundreds of thousands of hectares offered to us outside that (Albany) zone. We're not contemplating them at the moment because of operational issues but that's not to say we won't get up there in two or three years."

Mr Crozier said leasing farms gave Vicstock and HFA more flexibility to scale the project up or down, but he was confident that their investments would grow rapidly in the next few years.

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Iran earmarks $5.7b for buying domestic wheat

15 June 2013 Tehran Times

The Central Bank of Iran has been authorized to allocate 70 trillion rials ($5.7 billion based on the official rate dollar of 12,260 rials) for buying wheat from domestic farmers, the Fars News Agency reported.

The fund has been allocated as per the current year’s national budget law.

Traders believe Tehran has paid a significant premium for at least 200,000 tons of wheat this week, adding to the previous week's purchases of 600,000 tons of bread-making wheat and 60,000 tons of animal feed wheat from Germany and the Baltic and Black Sea regions, Reuters reported.

Some traders said 300,000 tons or more of 12.5 percent protein wheat - suitable for bread - may have been bought in the latest purchases.

The trade Promotion Organization of Iran has disallowed exports of wheat in a bid to curb illegal selling of wheat at western borders.

A number of Iranian MPs have criticized the government for buying wheat from farmers at a low price, saying it has encouraged Iraqi merchants to buy wheat from Iranian farmers at a higher price.

The Agriculture Jihad Ministry purchases wheat from domestic producers at a price of 7000 rials per kilo.

The price set by the government will lead to the "destruction" of the agricultural industry, the MPs stated.

"Last year (March 2012-March 2013), we celebrated self-sufficiency in the production of wheat, while we imported six million tons," said MP Ahmad Shohani, who represents the western city of Ilam.

If this trend continues this year, Iran will be forced to import 10 million tons of wheat instead of six million, he added.

MP Hamed Qaderi, who represents the city of Qorveh in Kordestan Province, said the government pays 12,000 to 13,000 rials for each kilogram of wheat that it imports while it pays 7000 rials per kilo for wheat produced domestically.

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India's wheat stocks pile up to 44.4 million tonnes

11 June 2013 Hellenic Shipping News

India's wheat stocks had piled up to 44.4 million tonnes by June 1, government sources said, more than a quarter of the world's total, as it fails to meet export targets because of high prices and quality constraints. India uses the stocks to distribute cheap grain in one of the world's biggest food subsidy programmes which is set to be increased further under a proposed new law.

But bumper harvests - the latest of which has just rolled in - have swamped government warehouses and left stocks lying in sacks under tarpaulin, vulnerable to rot and rats. With global prices underpinned by concern about Australian supplies and worry over shipments from the United States after the discovery there of a genetically modified (GMO) strain, India might have hoped to capitalise with exports.

But India has only sold a little more than half of the 9.5 million tonnes it has offered either directly to traders or through state-run sellers as the major consumer refuses to concede on price and buyers seek a higher quality. "Japan and Korea were buying US soft white wheat, a high-protein variety used for cakes and biscuits, while our wheat is suitable for preparations like roti," said Tejinder Narang, adviser at New Delhi-based trading company Emmsons International.

India, one of the world's biggest wheat producers, has for long focused on ensuring its 1.2 billion people have enough to eat and encouraged its farmers to grow robust wheat that is perfect for the flat breads so familiar in Indian cooking. It resumed limited exports in 2011 as stocks piled up, but is far from a major player and that means there's little incentive to work on improving quality and packaging.

Nor is there any compelling demand domestically to produce the fluffy, high-protein wheat preferred for making biscuits and the loaves of bread typical of European bakeries. Indeed, only small parts of the tropical sub-continent have the right climate and soil conditions to grow that kind of quality wheat, with about 3 million tonnes produced annually, for domestic consumption.

"India has to feed itself as no other nation can supply food to a country of more than 1.2 billion people. We need higher stocks and higher production," Swapan K. Dutta, a top farm scientist, told Reuters. India spends nearly a trillion rupees ($18 billion) to sell cheaper rice and wheat to a large section of its people.

The government in March offered 5 million tonnes direct to private traders such as Cargill, Louis Dreyfus and Glencore but none of this has so far been sold as the floor price of $300 per tonne is not attractive given current global levels of $280 per tonne.

"Wheat trade is dominated by the United States, Canada, and Australia. And we do not have an intention or liberty of muscling in," said a senior government official involved in policy decisions. The government also stockpiles rice, another staple, but inventories edged down to 33.3 million tonnes on June 1 against 34.7 million tonnes the previous month, the sources added.

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North Africa grain harvest up, Morocco bringing in record crop, Algeria also up

6 June 2013 Morocco on the Move

Morocco is likely to halve grain imports after favorable weather raised expectations for a much improved domestic harvest this year, and neighboring Algeria has had similarly positive weather, which may allow it to lower purchases.

Tunisia, however, the smallest grain importer among north African countries, is expected to buy higher volumes after expectations of a 30 percent drop in local harvest.

Moroccan Agriculture Minister Aziz Akhannouch expects this year's grains harvest to reach 9.7 million tons, including 5.2 million tons of soft wheat.

That would be a 90 percent increase from the 5.1 million tons harvested in 2012 when the Kingdom was hit by drought, which slashed soft wheat harvest to 2.74 million tons. The output decline had prompted the government to import massively during the last six months. The previous year's harvest included 4.17 million tons of soft wheat and 1.85 million tons of durum wheat.

"Our crop will reach 5.2 million tons of soft wheat. It's a record," Akhannouch said this week, sticking to a forecast announced in April. In a bid to ensure a regular supply of soft wheat, the government had frozen the 17 percent import duty on the commodity from October last year to April. The measure was not extended.

"To protect farmers, we have reset customs protection, and we will boost demand by issuing tenders to buy soft wheat," Akhannouch said. The state grains agency ONICL said in March Morocco's soft wheat imports reached 1.6 million tons since the import duty was frozen between October 1 and the end of February.

Like Morocco, Algeria, one of the world's biggest grain importers, benefited this year from increased rains for all -planted areas, and the government expects output to be better than last year. "Production will be good this year. Climate was good. We are confident," Agriculture Minister Rachid Benaissa said, without giving a figure. "This year will be excellent," said Mohamed Alioui, head of the country's farmers' union.

Grain output last year was 5.1 million tons, below forecasts of 5.8 million tons, with the government blaming insufficient rainfall in addition to a heat wave and fires that affected some areas. Drought in Algeria usually hits western areas.

"Unlike the past years, production will be very good this year in the west," Benaissa said, hoping to see imports reduced. Algeria's annual grain imports averaged 5 million tons over the past five years.

Official figures show total wheat imports fell 7.32 percent to 1.873 million tons in the first four months of this year from the same period in 2012. Algeria imports mainly soft wheat, with France as top supplier. In contrast to its western neighbor Algeria, Tunisia is pessimistic about the harvest for this year due to a lack of rain.

Agriculture Minister Mohamed Ben Salem has said total grains production will be between 1.4 million and 1.5 million tons, down from 2.2 million tons in 2012. Tunisia, with a population of 11 million, harvested an average of 1.7 million tons over the past decade. It imports mainly soft wheat and barley.

Tunisia's state grains agency has said soft, durum wheat and barley imports would total around 1.5 million tons from January to December this year.

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Reports

Food Outlook

June 2013 FAO

The FAO Food Outlook Team is pleased to present this new edition of Food Outlook which incorporates many improvements, including extended coverage and a revised layout. The new edition takes account of feedback received through a recent readership survey while also taking into consideration advances in digital publishing, which is envisaged to become the main means of disseminating Food Outlook reports in the near future.

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Agricultural Outlook

June 2013 FAO & OECD

The Agricultural Outlook, 2013-2022, is a collaborative effort of the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization (FAO) of the United Nations. It brings together the commodity, policy and country expertise of both organisations and input from collaborating member countries to provide an annual assessment of prospects for the coming decade of national, regional and global agricultural commodity markets

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World Food and Agriculture Statistical Yearbook

June 2013 FAO

The FAO Statistical Yearbook presents a visual synthesis of the major trends and factors shaping the global food and agricultural landscape and their interplay with broader environmental, social and economic dimensions. It aims to be a unique reference point on the state of world food and agriculture for policy-makers, donor agencies, researchers and analysts, as well as the general public.

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Global Food Price Monitor

June 2013 FAO

This short report describes current food prices at world, regional and country level with focusing on developing countries.

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Global Food Security

June 2013 UK House of Commons International Development Committee

There have been various suggestions as to how food price volatility might be mitigated. This report shows that real progress is achievable

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Biofuels and Food Security

June 2013 UN Committee on World Food Security

In October 2011, the UN Committee on World Food Security (CFS) recommended a "review of biofuels policies – where applicable and if necessary – according to balanced science-based assessments of the opportunities and challenges that they may represent for food security so that biofuels can be produced where it is socially, economically and environmentally feasible to do so".

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New Web-Based Resources

Rust Tracker

June 2013 The International Maize and Wheat Improvement Centre

RustTracker.org is developed by CIMMYT and other partners as part of the Borlaug Global Rust Initiative (BGRI) to mitigate the threat of wheat rust diseases (stem rust, leaf rust and yellow rust). RustTracker.org is the primary web portal for global cereal rust surveillance and monitoring information.

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