Sent by The Food and Agriculture Organization of The United Nations (FAO)

MONTHLY NEWS REPORT ON **GRAINS**

FAO Trade and Markets Division

MNR ISSUE 163 – May 2020

Market News

- IGC sees global grains surplus in 2020/21 as crop outlook raised
- Ukraine unlocked the export potential of grains by more than 90 percent
- Brazil maize is oversold, watch for short covering to provide price spark
- Canada cuts canola, durum stocks estimates, as COVID-19 supports exports
- Coronavirus cuts US maize use
- South Africa – sharp recovery in low maize stocks expected soon
- Australian barley growers lose big on China spat, but US benefits limited
- India's record wheat harvest winds down amid market turmoil
- Parana river embankment collapse hampers Argentina's grains exports
- Country on the brink of a wheat crisis: PBIH chief

Monthly Information Sources

- AMIS Market Monitor
- FAO Cereal Supply and Demand Brief - FAO
- Grain Market Report – IGC
- Oilcrops Monthly Price and Policy Update – FAO
- Crop Monitoring in Europe - European Commission
- FAO Rice Price Update – FAO
- World Agricultural Supply and Demand Estimates – USDA
- Early Warning Crop Monitor – GEOGLAM
- Commodity Price Data - World Bank
- Food Price Monitoring and Analysis (FPMA) – FAO
- GIEWS Country Briefs - FAO
- Mediterranean Agricultural Information Network - MED-AMIN
- Club Demeter Système de veille
- FAO Daily Food Prices Monitor
- FAO's Big Data tool on food chains under the COVID-19 pandemic
- COVID-19 and World Trade
- IFPRI COVID-19 Food Trade Policy Tracker

Market News

IGC sees global grains surplus in 2020/21 as crop outlook raised
29 May - Reuters

A global grains surplus is expected for the 2020/21 season, the International Grains Council said on Thursday, raising its production forecast while also cutting its consumption outlook.
The IGC, in a monthly report, raised its grains production forecast by 12 million tonnes to 2.230 billion tonnes while consumption was trimmed by 4 million tonnes to 2.218 billion.
The council had seen a marginal global grains deficit for the 2020/21 season in its previous report issued in late April.
Improved maize (maize) crop outlooks for the United States and China helped to trigger the upward revision to the global grain production forecast while the IGC said the consumption outlook was lowered "owing to the weaker outlook for the industrial sector".
World stocks of grain were forecast to rise by 13 million tonnes to 627 million, year-on-year, by the end of the 2020/21 season, the first increase in four years.
The IGC raised its forecast for global maize production in the 2020/21 season by 11 million tonnes to 1.169 billion tonnes with upward revisions for the U.S. (392.5 million versus 388.8 million) and China (261.0 million versus 256.9 million).
Global maize consumption was seen at 1.177 billion tonnes with global stocks seen declining by 9 million tonnes to 288 million tonnes, a fourth successive drop.
The council put 2020/21 world wheat production at 766 million tonnes, up from its previous projection of 764 million.
Wheat stocks were seen rising by 16 million tonnes to 290 million tonnes, more than offsetting the decline in maize.
The IGC put global soybean production in 2020/21 at 363 million tonnes, marginally below its previous projection of 364 million "with an upgrade for Brazil outweighed by reductions for minor producers."
The forecast remained, however, well above the prior season's 336 million.

back to top

Ukraine unlocked the export potential of grains by more than 90 percent
29 May – Apk inform

According to APK-Inform, Ukraine already exported 49.9 mln tonnes of grains and pulses in July-April of 2019/20 MY, up 19% compared to the same period of the last season (41.8 mln tonnes) and up 1% compared to the total result of the previous MY (49.3 mln tonnes). The analysts of the agency estimated the export potential at 54.8 mln tonnes, that is unlocked by 91% by the end of the reporting period, informed the head of the business projects division of APK-Inform, Andrey Kupchenko during the online conference «Grains & Maritimes days online - 2020».
For 10 months of the current season, Ukraine exported about 18.6 mln tonnes of wheat (+31%). Egypt, Indonesia and Bangladesh were the key destinations for Ukrainian wheat, who imported 44% of the total volume.
Moreover, in July-April of 2019/20 MY, Ukraine exported nearly 4.6 mln tonnes of barley, up 37% from the year ago level (3.3 mln tonnes) and up 28% compared to the total volume supplied to the external markets in 2018/19 MY (3.6 mln tonnes). Saudi Arabia and China remained the main importers of Ukrainian barley, they bought 45% of the total volume exported. Spain took the third place among the importers of Ukrainian barley (372.8 thsd tonnes), the country resumed the import of Ukrainian grain in July 2019 after the long break.

After the record maize production in 2019/20 MY (35.9 mln tonnes), Ukraine shipped 24.2 mln tonnes of the grain in October-April, up 9% compared to the results of 7 months of the last season (22.2 mln tonnes). Spain, China and Egypt were the main importers of Ukrainian maize, who bought 9.6 mln tonnes of the grain (+10% to the year ago level, 8.7 mln tonnes).

back to top

Brazil maize is oversold, watch for short covering to provide price spark
27 May – Agriculture.com

The forecast for the Midwest after June 9 may become an important factor for the maize market soon.
Western Iowa, Minnesota, the Dakotas, and Nebraska have almost no rainfall in the forecast for the next seven days. In addition, the 6- to 10-day forecast calls for much above-normal temperatures in the central part of the country.
The 8- to 14-day models also show much above-normal temperatures and mostly dry conditions, except for rains in the Dakotas and Minnesota.
With managed money traders holding a net short position of 245,000 contracts of maize in the most recent Committments of Traders Report, it will not take much in the way of positive news to spark significant buying.
Strong gains in the U.S. stock market and a further advance in energy prices helped support a bounce to a four day high on Tuesday. Open interest is in an uptrend, suggesting that fund traders are building a larger and larger net short position.
Soil conditions are nearly ideal for the start of the growing season, but hot weather and very little rain are in the forecast for the western Maize Belt for the next two weeks.
Maize closed higher yesterday but well off of the highs. A positive tone for global risk sentiment provided early support, while stronger energy prices gave a boost to maize prices as that improves the ethanol demand outlook. However, estimates that the pace of U.S. maize plantings is faster than expected weighed on the market and kept further gains in check.
Tuesday’s Crop Progress Report showed that 88% of the U.S. maize crop was planted as of May 24 vs. the trade expectations calling for 90%. A year ago, the crop was 55% planted, and the 10-year average for this date is 84%. As of Sunday, 70% of the crop was rated good/excellent vs. a 10-year average of 73%. Iowa was 81% good/excellent, Illinois 55%, Nebraska 82%, Minnesota 81%, and Kansas 63%.
Agroconsult cut its forecast for Brazil’s 2019/2020 safrinha maize production by 3 million tonnes to 71.7 million, and this sparked some buying and short covering early in the day on Tuesday.
USDA’s weekly Export Inspections Report on Tuesday showed maize inspections for the week ending May 21 came in at 1,091,972 tonnes, which was at the low end of expectations calling form for 1 to 1.4 million. Cumulative inspections for the 2019/2020 marketing year have reached 27,351,343 tonnes which is 29% below last year. This represents 61% of the USDA's forecast for the marketing year vs. a five-year average of 66%.
Given the oversold condition of the market, any minor positive news or any shift to questionable weather for the U.S. crop could spark significant short covering. Uptrend channel support for December maize futures comes in at $3.32¾ today, with $3.42¾ and $3.48 as the next resistance levels. July maize futures need a close above $3.22¾ to turn the charts positive.

back to top

Canada cuts canola, durm stocks estimates, as COVID-19 supports exports
26 May - Agrimoney

A bounce in Canadian ag exports fostered by knock-on effects of the coronavirus pandemic has trimmed official expectations for supplies of many crops, with durum inventories now seen on course for a 22-year low.
Canada's ag ministry, AAFC, slashed its forecast for the country's canola inventories at the close of 2019-20 by 600,000 tonnes to 2.60m tonnes, a drop of one-third year on year, citing an easing in the country's notorious rail capacity squeeze as demand from the energy sector slumped.
"The Canadian [canola] export pace picked up sharply in March and April on strong European and United Arab Emirate buying while a sharp drop in crude oil shipments freed up railcar capacity."
With export expectations raised for 2020-21 too, Canada's canola stocks were now seen falling to 2.30m tonnes at the close of next season, a four-year low.
Although saying that for canola the Covid-19 pandemic "appears to have had a minimal impact" on demand, for some food staples, AAFC flagged a boost to orders from the outbreak.
For dry peas, for instance, it noted gains in domestic prices "largely due to stronger world demand resulting from the Covid-19 pandemic", evident in an enhanced export pace.
"Steady exports to India and Bangladesh have been augmented by the record export pace to China," AAFC said, flagging too for lentils "strong import demand, particularly from Turkey and India" seen draining inventories further than had been expected.
"During the month of April, Saskatchewan large green lentil farmgate prices rose $150 per tonne while red lentil farmgate prices increased $125 per tonne," the ministry said, hiking its forecast for season-average values by Can$55 to Can$465-495 per tonne.
For durum too - the wheat variety used to make pasta – AAFC nudged higher its export forecast for this season, by 100,000 tonnes to 4.90m tonnes, reflecting a stronger-than-expected shipment pace for 2019-20.
This pace will be maintained at 4.90m tonnes for 2020-21 which, coupled with the lower-than-expected sowings intentions revealed by a briefing earlier this month, will leave Canada's durum stocks on course to end next season at 800,000 tonnes.
That would be the lowest carryout figure since 1998-99, and would come against expectations of tightened world inventories of the grain.
Noting International Grains Council forecasts, the AAFC said that world durum stocks were poised to fall by 700,000 tonnes to 7.2m tonnes next season, "the lowest since 2012-13".
For non-durum wheat, the ministry kept at 6.00m tonnes its forecast for Canadian stocks at the close of 2020-21, with a small increase to the production estimate, to 28.40m tonnes, balanced out by increased export and feed use forecasts.
Similarly for barley, a marginal 2020-21 harvest upgrade, to 9.61m tonnes, was offset by increased export and domestic demand ideas, to leave the carryout stocks figure at 1.70m tonnes - although this would require lower prices to achieve,
"The average price of feed barley for 2020-21 is expected to drop from 2019-20 due to increased domestic supplies," AAFC said, trimming its forecast for Canadian barley prices next season, as measured in Lethbridge, Alberta by Can$5 to Can$195-225 per tonne.
"In addition, large maize supplies around the world will restrict feed grain prices."
Barley prices this season are expeced to average Can$210-240 per tonne.

back to top

Coronavirus cuts US maize use

26 May – yahoo.finance

Maize produced by U.S. farmers is exported, fed to people and animals, and used to make ethanol as well as many other products.

Pete Meyer, Head of Grain and Oilseed Analytics for S&P Global Platts, says that the coronavirus has impacted both maize used for animal feed and ethanol.

"Both areas of demand will be watched closely, as they are intertwined. Prior to coronavirus outbreaks at packing plants, it was somewhat easy to add 200 to possibly 300 million bushels to U.S. feed demand, given the lack of dried distillers grain production. Now it's a bit more difficult, but not a lost cause. We still see a 5.6 billion to 5.7 billion feed and residual number, lower than the May WASDE report. For the 2020 marketing year starting on September 1st, our forecast was as high as 5.8 billion bushels, before this unfortunate protein back up. But now, we need to reassess new crop maize supplies, as more data becomes available," Meyer says.

In its May report, USDA/WASDE estimated total U.S. maize use in 2020/21 is forecast to rise relative to a year ago with increases for domestic use and exports. Food, seed, and industrial (FSI) use is projected to rise 245 million bushels to 6.6 billion.

Maize used for ethanol is projected to increase from the 2019/20 coronavirus reduced levels, based on expectations of a rebound in U.S. motor gasoline consumption, according to the USDA in May.

Maize feed and residual use is projected higher, mostly reflecting a larger crop and lower expected prices.

U.S. 2020/21 maize exports are forecast to rise 375 million bushels to 2,150 million, driven by growth in world maize trade. U.S. market share is expected to increase from the 2019/20 multi-year low, but remains below the average level seen during 2015/16 to 2019/20 with expected competition from Argentina, Brazil, and Ukraine.

With total U.S. maize supply rising more than use, 2020/21 U.S. ending stocks are up 1.2 billion bushels from last year and if realized would be the highest since 1987/88, according to the May USDA report.

Stocks relative to use at 22.4% would be the highest since 1992/93.

With larger stocks relative to use, the season- average farm price is projected at $3.20 per bushel, down 40¢ from 2019/20 and the lowest since 2006/07.

On the ethanol side, total maize use for the current marketing year is around 4.85 billion bushels, 200 million below the April WASDE, according to Meyer.

"2020-21 maize demand is forecast at 5.2 billion bushels, still below the "normal" 5.5ish billion in demand, as ethanol has more of an L-shaped recovery rather than a V or U. Together these are obviously negative as old crop carry out rises to 2.2-2.3 billion bushels from 1.9 billion just two months ago," Meyer says.

With the maize use for ethanol already taking a hit, maize used for livestock feed dropping too, could exports be next?

"Low prices solve low prices. So, while ethanol demand is lower, and possibly feed, we are hopefully looking for some increased exports, possibly 1.85 billion bushels against the current USDA estimate of 1.725 billion. Cautious optimism would be our opinion on exports for both the current marketing year and the next one," Meyer says.

While it might be too early to consider, many in the trade are asking if there will be a snapback in maize use from the coronavirus?

"It's very difficult to see a major trend higher in demand, except possibly in exports which we believe could reach 2.3-2.4 billion bushels in the 2020/2021 marketing year. Buying habits in protein and driving habits have both changed as a result of the pandemic. We may

see an initial snapback in demand, but that could be short-lived, as long term tendencies have been changed, in our opinion. Some have said that a lack of confidence in public transport will lead to more driving, which may be true, but we believe that work from home or flex days in the office will become the norm for roughly 40% of the work force that is at home now. A rebound in employment will also play a key role in both ethanol and protein demand. People have learned to live with less over the past two months and it will take some time to alter that behavior," Meyer says.

back to top

South Africa – sharp recovery in low maize stocks expected soon
23 May – Farmersweekly.co.za

The low supply of maize currently being experienced in South Africa, has resulted in a short-term squeeze and volatility in the market.
Among other factors, this was the result of late plantings, according to Luan van der Walt, Grain SA economist. He told Farmer's Weekly the situation was nevertheless expected to change as soon as harvesting was in full swing.
"According to the latest statistics from SAGIS [South African Grain Information Service], the supply level stood at 1,86 million tons at the end of March 2020. This is 45% lower than the same time last year, with 3,93 million tons available at the end of March 2019," he said.
The maize harvest for 2020 is estimated to reach 8,87 million tons of white maize and 6,44 million tons of yellow maize. If these volumes were achieved, it would be the second largest maize harvest in South Africa's history.
He said maize producers had already started harvesting in the eastern part of the summer grain production region. Although sporadic harvesting was taking place in the western part, large-scale harvesting was expected to start in the third week of June.
The harvesting of soya bean and sunflower was, however, well underway across the country. "Supplies of commodities such as oilseeds are currently relatively low, but are increasing rapidly as harvesting progresses," Van der Walt said.
Current maize prices were in line with those achieved at the same time last year.
However, the exchange rate of the rand against major international currencies would be by far the most important factor in terms of maize prices realised in the coming months, with a strengthening of the rand expected to place pressure on local prices, he said.
Indications were that maize planting in the US would be above average this season, putting additional pressure on international price levels.

back to top

Australian barley growers lose big on China spat, but US benefits limited
21 May – Hellenicshipping.com

choked off with China two years ago.
The effective banning of Australian barley into China may benefit U.S. growers, but the potential dollar value will be minimal up against huge trade targets outlined in the Phase 1 trade deal.
So far, the United States' experience has not been great when it comes to interrupted trade with China, as those relationships have yet to revert to pre-conflict levels, so Australian farmers could be in for a drawn-out event.
China's tariffs against Australian barley went into effect for five years beginning Tuesday, a huge blow for Australian producers, already reeling from three consecutive droughts. China typically accounts for two-thirds of Australian barley shipments, a trade worth at least $1 billion annually.

The decision came following an anti-dumping, anti-subsidy investigation launched in 2018. Beijing justified the penalty on Tuesday, citing Canberra's water market as a subsidy for Australian growers.

That water scheme aims to improve the wellbeing of an ecologically vital river system and primarily affects eastern Australia. Critics of China's reasoning have pointed out that nearly all Australian barley sold to China comes from the west coast.

However, China was upset over Australia's recent call for an independent inquiry into the origins of the coronavirus. Some market watchers speculate that this could be the true reason for such harsh measures, especially since Beijing last week suspended beef imports from four of Australia's largest meat processors.

Several U.S. agricultural products have been the target of Chinese duties in recent years, and the trade relationships have not fully recovered in most cases.

Soybeans, the top U.S. farm export to China, are the most obvious example. The onset of the trade war two years ago battered the U.S. soybean market, as nearly 60% of those exports typically went to China each year.

But even after the signing of the Phase 1 trade deal in January, big purchases have yet to return. Chinese bookings of U.S. soybeans for delivery in the current marketing year that ends Aug. 31 are nearly half pre-trade war levels.

Early in 2018, China launched an anti-dumping probe against U.S. sorghum that resulted in steep tariffs two months later. China cancelled that probe in May 2018, only to include the grain on its list of goods facing import duties as the trade war began that July.

Even though relations have thawed since then, U.S. sorghum sales to China are still less than half of what they might have been without the trade war.

In the case of distillers' dried grains, or DDGS, U.S. exports to China have been suffering since before the trade war. China in 2016 slapped anti-subsidy, anti-dumping tariffs on U.S. DDGS, a byproduct of maize ethanol production used in animal feed, and those duties increased further in early 2017.

Exports of U.S. DDGS to China in the most recent years have been at least 90% lower than pre-probe levels. Beijing last June rejected a U.S. request to suspend or reduce these tariffs.

Aside from Australia, China sources a lot of its imported barley from Canada. Nearly three-fourths of Canadian barley exports have gone to China in the last two years.

Canada is no stranger to trade woes with China. In March 2019, Beijing blocked shipments of canola from several Canadian exporters, citing the discovery of pests.

However, most market watchers believe that Canada's December 2018 detention of a Chinese telecom executive, not pests, was probably the real reason behind the trade blockage.

China had been the largest buyer of Canadian canola, but Canada was lucky enough to be able to offset most of those losses over the past year through increased market share to other countries.

China lifted some of those restrictions on Canadian canola this March, but according to the Canadian foreign ministry in early April, China had yet to resume all imports.

Last week, China's customs website posted a notice that it will allow imports of U.S. barley. The Phase 1 trade deal required the implementation of a phytosanitary protocol to allow the previously unapproved U.S. grain to enter China.

But this move is likely to have a very limited footprint on the Phase 1 deal, which calls for China in 2020 to increase U.S. agricultural imports by at least 50% over 2017 levels to $36.5 billion.

The U.S. Department of Agriculture sees U.S. barley production at just under 4 million tonnes in 2020-21, and that compares with a wheat crop estimate of nearly 51 million

tonnes. Most of the U.S. barley crop is grown under contract for domestic maltsters, but China's import nod could allow for any barley that does not meet malting requirements to be shipped to China for use in feed.
The growing season has just begun in the United States, and as of May 17, farmers were 72% finished with seeding. U.S. barley is primarily grown in Idaho, North Dakota and Montana.
The United States' recent barley exports would not even register a blip against the Phase 1 trade targets. USDA predicts 2019-20 U.S. barley exports at 131,000 tonnes. For comparison, U.S. wheat exports are pegged at 26.4 million tonnes in 2019-20.
U.S. barley exports were valued at $35.6 million in 2019, and Japan was the top destination.
USDA's weekly export sales tracks U.S. barley bookings, so potential Chinese purchases can be monitored.
USDA projects the United States will have 2 million tonnes of barley on hand on May 31. If China bought that entire stockpile today, the total haul might amount to around $500 million, at best.

back to top

India's record wheat harvest winds down amid market turmoil
19 May – The Land

This season's Indian wheat harvest has been severely interrupted by the national COVID-19 lockdown.
As the harvest winds down across most states, the Ministry of Agriculture and Farmers' Welfare (MoAFW) has increased its production forecast by almost one million tonnes to a record 107.2 million tonnes for the 2019-20 marketing year.
India is the world's second-biggest wheat producer and consumer after China.
This is the first season where production of the country's major rabi (spring) crop has topped the 100 million tonnes mark and will be the fourth consecutive record crop after poor harvests in 2015 and 2016.
Excellent late monsoon rains in September last year and an increase in the availability of irrigation water provided ideal seeding conditions in October and November, encouraging farmers to increase the area planted to wheat.
The MoAFW estimates that the final area increased by almost 6 per cent year-on-year, to 31.1 million hectares, implying an average yield of 3.45 tonnes per hectare.
A steady increase in the government's minimum support price (MSP) for wheat, in conjunction with an expansion of the MSP procurement operations across most states, has also encouraged Indian farmers to maximise the land allocated to wheat in recent seasons.
That said, the area has been relatively steady during the past 20 years (see Figure 1).
Average production from that land has been rising steadily due to improved varieties, higher inputs, improved agronomic practices and better disease and pest control.
This year, an excellent soil moisture profile at planting, followed by consistent and widespread rain throughout the entire growing season - and relatively little incidence of pests, disease or hail - have been conducive to record production.
But the country-wide lockdown, announced in late March to stem the spread of the coronavirus outbreak, led to a severe labour shortage across rural India - crippling harvest activities and hindering the bagging and movement of the grain to market.
Although farming has been declared an essential service and agriculture markets are exempted from the lockdown, a shuttered economy left farmers facing big challenges.
The supply chain has been hit badly - train and bus services have been suspended and trucks face major hurdles in transiting state borders due to strict checks.

As the record harvest draws to an end, the farmer focus now turns to marketing their grain before it is spoilt.
Humid conditions make it very difficult for producers to keep the moisture content below 14 per cent. Any rain only compounds the problem, as very few farmers have undercover storage facilities.
India's 7000 wholesale food markets are the only avenue for getting these critical food supplies to the country's 1.3 billion residents, and the nationwide restrictions have severely hit their operation.
Under Indian law, wheat farmers are compelled to sell their grain exclusively at these wholesale mandis to commission agents, who on-sell it to private traders and state buyers.
These commission agents typically hire teams of labourers from across the country to unload, clean, weigh, repack and re-load millions of bags of wheat on to trucks and trailers.
They then transport it to private and government warehouses.
The absence of private traders from the market will put the onus on the Food Corporation of India (FCI) - India's state grain buyer and warehouser - to purchase a higher proportion of this season's crop.
This will only add to the enormous wheat stockpile already sitting in FCI warehouses.
According to government reports, this totalled 24.7 million tonnes as of April 1 - or about 26 per cent of annual domestic demand and more than three times the government-endorsed goal.
According to the United States Department of Agriculture, wheat consumption in India is forecast to increase to around 96 million tonnes in the marketing year ending June 30.
But, despite surplus domestic supplies and an increasing population, domestic consumption has stagnated since a sharp increase in 2016-17.
With government storages expected to be overflowing in June, the Indian government needs to find a home for the surplus.
The high MSP-driven purchasing program has pushed domestic prices to about US$35 over export parity.
But, if prices ease as a result of the record crop and the breakdown in traditional market flows, exports to neighbouring countries - such as Nepal, Afghanistan, Bangladesh and Sri Lanka - are possible.
Historically, India has been a significant exporter when supply exceeded demand. In both the 2011-12 and 2012-13 seasons, the country exported more than 6 million tonnes of wheat.
The USDA has India pencilled-in for 1 million tonnes of wheat exports in the 2020-21 marketing year, but this is not nearly enough to solve the maizeucopia.
Unfortunately, it seems that a substantial quantity will be lost to spoilage as: growers battle to bring their produce to market; private traders are absent due to the coronavirus restrictions; and record carry-in stocks mean the government is struggling to find storage space for higher than expected new crop purchases.

back to top

Parana River embankment collapse hampers Argentina's grains exports
13 May - Mercopress

Ships transporting cargo from Argentina's Rosario grain hub through the Parana River are having to reduce their cargoes after a bank collapse obstructed the navigation channel, exporters have revealed.
Dredgers are working in the Parana to the south of the Rosario complex to try to restore the necessary depth of water for export traffic, but at present have no estimate of when normal operations on the grains superhighway can resume.

“Ships cannot leave because they do not have the adequate safety margin,” Guillermo Wade, manager of the Chamber of Port and Maritime Activities (CAPyM), pointed out, saying that ships were having to reduce their cargo weight to be able to pass.
“A ship usually carries about 50,000 tons of grain. You are looking at about 11,000 tons less per boat,” he added.
Argentina is the world's No. 3 soybean and maize exporter, as well as its top supplier of soy-meal livestock feed used to fatten hogs, cattle and poultry from Europe to Southeast Asia.
Disruption in shipments from Argentina can throw off global trade flows as importers look to rival suppliers such as Brazil and the United States to fill supply gaps.
About 80% of the country's agricultural and agro-industrial exports are shipped from the Rosario region.
The water level on the Parana River has already fallen to a near 50-year low, hampering export traffic and causing local industry US$ 244 million in losses over the past four months.
Gustavo Idigoras, head of the national chambers of grains exporters and processors (CIARA-CEC), said the riverbank collapse was exacerbating an already difficult situation for operators at the peak season for the export of soy and its by products, and for maize.
“Those ships that were already loading at the 32 terminals in that area are loading even less than they were already,” he said.

back to top

Country on the brink of a wheat crisis: PBIF chief
13 May – Business Report

President of Pakistan Businessmen and Intellectuals Forum, Mian Zahid Hussain, has said that the country is on the brink of a wheat crisis.
The price of wheat and flour had been increasing steadily which called for an urgent intervention by the federal or provincial governments, or the crisis would make the country pay a heavy political cost, he said.
Mian Zahid Hussain said that the people had already been pushed to the wall due to the coronavirus and lockdown, and they were not prepared to face another crisis.
He said that the wheat procurement drive had been unsatisfactory so far while reports of corruption, incompetence and mismanagement were rife.
He noted that not even half of the amount of wheat could be purchased while the private sector was being discouraged from buying wheat which amounted to preparing a ground for another crisis.
He said that hoarders were piling up stocks of wheat without any fear which could only be countered by importing five million tons of wheat.
Mian Zahid Hussain noted that last year the private sector had repeatedly warned the government about the crisis, but its warnings were ignored which helped the "mafia to take billions out of the pockets of the poor people".
"Only import can force the hoarders into bringing their wheat into the market to stabilize prices as the price of wheat has increased by Rs7 per kg in Karachi in the last few days, and it is set to rise further," he said.
He said that the situation in Sindh and Punjab was far from being satisfactory, and the government must take notice of it.

back to top

Monthly Information Sources

AMIS Market Monitor

FAO Cereal Supply and Demand Brief - FAO

Grain Market Report – IGC

Oilcrops Monthly Price and Policy Update – FAO

Crop Monitoring in Europe - European Commission

FAO Rice Price Update – FAO

World Agricultural Supply and Demand Estimates – USDA

Early Warning Crop Monitor – GEOGLAM

Commodity Price Data - World Bank

Food Price Monitoring and Analysis (FPMA) – FAO

GIEWS Country Briefs - FAO

Mediterranean Agricultural Information Network - MED-AMIN

Club Demeter Système de veille

FAO Daily Food Prices Monitor

FAO's Big Data tool on food chains under the COVID-19 pandemic

COVID-19 and World Trade

IFPRI COVID-19 Food Trade Policy Tracker

back to top

The main purpose of the MNR is to provide links between the FAO Secretariat and the Members of the Intergovernmental Group (IGG) on Grains, as well as the general public.
To unsubscribe, send an email to:
mailto:MNR-L-signoff-request@LISTSERV.FAO.ORG

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

Useful links

Previous issues of the MNR
FAO World Food Situation
FAO Grains website

Food and Agriculture Organization of the United Nations
www.fao.org/economic/est