

Monthly News Report on Grains (MNR)

End-of-Year Message from the FAO Grains/AMIS Team

December 2018

It is hard to remember a year quite like 2018; starting calm and predictable, finishing turbulent and uncertain. Weather abnormalities obstructed production prospects and hampered outputs in many regions but with overall food granaries more than adequately stocked to meet the impending shortfalls, food markets were generally less volatile. Indeed, the drop in world production of grains, albeit from the record level of the previous year, did give some support to prices but, although higher than in 2017, grain prices remained well below the peaks registered in the past.

The main feature of grain markets in 2018 was therefore neither the drop in production nor the modest increase in prices. It was unexpected policy developments pertaining to international trade, among which the escalation of disputes over tariffs placed on goods traded between the United States and China, the world's biggest trading nations, took centre stage. For much of the year, the uncertainty caused by the imposition of higher tariffs resulted in major shifts in trade flows, giving way to greater uncertainty in markets, particularly with regard to soybeans and grains.

In 2018, the Grains Team, serving both FAO and the G20- Agricultural Market Information System (AMIS), continued its close monitoring of global food markets. Through regular reports and participation in international meetings, the team kept the international community informed about the rapidly changing market environment. In addition to the [Monthly News Report on Grains](#), compiled and circulated for the 13th consecutive year, and the publishing of the FAO's monthly [Food Price Indices](#) and [Cereal Supply and Demand Briefs](#), the Team continued to oversee the production of the bi-annual [FAO Food Outlook](#) reports and contributed to the [OECD-FAO Agricultural Outlook](#). Beyond its FAO activities, the Team's role in managing AMIS, an intergovernmental platform established by G20 in 2011, hosted in FAO, also continued unabated. This work included a wide range of activities, including holding regular webinars with representative national focal experts from the capitals, producing the monthly [AMIS Market Monitor](#) reports, coordinating the two meetings of the [Global Food Market Information Group](#) and organizing the annual meeting of the [Rapid Response Forum](#), which this year was held at the World Trade Organization (WTO) in Geneva. The Team was also instrumental in arranging for the participation of AMIS delegates, as country-representatives and speakers, at the [Global Grain Geneva Conference](#) for the second year in a row. As the biggest annual grain event in Europe, the Geneva Conference provides an excellent opportunity to showcase AMIS and raise awareness about its contribution to enhancing market transparency. The team also participated as speaker in a number of other events, including in the Mediterranean Agricultural Market Information Network (MED-Amin) annual meeting in Malta, the G20 Agricultural Deputies in Rosario (Argentina), and the meeting of FAO's Committee on Commodity Problems in Rome.

Early in the year, in February, the Team wished a fond farewell to Philippe Paquette, seconded to FAO by France as part of its commitment to the AMIS initiative. Philippe spent five years with the Team and his work on cereal balance sheets, not to mention his personal warmth, was appreciated by all of us

here in Rome. Philippe has now returned to the Ministry of Agriculture in France, and we all wish him well in his new role.

The year that is just ahead of us is likely to prove just as challenging, if not even more so, than the year we are about to put behind us. Evidently, policy decisions have now become more predominant in the way they could shape or influence trends in agricultural markets. At the same time, uncertainties associated with extreme weather conditions are set to continue, jittering markets at very short notice. The need to monitor closely all these factors in order to provide assessments which could serve in devising appropriate responses has never been greater. The FAO Grains/AMIS Team is proud to play its part in this endeavor.

With best wishes for the New Year.