Semouliers

FOCUS ON DURUM WHEAT
MARKET EVOLUTION, MAIN CHALLENGES, RISKS AND OPPORTUNITIES

Gustavo Savino

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ABOUT SEMOULIERS

SEMOULIERS – Union des Associations des Semouliers de l'Ue is the Association of semolina Industries in Europe.

MISSION

The mission of Semouliers is to ensure the representation and the promotion of the interests of the semolina Industry at european and international levels.

MEMBERS

Semouliers membership today consists of national associations from EU Member States as full members and of observer members from non-EU countries.

www.semouliers.eu

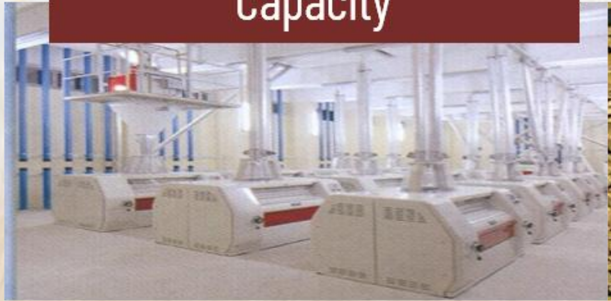
semouliers@semouliers.org

Via Lovanio, 6 - Roma

0039 (0) 6. 678.54.09

THE MAIN FIGURES OF THE EUROPEAN DURUM WHEAT MILLING INDUSTRY

Capacity

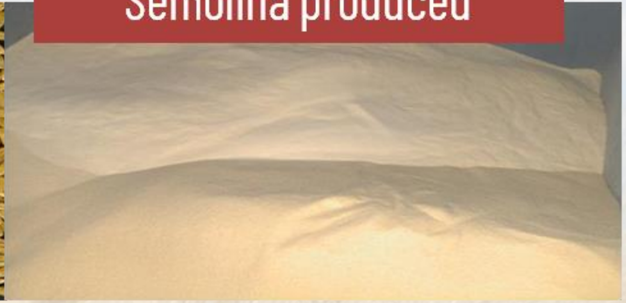


10,00 Mt

Durum wheat processed

8,50 Mt

Semolina produced



5,70 Mt

THE IMPORTANCE OF THE SUPPLY IN RAW MATERIALS

An extremely localised world production: the Mediterranean basin and the North American continent (and more particularly Arizona, Montana, North and South Dakota in the United States, and Saskatchewan, Alberta and Manitoba in Canada) alone account for close on 80% of the world production of durum wheat.

The effective and efficient management of the supply in raw materials wheat sector - in terms of quantity, quality and trade - is one of the most important elements as regards the competitiveness of the milling industry, also in light of its impact (up to 80%) on the sector's turnover.

THE SUPPLY OF THE EUROPEAN DURUM WHEAT MILLING INDUSTRY

The EU production of durum wheat is insufficient to cover the needs of the Industry.

The imports of durum wheat from non EU countries are overall indispensable both for quantitative and qualitative reasons. Imports of durum wheat cover on average between 20 and 25 percent of the needs of the european semolina industry.

In the last 3 marketing campaigns, 57.3 percent of total EU imports of durum wheat came from Canada and 22.1 percent from the United States.

THE SUPPLY OF THE EUROPEAN DURUM WHEAT MILLING INDUSTRY

DURUM : SUPPLY AND DEMAND SUMMARY

	19/20 IGC	20/21 IGC	21/22 IGC	21/20 Annual variation
Beginning stocks (thousand tons)	10.300	8.600	8.100	
Production (thousand tons)	33.400	33.800	31.900	-5,6%
Imports (thousand tons)	9.500	8.700	7.000	
Total supply (thousand tons)	43.700	42.400	40.000	-5,7%
Domestic use (thousand tons)	35.100	34.300	33.800	
Exports (thousand tons)	9.500	8.700	7.000	-15,5%
Ending stocks (thousand tons)	8.600	8.100	6.200	-23,5%
Ending stocks (thousand tons) Eu - Canada - USA - Mexico	3.700	3.700	2.300	-37,9%

source : IGC

THE SUPPLY OF THE EUROPEAN DURUM WHEAT MILLING INDUSTRY

CANADA DURUM : SUPPLY AND DEMAND SUMMARY

	19/20	20/21	21/22	21/20 Annual variation
Beginning stocks (thousand tons)	1.833	737	752	
Area harvested (thousand/ha)	1.908	2.295	2.186	
Yield (t/ha)	2.63	2.86	1.62	
Production (thousand tons)	5.017	6.571	3.545	-46,1%
Imports (thousand tons)	96	13	25	
Total supply (thousand tons)	**6.946**	**7.321**	**4.322**	-41,0%
Domestic use (thousand tons)	941	796	772	
Export (thousand tons)	5.268	5.773	3.100	-46,3%
Total use (thousand tons)	**6.209**	**6.569**	**3.872**	
Ending stocks	737	752	450	-40,2%

Source : AAC

THE SUPPLY OF THE EUROPEAN DURUM WHEAT MILLING INDUSTRY

US DURUM : SUPPLY AND DEMAND SUMMARY

	19/20 USDA	20/21 USDA	21/22 USDA	21/20 Annual variation
Beginning stocks (thousand tons)	1.497	1.143	762	
Production (thousand tons)	1.470	1.878	953	-49,3%
Imports (thousand tons)	1.115	1.007	1.469	
Total supply (thousand tons)	**4.082**	**4.028**	**3.184**	-21,0%
Domestic use (thousand tons)	1.796	2.504	2.313	
Exports (thousand tons)	1.143	762	408	-46,5%
Total use (thousand tons)	**2.939**	**3.266**	**2.721**	
Ending stocks (thousand tons)	1.143	762	463	- 39.2 %

Source : USDA

THE SUPPLY OF THE EUROPEAN DURUM WHEAT MILLING INDUSTRY

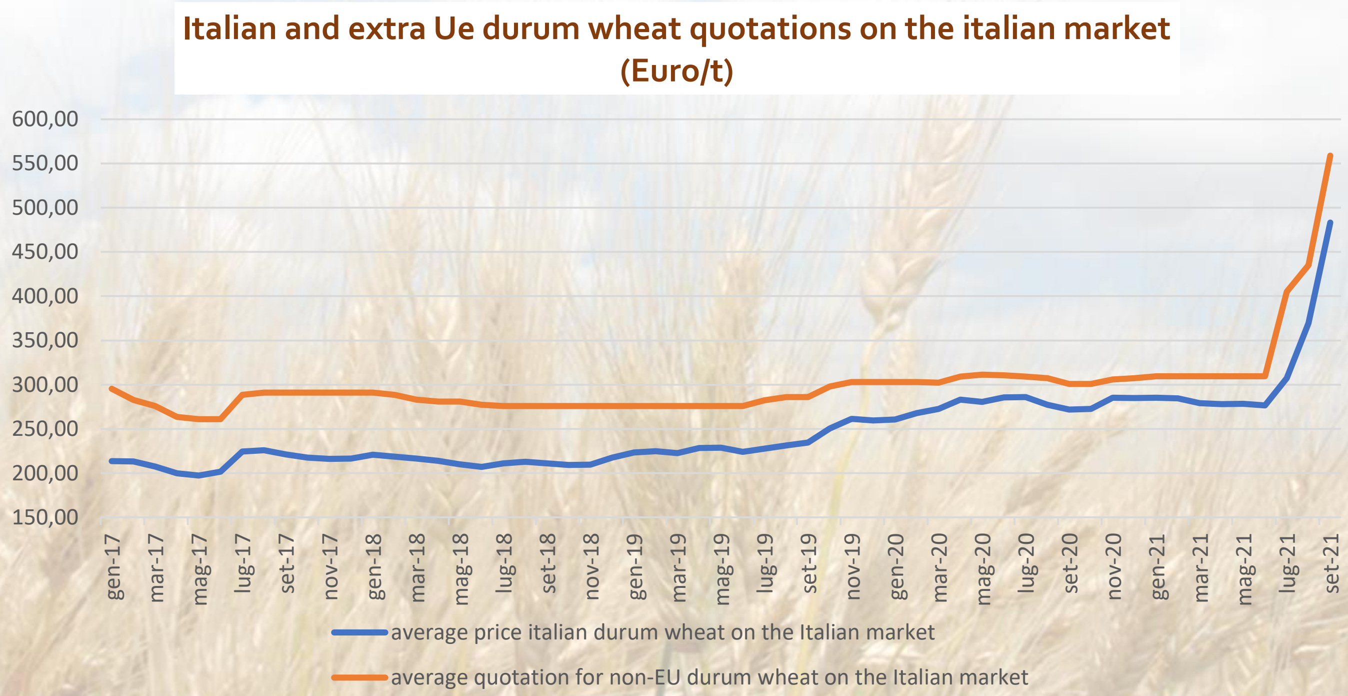
US + CANADA DURUM WHEAT SUPPLY AND DEMAND									
Marketing Campaign		Beginning stocks	Production	Imports	Prod. + stocks	Total supply	Export	Use	Ending stocks
2007/08		1.815	5.647	1.127	7.462	8.589	4.400	3.144	1.045
2008/09		1.045	7.709	1.041	8.754	9.795	4.290	2.920	2.585
2021/22 (F)		1.514	4.498	1.494	6.012	7.506	3.508	3.085	0.913
2021/2007	Kt	- 0.301	-1.149	+ 0.367	-1.450	-1.083	- 0.892	- 0.059	- 0.132
	%	- 16.6	- 20.3		- 19.4		- 20.3		- 12.6

THE SUPPLY OF THE EUROPEAN DURUM WHEAT MILLING INDUSTRY

EU-27 DURUM WHEAT SUPPLY AND DEMAND									
Marketing Campaign		Beginning stocks	Production	Imports	Prod. + stocks	Total supply	Export	Use	Ending stocks
2007/08		1.145	7.050	2.000	8.195	10.195	0.800	8.825	0.570
2008/09		0.570	9.900	1.350	10.470	11.820	1.400	8.550	1.870
2021/22 (F)		1.500	7.600	1.500	9.100	10.600	0.700	9.300	0.600
2021/2007	Kt	+0.355	+ 0.550	- 0.500	+0.905	+ 0.305	- 0.100	+ 0.475	+ 0.030
	%	+ 31.0	+ 7.8		+11.0	+4.0	- 12.5	+5.4	+5.3

Source : Semouliers

THE SUPPLY OF THE EUROPEAN DURUM WHEAT MILLING INDUSTRY



Conclusions

- ✓ An interruption in the supply of the industry during the current campaign cannot be excluded given the imbalance between demand and supply of durum wheat ;
- ✓ It is therefore absolutely necessary to increase and encourage the production of the durum wheat in the EU even if imports will remain essential to guarantee the supply of the Industry in the required quantities and qualities ;
- ✓ Fluctuations in prices are higher and more violent than fluctuations in production taking into account the absence of market management tools ;
- ✓ The increase in raw material costs and energy and logistics prices cannot be fully absorbed by the milling industry also because they are destined to last over time ;
- ✓ The next marketing campaign could be even more difficult to manage given the lack of stocks and the possible new regulation regarding the maximum presence of DON in wheat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THANK YOU