European Commission

AGRI C 4

CDG – Dried fodder

03 June 2016

Agriculture and Rural Development

Content

Cereals, oilseeds and protein crops market situation

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- **2015/16 & 2016/17 supplies**
- **export and future prices**

2. EU market:

- **agro-weather situation**
- **2015/16 review and 2016/17 prospects**

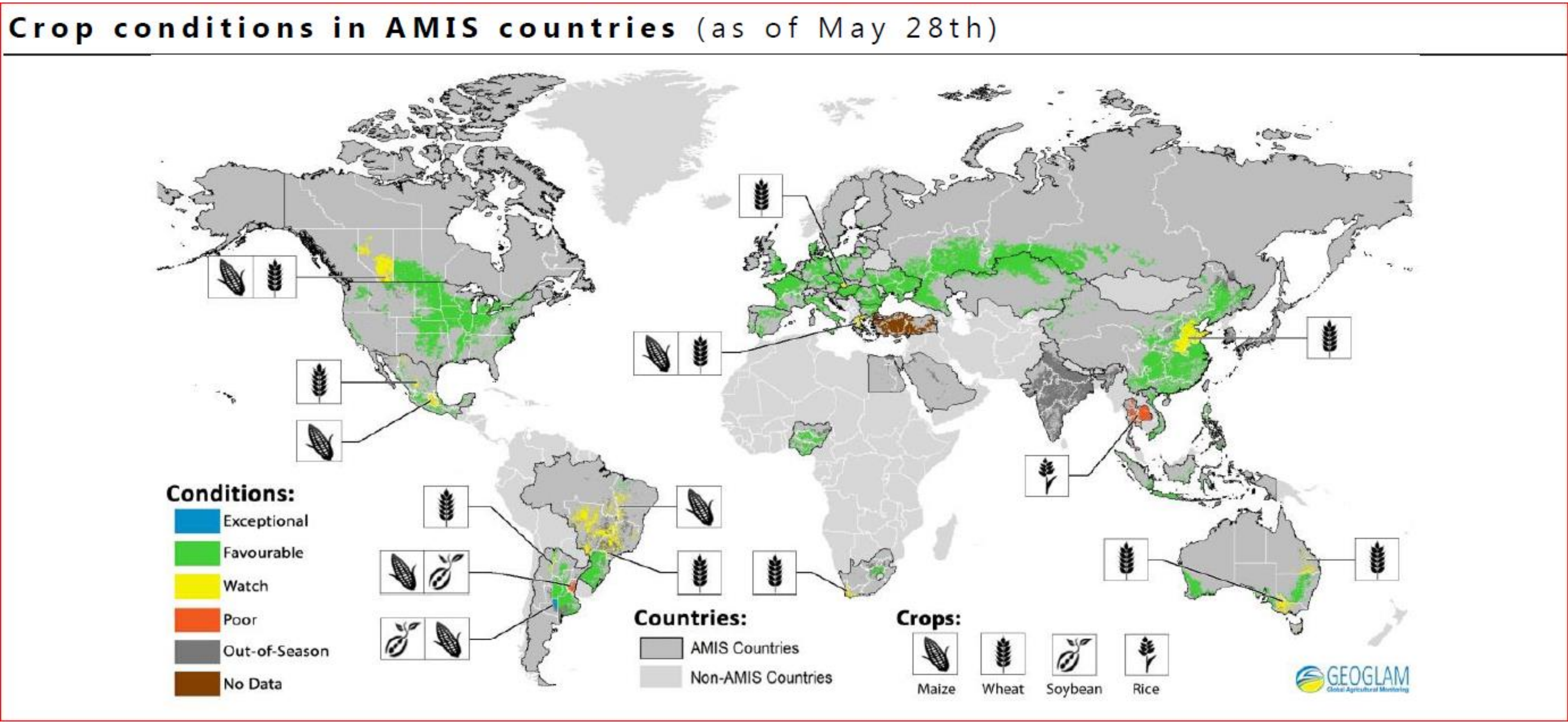
Cereals, oilseeds and protein crops market situation

World market

World market

Crop weather conditions

European Commission

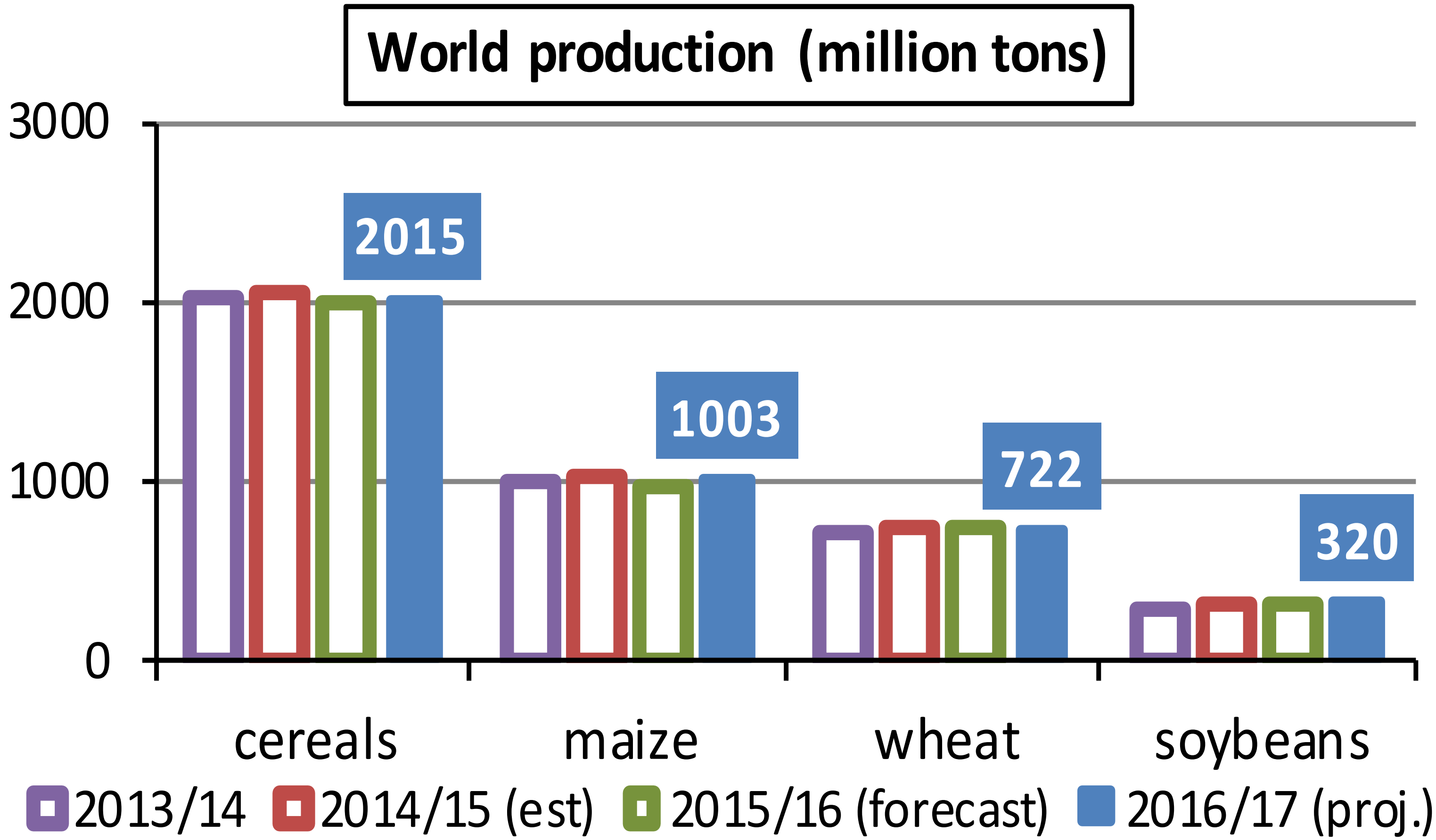


Agriculture and Rural Development

World market

Supplies – IGC May report

European Commission



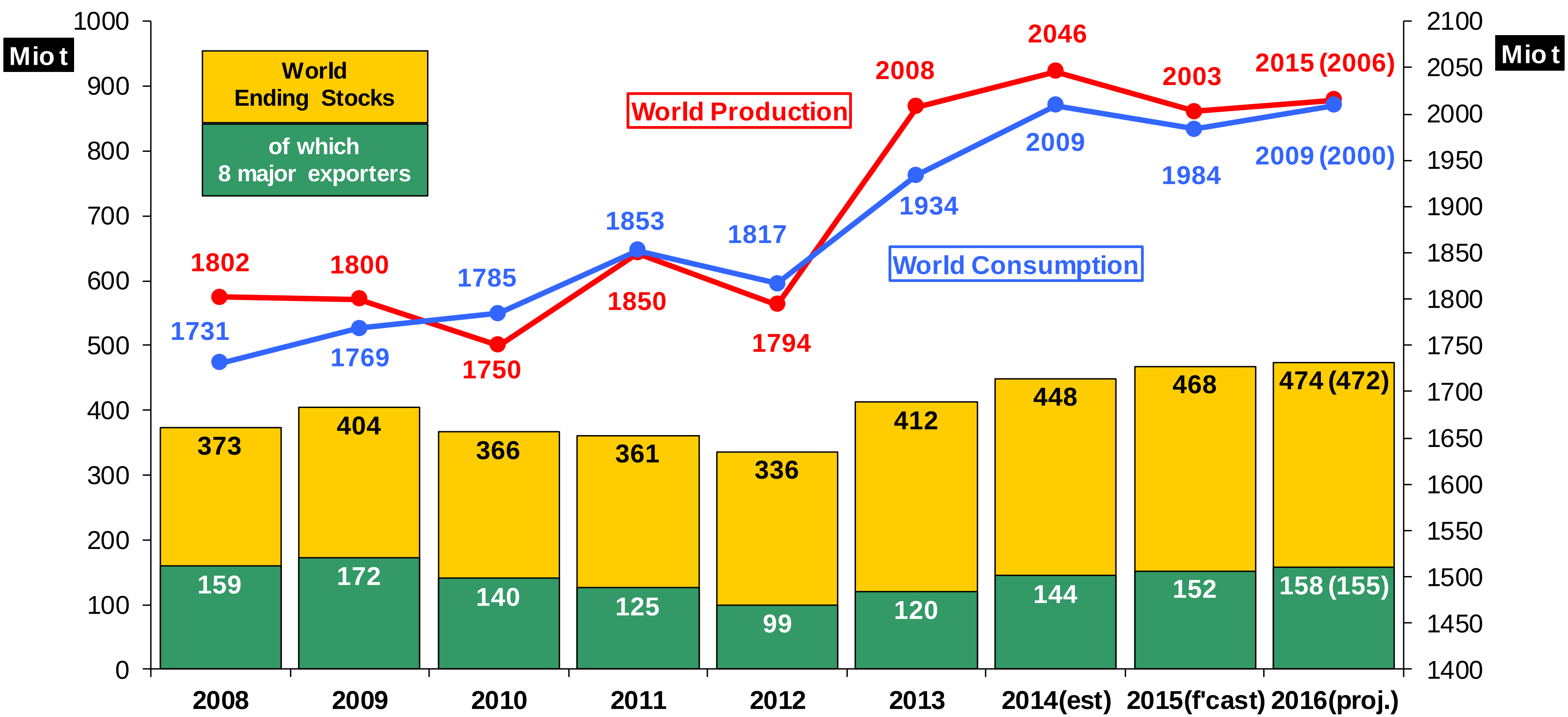
Source: International Grains Council

World market

Supplies – IGC May report

European Commission

World cereals

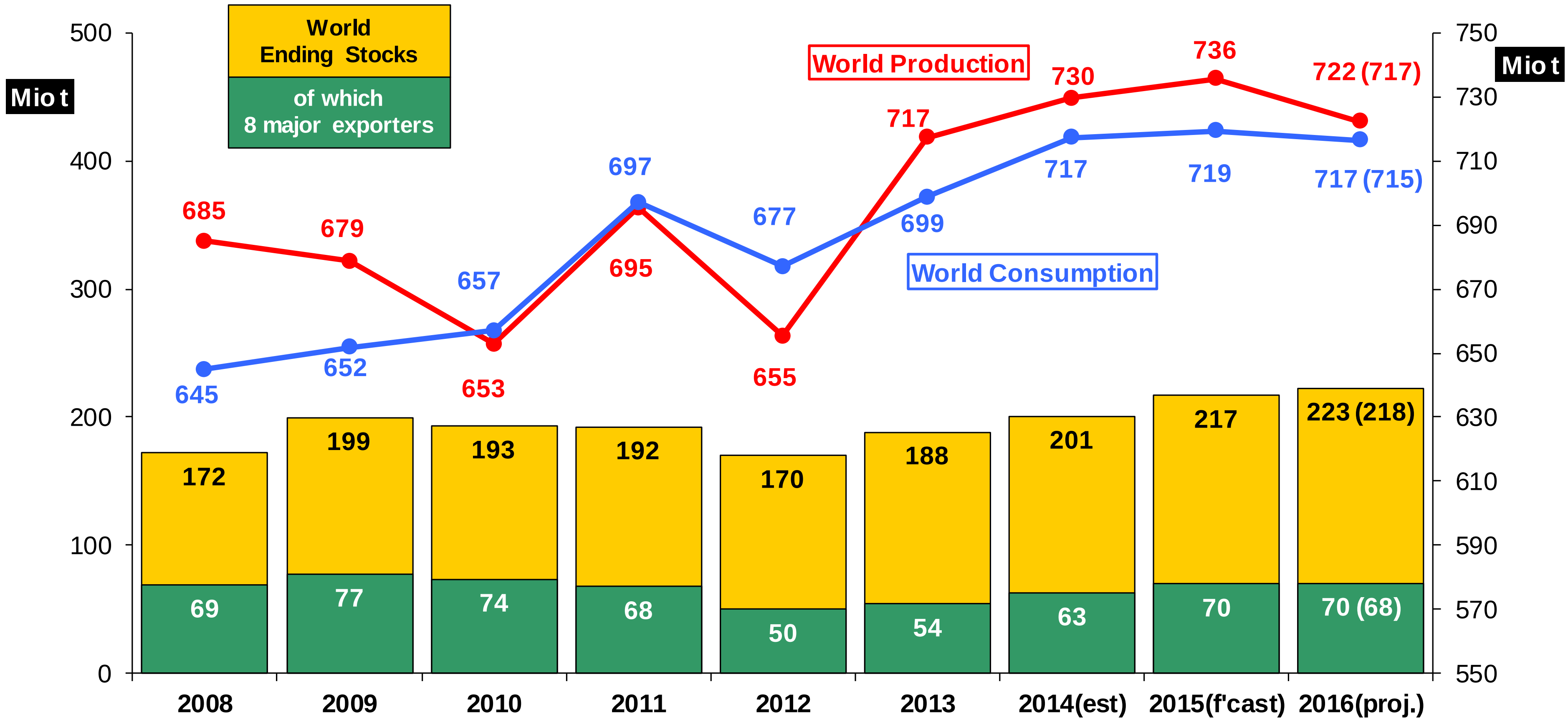


Source: IGC May report

World market

Supplies – IGC May report

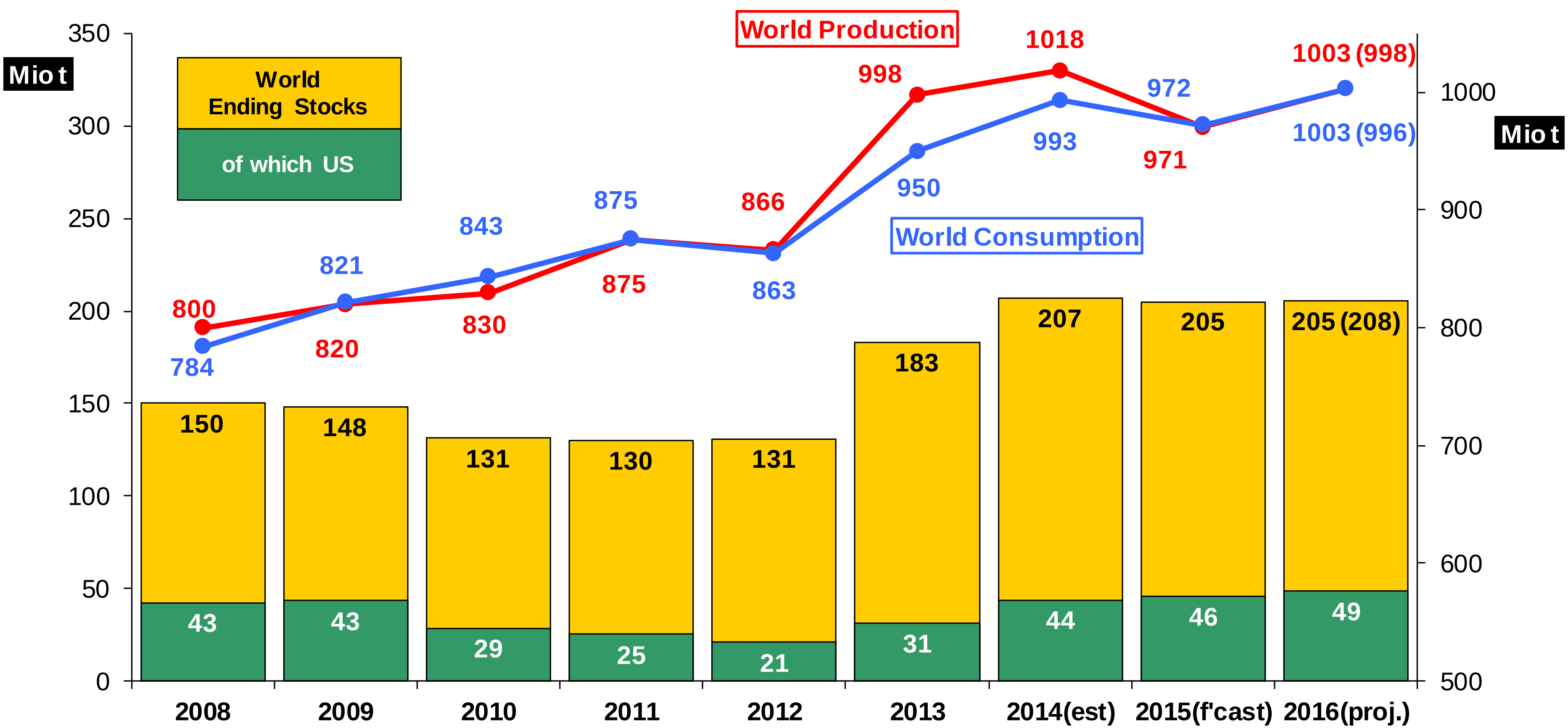
World wheat



Source: IGC May report

European Commission

World maize



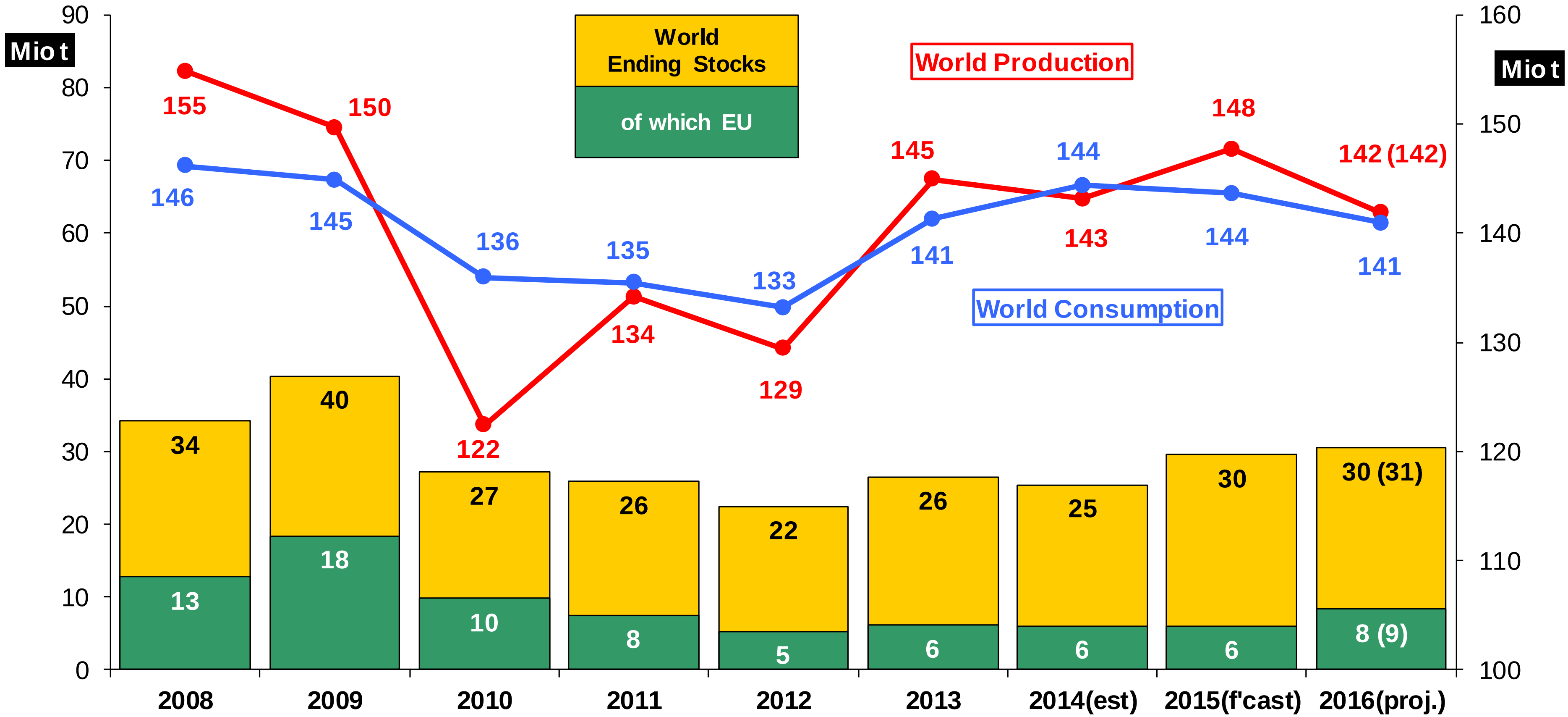
Source: IGC May report

World market

Supplies – IGC May report

Cereals
World market
European Commission

World barley

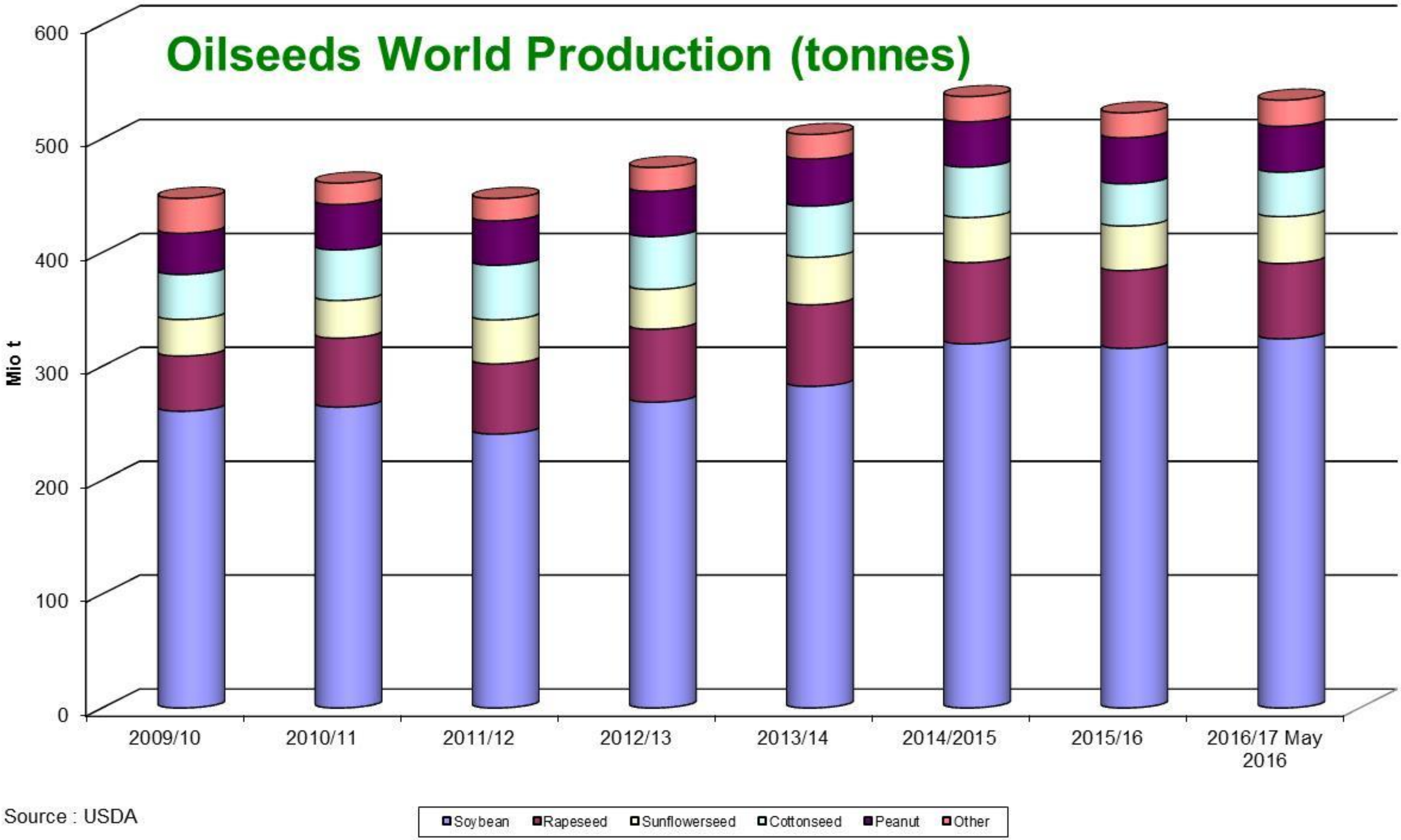


Source: IGC May report

Agriculture and Rural Development

World market

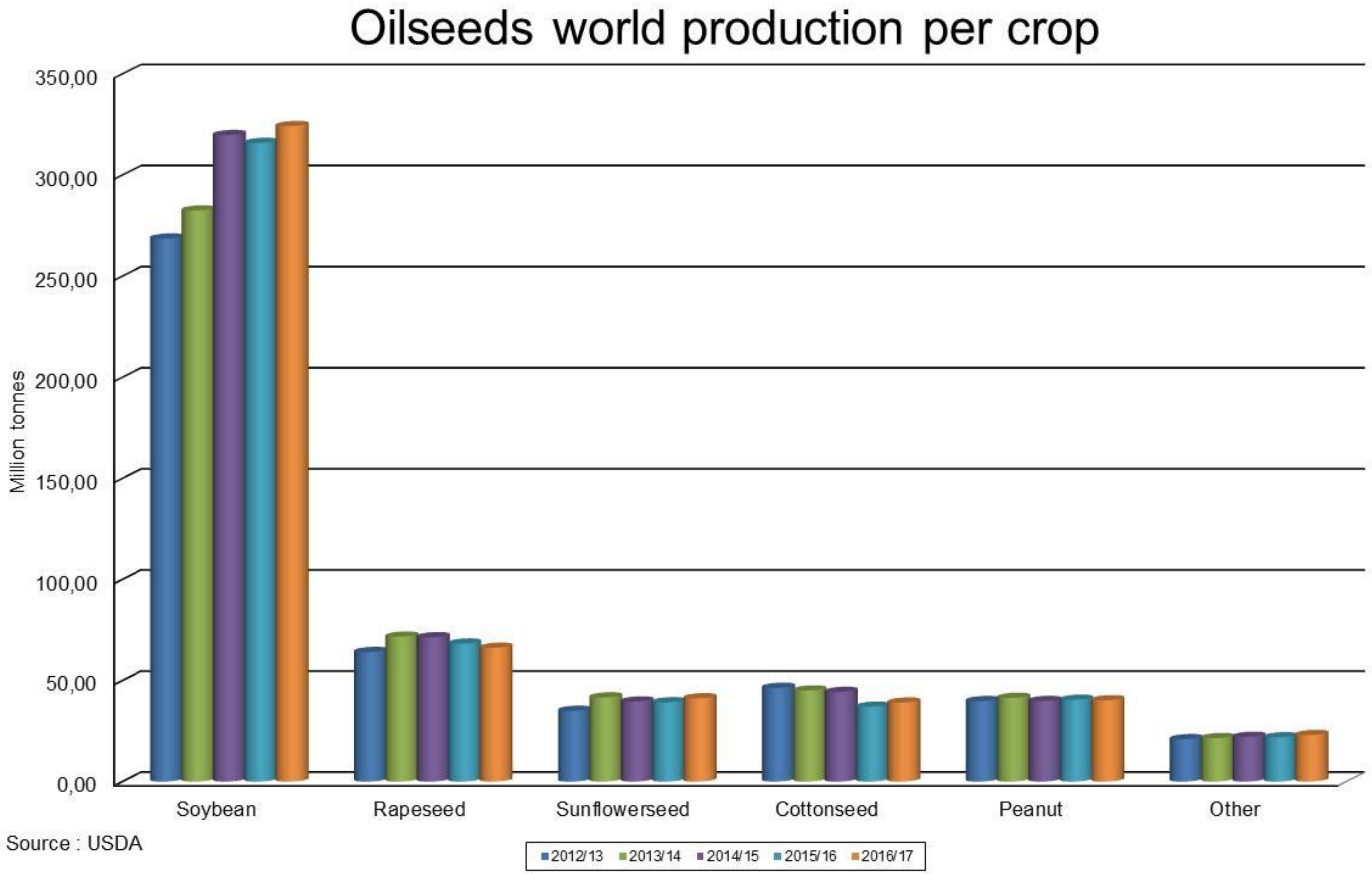
Supplies – USDA May report



Source : USDA

World market

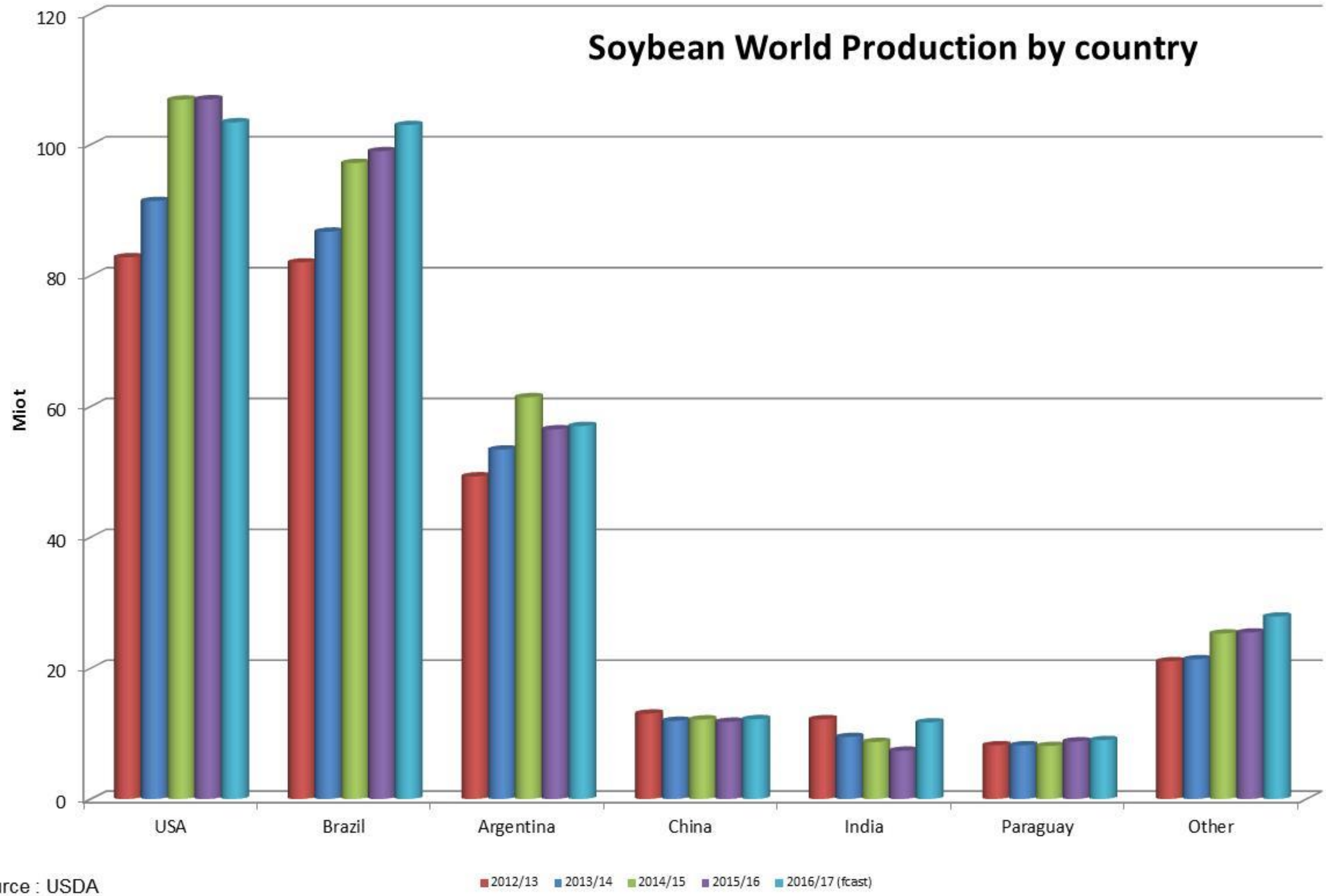
Supplies – USDA May report



Source : USDA

World market

Supplies – USDA May report



Source : USDA

Development

World market

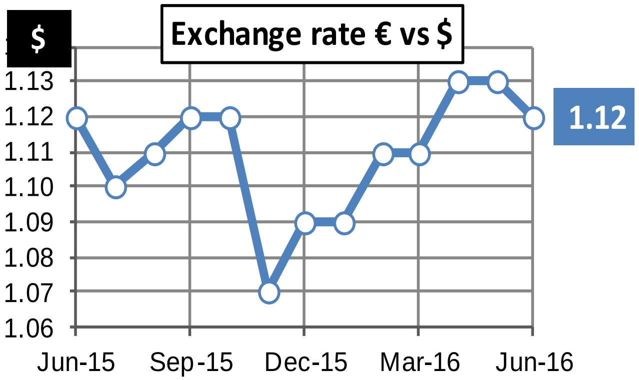
Export prices

Export prices FOB		01 Jun 2016		m/m variation		y/y variation	
		€/t	$/t	€/t	$/t	€/t	$/t
wheat	US Gulf (SRW)	176	196	1%	-2%	-11%	-9%
	US Gulf (HRW)	176	197	2%	-1%	-19%	-18%
	EU Rouen (grade 1)	160	179	5%	2%	-7%	-6%
durum wheat	CA St Lawrence (CWAD)	260	290	5%	2%	-20%	-19%
	EU Port-la-Nouvelle	n.q.	n.q.	-	-	-	-
barley	Black sea (feed)	149	166	0%	-2%	-11%	-10%
	EU Rouen (feed)	151	169	5%	2%	-12%	-11%
maize	US Gulf (3YC)	164	183	8%	5%	6%	7%
	EU Bordeaux	177	197	7%	4%	12%	13%
soybeans	US Gulf (2Y)	378	422	9%	6%	10%	12%

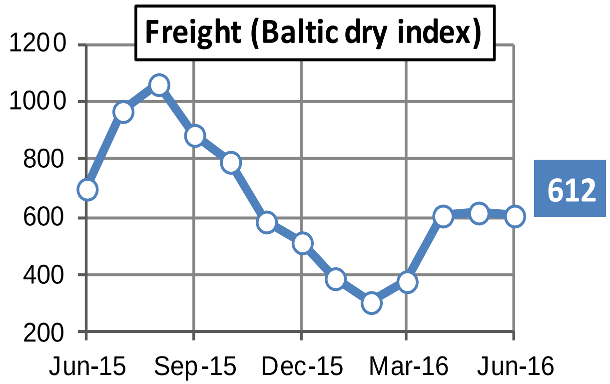
Sources: International Grains Council, France Agrimer

World market

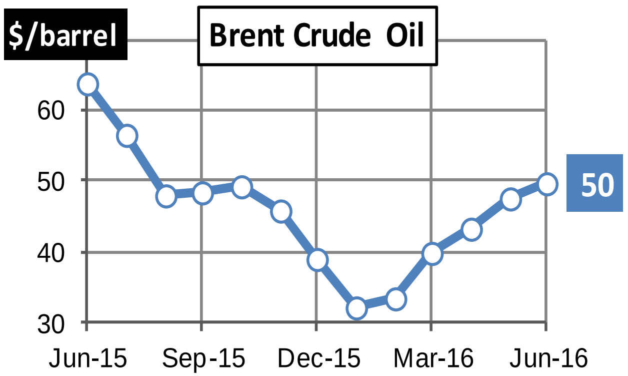
Monthly average: currency - oil - freight



Source: European Central Bank



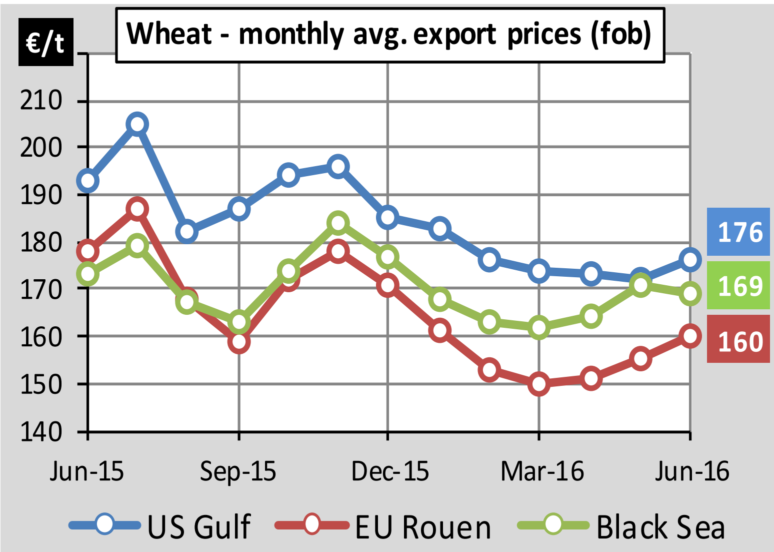
Source: The Baltic Exchange

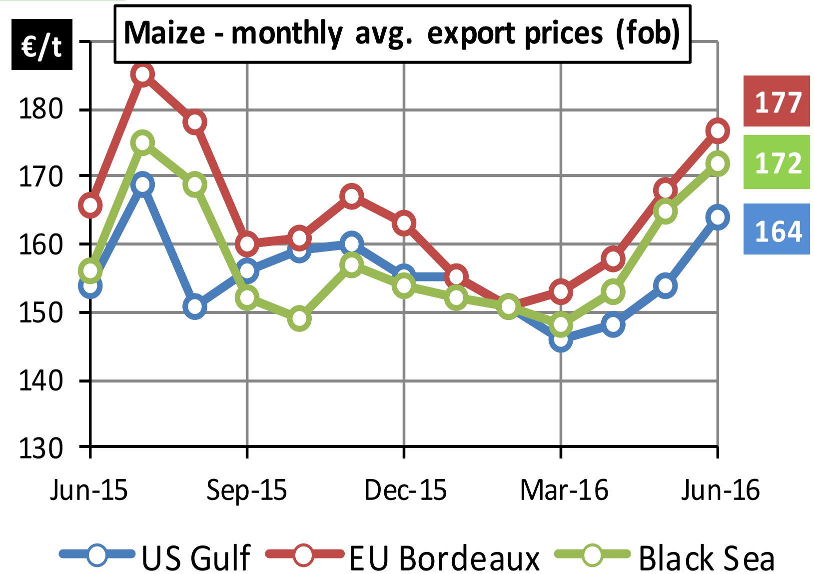


Source: Intercontinental Exchange

World market

Export prices





Source: International Grains Council

European Commission

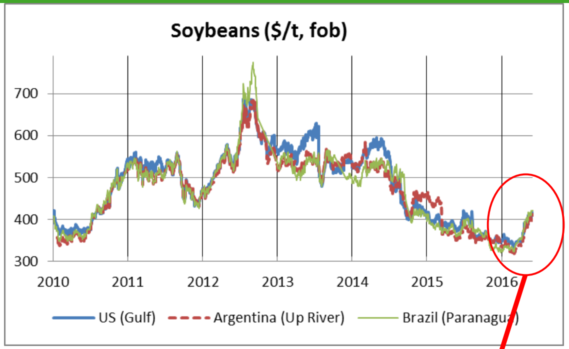
Oilseeds FOB Export Prices ($/t) as of 31/05/2016

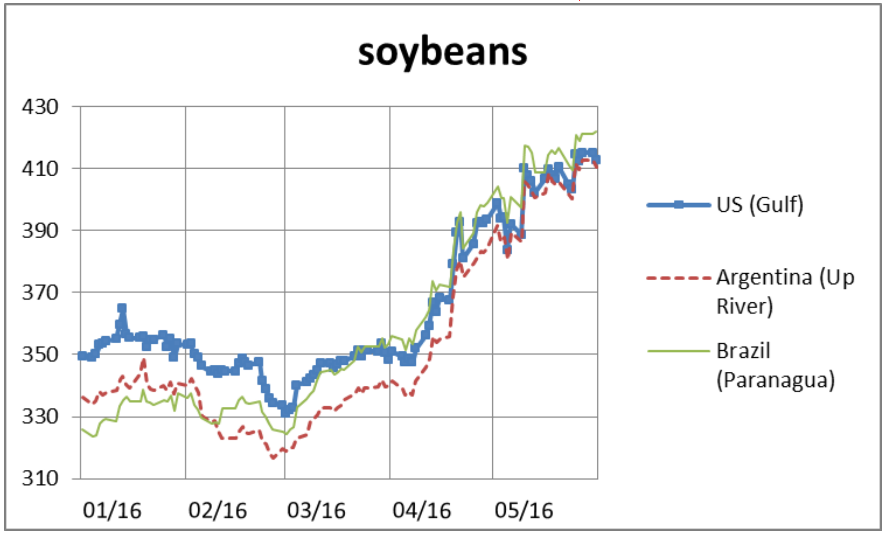
$/ton		31/05/2016	29/04/2016	m/m ($)	01/07/2015	25/05/2015	vs 01 July	y/y
soybeans	*US - Gulf*	413	394	19	417	373	-1%	11%
	Argentina - Up River	411	384	27	397	350	3%	17%
	Brazil - Paranagua	422	399	23	395	361	7%	17%
rapeseed/canola	*EU - Rouen*	423	419	4	450	426	-6%	-1%
	Canada	419	431	-12	459	410	-9%	2%
	Australia	416	421	-5	445	405	-7%	3%
sunflower	*EU - Bordeaux*	433	434	-1	459	456	-6%	-5%
	Black Sea	440	428	13	410	420	7%	5%

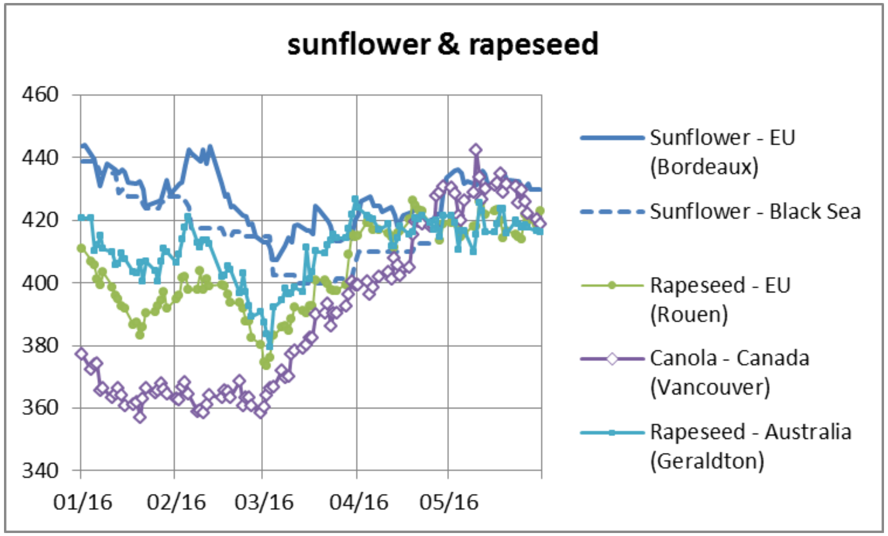
Source: IGC

World market

World prices

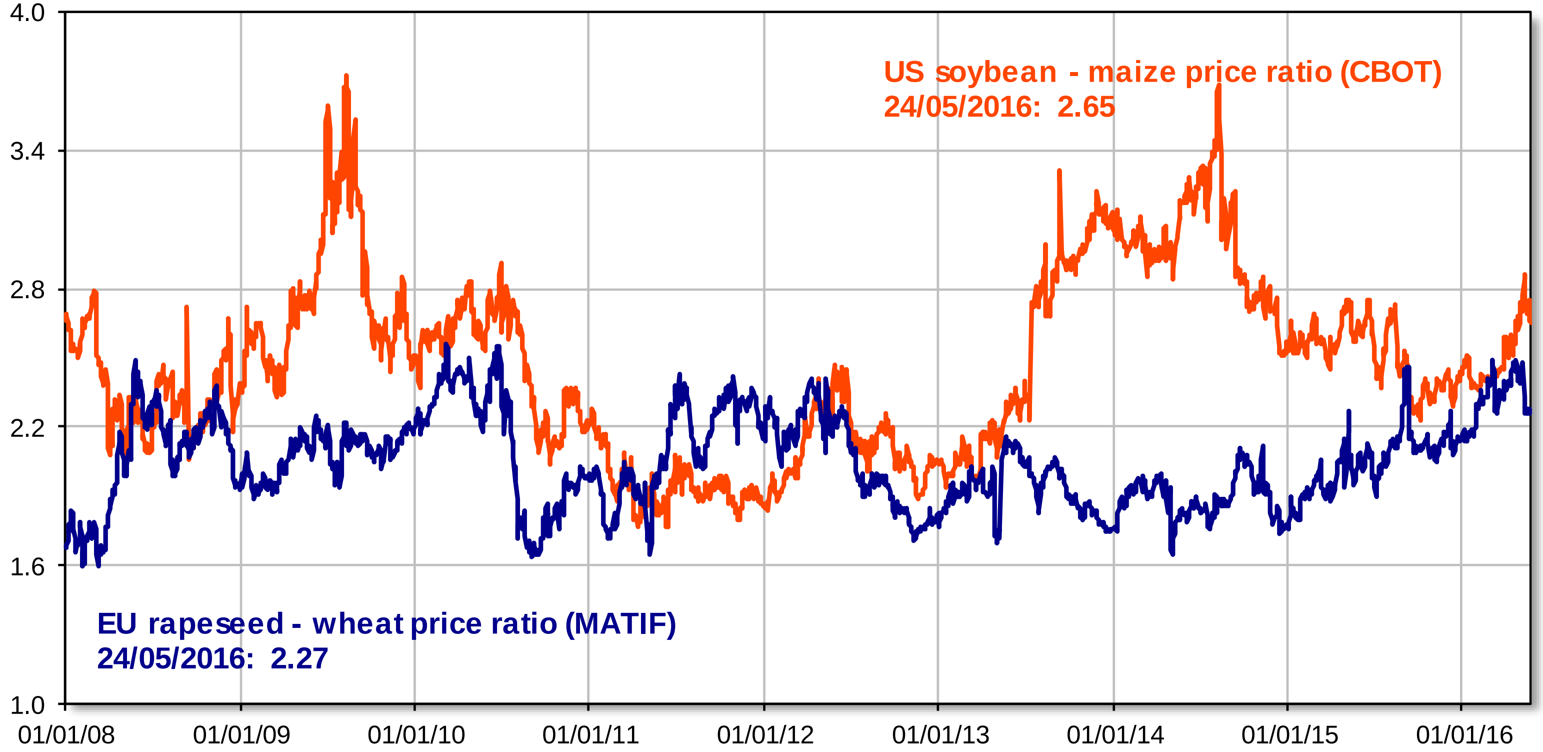






Agriculture and Rural Development

EU rapeseed/wheat price ratio
US soya/maize price ratio

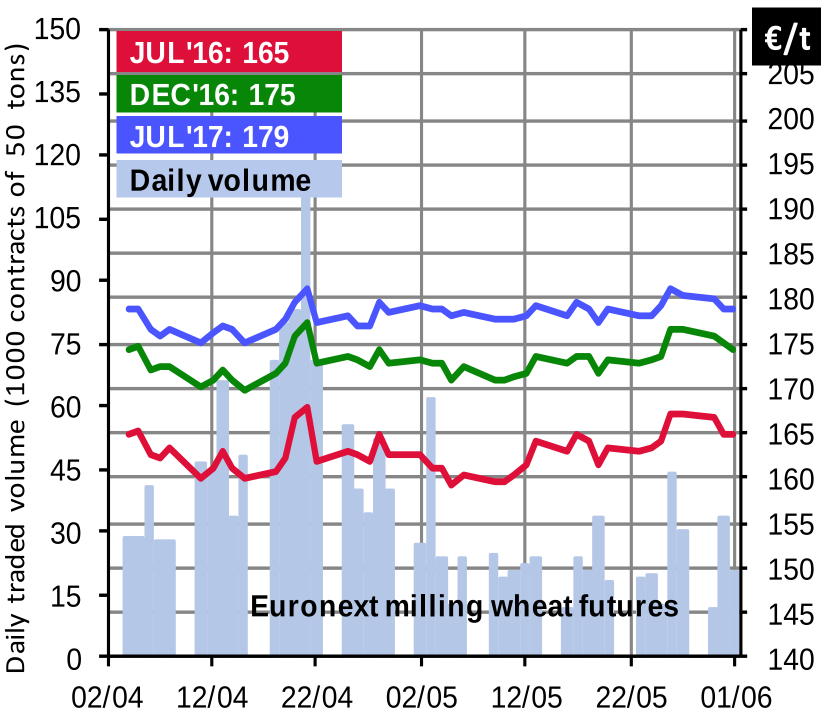


World market

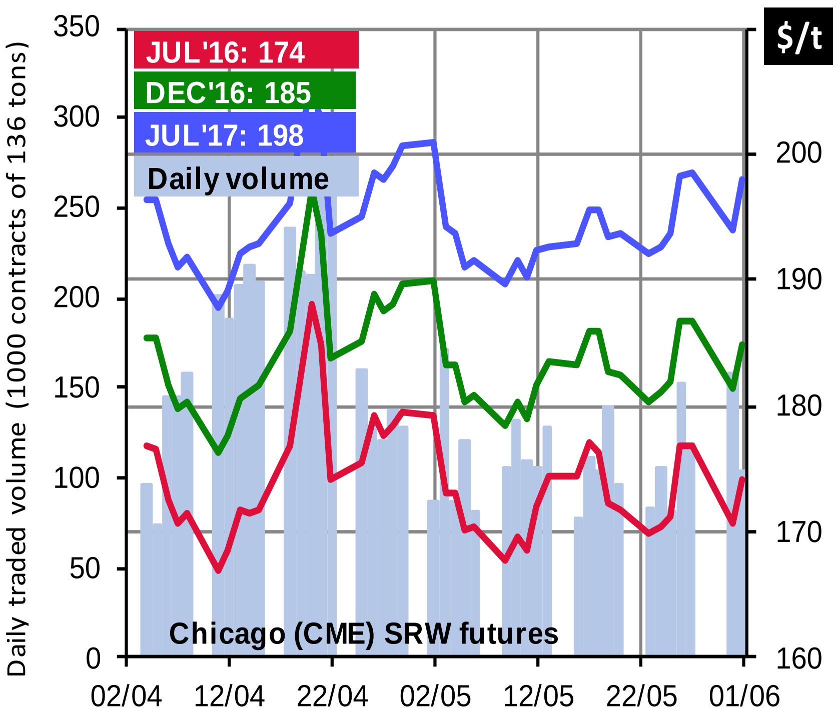
Future prices

European Commission

EU (milling) & US (SRW) wheat futures - 60 days



Source: MATIF



Source: CME

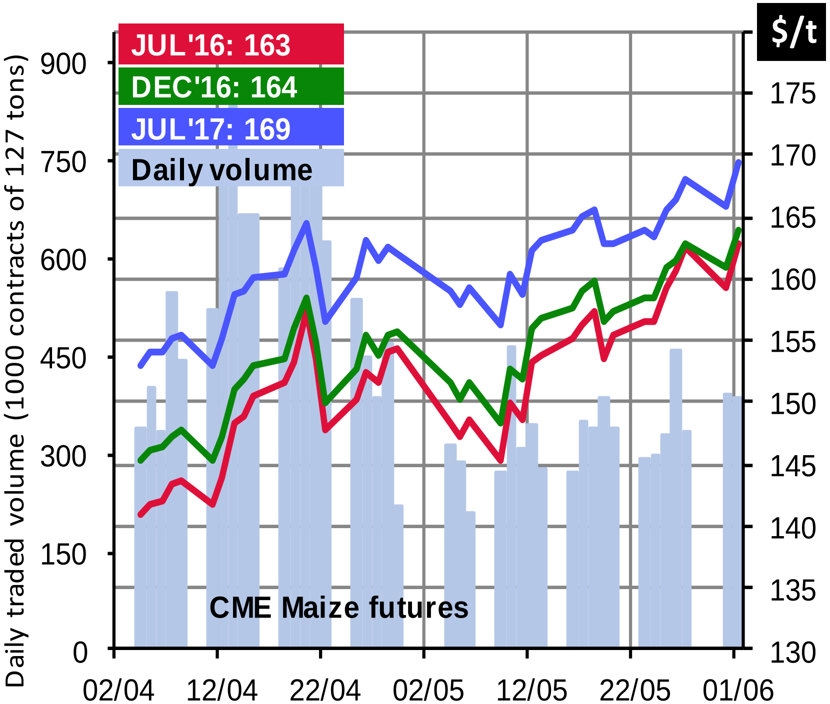
Agriculture and Rural Development

World market

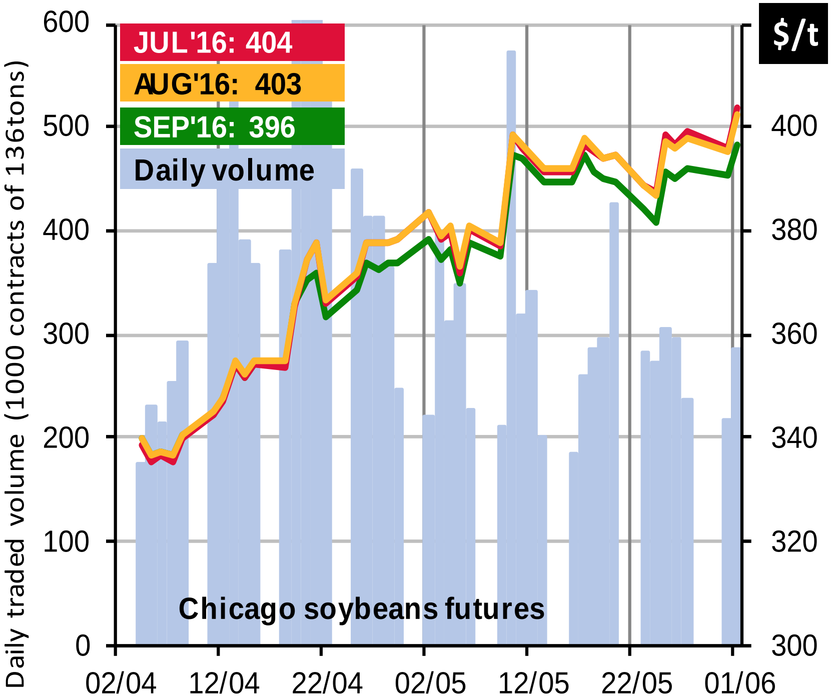
Future prices

European Commission

CME US maize & soybeans futures - 60 days



Source: CME



Source: CME

Agriculture and Rural Development

Cereals, oilseeds and protein crops market situation

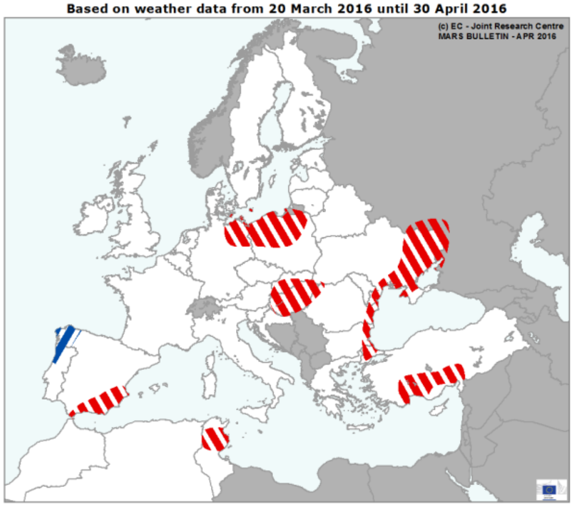
EUmarket

EU market

Crop weather situation (JRC – MARS unit)

AREAS OF CONCERN - EXTREME WEATHER EVENTS

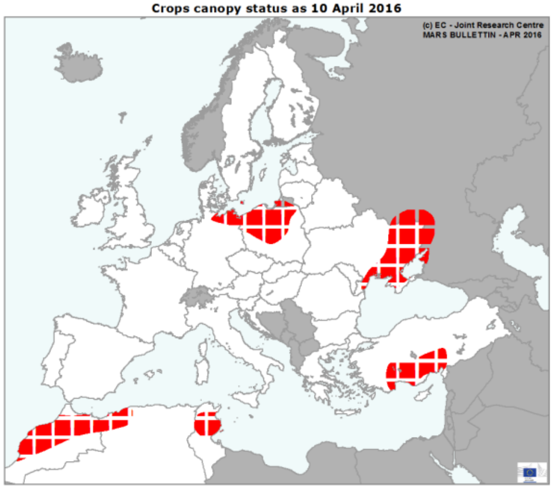
Based on weather data from 20 March 2016 until 30 April 2016



Rain surplus Rain deficit

AREAS OF CONCERN - CANOPY STATUS

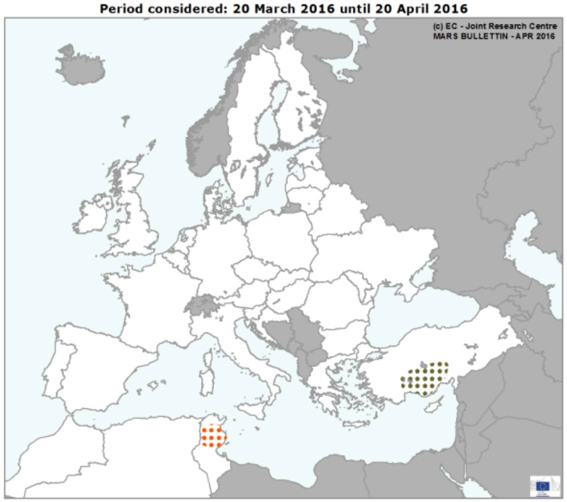
Crops canopy status as 10 April 2016



WINTER CROPS
Underdeveloped canopy status

AREAS OF CONCERN - WINTER CROPS

Period considered: 20 March 2016 until 20 April 2016



Vegetative growth affected Flowering affected

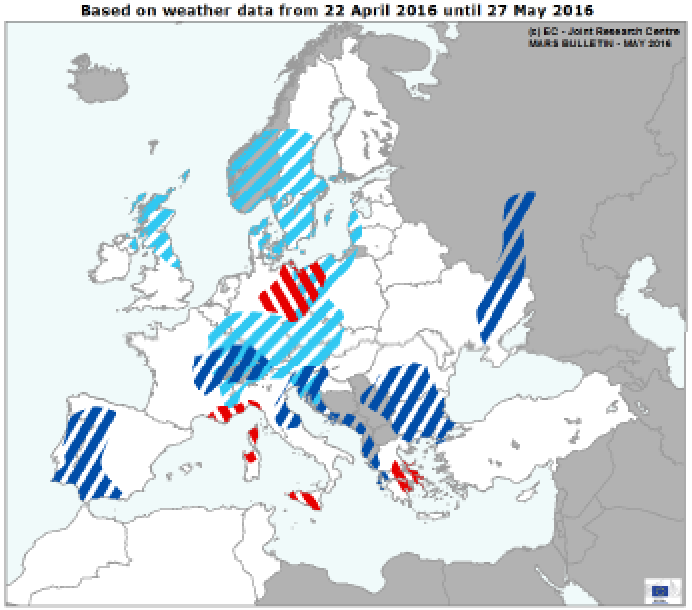
EU market

Crop weather situation (JRC – MARS unit)

European Commission

AREAS OF CONCERN - EXTREME WEATHER EVENTS

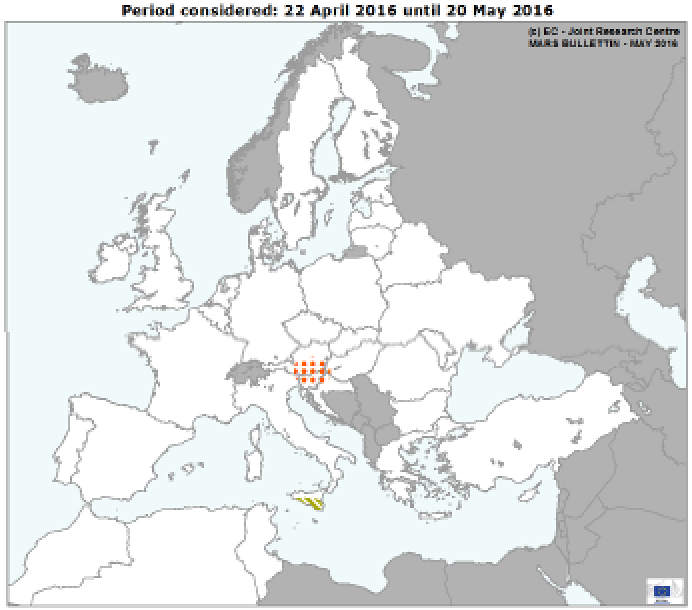
Based on weather data from 22 April 2016 until 27 May 2016



Rain surplus Rain deficit Cold spell

AREAS OF CONCERN - WINTER CROPS

Period considered: 22 April 2016 until 20 May 2016

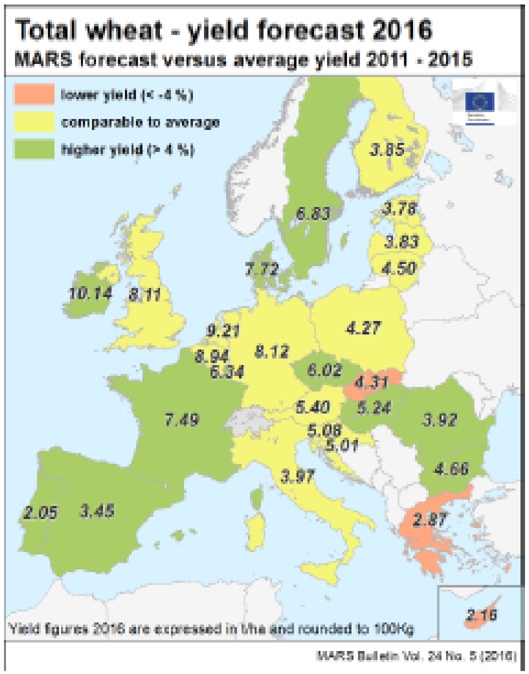


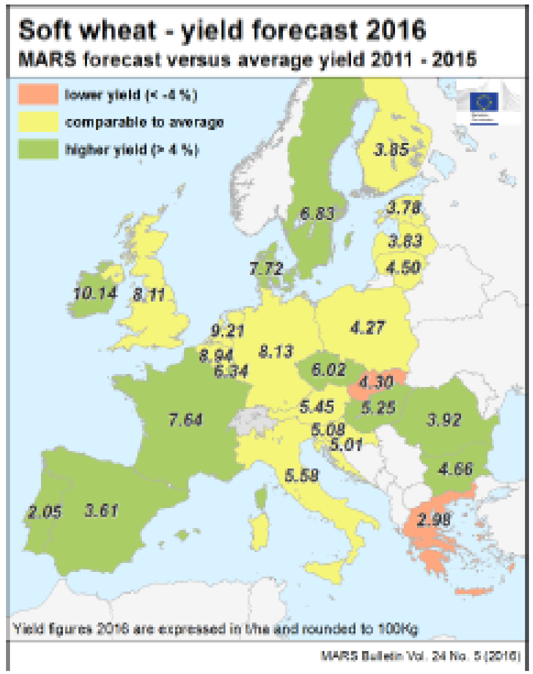
Storage organs affected Flowering affected

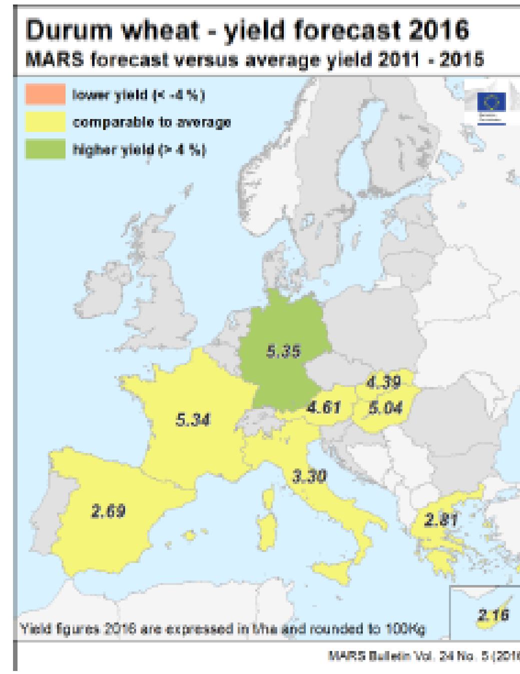
EU market

Crop weather situation (JRC – MARS unit)

European Commission

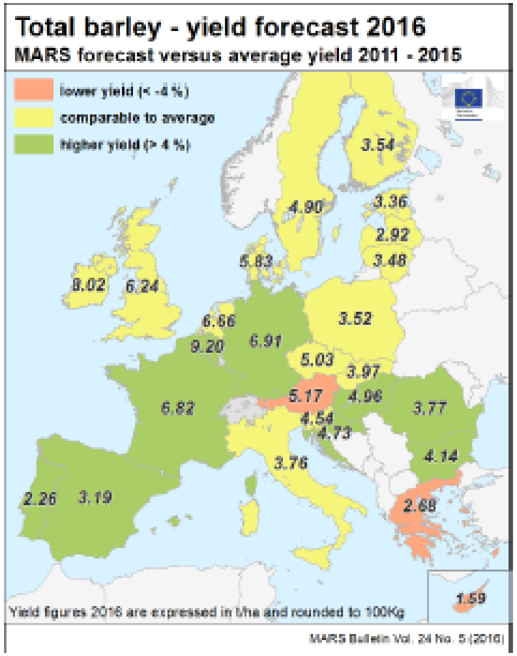


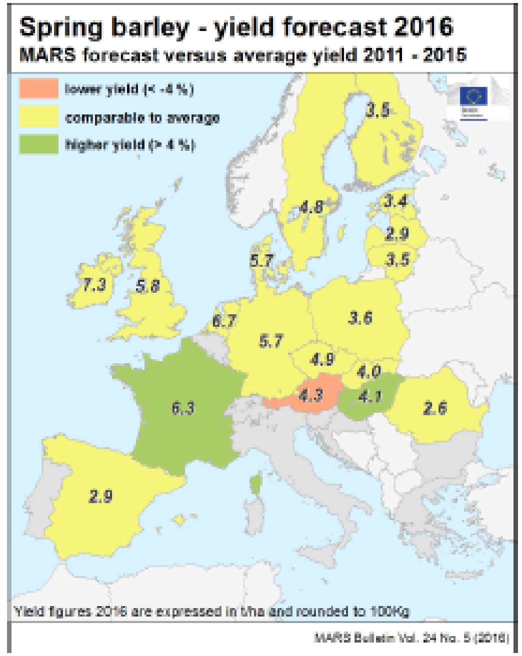


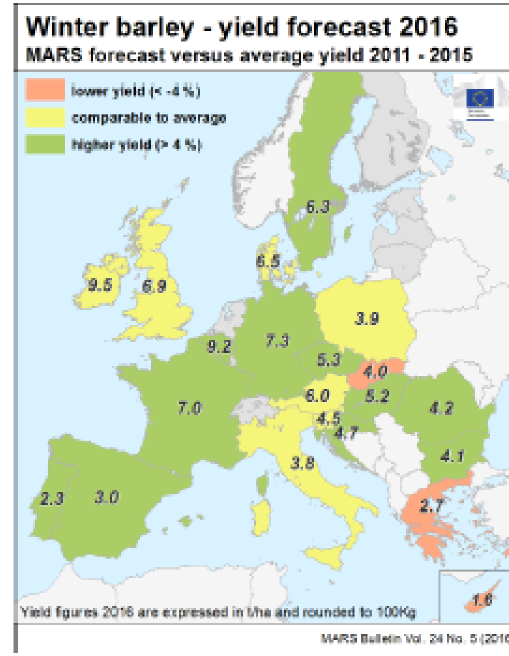


EU market

Crop weather situation (JRC – MARS unit)

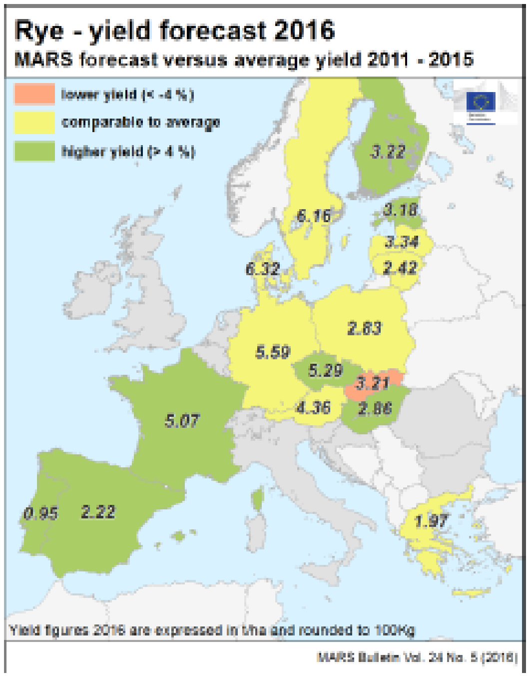


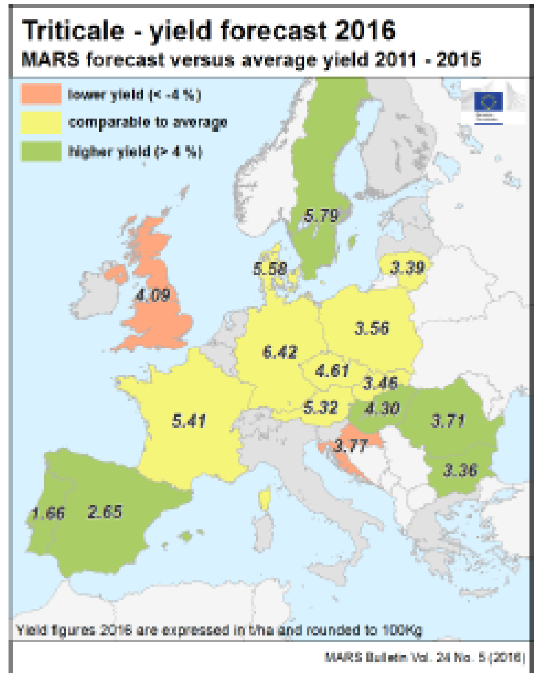


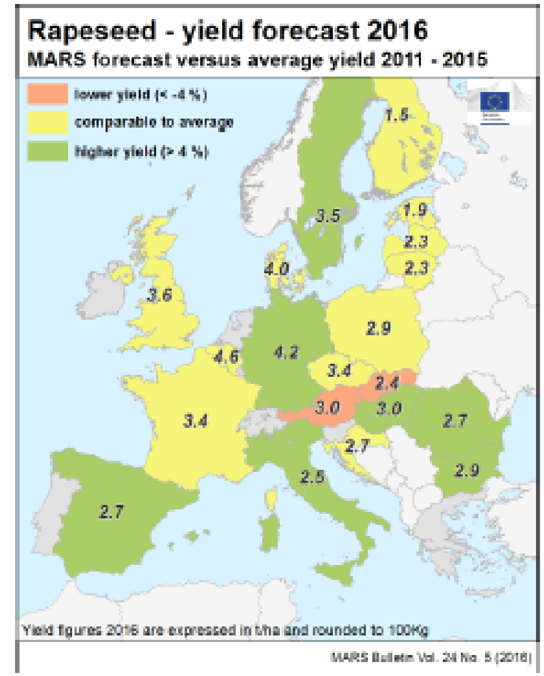


EU market

Crop weather situation (JRC – MARS unit)



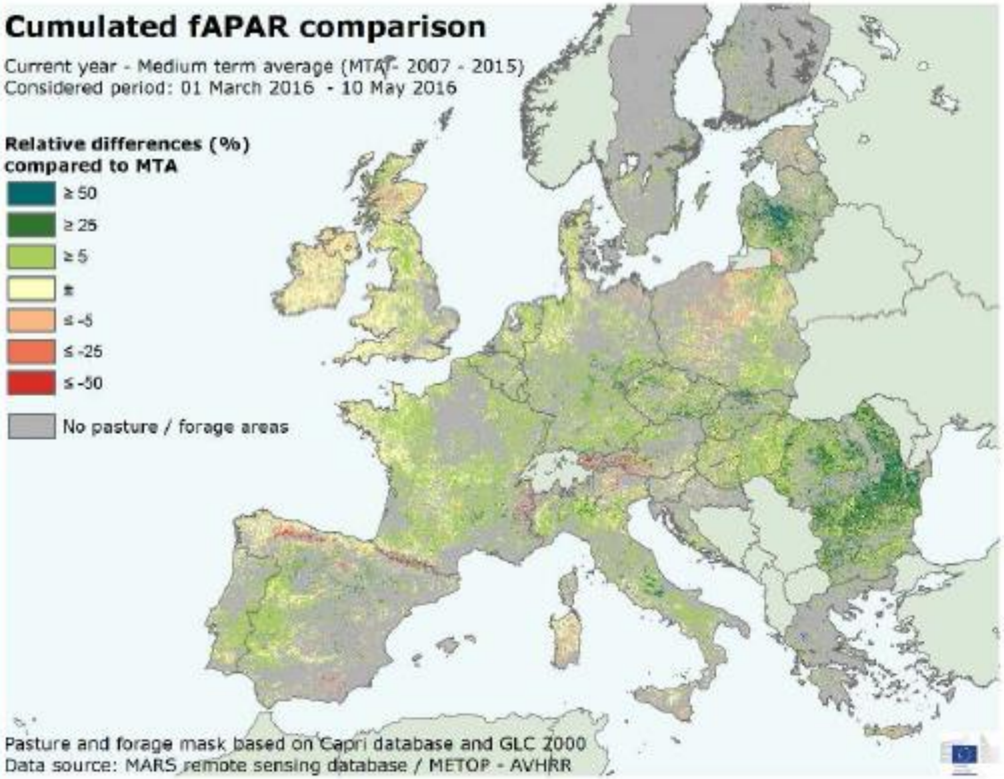


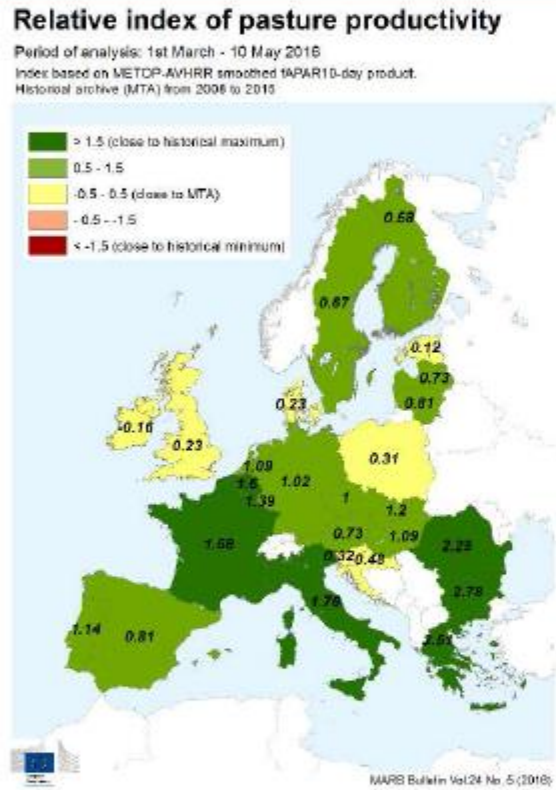


EU market

Crop weather situation (JRC – MARS unit)

European Commission





Agriculture and Rural Development

EU market

Cereals SBS MY 15/16

European Commission

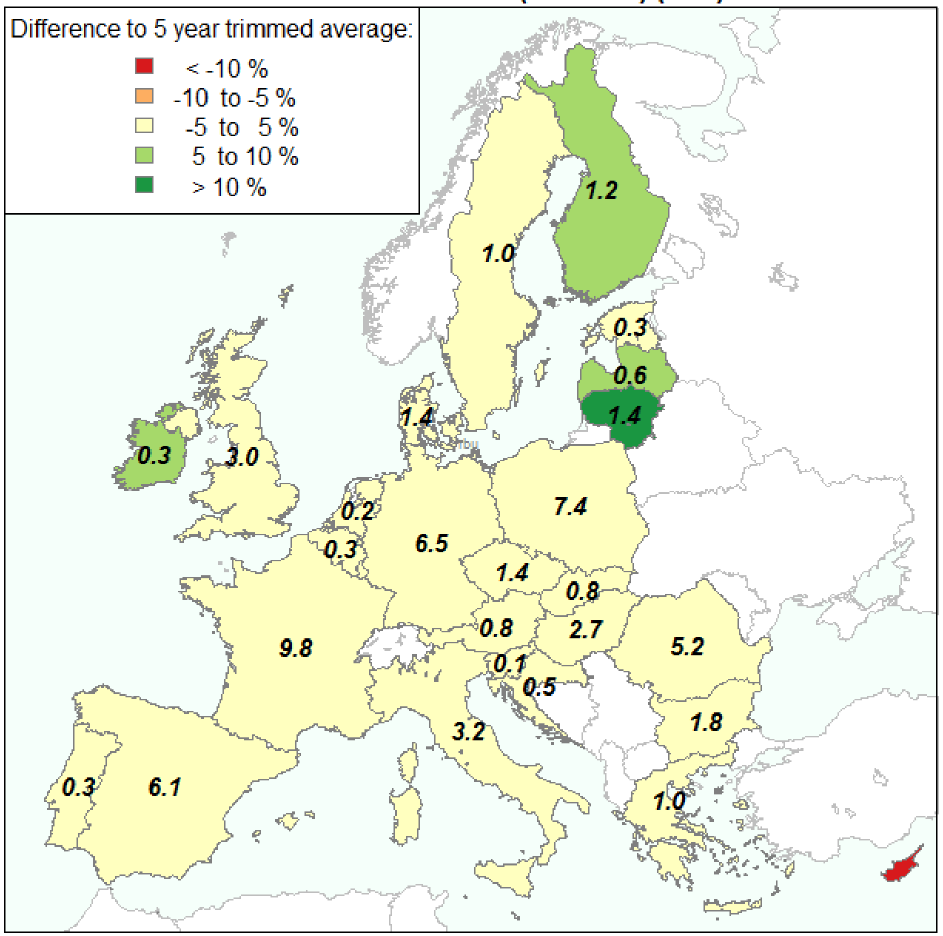
EU-28	Cereals balance sheet:Marketing year: 2015/2016									
May-16	Common									(Mio t)
	wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EUR 28
Beginning stocks (01.07.2015)	**10,9**	**6,3**	**0,8**	**22,5**	**1,6**	**0,3**	**1,3**	**1,1**	**0,5**	**45,3**
Usable production	**151,6**	**60,7**	**8,5**	**58,0**	**7,7**	**0,7**	**7,5**	**12,7**	**3,1**	**310,3**
Import	**3,7**	**0,3**	**2,2**	**13,5**	**0,1**	**0,1**	**0,0**	**0,0**	**0,2**	**20,1**
TOTAL AVAILABILITIES	**166,2**	**67,2**	**11,5**	**94,0**	**9,4**	**1,1**	**8,8**	**13,8**	**3,8**	**375,7**
USE										
- Human	48,0	0,4	8,1	5,0	3,0	0,2	1,2	0,1	0,0	**65,8**
- Seed	4,7	2,3	0,4	0,5	0,5	0,0	0,5	0,5	0,3	**9,6**
- Industrial	10,6	9,3	0,1	10,0	1,5	0,0	0,1	0,6	0,1	**32,3**
of which alcohol										**12,8**
o.w. bioethanol/biofuel	4,5	0,7		4,7	0,8			0,5		**11,2**
- Animal feed	54,5	37,0	0,1	58,5	3,0	0,7	4,8	11,2	3,2	**173,0**
TOTAL USE	**117,8**	**48,9**	**8,7**	**74,0**	**8,0**	**0,9**	**6,5**	**12,3**	**3,6**	**280,7**
Losses (excl on-farm)	0,9	0,4	0,1	0,6	0,1	0,0	0,1	0,1	0,0	**2,2**
Solde disponible	**47,5**	**17,9**	**2,7**	**19,5**	**1,3**	**0,2**	**2,2**	**1,4**	**0,1**	**92,8**
Export	**30,0**	**12,5**	**1,3**	**2,0**	**0,2**	**0,0**	**0,3**	**0,0**	**0,0**	**46,4**
Ending stocks (30.04.2016)	**40,6**	**14,1**	**2,8**	**28,1**	**2,6**	**0,3**	**3,1**	**3,4**	**0,8**	**95,8**
Ending stocks (30.06.2016)	**17,5**	**5,3**	**1,4**	**17,5**	**1,1**	**0,2**	**1,9**	**1,4**	**0,1**	**46,4**

EU market

Cereals area 16/17

European Commission

All cereals area 2016 (mio ha) (est.)



Calculations and cartography: European Commission DG AGRI C4 2016-05-25 © EuroGeographics for the administrative boundaries

EU28 area : 57.5 (mio ha) Difference to 5 year trimmed average: 0 %

Agriculture and Rural Development

European Commission

EU 28- 2016 areas Forecasts

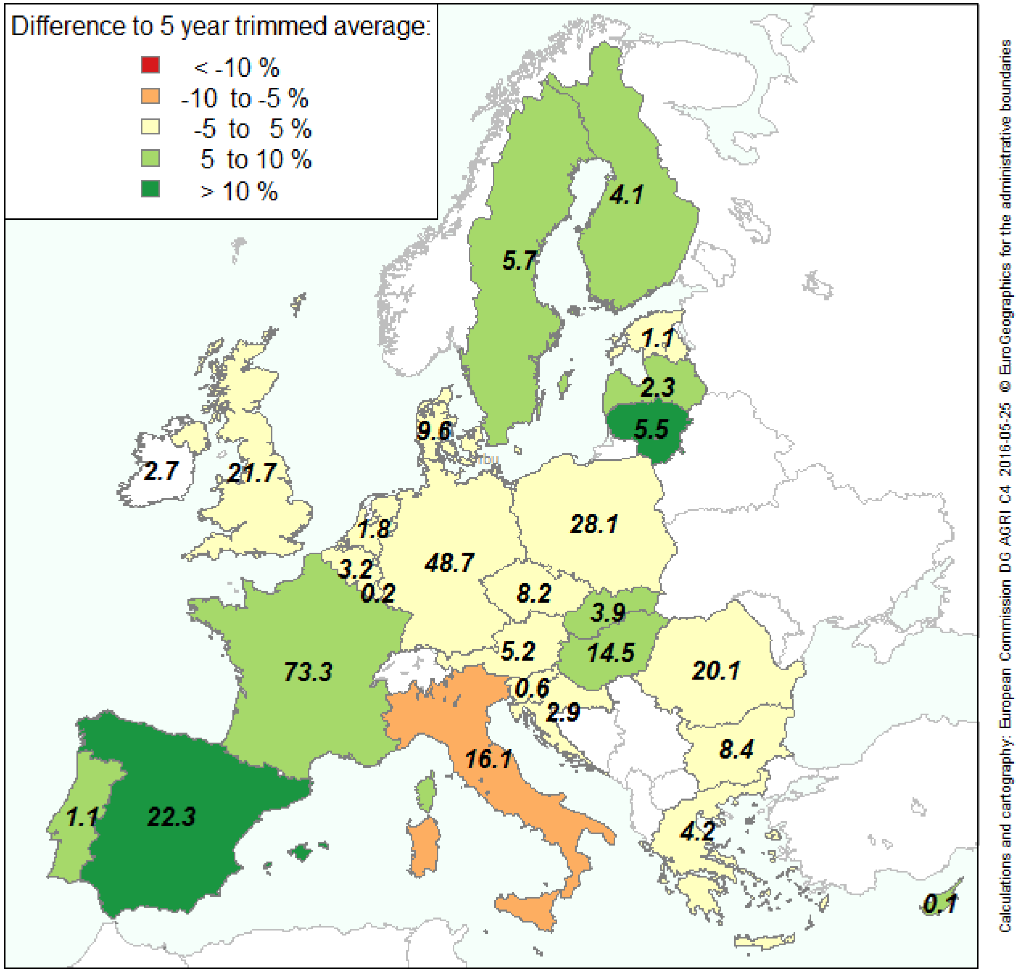
EU EVOL CEREALS AREA					
Mio ha	2014	2015	2016 April fcst	2016 May fcst	% change 2015/2016
TOTAL	**58,1**	**56,9**	**57,8**	**57,5**	1,0
Soft wheat	24,4	24,3	24,1	24,0	-1,2
Durum wheat	2,3	2,5	2,6	2,6	6,1
Barley	12,4	12,2	12,6	12,6	3,6
Maize	9,6	9,0	9,4	9,3	3,3
Rye	2,1	2,0	2,1	2,1	7,7
Oats	2,5	2,5	2,6	2,6	2,6
Sources : DG AGRI - C4					

EU market

Cereals production 16/17

European Commission

All cereals production 2016 (mio t) (est.)



EU28 production : 312.8 (mio t)   Difference to 5 year trimmed average: 4 %

European Commission

EU 28- 2016 Production Forecasts

EU EVOL CEREALS USABLE PRODUCTIONS

Mio t	2014/2015	2015/2016	2016/2017 April fcst	2016/2017 May fcst	%change 2015/2016
TOTAL	**329,2**	**310,3**	**309,8**	**312,8**	0,8
Soft wheat	148,7	151,6	142,8	145,1	-4,3
Durum wheat	7,6	8,5	8,8	8,8	3,5
Barley	60,2	60,7	61,7	62,2	2,5
Maize	77,9	58,0	65,3	65,8	13,4
Rye	8,7	7,7	8,0	7,9	2,6
Oats	7,7	7,5	7,6	7,6	1,3

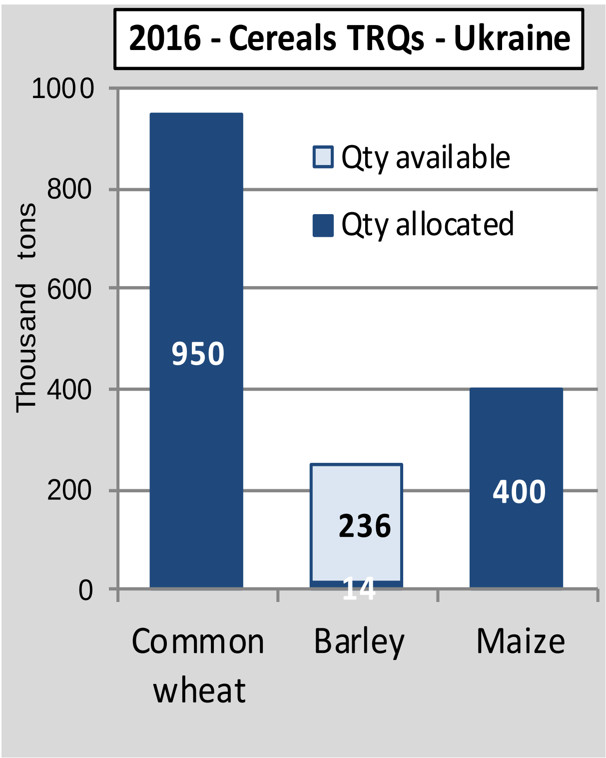
Sources : DG AGRI -C4

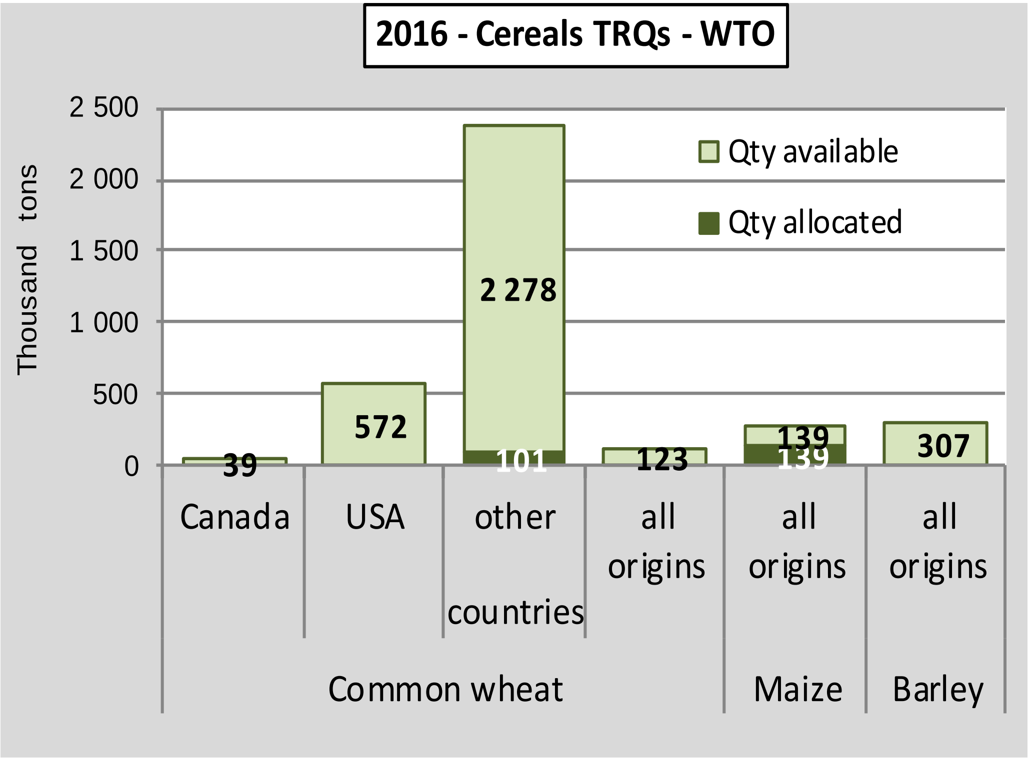
European Commission

EU-28 May-16	Cereals balance sheet:Marketing year: 2016/2017 Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	(Mio t) EUR 28
Beginning stocks (01.07.2016)	**17,5**	**5,3**	**1,4**	**17,5**	**1,1**	**0,2**	**1,9**	**1,4**	**0,1**	**46,4**
Usable production	**145,1**	**62,2**	**8,8**	**65,8**	**7,9**	**0,6**	**7,6**	**10,9**	**3,9**	**312,8**
Import	**3,3**	**0,2**	**1,9**	**11,3**	**0,1**	**0,1**	**0,0**	**0,0**	**0,1**	**17,1**
TOTAL AVAILABILITIES	**165,9**	**67,7**	**12,2**	**94,5**	**9,2**	**1,0**	**9,5**	**12,2**	**4,2**	**376,2**
USE										
- Human	48,0	0,4	8,1	5,0	3,0	0,2	1,2	0,1	0,0	**65,9**
- Seed	4,7	2,3	0,4	0,5	0,5	0,0	0,5	0,5	0,3	**9,6**
- Industrial	11,0	9,2	0,1	10,1	1,4	0,0	0,1	0,6	0,1	**32,6**
of which alcohol										**13,1**
o.w. bioethanol/biofuel	4,9	0,6		4,8	0,7			0,5		**11,5**
- Animal feed	53,9	37,6	0,1	60,0	3,0	0,7	4,8	10,1	3,2	**173,4**
TOTAL USE	**117,6**	**49,4**	**8,7**	**75,6**	**7,9**	**0,9**	**6,5**	**11,2**	**3,6**	**281,5**
Losses (excl on-farm)	0,9	0,4	0,1	0,6	0,1	0,0	0,1	0,1	0,0	**2,2**
Solde disponible	**47,4**	**17,8**	**3,5**	**18,4**	**1,2**	**0,1**	**2,9**	**0,9**	**0,5**	**92,5**
Export	**29,0**	**10,0**	**1,3**	**2,9**	**0,1**	**0,0**	**0,2**	**0,0**	**0,0**	**43,6**
Ending stocks (30.06.2017)	**18,4**	**7,8**	**2,2**	**15,5**	**1,0**	**0,1**	**2,7**	**0,9**	**0,5**	**49,0**

EU market

Cereals TRQs

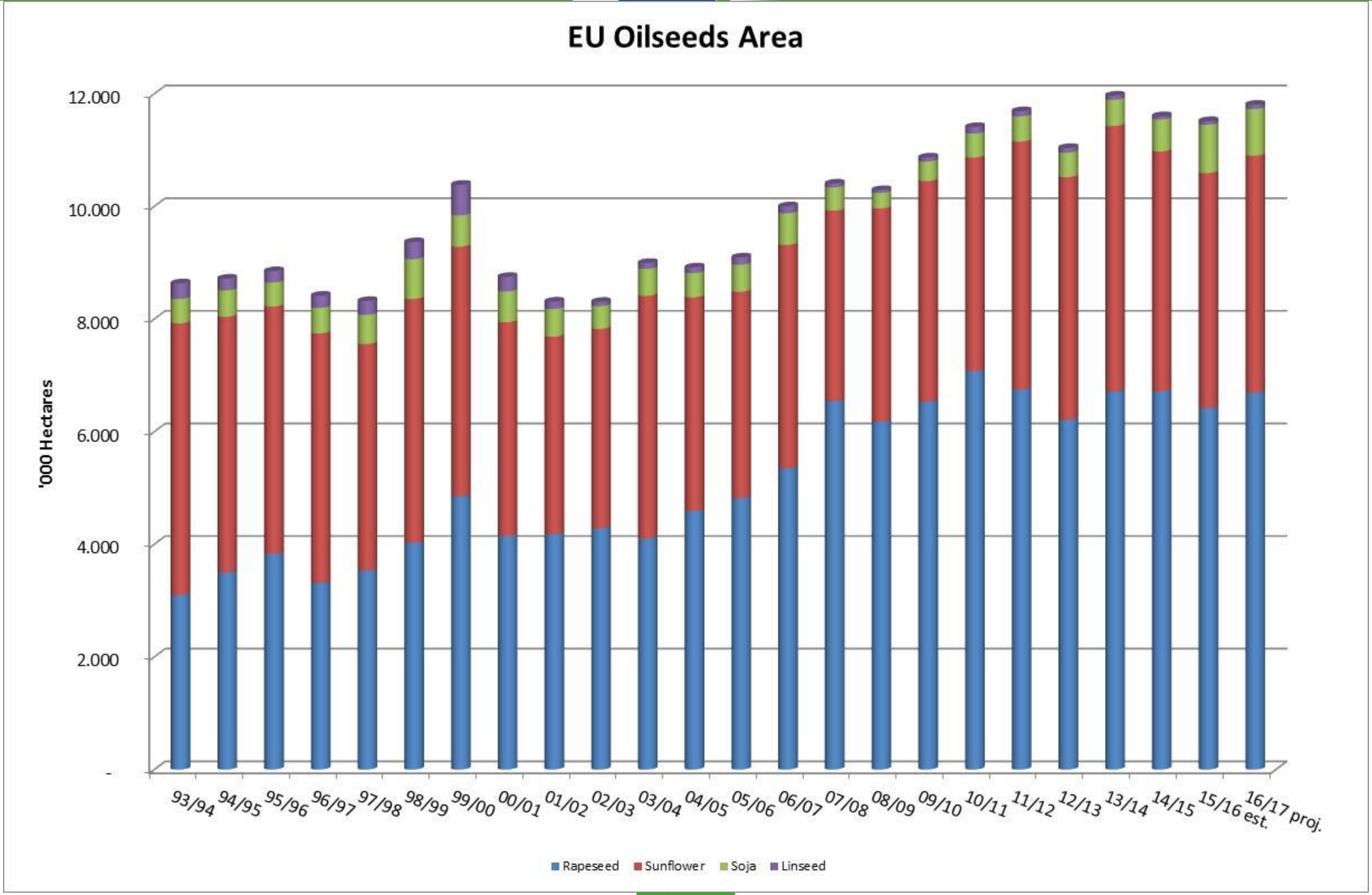




Source: European Commission – DG AGRI

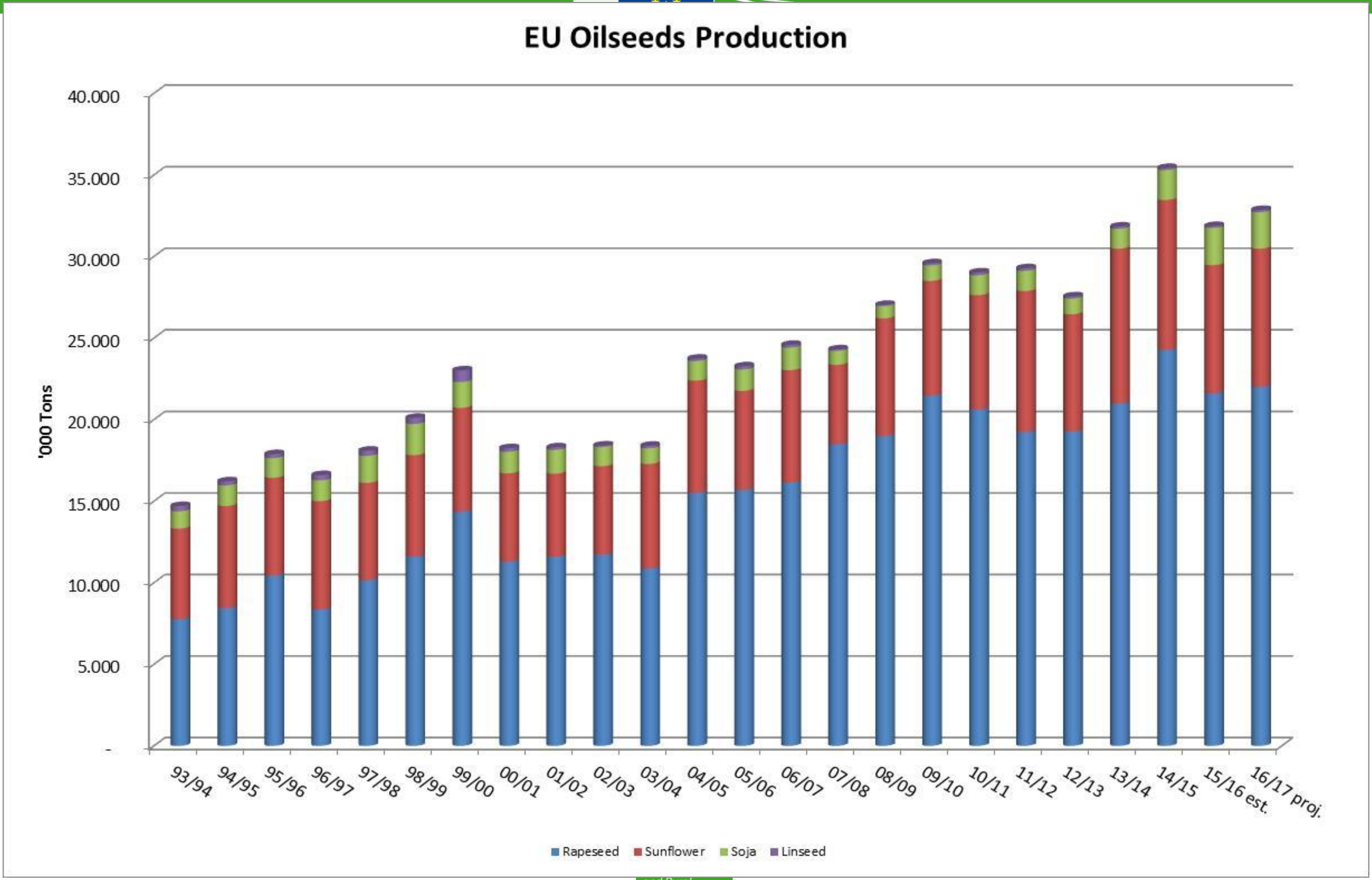
EU market

Oilseeds area 1993 - 2016



EU market

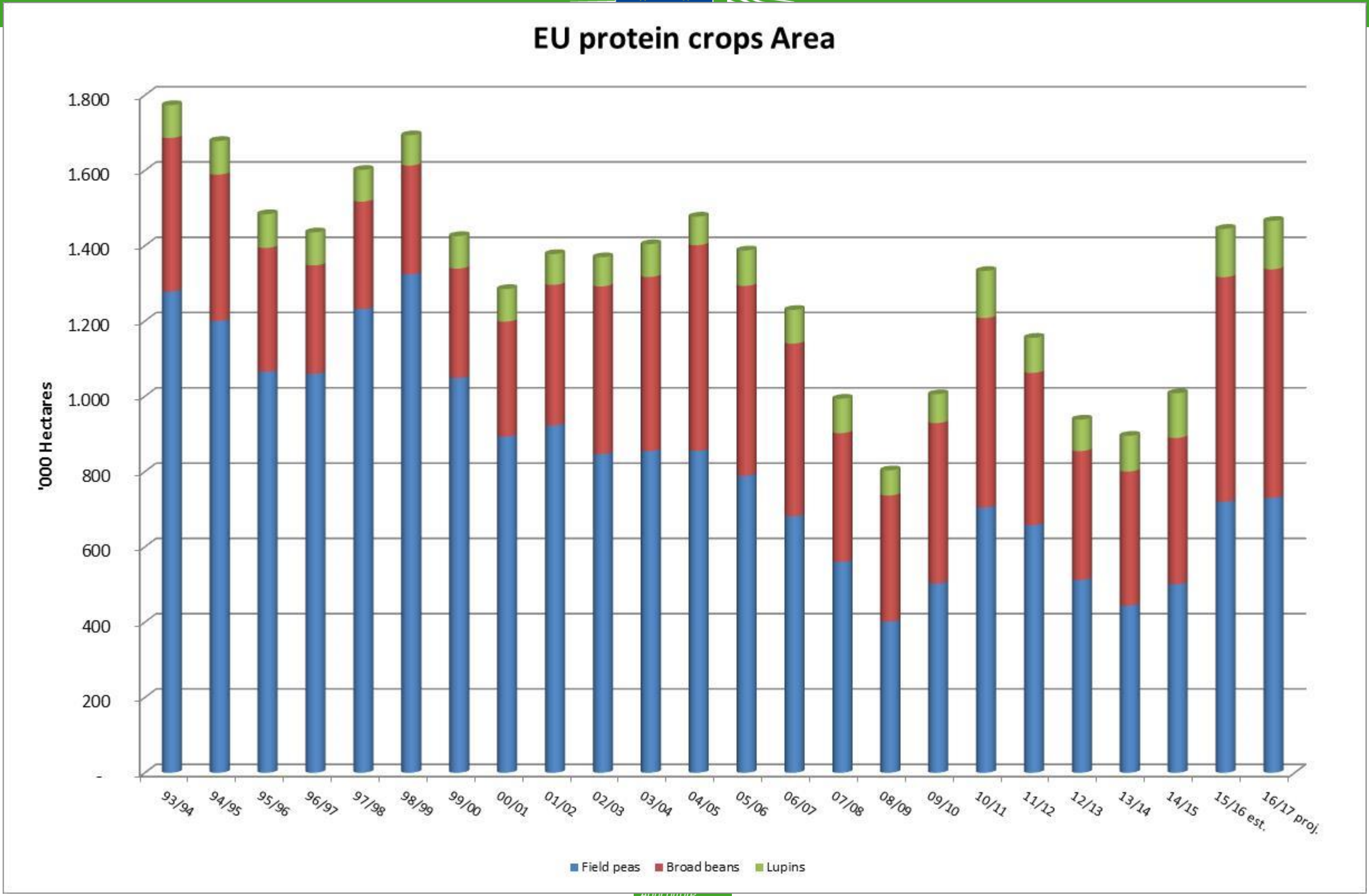
Oilseeds production 1993 - 2016



and Rural
Development

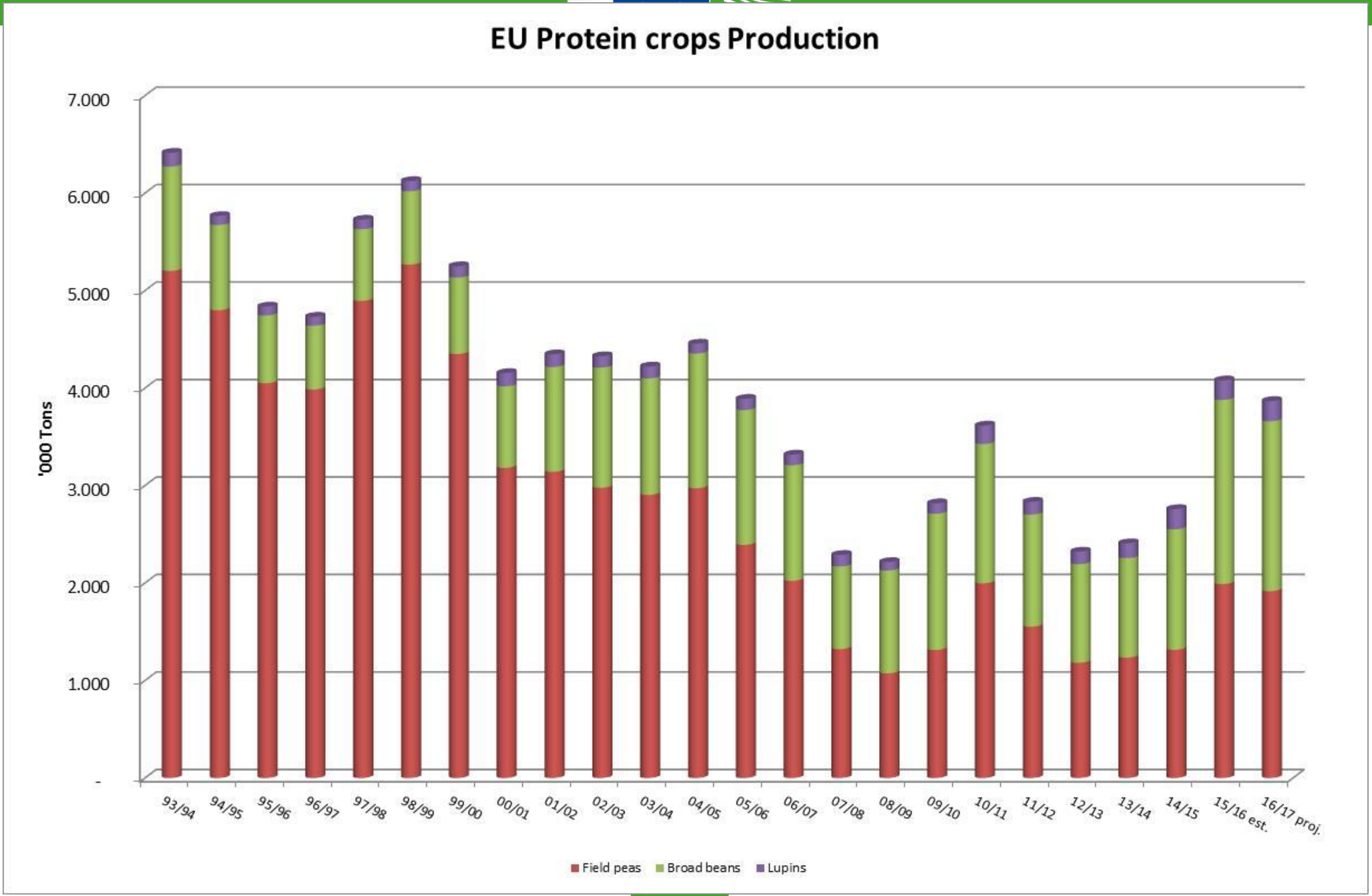
EU market

Protein crops area 1993 - 2016



EU market

Protein crops production 1993 - 2016



EU market

Oilseeds & Protein crops area 2016/17

European Commission

EU OILSEEDS & PROTEIN CROPS (Area)

Mio ha	AVG 5 yrs trimmed	2015/16	2016/17 April 2016	2016/17 May 2016	%change 2015/16	%change 5yrs trimmed
Rapeseed	6,61	6,42	6,69	6,69	4,3	1,2
Sunflower	4,33	4,18	4,20	4,21	0,8	-2,7
Soja	0,49	0,86	0,77	0,83	-3,5	67,9
Linseed	0,08	0,07	0,08	0,08	15,3	1,7
TOTAL	11,51	11,52	11,74	11,81	2,5	2,6
Field peas	0,56	0,72	0,72	0,73	1,5	31,1
Broad beans	0,38	0,60	0,60	0,61	1,7	58,4
Sweet lupins	0,10	0,13	0,13	0,13	0,2	25,8
TOTAL	1,04	1,44	1,45	1,47	1,5	40,7

Sources : DG AGRI/C/4

EU market

Oilseeds & Protein crops production 2016/17

European Commission

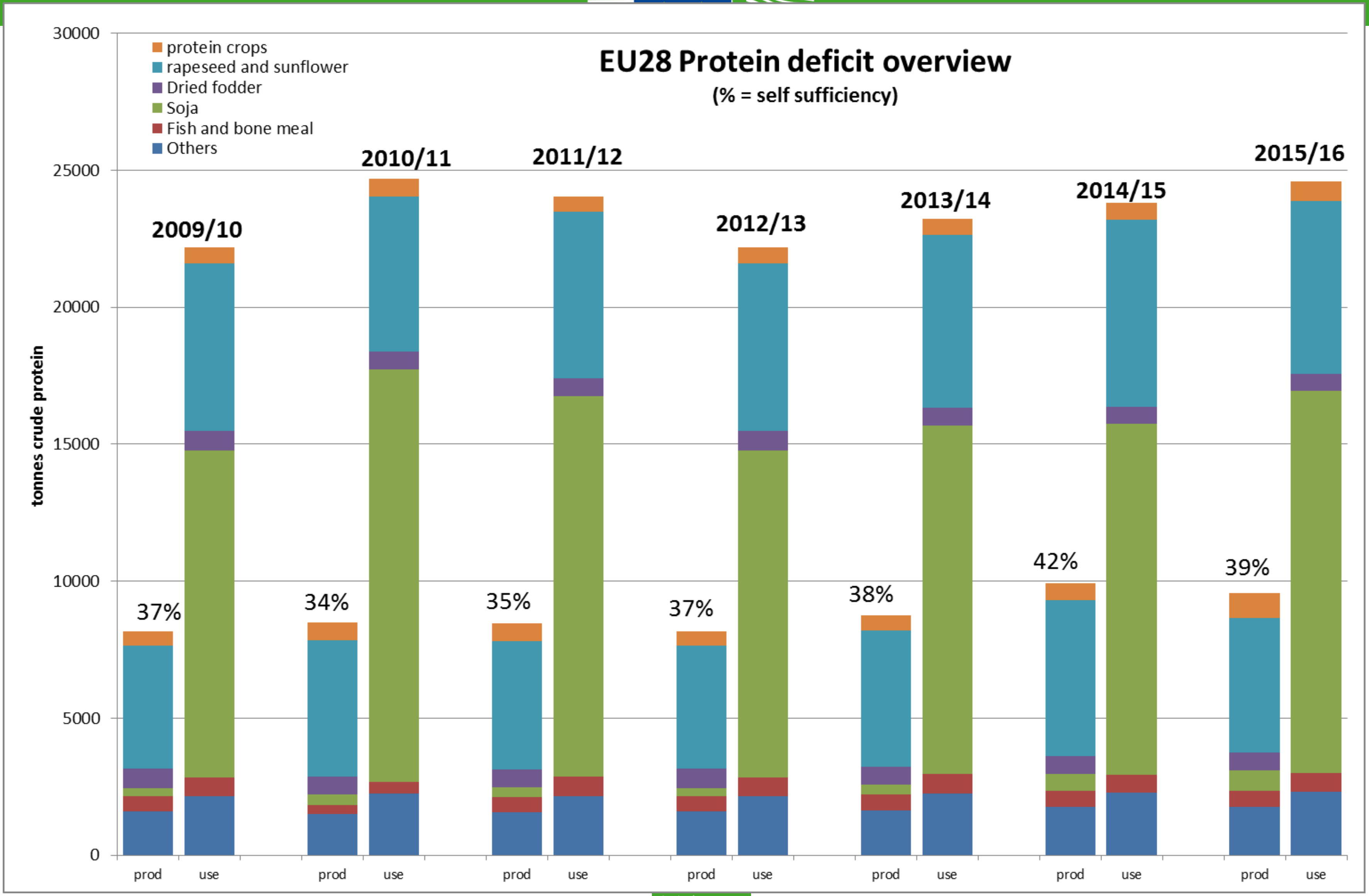
EU OILSEEDS & PROTEIN CROPS PRODUCTION

Mio t	AVG 5 yrs trimmed	2015/16	2016/17 April 2016	2016/17 May 2016	%change 2015/16	%change 5yrs trimmed
Rapeseed	20,6	21,6	22,3	22,0	1,9	6,8
Sunflower	8,6	7,9	8,2	8,5	7,7	-1,2
Soja	1,4	2,3	2,1	2,2	-1,9	56,4
Linseed	0,1	0,1	0,1	0,1	14,2	0,8
TOTAL	30,8	31,9	32,7	32,9	3,1	6,8
Field peas	1,4	2,0	1,9	1,9	-3,7	40,1
Broad beans	1,1	1,9	1,7	1,7	-7,7	53,5
Sweet lupins	0,2	0,2	0,2	0,2	4,0	29,3
TOTAL	2,7	4,1	3,8	3,9	-5,2	45,2

Sources : DG AGRI/C/4

Oilseeds & protein crops

EU Market



Conclusions

1. World market

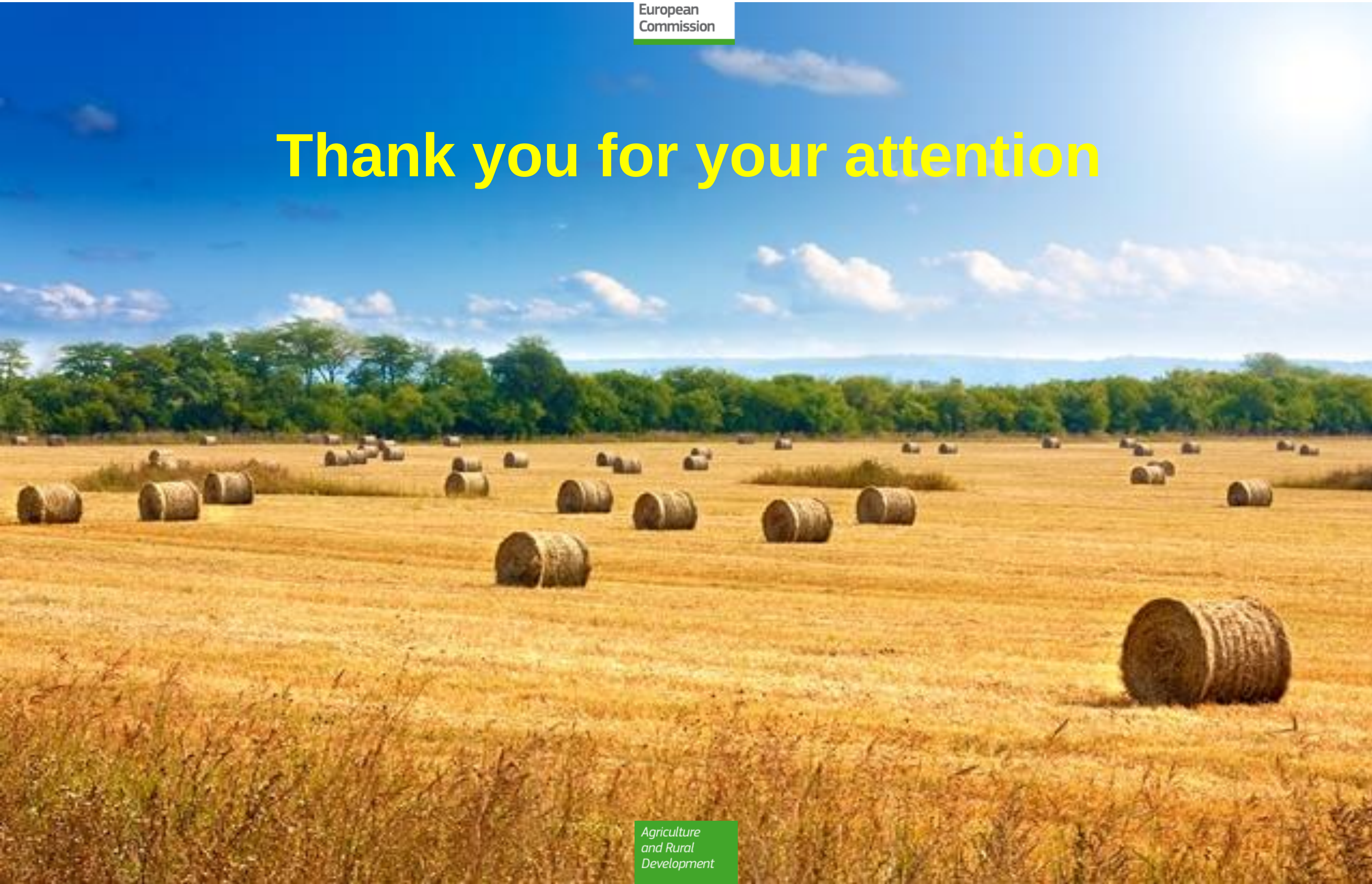
- **Weather:** generally good weather conditions for crops (wheat, maize, soybeans) growth and field work in both hemispheres.
- **Supplies:** ample 2016/17 supplies for cereals and oilseeds with volumes slightly higher than in 2015/16.
- **Prices:** some weather concerns and reduction in stocks due to greater demand give some support to export prices over the last two months:
  - Export prices higher y/y for maize and soybeans
  - Export prices still lower y/y for wheat and barley despite an increase over the two last months

2. EU market:

- **Weather:** generally good weather conditions with some concerns in central and eastern EU end April when severe frost occurred (possible negative impact on rapeseed at flowering and maize at emergence stage); no major concerns for spring sowings (barley, sunflower, maize).
- **Cereals Supply Balance Sheets**:
  - 2015/16 : Slight increase of total ending stocks, but large increase for common wheat;
  - 2016/17: Slight increase in use for animal feed / Increase of ending stocks
- **Oilseeds**: 2016/17 area and production increase (+2.5 % and 3.1 % y/y)
- **Protein crops**: protein area increases (+1.5 % y/y) while production decreases (-5.2 %)
- **Trade:** Wheat TRQ Ukraine filled (950 000 t)
- **Protein deficit :** 61 % in 2015/16 (58 % in 2014/15)

European Commission

Thank you for your attention



Agriculture and Rural Development