Arable Crops market situation

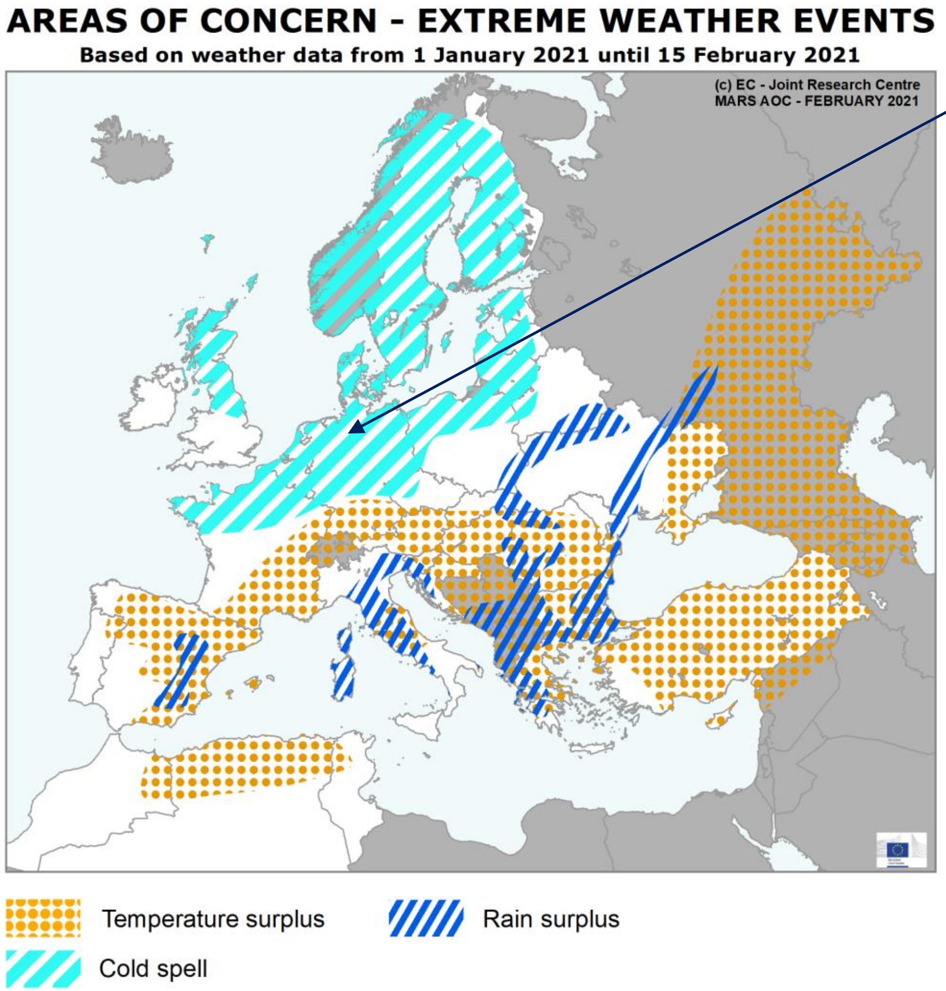
Civil Dialogue Group – Cereals, Oilseeds and Protein Crops

5 March 2021

Agrometeorological conditions

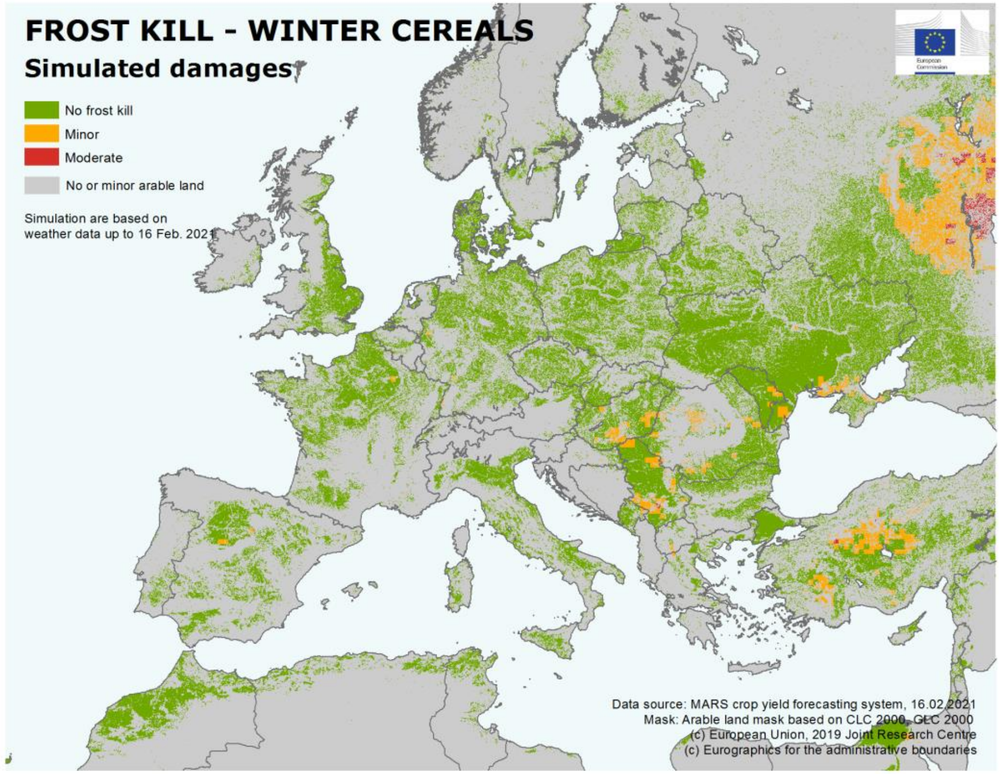
European Commission

Extreme weather events



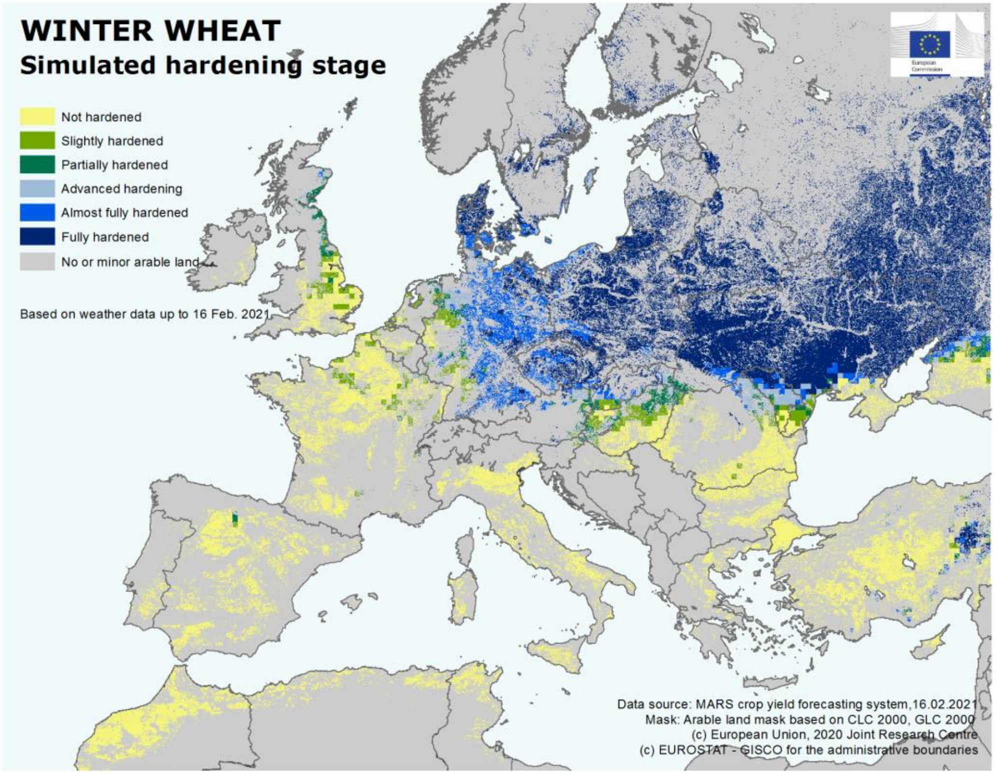
- **Three cold spells** since beginning January:
  1) Beginning January: southwestern Europe (Spain, storm Filomena)
  2) Mid-January: 1-2 days; Poland, Baltic region
  3) First half of February: record low temperatures; 7-8 days; northern Europe, northern Poland, Germany, Benelux, northern France, Hungary.
  - Limited impacts
- **Temperature surplus** in southern Europe
  - Persisting warm anomaly in south-eastern Europe since almost end of Autumn; hardening process of winter cereals impacted to some extent
- **Abundant rainfall** in Italy, Balkan region, Romania, Bulgaria, Greece, and eastern Spain.

Winter hardening and frost kill (I)



- **Exceptional low temperatures** between 7-14 February
  - -20°C central Germany, -15°C central Europe, -10°C eastern France and Benelux
  - Limited impact: cold spell affected mainly areas where winter cereals had reached advanced hardening stage + snow layer
- Minor frost-kill damage in western Germany, eastern France, Hungary and south-eastern Europe due to lack of frost resistance and absence of snow cover.

Winter hardening and frost kill (II)

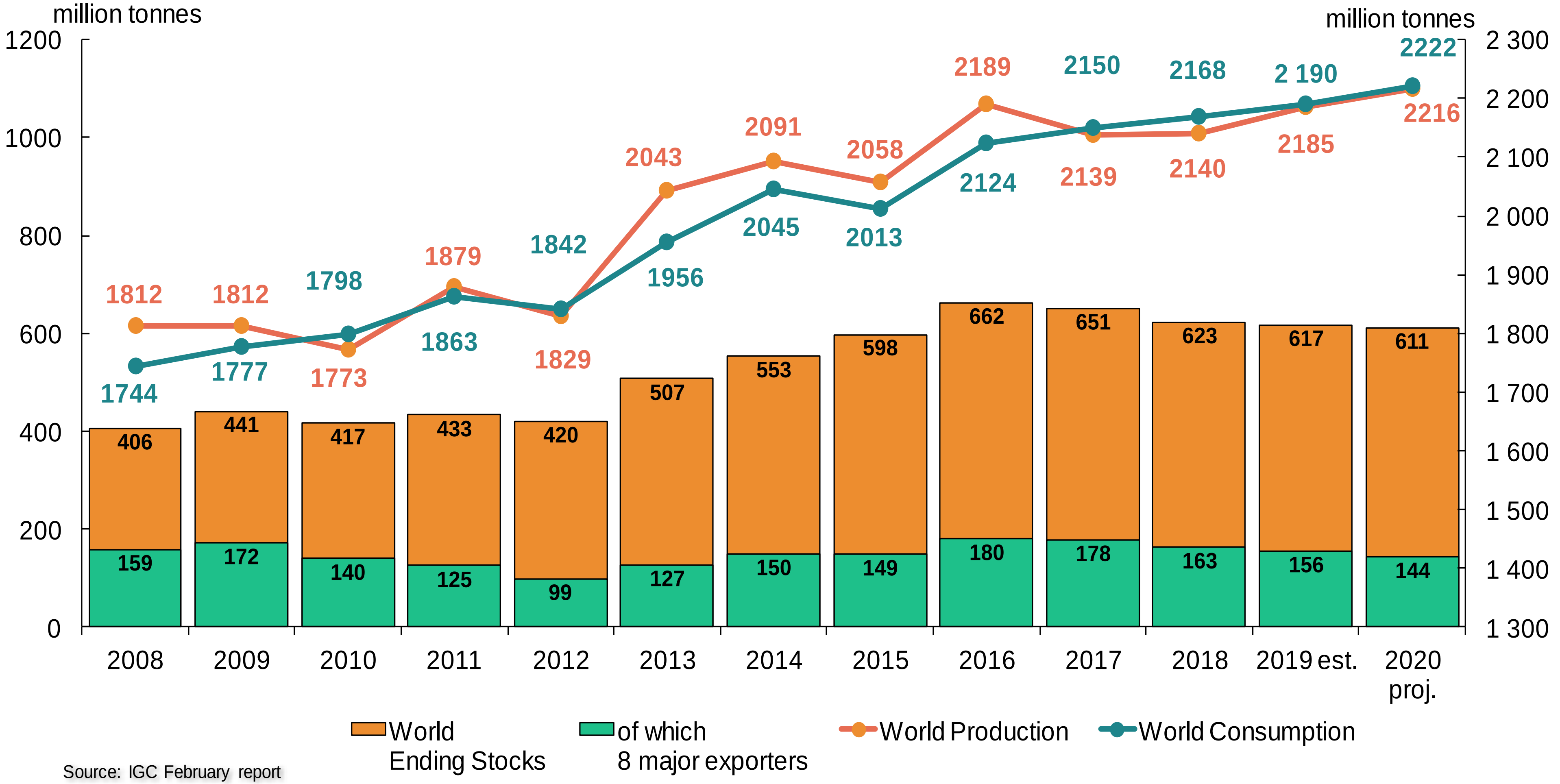


- Winter cereals currently show high variability in **frost tolerance** levels across Europe:
  - Fully hardened: most parts of eastern and northern Europe.
  - Almost fully hardened: central Europe.
  - Partially hardened: western Germany, Benelux, eastern France.
  - Not hardened: the rest of western Europe.
  - Loss of hardening: south-eastern Europe.

World Cereals Forecasts

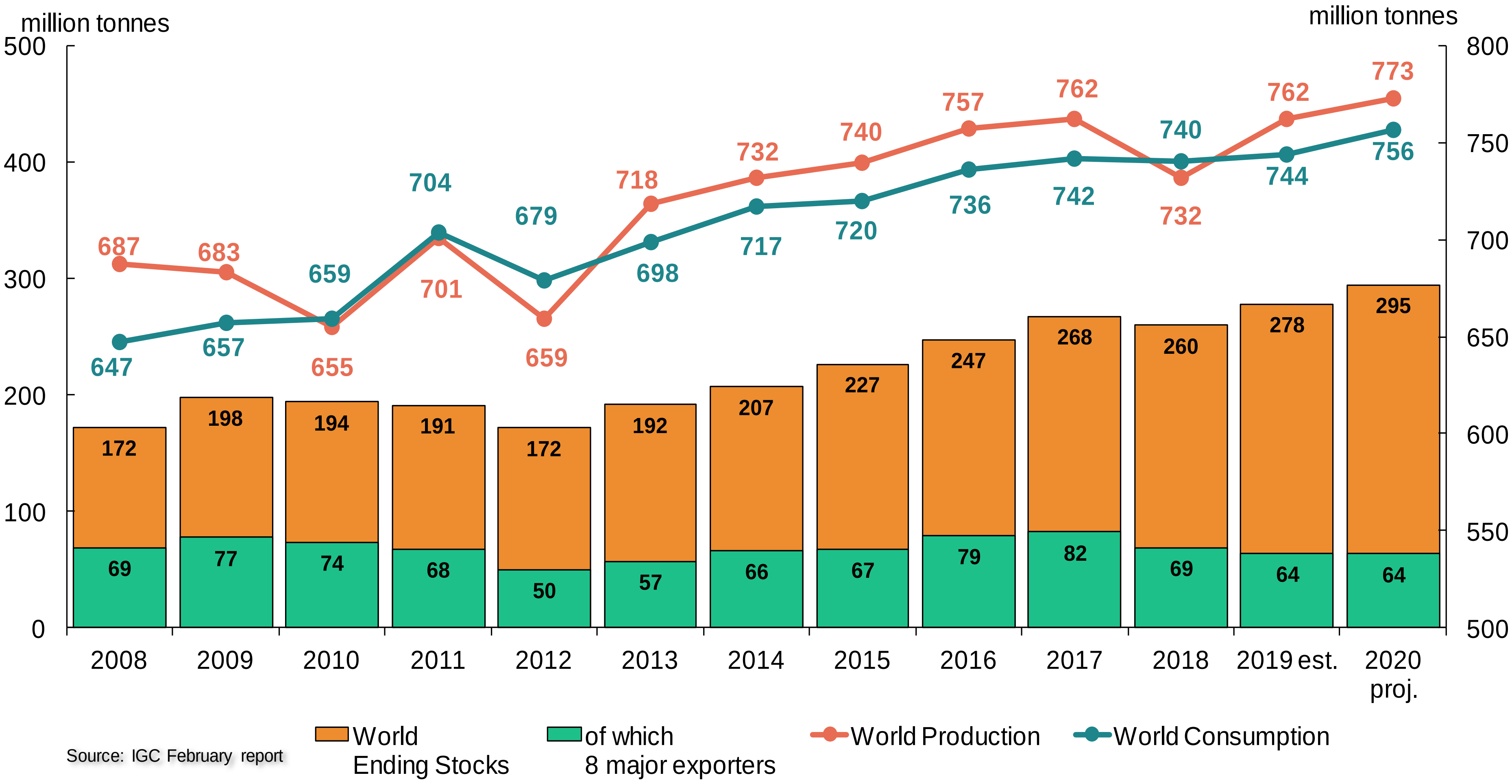
International Grains Council

World cereals: IGC



Source: IGC February report

World wheat: IGC



Source: IGC February report

Summary of the IGC Grain Market Report

(GMR 518 of 25/2/2021)

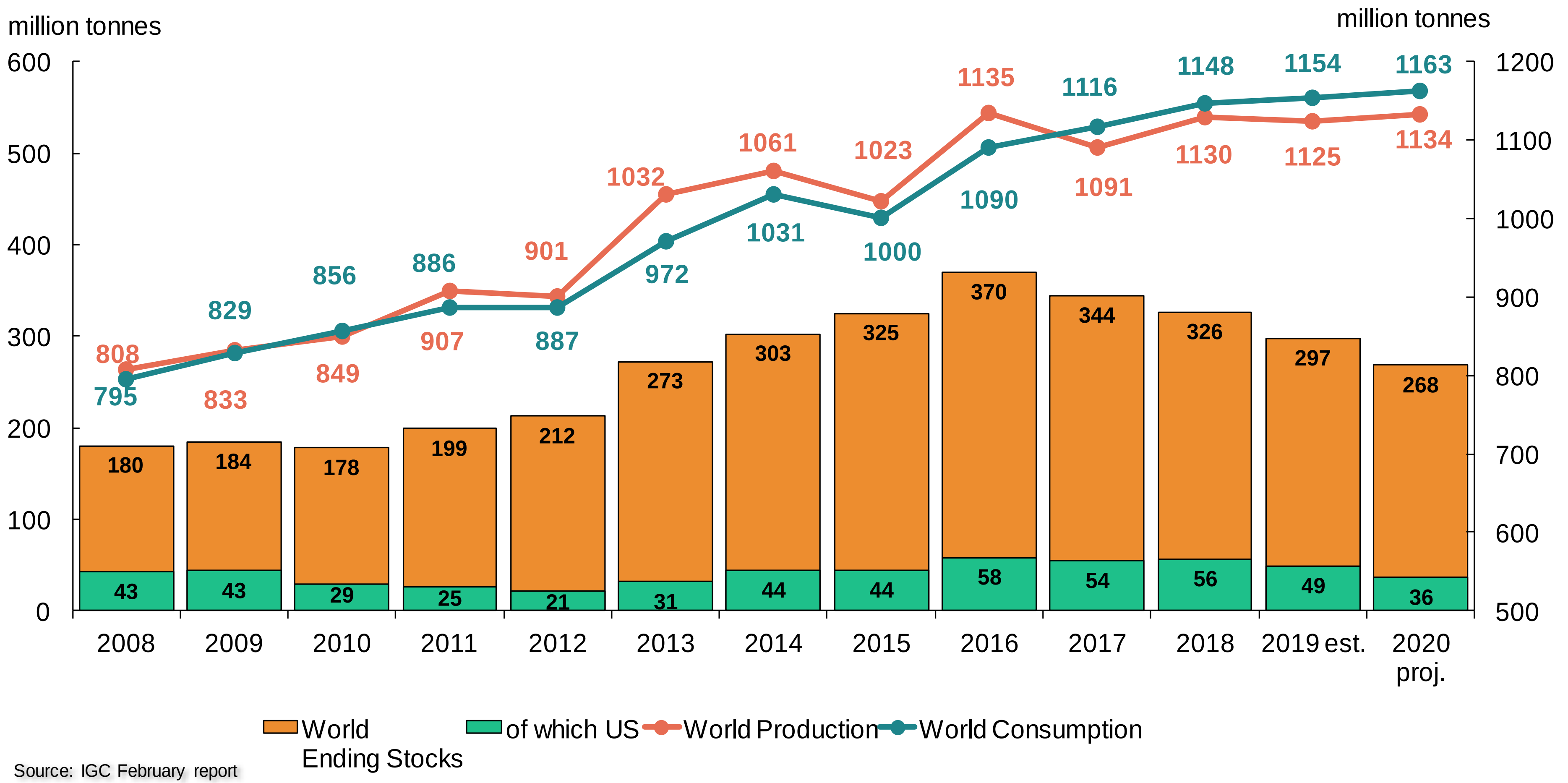
Outlook for 2020/21

Wheat production in selected countries (all wheat; million tonnes)

	2017/18	2018/19	2019/20 *(estimate)*	2020/21 *(forecast)*	*m/m change (m t)*	y/y change
EU-27 **(2020/21)** *EU-27 + UK to 2019/20*	151.4	137.7	155.0	**123.4**	*+0.3*	-11.0% change on EU27 basis
USA	47.4	51.3	52.6	**49.7**	-	-5.5%
Canada	30.4	32.4	32.7	**35.2**	-	+7.7%
Russia	85.1	71.7	73.6	**85.3**	*+0.8*	+15.9%
Ukraine	27.0	25.1	29.2	**25.5**	-	-12.6%
Australia	20.9	17.6	15.2	**33.3**	*+2.2*	+119.8%
China	134.3	131.4	133.6	**134.3**	-	+0.5%
India	98.5	99.7	103.6	**107.6**	-	+3.9%
World	**762.0**	**732.2**	**762.0** *(-1.7m m/m)*	**772.8**	***+4.9***	**+1.4%**

European Commission

World maize: IGC



Source: IGC February report

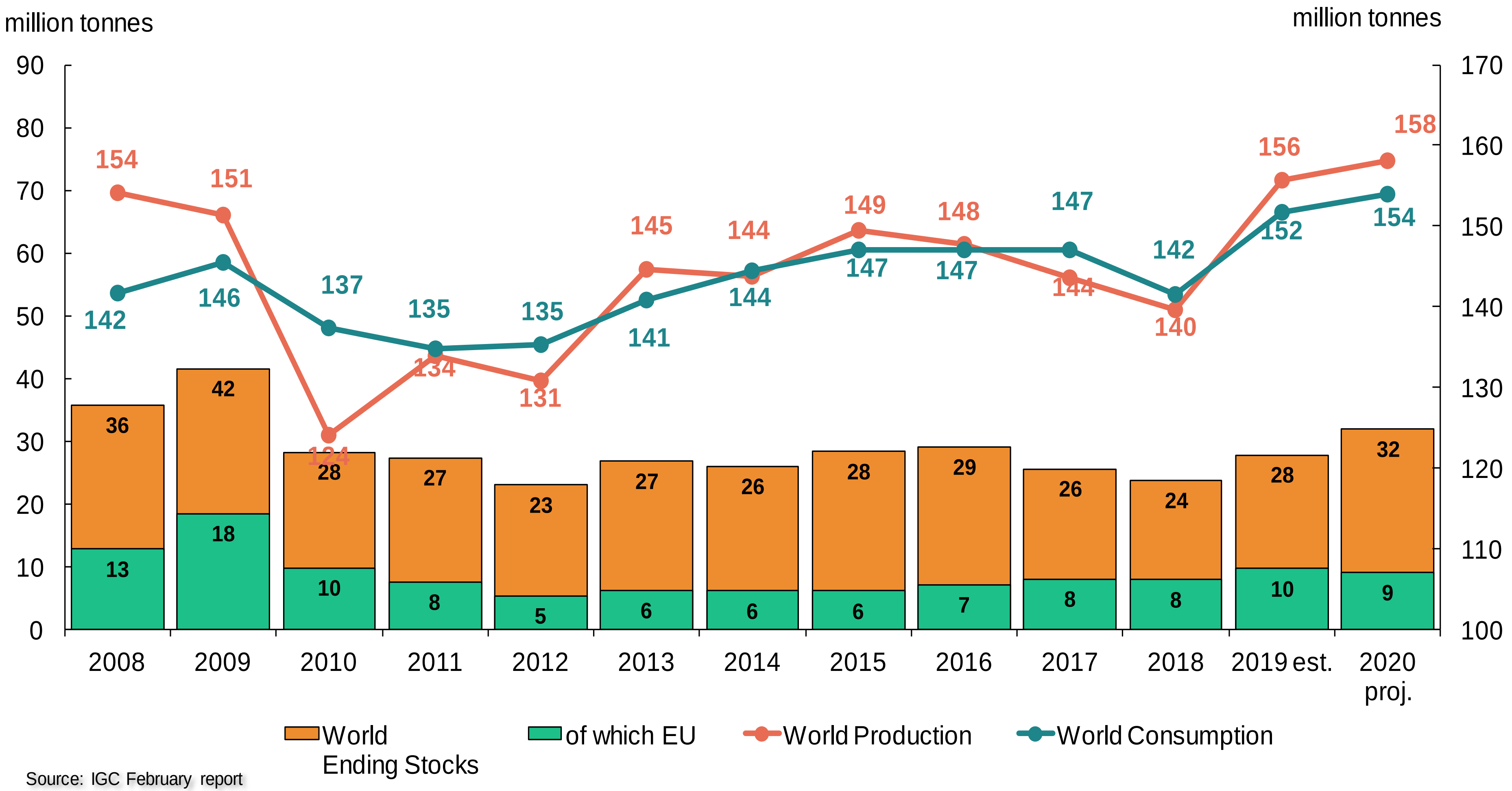
Summary of the IGC Grain Market Report
(GMR 518 of 25/2/2021)
Outlook for 2020/21

Maize production in selected countries (million tonnes)

	2017/18	2018/19	2019/20 *(estimate)*	2020/21 *(forecast)*	*m/m change (m t)*	y/y change
EU-27 **(2020/21)** *EU-27 + UK to 2019/20*	64.8	67.0	68.1	**62.6**	*+0.1*	-8.0% on EU-27 basis
USA	371.1	364.3	346.0	**360.3**	-	+4.1%
Ukraine	24.1	35.8	35.9	**30.0**	-	-16.4%
Russia	13.2	11.4	14.3	**13.5**	-	-5.4%
Brazil	80.8	100.0	102.5	**105.8**	-	+3.2%
Argentina	43.5	56.9	58.5	**52.0**	-	-11.1%
China	259.1	257.3	260.8	**260.7**	-	-0.0%
World	**1,091.0**	**1,130.1**	**1,125.0** *(+1.1m m/m)*	**1,133.6**	***+1.1***	**+0.8%**

European Commission

World barley: IGC



Source: IGC February report

Summary of the IGC Grain Market Report
(GMR 518 of 25/2/2021)
Outlook for 2020/21

Barley production in selected countries (million tonnes)

	2017/18	2018/19	2019/20 *(estimate)*	2020/21 *(forecast)*	*m/m change (m t)*	y/y change
EU-27 **(2020/21)** ***EU-27 + UK to 2019/20***	58.6	56.3	63.4	**54.7**	*+0.2*	-1.0% on EU-27 basis
United Kingdom	7.2	6.6	8.2	**8.1**	-	-0.8%
Russia	20.2	16.7	19.9	**20.5**	-	+2.8%
Ukraine	8.7	7.6	9.5	**8.0**	-	-16.0%
Australia	9.3	8.8	9.0	**13.1**	*+1.1*	+45.5%
Canada	7.9	8.4	10.4	**10.7**	-	+3.4%
Turkey	7.1	7.0	7.6	**8.3**	-	+9.2%
World	**143.5**	**139.6**	**155.7**	**158.1**	***+0.1***	**+1.5%**

Summary of the IGC Grain Market Report

(GMR 518 of 25/2/2021)

Prospects for 2021/22

WHEAT: World harvested wheat area in **2021/22** is projected at 225.9m ha (+2.0m ha m/m; +0.7% y/y) linked to higher prices and improved planting conditions. The monthly increase is mainly due to larger estimate for **India** (34.6m ha; +3.0% y/y), where planted area has reached an all-time high. Area forecasts are unchanged m/m for the **EU-27** (24.4m ha; +8.0%) and **RUS** (28.3m ha; -1.2%), while slightly reduced for the **US** (-0.3m ha to 15.3m ha; +3.1%) reflecting decreasing spring wheat plantings. Assuming long-term yield trend, world production is projected at a new peak of 790m t (+2%). Consumption forecast increased by 2m to a record 777m t (+3%) with an expected strong rise in food use. Driven by further accumulation in China and India, stocks could reach a new high at 307m t.

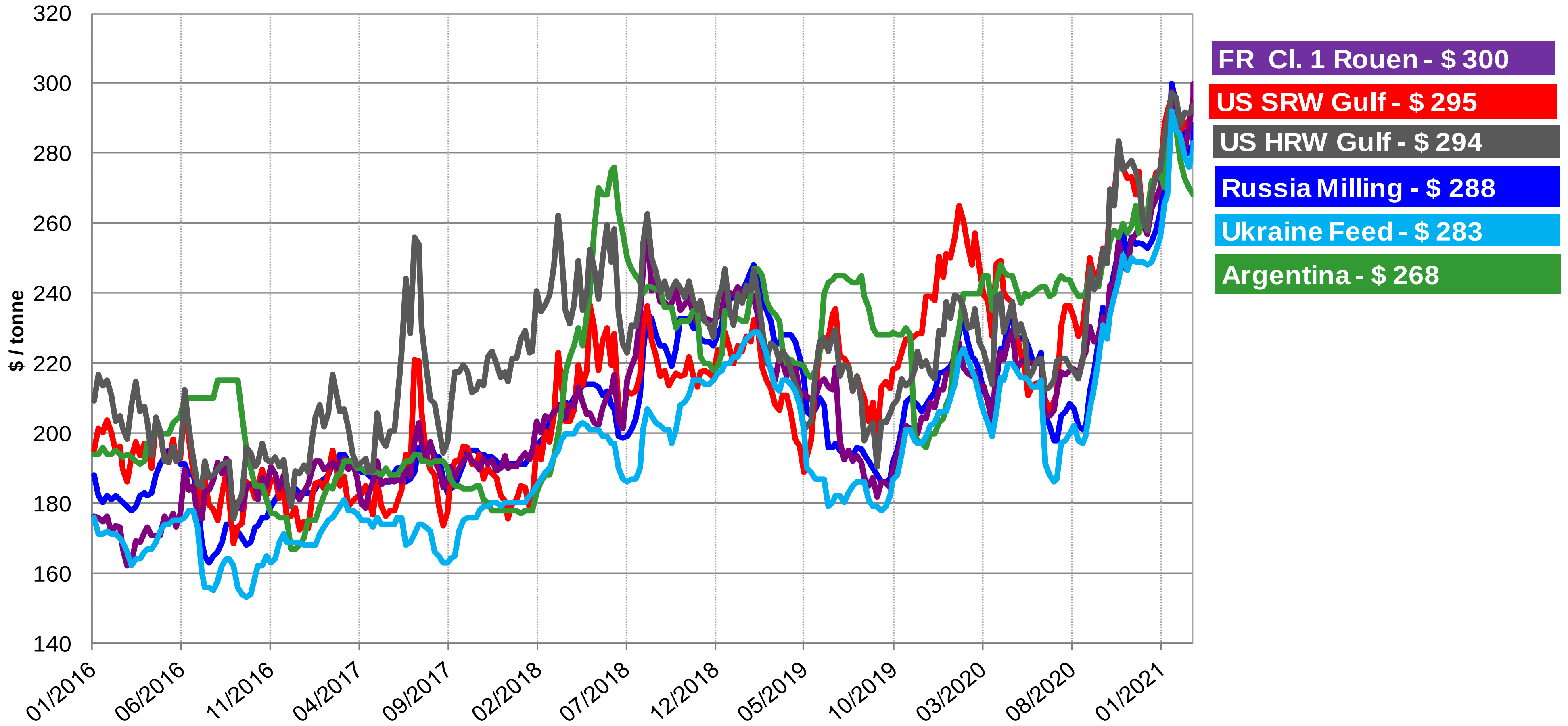
MAIZE: world harvested maize area is projected at a new peak of 199.2m ha (+0.7%) in **2021/22**. Assuming trend yields, world production could increase by 5% to a new record. **EU-27** area is forecast at 8.8m ha (-1.8%), while **UKR** maize plantings are expected to rise for a sixth year in a row reaching 5.6m ha (+2.8%). Growth in global consumption is expected to accelerate, including new peaks for industrial and feed uses as well.

BARLEY: IGC projects world harvested barley area to contract by 1.8% to 49.7m ha (**EU-27** seen at 11.0m ha; -2.6%) in **2021/22**. Competition for area is to be strong and other crops are expected to be more attractive for farmers.

International cereals prices

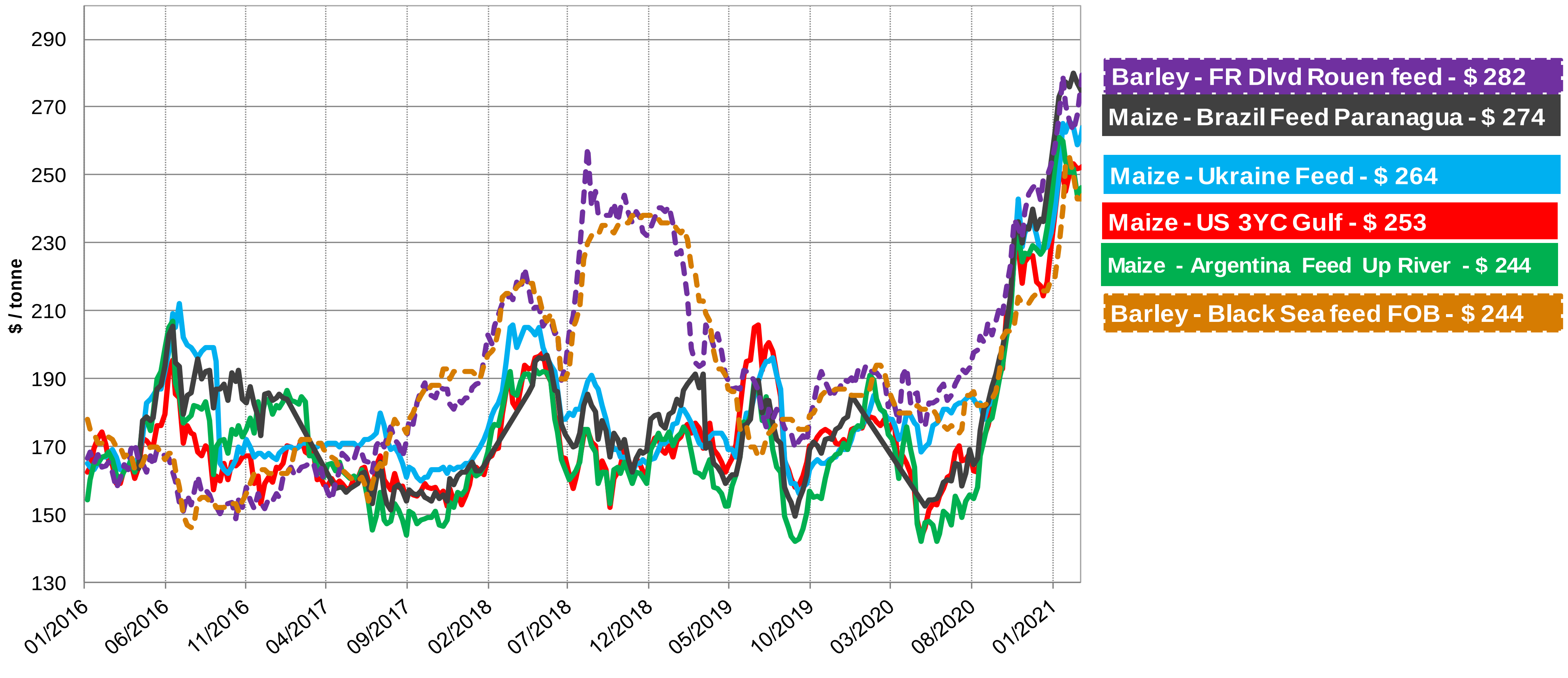
European Commission

World common wheat prices (USD/tonne)



European Commission

World maize and barley prices (USD/tonne)



EU cereals market

EU : Production Forecasts

EVOLUTION OF THE EU 27 CEREALS USABLE PRODUCTION

(million tonnes)

	2018/19	2019/20	2020/21		
			Jan Forecast	Fev Forecast	vs. 2019/2020 (%)
Soft wheat	*114,8*	*131,1*	*116,4*	*117,1*	*-10,7*
Durum wheat	*8,7*	*7,4*	*7,2*	*7,2*	*-2,7*
Barley	*49,5*	*55,0*	*54,4*	*54,7*	*-0,5*
Maize	*69,0*	*70,1*	*62,6*	*64,8*	*-7,6*
Rye	*6,0*	*8,3*	*8,9*	*8,9*	*7,2*
Oats	*6,8*	*6,9*	*8,2*	*8,2*	*18,8*
Total	**268,9**	**294,4**	**274,6**	**277,7**	-5,7

Source: DG AGRI -G4

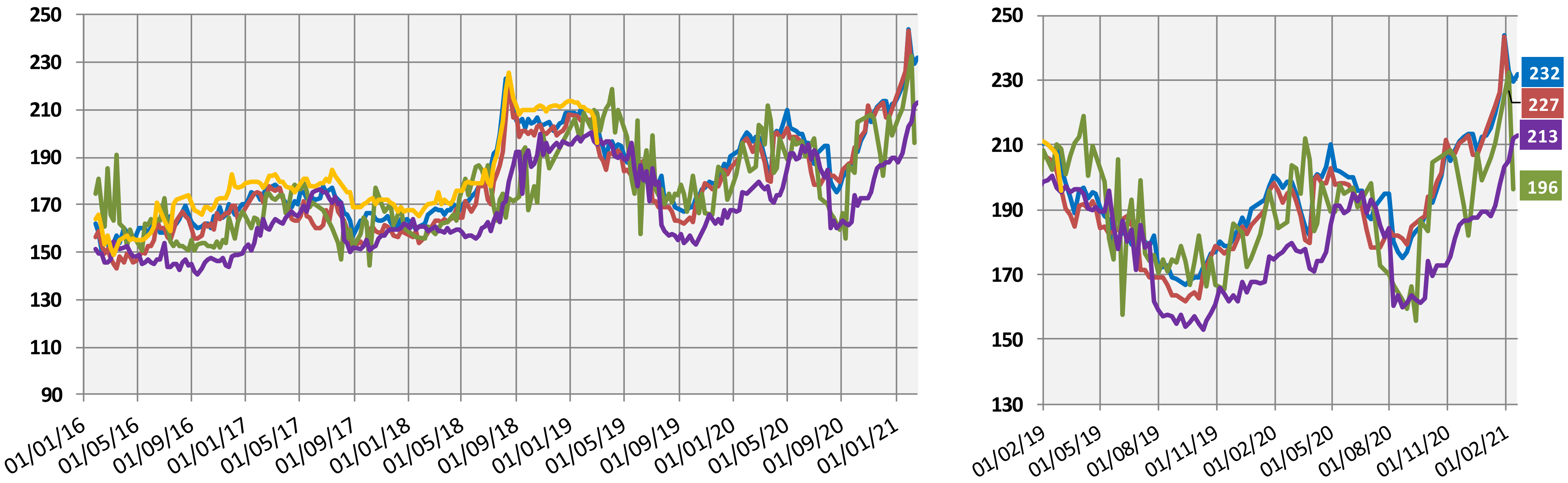
EU 2020/21 Usable Production: comparison with other forecasters

EU 27 Usable production, 2020/21

(million tonnes)

	EC DG AGRI 25-February	Stratégie Grain 11-February	COCERAL 10-December	ADM 29-January	COPA 08-September
Soft Wheat	*117,1*	*119,2*	*117,8*	*119,2*	*117,5*
Durum Wheat	*7,2*	*7,2*	*7,5*	*7,7*	*7,4*
Barley	*54,7*	*55,7*	*54,8*	*53,8*	*54,6*
Maize	*64,8*	*62,3*	*62,6*	*62,5*	*64,3*
Rye	*8,9*	*9,0*	*9,1*	*9,0*	*9,3*
Total Cereals	**277,7**	**276,8**	**276,0**	**274,6**	**278,6**

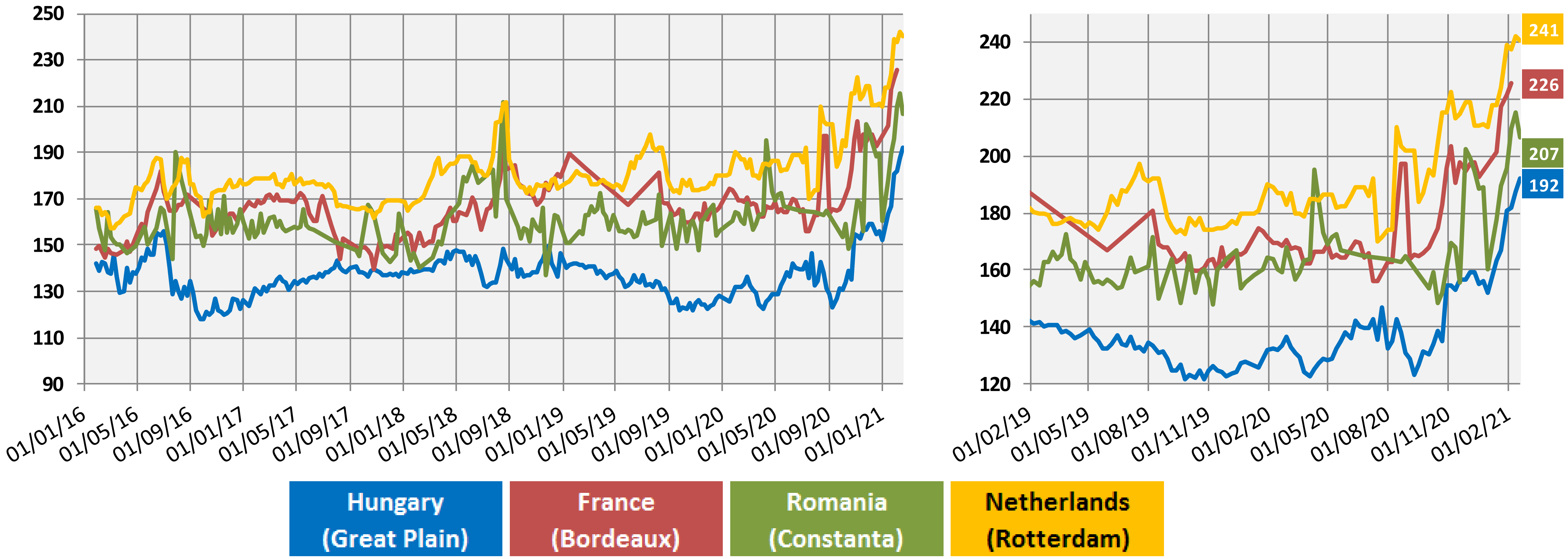
EU market prices for milling wheat – (EUR/tonne)



Germany (Hamburg) | France (Rouen) | Romania (Constanta) | Poland (Zachodni) | Belgium (Antwerpen)

Source: Member States notification - Commission Implementing Regulation (EU) 2017/1185 Art.11, Annex I Point 1

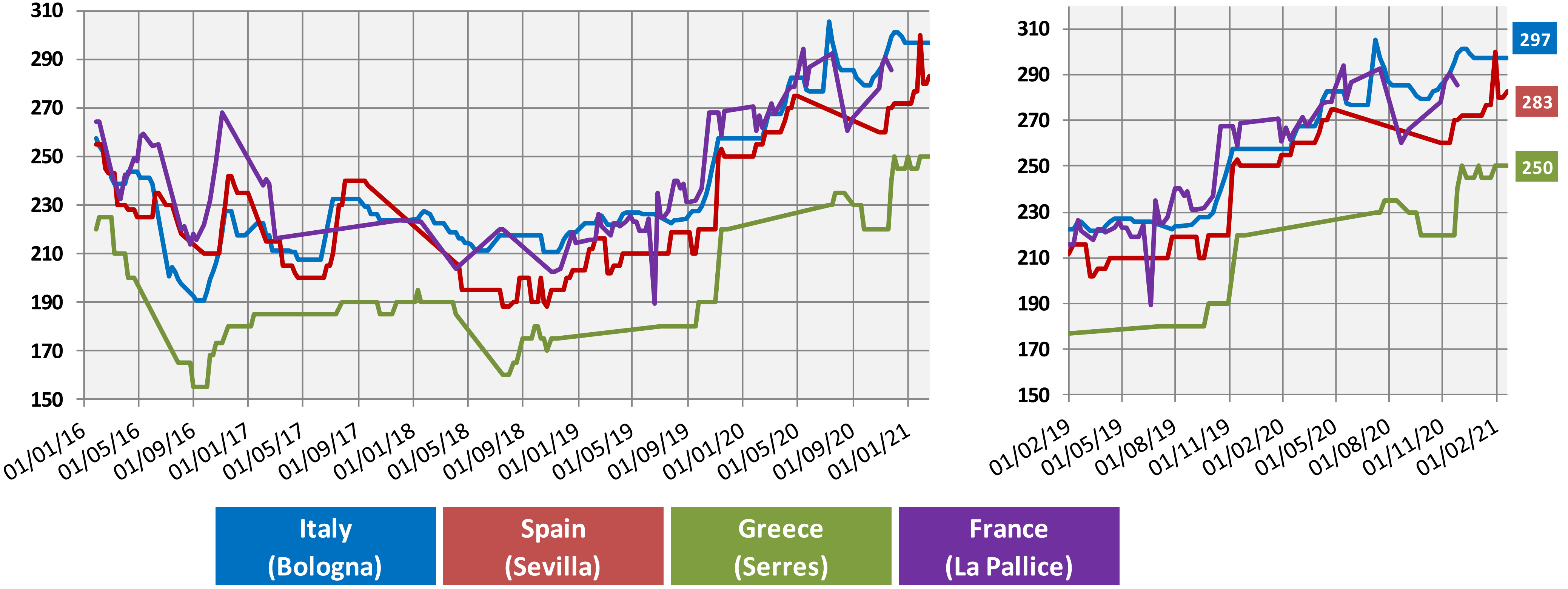
EU market prices for maize – (EUR/tonne)



Source: Member States notification - Commission Implementing Regulation (EU) 2017/1185 Art.11, Annex I Point 1

European Commission

EU market prices for durum wheat – (EUR/tonne)



Source: Member States notification - Commission Implementing Regulation (EU) 2017/1185 Art.11, Annex I Point 1

EU Cereals Balance Sheet

EU
CEREALS SUPPLY & DEMAND

EU
(thousand metric tonnes)

	2020/21 (projection)									
last updated: 25/02/2021	Common wheat	Barley	Durum wheat	Maize	Rye	Sorghum	Oats	Triticale	Others	TOTAL CEREALS
Beginning stocks	9.793	4.353	1.742	22.041	832	1.777	354	1.759	339	42.990
Usable production	117.074	54.715	7.171	64.835	8.878	1.136	8.214	11.099	4.603	277.724
Area (thousand ha)	*20.695*	*11.333*	*2.096*	*8.937*	*2.177*	*229*	*2.576*	*2.633*	*1.613*	*52.287*
Yield (tonnes/ha)	*6*	*5*	*3*	*7*	*4*	*5*	*3*	*4*	*3*	*5*
Imports (from third countries)	2.400	1.000	3.000	16.500	45	100	55	1	161	23.261
Total supply	129.267	60.068	11.913	103.377	9.755	3.013	8.622	12.858	5.103	343.975
Total domestic use	92.802	44.321	9.021	81.796	8.414	1.291	7.300	11.063	4.090	260.100
Human consumption	41.200	363	8.083	4.705	2.961	155	1.100	52	23	58.641
Seed	4.600	2.131	400	402	300	29	350	500	270	8.981
Industrial uses	9.300	6.000	95	11.300	1.500	0	101	445	170	28.911
of which bioethanol/biofuel	*(3 300)*	*(437)*	*(0)*	*(6 200)*	*(900)*	*(0)*	*(0)*	*(344)*	*(14)*	*(11 195)*
Animal feed	37.000	35.500	400	65.000	3.600	1.100	5.700	10.000	3.600	161.900
Losses	702	328	43	389	53	7	49	67	28	1.666
Exports (to third countries)	27.000	10.500	600	2.500	169	14	200	3	18	41.003
Total use	119.802	54.821	9.621	84.296	8.583	1.305	7.500	11.066	4.108	301.103
Ending stocks**	9.465	5.246	2.291	19.081	1.172	1.708	1.123	1.792	995	42.873
Change in stocks**	-329	894	549	-2.961	340	-69	769	33	657	-117

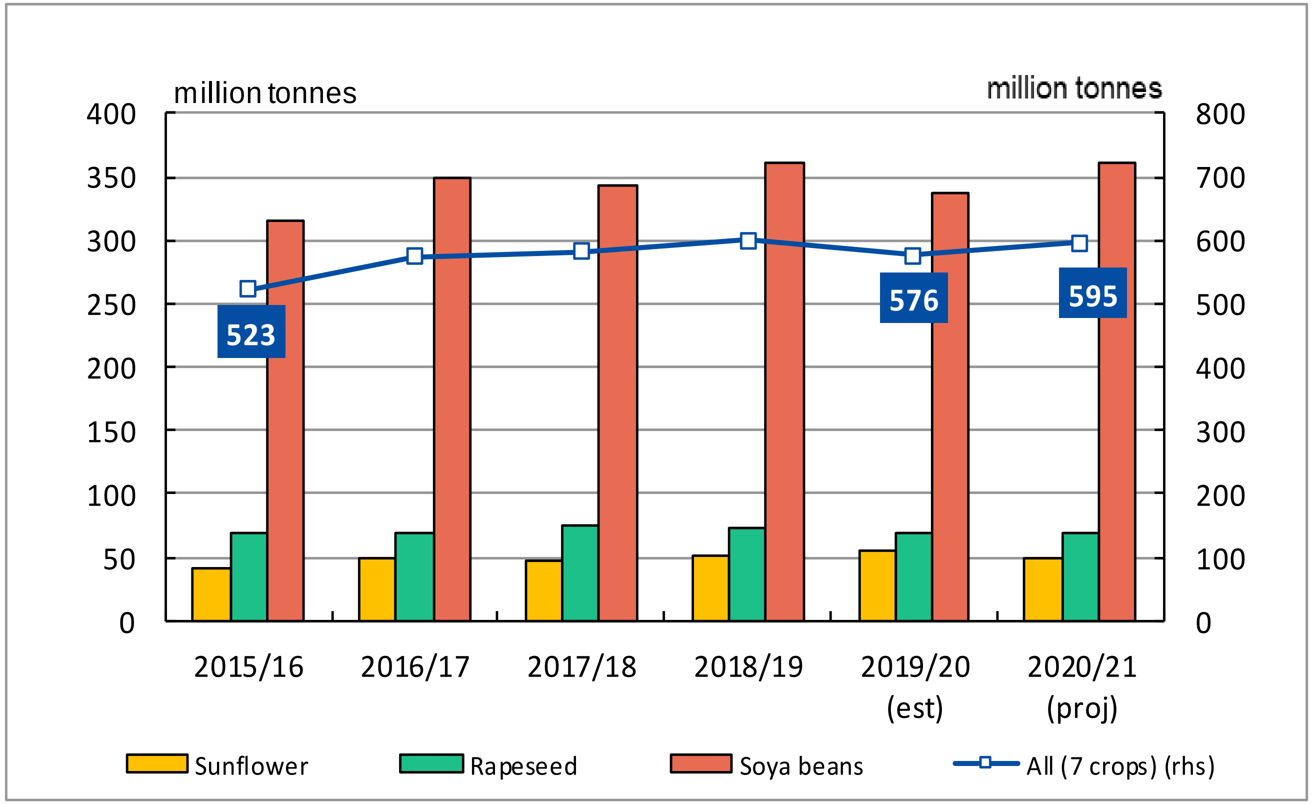
* Marketing year: from July to June

** At the end of the marketing year

European Commission

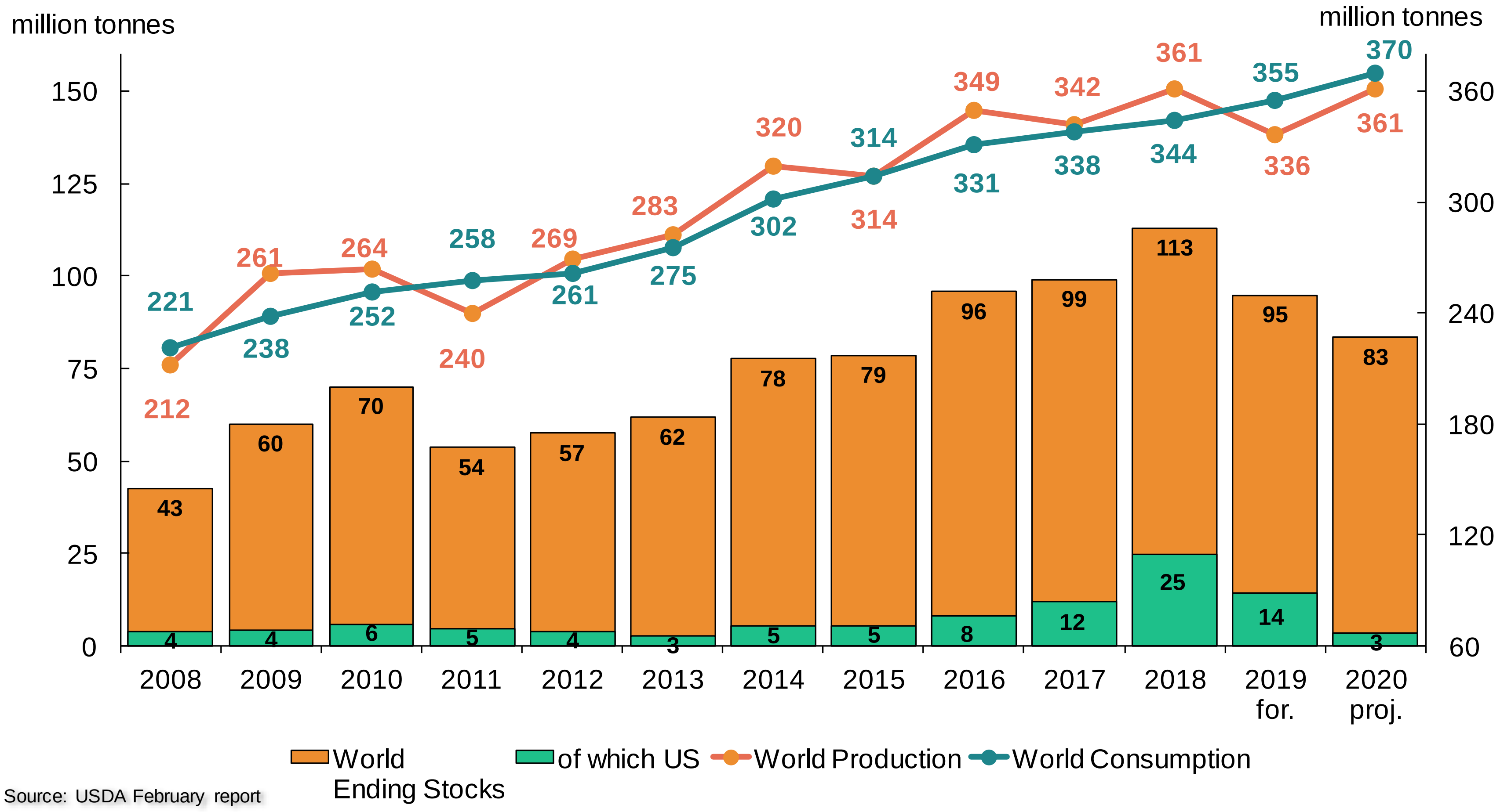
Oilseeds market

2020/21 World Oilseeds (USDA)



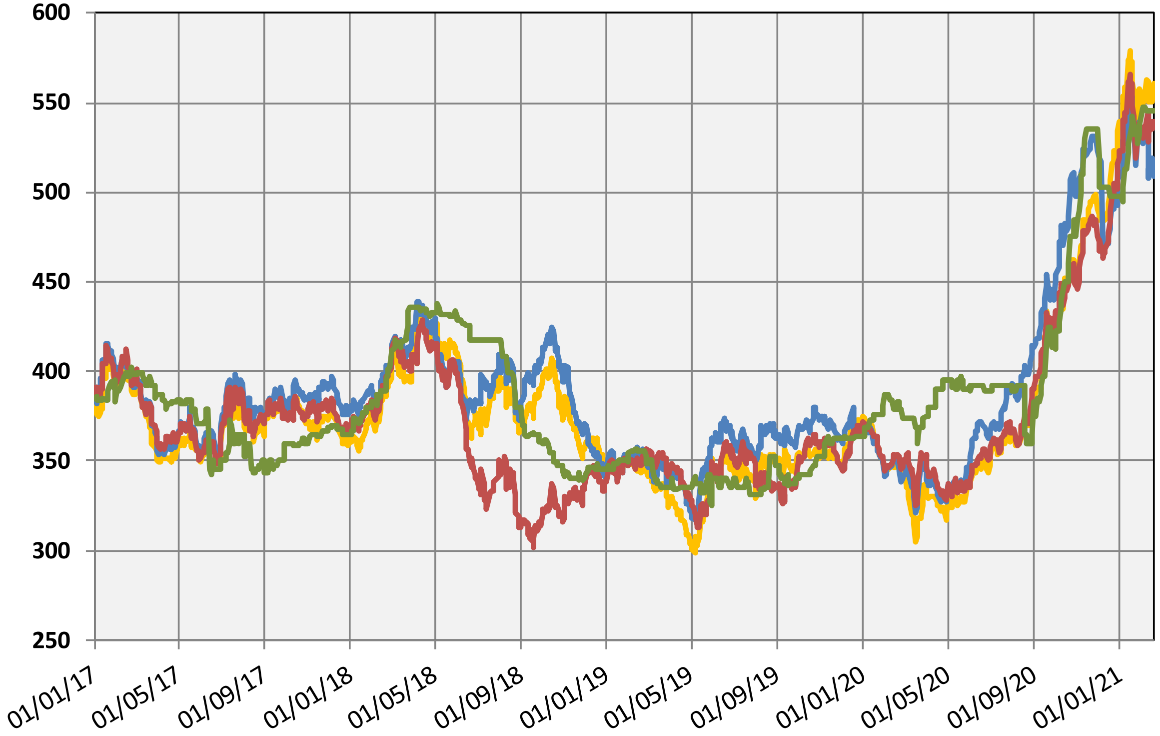
Total Oilseeds:	**595 mt**
• Soya beans:	361 mt
Rapeseed:	69 mt
• Sunflower:	50 mt

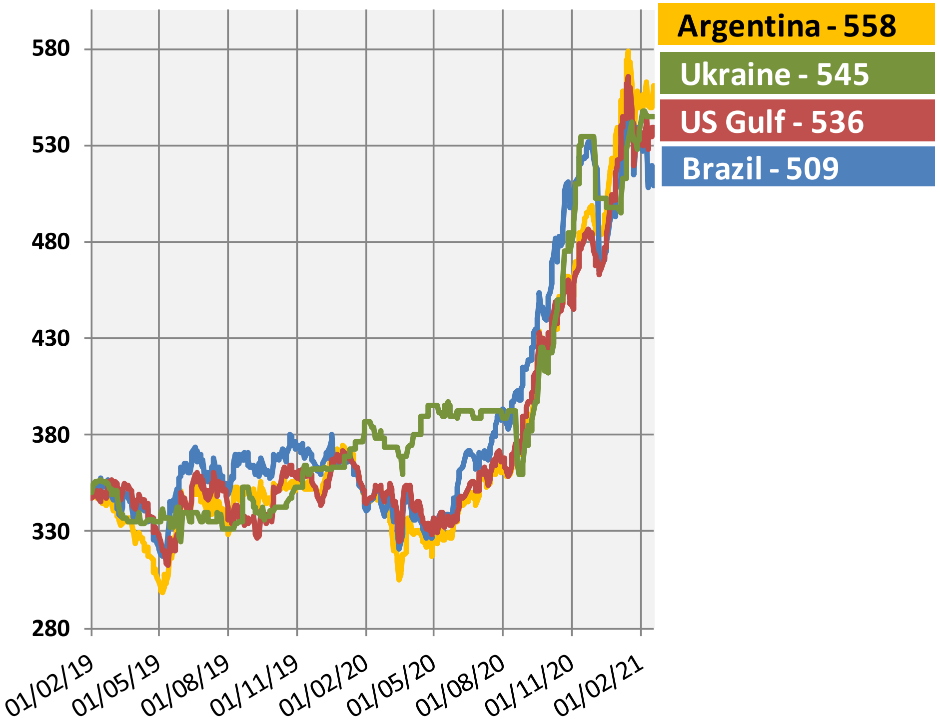
World soya: USDA



Source: USDA February report

World export prices for soya beans – (USD/tonne)

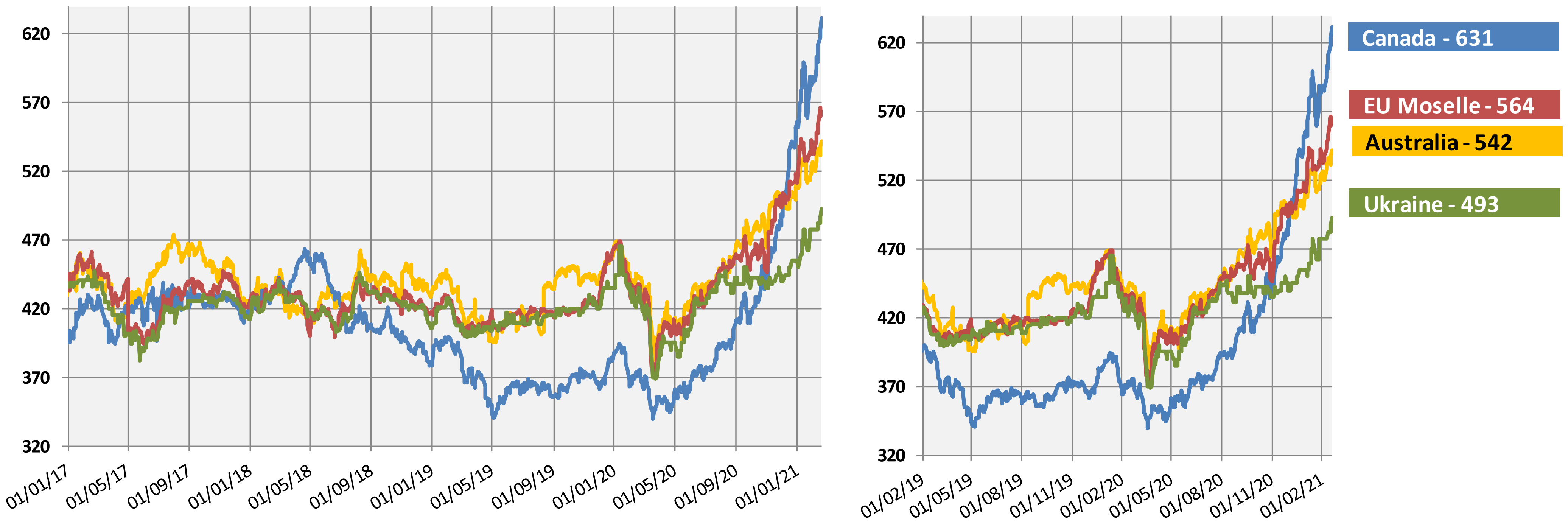




Source: International Grains Council

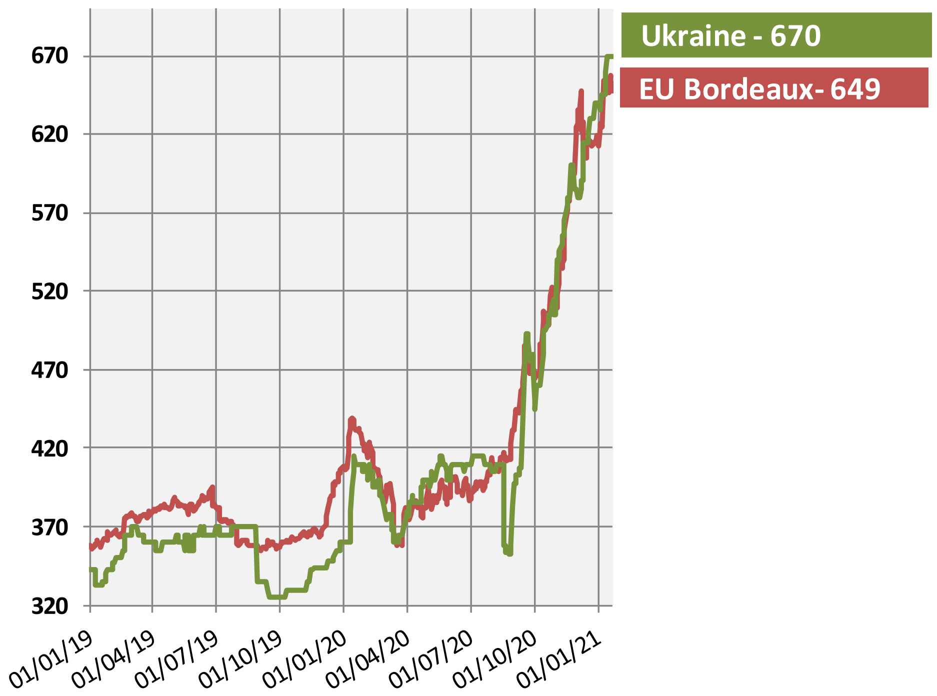
European Commission

World export prices for rapeseed – (USD/tonne)



Source: International Grains Council

World export prices for sunflower – (USD/tonne)



Source: International Grains Council

Oilseeds balance sheet (EU)

OILSEEDS SUPPLY & DEMAND *(thousand metric tonnes)*

last updated: 25/02/2021	2019/20 fc				2020/21 proj.			
	Rapeseed	Soya beans	Sunflower	TOTAL	Rapeseed	Soya beans	Sunflower	TOTAL
Beginning stocks	**1 372**	**1 990**	**900**	**4 263**	**500**	**1 500**	**1 200**	**3 200**
Usable production	15 380	2 742	10 247	28 368	16 135	2 600	8 730	27 464
Area (thousand ha)	5 119	908	4 339	10 365	5 170	935	4 465	10 570
Yield (tonnes/ha)	3.00	3.02	2.36	2.74	3.12	2.78	1.96	2.60
Imports (from third countries)	6 210	14 731	971	21 912	6 000	14 600	1 000	21 600
Total supply	**22 962**	**19 462**	**12 118**	**54 542**	**22 635**	**18 700**	**10 930**	**52 264**
Domestic use	22 131	17 722	10 356	50 208	21 735	17 569	9 930	49 234
of which crushing	*(21 400)*	*(15 572)*	*(9 125)*	*(46 098)*	*(20 980)*	*(15 507)*	*(8 776)*	*(45 263)*
Exports (to third countries)	331	241	562	1 134	100	231	300	631
Total use	**22 462**	**17 962**	**10 918**	**51 342**	**21 835**	**17 800**	**10 230**	**49 864**
Ending stocks	**500**	**1 500**	**1 200**	**3 200**	**800**	**900**	**700**	**2 400**
Change in stocks	-872	-490	300	-1 063	300	-600	-500	-800

Oilmeals balance sheet (EU)

OILSEED MEALS SUPPLY & DEMAND *(thousand metric tonnes)*

last updated: 25/02/2021	2019/20 fc				2020/21 proj.			
	Rapeseed	Soya beans	Sunflower	TOTAL	Rapeseed	Soya beans	Sunflower	TOTAL
Beginning stocks	**50**	**343**	**100**	**493**	**50**	**340**	**100**	**490**
Usable production	12 198	12 302	5 019	29 519	11 959	12 250	4 827	29 036
Imports (from third countries)	468	16 797	3 019	20 284	400	16 300	2 700	19 400
Total supply	**12 717**	**29 442**	**8 138**	**50 296**	**12 409**	**28 890**	**7 627**	**48 926**
Domestic use	12 050	28 271	7 445	47 767	11 772	27 822	7 019	46 613
Exports (to third countries)	617	830	593	2 040	587	726	508	1 821
Total use	**12 667**	**29 102**	**8 038**	**49 806**	**12 359**	**28 548**	**7 527**	**48 433**
Ending stocks	**50**	**340**	**100**	**490**	**50**	**342**	**100**	**492**
Change in stocks	-	-2	-	-2	-	2	-	2

Vegetable oils balance sheet (EU)

VEGETABLE OILS SUPPLY & DEMAND *(thousand metric tonnes)*

last updated: 25/02/2021	2019/20 fc					2020/21 proj.				
	Rapeseed	Soya beans	Sunflower	Palm	TOTAL	Rapeseed	Soya beans	Sunflower	Palm	TOTAL
Beginning stocks	589	175	268	489	1 520	594	175	273	485	1 527
Usable production	8 774	3 114	3 833	0	15 721	8 602	3 101	3 686	0	15 389
Imports (from third countries)	468	458	2 346	7 314	10 586	453	400	2 000	7 000	9 853
Total supply	9 831	3 747	6 446	7 803	27 828	9 649	3 676	5 959	7 485	26 770
Domestic use	8 895	2 641	5 386	7 121	24 044	8 705	2 477	4 889	6 769	22 840
Exports (to third countries)	343	931	786	197	2 257	353	1 024	800	228	2 405
Total use	9 237	3 572	6 173	7 318	26 300	9 057	3 501	5 689	6 997	25 244
Ending stocks	594	175	273	485	1 527	591	175	270	489	1 525
Change in stocks	5	-	6	-4	7	-2	-	-3	3	-2

European Commission

Thank you

The United Kingdom is no longer a Member State of the European Union, however where it is deemed relevant (e.g. for comparison purposes) an EU+UK aggregate are still displayed

European Commission