

Civil Dialogue Group

Arable Crops - COP

Presentation of the global trade situation

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World grain supply and demand [MMT]

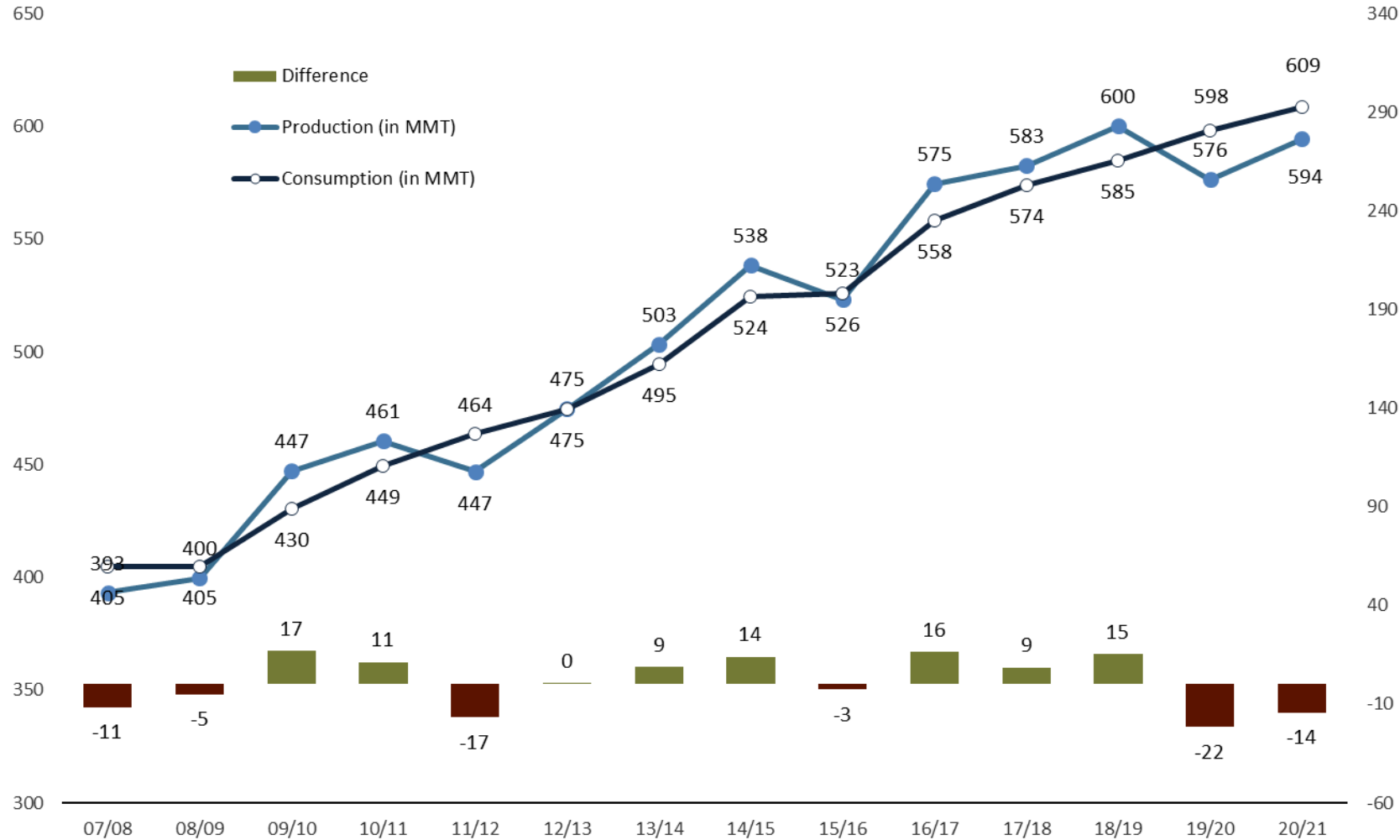
	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Beginning stocks	484	453	467	478	577	674	737	799	821	807	810
Production	2.214	2.344	2.296	2.512	2.560	2.519	2.667	2.617	2.626	2.673	2.716
Imports	282	315	312	355	371	390	393	418	410	429	453
Supply	2.979	3.112	3.075	3.345	3.507	3.583	3.797	3.834	3.857	3.908	3.980
Exports	285	344	301	374	394	377	430	416	430	442	469
Consumption	2.244	2.330	2.285	2.413	2.462	2.456	2.604	2.599	2.641	2.670	2.728
thereof feed	789	837	812	874	902	915	986	983	1.000	1.024	1.056
Ending stocks	453	467	478	577	674	737	799	821	807	810	799
Stocks-to-use-ratio	20,2%	20,1%	20,9%	23,9%	27,4%	30,0%	30,7%	31,6%	30,6%	30,3%	29,3%

Source: USDA

- The balance of supply and demand of grains becomes tighter again.
- Above statistics from the USDA include 196 MMT of corn located in China (69% of world corn stocks) and 182 MMT of wheat located in China and India (60% of world wheat stocks).
- Since the outbreak of Covid-19 corn demand for ethanol production declined by 25 – 30 MMT.
- Assumption: corn stocks in China at a level of 100 MMT => World stocks-to-use-ratio only at 25.8%



World oilseed supply and demand [MMT]

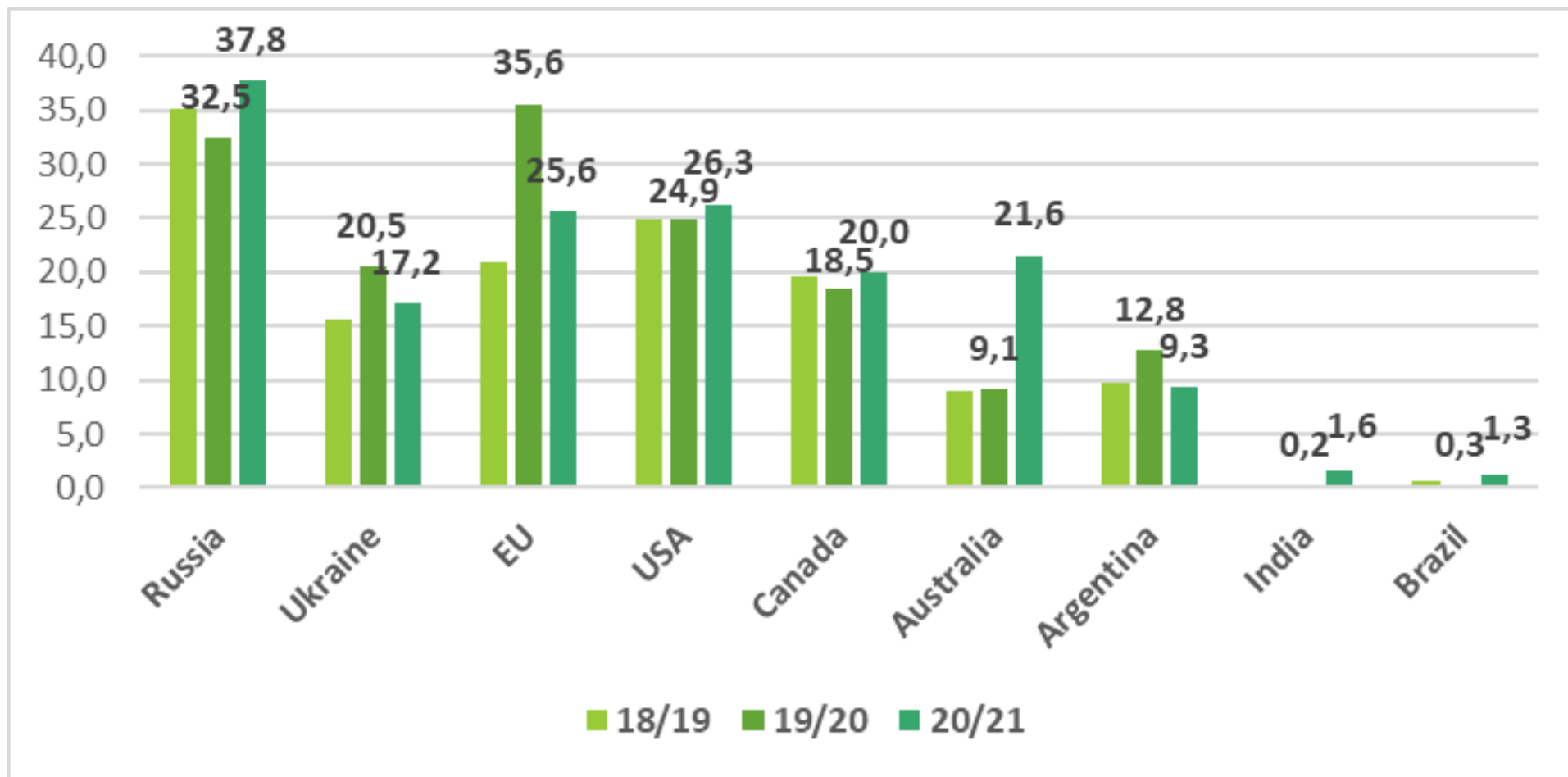


In 2019/20 and 2020/21, world demand exceeds world production.

Source: USDA



World wheat exports [MMT]



In 2019/20 the EU replaced Australian wheat exports and balanced the demand.

Source: ADM



Pakistan wheat imports [1,000 MT]

CHART

CHART DATA

STATISTICS

INFORMATION



Pakistan retail price for wheat flour nominal (red line) and in real-terms

- In Pakistan, a 60% regulatory duty on wheat imports had been in place since September 2016.
- Due to a crop failure and consequently soaring wheat flour prices on 7 June 2020 the government lifted those duties.

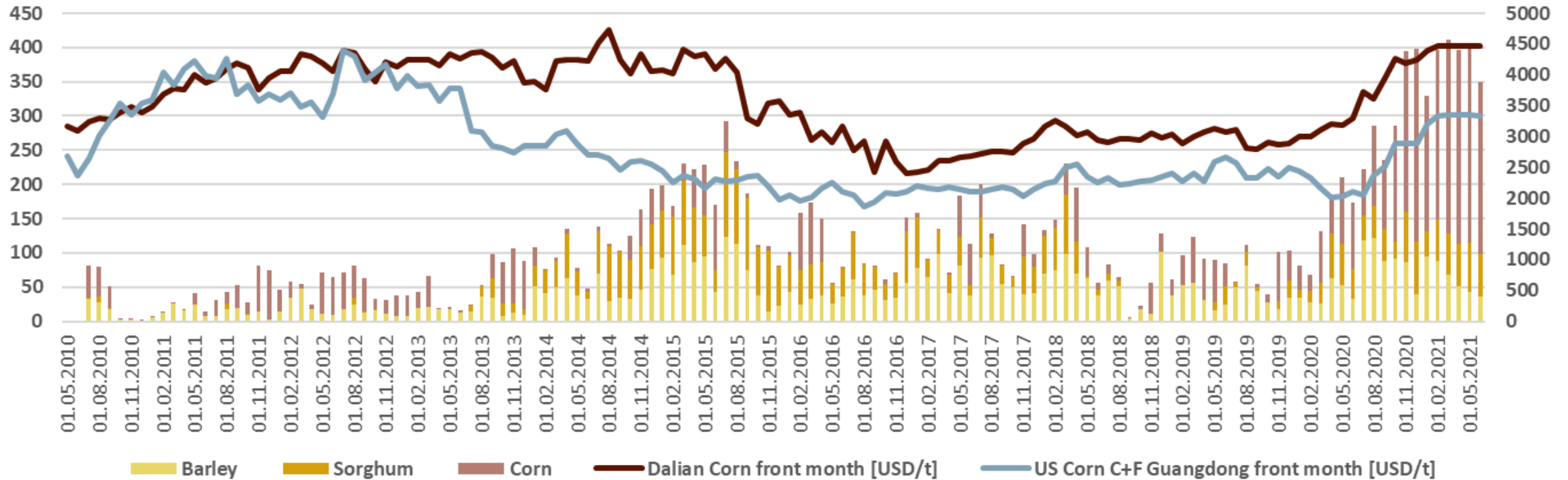
Source: GIEWS FPMA Tool (<https://fpma.apps.fao.org/giews/food-prices/tool/public/#/dataset/domestic>)

Importer	Exporter	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Importer	Exporter	New Total	New Total	New Total	New Total	New Total	New Total	New Total	New Total	New Total	New Total	New Total
Pakistan	Total	41	50	19	383	735	7	0	0	0	0	4.065

Source: Custom data (IHS)



China: Monthly coarse grain imports [1,000 t] and the corn price (domestic vs import – left axis)

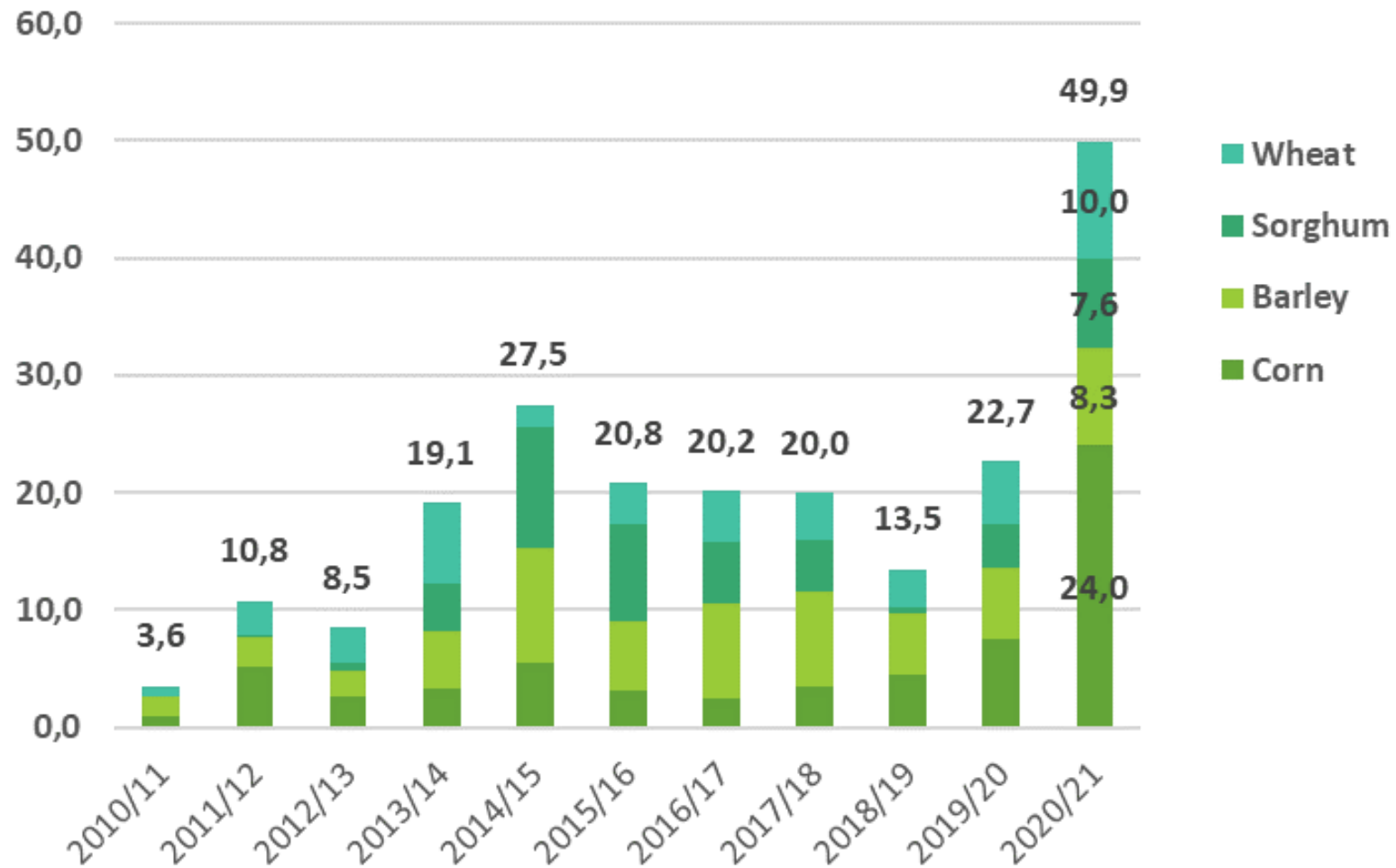


Source: Reuters, ADM

- Does domestic corn prices soar to 400 USD/t if China holds stocks of 196 MMT?



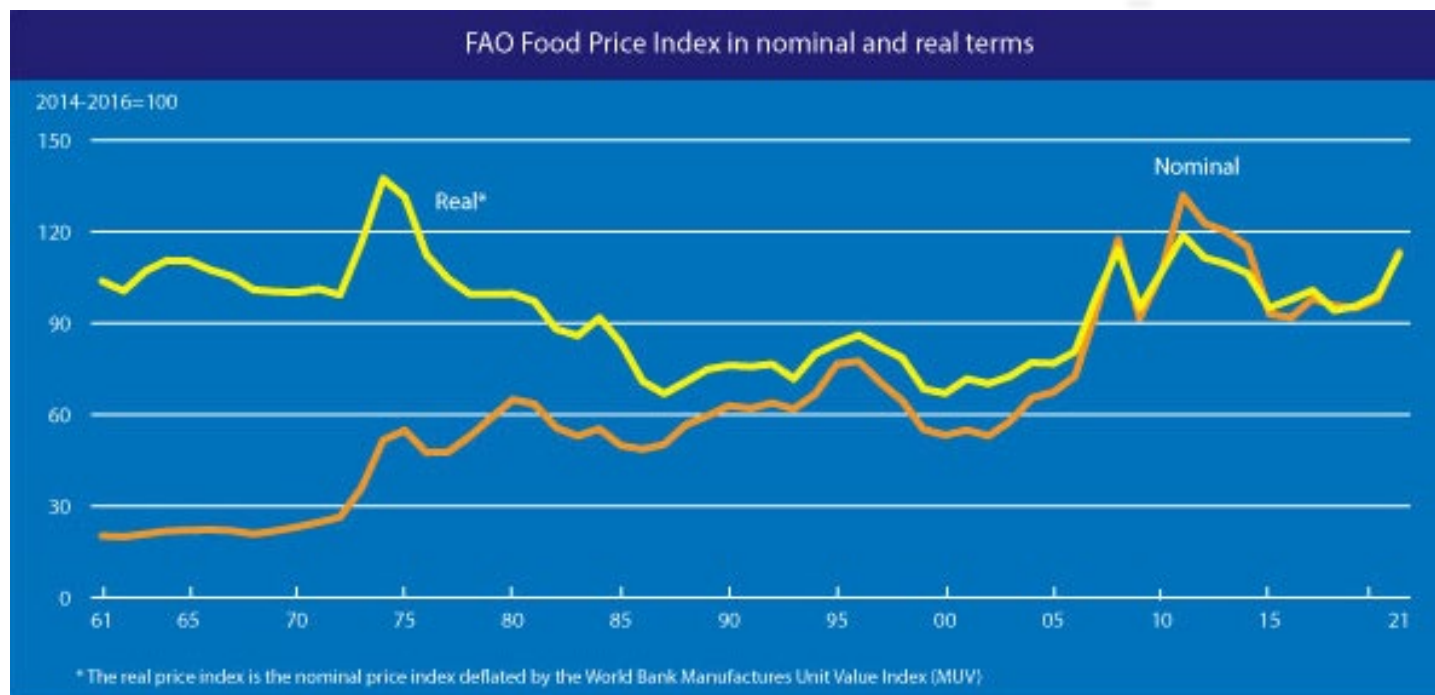
China: annual import demand for grains [MMT]



Source: USDA



Overall situation



- “The FAO Food Price Index (FFPI) averaged 113.3 points in January 2021, 4.7 points (4.3 percent) higher than in December 2020, not only marking the eighth month of consecutive rise but also registering its highest monthly average since July 2014.” (source: FAO)
- „High prices are the best thing against high prices.“
- ... but only if factors such as the environment and technology allow farmers to react to prices and if trade can connect regional oversupply with regional scarcity.

Q+A