Animal Feed Market Situation

Civil Dialogue Group on Animal Products
Pig Meat Sector

28 May 2019

DG AGRI G.4.

Agriculture and Rural Development

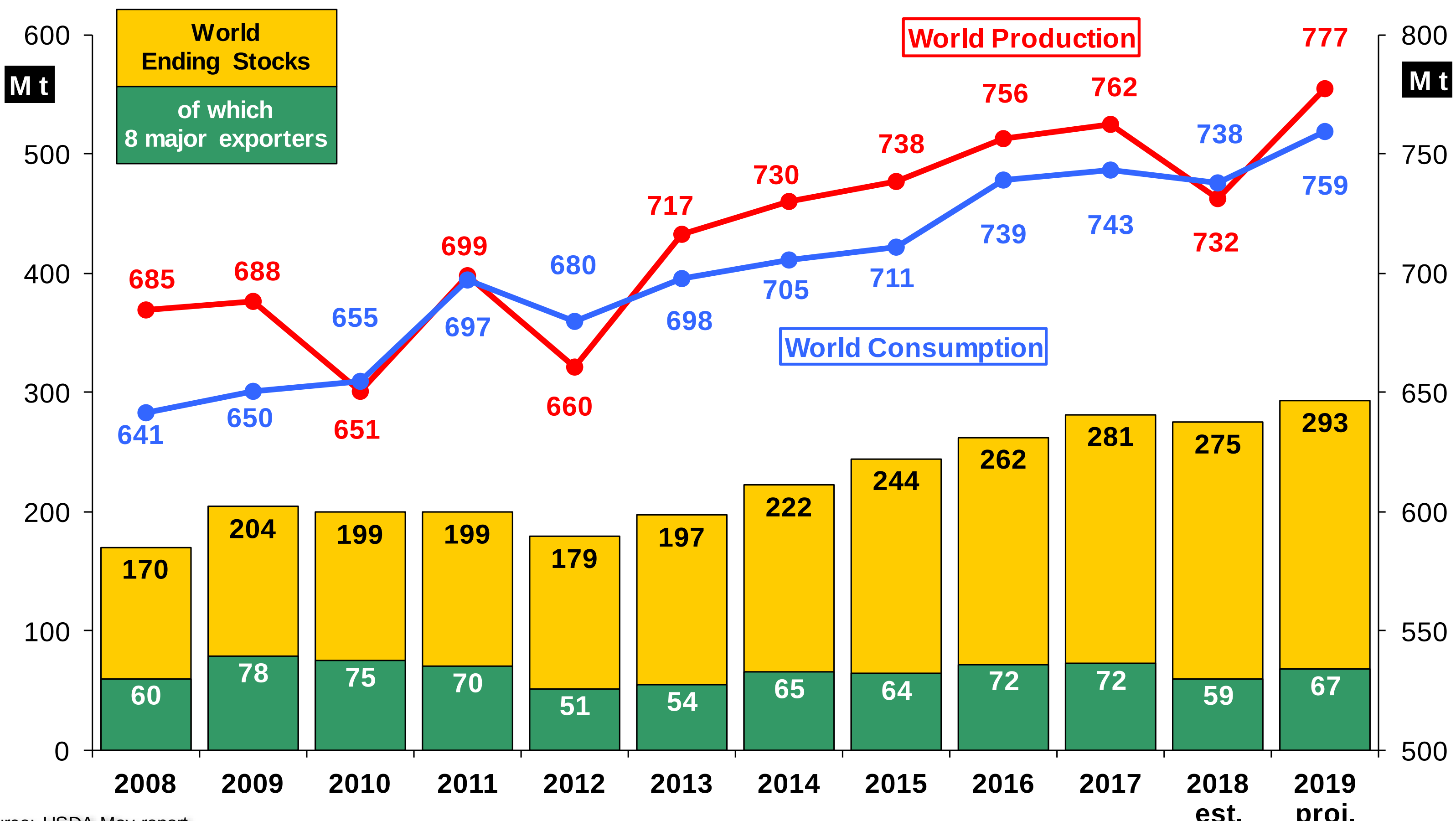
European Commission

World Cereals Forecasts and Prices

Agriculture and Rural Development

European Commission

World wheat: USDA



Source: USDA May report

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USDA 2019/20 Supply and Demand Estimates
(WASDE – 588 of 10 May 2019)

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

	2019/20	Share of total	2018/19	*Y/Y change (m t)*	Y/Y change (%)
EU-28	**153.8**	*19.8%*	137.2	*+16.6*	*+12.1%*
USA	**51.6**	*6.6%*	51.3	*+0.3*	*+0.6%*
Canada	**34.5**	*4.4%*	31.8	*+2.7*	*+8.5%*
Russia	**77.0**	*9.9%*	71.7	*+5.3*	*+7.4%*
Ukraine	**29.0**	*3.7%*	25.1	*+3.9*	*+15.7%*
Australia	**22.5**	*2.9%*	17.3	*+5.2*	*+30.1%*
Argentina	**20.0**	*2.6%*	19.5	*+0.5*	*+2.6%*
China	**132.0**	*17.0%*	131.4	*+0.6*	*+0.4%*
India	**100.0**	*12.9%*	99.7	*+0.3*	*+0.3%*
World	**777.5**	***100.0%***	**731.6**	***+45.9***	***+6.3%***

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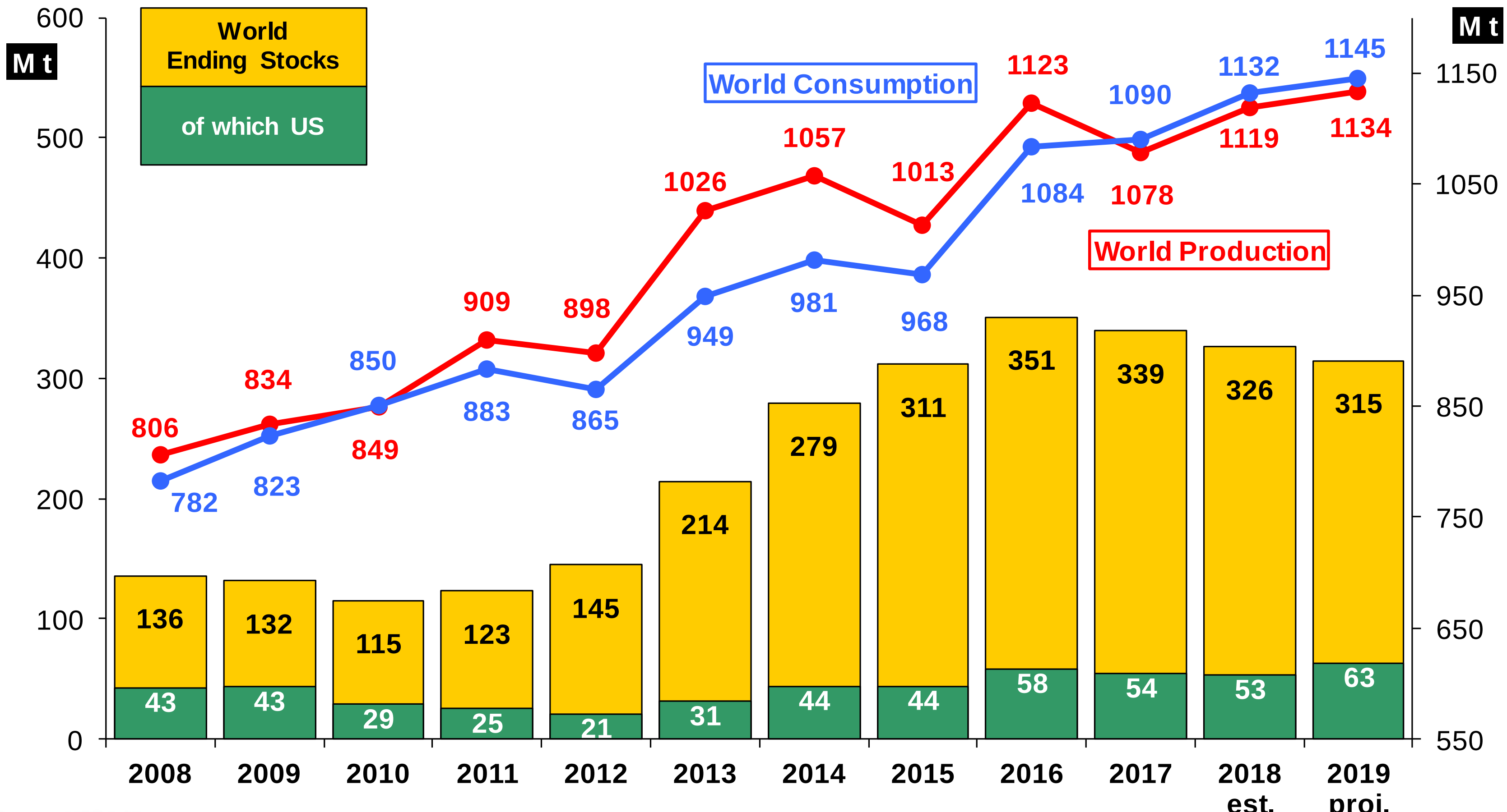
World maize: USDA



Source: USDA May report

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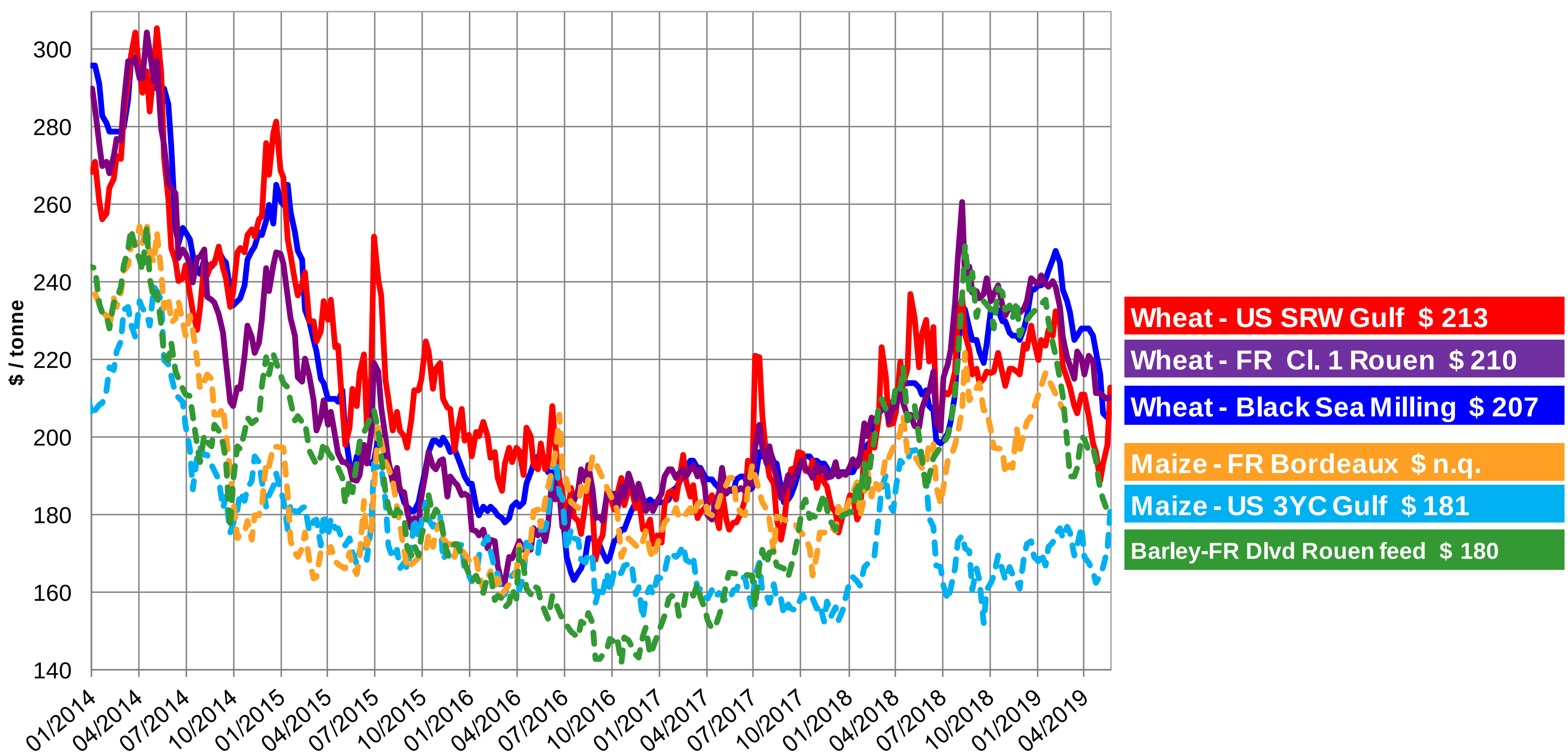
USDA 2019/20 Supply and Demand Estimates
(WASDE – 588 of 10 May 2019)

Maize production forecasts in selected countries *(million tonnes)*

	2019/20	Share of total	2018/19	*Y/Y change (m t)*	Y/Y change (%)
EU-28	**64.2**	*5.7%*	63.4	+0.8	*+1.3%*
USA	**381.8**	*33.7%*	366.3	+15.5	*+4.2%*
Ukraine	**33.0**	*2.9%*	35.8	-2.8	*-7.8%*
Russia	**13.0**	*1.1%*	11.4	+1.6	*+13.9%*
Brazil	**101.0**	*8.9%*	100.0	+1.0	*+1.0%*
Argentina	**49.0**	*4.3%*	49.0	+0.0	*+0.0%*
China	**254.0**	*22.4%*	257.3	-3.3	*-1.3%*
South Africa	**14.0**	*1.2%*	11.0	+3.0	*+27.3%*
World	**1,133.8**	***100%***	**1,119.0**	**+14.8**	***+1.3%***

World cereal prices ($/t)



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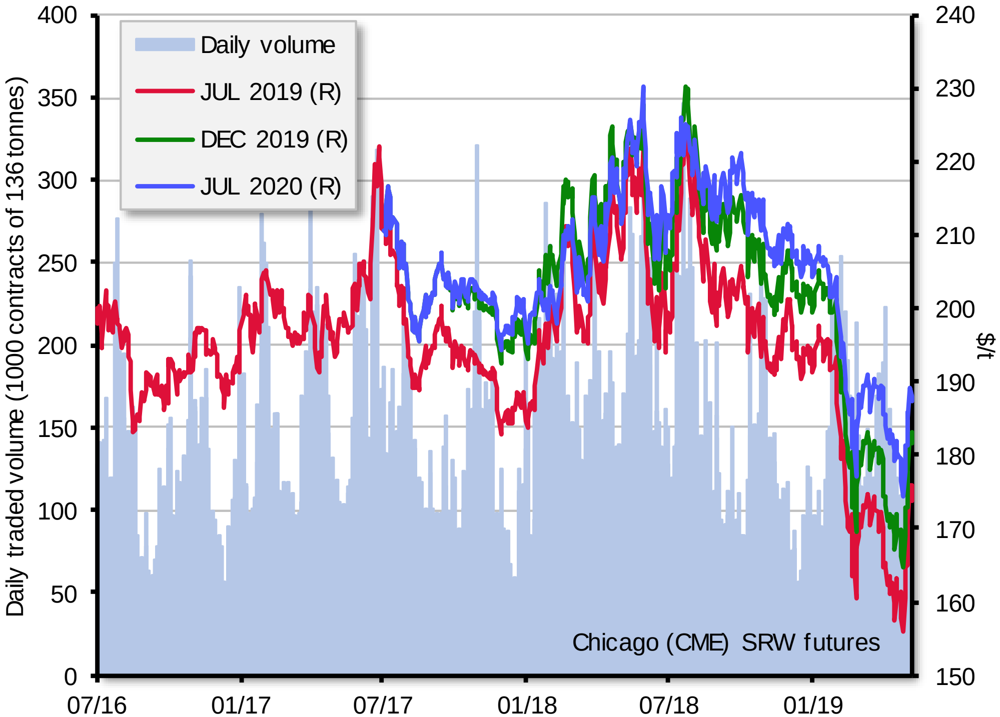
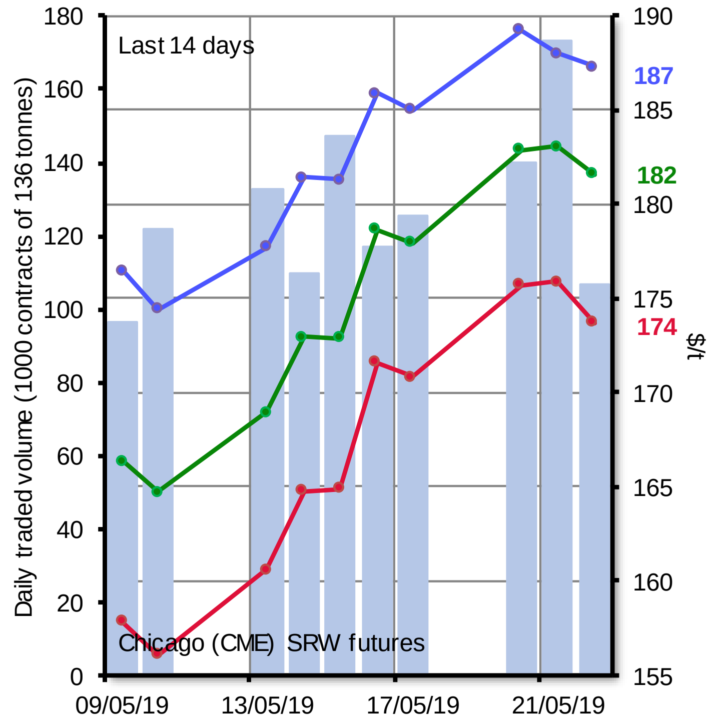
US CME SRW wheat futures





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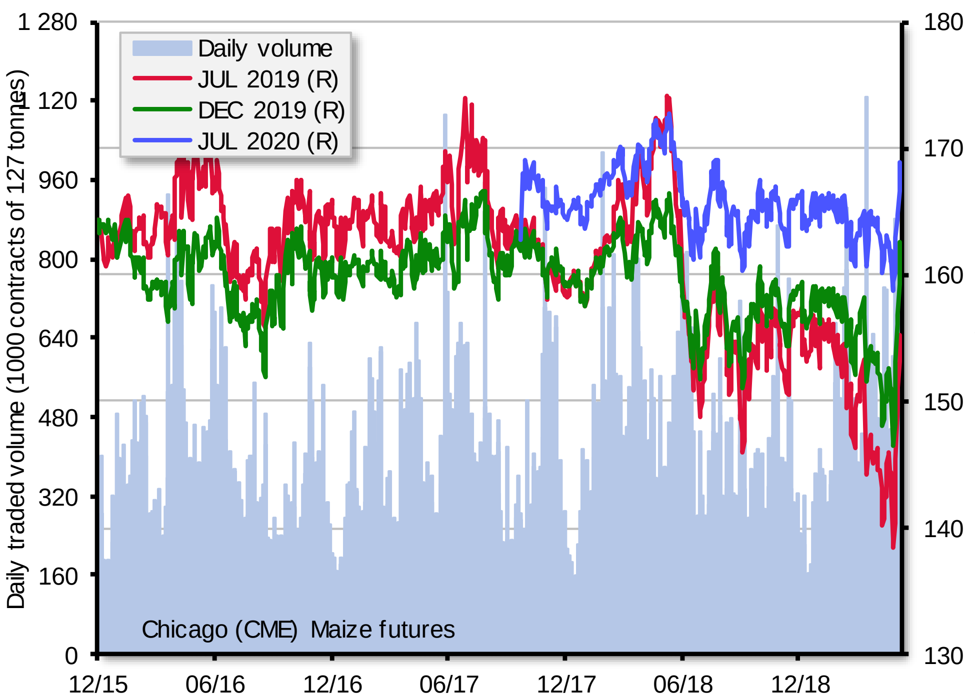
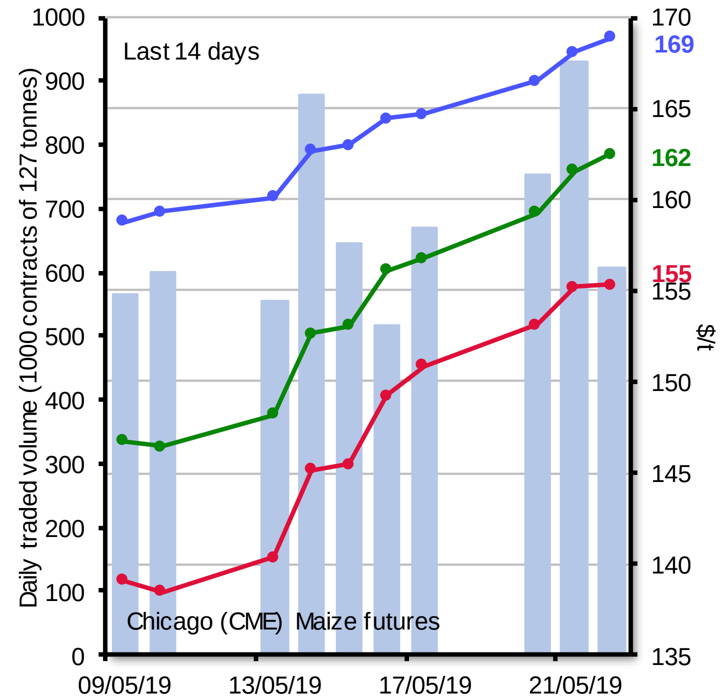
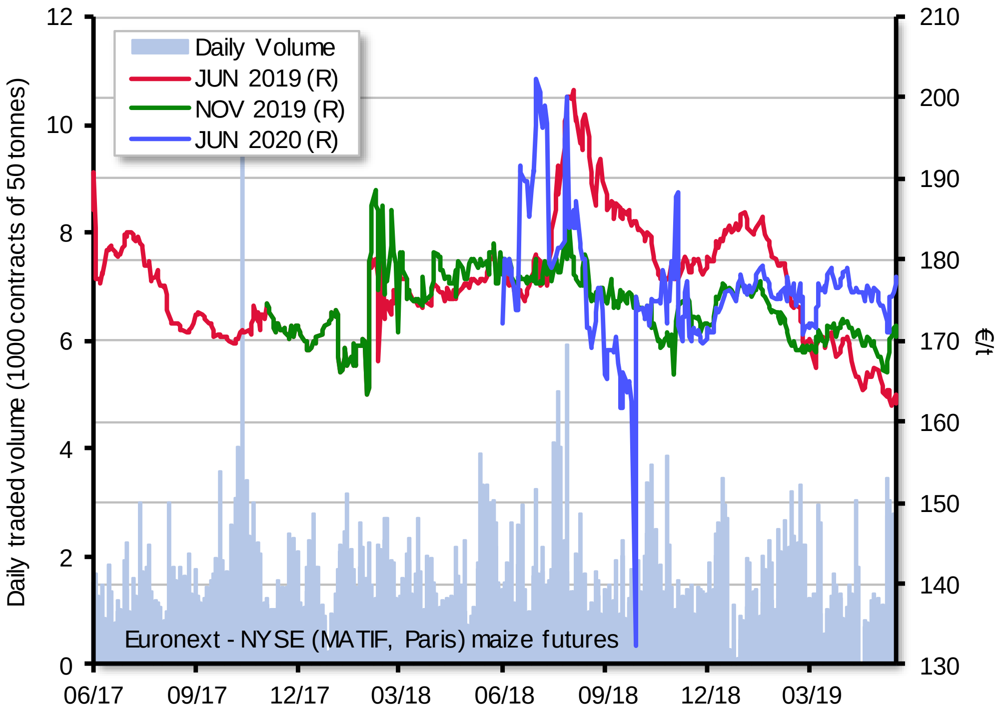
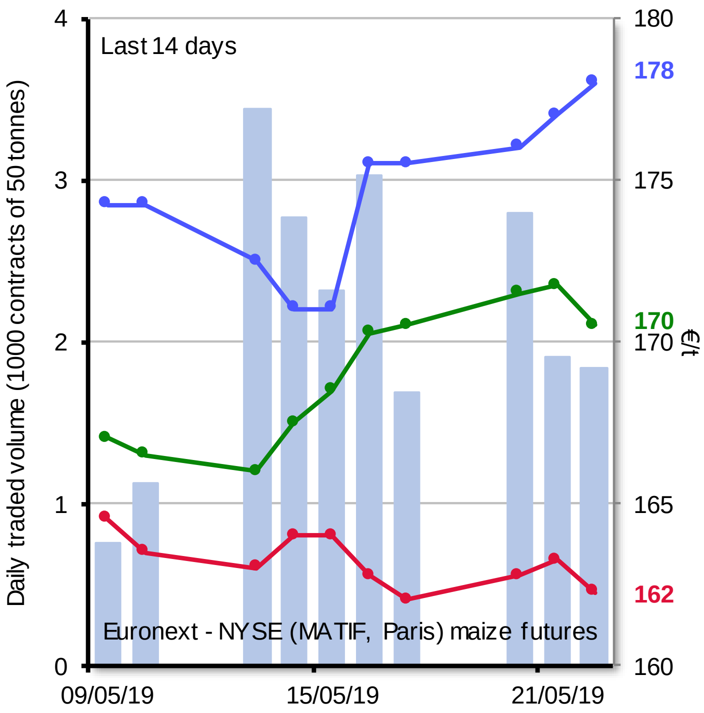
CME maize futures



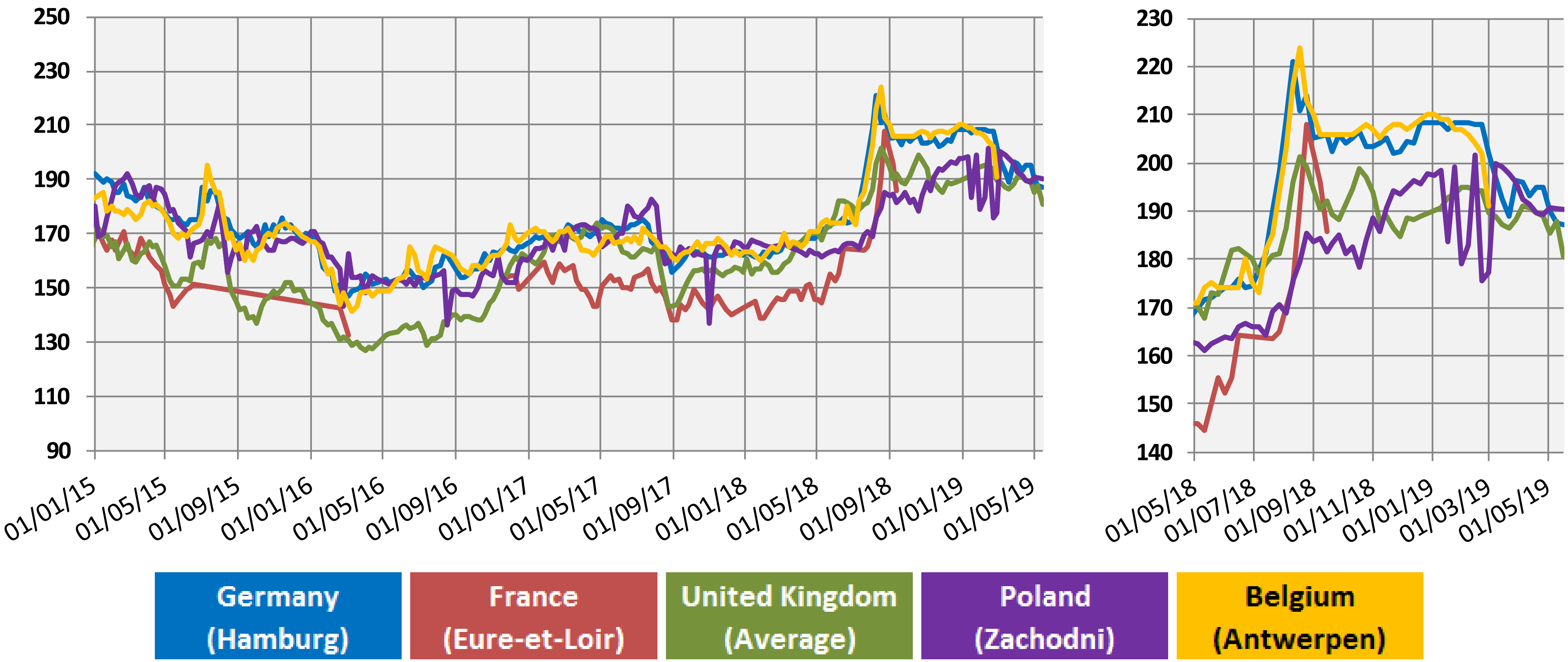


EU maize futures





EU Market prices for feed wheat (€/tonne)



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

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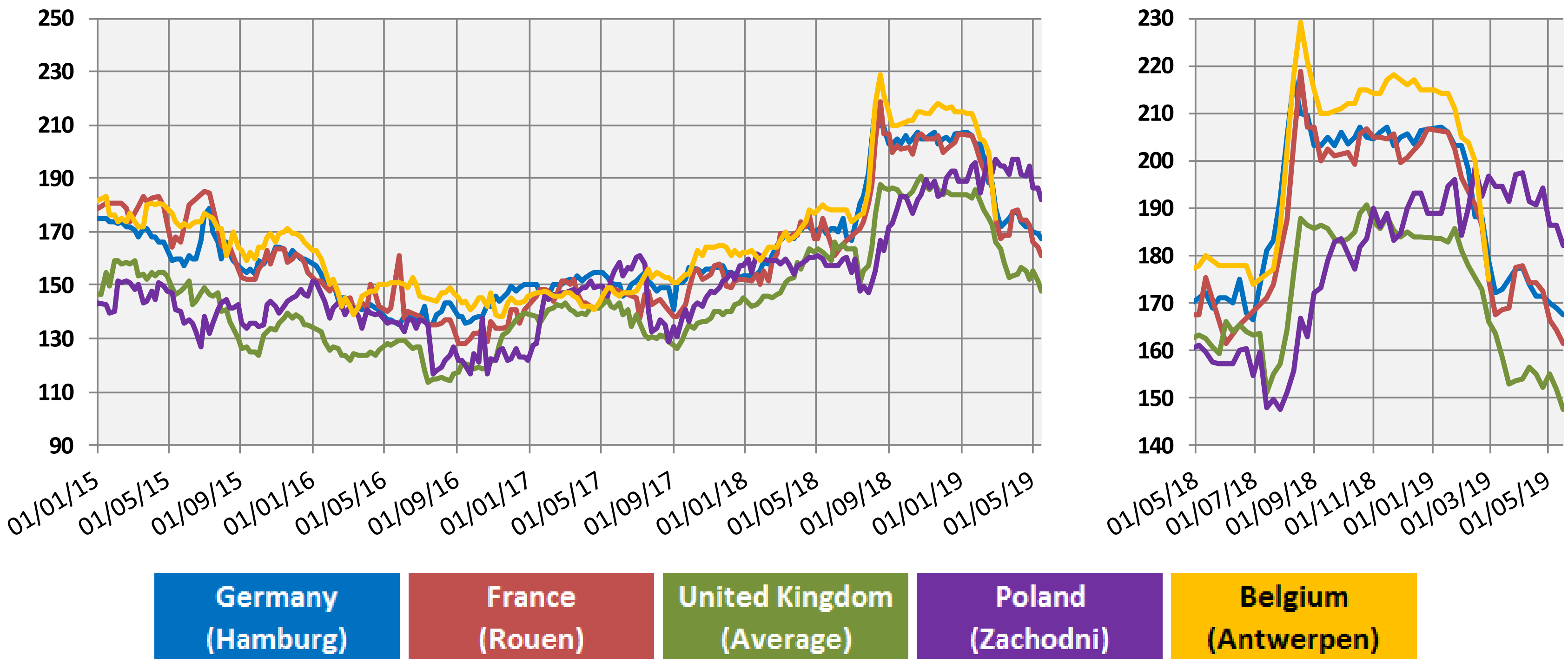
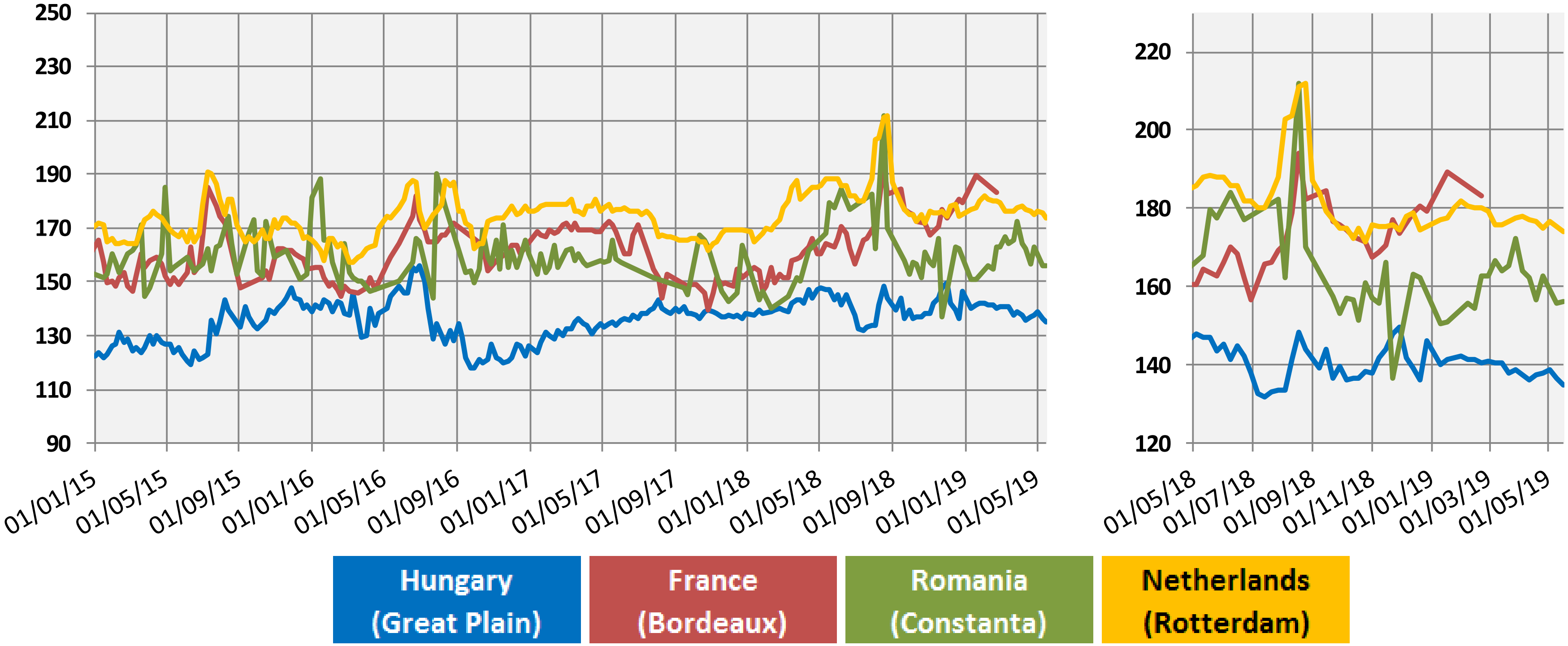
EU Market prices for feed barley (€/tonne)



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

EU Market prices for maize (€/tonne)



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

European Commission

EU Cereals Balance Sheet and Forecasts

Marketing year 2018/19

Agriculture and Rural Development

EU 28 Cereals Balance Sheet

Thousand metric tonnes

LAST UPDATED: 24/05/2019	2018/19 (estimate)									
	Common wheat	Barley	Durum wheat	Maize	Rye	Sorghum	Oats	Triticale	Others	TOTAL CEREALS
Beginning stocks	**17.667**	**4.038**	**2.459**	**20.049**	**354**	**372**	**363**	**1.352**	**974**	**47.628**
Usable production	128.579	56.013	8.664	68.980	6.132	804	7.607	9.741	3.568	290.088
Area (thousand ha)	*23.064*	*12.281*	*2.475*	*8.299*	*1.942*	*153*	*2.727*	*2.631*	*1.536*	*55.108*
Yield (tonnes/ha)	*5,6*	*4,6*	*3,5*	*8,3*	*3,2*	*5,3*	*2,8*	*3,7*	*2,3*	*5,3*
Imports (from third countries)	4.300	150	1.100	22.500	400	800	4		163	29.417
Total supply	**150.546**	**60.201**	**12.222**	**111.529**	**6.887**	**1.976**	**7.974**	**11.093**	**4.705**	**367.133**
Total domestic use	118.158	46.971	9.656	82.782	6.373	1.274	7.720	9.887	4.613	287.434
Human consumption	48.011	362	8.048	4.879	3.000	155	1.149	52	23	65.679
Seed	4.787	2.131	473	402	403	29	450	500	100	9.274
Industrial uses	11.165	9.078	95	12.400	1.300		102	445	200	34.784
of which bioethanol/biofuel	*4.665*	*437*		*6.500*	*700*			*344*	*14*	*12.659*
Animal feed	53.297	35.000	1.000	64.500	1.600	1.090	5.950	8.800	4.250	175.487
Losses	900	400	40	600	70		70	90	40	2.210
Exports (to third countries)	21.000	7.000	1.000	2.400	200	3	100	2	8	31.712
Total use	**139.158**	**53.971**	**10.656**	**85.182**	**6.573**	**1.277**	**7.820**	**9.889**	**4.621**	**319.146**
Ending stocks**	**11.388**	**6.230**	**1.567**	**26.347**	**314**	**700**	**154**	**1.204**	**84**	**47.987**

Change in stocks**	-6.280	2.192	-892	6.298	-41	328	-209	-148	-890	359

* Marketing year: from July to June

** At the end of the marketing year

EU BALANCE SHEET 2018/19

- Production forecast: below average (- 4.9% y/y)
- Floods and drought impact
- Soft wheat and barley: - 9% and -4% y/y
- Maize: + 7% y/y

- Record of total imports driven by maize

- Decrease of total exports y/y: down by 2.7 million tonnes

EU cereals trade 2018/19 (update of Situation at 20/05/2019)

- **Imports:** 27.4m t (21.4m t last year; 16m t two years ago)
  - 3.8m t soft wheat ↑ +4% y/y
  - 0.91m t durum wheat ↓ -29% y/y
  - 21.5m t maize ↑ +37% y/y
  - 0.12m t barley ↓ -72% y/y

- **Exports:** 28.7m t (29.6m t last year; 34.6m t two years ago)
  - 18.8m t soft wheat ↓ -2% y/y
  - 4m t barley ↓ -24% y/y
  - 0.82m t durum wheat ↓ -21% y/y
  - 2.3m t maize ↑ +59% y/y

- So far, the EU is a net cereal exporter of 1.3m t, against 8.2m t last year and 18.6m t two years ago.

EU Cereals Balance Sheet and Forecasts

Marketing year 2019/20

EU 28- 2019 Production Forecasts

EVOLUTION OF THE EU CEREALS USABLE PRODUCTION					
Million tonnes	2017/2018	2018/2019	2019/2020 April fcst	2019/2020 May fcst	% change 2018/2019
TOTAL	**305,3**	**290,1**	**309,5**	**311,4**	7,3
Soft wheat	142,0	128,6	141,3	143,8	11,8
Durum wheat	8,7	8,7	8,4	8,3	-4,6
Barley	58,3	56,1	61,0	60,7	8,2
Maize	64,8	69,0	68,3	68,2	-1,2
Rye	7,2	6,1	7,9	7,9	29,5
Oats	8,1	7,6	8,1	8,1	6,6

Sources : DG AGRI -G4

EU 28 Cereals Balance Sheet

Thousand metric tonnes

LAST UPDATED: 24/05/2019	2019/20 (forecast)									
	Common wheat	Barley	Durum wheat	Maize	Rye	Sorghum	Oats	Triticale	Others	TOTAL CEREALS
Beginning stocks	**11.388**	**6.230**	**1.567**	**26.347**	**314**	**700**	**154**	**1.204**	**84**	**47.987**
Usable production	143.768	60.743	8.285	68.199	7.910	764	8.068	10.207	3.461	311.405
Area (thousand ha)	*23.839*	*12.358*	*2.385*	*8.677*	*2.203*	*146*	*2.678*	*2.559*	*1.357*	*56.201*
Yield (tonnes/ha)	*6,0*	*4,9*	*3,5*	*7,9*	*3,6*	*5,2*	*3,0*	*4,0*	*2,6*	*5,5*
Imports (from third countries)	3.379	221	1.726	15.483	80	259	4		161	21.312
Total supply	**158.535**	**67.194**	**11.578**	**110.029**	**8.303**	**1.722**	**8.227**	**11.411**	**3.706**	**380.704**
Total domestic use	117.091	50.028	9.649	82.303	6.392	737	7.473	9.891	3.653	287.215
Human consumption	48.147	363	8.071	4.881	3.069	156	1.152	52	23	65.913
Seed	4.879	2.187	443	422	453	31	449	504	290	9.658
Industrial uses	11.165	9.078	95	12.400	1.300		102	445	200	34.784
of which bioethanol/biofuel	*4.665*	*437*		*6.800*	*700*			*344*	*14*	*12.959*
Animal feed	52.000	38.000	1.000	64.000	1.500	550	5.700	8.800	3.100	174.650
Losses	900	400	40	600	70		70	90	40	2.210
Exports (to third countries)	25.494	8.824	1.143	2.721	154	3	187	2	8	38.536
Total use	**142.585**	**58.853**	**10.792**	**85.024**	**6.546**	**739**	**7.659**	**9.893**	**3.661**	**325.751**
Ending stocks**	**15.950**	**8.342**	**786**	**25.005**	**1.757**	**983**	**567**	**1.518**	**45**	**54.953**
Change in stocks**	4.562	2.111	-780	-1.342	1.444	283	413	314	-40	6.966

* Marketing year: from July to June

** At the end of the marketing year

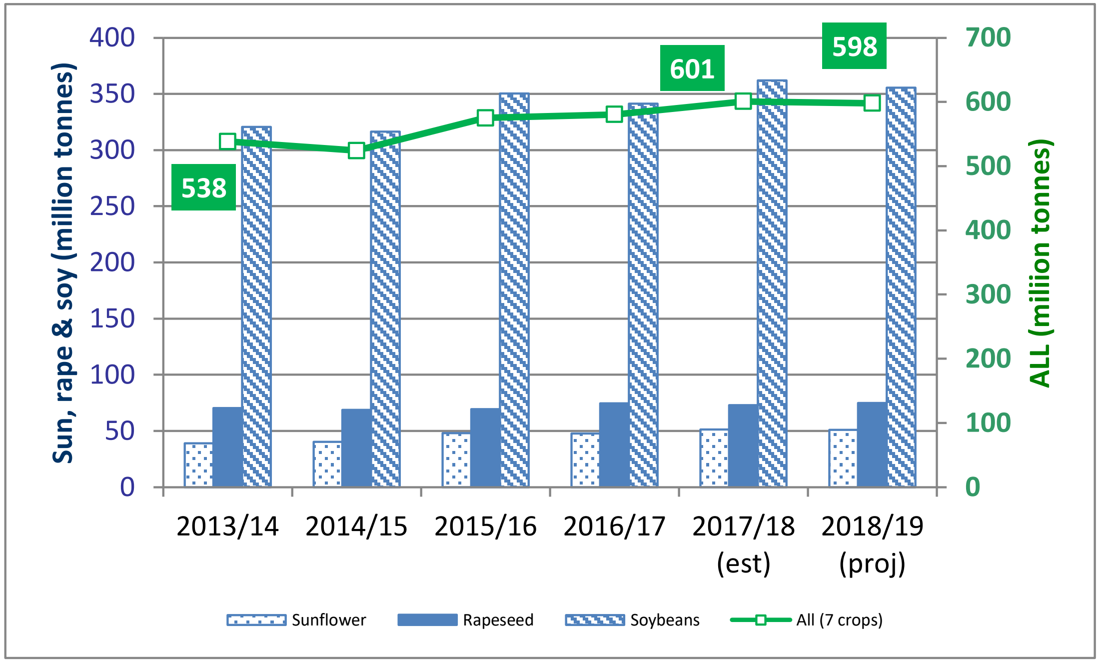
EU BALANCE SHEET 2019/20

- Production forecast: above average (+ 7.3% y/y) based on:
- *Areas communicated by Member States*
- *Yield Forecast for wheat and barley (MARS)*

- Increase of total EU cereal area (56.2 million ha, 2% y/y)
- Decrease of total imports, in particular for maize
- Increase of total exports
- Increase of ending stocks

World Oilseeds Forecasts and Prices

2019/20: World Oilseeds (USDA)



First 19/20 outlook (changes y/y)

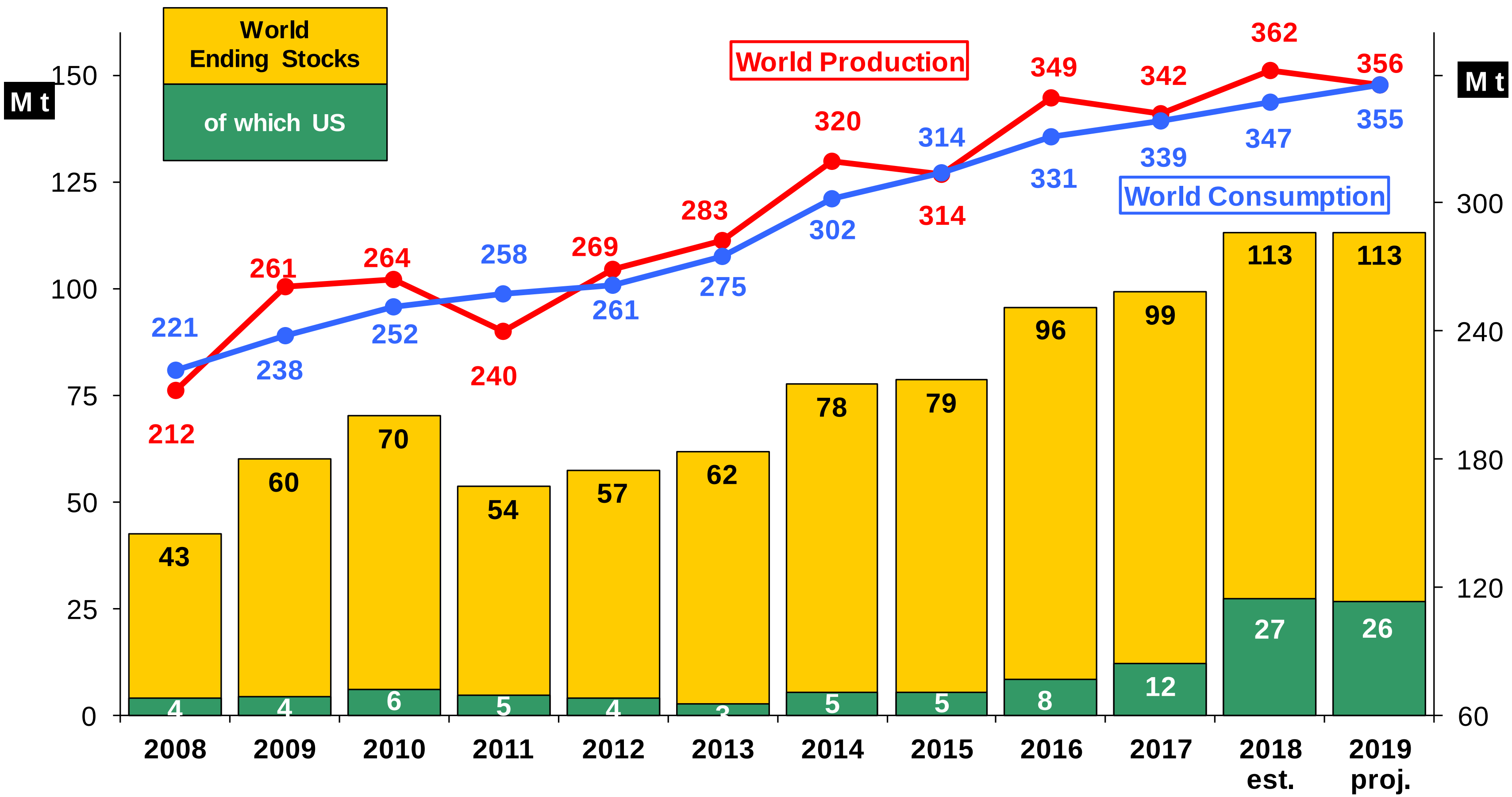
Total Oilseeds: 598 m t ⇓

Soya beans: 356 m t ⇓

Rapeseed: 75 m t ⇑

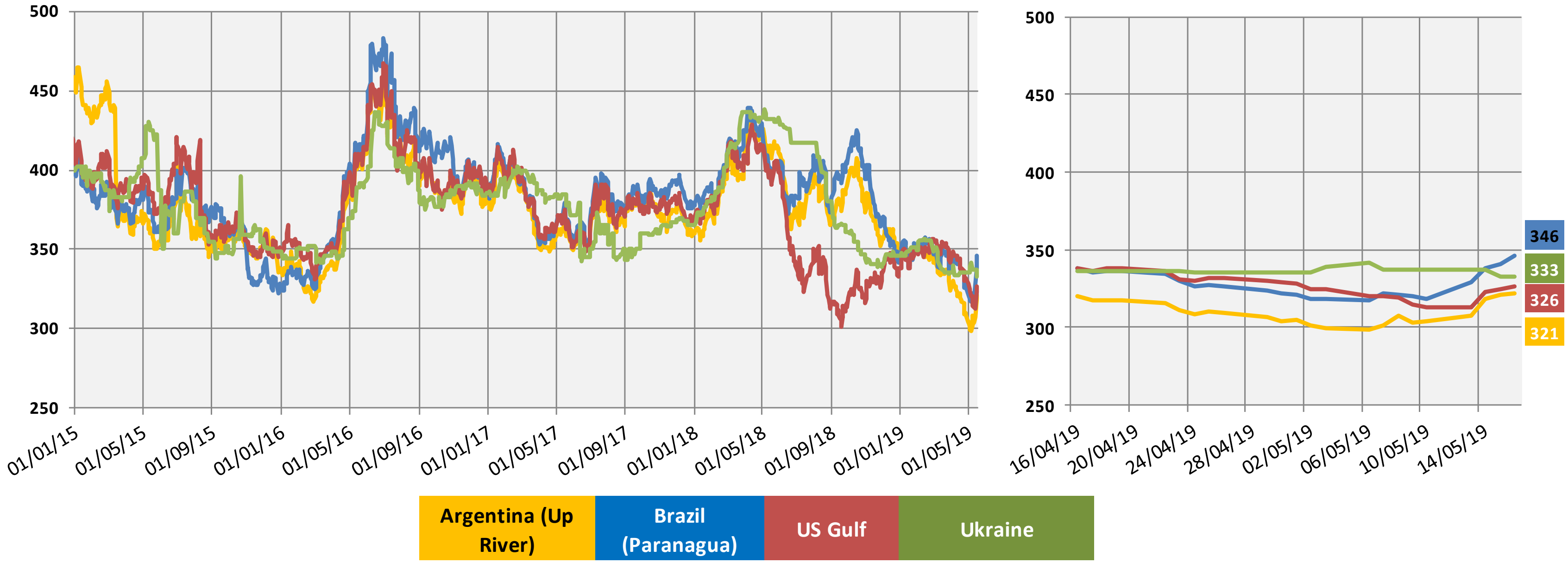
Sunflower: 51 m t ⇓

2018/19: World soya (USDA)



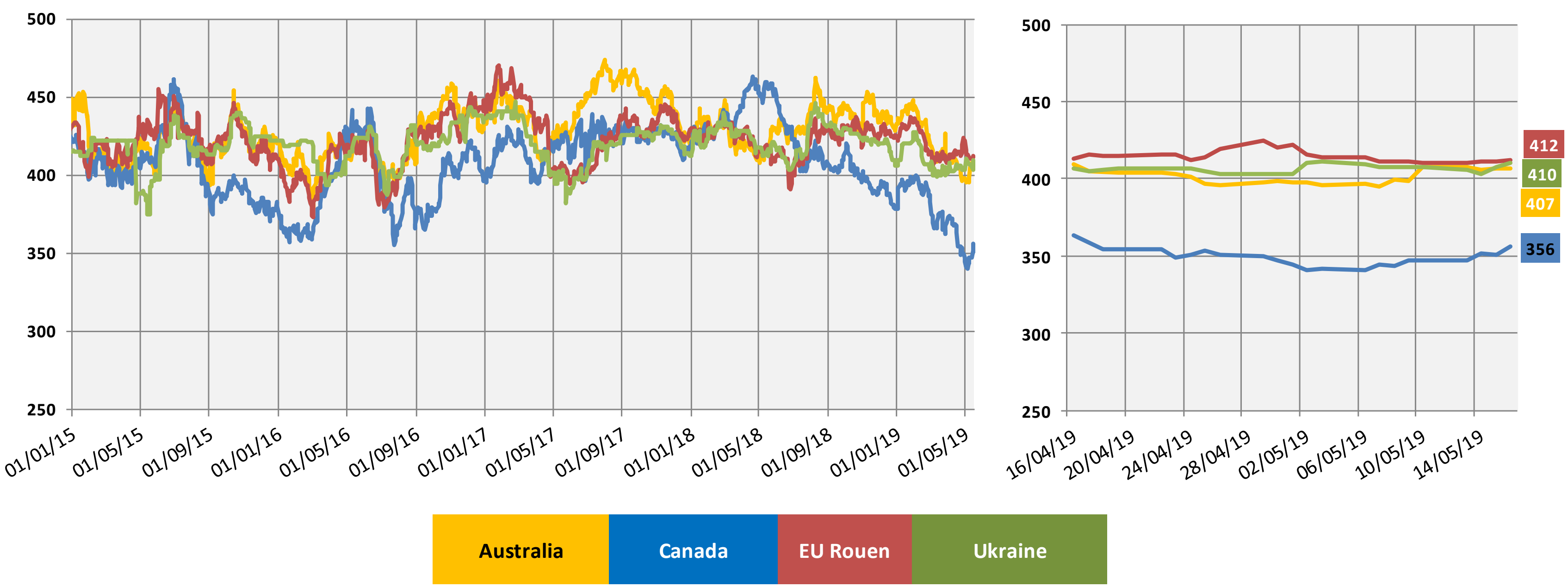
Source: USDA May report

World Soya beans export prices ($/tonne (fob))



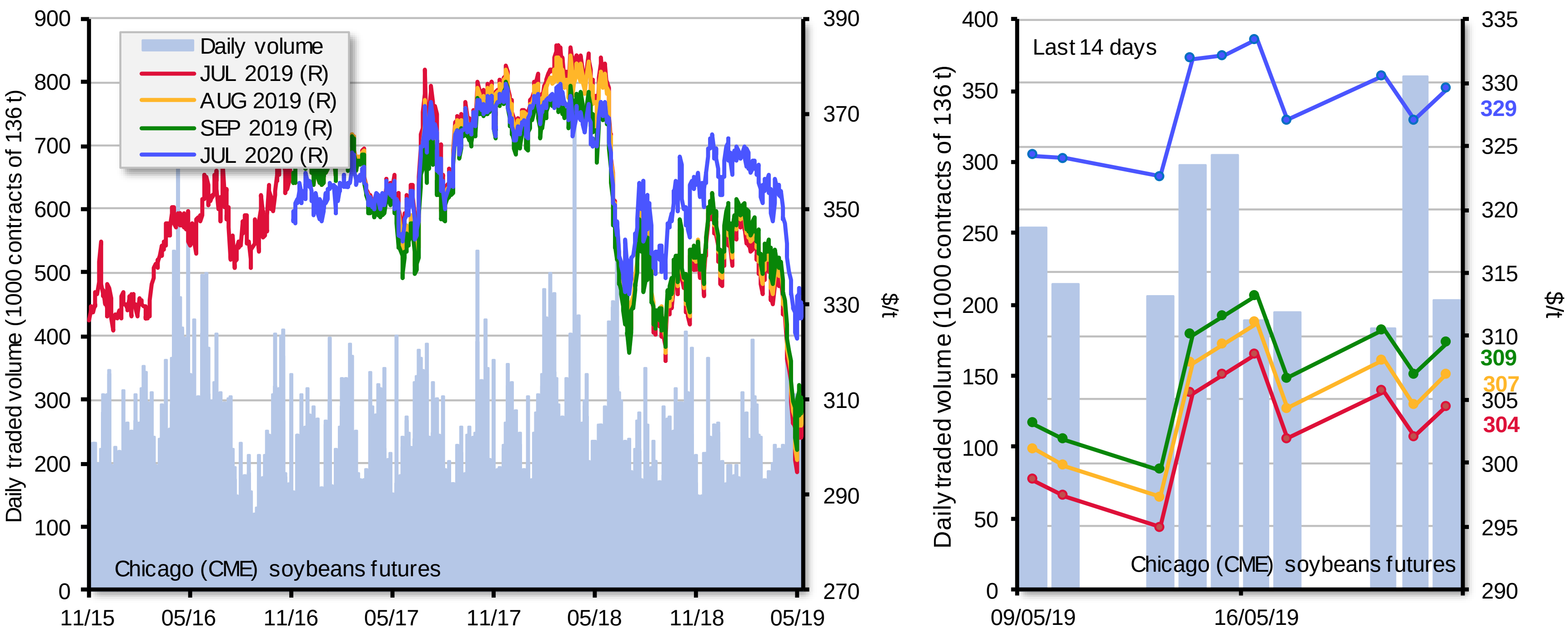
Source: International Grains Council

World rapeseed export prices ($/tonne)



Source: International Grains Council

CME soya futures



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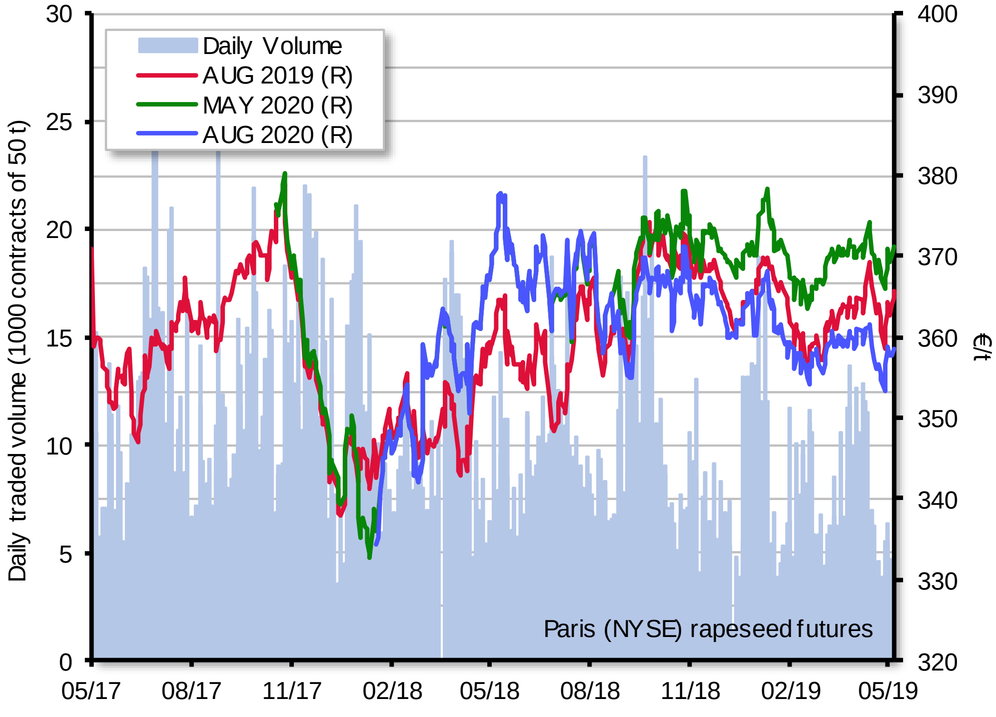
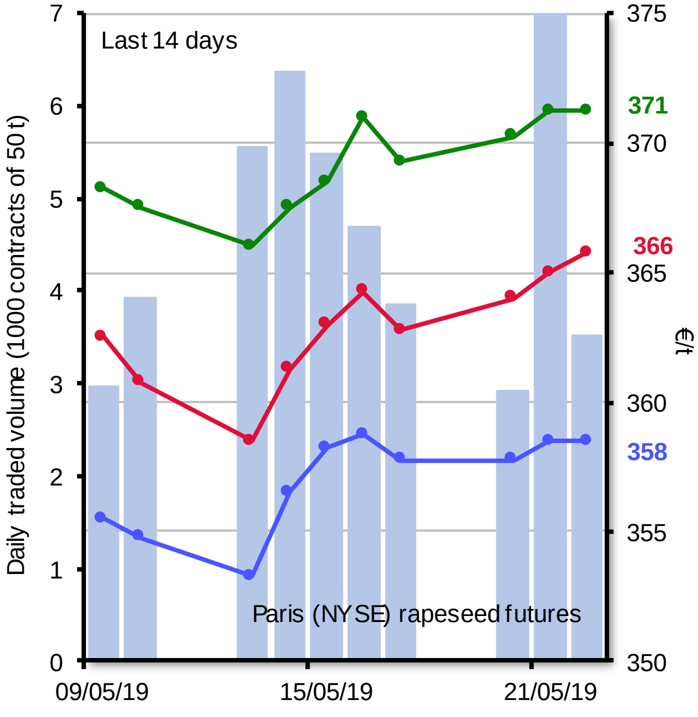
NYSE Euronext rapeseed futures





European Commission

EU Oilseeds Balance Sheet and Forecasts

Marketing year 2019/20

European Commission

EU Oilseeds

EU OILSEEDS AREA

Million ha	AVG 5 yrs trimmed	2018/19	2019/20 April	**2019/20 May**	change year on year	change on 5yrs AVG
Rapeseed	6.67	6.93	6.03	**5.95**	-14.2%	-10.8%
Sunflower	4.20	4.12	4.17	**4.19**	1.7%	-0.2%
Soya Beans	0.90	0.97	0.98	**0.99**	2.1%	11.0%
TOTAL	**11.76**	**12.03**	**11.18**	**11.13**	**-7%**	**-5%**

EU OILSEEDS PRODUCTION

Million tonnes	AVG 5 yrs trimmed	2018/19	2019/20 April	**2019/20 May**	change 2018/19	change AVG 5yrs
Rapeseed	21.31	20.02	19.20	**18.74**	-6.4%	-12.1%
Sunflower	9.32	9.96	10.04	**10.14**	1.9%	8.8%
Soya Beans	2.51	2.83	2.84	**2.90**	2.6%	15.7%
TOTAL	**32.88**	**32.81**	**32.08**	**31.79**	**-3.1%**	**-4.1%**

European Commission

EU oilseeds balance sheet

Thousand metric tonnes

OILSEED	2018/19 est				2019/20 fc			
LAST UPDATED: 24/05/2019	Rapeseed	Soybean	Sunflower	TOTAL	Rapeseed	Soybean	Sunflower	TOTAL
Beginning stocks	**2 287**	**2 296**	**937**	**5 520**	**1 520**	**2 140**	**891**	**4 551**
Usable production	20 022	2 828	9 959	32 810	18 740	2 902	10 145	31 787
Area (thousand ha)	*6 928*	*975*	*4 124*	*12 026*	*5 946*	*995*	*4 194*	*11 134*
Yield (tonnes/ha)	*2.9*	*2.9*	*2.4*	*2.7*	*3.2*	*2.9*	*2.4*	*2.9*
Imports (from third countries)	4 300	15 400	500	20 200	4 500	15 400	506	20 406
Total supply	**26 609**	**20 524**	**11 396**	**58 530**	**24 760**	**20 442**	**11 542**	**56 744**
Domestic use	24 989	18 194	10 105	53 289	23 497	19 164	10 256	52 917
of which crushing	*24 093*	*16 097*	*8 988*	*49 177*	*22 645*	*16 821*	*9 157*	*48 623*
Exports (to third countries)	100	190	400	690	263	178	461	902
Total use	**25 089**	**18 384**	**10 505**	**53 979**	**23 760**	**19 342**	**10 717**	**53 819**
Ending stocks	**1 520**	**2 140**	**891**	**4 551**	**1 000**	**1 100**	**825**	**2 925**
Change in stocks	-767	-156	-46	-969	-520	-1 040	-66	-1 626

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Thank you for your attention!

Presentations & Balance sheets available at:

http://ec.europa.eu/agriculture/cereals/index_en.htm

EU Crops Market Observatory

https://ec.europa.eu/agriculture/market-observatory/crops_en