European Commission

Market situation
Cereals – Oilseeds – Protein crops

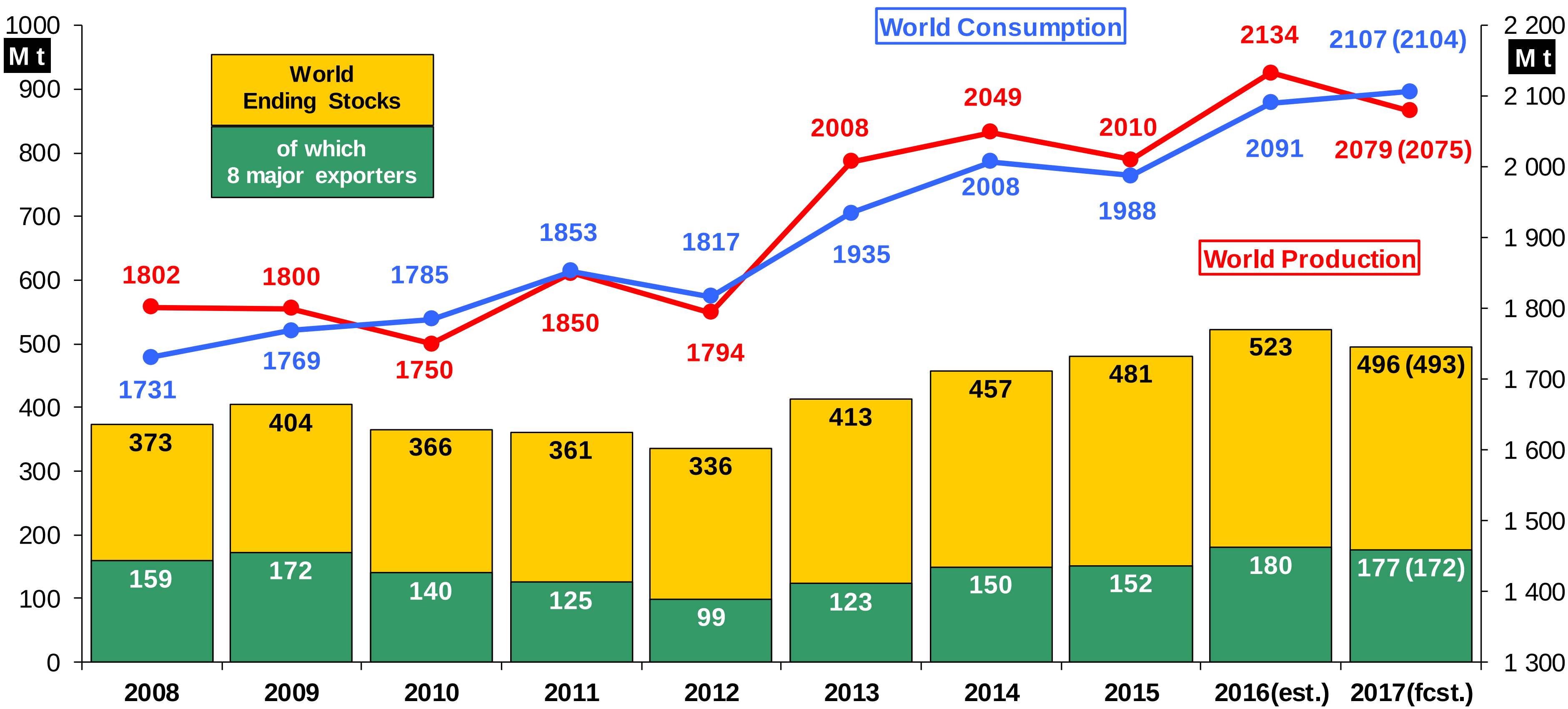
DG AGRI G 4
Civil Dialogue Group on Animal Products
Sector Poultry and Eggs

28 November 2017

Agriculture and Rural Development

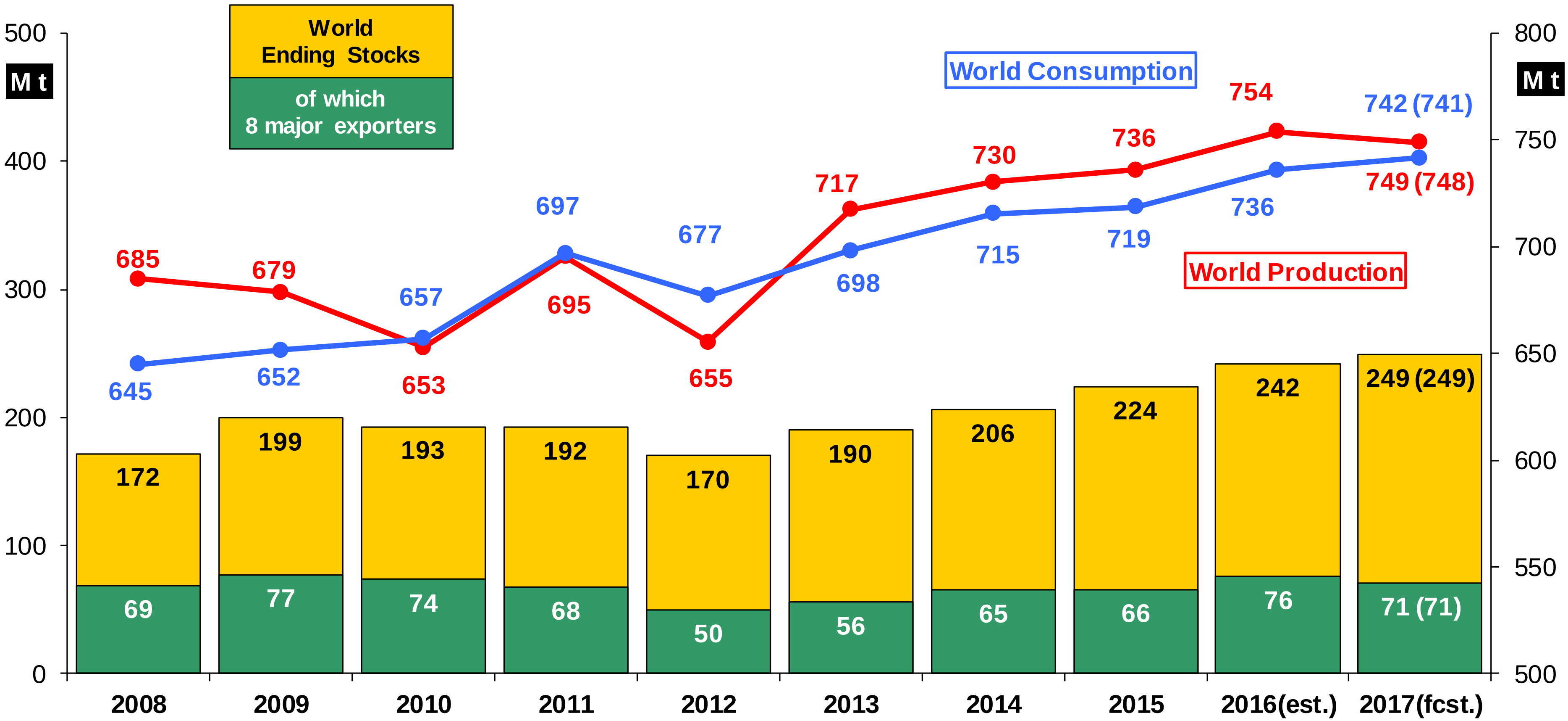
World Cereals Forecasts

World cereals: IGC



Source: IGC November report

World wheat: IGC



Source: IGC November report

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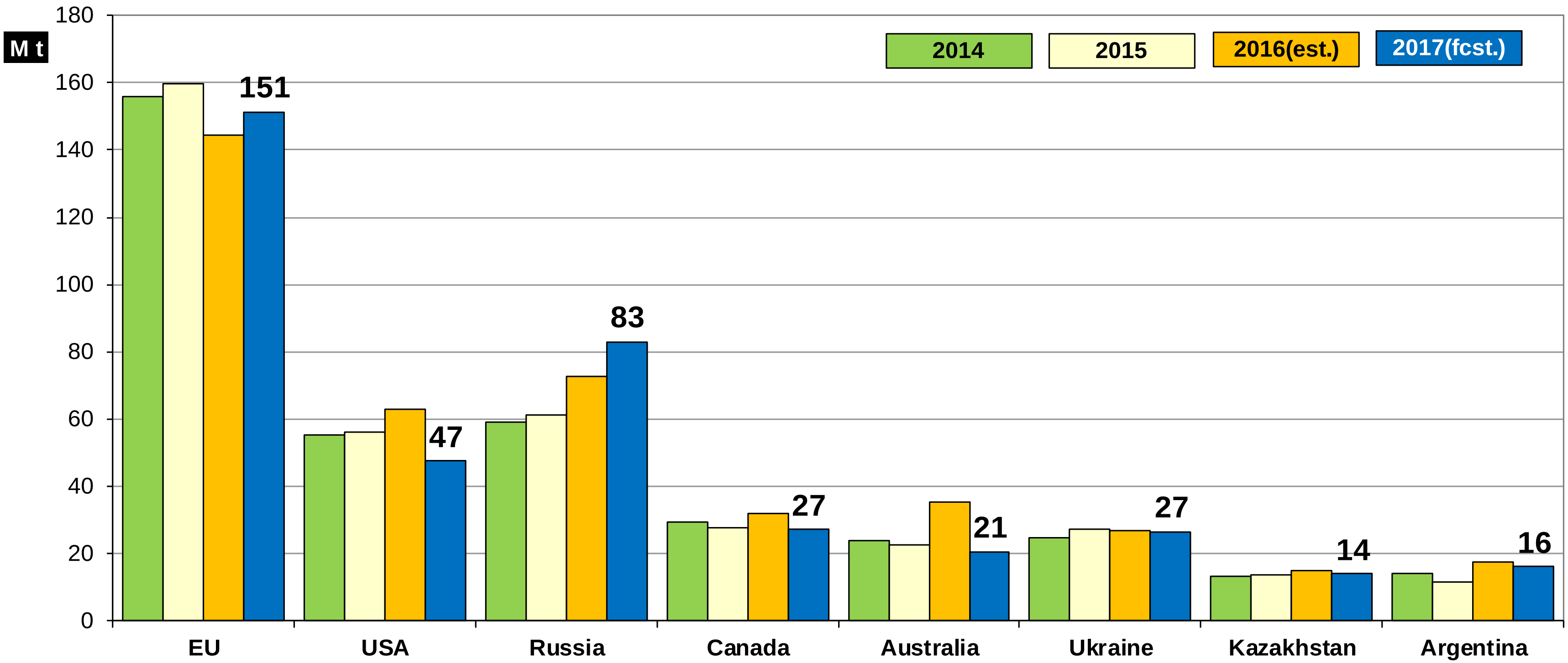
IGC: Wheat production forecast



Source: IGC November report

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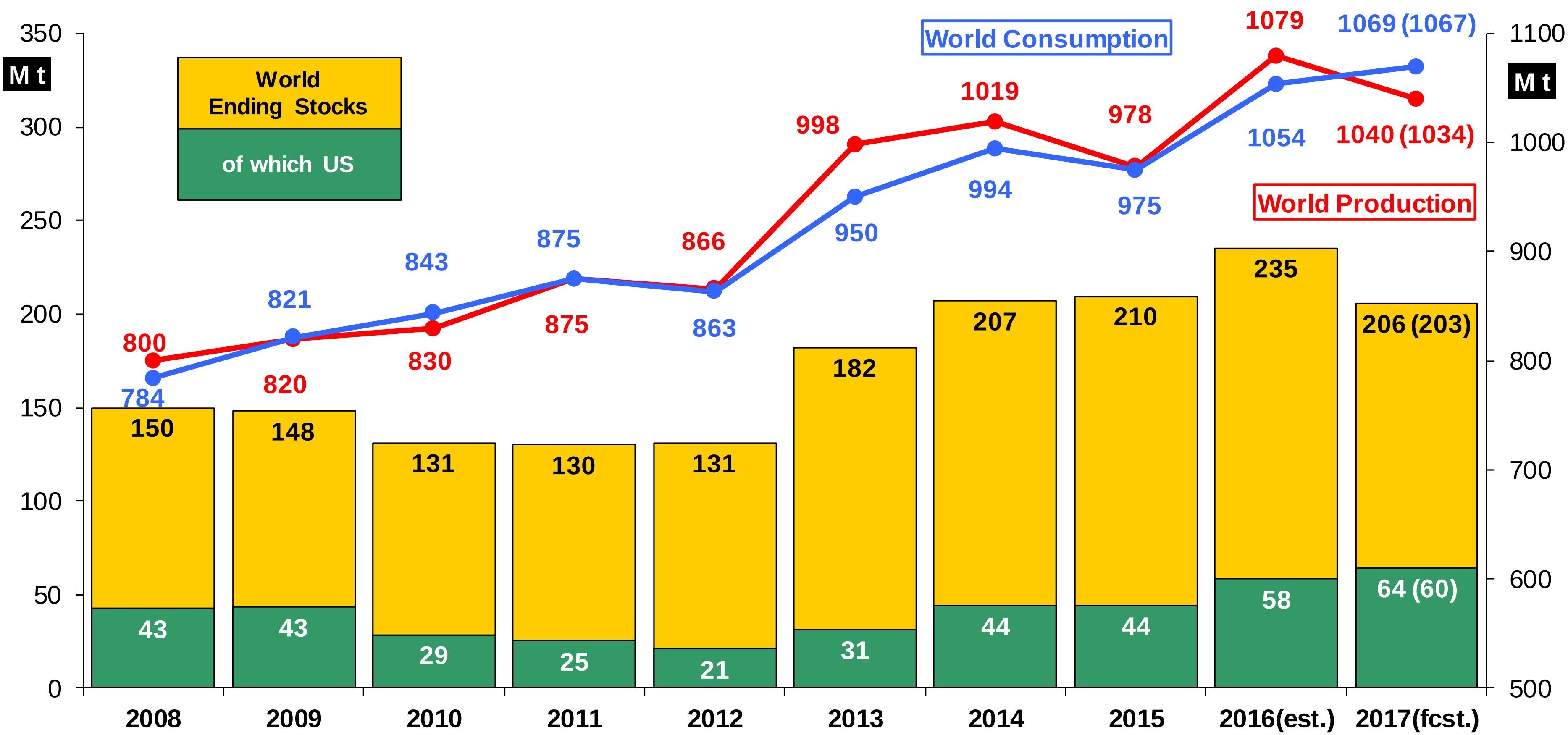
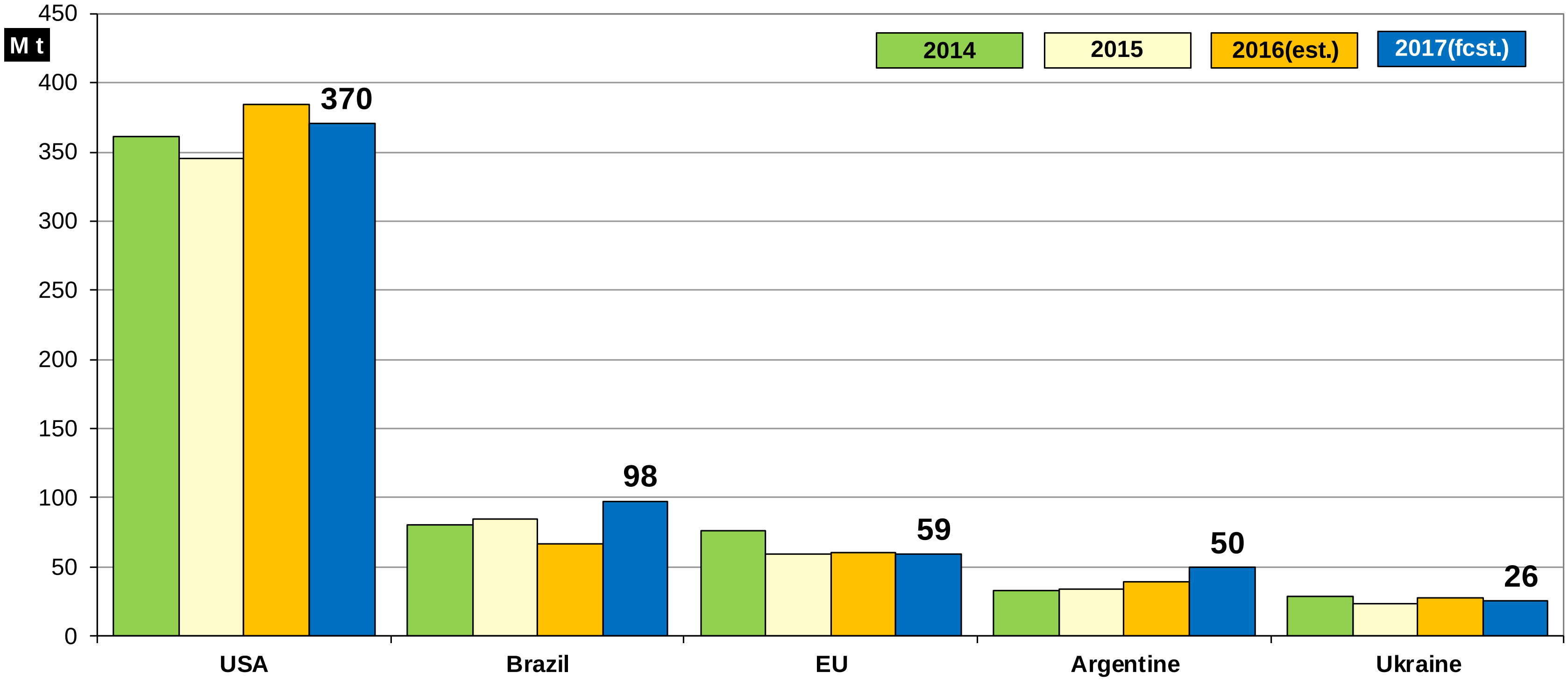
World maize: IGC



Source: IGC November report

Agriculture and Rural Development

IGC: maize production forecast



Source: IGC November report

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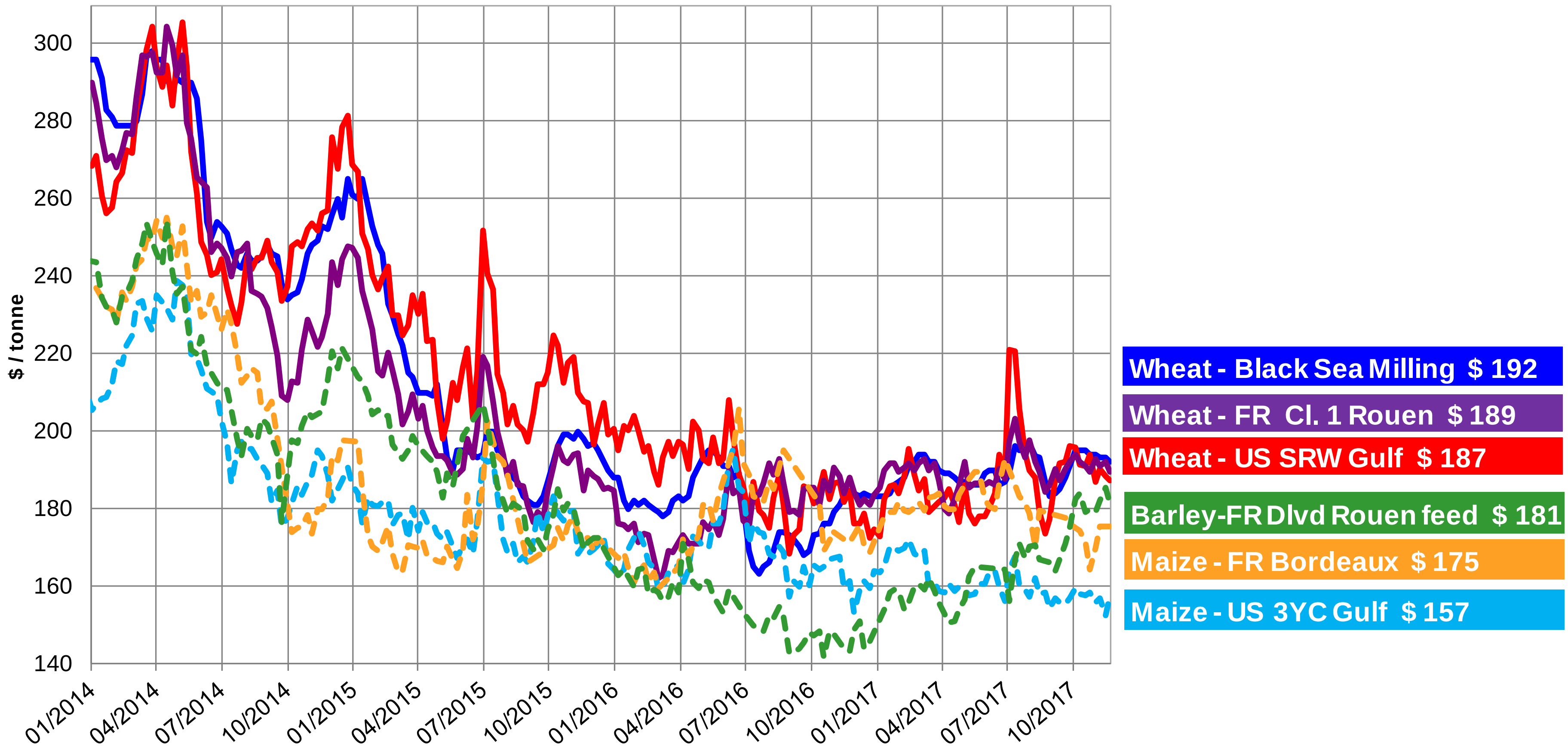
Cereals prices

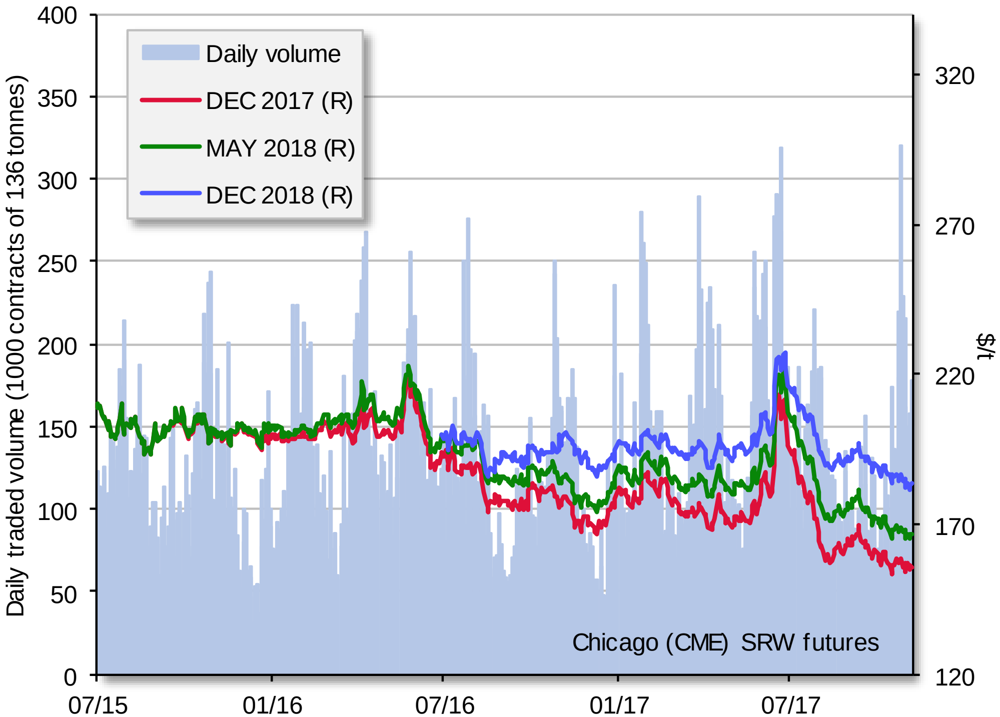
Agriculture and Rural Development

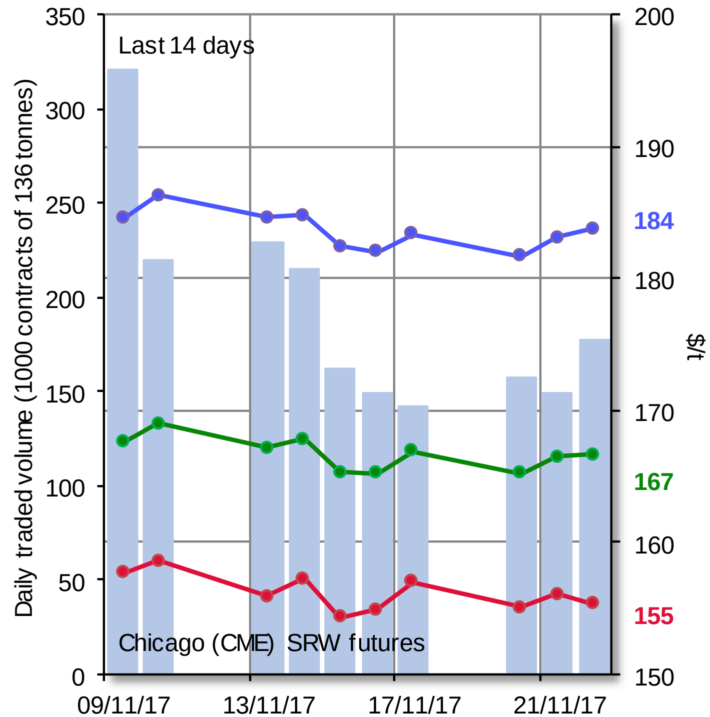
European Commission

World cereal prices ($/t)

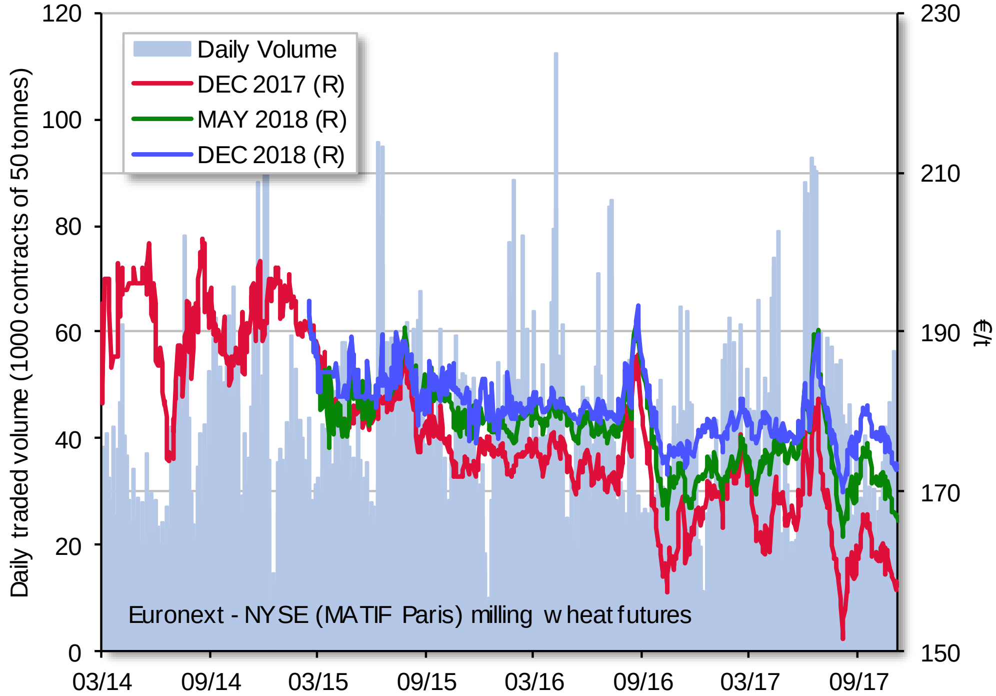


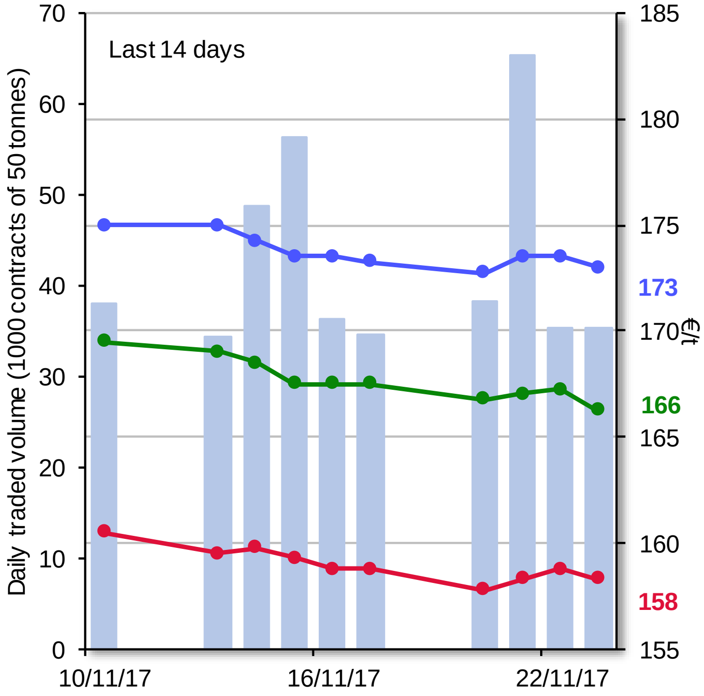
US CME SRW wheat futures



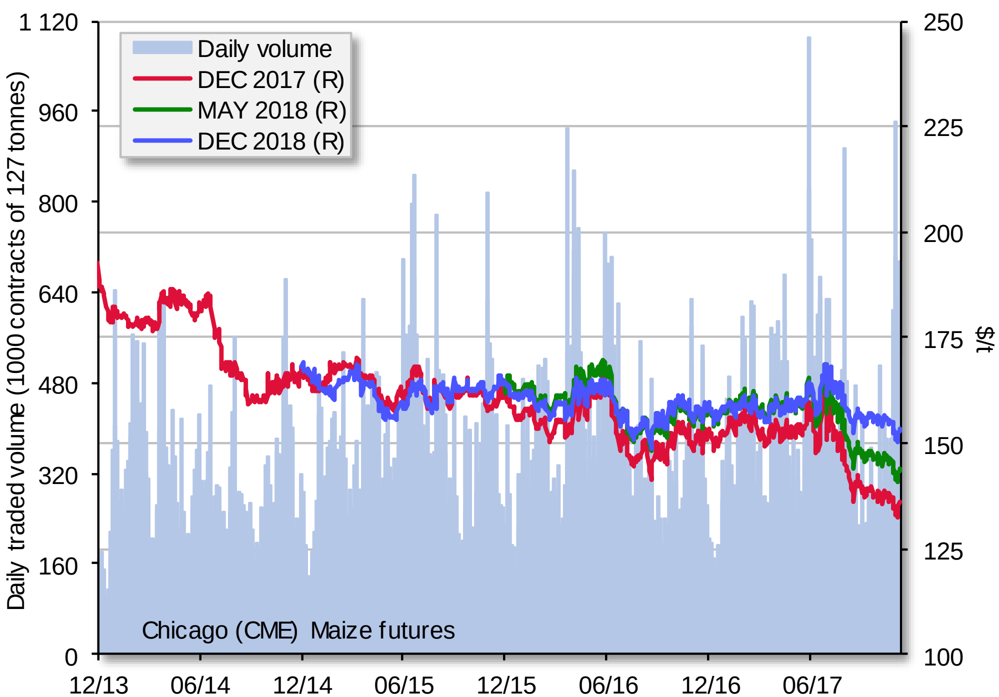


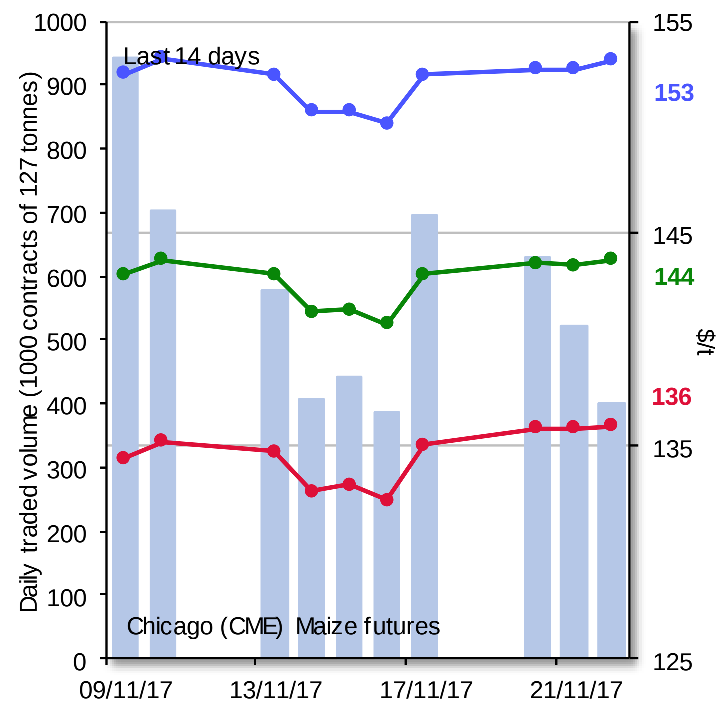
EU Milling Wheat Futures





CME maize futures





Agriculture and Rural Development

EU Cereals Balance Sheets and Forecasts

Agriculture
and Rural
Development

2016/17 Marketing Year

Cereals

2016/17 Balance Sheet: no change (production below average)

Sep-17	Cereals balance sheet:Marketing year: 2016/2017									Million tonnes
	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	EUR 28
Beginning stocks (01.07.2016)	**14,7**	**7,6**	**2,5**	**13,9**	**1,0**	**0,2**	**1,6**	**2,3**	**2,7**	**46,5**
Usable production	**133,7**	**59,6**	**9,2**	**60,8**	**7,3**	**0,7**	**7,9**	**11,5**	**3,4**	**294,2**
Import	**3,3**	**0,4**	**1,7**	**13,6**	**0,0**	**0,2**	**0,0**	**0,0**	**0,2**	**19,3**
TOTAL AVAILABILITIES	**151,7**	**67,7**	**13,4**	**88,3**	**8,3**	**1,0**	**9,5**	**13,8**	**6,3**	**360,1**
USE										
- Human	47,8	0,4	8,0	4,8	3,0	0,2	1,1	0,1	0,0	**65,4**
- Seed	5,0	2,2	0,5	0,4	0,4	0,0	0,4	0,6	0,1	**9,6**
- Industrial	10,5	9,0	0,1	11,5	1,6	0,0	0,1	0,4	0,1	**33,4**
of which alcohol										**13,8**
o.w. bioethanol/biofuel	4,5	0,4		6,0	0,9			0,3		**12,2**
- Animal feed	52,4	41,2	0,8	52,8	2,3	0,7	7,3	11,0	4,5	**172,9**
TOTAL USE	**115,7**	**52,8**	**9,4**	**69,5**	**7,4**	**0,9**	**9,0**	**12,1**	**4,7**	**281,3**
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	**35,1**	**14,5**	**3,9**	**18,2**	**0,8**	**0,2**	**0,5**	**1,7**	**1,6**	**76,6**
Export	**25,1**	**8,8**	**1,4**	**2,6**	**0,1**	**0,0**	**0,2**	**0,0**	**0,0**	**38,1**
Ending stocks (30.06.2017)	**10,1**	**5,8**	**2,5**	**15,6**	**0,7**	**0,2**	**0,3**	**1,7**	**1,6**	**38,5**

EU BALANCE SHEET 2016/17

- **Production below average (less than 295 million tonnes):**
  - Disappointing soft wheat yields in Western Europe
  - Partially offset by increases in Southern and Eastern Europe
  - Mixed quality results for soft wheat (specific weight and grain size)

- **Decrease of total exports** (incl. steep fall in soft wheat and barley exports)

- **Second decrease** in a row **of ending stocks**

European Commission

2017/18 Marketing Year

Cereals

(forecasts)

Agriculture and Rural Development

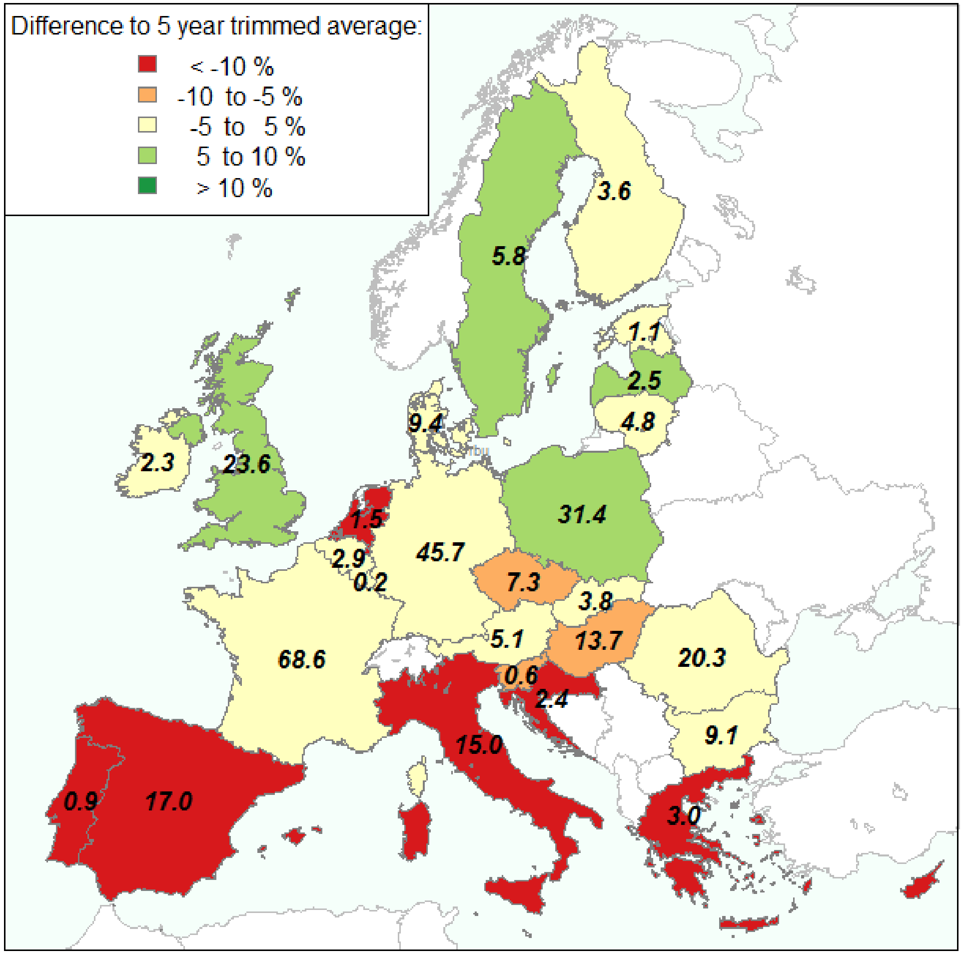
EU 28- 2017 Production Forecasts

EU EVOL CEREALS USABLE PRODUCTION					
Million tonnes	2015/2016	2016/2017	2017/2018 Sept fcst	2017/2018 Oct fcst	%change 2016/2017
TOTAL	**311,5**	**294,2**	**298,6**	**299,0**	1,6
Soft wheat	151,3	133,7	140,4	141,5	5,8
Durum wheat	8,3	9,2	9,2	9,0	-2,2
Barley	61,4	59,6	58,1	58,0	-2,7
Maize	59,0	60,8	59,1	58,5	-3,8
Rye	7,6	7,3	7,3	7,3	0,0
Oats	7,5	7,9	8,2	8,5	7,6

Sources : DG AGRI -G4

European Commission

All cereals production 2017 (million t) (f'cast.)

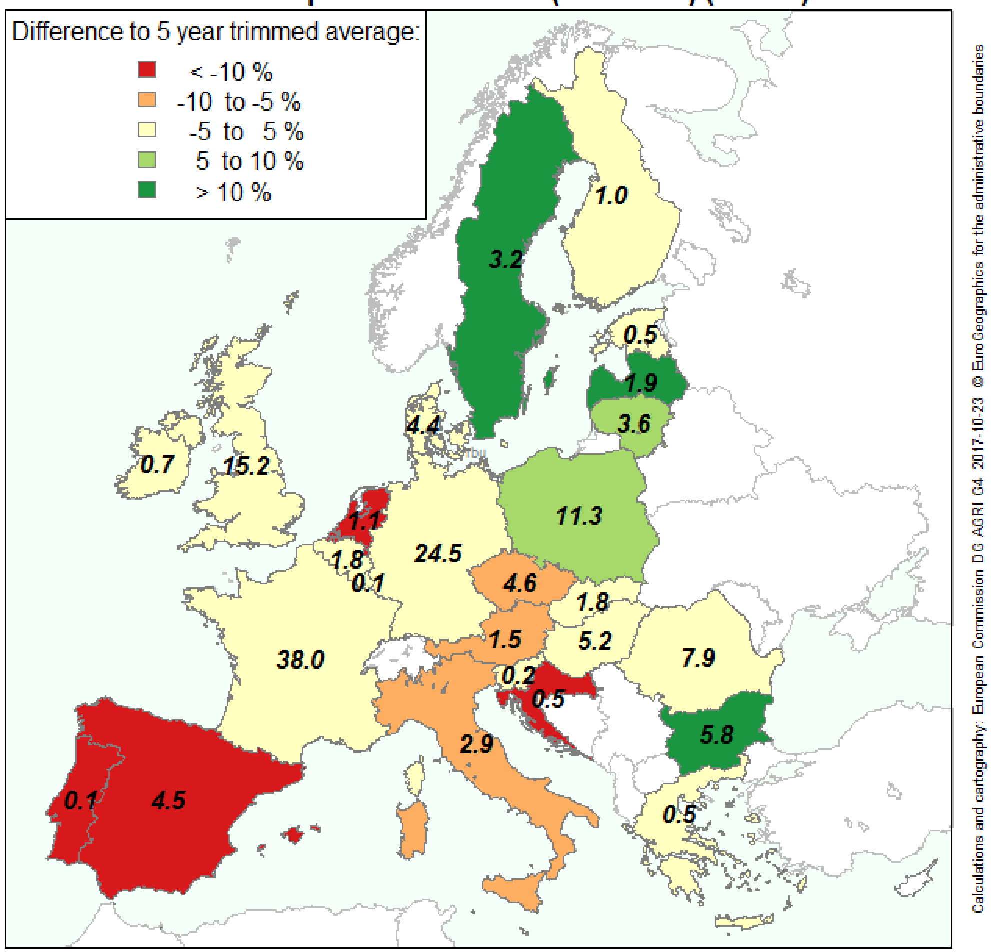


Calculations and cartography: European Commission DG AGRI G4 2017-10-23 © EuroGeographics for the administrative boundaries

EU28 production : 299.0 (million t) Difference to 5 year trimmed average: -1 %

European Commission

Soft wheat production 2017 (million t) (f'cast.)



EU28 production : 141.5 (million t) Difference to 5 year trimmed average: 2 %

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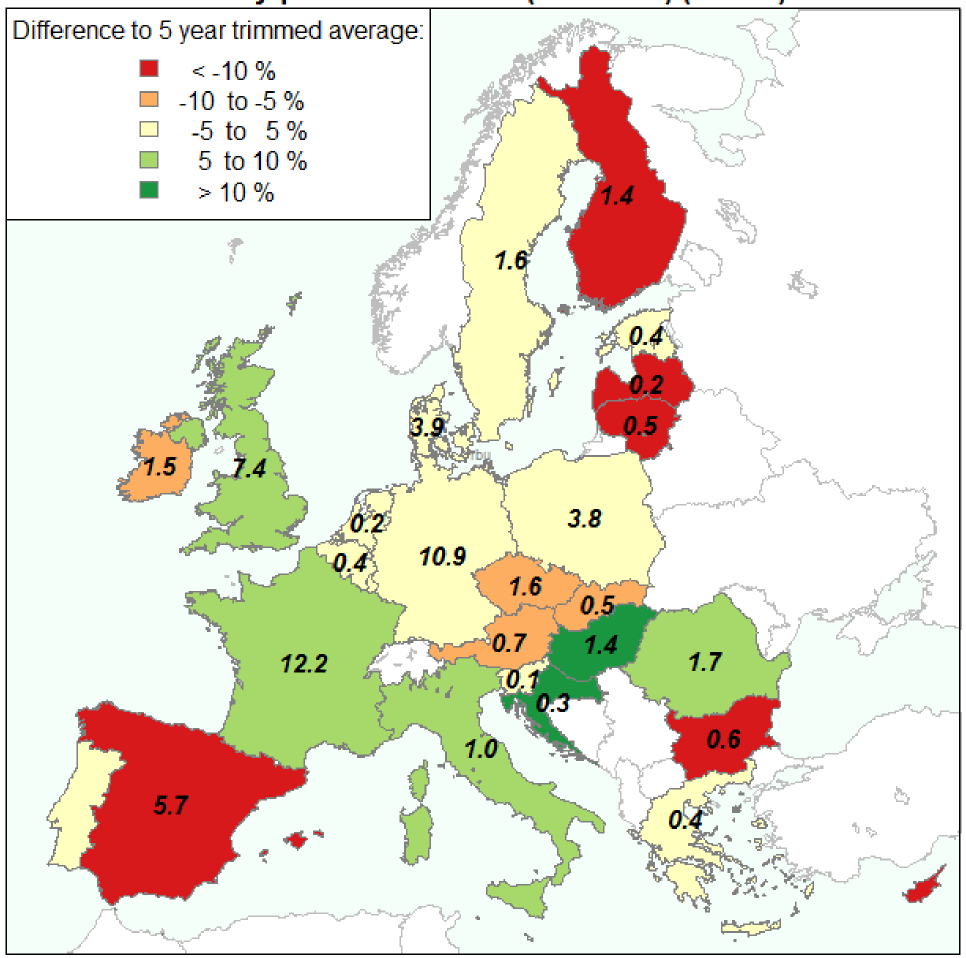
European Commission

Barley production 2017 (million t) (f'cast.)

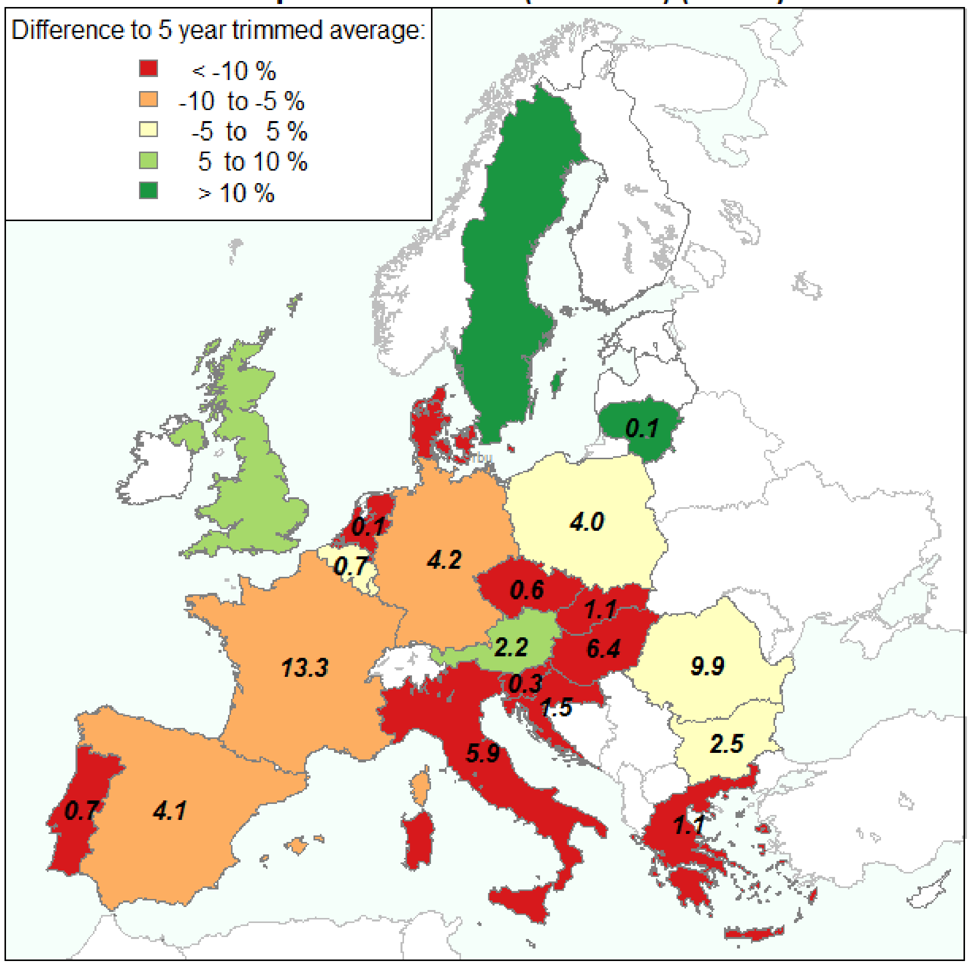


Calculations and cartography: European Commission DG AGRI G4 2017-10-23 © EuroGeographics for the administrative boundaries

EU28 production : 58.0 (million t) Difference to 5 year trimmed average: -3 %

European Commission

Maize production 2017 (million t) (f'cast.)



Calculations and cartography: European Commission DG AGRI G4 2017-10-23 © EuroGeographics for the administrative boundaries

EU28 production : 58.5 (million t) Difference to 5 year trimmed average: -6 %

2017/18 Balance Sheet: Total EU production (slightly) upgraded

	Cereals balance sheet:Marketing year: 2017/2018									Million tonnes EUR 28
Oct-17	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	
Beginning stocks (01.07.2017)	**10,1**	**5,8**	**2,5**	**15,6**	**0,7**	**0,2**	**0,3**	**1,7**	**1,6**	38,5
Usable production	**141,5**	**58,0**	**9,0**	**58,5**	**7,3**	**0,7**	**8,5**	**11,3**	**4,2**	299,0
Import	**3,3**	**0,6**	**1,5**	**15,0**	**0,1**	**0,2**	**0,0**	**0,0**	**0,2**	20,8
TOTAL AVAILABILITIES	**154,9**	**64,4**	**13,1**	**89,0**	**8,1**	**1,0**	**8,9**	**13,0**	**6,0**	358,3
USE										
- Human	48,0	0,4	8,0	4,9	3,1	0,2	1,1	0,1	0,0	65,7
- Seed	4,9	2,2	0,5	0,4	0,4	0,0	0,4	0,5	0,1	9,4
- Industrial	10,8	9,1	0,1	11,7	1,7	0,0	0,1	0,4	0,1	33,9
of which alcohol										14,2
o.w. bioethanol/biofuel	4,7	0,4		6,2	1,0			0,3		12,6
- Animal feed	51,8	39,2	0,8	55,3	2,6	0,7	6,2	10,9	4,5	172,0
TOTAL USE	**115,4**	**50,8**	**9,4**	**72,2**	**7,7**	**0,9**	**7,9**	**11,9**	**4,7**	281,0
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	**38,6**	**13,2**	**3,6**	**16,2**	**0,2**	**0,1**	**0,9**	**1,0**	**1,2**	75,1
Export	**27,0**	**7,0**	**1,4**	**2,0**	**0,2**	**0,0**	**0,2**	**0,0**	**0,0**	37,8
Ending stocks (30.06.2018)	**11,6**	**6,2**	**2,2**	**14,2**	**0,1**	**0,1**	**0,7**	**1,0**	**1,2**	37,3

EU BALANCE SHEET 2017/18

- **Production higher than in 2016/17** (around 299 million tonnes) **but still below average** based on:
  - Decrease of areas (incl. soft wheat) vs 2016/17
  - Good yields for soft wheat in most EU
  - Yields of winter crops affected mainly in ES (drought)
  - Good grain quality for soft wheat (FR) and concerns (DE, PL)
  - Bad harvest conditions in Baltic States and South of Finland

- Slight **recovery of wheat exports expected** vs 2016/17

- **Third decrease** in a row **of ending stocks**

European Commission

EU cereals trade 2017/18 (update of Situation at 22/11/2017)

- **Imports:** 8m t (5.4m t last year; 7.2m t two years ago)
  - 1.24m t soft wheat
  - 0.84m t durum wheat
  - 5.5m t maize
  - 0.3m t barley

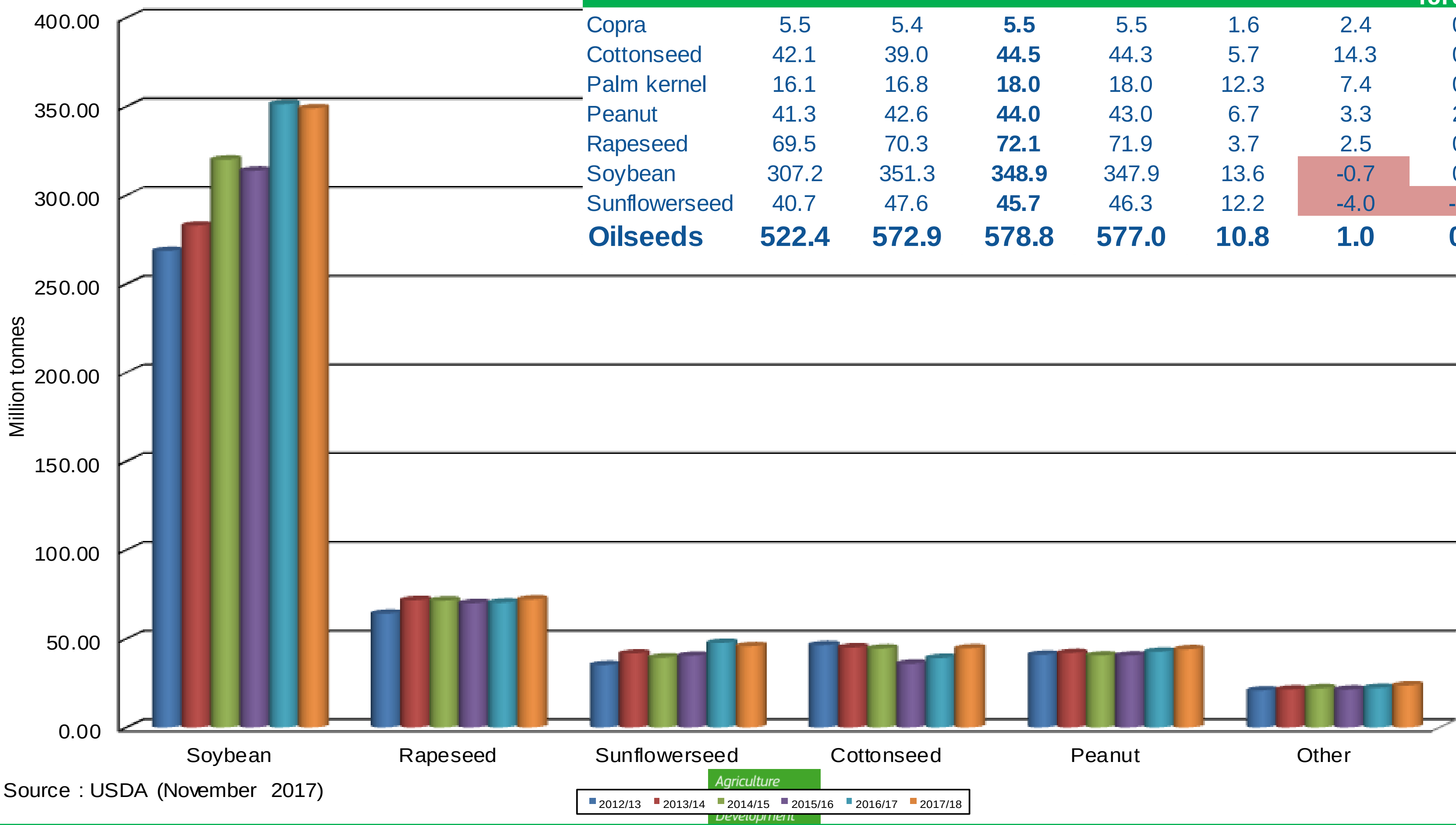
- **Exports:** 12.5m t (15.1m t last year; 16.8m t two years ago)
  - 8.4m t soft wheat
  - 2.1m t barley
  - 0.33m t durum wheat
  - 0.36m t maize

- So far, the EU is a net cereal exporter of 4.5m t, against 9.7m t last year and 9.6m t two years ago.

World Oilseeds Forecasts

Oilseeds world production

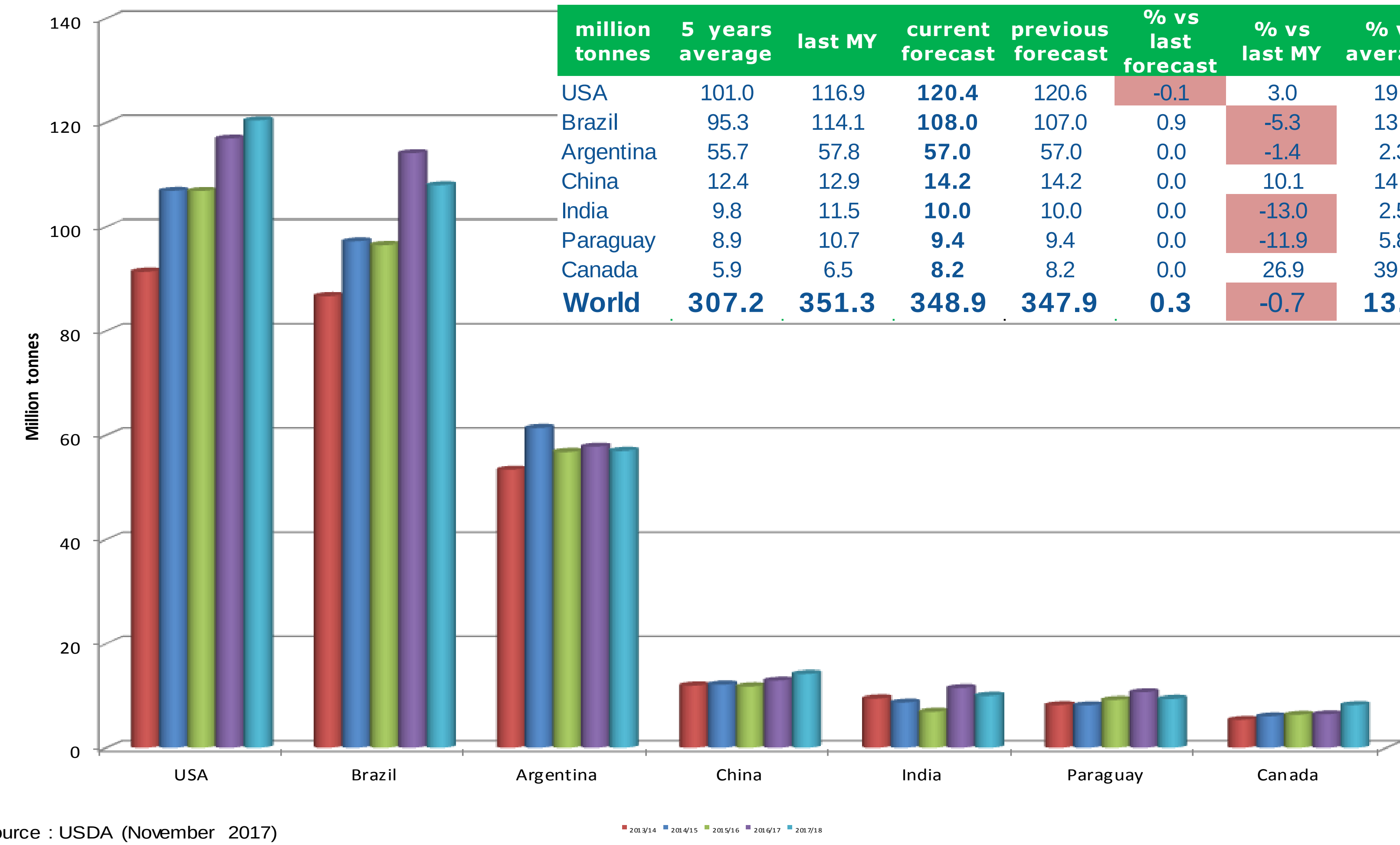
million tonnes	5 years average	last MY	current forecast	previous forecast	% vs average	% vs last MY	% vs last forecast
Copra	5.5	5.4	**5.5**	5.5	1.6	2.4	0.0
Cottonseed	42.1	39.0	**44.5**	44.3	5.7	14.3	0.5
Palm kernel	16.1	16.8	**18.0**	18.0	12.3	7.4	0.0
Peanut	41.3	42.6	**44.0**	43.0	6.7	3.3	2.4
Rapeseed	69.5	70.3	**72.1**	71.9	3.7	2.5	0.3
Soybean	307.2	351.3	**348.9**	347.9	13.6	-0.7	0.3
Sunflowerseed	40.7	47.6	**45.7**	46.3	12.2	-4.0	-1.4
Oilseeds	**522.4**	**572.9**	**578.8**	**577.0**	**10.8**	**1.0**	**0.3**



Source : USDA (November 2017)

European Commission

Soybeans world production by country



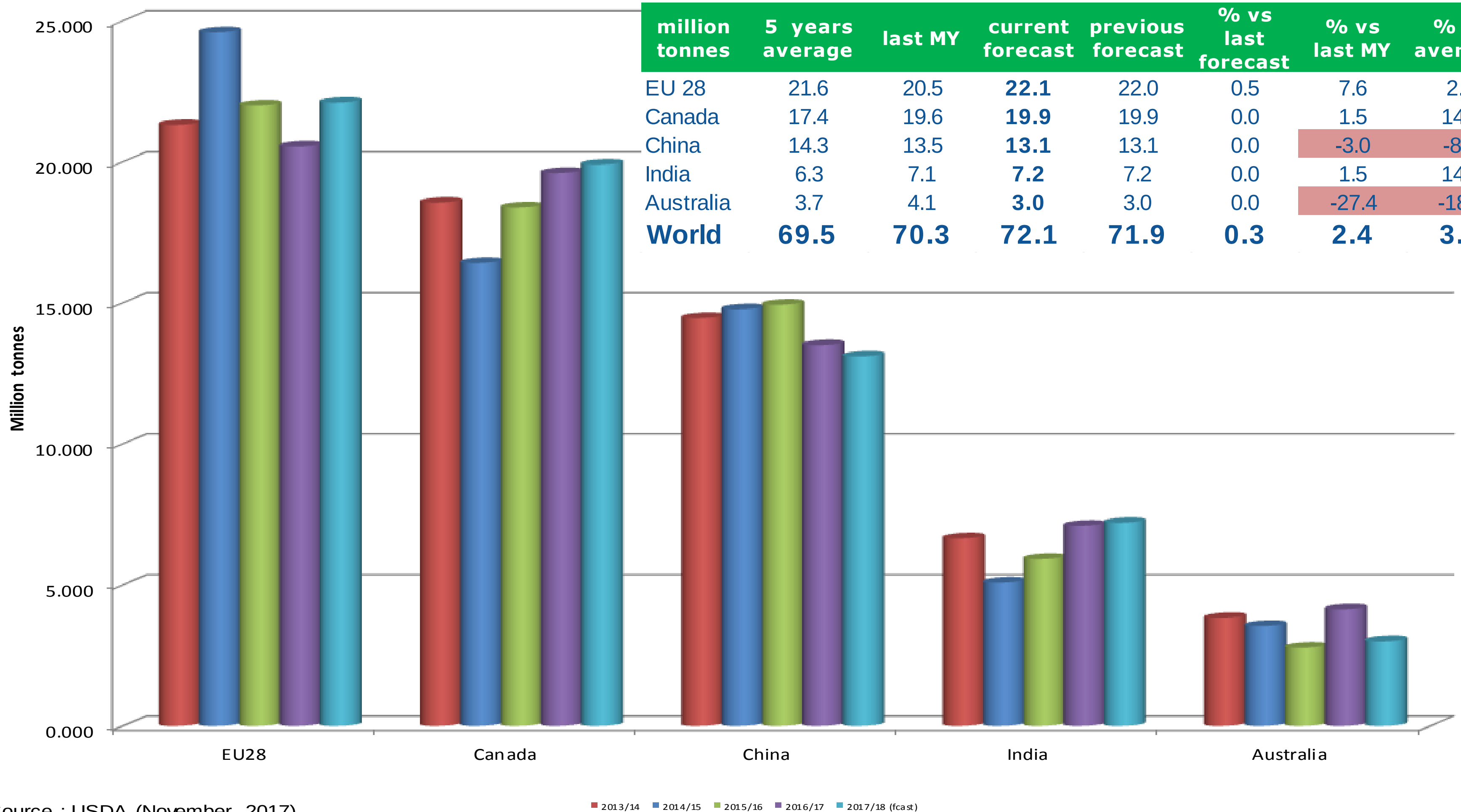
million tonnes	5 years average	last MY	current forecast	previous forecast	% vs last forecast	% vs last MY	% vs average
USA	101.0	116.9	**120.4**	120.6	-0.1	3.0	19.3
Brazil	95.3	114.1	**108.0**	107.0	0.9	-5.3	13.3
Argentina	55.7	57.8	**57.0**	57.0	0.0	-1.4	2.3
China	12.4	12.9	**14.2**	14.2	0.0	10.1	14.9
India	9.8	11.5	**10.0**	10.0	0.0	-13.0	2.5
Paraguay	8.9	10.7	**9.4**	9.4	0.0	-11.9	5.8
Canada	5.9	6.5	**8.2**	8.2	0.0	26.9	39.8
World	**307.2**	**351.3**	**348.9**	**347.9**	**0.3**	**-0.7**	**13.6**

Source : USDA (November 2017)

European Commission

Rapeseed world production by country

million tonnes	5 years average	last MY	current forecast	previous forecast	% vs last forecast	% vs last MY	% vs average
EU 28	21.6	20.5	**22.1**	22.0	0.5	7.6	2.3
Canada	17.4	19.6	**19.9**	19.9	0.0	1.5	14.6
China	14.3	13.5	**13.1**	13.1	0.0	-3.0	-8.6
India	6.3	7.1	**7.2**	7.2	0.0	1.5	14.0
Australia	3.7	4.1	**3.0**	3.0	0.0	-27.4	-18.6
World	**69.5**	**70.3**	**72.1**	**71.9**	**0.3**	**2.4**	**3.7**

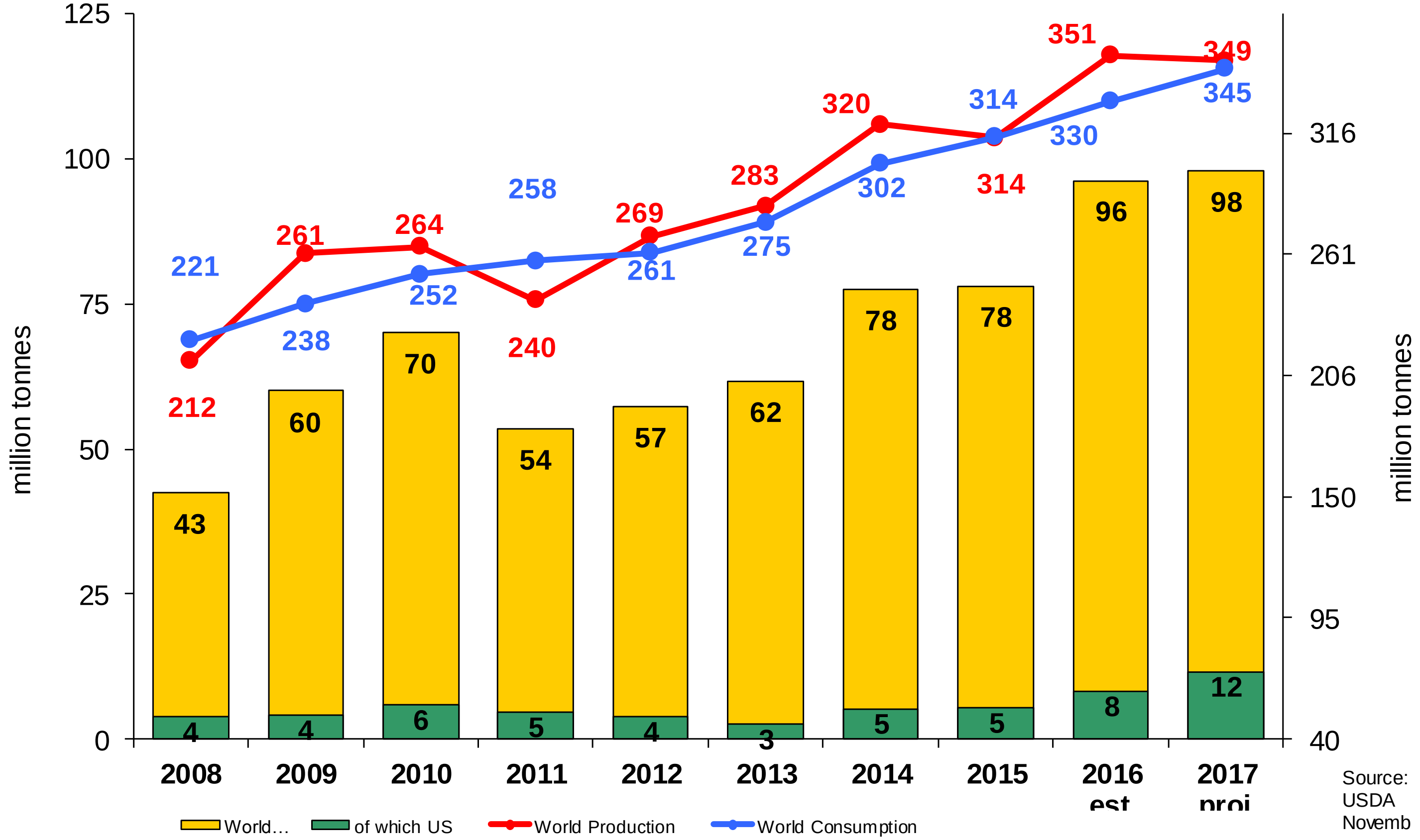


Source : USDA (November 2017)

Agriculture and Rural Development

European Commission

Soybeans world production, consumption and stocks



Source: USDA Novemb

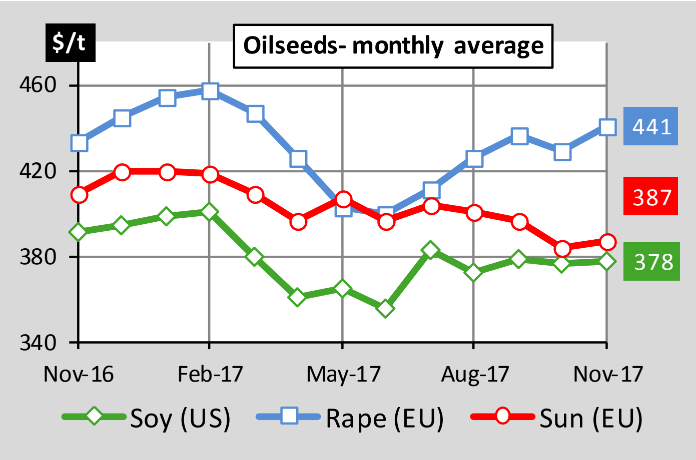
Agriculture and Rural Development

European Commission

Oilseeds Prices

World oilseeds – export prices (fob)

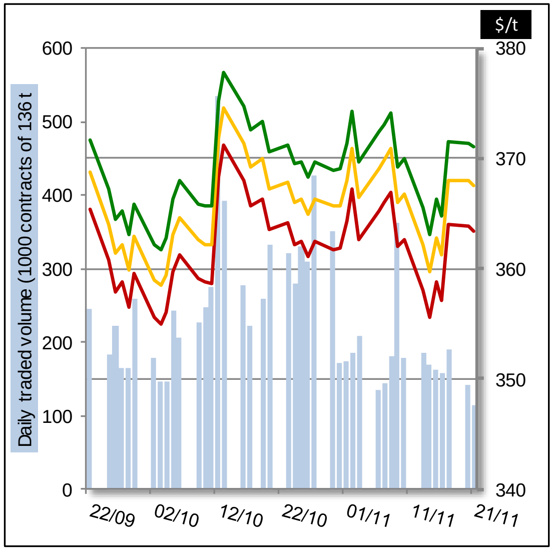
Export prices FOB		21 Nov 2017 €/t	21 Nov 2017 $/t	m/m variation €/t	m/m variation $/t	y/y variation €/t	y/y variation $/t
soybeans	Argentina - Up River	318	372	-1%	-1%	-14%	-5%
	Brazil - Paranagua	333	390	1%	1%	-11%	-2%
	US Gulf	324	379	2%	1%	-13%	-4%
	Ukraine	313	367	2%	1%	-14%	-5%
rapeseed	Australia	385	451	1%	1%	-7%	3%
	Canada	365	427	1%	1%	-6%	4%
	EU (Rouen)	375	439	2%	1%	-7%	2%
	Ukraine	366	429	2%	2%	-2%	-2%
sunflower	EU (Bordeaux)	331	388	2%	1%	-12%	-3%
	Ukraine	317	371	1%	0%	-17%	-8%



Futures prices

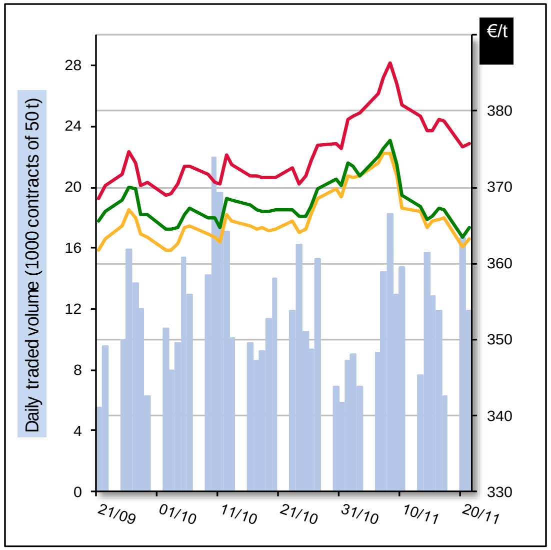
Soybeans CME (60 days - $/t)

MAR'18: 363
MAY'18: 368
JAN'19: 371



Rapeseed MATIF (60 days - EUR/t)

FEB'18: 376
NOV'18: 363
FEB'19: 365



IGC

European Commission

EU Oilseeds and Balance Sheets and Forecasts

European Commission

EU Oilseeds

EU OILSEEDS AREA

Million ha	AVG 5 yrs trimmed	2016/17	2017/18 September 2017	2017/18 October 2017	%change 2016/17	%change 5yrs trimmed
Rapeseed	6.6	6.5	6.81	6.78	3.6	3.2
Sunflower	4.3	4.2	4.35	4.30	3.7	1.1
Soja	0.6	0.8	0.93	0.92	11.2	48.5
Linseed	0.1	0.1	0.07	0.07	-19.9	4.2
TOTAL	11.5	11.6	12.16	12.07	4.0	4.8

Sources : DG AGRI G.4

EU OILSEEDS PRODUCTION

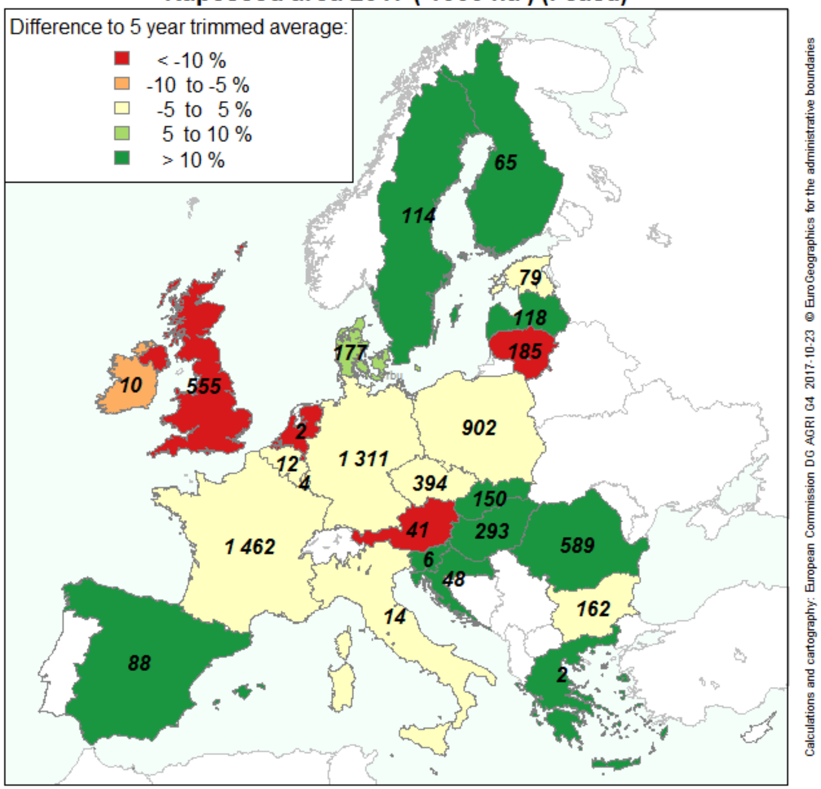
Million tonnes	AVG 5 yrs trimmed	2016/17	2017/18 September 2017	2017/18 October 2017	%change 2016/17	%change 5yrs trimmed
Rapeseed	21.0	20.1	22.3	22.3	10.9	6.3
Sunflower	8.5	8.5	9.2	9.0	6.4	5.5
Soja	1.8	2.5	2.7	2.7	7.9	48.6
Linseed	0.1	0.1	0.1	0.1	1.8	7.4
TOTAL	31.4	31.2	34.3	34.1	9.4	8.5

Sources : DG AGRI G.4

European Commission

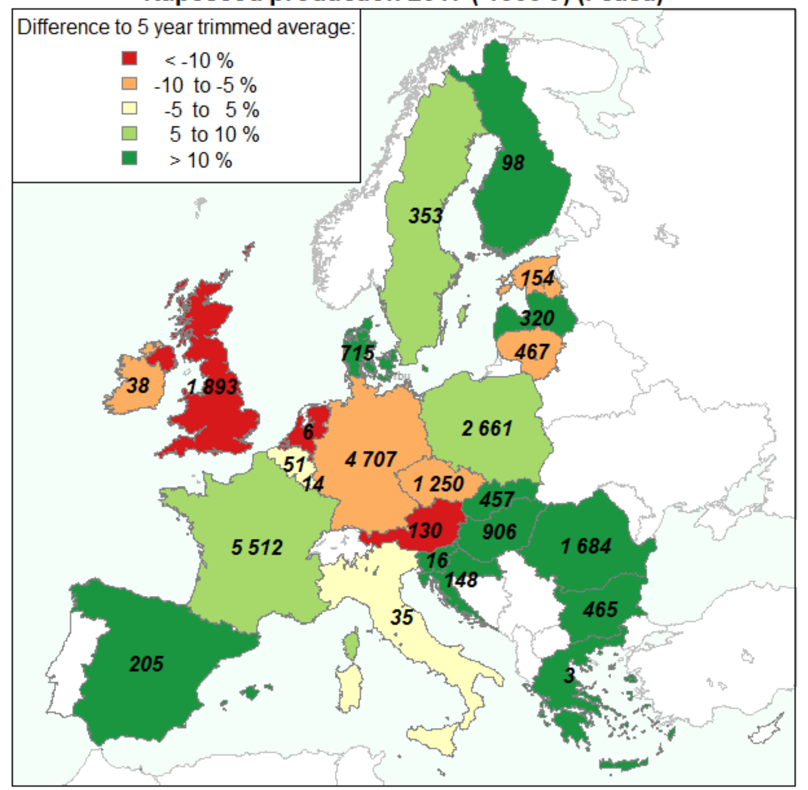
EU Rapeseed

Rapeseed area 2017 (1000 ha) (f'cast.)



EU28 area : 6 782 (1000 ha) Difference to 5 year trimmed average: 3 %

Rapeseed production 2017 (1000 t) (f'cast.)



EU28 production : 22 289 (1000 t) Difference to 5 year trimmed average: 6 %

EU Rapeseed

Rapeseed Production Million tonnes	AVG 5 yrs trimmed	2016/17	2017/18 September 2017	2017/18 October 2017	%change 2016/17	%change 5yrs trimmed
TOTAL EU	20.96	20.10	22.29	22.29	10.9	6.3
France	5.18	4.74	5.48	5.51	16.3	6.5
Germany	5.21	4.58	4.71	4.71	2.8	-9.6
Poland	2.53	2.22	2.66	2.66	19.9	5.1
UK	2.38	1.78	1.89	1.89	6.6	-20.4
Czech Republic	1.35	1.36	1.25	1.25	-8.0	-7.6
Romania	0.88	1.34	1.58	1.68	26.1	91.0
Others	3.44	4.09	4.71	4.58	12.1	33.4

Sources : DG AGRI G.4

EU Protein crops

EU PROTEIN CROPS AREA

Million ha	AVG 5 yrs trimmed	2016/17	2017/18 September 2017	2017/18 October 2017	%change 2016/17	%change 5yrs trimmed
Field peas	0.6	0.9	1.0	1.0	10.1	68.6
Broad beans	0.5	0.7	0.7	0.7	2.3	46.1
Sweet lupins	0.1	0.2	0.2	0.2	1.2	38.3
TOTAL	1.2	1.8	1.9	1.9	6.2	56.6

Sources : DG AGRI G.4

EU PROTEIN CROPS PRODUCTION

Million tonnes	AVG 5 yrs trimmed	2016/17	2017/18 September 2017	2017/18 October 2017	%change 2016/17	%change 5yrs trimmed
Field peas	1.6	2.3	2.8	2.9	27.2	81.8
Broad beans	1.4	1.9	2.1	2.1	10.6	51.1
Sweet lupins	0.2	0.3	0.3	0.3	1.5	35.3
TOTAL	3.2	4.4	5.2	5.3	18.5	65.3

Sources : DG AGRI G.4

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