European Commission

Market situation
Cereals – Oilseeds – Protein crops

DG AGRI C 4
Civil Dialogue Group on Animal Products
Pig Meat

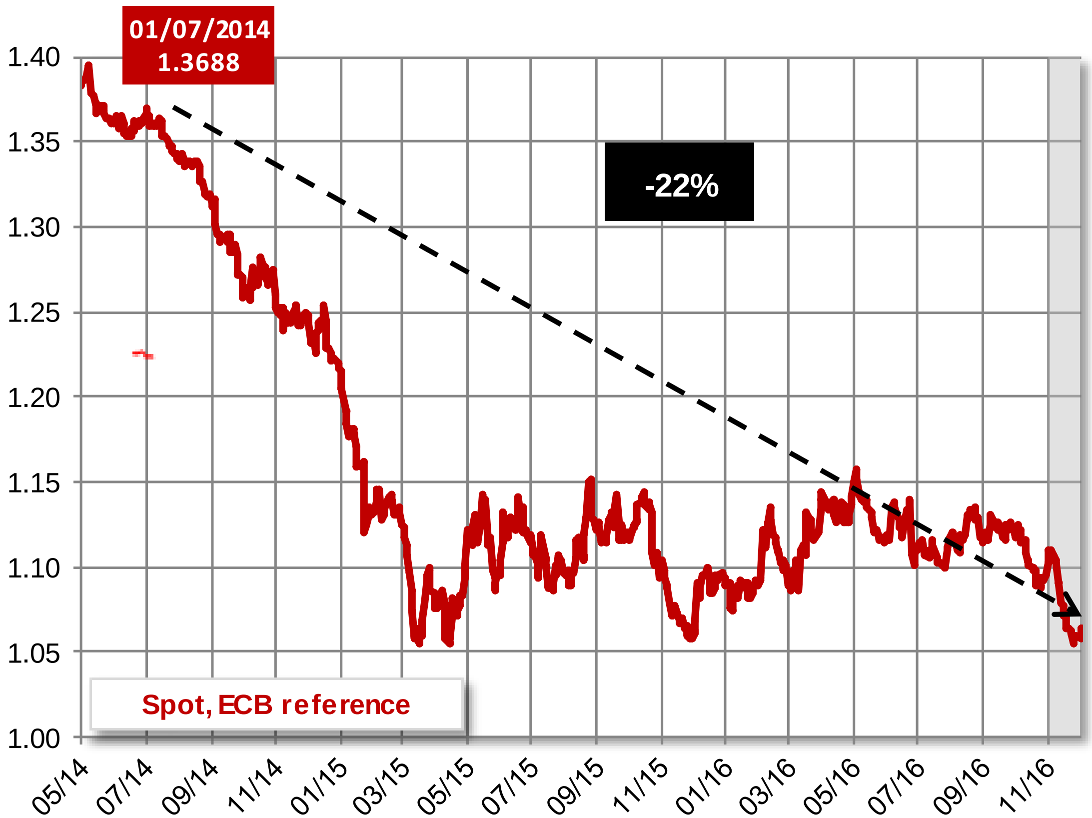
5 December 2016

Agriculture and Rural Development

European Commission

Exchange rates & crude oil

Euro – US Dollar exchange rate

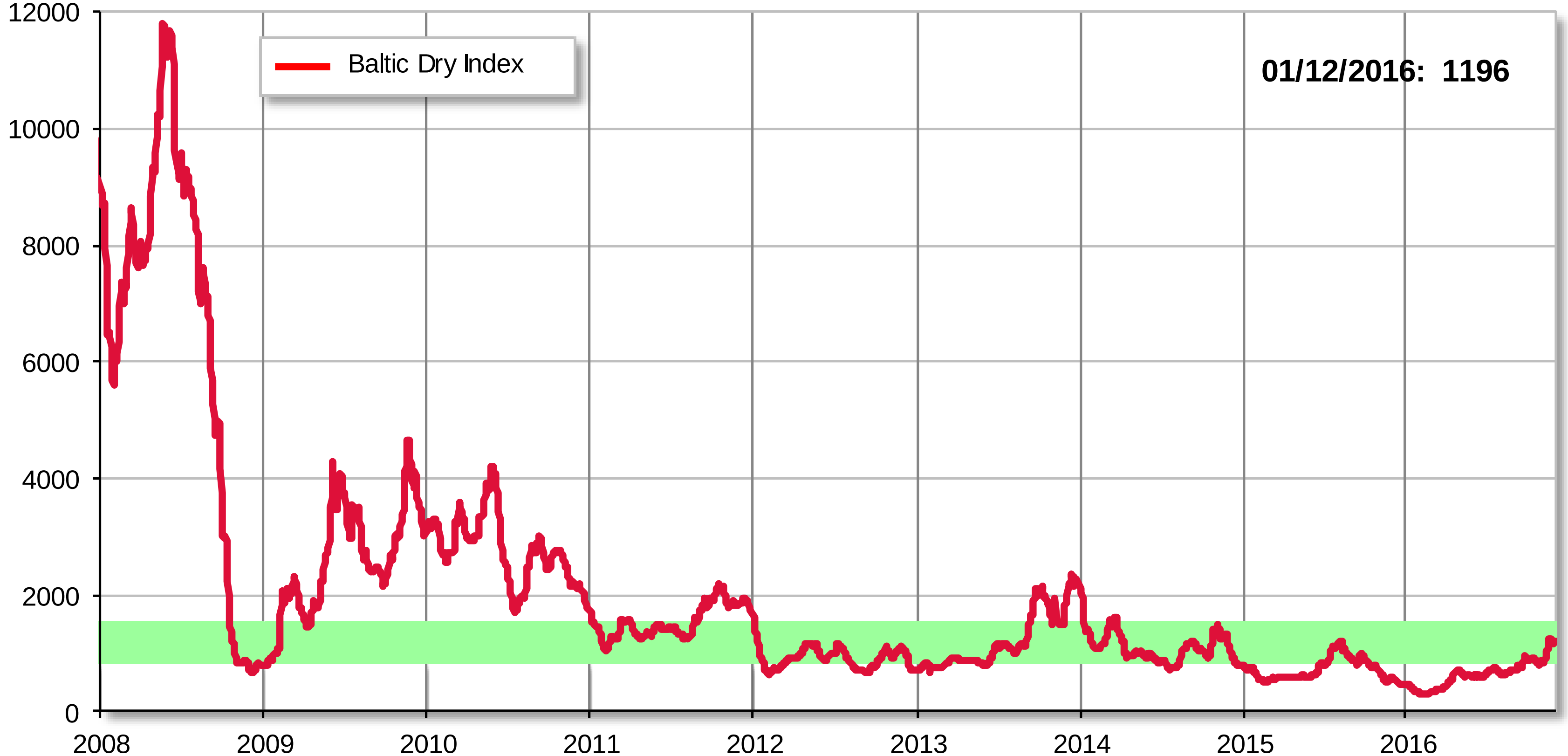


European Commission

Crude oil price ($/barrel)

European Commission

Baltic Dry Index

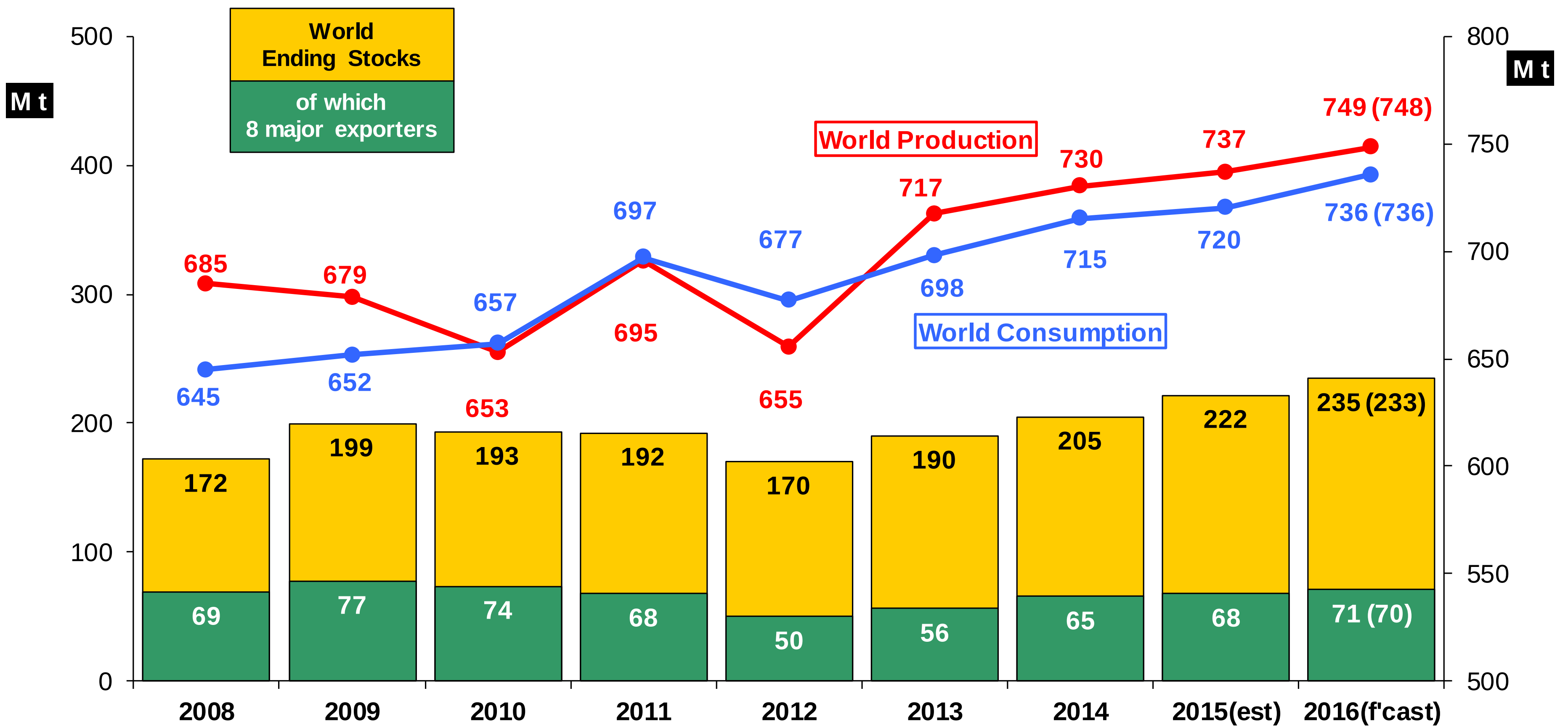


Agriculture and Rural Development

European Commission

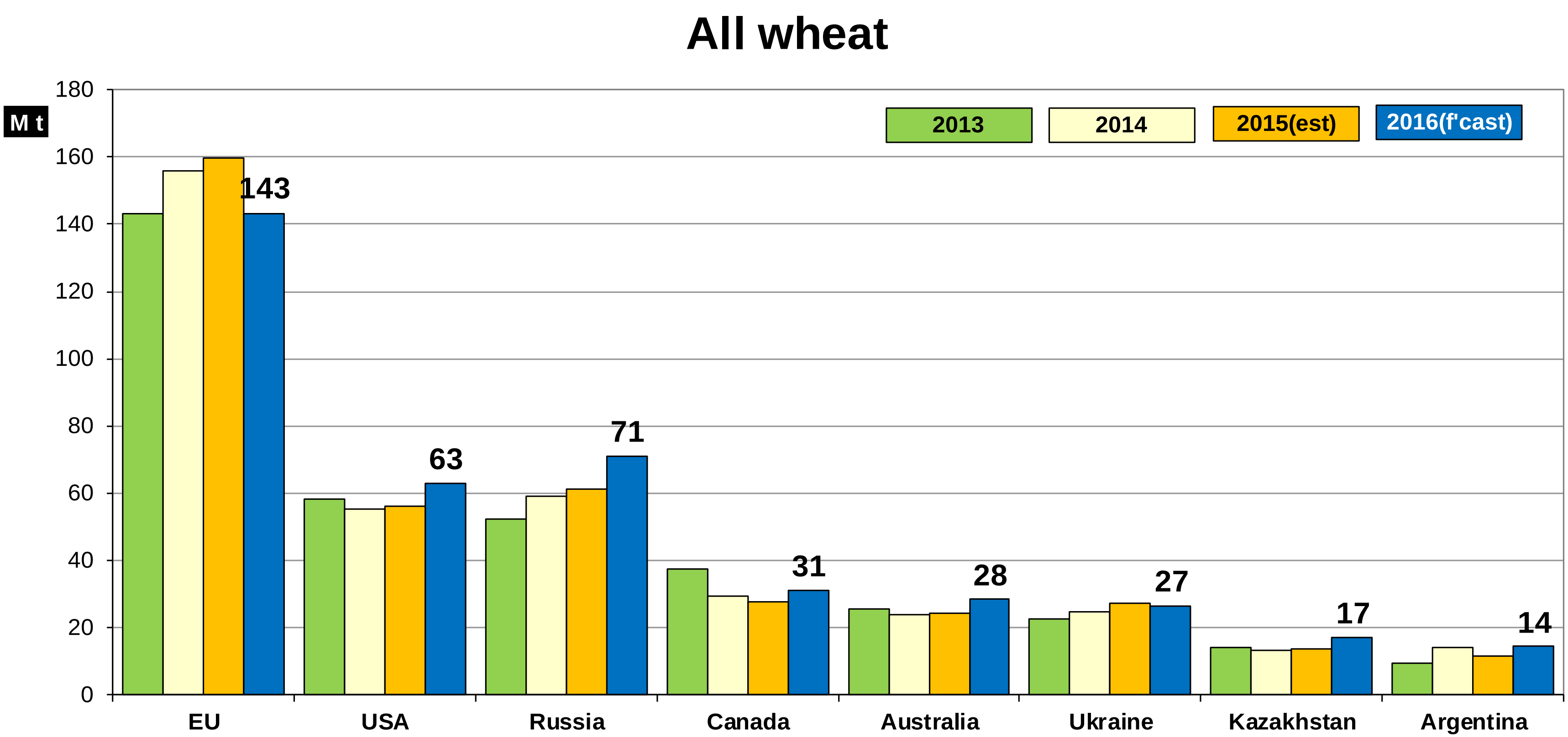
World Forecasts

World wheat: IGC



Source: IGC November report

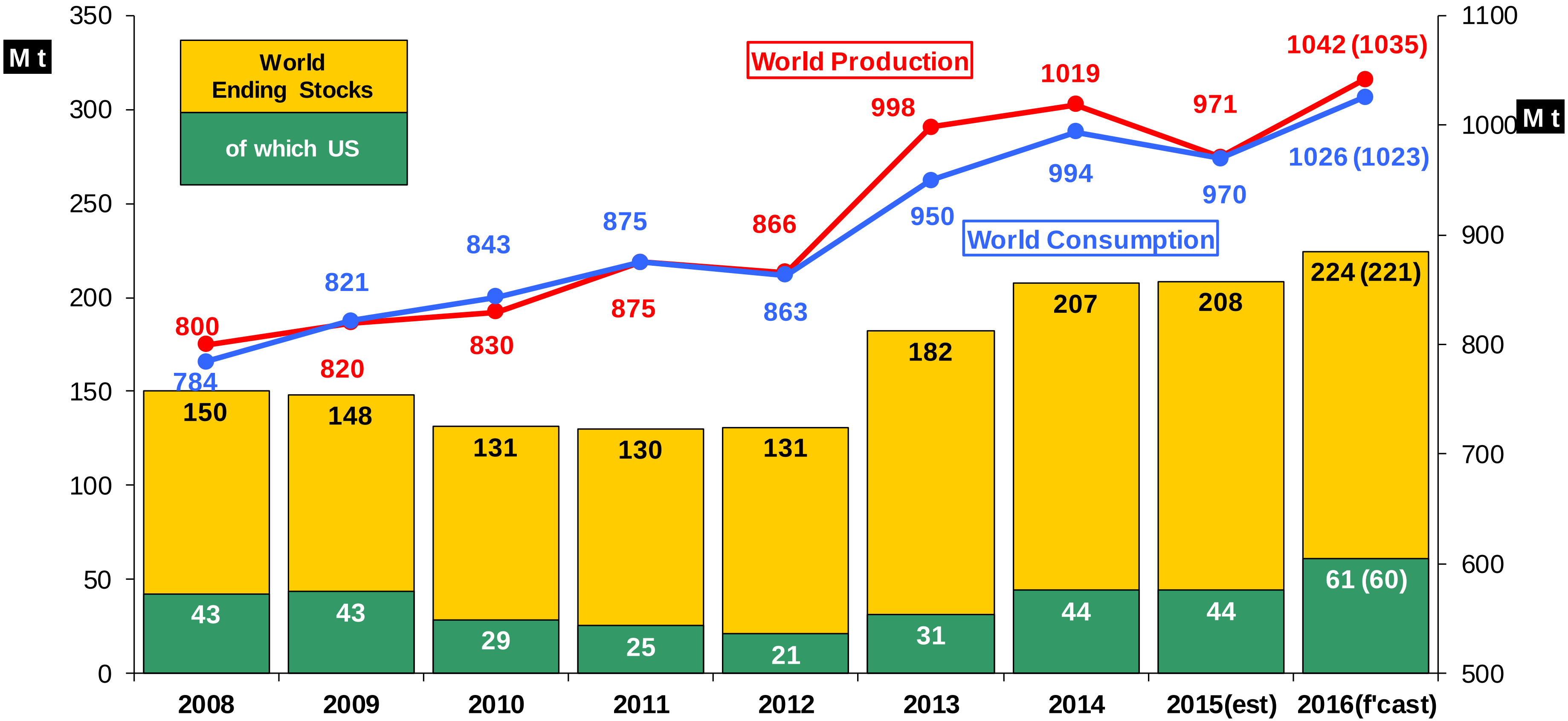
IGC: Wheat production forecast



Source: IGC November report

Agriculture and Rural Development

World maize: IGC



Source: IGC November report

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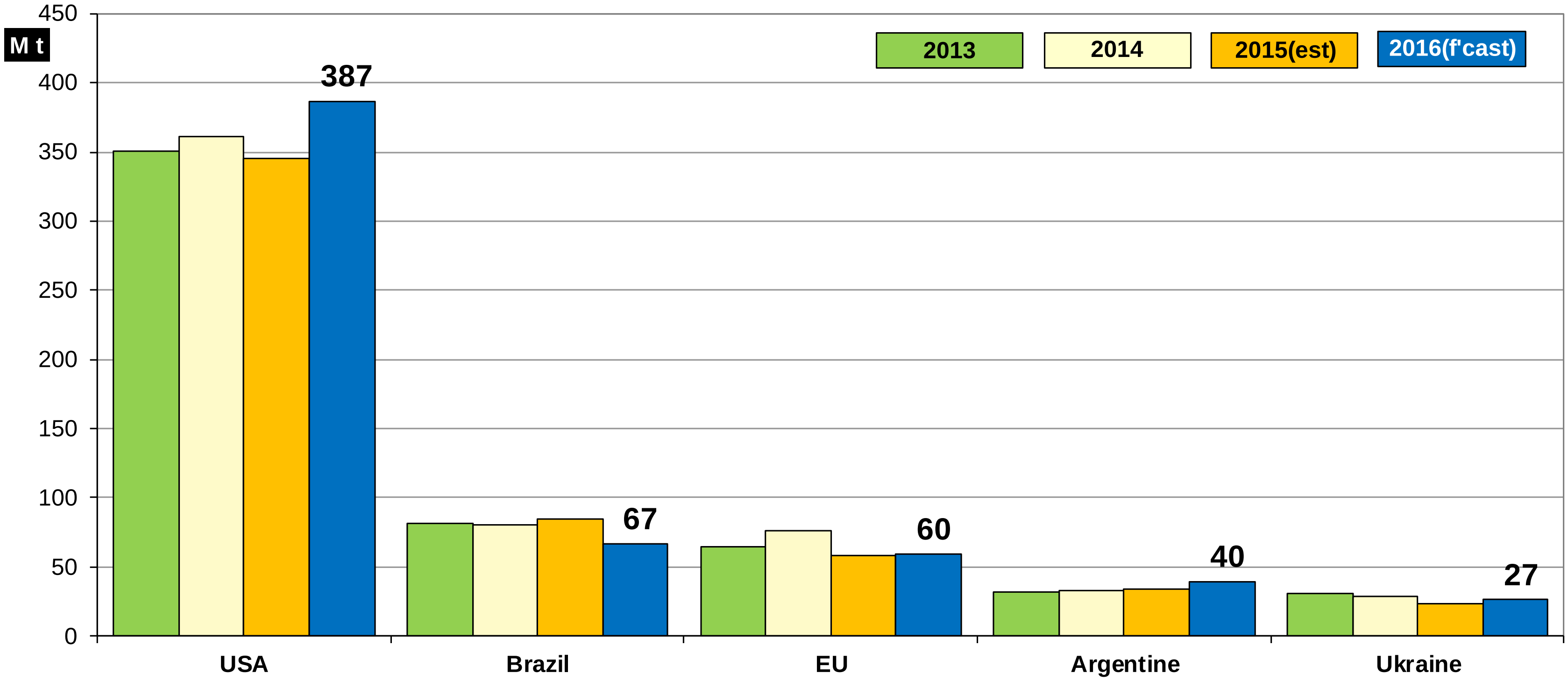
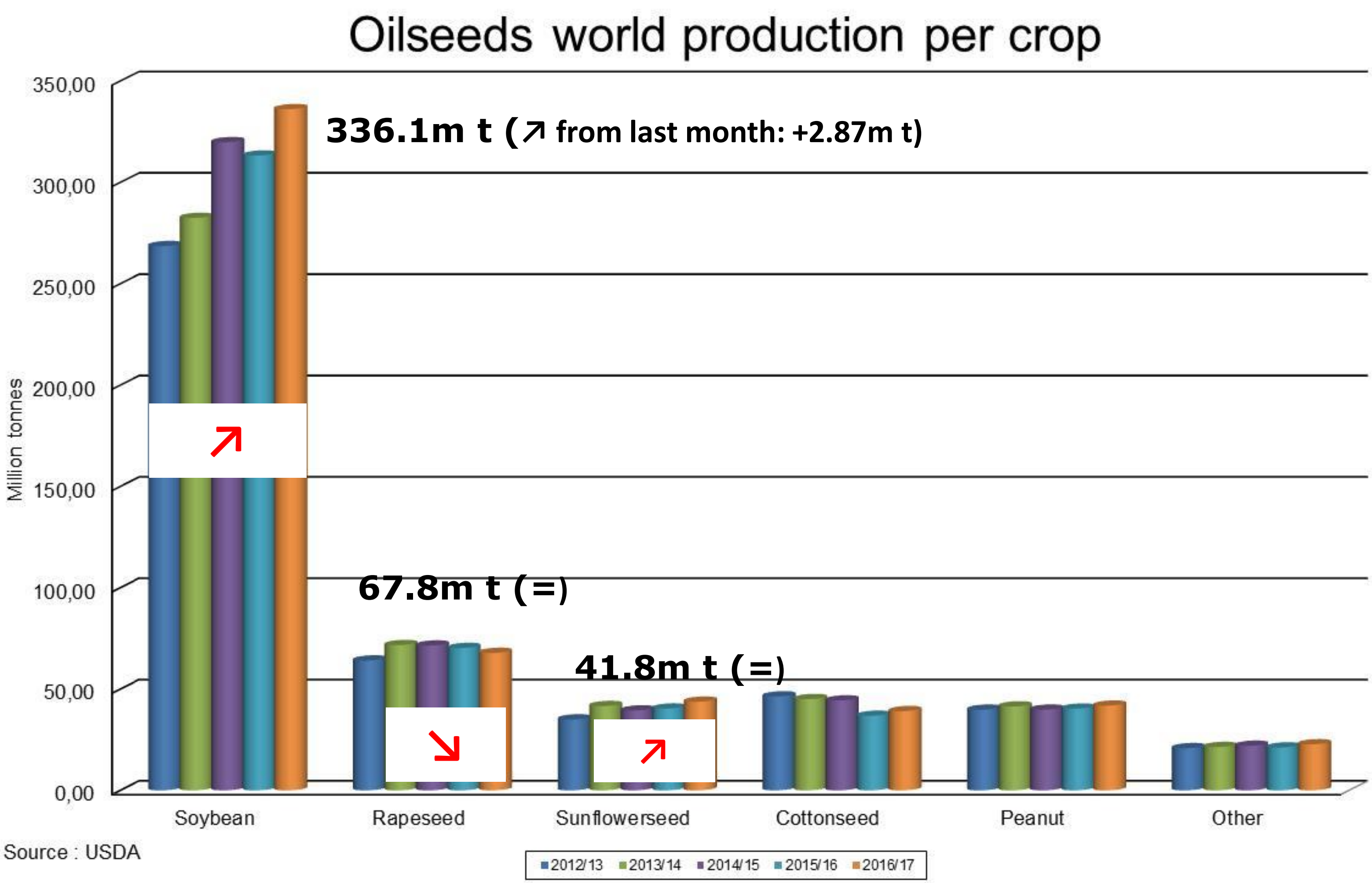
IGC: maize production forecast



Source: IGC November report

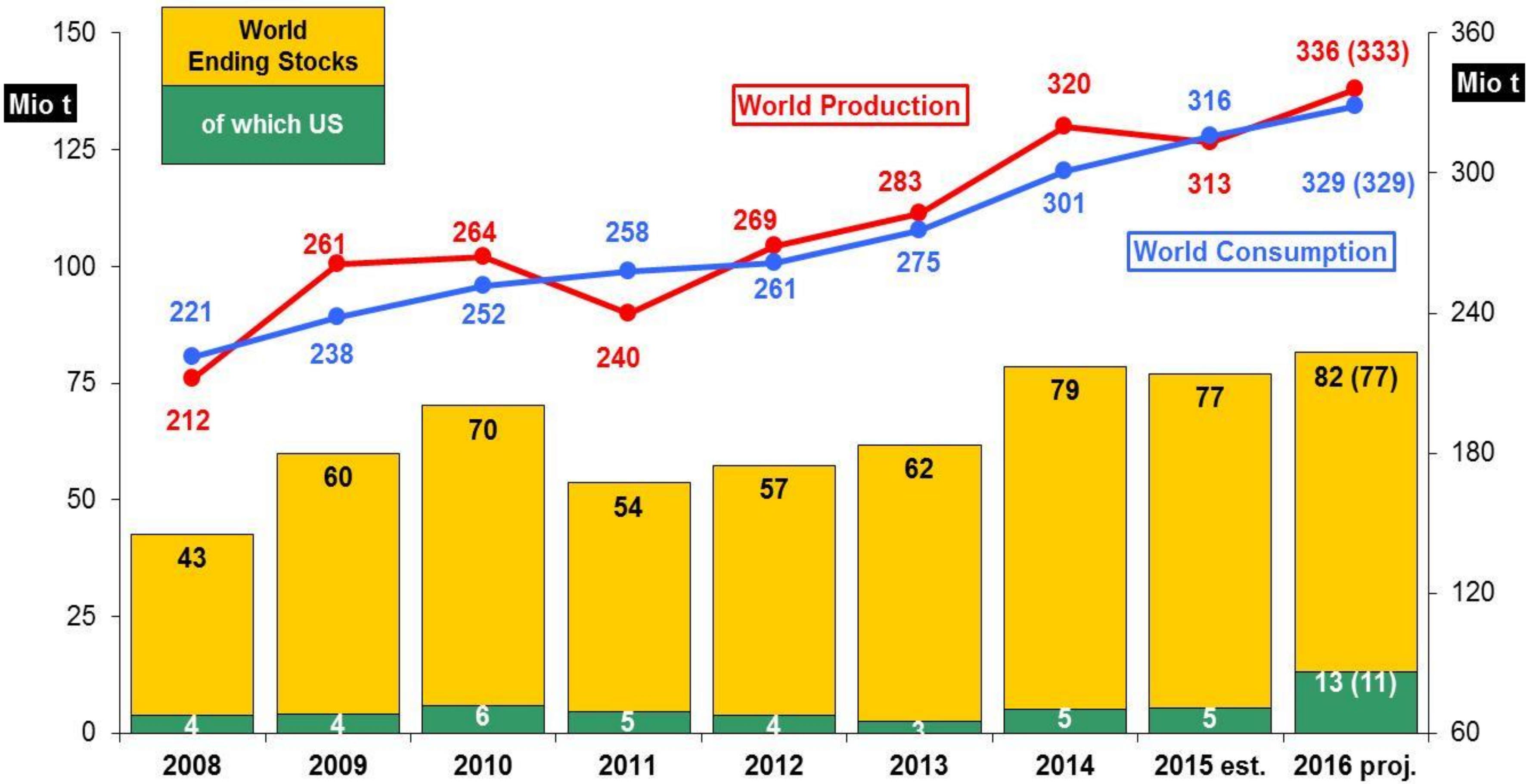
Oilseeds world production



Source : USDA

Soybeans world production, consumption and stocks

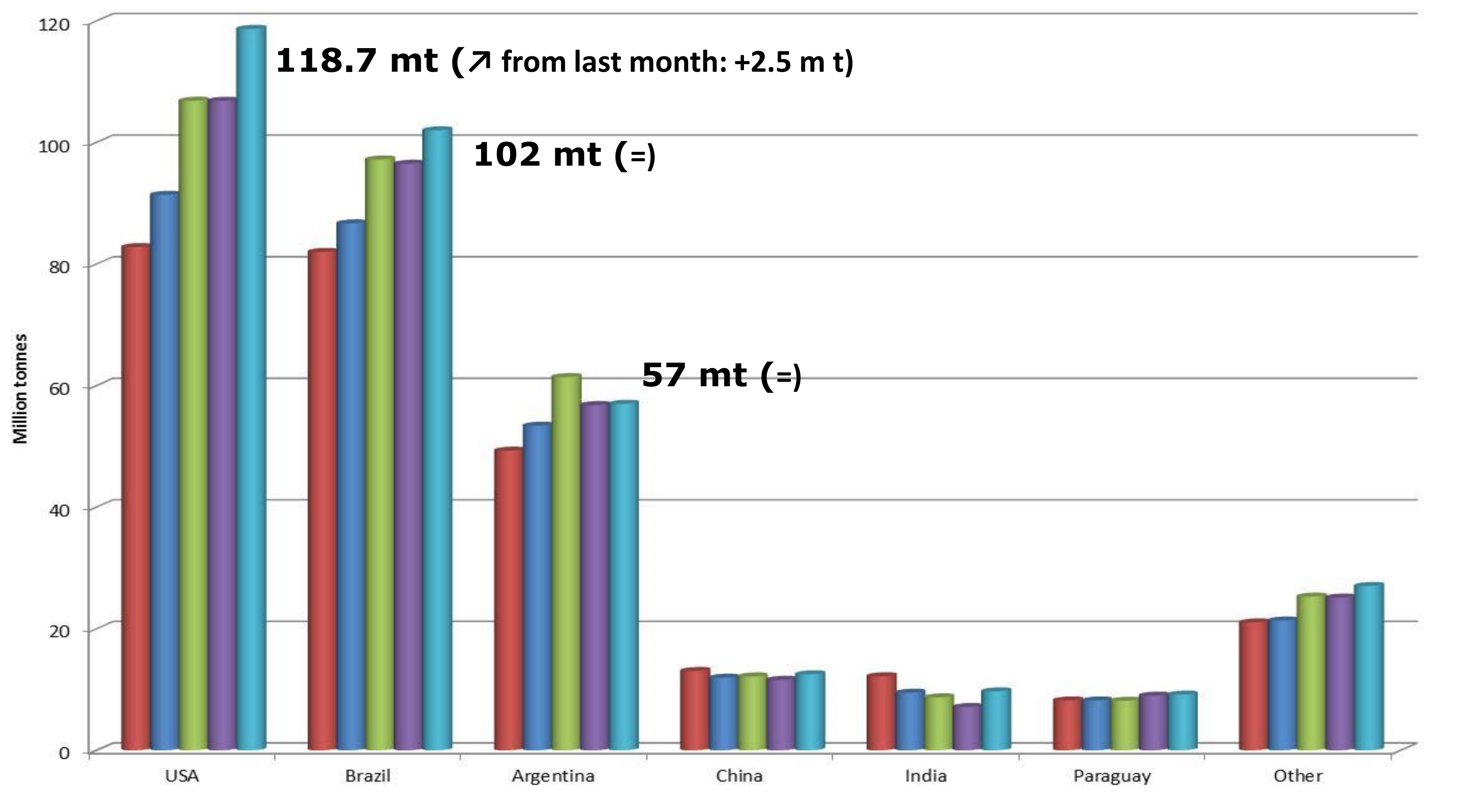
European Commission



Source: USDA November report

Soybeans world production by country

European Commission



Source : USDA

Soybeans Trade 2016/17 (USDA)

Total exports : the already record again revised up (since OCT Report)

138,8m t > **139.2m t** (last MY: 132.1m t)

US exports revised up

55.1m t > **55.8m t** (last MY: 52.7m t)

BZ (first exporter) exports stable at

58.4m t > 58.4m t (last MY: 54.4m t)

China imports stable (m/m fcst)

86.5m t > 86.5m t (last MY: 81.3 mt)

Last exports from US to China last weeks: 121k t + 324k t + 165k t (IGC)

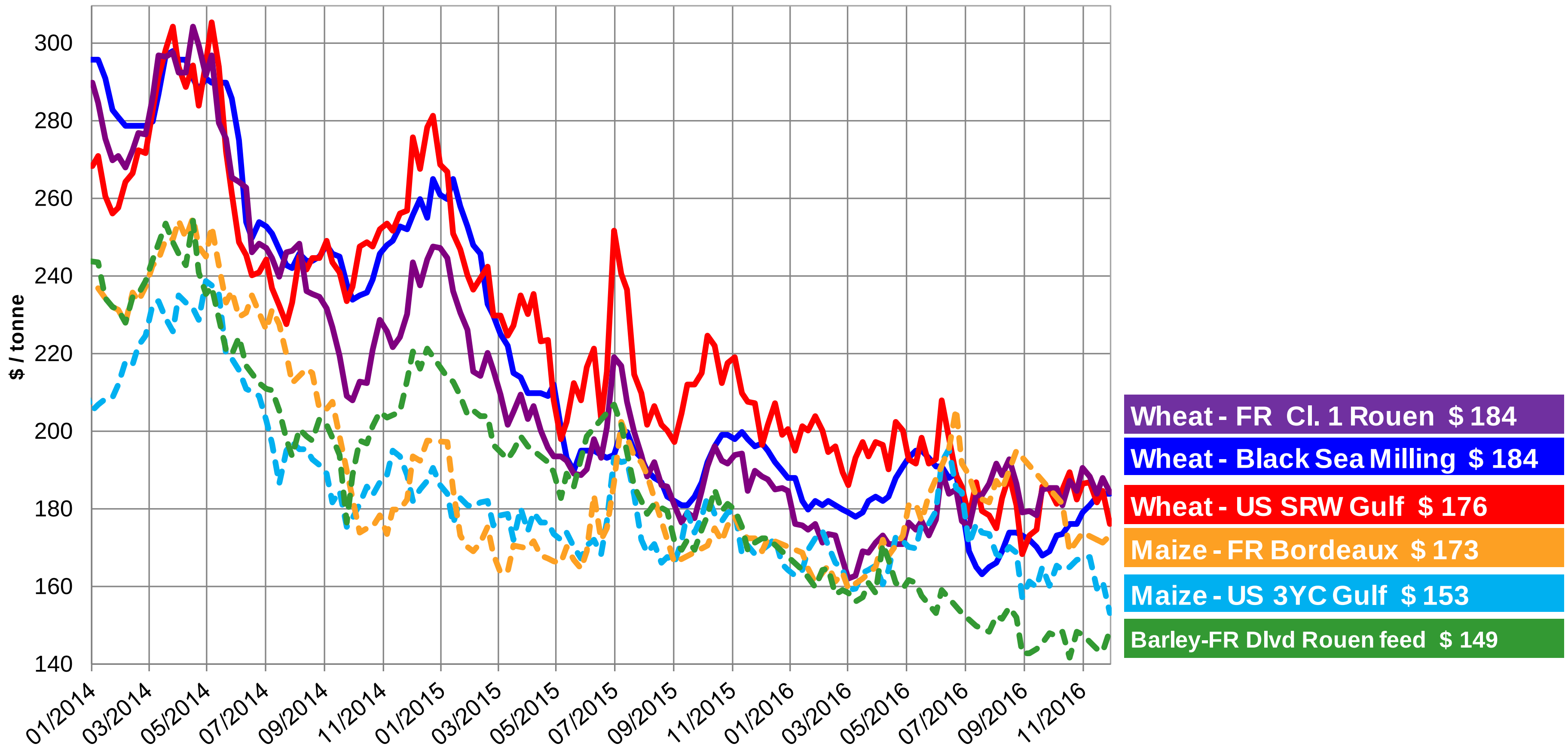
Source: USDA NOV 2016

European Commission

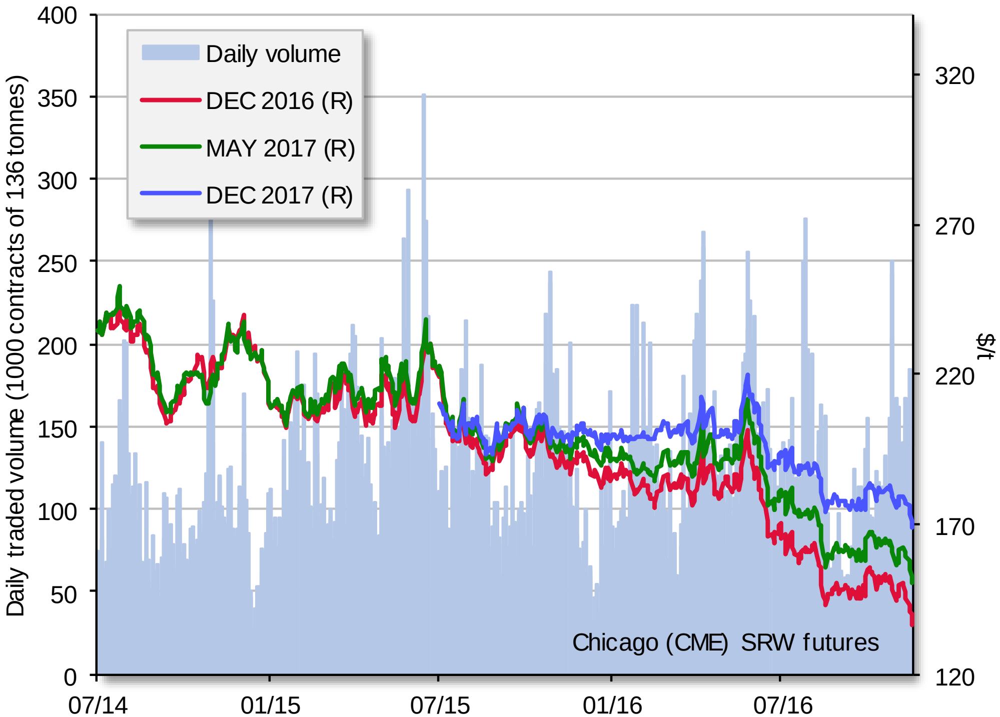
Prices

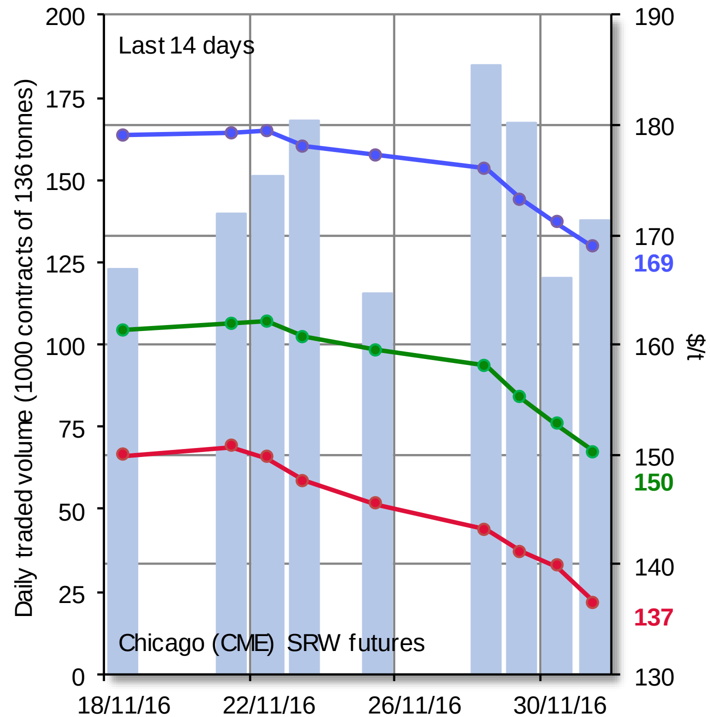
European Commission

World cereal prices ($/t)

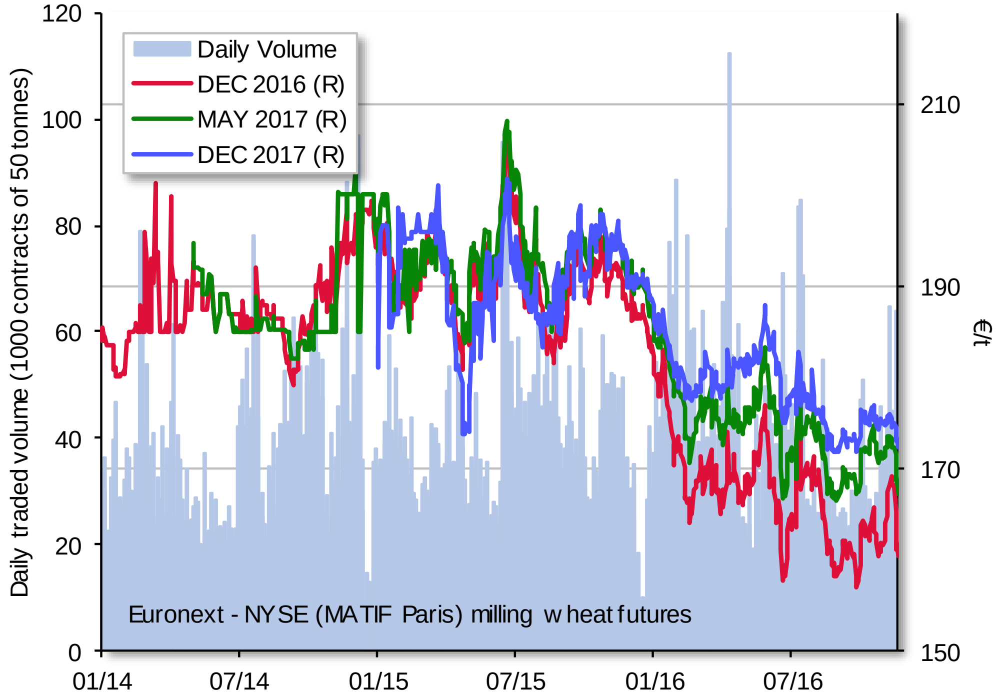


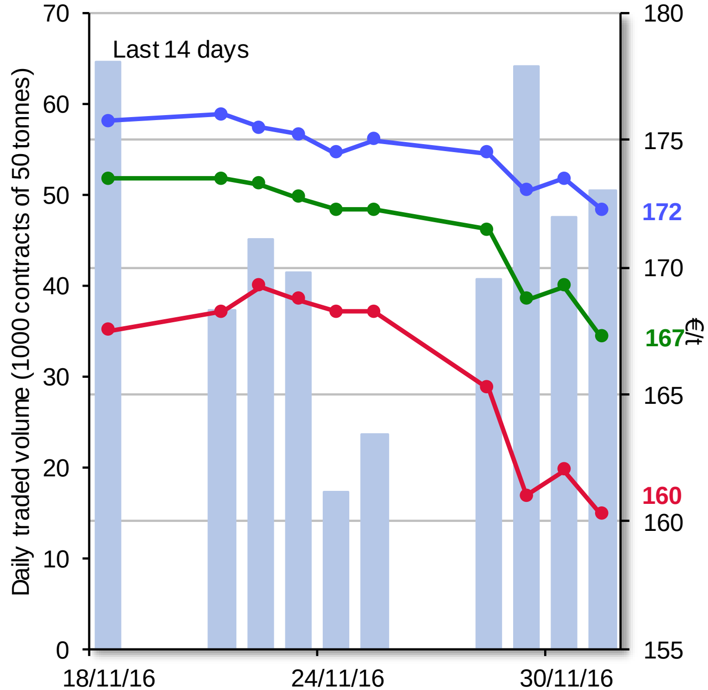
US CME SRW wheat futures



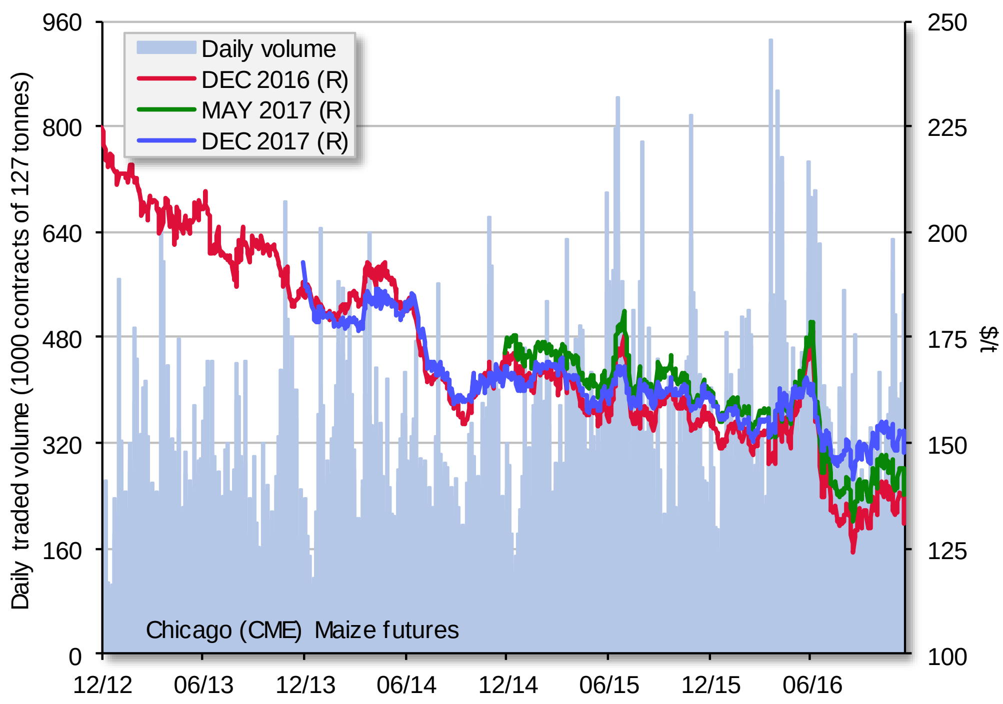


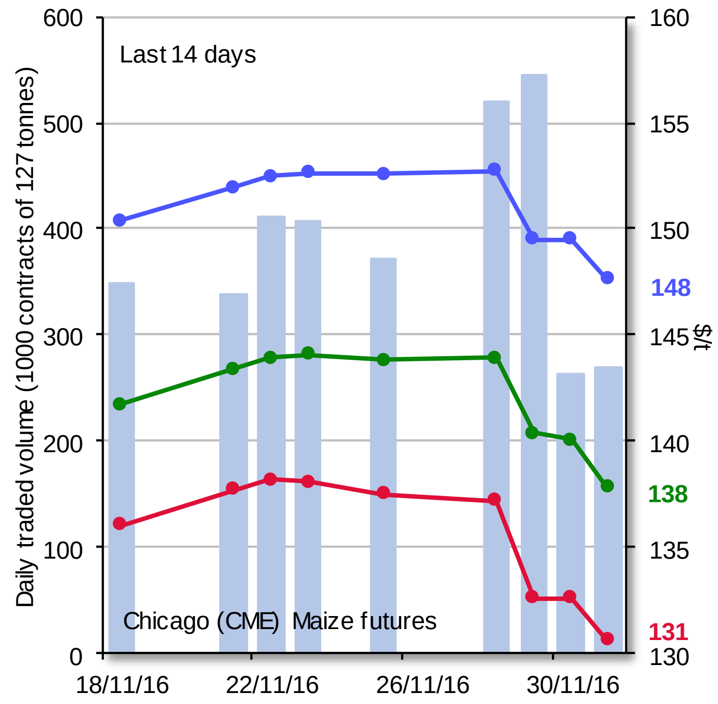
EU Milling Wheat Futures



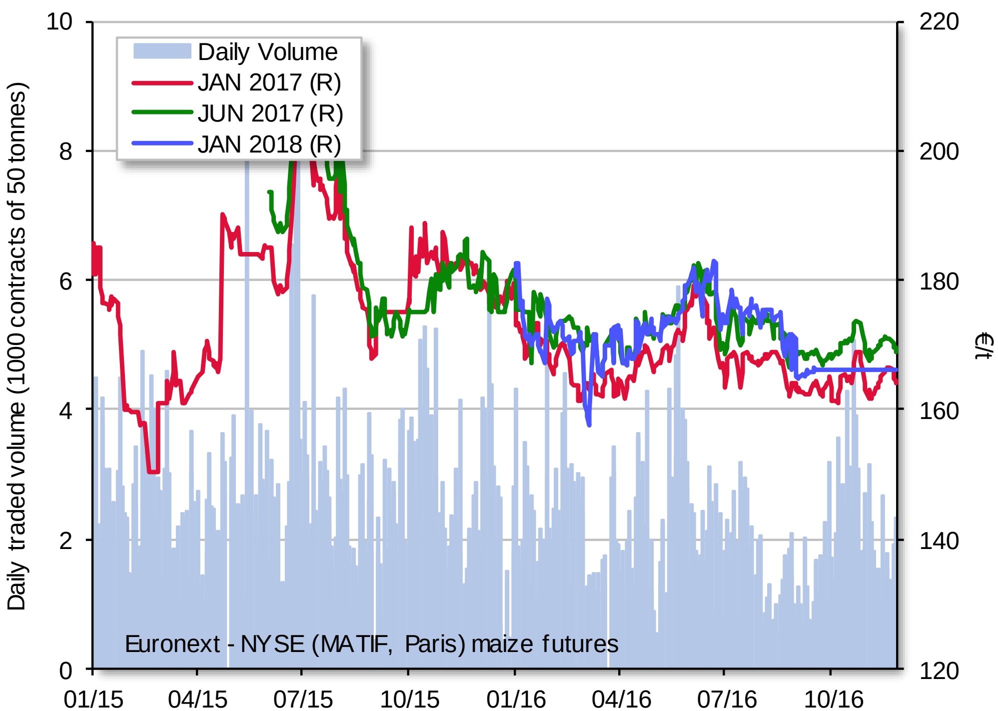


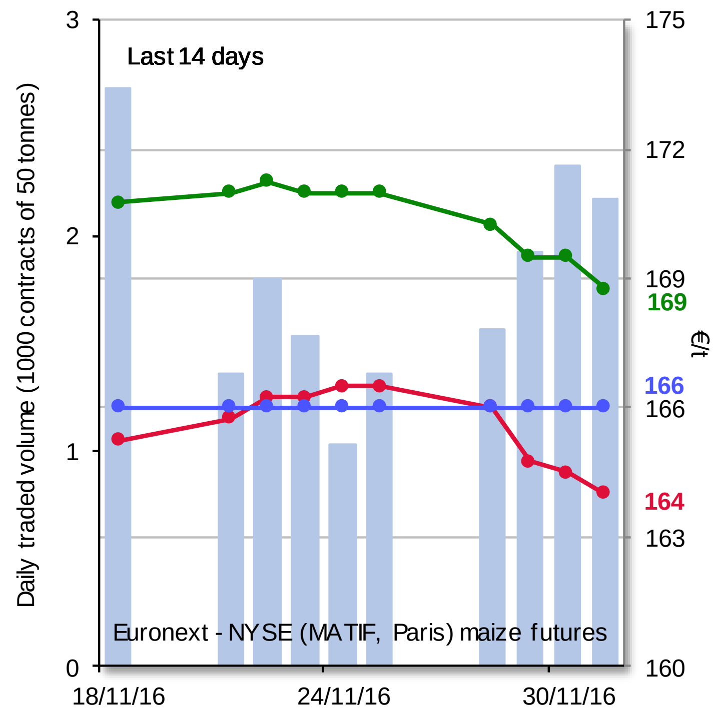
CME maize futures



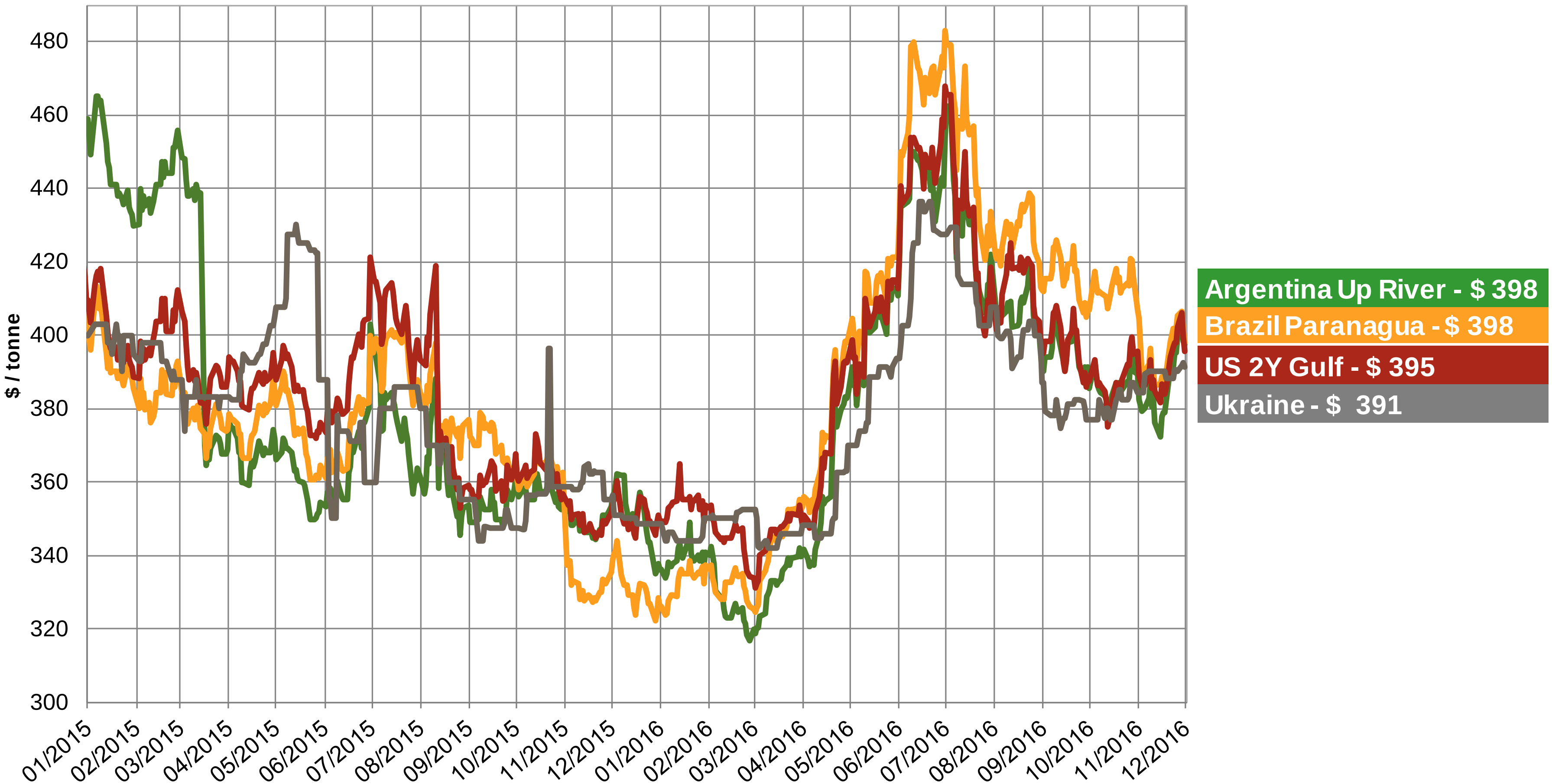


EU maize futures



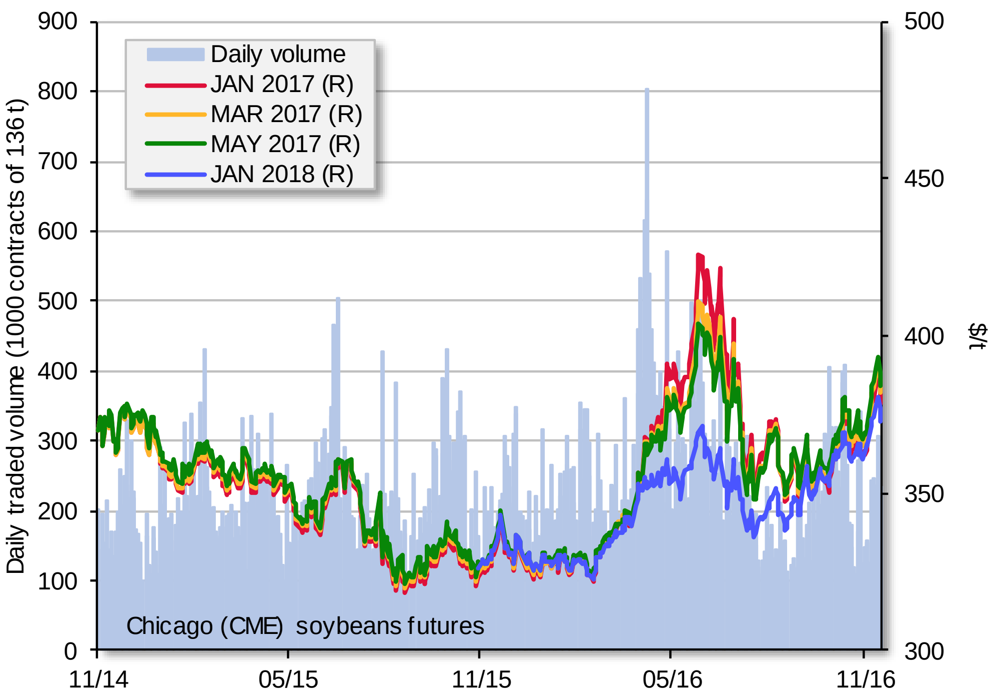


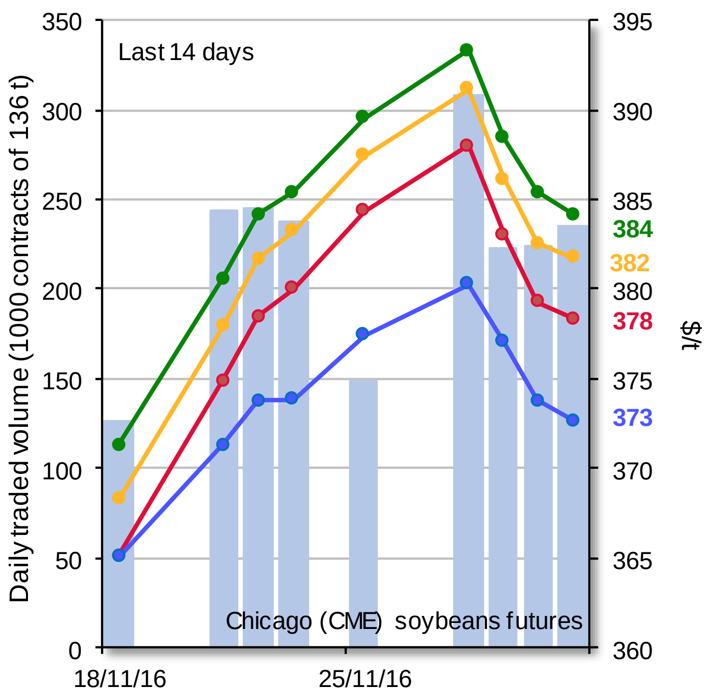
Soybeans export prices $/tonne (fob)



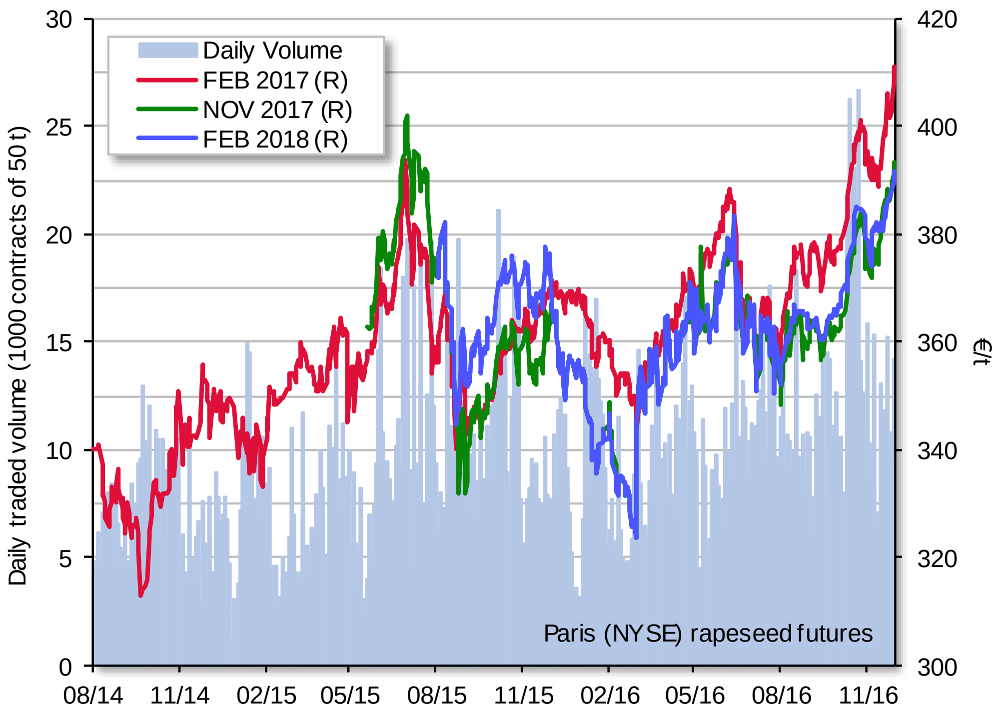
Agriculture and Rural Development

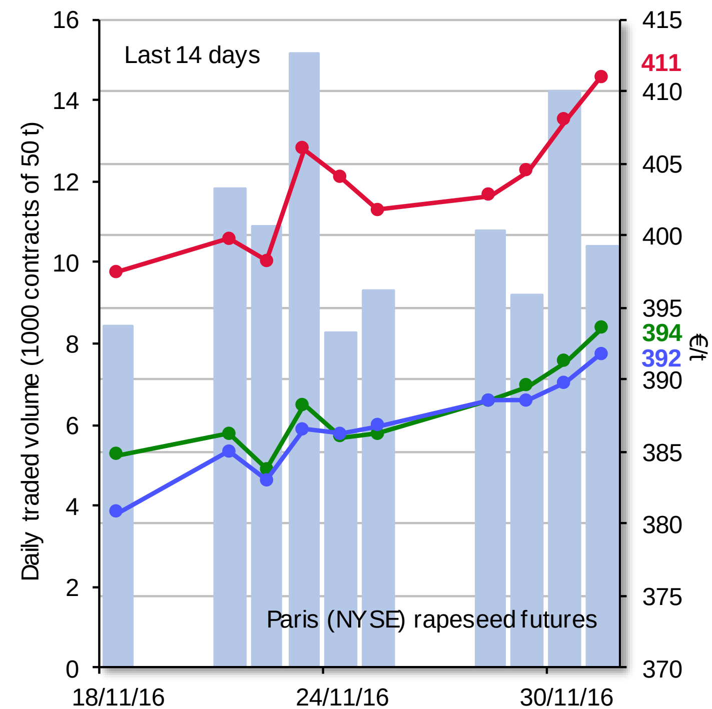
CME soya futures





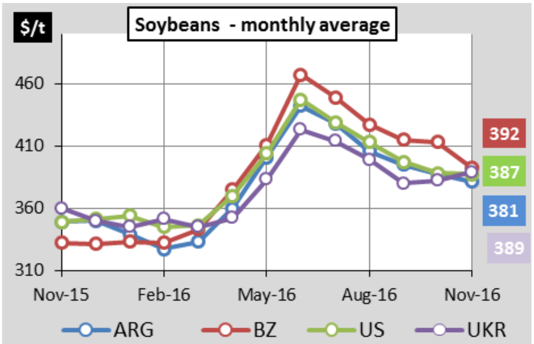
NYSE Euronext rapeseed futures

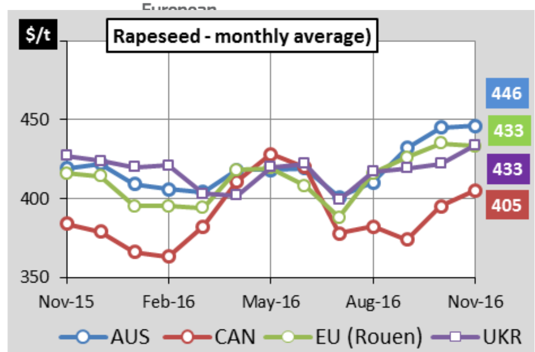


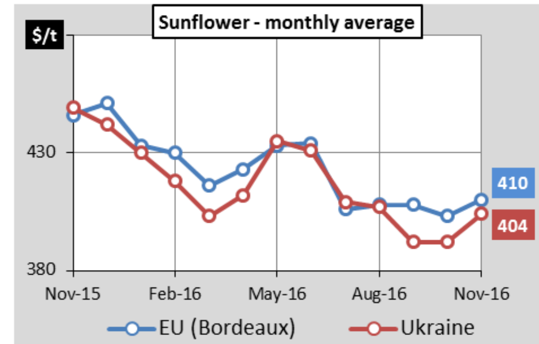


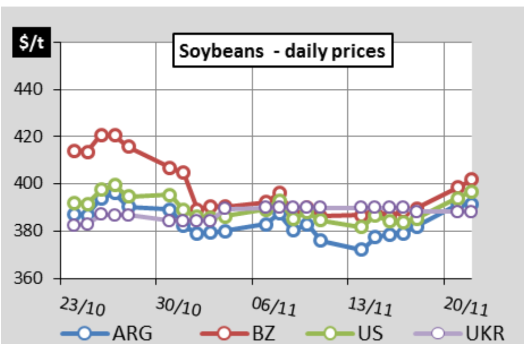
Agriculture and Rural Development

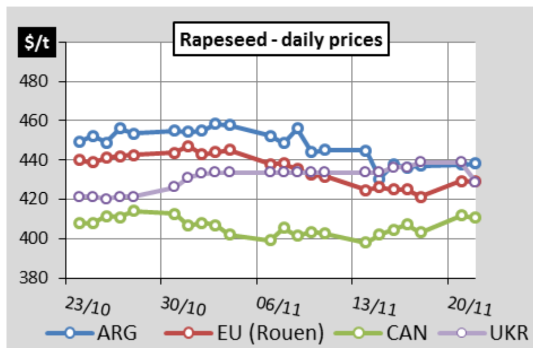
Oilseeds Export prices (fob)

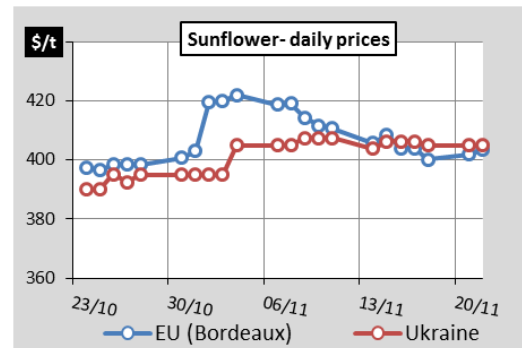












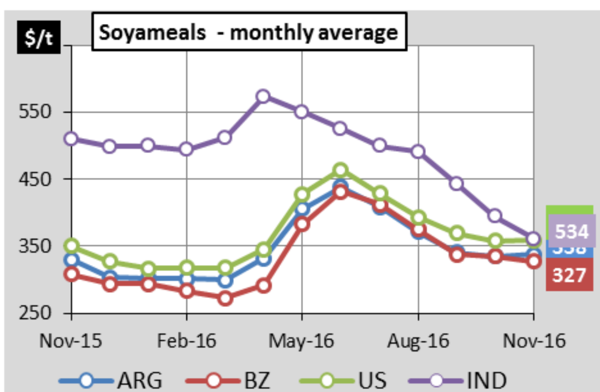
Export prices FOB		22 Nov 2016		m/m variation		y/y variation	
		€/t	$/t	€/t	$/t	€/t	$/t
soybeans	Argentina - Up River	369	391	4%	1%	13%	13%
	Brazil - Paranagua	379	402	0%	-3%	22%	22%
	US Gulf	374	397	4%	1%	15%	14%
	Ukraine	366	388	4%	1%	7%	7%
rapeseed	Australia	413	438	0%	-2%	6%	6%
	Canada	387	411	3%	1%	10%	9%
	EU (Rouen)	404	429	0%	-2%	6%	5%
	Ukraine	404	429	4%	2%	3%	1%
sunflower	EU (Bordeaux)	380	403	4%	2%	-9%	-9%
	Ukraine	381	405	7%	4%	-11%	-11%

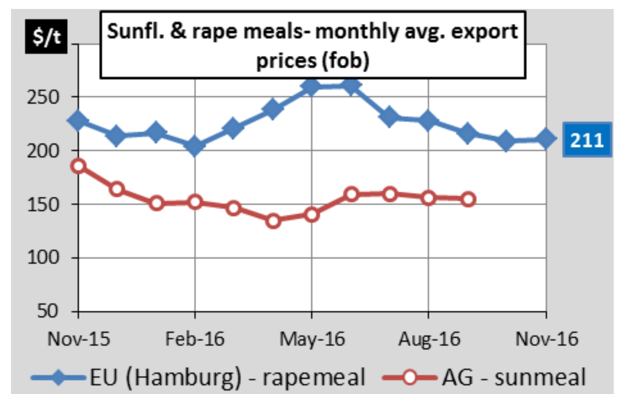
Date to date comparison

Source: IGC (23 NOV 2016)

Meals Export prices (fob)

Export prices FOB		22 Nov 2016		m/m variation		y/y variation	
		€/t	$/t	€/t	$/t	€/t	$/t
soymeals	Argentina - Up River	331	351	8%	5%	8%	8%
	Brazil - Paranagua	313	333	2%	-1%	13%	12%
	US Gulf	348	370	6%	3%	8%	8%
	India Mumbai	341	362	1%	-2%	-29%	-29%
sunflower	Argentina - Up River	147	156	3%	0%	-18%	-18%
rapeseed	EU (Hambourg)	197	210	5%	2%	-8%	-8%





Source: IGC (23 NOV 2016)

European Commission

EU Balance Sheets and Forecasts

European Commission

2015/2016 Marketing Year

Cereals

European Commission

Nov-16	Common wheat	Barley	Durum	Maize	Rye	Sorghum	Oats	Triticale	Others	Million tonnes EUR 28
	Cereals balance sheet:Marketing year: 2015/2016									
Beginning stocks (01.07.2015)	**13,0**	**6,6**	**1,1**	**22,8**	**1,6**	**0,3**	**1,5**	**1,0**	**3,4**	**51,2**
Usable production	**151,3**	**61,4**	**8,3**	**59,1**	**7,6**	**0,6**	**7,5**	**12,6**	**3,2**	**311,6**
Import	**4,1**	**0,3**	**2,5**	**13,3**	**0,0**	**0,1**	**0,0**	**0,0**	**0,2**	**20,5**
TOTAL AVAILABILITIES	**168,4**	**68,3**	**11,8**	**95,2**	**9,2**	**1,0**	**9,0**	**13,6**	**6,7**	**383,3**
USE										
- Human	47,6	0,4	8,0	4,8	3,0	0,2	1,1	0,1	0,0	**65,1**
- Seed	5,0	2,2	0,5	0,4	0,4	0,0	0,4	0,6	0,1	**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	55,8	36,3	0,3	58,5	3,0	0,7	5,2	11,0	3,6	**174,4**
TOTAL USE	**119,0**	**48,1**	**8,8**	**73,8**	**7,9**	**0,9**	**6,9**	**12,3**	**3,8**	**281,4**
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	**48,5**	**19,8**	**3,0**	**20,8**	**1,2**	**0,1**	**2,0**	**1,3**	**2,9**	**99,7**
Export	**32,7**	**14,2**	**1,2**	**2,2**	**0,2**	**0,0**	**0,2**	**0,0**	**0,0**	**50,8**
Ending stocks (30.06.2016)	**15,8**	**5,7**	**1,8**	**18,6**	**1,0**	**0,1**	**1,8**	**1,3**	**2,9**	**48,9**

EU BALANCE SHEET 2015/2016

- Good level of harvest:
  - New record for wheat
  - High percentage of milling wheat
  - Lower feed grain
- High level of exports for total cereals including:
  - Record for barley (1st on world market)
  - Second highest level for wheat (1st on world market)
- Second highest level of import (after 2007/08 record)
- Slight decrease of total ending stocks (but increase for soft and durum wheat)

European Commission

2016/2017 Marketing Year

Cereals

European Commission

EU 28- 2016 Production Forecasts

EU EVOL CEREALS USABLE PRODUCTIONS					
	2014/2015	2015/2016	2016/2017	2016/2017	%change
Million tonnes			Oct fcst	Nov fcst	2015/2016
TOTAL	**329,2**	**311,6**	**294,8**	**293,1**	-5,9
Soft wheat	148,7	151,3	134,6	133,8	-11,6
Durum wheat	7,6	8,3	8,6	8,7	4,8
Barley	60,2	61,4	60,0	59,4	-3,3
Maize	77,9	59,1	59,7	59,1	0,0
Rye	8,7	7,6	7,8	7,8	2,6
Oats	7,7	7,5	8,1	8,2	9,3
Sources : DG AGRI -C4					

European Commission

nov-16	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)	**15,8**	**5,7**	**1,8**	**18,6**	**1,0**	**0,1**	**1,8**	**1,3**	**2,9**	**48,9**
Usable production	**133,8**	**59,4**	**8,7**	**59,1**	**7,8**	**0,6**	**8,2**	**11,3**	**4,1**	**293,1**
Import	**4,0**	**0,3**	**2,1**	**14,0**	**0,1**	**0,1**	**0,0**	**0,0**	**0,1**	**20,7**
TOTAL AVAILABILITIES	**153,7**	**65,4**	**12,6**	**91,6**	**9,0**	**0,9**	**10,0**	**12,6**	**7,1**	**362,7**
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	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	55,8	37,4	0,3	57,9	3,0	0,6	5,6	10,1	4,1	**174,8**
TOTAL USE	**119,5**	**49,2**	**8,9**	**73,3**	**7,9**	**0,8**	**7,3**	**11,3**	**4,3**	**282,4**
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	**33,3**	**15,8**	**3,6**	**17,8**	**1,0**	**0,1**	**2,6**	**1,2**	**2,8**	**78,2**
Export	**24,0**	**7,0**	**1,6**	**2,0**	**0,2**	**0,0**	**0,2**	**0,0**	**0,0**	**34,9**
Ending stocks (31.10.2016)	**101,4**	**46,7**	**7,3**	**55,4**	**6,2**	**0,5**	**7,3**	**8,7**	**5,6**	**239,1**
Ending stocks (30.06.2017)	**9,3**	**8,8**	**2,0**	**15,8**	**0,8**	**0,1**	**2,4**	**1,2**	**2,8**	**43,2**

EU BALANCE SHEET 2016/17

- Harvest below average:
  - 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)
  - Short maize harvest (similar to 2015/2016)
- Decrease of total exports
  - Steep fall in soft wheat and barley exports
- Second decrease in a row of total ending stocks

EU OILSEEDS & PROTEIN CROPS PRODUCTION

Million tonnes	AVG 5 yrs trimmed	2015/16	2016/17 Oct 2016	2016/17 Nov 2016	%change 2015/16	%change 5yrs trimmed
Rapeseed	20,7	21,8	19,9	19,8	-9,0	-4,1
Sunflower	8,6	7,9	8,1	8,2	4,1	-4,7
Soja	1,4	2,3	2,2	2,5	6,3	73,9
Linseed	0,1	0,1	0,1	0,1	-9,3	-11,6
TOTAL	30,8	32,1	30,3	30,6	-4,7	-0,7
Field peas	1,4	2,1	2,1	2,2	4,1	53,7
Broad beans	1,1	2,0	1,8	1,9	-2,2	68,8
Sweet lupins	0,2	0,4	0,4	0,4	6,6	148,6
TOTAL	2,7	4,4	4,3	4,5	1,5	65,8

Sources : DG AGRI/C/4

European Commission

Conclusion – oilseeds & protein crops (EU-28)

Oilseeds 2016/17

*AREA. The total area (**11.6m ha**) is similar to last marketing year (only rapeseed area is higher compared to last year) and 0.8% higher than the average (only soybeans area is higher f compared to the average).*

*PRODUCTION. The total production (**30.6m t**) is -4.7% and -0.7% lower than the 2015/16 and five years average production respectively (although sunflower and soybeans productions are forecast above last marketing year figures).*

Protein crops 2016/17

*AREA. The total area (**1.8m ha**) is similar 9.2% higher than 2015/16 total area for protein crops and 67.9% higher than the five years average area.*

*PRODUCTION. The total production (**4.5m t**) is +1.5% and +65.8% higher than the 2015/16 and five years average production respectively (only broad beans production is forecast to be lower than last year production).*

European Commission

EU cereals trade

EU cereals trade 2016/17 (update of 30/11/2016)

- **Imports:** 5.7m t (7.7m t last year; 5.8m t two years ago)
  - 1.32m t soft wheat
  - 0.51m t durum wheat
  - 3.6m t maize
  - 0.27m t barley

- **Exports:** 15.4m t (17.8m t last year; 18.4m t two years ago)
  - 10.7m t soft wheat
  - 1.7m t barley
  - 0.58m t durum wheat
  - 1.15m t maize

- So far, the EU is a net cereal exporter of 9.7m t, against 10.1m t last year and 12.6m t two years ago.

Thank you for your attention!

Balance sheet updates & market presentation available:

http://ec.europa.eu/agriculture/cereals/balance-sheets/index_en.htm

Cereals dashboard available:

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