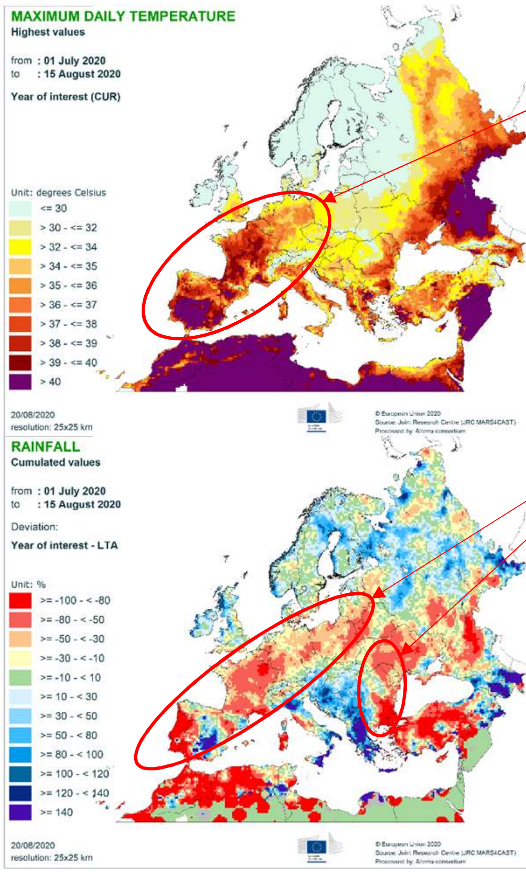
Arable Crops market situation

Civil Dialogue Group – Cereals, Oilseeds and Protein Crops

8 September 2020

Agrometeorological conditions

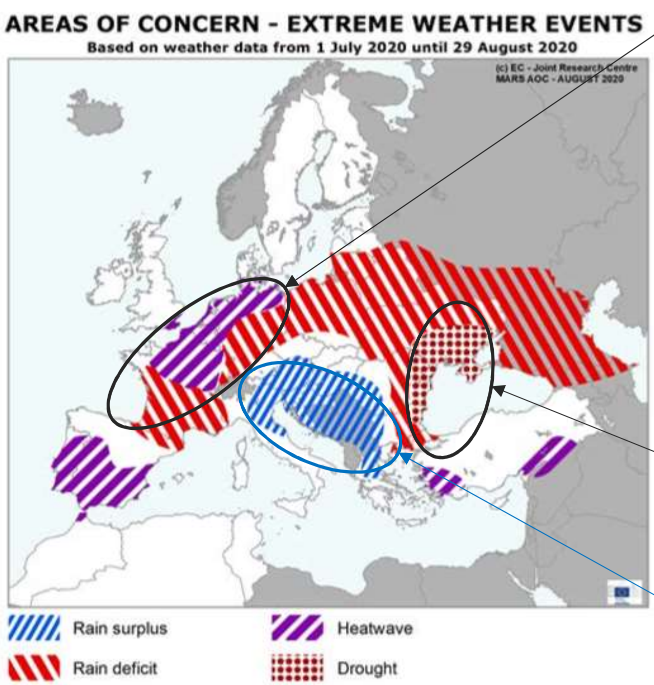
Agrometeorological overview (1 Jul-15 Aug)



- **heatwaves** with max temperatures above 35°C (40°C locally) in western Europe, end of July and beginning of August
  - slightly cold conditions in Scandinavia and the Baltic countries
- significant **dry deficit** in large parts of Europe (western, north-central, and south-eastern regions)
- **rain surplus** in areas of southern and south-eastern Europe

European Commission

Areas of concern (1 Jul-29 Aug)



- dry deficit and high temperatures **depleted soil moisture levels** in FR, BE, LU, NL, and northern DE, negatively affecting yield potentials of summer crops
- no impacts in PL and southern LT due to mild temperatures (and rainfall in June)
- **drought conditions** returned to eastern RO and BG, negatively affecting summer crops
- summer crops profited from **beneficial rain surplus** in eastern IT, AT, SK, HU, and western RO and BG, recovering from unfavourable dry start of the season

Cereals

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EU production and prices

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International Grains Council

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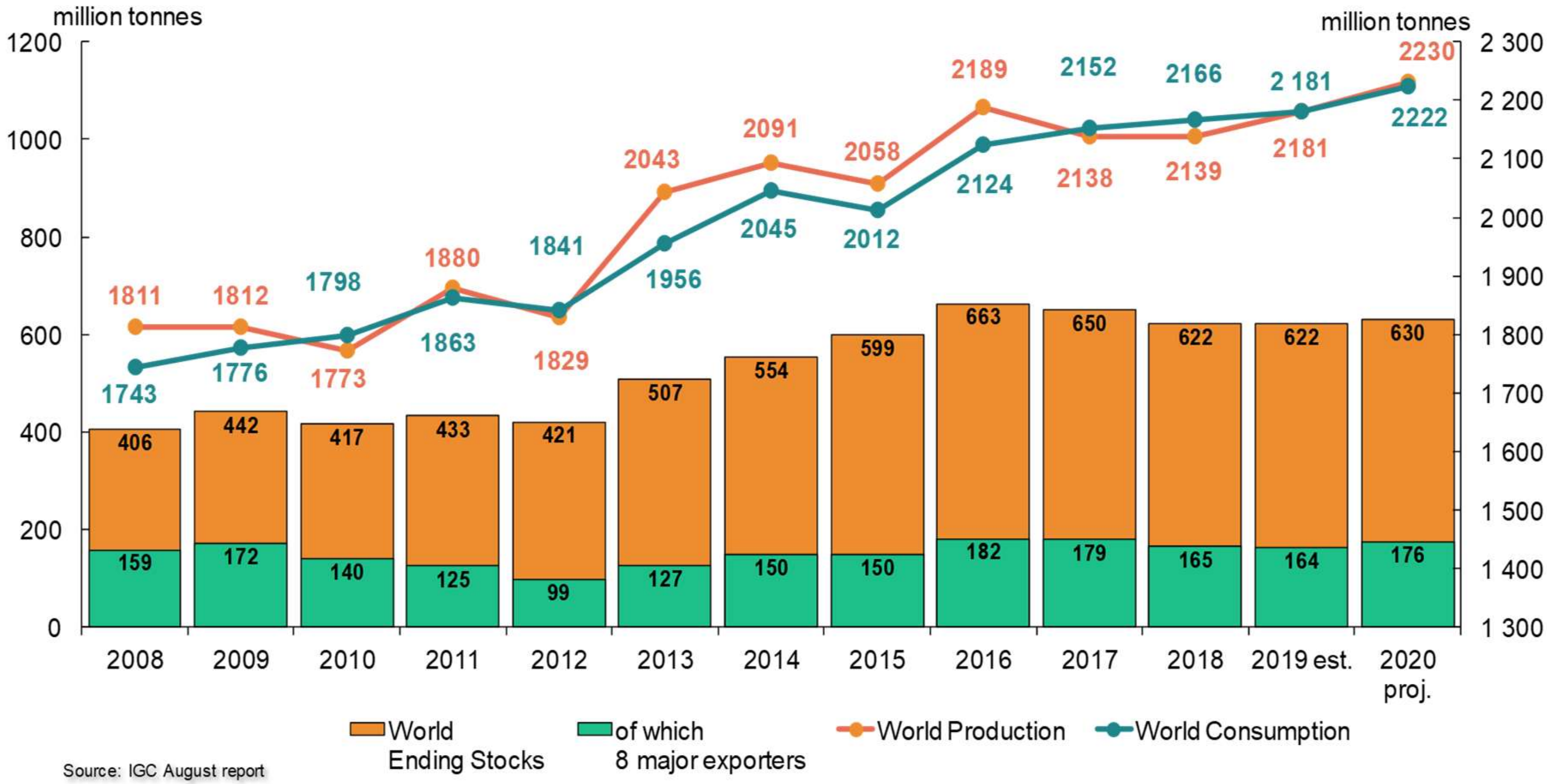
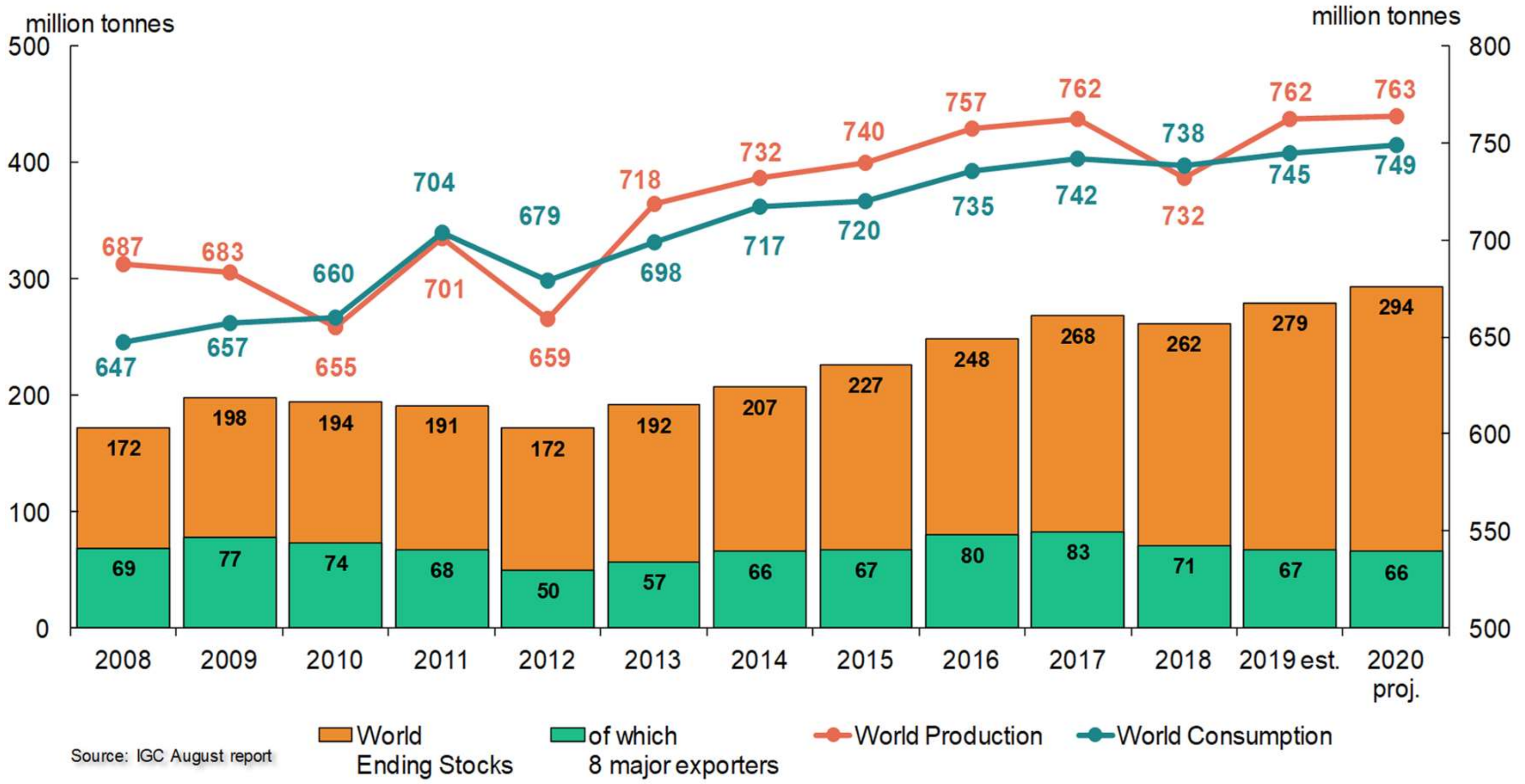
World cereals: IGC



European Commission

World wheat: IGC



European Commission

Summary of the IGC Grain Market Report

(GMR 513 of 27/08/2020)

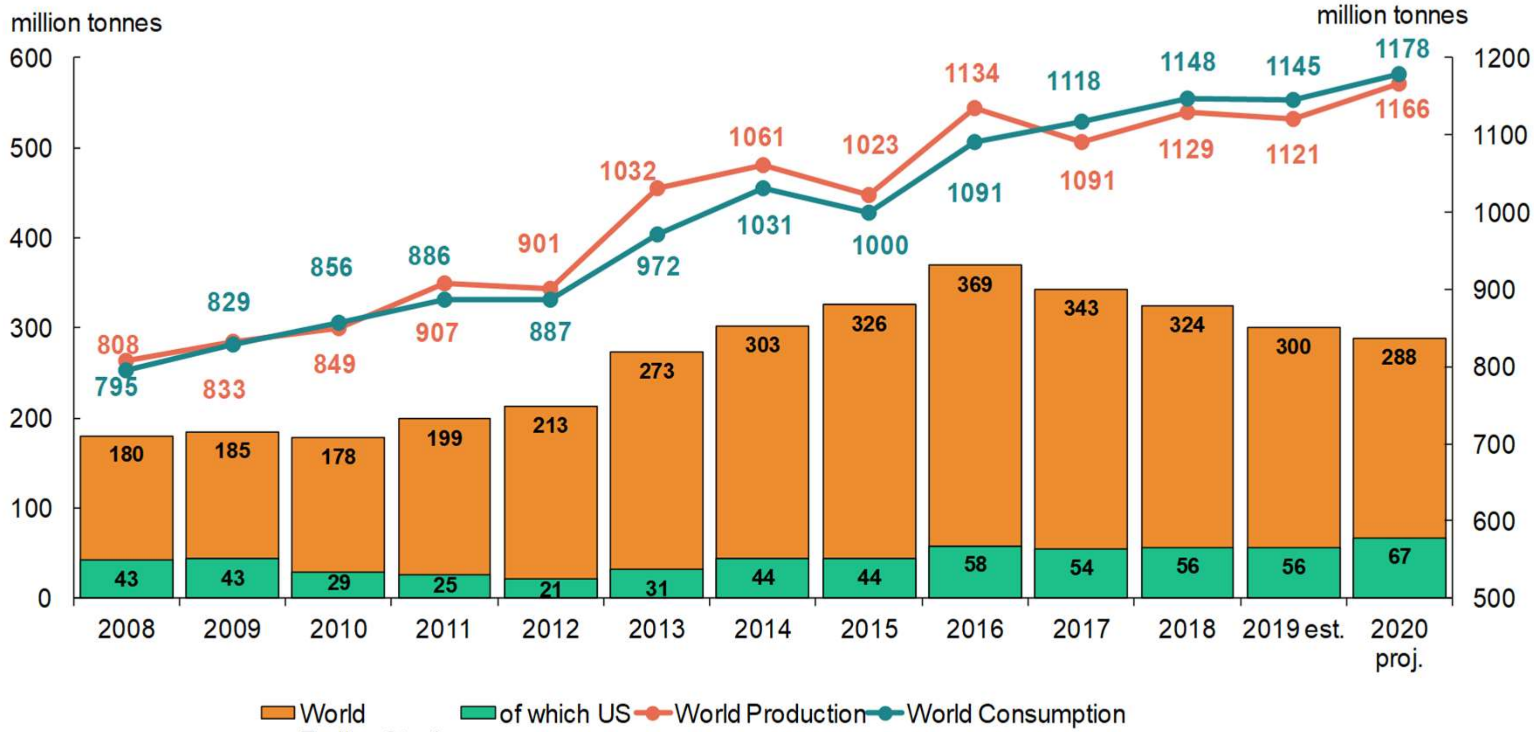
Outlook for 2020/21

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

	2017/18	2018/19 *(estimate)*	2019/20 *(forecast)*	2020/21 *(projection)*	*m/m change (m t)*	y/y change
EU-27 **(2020/21)** ***EU-27 + UK to 2019/20***	151.4	137.7	155.0	**121.8**	*-3.9*	-12.2% change on EU27 basis
USA	47.4	51.3	52.3	**50.0**	*+0.4*	-4.3%
Canada	30.4	32.2	32.3	**34.9**	*+1.2*	+8.0%
Russia	85.1	71.7	73.6	**79.9**	*+1.9*	+8.6%
Ukraine	27.0	25.1	29.2	**26.5**	-	-9.2%
Australia	20.9	17.6	15.2	**27.5**	*+1.3*	+81.3%
China	134.3	131.4	133.6	**135.0**	-	+1.1%
India	98.5	99.7	103.6	**107.2**	-	+3.5%
World	**761.9**	**731.9**	**762.2**	**763.3**	***+1.3***	**+0.1%**

European Commission

World maize: IGC



Source: IGC August report

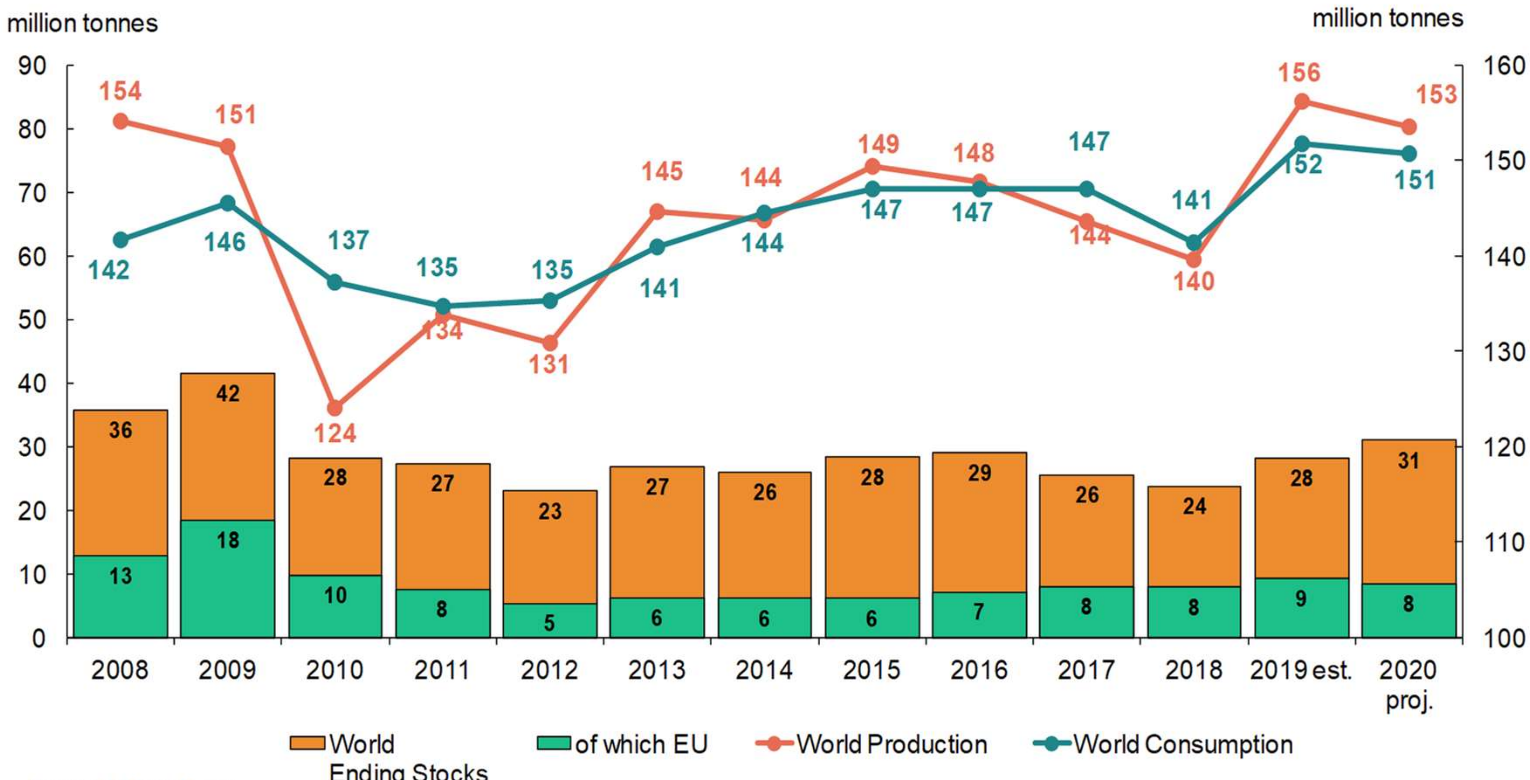
Summary of the IGC Grain Market Report
(GMR 513 of 27/08/2020)
Outlook for 2020/21

Maize production in selected countries (million tonnes)

	2017/18	2018/19 *(estimate)*	2019/20 *(forecast)*	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	**69.2**	*-0.9*	+1.8% on EU-27 basis
USA	371.1	364.3	345.9	**384.2**	*+3.4*	+11.1%
Ukraine	24.1	35.8	35.9	**37.0**	-	+3.1%
Russia	13.2	11.4	14.3	**14.5**	*-1.0*	+1.6%
Brazil	80.8	100.0	102.1	**106.3**	-	+4.1%
Argentina	43.5	56.9	58.5 *(+3.0m m/m)*	**52.1**	-	-10.9%
China	259.1	257.3	260.8	**261.0**	-	+0.1%
World	**1,090.8**	**1,129.2**	**1,117.2** ***(+3.6m)***	**1,166.5**	***+2.5***	**+4.1%**

European Commission

World barley: IGC



Source: IGC August report

Summary of the IGC Grain Market Report

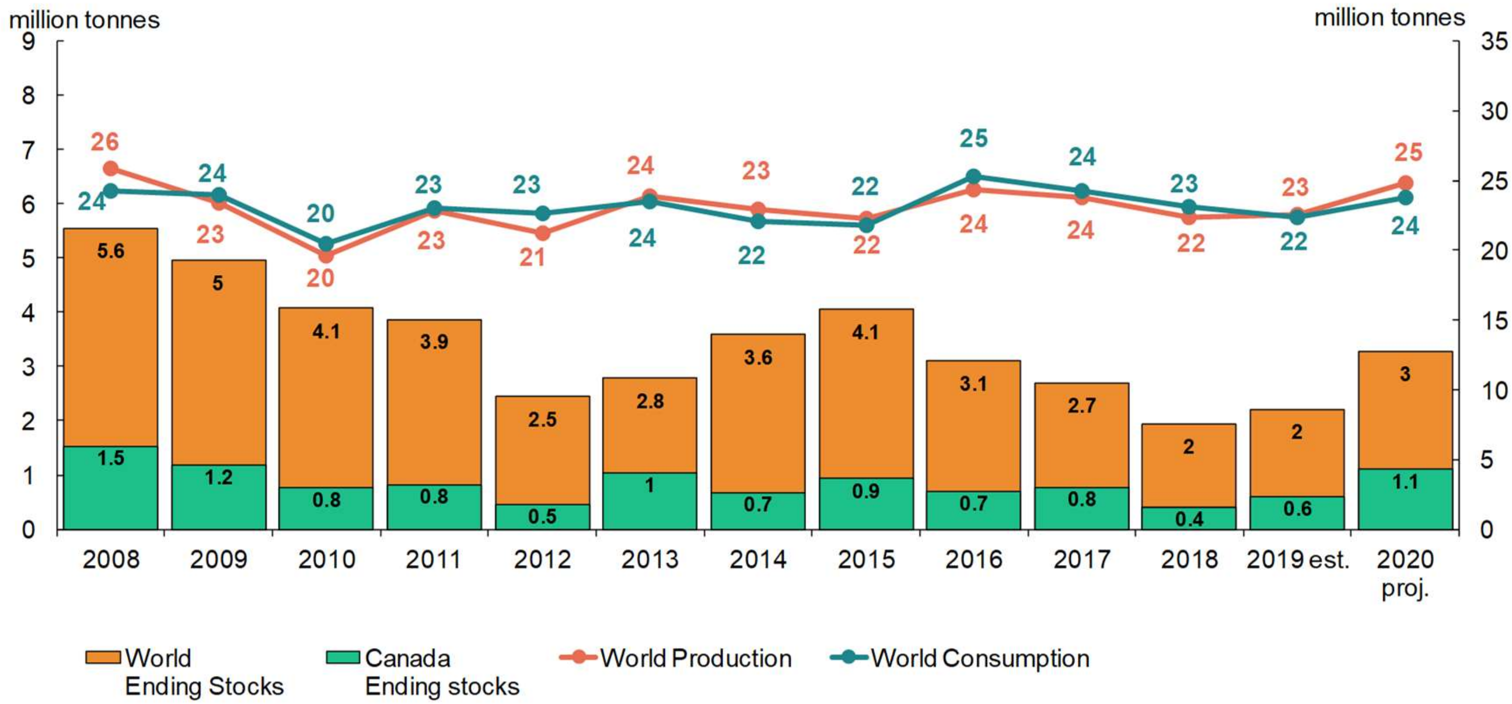
(GMR 513 of 27/08/2020)

Outlook for 2020/21

Barley production in selected countries (million tonnes)

	2017/18	2018/19 *(estimate)*	2019/20 *(forecast)*	2020/21 *(projection)*	*m/m change (m t)*	y/y change
EU-27 **(2020/21)** ***EU-27 + UK to 2019/20***	58.6	56.3	63.4	**54.0**	*-1.6*	-2.3% on EU-27 basis
United Kingdom	7.2	6.6	8.2	**8.0**	-	-2.2%
Russia	20.2	16.7	19.9	**19.0**	*+0.5*	-4.7%
Ukraine	8.7	7.6	9.5	**8.7**	*+0.8*	-8.7%
Australia	9.3	8.8	9.0	**10.5**	*+0.2*	+16.7%
Canada	7.9	8.4	10.4	**10.4**	*+0.3*	+0.3%
Turkey	7.1	7.0	7.6	**8.3**	-	+8.7%
World	**143.5**	**139.5**	**156.2**	**153.5**	***+0.3***	**-1.7%**

World oats: IGC



Source: IGC August report

European Commission

Cereals Market News and Prices

Canada: Production of principle field crops, July 2020

(source: **Statistics Canada** (31 Aug 2020; preliminary production estimates for 2020)

- **These are the preliminary production estimates released by Statistics Canada, using model-based data (instead of survey).**
- **Final production estimates for 2020 will be released on 3 Dec 2020.**

thousands tonnes	**2018/19**	**2019/20**	**2020/21**	**2020/21 vs 2019/20**
All wheat production	32.201	32.348	**35.740**	10,50%
Spring wheat production	23.942	25.670	**25.935**	1,00%
Winter wheat production	2.514	1.701	**2.879**	69,30%
spring wheat as of total (%)	*74%*	*79%*	***73%***	
Durum production	5.745	4.977	**6.926**	39,20%
durum as of total (%)	*18%*	*15%*	***19%***	
Oats production	3.436	4.237	**4.498**	6,20%
Maize production	13.885	13.404	**13.928**	3,90%
Barley production	8.380	10.383	**10.546**	1,60%
Soya beans production	7.417	6.045	**5.962**	-1,40%
Canola production	20.594	19.477	**19.403**	-0,40%

EU cereals market

European Commission

EU 2020/21 Marketing Year

EU : Area Forecasts

EVOLUTION OF THE EU 27 CEREALS AREA

(million ha)

	2018	2019	2020		
			July Forecast	Aug Forecast	vs. 2019/2020 (%)
Soft wheat	*21,3*	*22,0*	*20,9*	*20,6*	*-6,2*
Durum wheat	*2,5*	*2,2*	*2,2*	*2,2*	*-1,2*
Barley	*11,1*	*11,1*	*11,3*	*11,3*	*1,3*
Maize	*8,3*	*8,9*	*8,9*	*8,7*	*-1,8*
Rye	*1,9*	*2,2*	*2,2*	*2,2*	*0,5*
Oats	*2,6*	*2,4*	*2,5*	*2,5*	*7,1*
Total	**51,9**	**53,1**	**52,5**	**52,0**	-2,1

Source: DG AGRI - G4

EU : Production Forecasts

EVOLUTION OF THE EU 27 CEREALS USABLE PRODUCTION

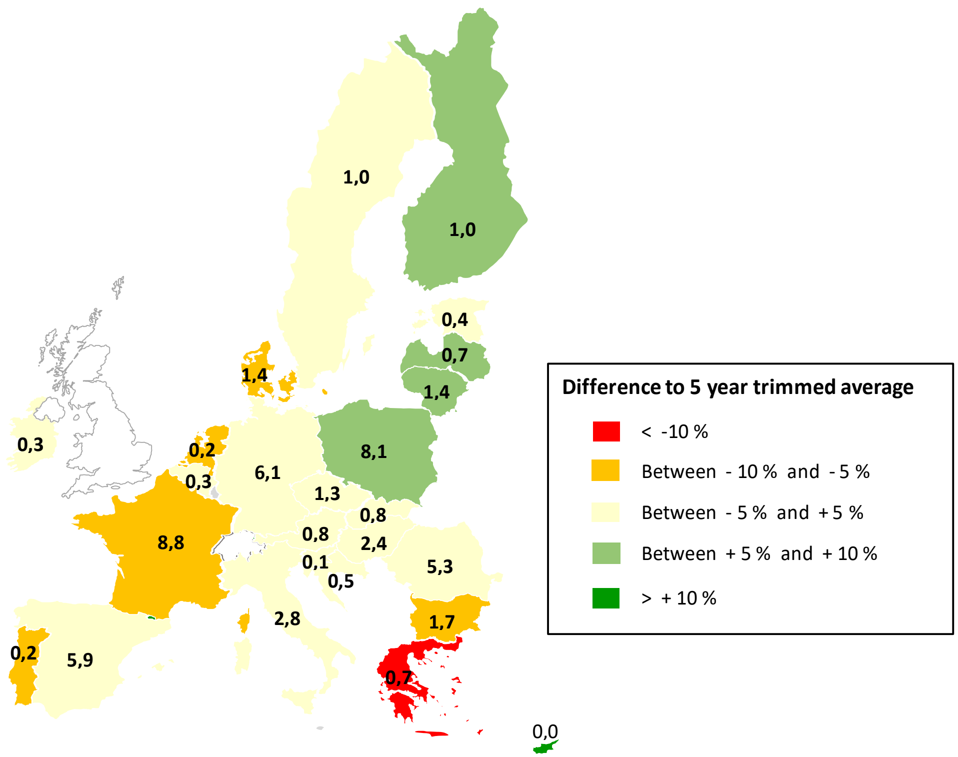
(million tonnes)

	2018/19	2019/20	2020/21		
			July Forecast	Aug Forecast	vs. 2019/2020 (%)
Soft wheat	*114,8*	*130,9*	*116,6*	*113,5*	*-13,3*
Durum wheat	*8,7*	*7,5*	*7,2*	*7,1*	*-5,3*
Barley	*49,5*	*55,1*	*54,1*	*53,9*	*-2,2*
Maize	*69,0*	*70,0*	*72,5*	*70,2*	*0,3*
Rye	*6,0*	*8,3*	*8,6*	*8,3*	*0,0*
Oats	*6,8*	*6,8*	*7,4*	*7,4*	*8,8*
Total	**268,9**	**294,2**	**282,3**	**276,5**	-6,0

Source: DG AGRI -G4

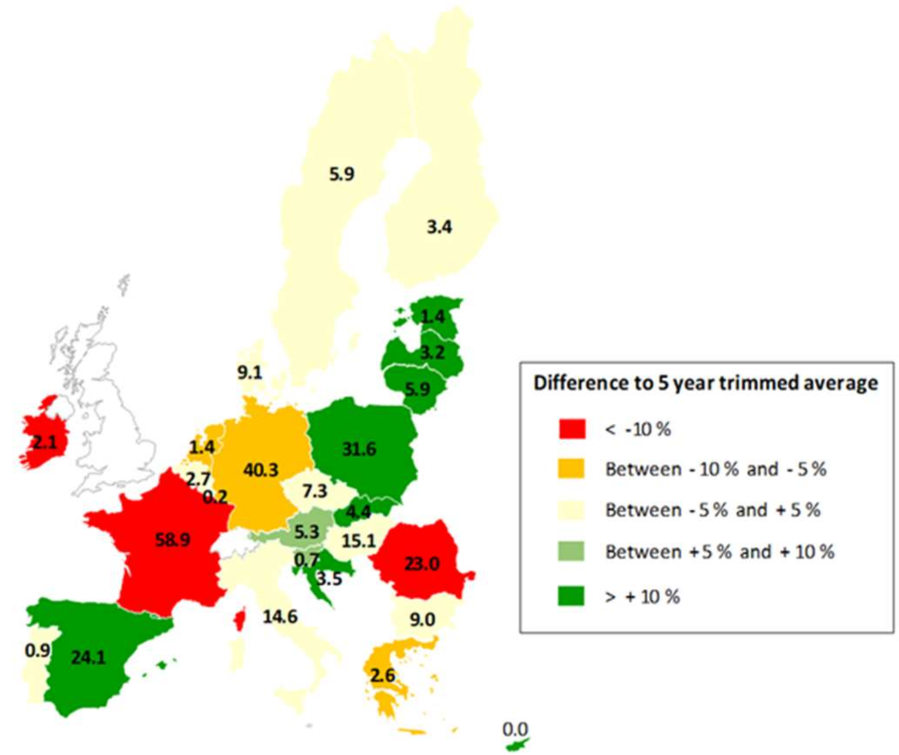
European Commission

Total cereals area - 2020 projection (million hectares)



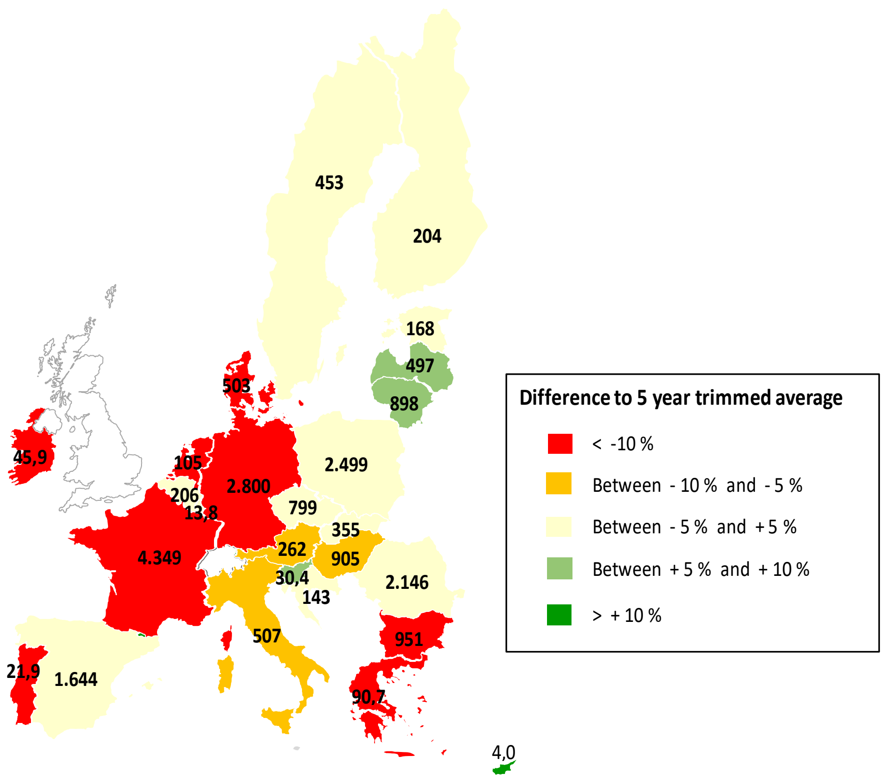
EU area: 52 million hectares - difference to 5 year trimmed average: -1.8%

Total cereals production - 2020 projection (million tonnes)



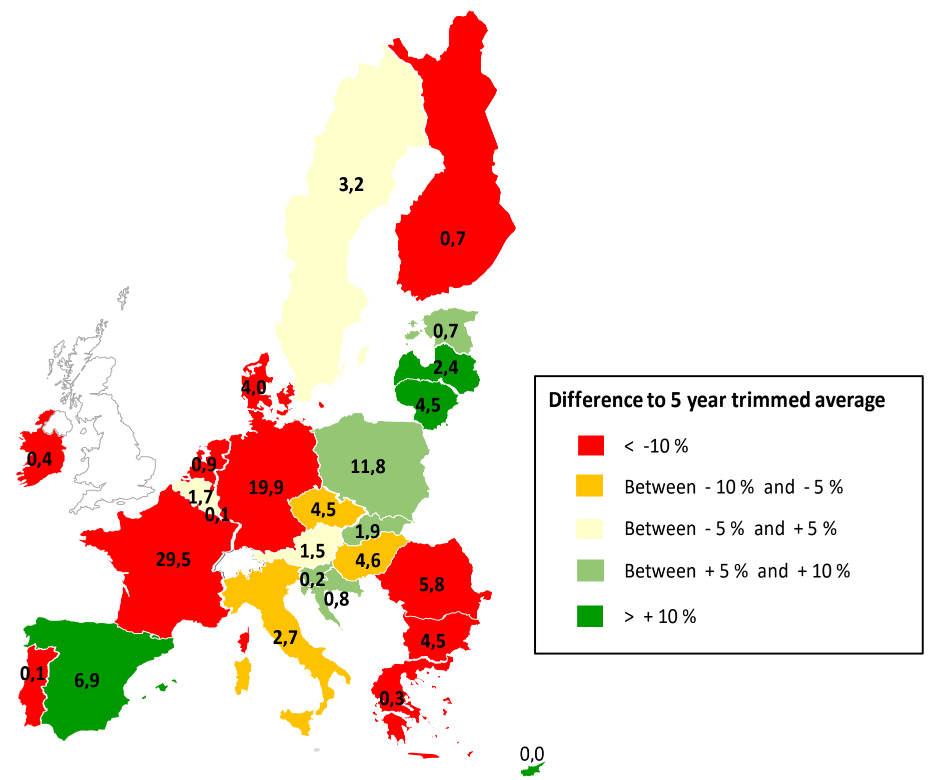
EU production: 276.5 million tonnes - difference to 5 year trimmed average: -1.8%

Soft wheat area - 2020 projection (thousand hectares)



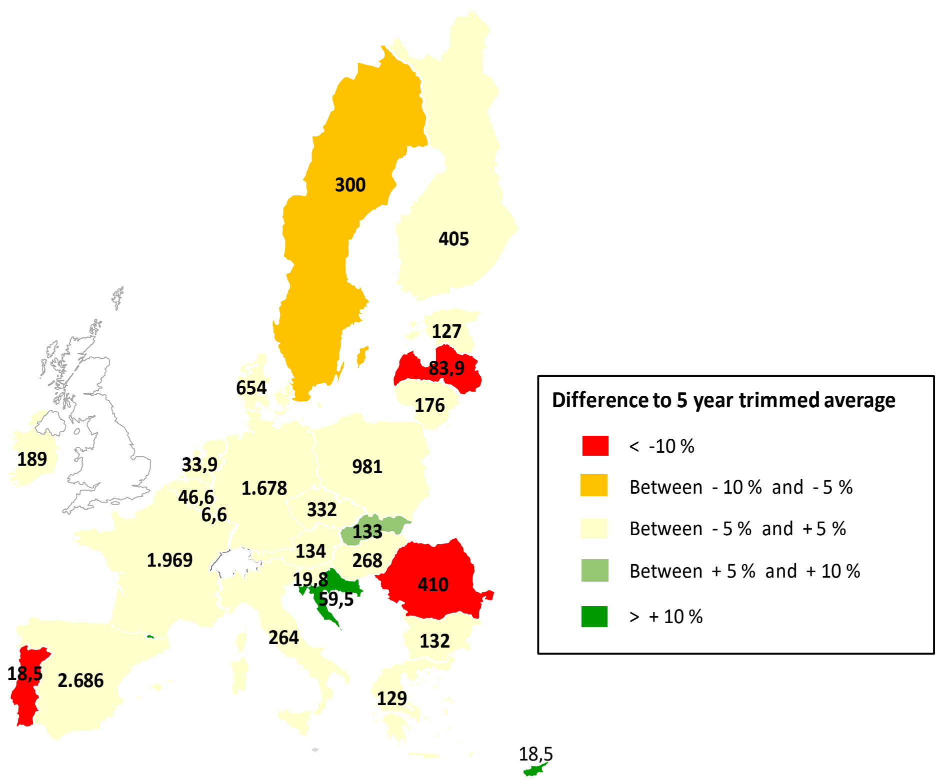
EU area: 20 600 thousand hectares - difference to 5 year trimmed average: -6,4%

Soft wheat production - 2020 projection (million tonnes)



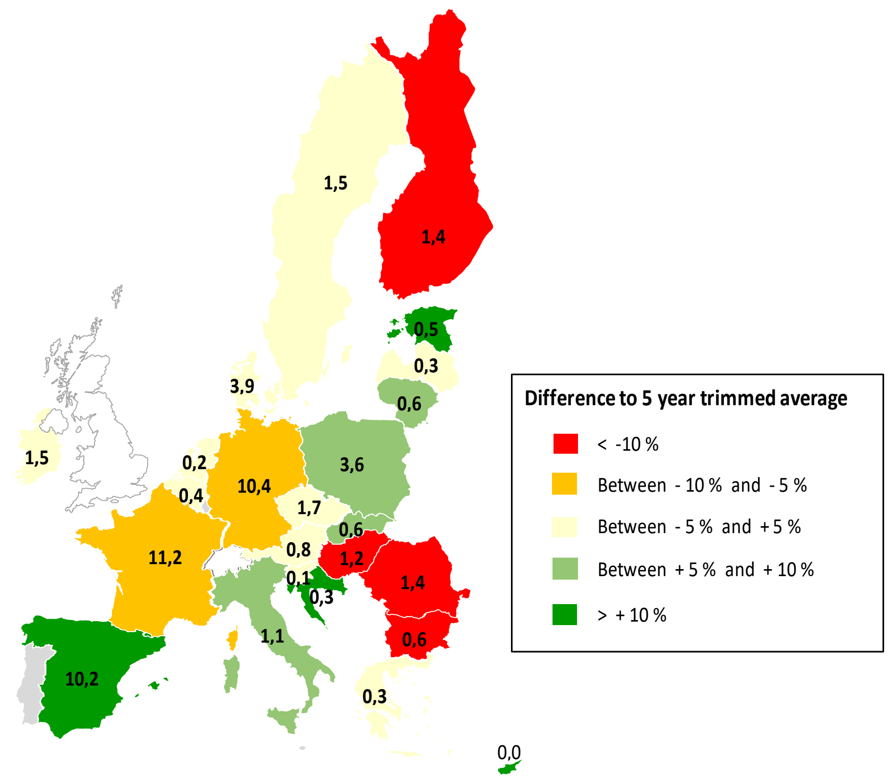
EU production: 113,5 million tonnes - difference to 5 year trimmed average: -9,9%

Barley area - 2020 projection (thousand hectares)



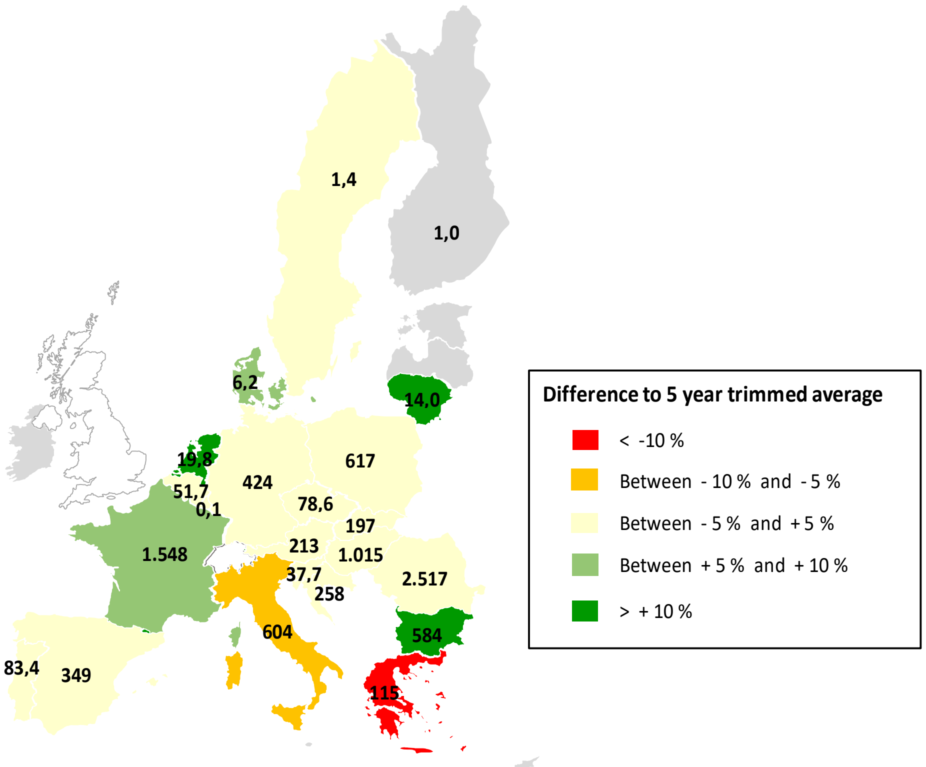
EU area: 11 253 thousand hectares - difference to 5 year trimmed average: +1,1%

Barley production - 2020 projection (million tonnes)



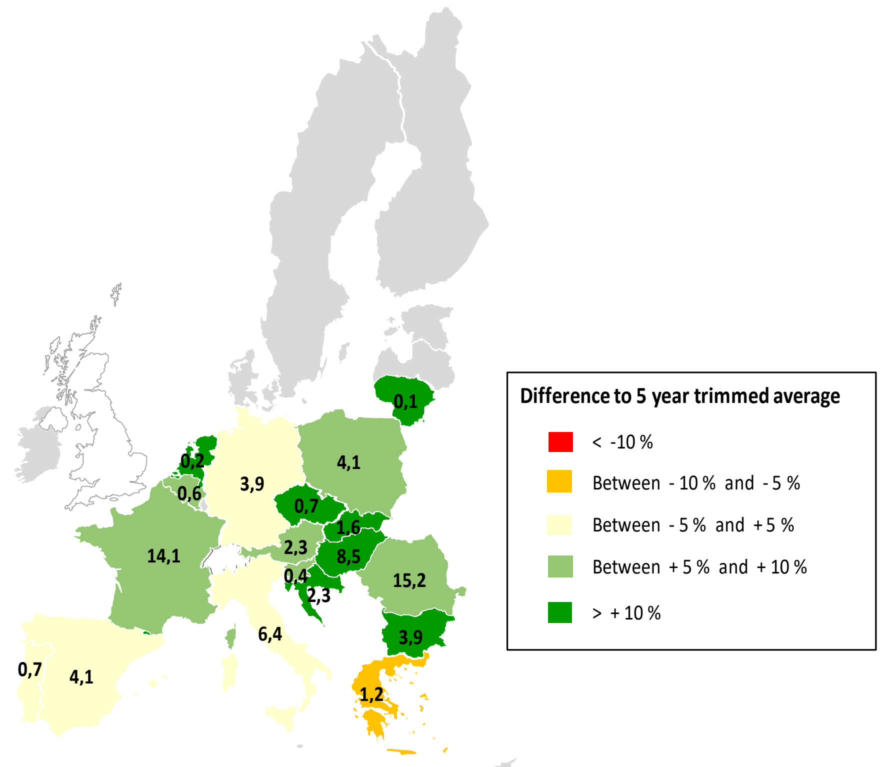
EU production: 53,9 million tonnes - difference to 5 year trimmed average: +2,2%

Maize area - 2020 projection (thousand hectares)



EU area: 8 733 thousand hectares - difference to 5 year trimmed average: +1,9%

Maize production - 2020 projection (million tonnes)



EU production: 70,2 million tonnes - difference to 5 year trimmed average: +7,1%

EU 2020/21 Usable Production: comparison with other forecasters

EU 27 Usable production, 2020/21

(million tonnes)

	EC DG AGRI 27-August	Stratégie Grain 13-August	COCERAL 24-August	ADM 30-June	COPA 15-June
Soft Wheat	*113,5*	*118,2*	*119,1*	*122,2*	*118,1*
Durum Wheat	*7,1*	*7,3*	*7,4*	*7,7*	*7,1*
Barley	*53,9*	*56,2*	*54,5*	*53,8*	*53,5*
Maize	*70,2*	*67,4*	*64,4*	*66,6*	*69,3*
Rye	*8,3*	*9,0*	*8,4*	*8,4*	*8,8*
Total Cereals	**276,5**	**281,0**	**276,2**	**280,2**	**283,5**

Production 2020/21 Forecast Year/Year Variation

France	-16,7%
Germany	-8,4%
Poland	10,2%
Italy	0,4%
Spain	26,0%
Hungary	-2,6%
Romania	-23,0%

**: 75% of the EU production*

Source: DG AGRI -G4

EU Cereals Balance Sheet

EU

CEREALS SUPPLY & DEMAND

EU

(thousand metric tonnes)

	2020/21 (projection)									
last updated: 27/08/2020	Common wheat	Barley	Durum wheat	Maize	Rye	Sorghum	Oats	Triticale	Others	TOTAL CEREALS
Beginning stocks	**7.215**	**5.655**	**2.536**	**22.087**	**831**	**1.763**	**238**	**2.113**	**239**	**42.677**
Usable production	113.459	53.873	7.114	70.195	8.340	1.042	7.410	10.937	4.172	276.542
Area (thousand ha)	*20.600*	*11.253*	*2.162*	*8.733*	*2.194*	*199*	*2.535*	*2.711*	*1.625*	*52.013*
Yield (tonnes/ha)	*6*	*5*	*3*	*8*	*4*	*5*	*3*	*4*	*3*	*5*
Imports (from third countries)	4.500	1.377	2.500	18.400	45	233	55	1	161	27.270
Total supply	**125.174**	**60.905**	**12.149**	**110.682**	**9.216**	**3.038**	**7.703**	**13.051**	**4.571**	**346.489**
Total domestic use	95.059	44.096	9.021	84.628	7.211	642	6.787	9.562	3.828	260.835
Human consumption	40.561	363	8.083	4.705	2.961	155	992	52	23	57.894
Seed	4.600	2.131	400	402	300	29	350	500	270	8.981
Industrial uses	9.717	6.780	95	11.100	1.300	0	101	445	170	29.708
of which bioethanol/biofuel	*(3 740)*	*(437)*	*(0)*	*(6 164)*	*(700)*	*(0)*	*(0)*	*(344)*	*(14)*	*(11 398)*
Animal feed	39.500	34.500	400	68.000	2.600	452	5.300	8.500	3.340	162.592
Losses	681	323	43	421	50	6	44	66	25	1.659
Exports (to third countries)	24.000	10.000	1.270	3.528	169	14	199	3	18	39.201
Total use	**119.059**	**54.096**	**10.292**	**88.156**	**7.380**	**656**	**6.986**	**9.565**	**3.846**	**300.036**
Ending stocks**	**6.115**	**6.808**	**1.858**	**22.526**	**1.836**	**2.382**	**717**	**3.486**	**726**	**46.453**
Change in stocks**	-1.100	1.154	-678	439	1.005	619	479	1.373	487	3.777

* Marketing year: from July to June

** At the end of the marketing year

EU Cereals Balance Sheet 2020/21

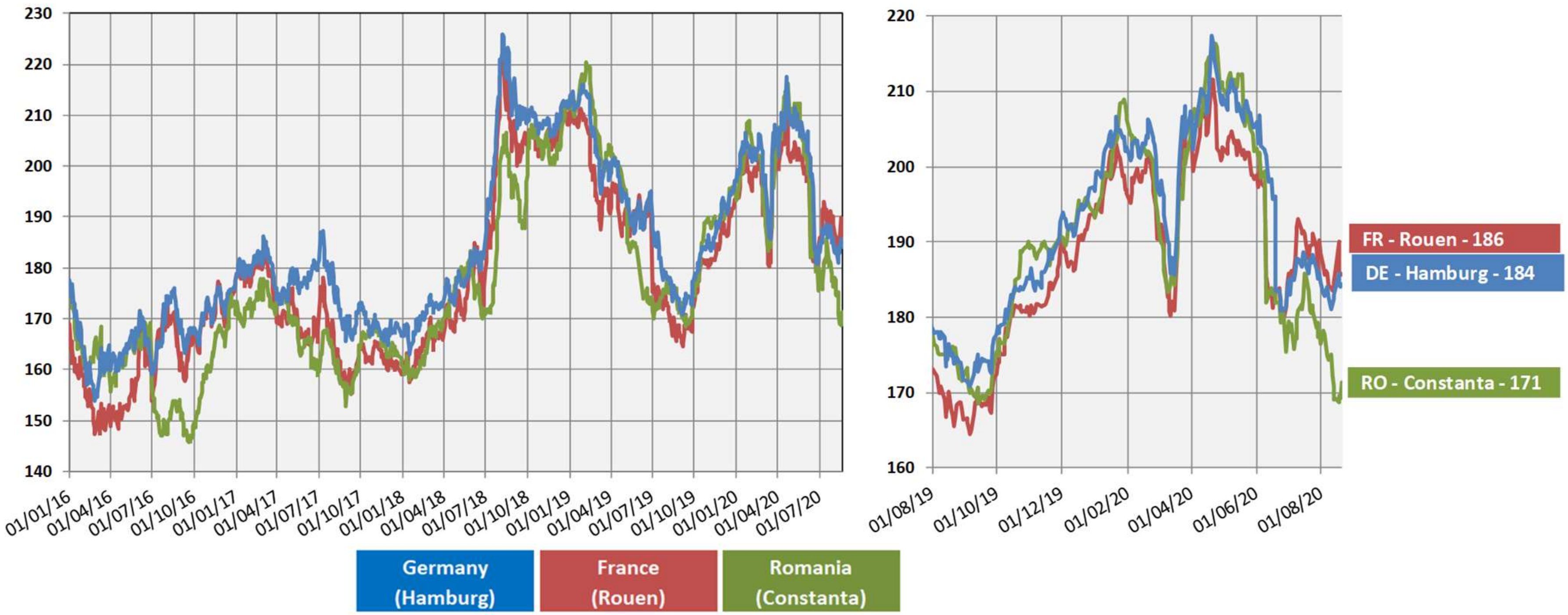
- Production forecast slightly below average (276,5 million tonnes, - 6 % y/y)
  - Areas communicated by Member States
  - Yield Forecast for maize
  - Decrease of total cereal area (52 million ha, -2,1% y/y) due to the smallest soft wheat area since 2007
  - Huge decrease of soft wheat production y/y (area and yield effects)

- Increase of total imports, in particular for soft wheat

- Decrease of total exports, in particular for soft wheat

- Increase of total ending stocks

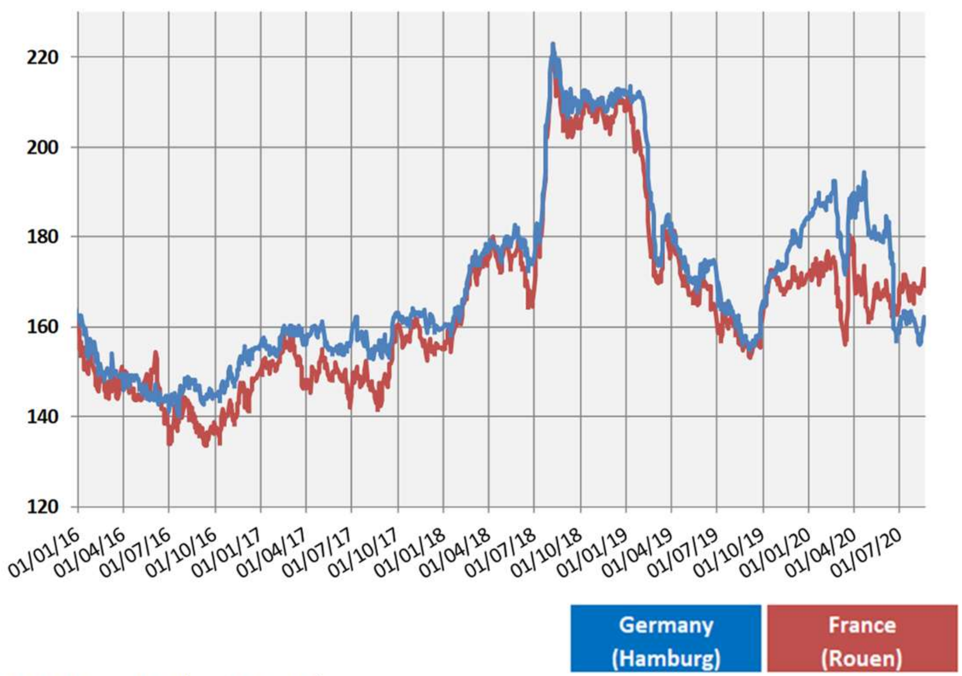
EU market prices for milling wheat – (EUR per tonne)

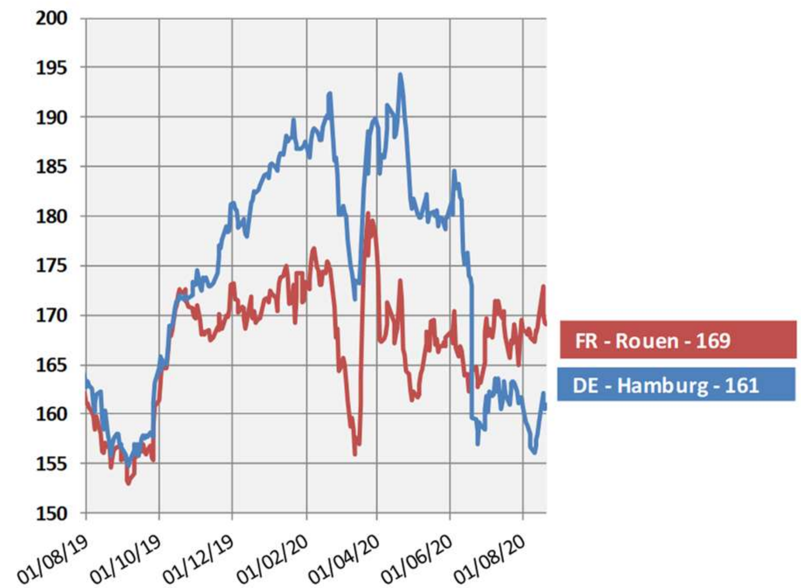


Source: International Grains Council

European Commission

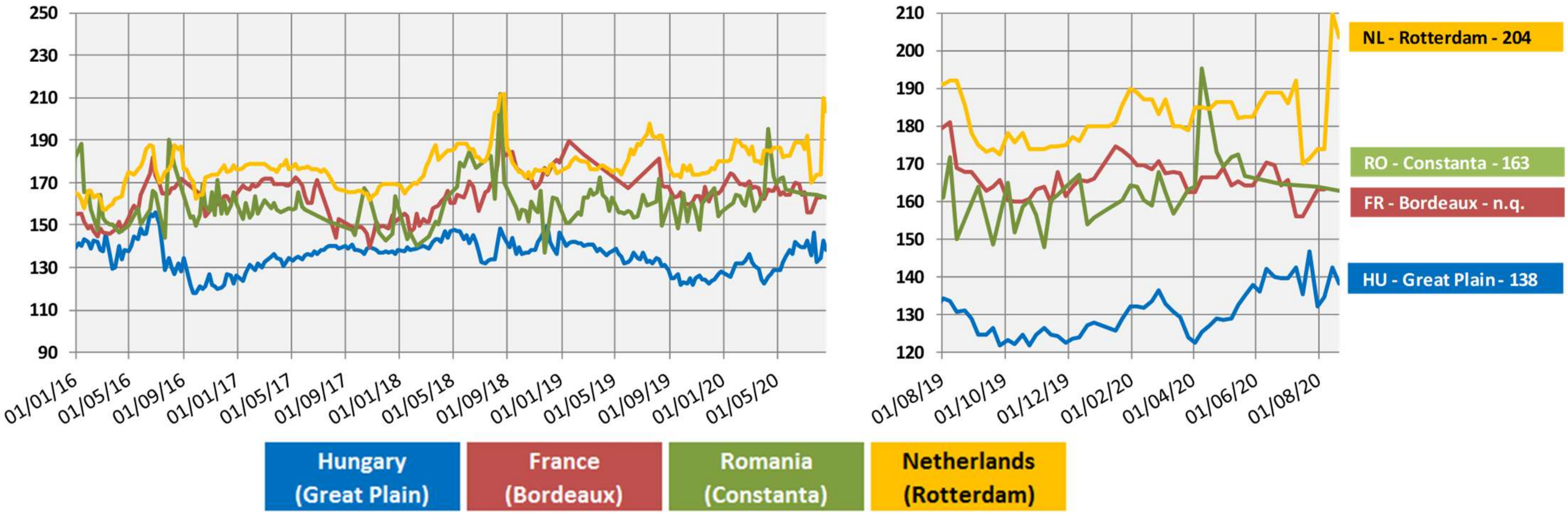
EU market prices for feed barley – (EUR per tonne)





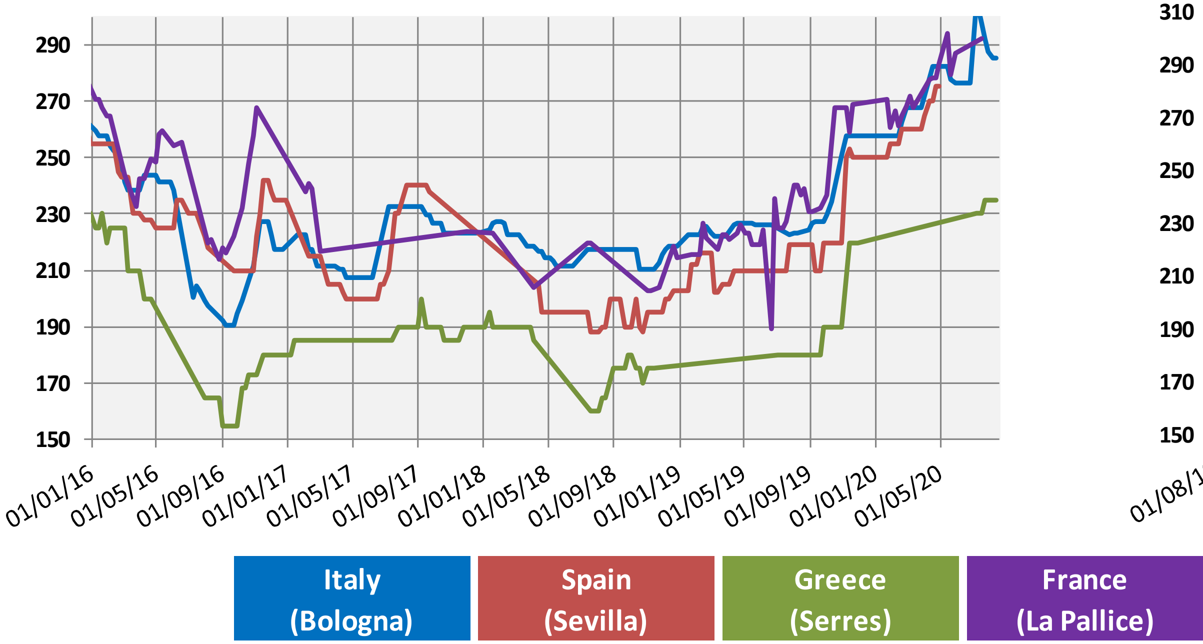
Source: International Grains Council

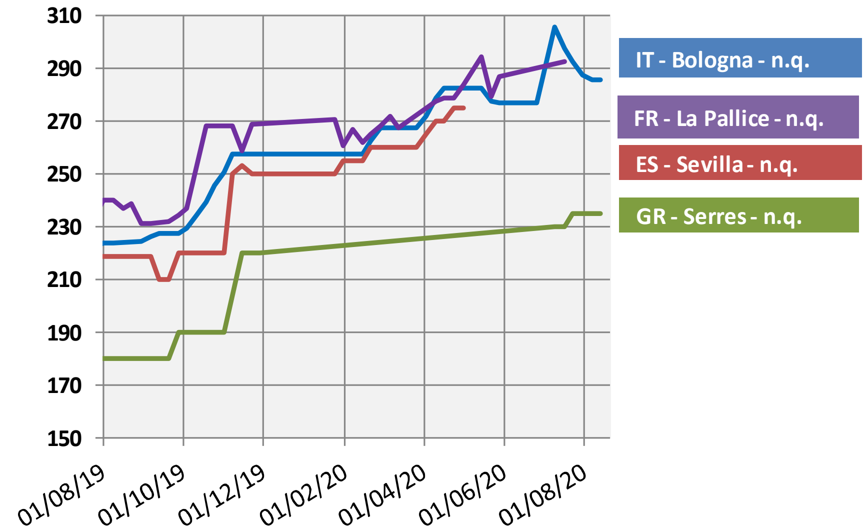
EU market prices for maize – (EUR per tonne)



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

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



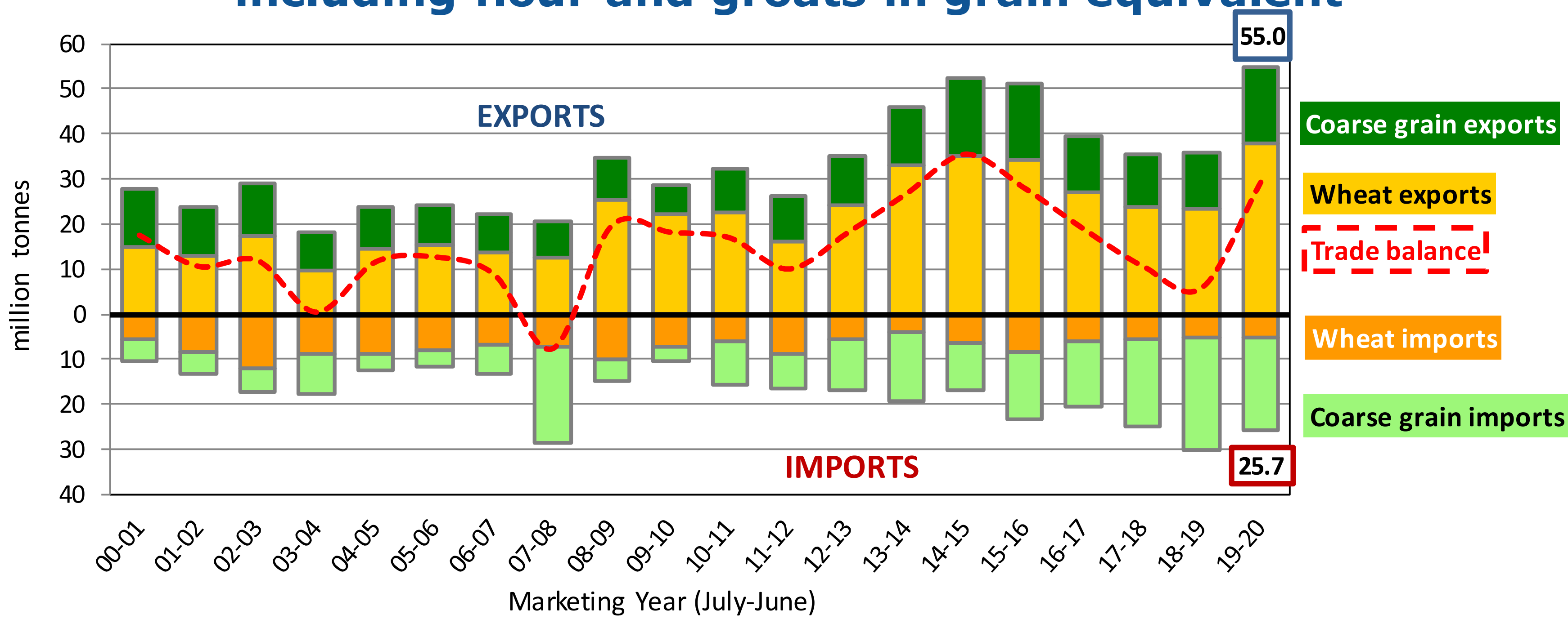


Source: Member States notification - Commission Implementing Regulation (EU) 2017/1185 Art.11, Annex I Point 1

European Commission

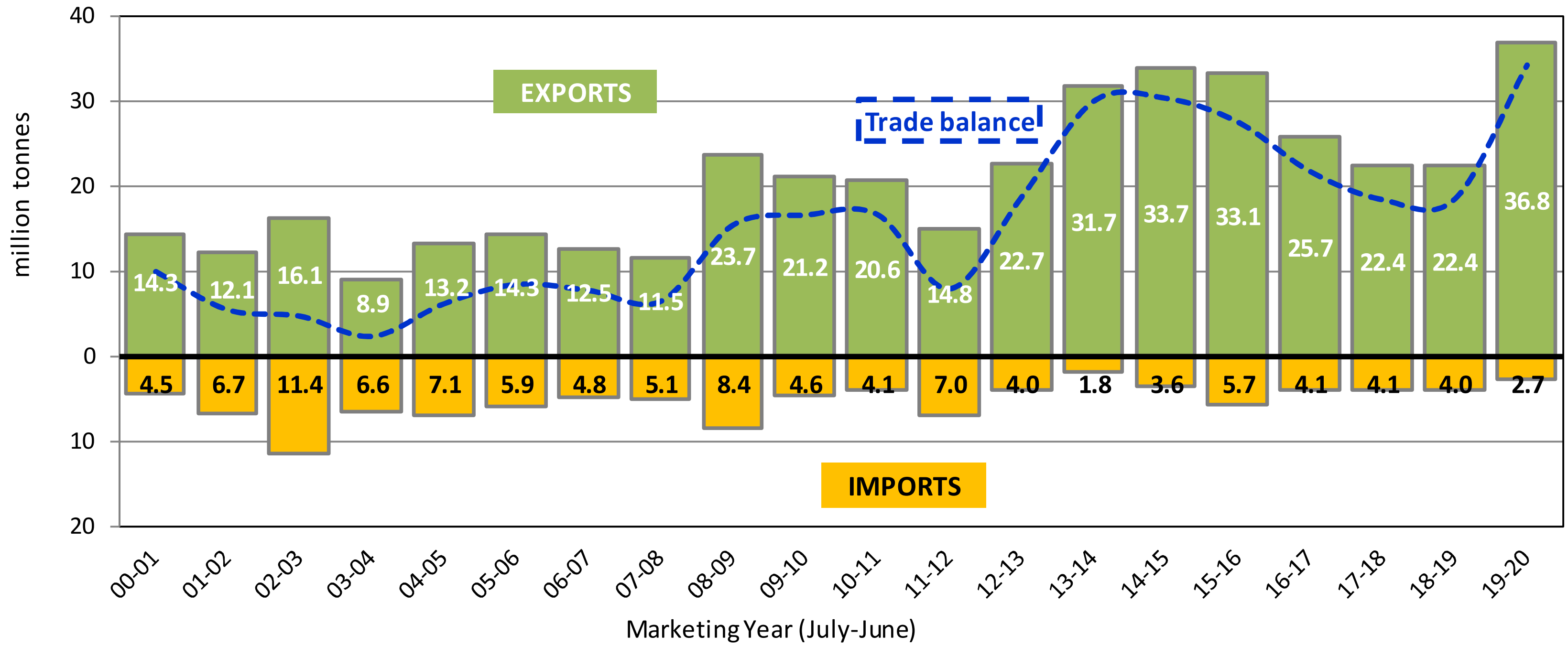
EU cereals trade - 2019/20 Marketing Year

EU Cereals exports and imports (July - June) including flour and groats in grain equivalent



Source: EUROSTAT, Comext extraction at 27/08/2020

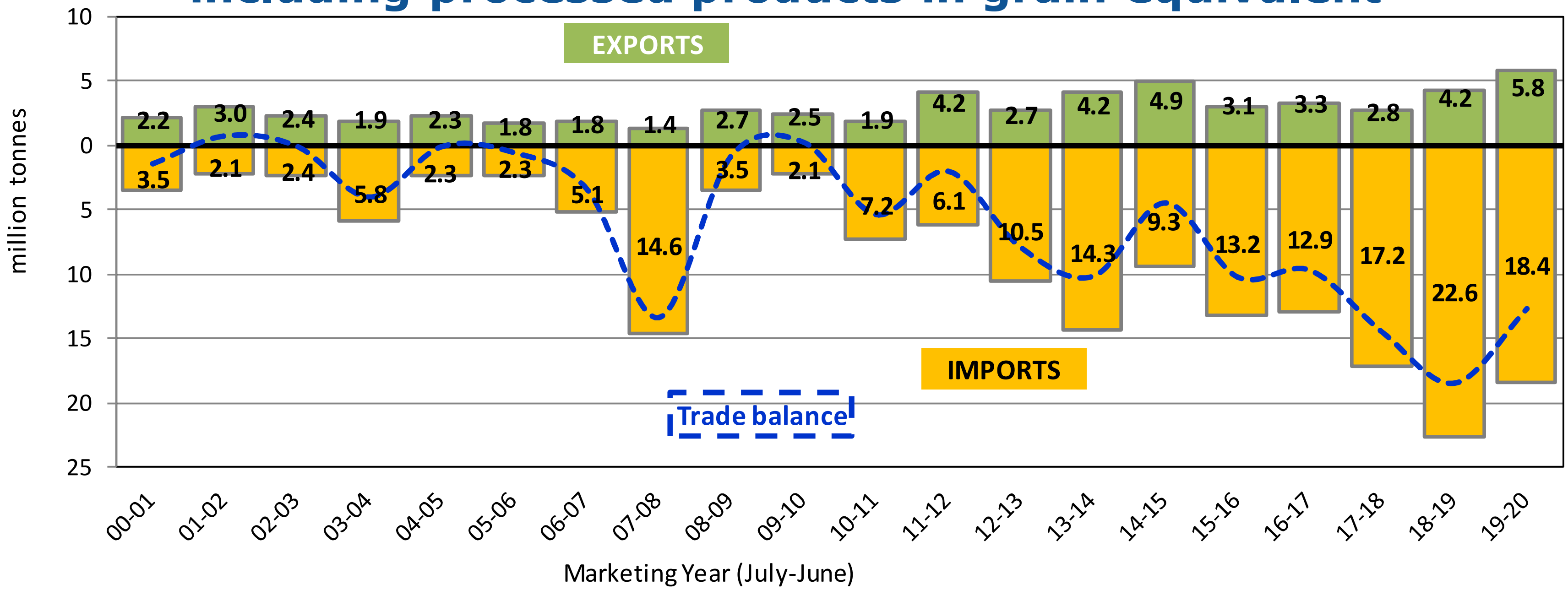
EU Common wheat exports and imports (July - June) including flour and groats in grain equivalent



Source: EUROSTAT, Comext extraction at 27/08/2020

European Commission

EU Maize exports and imports (July - June) including processed products in grain equivalent



Source: EUROSTAT, Comext extraction at 27/08/2020

Oilseeds and Protein crops markets

European Commission

Oilseeds & Protein Crops: Table of contents

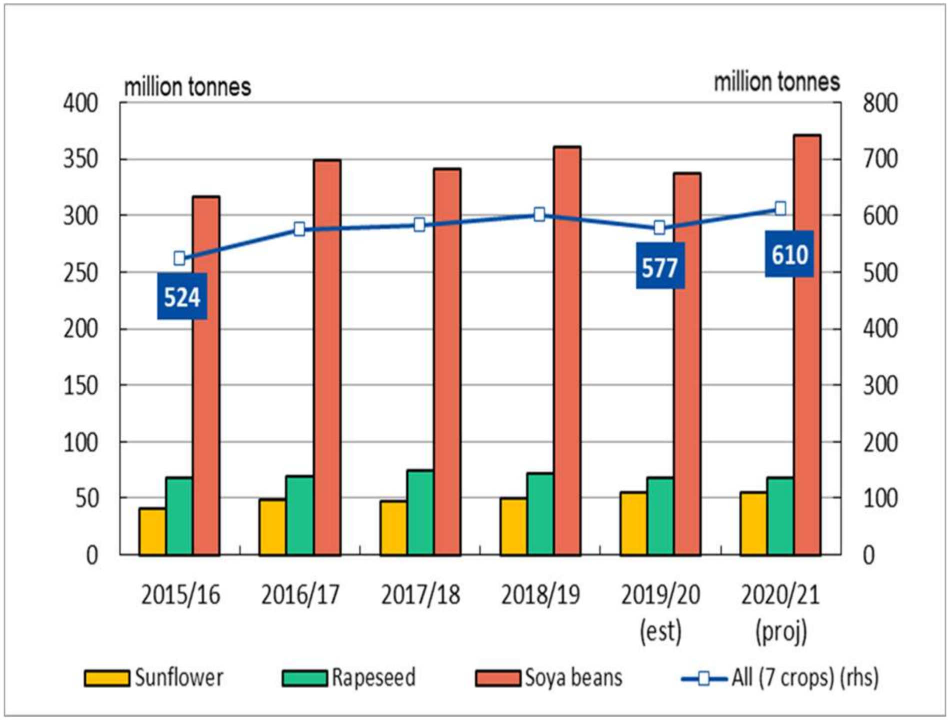
World Oilseeds: production and prices

Oilseeds: areas & production (2020/21)

S&D balance sheets (oilseeds, oils, meals, protein crops)

Oilseeds Trade Data

2020/21 World Oilseeds (USDA)

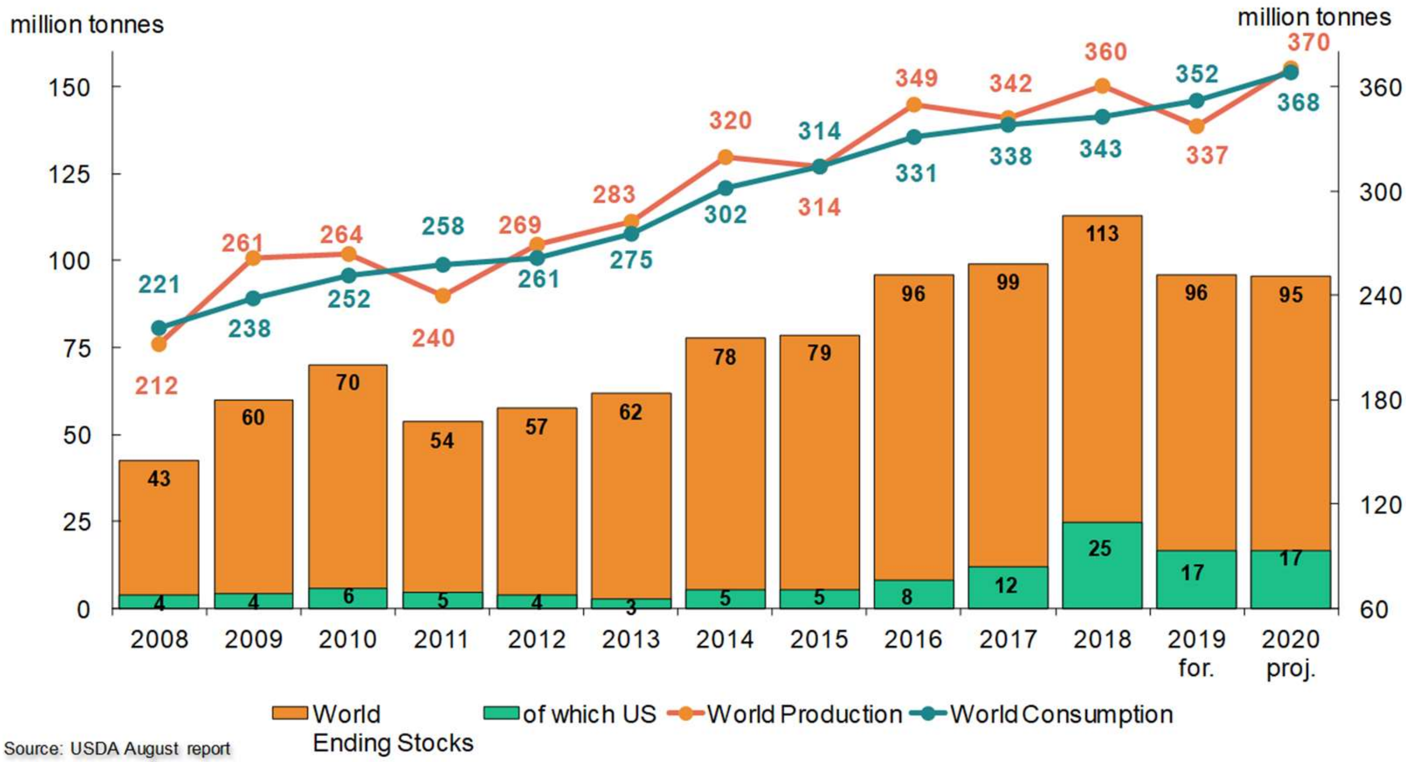


20/21 outlook (changes y/y):

Total Oilseeds: 610 m t

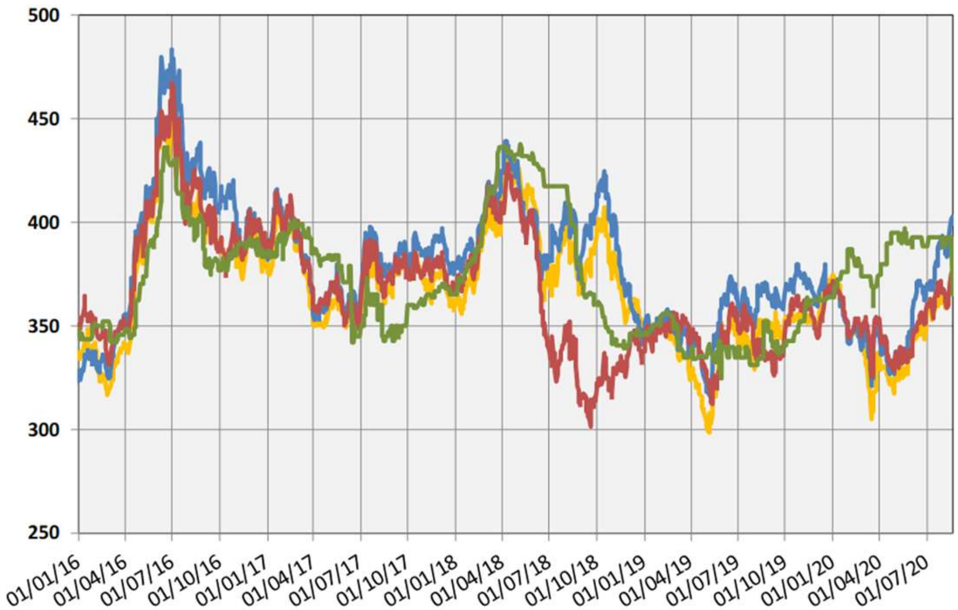
- Soya beans: 370 m t
- Rapeseed: 68 m t
- Sunflower: 56 m t

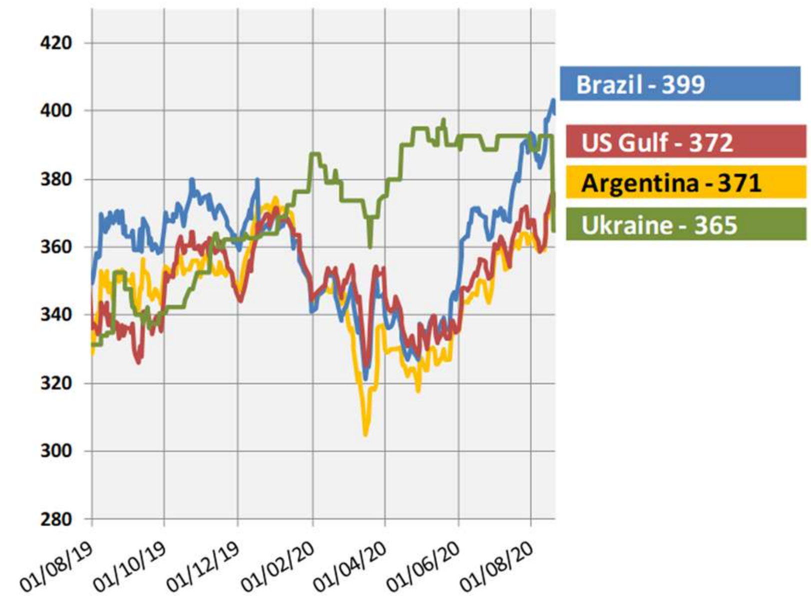
World soya: USDA



Source: USDA August report

World export prices soya beans (USD/tonne)





Source: International Grains Council

EU oilseeds 2020/21 forecast

EU OILSEEDS AREA *(million hectares)*

	5-year trimmed average	2019/20	2020/21 August	2020/21 vs. 2019/20 (%)	2020/21 vs. 5-y AVG (%)
Rapeseed	6,06	5,18	5,29	2,1	-12,7
Sunflower	4,20	4,35	4,48	3,0	6,6
Soya Beans	0,89	0,90	0,92	2,8	3,6
TOTAL	**11,15**	**10,43**	**10,69**	**2,5**	**-4,1**

EU OILSEEDS PRODUCTION *(million tonnes)*

	5-year trimmed average	2019/20	2020/21 August	2020/21 vs. 2019/20 (%)	2020/21 vs. 5-y AVG (%)
Rapeseed	19,15	15,36	15,57	1,4	-18,7
Sunflower	9,33	10,07	10,70	6,2	14,7
Soya Beans	2,50	2,69	2,82	4,7	13,0
TOTAL	**30,65**	**28,13**	**29,09**	**3,4**	**-6,1**

Sources : EC - DG AGRI.

EU rapeseed

EU rapeseed production *(million tonnes)*

	5-year trimmed average	2019/20	2020/21 projection			
			July	August	year on year (%)	5yrs trimmed (%)
France	*5,01*	*3,46*	*3,37*	*3,33*	*-3,9*	*-33,5*
Germany	*4,18*	*2,83*	*3,13*	*3,13*	*10,5*	*-25,1*
Poland	*2,43*	*2,37*	*2,53*	*2,82*	*18,9*	*16,1*
Czechia	*1,26*	*1,16*	*1,10*	*1,10*	*-4,9*	*-12,5*
Lithuania	*0,50*	*0,69*	*0,87*	*0,87*	*26,6*	*75,7*
Hungary	*0,92*	*0,90*	*0,80*	*0,80*	*-10,2*	*-12,3*
Romania	*1,27*	*0,85*	*0,64*	*0,64*	*-24,9*	*-49,7*
Other EU MS	*2,97*	*3,10*	*2,99*	*2,88*	*-7,2*	*-3,2*
TOTAL EU	**18,53**	**15,36**	**15,43**	**15,57**	**1,4**	**-16,0**

Source: EC-DG AGRI.

European Commission

Oilseeds balance sheet (EU)

OILSEEDS SUPPLY & DEMAND *(thousand metric tonnes)*

last updated: 27/08/2020	2019/20 fc				2020/21 proj.			
	Rapeseed	Soya beans	Sunflower	TOTAL	Rapeseed	Soya beans	Sunflower	TOTAL
Beginning stocks	**1.372**	**1.990**	**891**	**4.254**	**907**	**1.500**	**825**	**3.231**
Usable production	15.364	2.695	10.072	28.130	15.572	2.822	10.700	29.094
Area (thousand ha)	5.185	896	4.346	10.427	5.293	921	4.476	10.691
Yield (tonnes/ha)	2,96	3,01	2,32	2,70	2,94	3,06	2,39	2,72
Imports (from third countries)	6.208	14.668	971	21.848	4.509	15.000	1.000	20.509
Total supply	**22.944**	**19.353**	**11.933**	**54.231**	**20.988**	**19.322**	**12.525**	**52.835**
Domestic use	21.709	17.615	10.555	49.880	19.848	18.192	11.160	49.200
of which crushing	*(20.992)*	*(15.479)*	*(9.333)*	*(45.804)*	*(19.159)*	*(16.056)*	*(9.874)*	*(45.090)*
Exports (to third countries)	329	238	554	1.120	340	230	541	1.110
Total use	**22.038**	**17.853**	**11.109**	**51.000**	**20.188**	**18.422**	**11.700**	**50.310**
Ending stocks	**907**	**1.500**	**825**	**3.231**	**800**	**900**	**825**	**2.525**
Change in stocks	-466	-490	-66	-1.022	-107	-600	-	-707

EU protein crops 2020/21 forecast

EU PROTEIN CROPS AREA *(million hectares)*

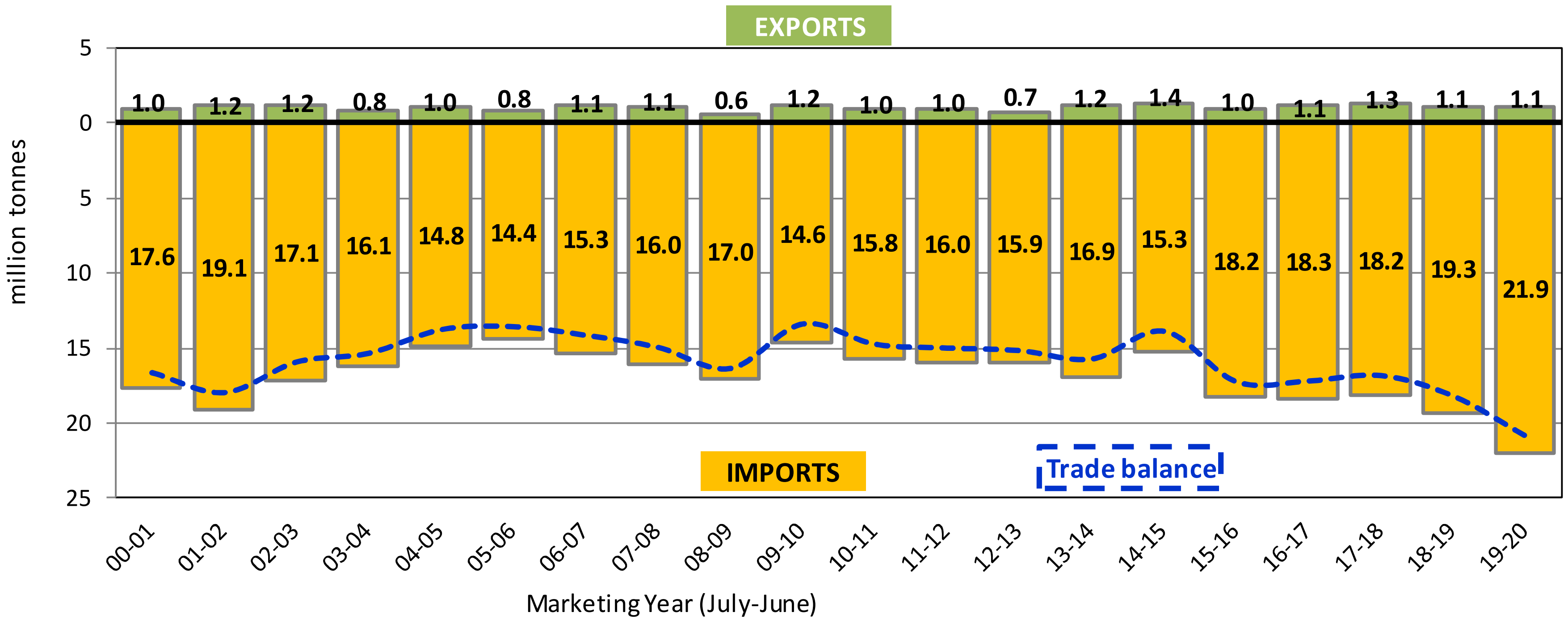
	5-year trimmed	2019/20	2020/21 August	2020/21 vs. 2019/20 (%)	2020/21 vs. 5-y AVG (%)
Field peas	*0.80*	*0.79*	*0.87*	*10.1*	*8.7*
Broad beans	*0.47*	*0.42*	*0.44*	*5.4*	*-4.9*
Sweet lupins	*0.17*	*0.17*	*0.17*	*3.6*	*5.6*
TOTAL	**1.46**	**1.38**	**1.49**	**7.9**	**1.7**

EU PROTEIN CROPS PRODUCTION *(million tonnes)*

	5-year trimmed average	2019/20	2020/21 August	2020/21 vs. 2019/20 (%)	2020/21 vs. 5-y AVG (%)
Field peas	*1.97*	*2.04*	*2.20*	*8.2*	*11.6*
Broad beans	*1.16*	*1.05*	*1.17*	*11.9*	*0.8*
Sweet lupins	*0.26*	*0.21*	*0.23*	*11.0*	*-9.5*
TOTAL	**3.43**	**3.29**	**3.61**	**9.6**	**5.3**

Sources : EC - DG AGRI.

EU All oilseed exports and imports (July - June)



Source: EUROSTAT, Comext extraction at 27/08/2020

Keep in touch

Market data at the EU Crops Market Observatory website:
https://ec.europa.eu/agriculture/market-observatory/crops

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