



Introduction

This report highlights the most up-to-date developments in the global grain markets. The objective of the report is to provide information relevant to food companies to assess and mitigate operational risks thus strengthening the countries' food security.

The report is based on a set of inputs and references from open sources, including those issued by Open Source Data, the Food and Agriculture Organization of the United Nations (FAO), and the Agricultural Market

Status of the Global Grain Market Report February 2021



Outputs

1. A relative decrease in the prices of grains used in the production of fodder when comparing prices between **February 2021 with January 2021**. According to the Global Agricultural Supply and Demand Estimate report issued by the US Department of Agriculture (**USDA**), among the most important aspects noted are the following:

 • An increase in corn production of **2.7 million metric tons** to reach **286 million metric tons** in **Brazil**, which 'resulted from' an increase in the agricultural area of corn products in Brazil by **4.4%**. However, seed sowing in Brazil this year is late compared to last year, which warns of the possibility of an increase in the price of corn.

 • A slight decrease in the price of soybeans by **3.09 USD per ton** in the United States of America to reach **466.99 USD per ton**, with the price of soybeans in the United Kingdom having decreased to **411.00 pounds sterling per ton**.

 • An increase in the cultivation area of soybeans in the United States of America by **10%** that caused the marginal reduction of soybean prices.

2. Expectation of diversification of wheat export sources, with **Australia** and **India** having an upper edge due to their competitive prices, as a result of the Russian Federation imposing wheat export duties (estimated at **80 USD per ton**), in conjunction with an increase in agricultural productivity of wheat in India, estimated at **115 million tons**.

4. **South Africa's** agricultural productivity is expected to increase by **16.872 million tons** from **15.3 million tons** for the **2020-2021** season, with **53%** targeting human consumption and **47%** will be used for animal feed production.

6. Decline in the **Australian** commodity Sorghum by **200,000 tons** as a result of drought and lack of rainfall, to bring the total production volume to **1.5 million tons**.

3. Expected increase in the volume of corn and soybean production in the **United States of America** for the **2021-2022** season by **6.8%** and **9.4%** respectively. Production volumes are expected to be at **15.15 and 4.545 million bushels** for corn and soybeans respectively.

5. **Russian** wheat exports increased before the commencement of the new export duties/taxes on March 15 2021. A total of **32.1 million tons** were exported from **July 2020 to February 2021**, of which **1.7 million tons** were exported during the last weeks of **February 2021**.

