



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 Information System (AMIS).

Status of the Global Grain Market Report

March 2021



Outputs

1. The International Grain Council issues its latest estimates on grain production on **2020-2021** and **2021-2022**, according to the following:

- An increase in the agricultural productivity of grains by **9 million tons** to reach **2,224 million tons** for the **2020-2021 season**.
- A decrease in global grain stock by **2 million tons** due to the excessive demand and limited growth in the supply.
- The agricultural productivity of grains increased by **63 million tons** to reach **2,287 million tons** for the **season 2021-2022**, divided according to the following:



 **- Wheat:** The global production is estimated at **790 million tons** – an increase of **16 million tons** compared to last season. The increase will be concentrated in the European Union countries, as well as Ukraine and Argentina. The surplus is expected to be **12 million tons**, when comparing global demand and supply.

 **- Maize:** Global production is estimated at **1,139 million tons** – an increase of **54 million tons** compared to last season. The increase will be concentrated in the United States and Ukraine. Global demand will exceed the supply, which will lead to the use of carried over international stock.

 **- Soybeans:** Global production is estimated at **383 million tons** – an increase of **22.5 million tons** from last season. The increase will be concentrated in the United States and Brazil.

2. The delayed rainfall in the Republic of Argentina is expected to lead to fluctuations in agricultural productivity, as it negatively affects the production of soy and maize, while having limited impact on the productivity of wheat and barley. The Buenos Aires Grain Exchange reduced its estimates of the agricultural yield of soy for the **2020-2021 season to 44 million tons** – that reflects an **8.1%** drop.



3. South African Maiz exports are expected to rise to **3.5 million tons** for the **2020-2021** agricultural season.



4. The People's Republic of China launches a campaign to reduce the consumption of soybeans meal and maize in animal feed. The Ministry of Agriculture set up a national plan to develop a framework for replacing these commodities with other types of grains. This plan comes amid a widening gap in the availability of maize and soybeans, which has caused a hike in the price of these commodities.



5. Australian exports of barley reached the Kingdom of Saudi Arabia, after the country's shift from exporting to China due to imposed tariffs and custom duties. This highlights an opportunity to diversify import of barley and wheat.



6. The Russian Federation approves the floating charge mechanism for the export of wheat, maize and barley, which makes it difficult to estimate the cost for exporting those Commodities for the long-term supply contracts.



7. The Federal Republic of Brazil will approve a set of incentives to increase the production of maize.

