Cereal production near of the edge of milestone

The International Grains Council (IGC) expects world cereal production to decline by only 1% in 2015-2016 compared to last year's record, thanks to the large stocks, is expected to total supply reaches a new high. Although the increase in supply will be absorbed largely by strong demand, it is expected that stocks reach their highest figure in 29 years.

It is expected some decline in trade of wheat and barley but shipments of maize and sorghum will remain strong, according to the CIC. After the significant increase of the previous season, is expected to record global soybean trade a rather modest increase, as rising demand in China will be offset by a reduction in purchases by other countries. The agency estimated that the rice undergoes a much tighter situation in 2015-2016, as stocks of major exporters could drop by 33%.

The grain harvest

The gathering in the northern hemisphere has now entered its final stage, and the forecast for total world production of grains (wheat and coarse grains) in 2015-2016 has increased by 2 million tons from last month and stood at 1,999,000, lower by only 1% to a record last season.

It has increased the forecast for maize production, especially in the United States, while the forecast for barley has increased to reflect a higher-than-expected results Canada and the EU. It is still waiting for the wheat harvest to reach a new record high, although the forecast is lowered slightly from last month, at a lower figure for Australia, due to excessively dry conditions.

Reflecting the higher projections for consumption of corn, barley and oats as animal feed, the forecast for world cereal consumption has increased by 5 million tonnes to 1,991 million, representing a slight annual increase. This increase is attributed mostly to the growing food demand, although it is expected that consumption for feed approaching the record of last season. The projection for the 2015-2016 closing stocks fell slightly from September, to stand at 454 million tonnes, but is still trying to its highest level in 29 years. With increases for wheat, barley and sorghum, the forecast for world trade has risen to 315 million tonnes, the second highest figure in history.

Soybean production scale positions

CIC now estimated at 319 million tonnes a figure which represents a slight increase over September, and is lower by less than 1% to a record last year. The increase in supply over the past month will be largely absorbed by higher consumption, so global stocks at the end of the campaign just experience changes, estimated at a record high of 49 million tonnes, an increase of 4%.
Partly reflecting the increase in the projection for the previous season, it is not expected to undergo major changes trade in 2015/16, now estimated at around 126 million tonnes. The modest increase in imports by China comfortably offset the fall in deliveries to other markets.

Rice, slightly lower

Due to a further deterioration of crop prospects in Asia, the forecast for global rice production in 2015/16 has been cut slightly, to 474 million tonnes, representing a very modest annual decline. The consequent reduction in supply will be reflected mostly a certain fall in consumption, while the forecast for ending stocks has decreased slightly, to stand at 94 million tonnes.
The annual fall of around 12% is attributed mostly to the main exporters; Combined stocks in India and Thailand could fall by almost 40%. Given the expected decline in shipments to Africa, trade is expected to fall by 0.5 million tonnes in 2016, to 41.5 million, but is still trying to a figure above average.

Source: CIC