

# The global wheat market: perspectives and prospects

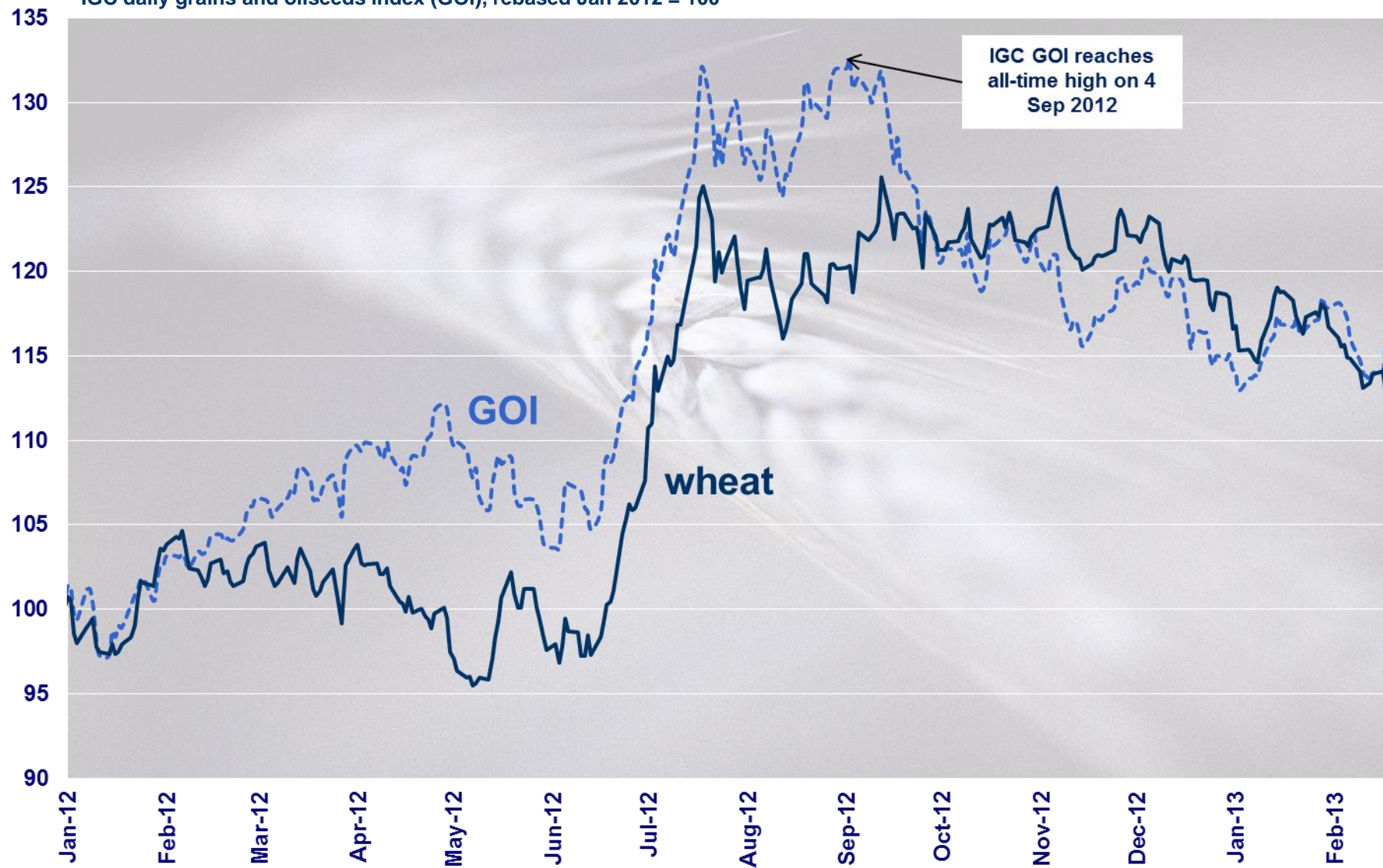


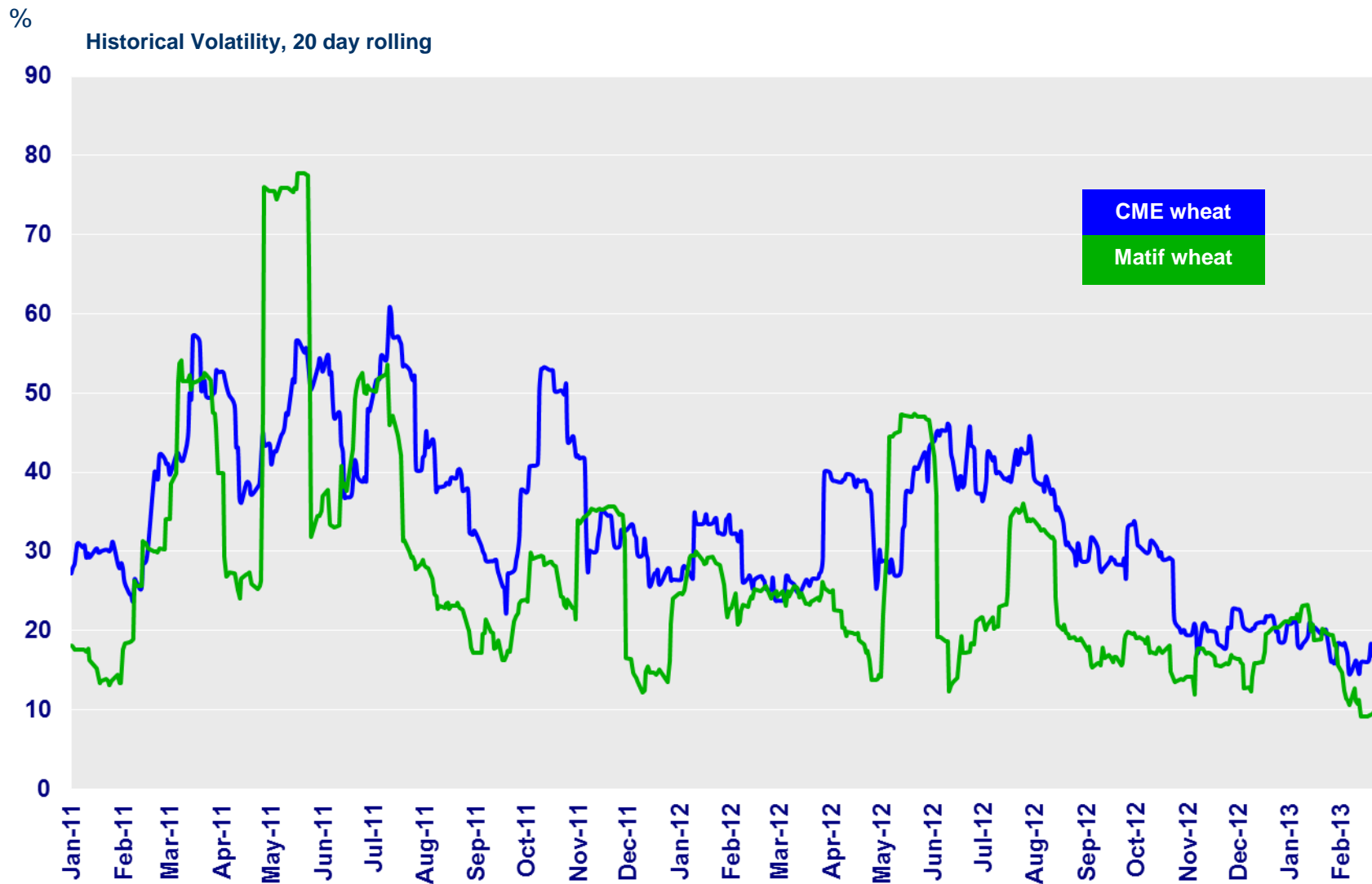
**Helen Henton**  
*Chief Economist*  
*International Grains Council*

*TFIF 2013 International congress, Antalya-Turkey, 8 March 2013*  
*5 March 2013*

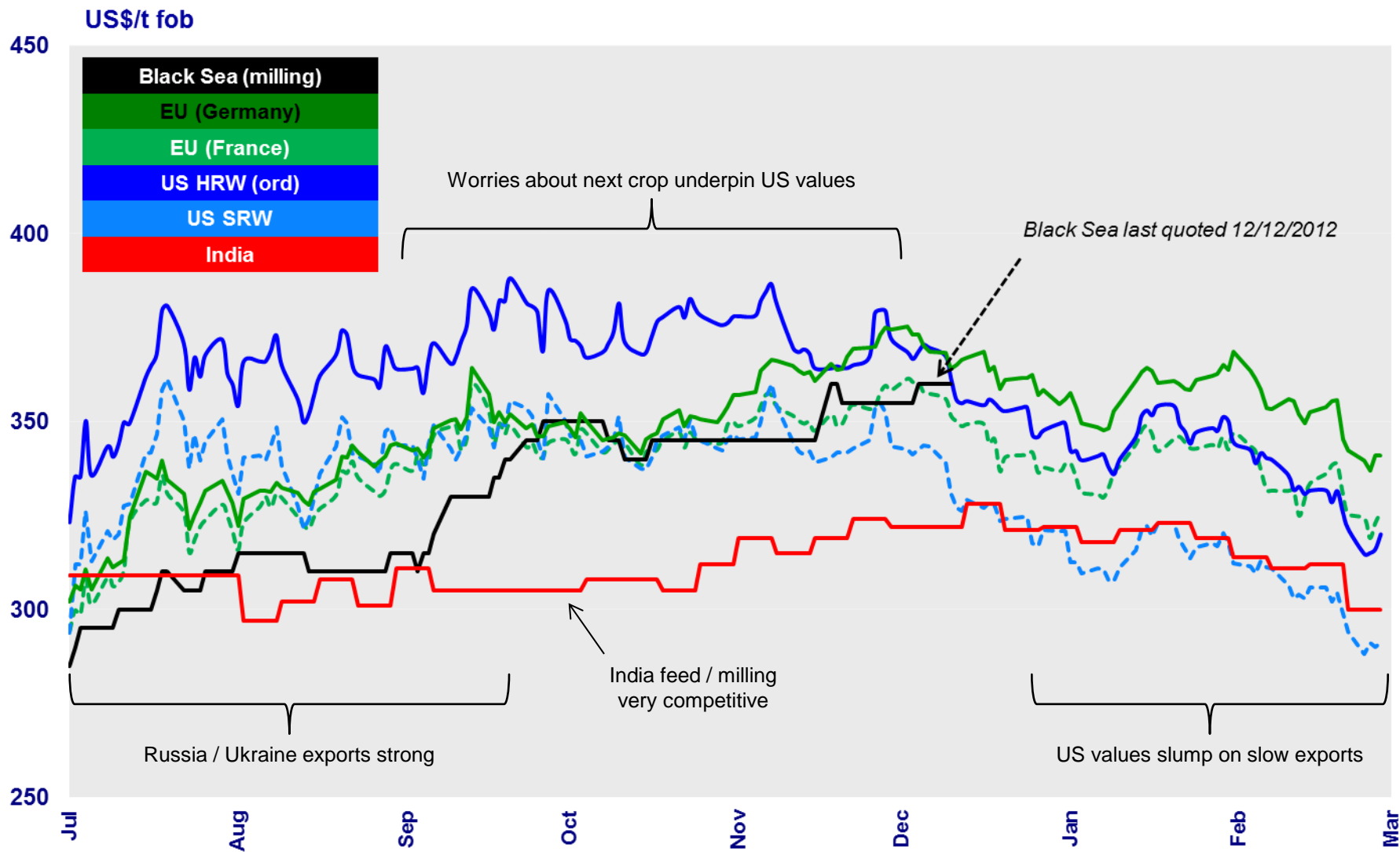
- Current situation
  - Prices and volatility
  - Perspectives on trade
- Tentative outlook for 2013/14

IGC daily grains and oilseeds index (GOI), rebased Jan 2012 = 100

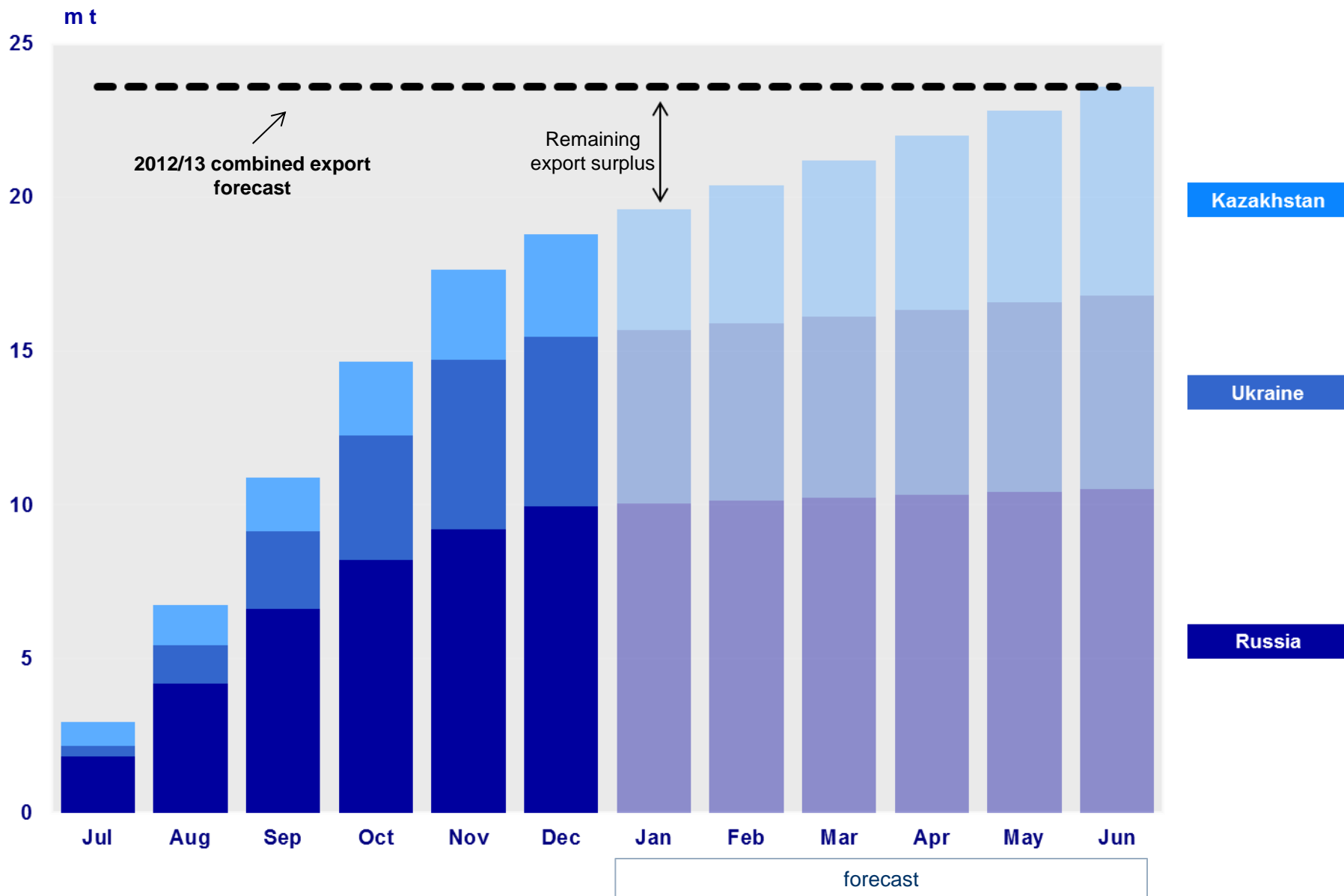




# Wheat: price relationships shift over the season - is demand moving to the US?

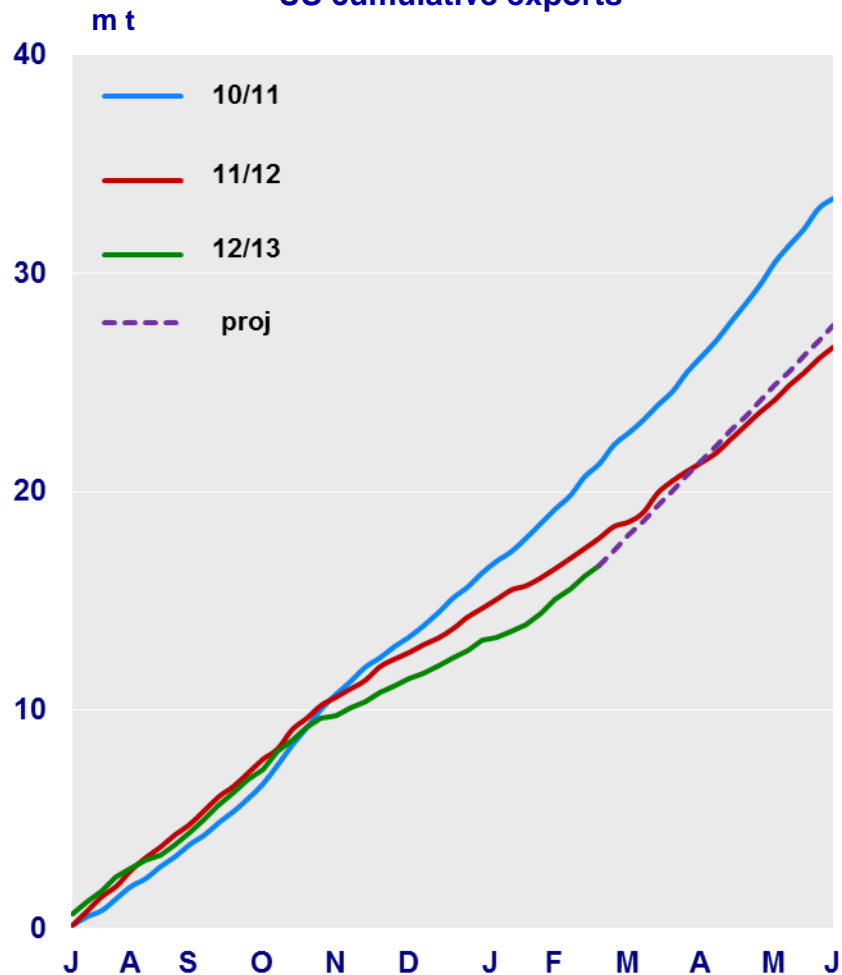


# Black Sea wheat export surplus mostly sold by December

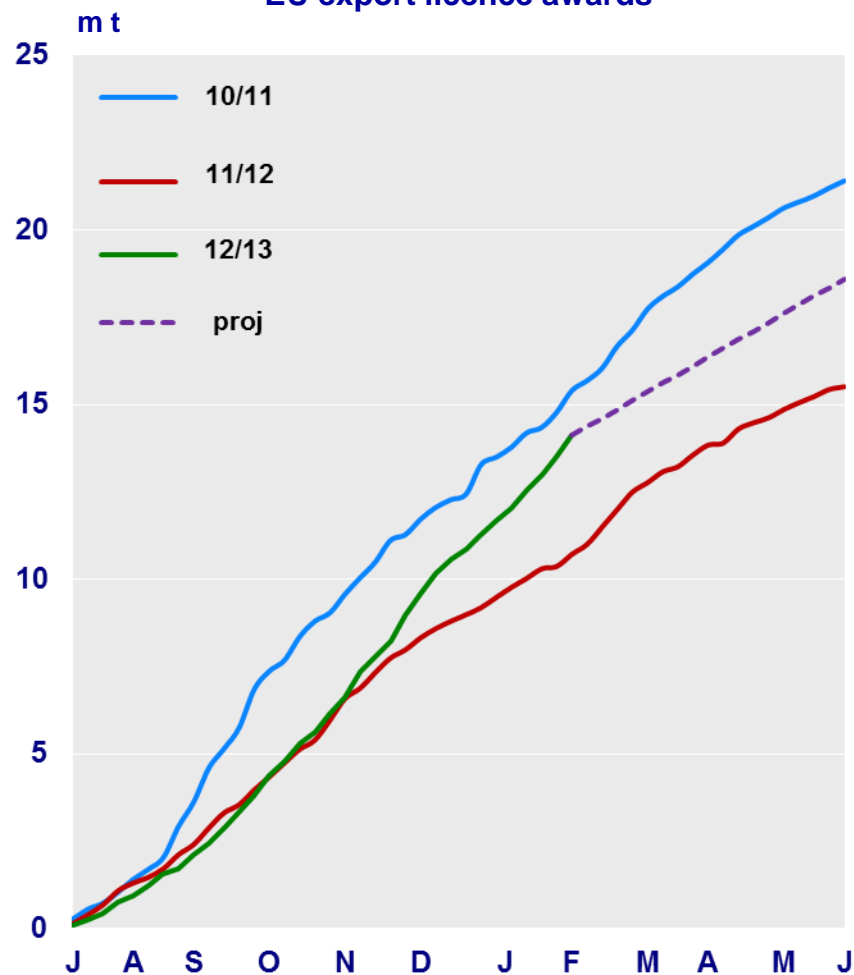


# Wheat: US exports slow, but quickening; EU sales fast, but may now slow

US cumulative exports

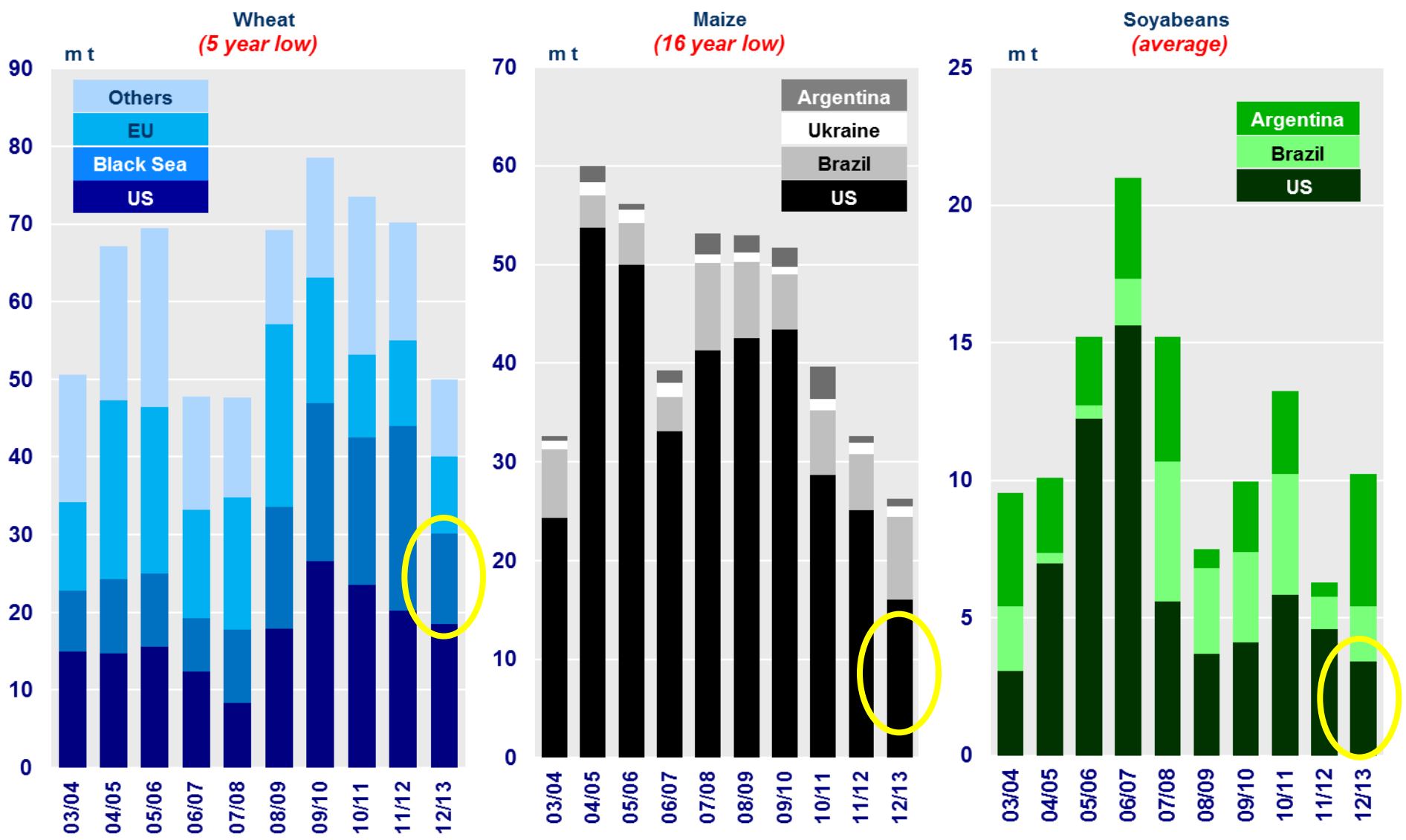


EU export licence awards



# Larger availabilities are needed in 2013/14, especially in the Black Sea / US

End-season stocks for major exporters

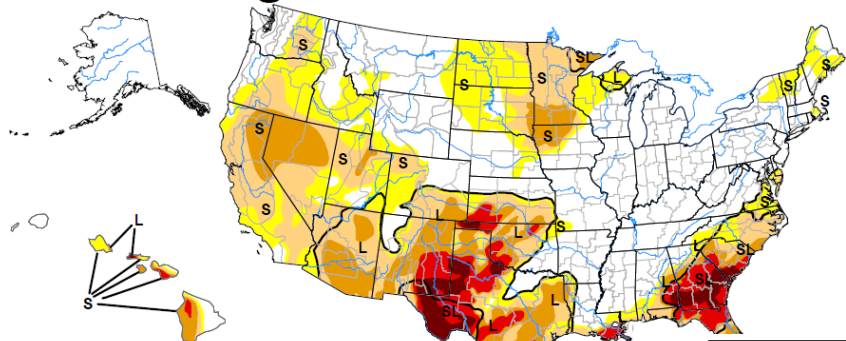




## U.S. Drought Monitor

February 28, 2012

Valid 7 a.m. EST



### Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

### Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically <6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months (e.g. hydrology, ecology)



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu/>

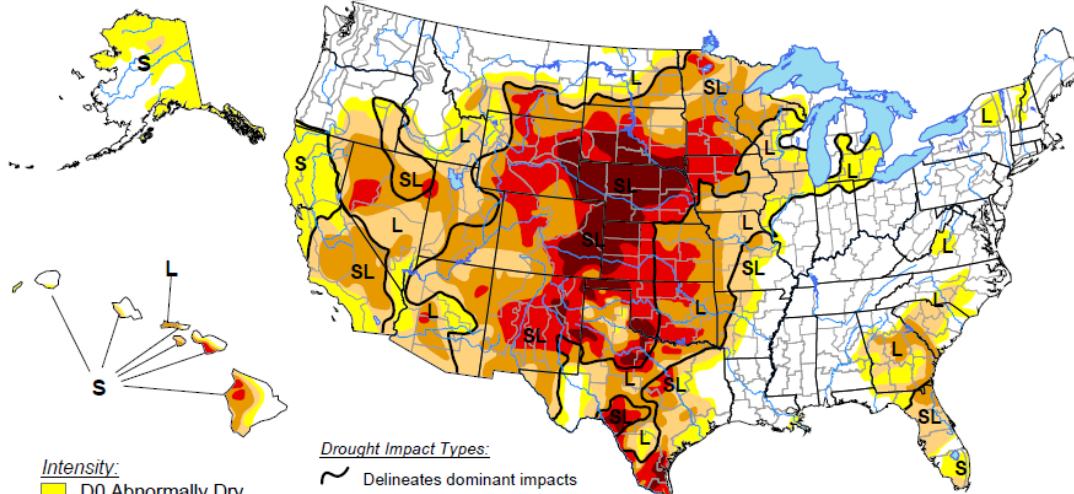
Released Thursday, 1

Author: Mark Svoboda, National Drought

## U.S. Drought Monitor

February 26, 2013

Valid 8 a.m. EST



### Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

### Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically <6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months (e.g. hydrology, ecology)



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu/>

Released Thursday, February 28, 2013

Author: Brian Fuchs, National Drought Mitigation Center

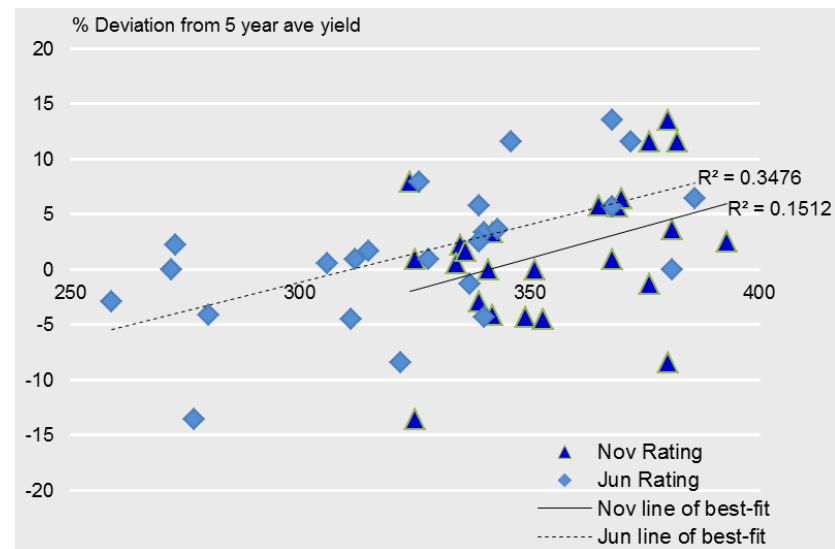
State	Average share of US winter wheat crop	End Nov Rating <sup>a)</sup> (End Dec) <sup>b)</sup>	5-yr average November rating
Kansas	22.7	299 (285)	339
Oklahoma	8.7	259 (229)	336
Washington	7.4	375	360
Texas	6.0	272	304
Colorado	4.8	276	344
Nebraska	4.5	253	349
Montana	4.3	320 (332)	351
Ohio	3.9	381	367
Idaho	3.8	389	394
Illinois	3.5	368 (375)	360
South Dakota	3.3	214 (212)	342
<b>All US</b>		<b>304</b>	<b>344</b>

End November rating is for 2013/14 crop year

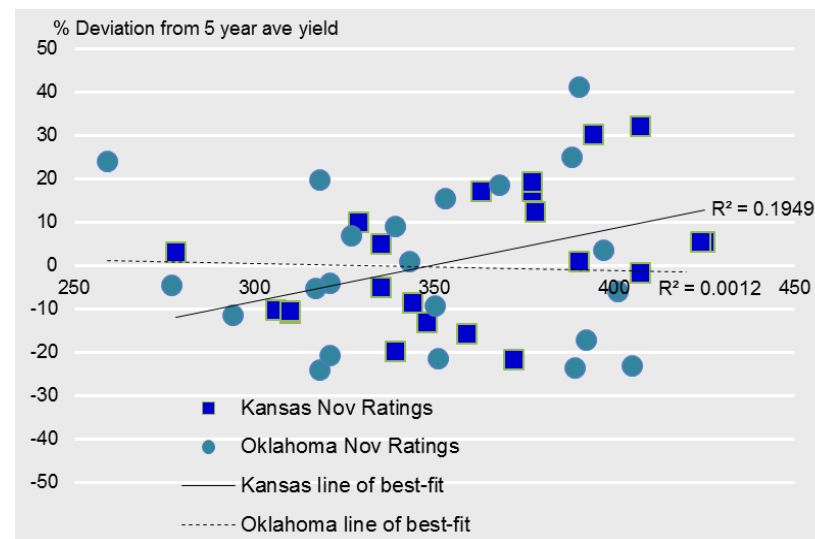
a) Crop condition percentages scores as follows. Very poor 1 point, poor 2 points, fair 3 points, good 4 points, very good 5 points. Points then summed to give overall rating

b) For selected states where available

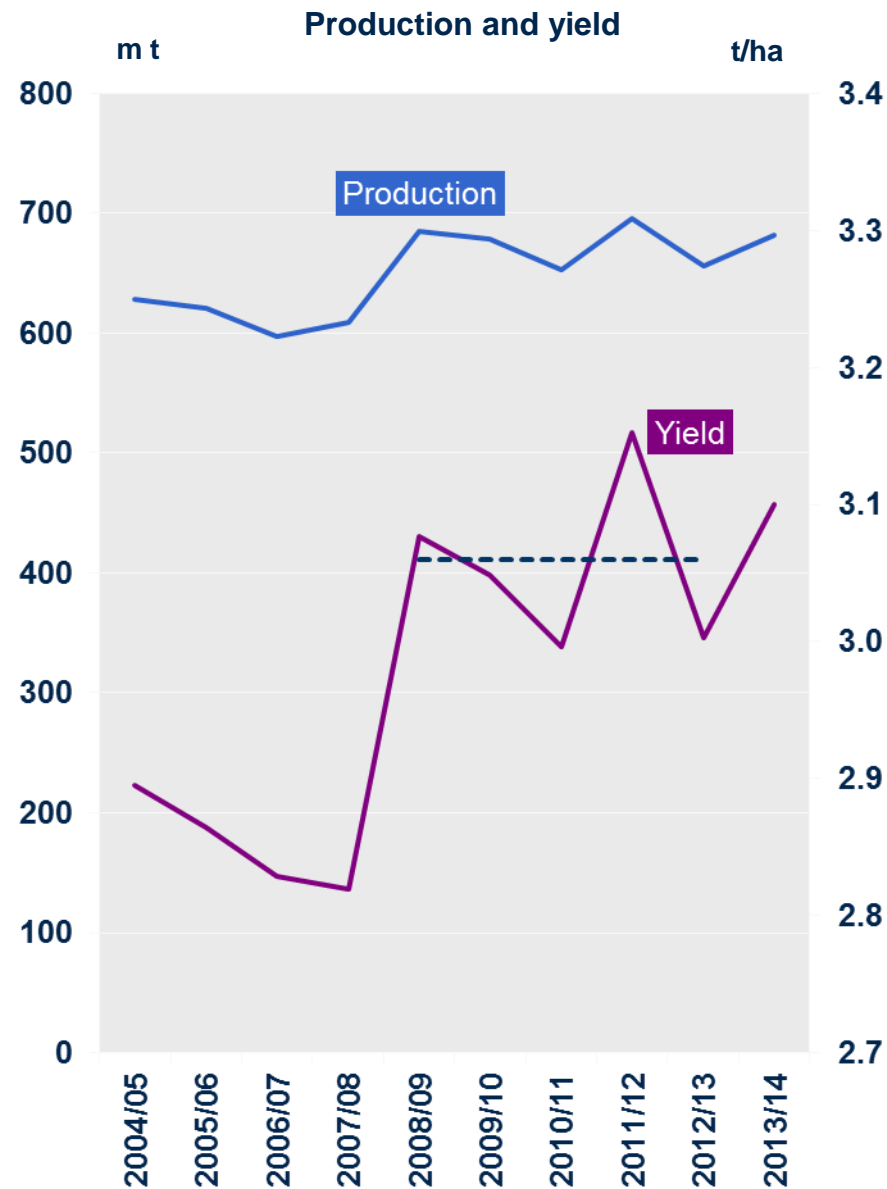
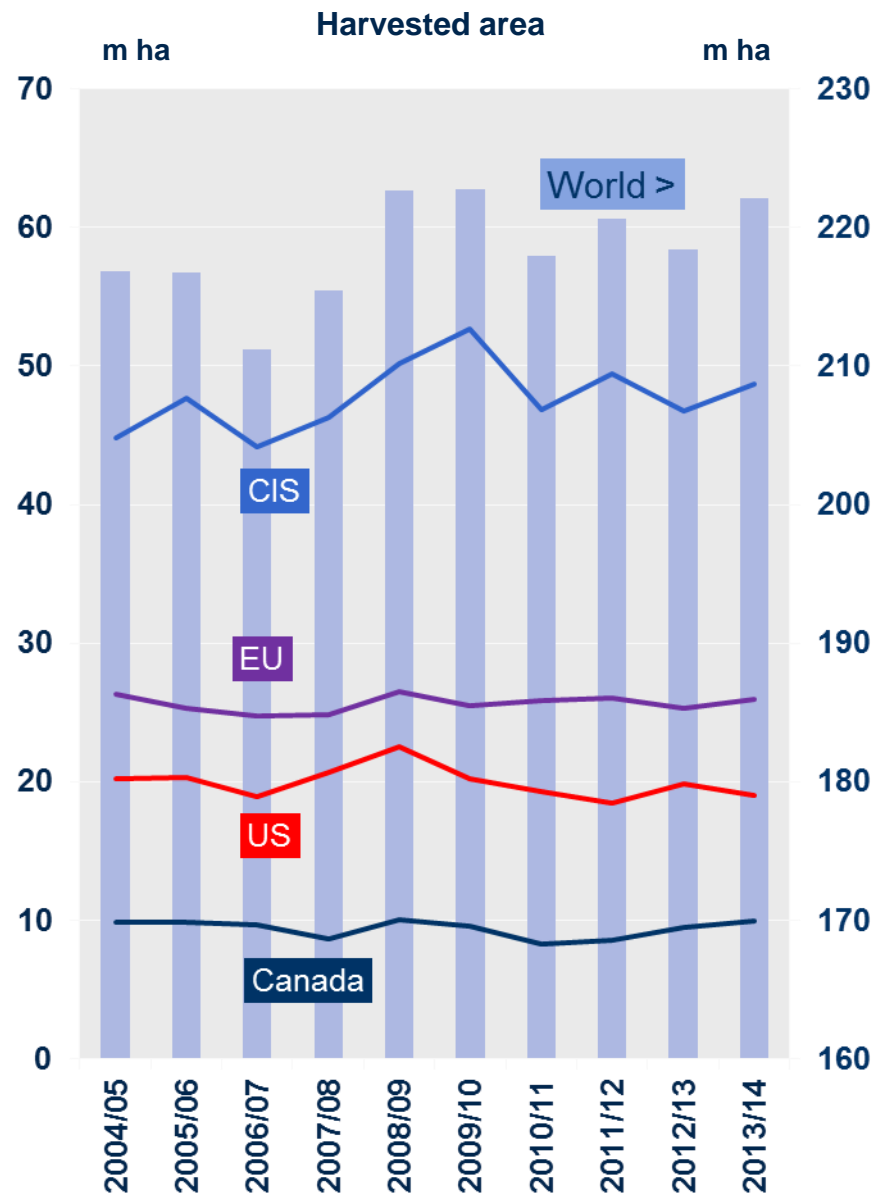
All US rating and yield correlations



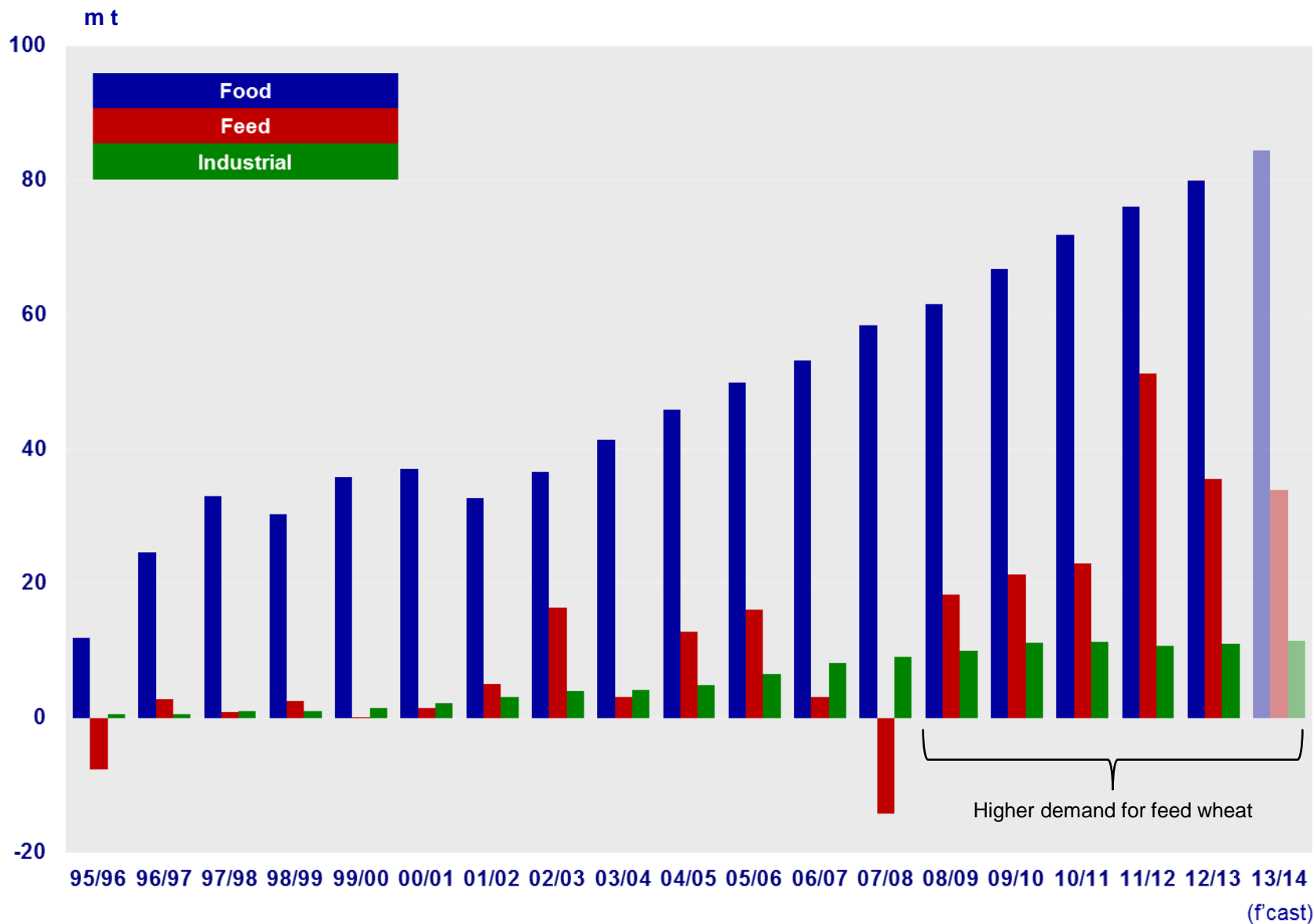
Kansas and Oklahoma rating and yield correlations



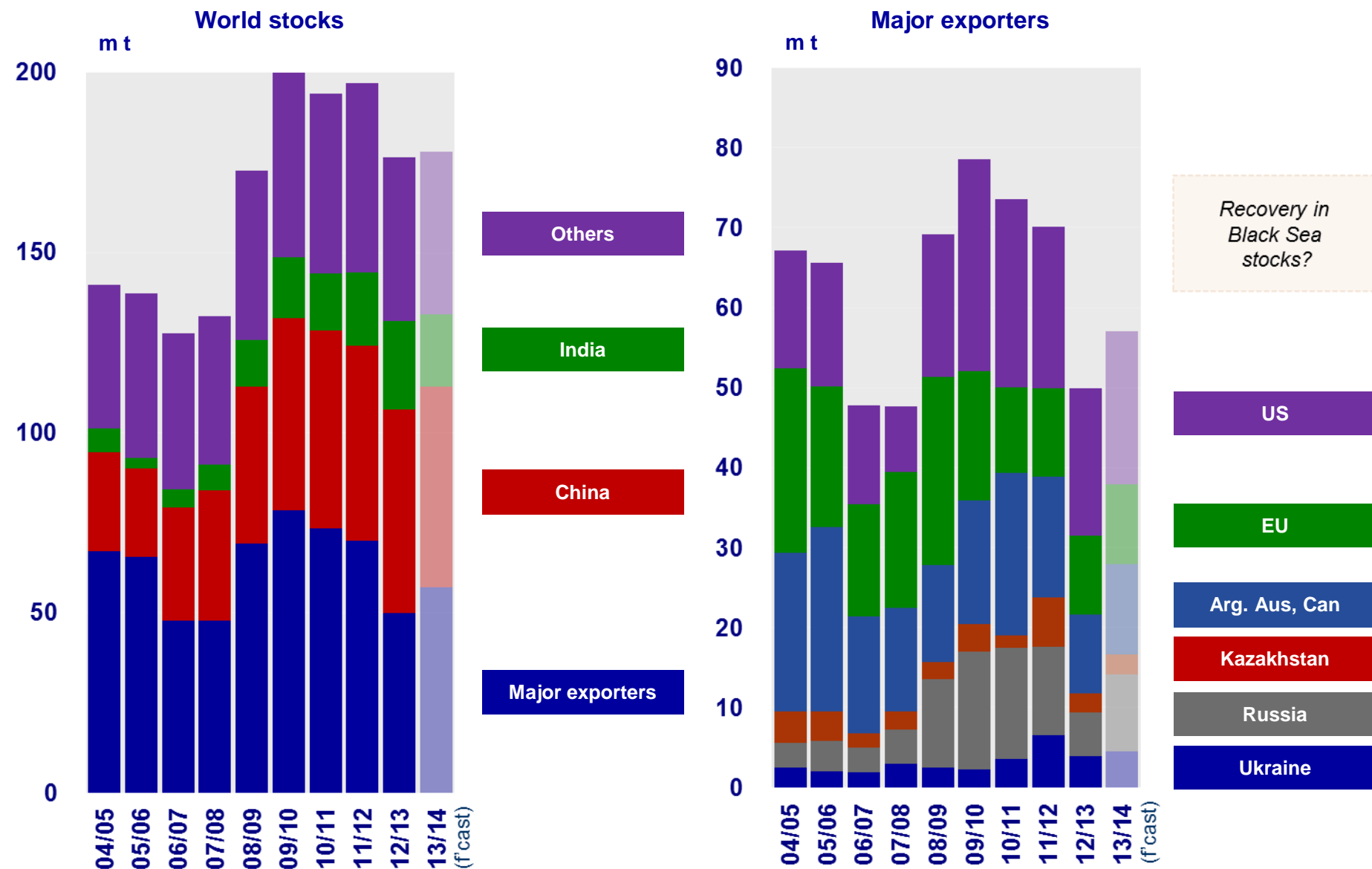
# 2013/14 wheat production is forecast to increase on larger harvested area



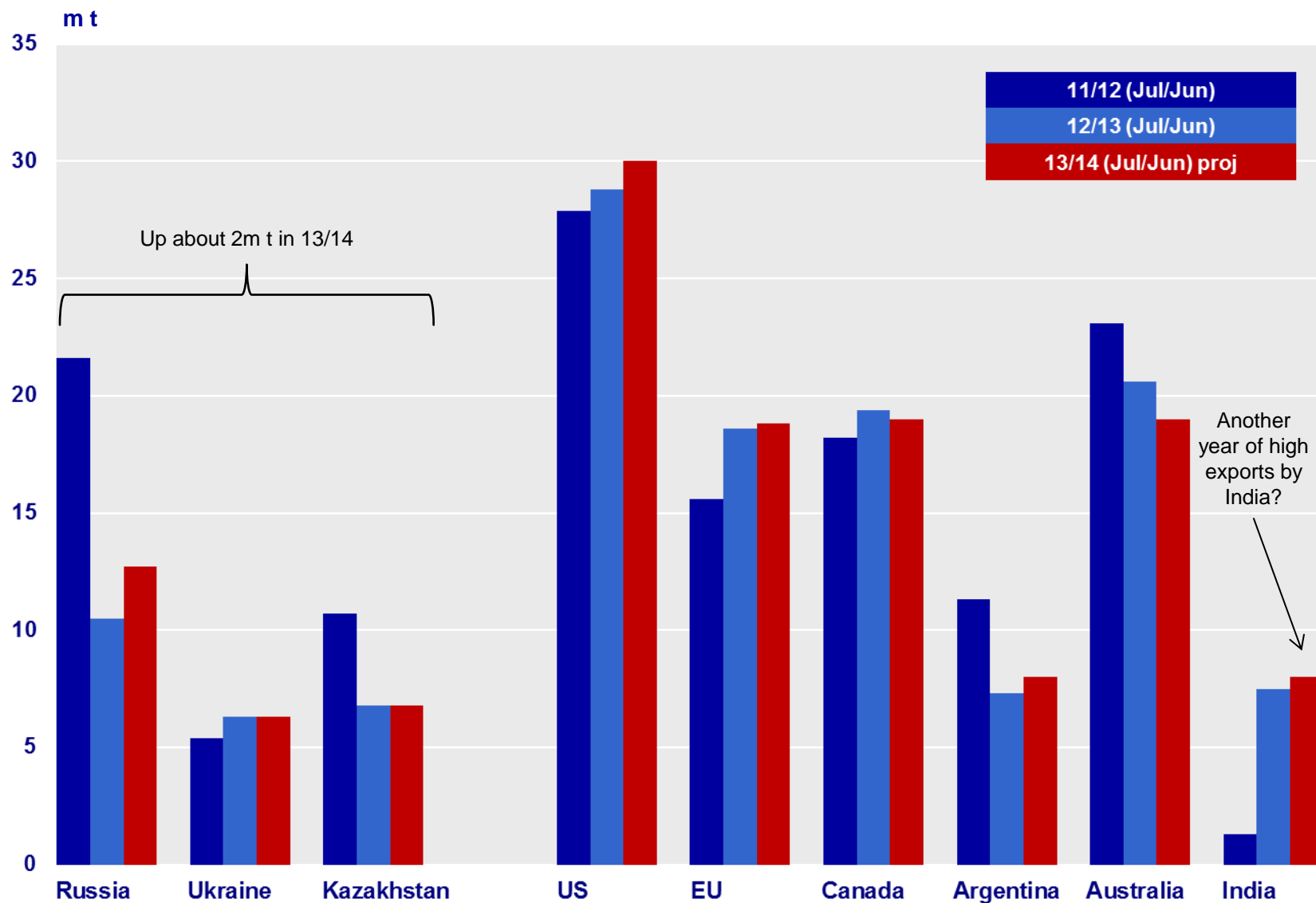
# Cumulative gains in world wheat demand; food use leads the rise in use



# Only small recovery in world wheat stocks is projected for end 2013/14

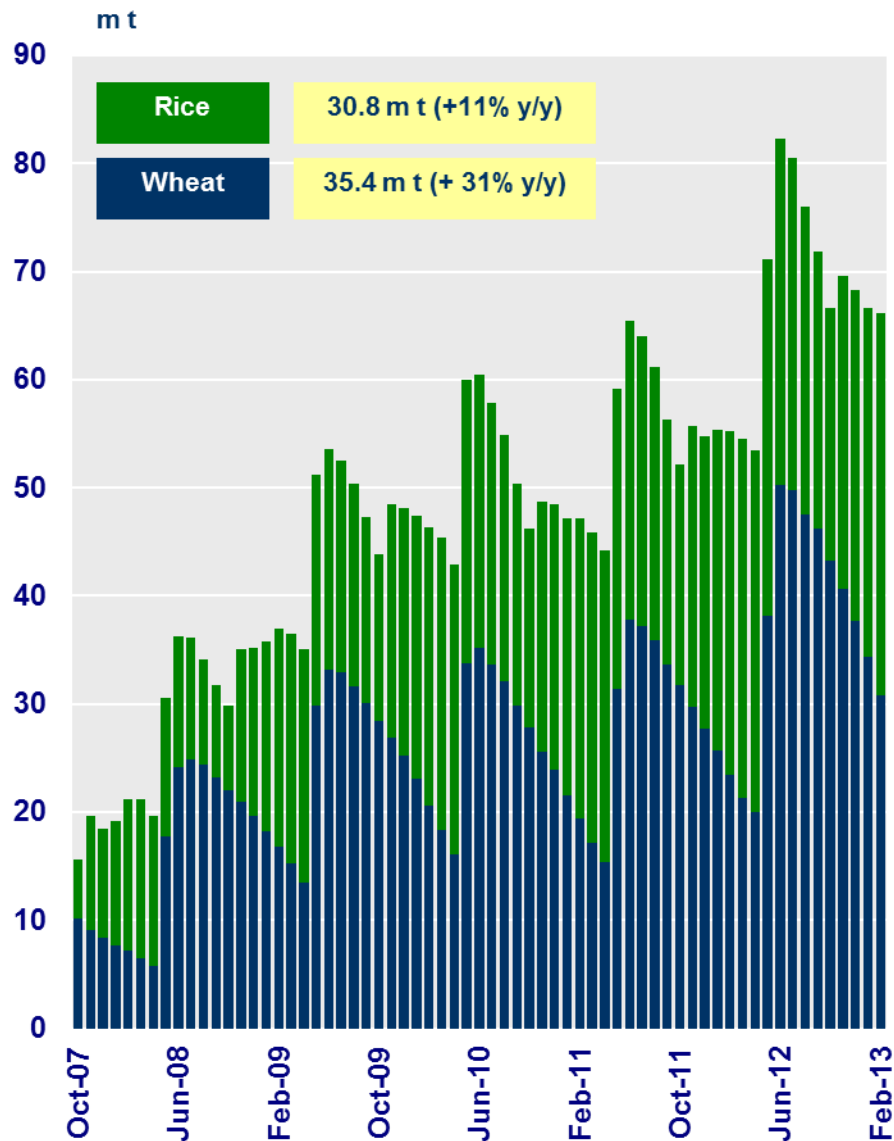


# Wheat export prospects for 13/14: only a small rise in Black Sea exports expected

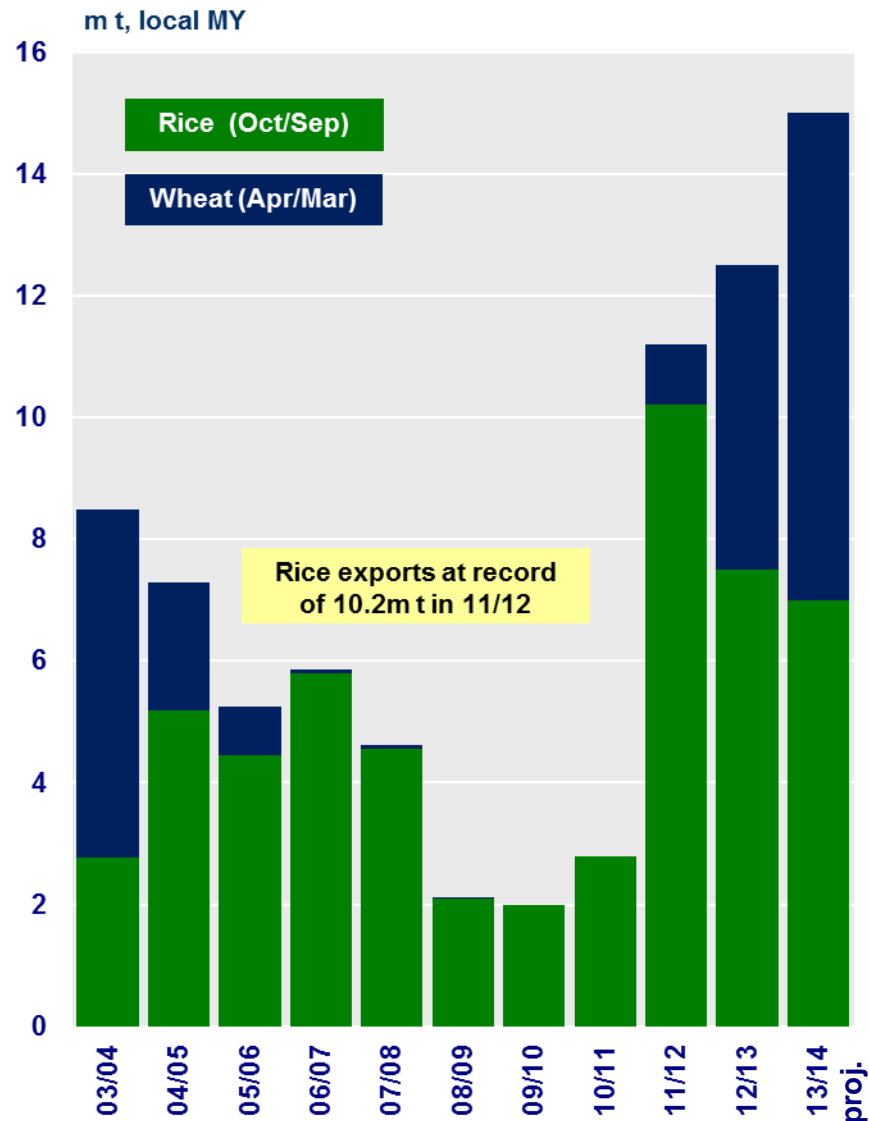


# Can India sustain its position as a major exporter of food grains?

Centrally-held food grain stocks are ample...



...and government appears keen to sell



- Current situation
  - Prices lower, but elevated
  - Availabilities are tight, across the grains and oilseeds complex
  - After strong early sales in 2013/13, Black Sea wheat surplus sold
  - US now the cheapest origin, exports expected to accelerate
- Tentative outlook for 2013/14
  - Production expected to increase on higher area and a recovery in average yields
  - Nevertheless, just a slight increase in world wheat stocks projected for end 2013/14
  - Only small increase in trade forecast from the Black Sea
  - India expected to remain competitive
- Updates available in our publications
  - Weekly **Grains Market Indicators**
  - Monthly **Grains Market Report**
  - Subscriptions available at **[www.igc.int](http://www.igc.int)**



## 2013 IGC GRAINS CONFERENCE



Tuesday 11th June 2013 : Queen Elizabeth II Conference Centre, Westminster, London



### Conference fees include:

- Welcome conference reception
- Access to all sessions and workshops
- Lunch, refreshments
- Online delegate contact directory
- Interpretation in at least five languages

***For further details, please visit:***

<http://www.igc.int/en/conference/confhome.aspx>