



22 January 2021

IGC PRESS RELEASE

Meeting of the International Grains Council London, 22 January 2021

Members of the International Grains Council (IGC) convened for the 52nd Council Session in London, on 22 January 2021 via video conference. The meeting was chaired by Ms. Corinne Roux, Policy Advisor, Trade Relations Unit, Federal Office for Agriculture (FOAG), Switzerland.

The Secretariat presented its latest supply and demand forecasts and market developments for grains, rice and oilseeds in 2020/21.

World **total grains** (wheat and coarse grains) production in 2020/21 is forecast to expand by 23m t y/y, to an all-time high of 2,210m, including record harvests of wheat and barley. Although the COVID pandemic continues to dampen demand in some sectors, particularly for fuel ethanol and brewing, overall consumption is predicted to grow for a fifth successive year, to 2,216m t (+24m y/y). Another drawdown of world grains stocks is envisaged, to a five-year low of 611m t (-6m y/y), entirely because of a drop in maize inventories, to an eight-year low. Global grains trade in 2020/21 (Jul/Jun) is expected to reach a record 408m t, up by 4% y/y. The first projections for world wheat supply and demand in 2021/22 point to record production and, despite higher consumption, a further accumulation of global stocks.

Despite dwindling southern hemisphere prospects, world **soyabean** output in 2020/21 is still expected to rise by 6% y/y, mainly on a much larger US crop. Underpinned by growth in China's feed sector, global use is seen expanding by 4%, to a high of 365 m t. Global inventories are predicted to contract for a second consecutive year. While a modest increase in deliveries to China is likely, tightening availabilities and elevated prices could dampen buying by other importers as trade falls by 1% y/y.

Global **rice** output is tentatively expected at a new peak on bigger outturns in Asian producers, including India and China. Consumption is also forecast to trend higher, but world stocks could edge up, including a modest gain in India. World trade is predicted to expand by 5% y/y on stronger demand from sub-Saharan Africa.

The secretariat presented its "Five-year baseline projections for supply and demand for wheat, maize (corn), rice and soyabeans to 2025/26"¹. Global **total grains** production is projected at successive records during the five years to 2025/26. This will be sufficient to keep pace with projected demand growth, but will allow little rebuilding of stocks, with the ratio of total grains stocks-to-use tightening a little. World **rice** production is anticipated to trend higher. While population growth will continue to underpin larger food requirements, changing consumer preferences in Far East Asia may contain growth in uptake. Global inventories are likely to continue growing, led by gains in India, while trade is projected to expand on larger shipments to sub-Saharan Africa. World **soyabeans** production is projected to reach successive highs, mainly on increases in the US and Brazil. Consumption is seen reaching successive highs as well, but a modest recovery in world inventories is likely, tied to expectations for some stock rebuilding in the major exporters. Trade is predicted to expand, largely tied to bigger deliveries to Asia.

¹ Five-year baseline projections report: <https://www.igc.int/en/markets/marketinfo-forecasts.aspx>

Regarding the 2020/2021 work programme the Secretariat was:

- Organising a post-Council webinar to discuss the results of the Secretariat's Five-year report with the participation of the OECD and NASA Harvest on the 11th March 2021;
- Revamping its daily reports and streamlining the data collection with the aim of providing the reports to members earlier;
- Developing a methodology for building supply and demand balances for grains-based ethanol;
- Improving the trade policy database classification for different countries;
- Enhancing market transparency on pulses with the publication of a supply and demand balance sheet for the main exporters of dry peas, lentils and chickpeas.

At the Council session members agreed to the signing of Memorandum of Understandings between the IGC and the *Eurasian Economic Commission* and the *International Trade Centre*.

The Council received statements from the FAO, WTO and IGTC on the latest export restrictions and their impact on global markets and effect on the food basket. The Council welcomed the participation of Belarus, Brazil, China, Kyrgyz Republic, Taipei (Chinese) Separate Customs Territory, OECD, the Eurasian Economic Commission, International Trade Centre and WFP.

In conjunction with the Session, the IGC and Switzerland organised a Grains Forum titled "*Digitization: Trade facilitation tool for the grains sector*" on Thursday 21 January 2021 via video conference. The Forum examined the digitization practices in various countries and IGC members' plans regarding digitizing their grains sectors post Covid-19. The forum discussion recognized that digitizing grains trade processes is in line with the objectives of the Grains Trade Convention, namely:

- to contribute to the fullest extent possible to the stability of international grain markets in the interests of all members, to enhance world food security, and to contribute to the development of countries whose economies are heavily dependent on commercial sales of grain;
- to promote the expansion of international trade in grains, and to secure the freest possible flow of this trade, including the elimination of trade barriers in the interest of all members, in particular developing members;
- to further international co-operation in all aspects of trade in grains, especially insofar as these affect the food grain situation and provide a forum for exchange of information and discussion of members' concerns regarding trade in grains.

PR (IGC Jan 2021)