EU Grains Supply and Demand Outlook

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Agriculture and Rural Development

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1. **Global Context**
2. EU Grains Supply and Demand
3. Outlook

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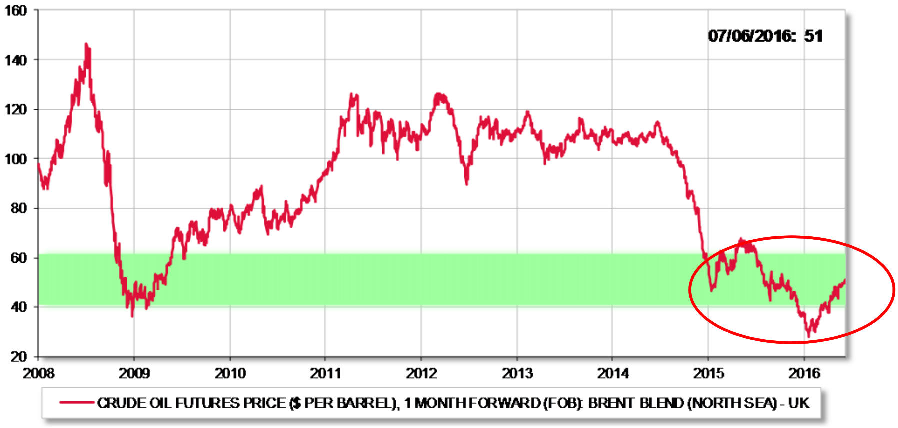
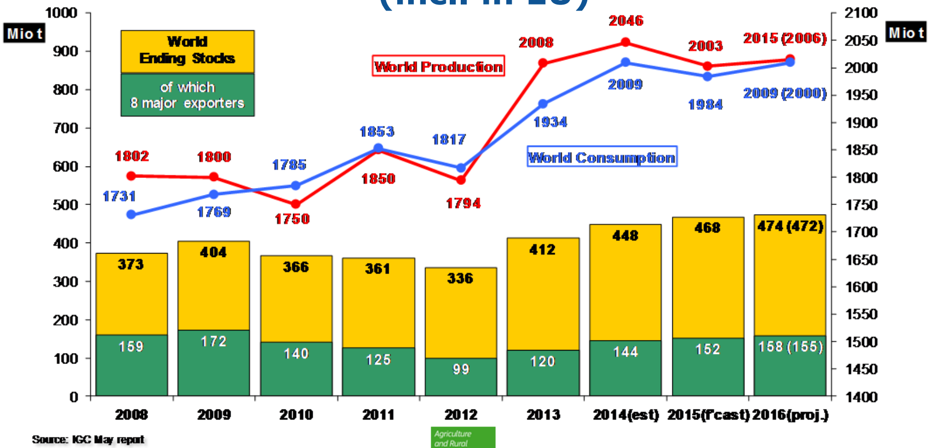
€ vs $ exchange rate: a competitive Euro since 2 years

Crude oil price ($/barrel): cheap oil since 2 years

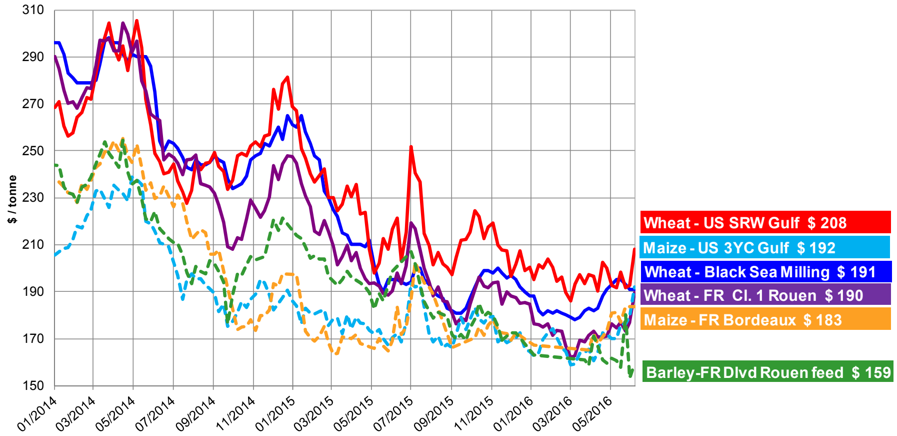


Baltic Dry Index: cheap transport since 2 years

Global Cereals Market: ample availabilities Supply > Demand in recent years (incl. in EU)



Global cereal prices: down since 2 years
EU cereals competitive



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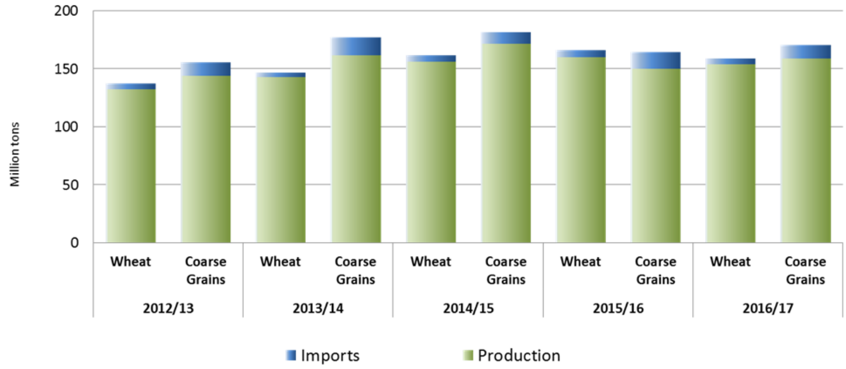
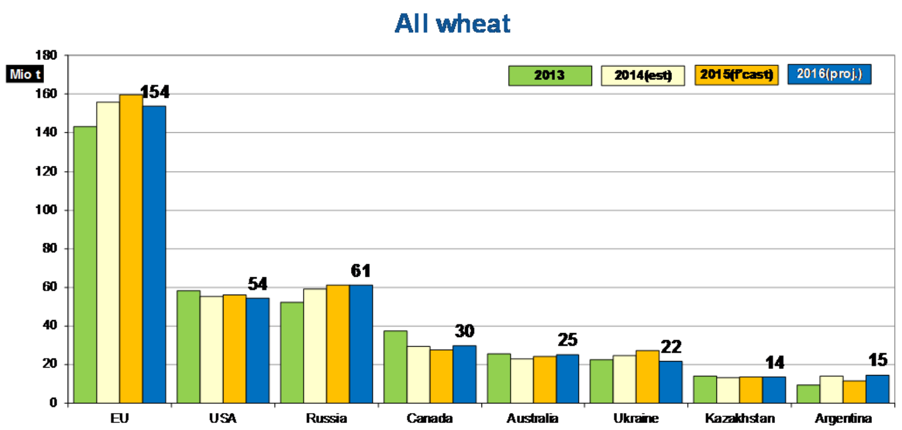
EU Cereals Supply: good EU production
Production ≈ 310 Mio t (incl. wheat 150 Mio t)
Imports ≈ 18 Mio t (incl. maize 12 Mio t)



Wheat: soft + durum wheat
Coarse grains: maize + barley + all other grains

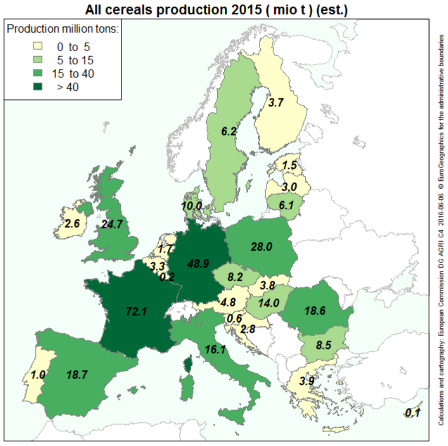
EU: a key player on the global market
150 Mio t EU wheat ≈ 20% of global production



Source: IGC May report

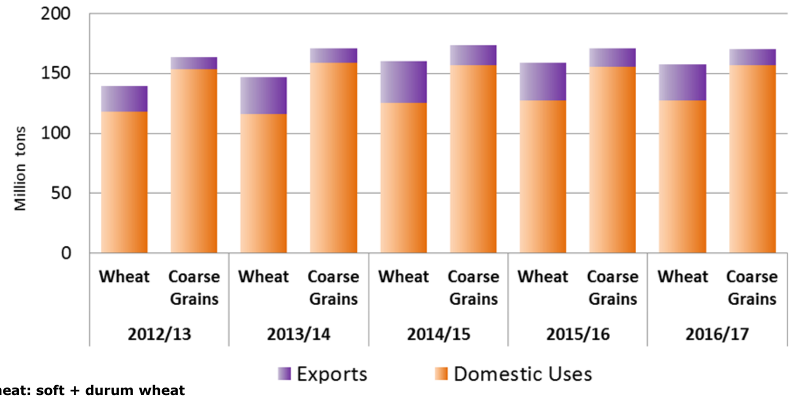
EU Cereals Production ≈ 310 Mio t
Member States Overview

All cereals production 2015 (mio t) (est.)



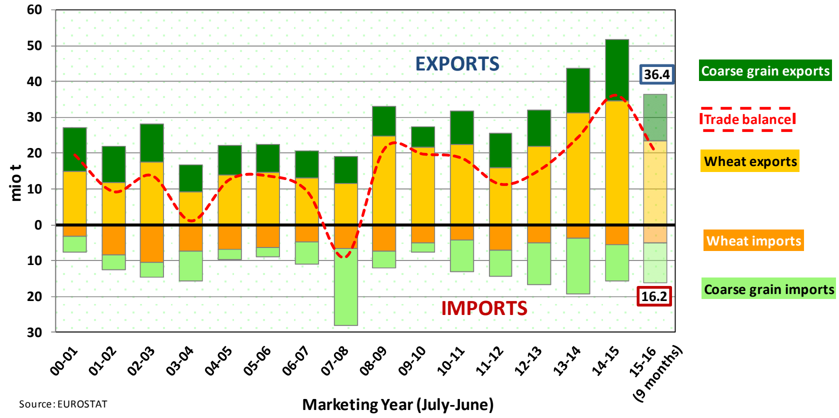
EU28 production : 310.3 (mio t)

EU Cereals Demand: good EU exports
Domestic uses ≈ 280 Mio t (incl. feed 170 Mio t)
Exports ≈ 45 Mio t (incl. wheat 30 Mio t)

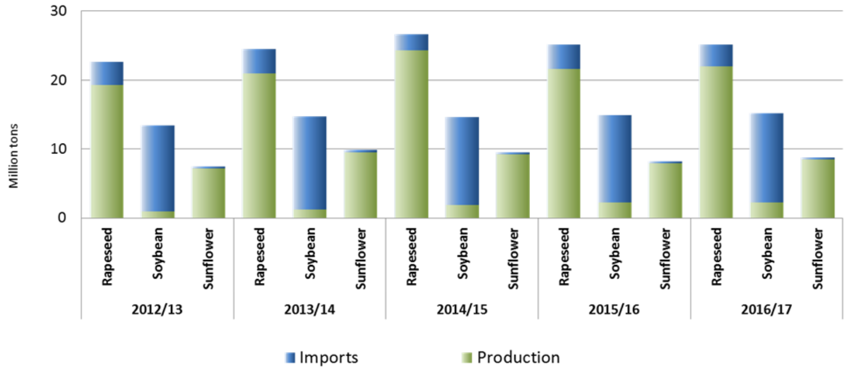


Wheat: soft + durum wheat
Coarse grains: maize + barley + all other grains

EU Cereals Market: Production > Consumption
Trade Surplus ≈ 30 Mio t in recent years



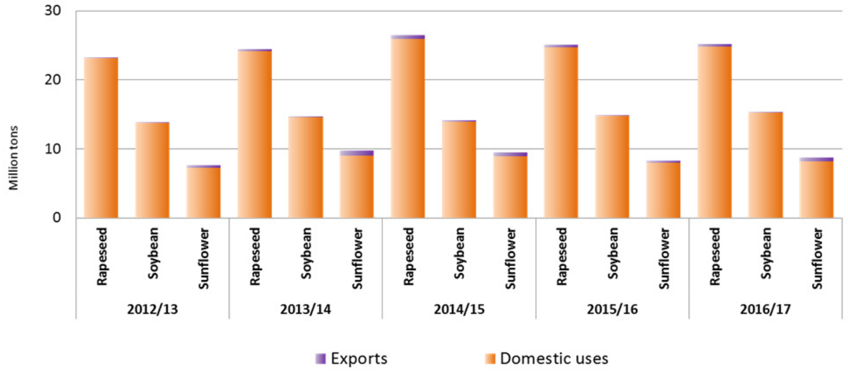
EU Oilseeds Supply: high imports
Production ≈ 33 Mio t (incl. rapeseed 22 Mio t)
Imports ≈ 16 Mio t (incl. soybean 13 Mio t*)



* Also annual imports of ≈ 19 Mio t of soya meal

European Commission

EU Oilseeds Demand: no surplus
Domestic uses ≈ 48 Mio t
Exports ≈ 1 Mio t



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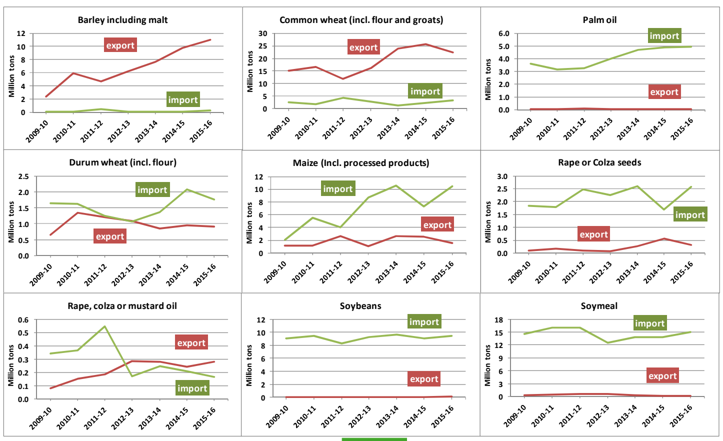
EU Grains Trade – Overview
Key Exports (eg wheat) and Imports (eg soya)



Source: EUROSTAT – July-March data

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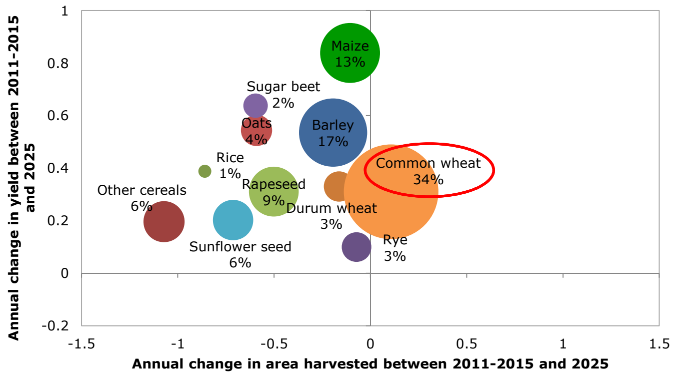
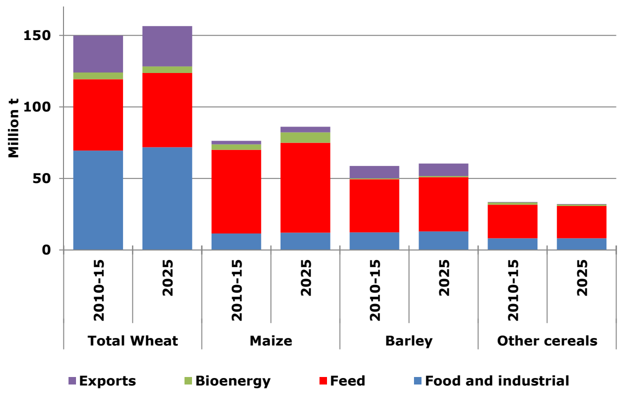
EU Cereals Supply: positive outlook Wheat to stay No 1 in EU

Annual changes in area and yields by crops between 2011-2015 and 2025 in the EU (%)



Note: the size of the bubble refers to the share in area harvest on average in the years 2011-15

EU Cereals Demand: positive outlook for Food, Feed and Exports



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Concluding Remarks

- EU is a key player on global grains market
- Thanks to high supply, EU cereals competitive
- Environmental requirements may impact crop production in the EU
- Outlook is positive for EU Supply and Demand

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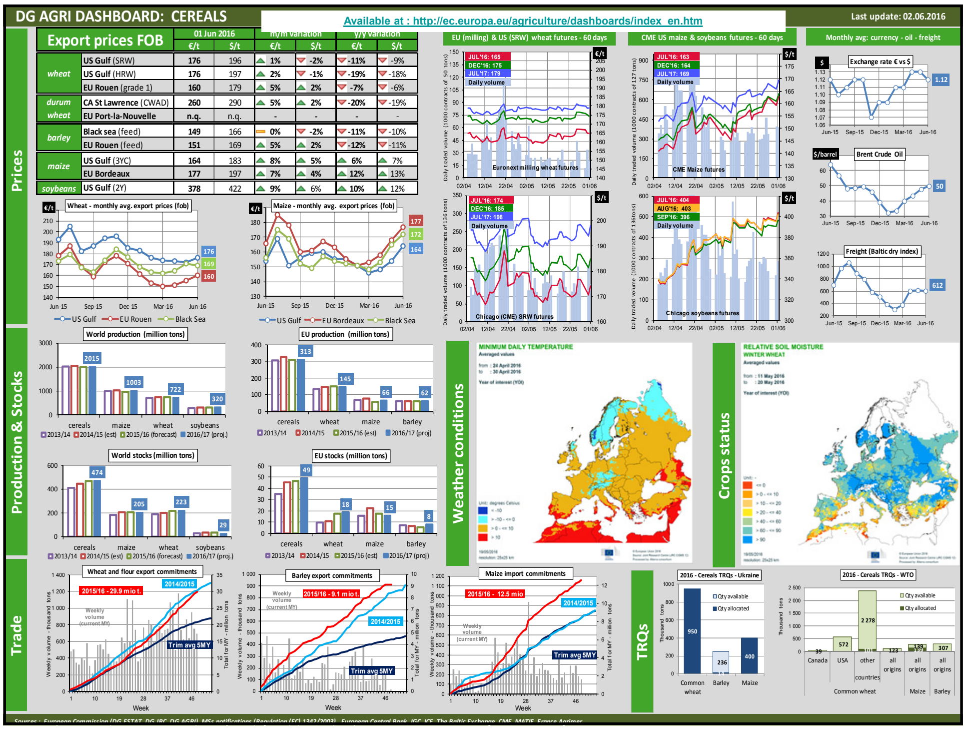
DG AGRI DASHBOARD: CEREALS
Available at : http://ec.europa.eu/agriculture/dashboards/index_en.htm
Last update: 02.06.2016
Export prices FOB
01 Jun 2016
m/m variation
y/y variation
wheat US Gulf (SRW) 176 196 1% -2% -11% -9%
US Gulf (HRW) 176 197 2% -1% -19% -18%
EU Rouen (grade 1) 160 179 5% 2% -7% -6%
durum wheat CA St Lawrence (CWAD) 260 290 5% 2% -20% -19%
EU Port-la-Nouvelle n.q. n.q.
barley Black sea (feed) 149 166 0% -2% -11% -10%
EU Rouen (feed) 151 169 5% 2% -12% -11%
maize US Gulf (3YC) 164 183 8% 5% 6% 7%
EU Bordeaux 177 197 7% 4% 12% 13%
soybeans US Gulf (2Y) 378 422 9% 6% 10% 12%
Prices
Production & Stocks
Trade
Weather conditions
Crops status
TRQs
Wheat - monthly avg. export prices (fob)
Maize - monthly avg. export prices (fob)
World production (million tons)
EU production (million tons)
World stocks (million tons)
EU stocks (million tons)
Wheat and flour export commitments
Barley export commitments
Maize import commitments
2016 - Cereals TRQs - Ukraine
2016 - Cereals TRQs - WTO
MINIMUM DAILY TEMPERATURE
RELATIVE SOIL MOISTURE
Monthly avg: currency - oil - freight
Exchange rate € vs $
Brent Crude Oil
Freight (Baltic dry index)


European Commission
Thank you for your attention!
EU balance sheets & market presentations available:
http://ec.europa.eu/agriculture/cereals/balance-sheets/index_en.htm
Cereals dashboard available:
http://ec.europa.eu/agriculture/dashboards/index_en.htm
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