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The ample harvest of grains and oilseeds in the 2025-26 season could help keep global food prices at moderate levels

- We continue to see an encouraging outlook for the 2025-26 global grains and oilseeds production. The latest organization to release an upbeat forecast is the International Grains Council, which predicts a 2025-26 global grains and oilseeds harvest of 2.38 billion tonnes, a 3% increase from the previous season. Indeed, the Southern Hemisphere regions will only start preparing the land for the new season in two months. It is only the Northern Hemisphere that has planted the crop. Still, the optimistic view is partly based on a favourable weather outlook and expectations that farmers will plant in the typical areas or slightly more in all the key production areas. Encouragingly, these forecasts also suggest that the heatwaves in Europe likely did not cause significant damage to the crops as we had feared.

- If we zoom in on the data for the major crops, starting with maize, the 2025-26 global harvest is forecast at 1.28 billion tonnes, up 4% from the previous season. We anticipate significant crop improvement in the U.S., Argentina, Ukraine, China, the EU, South Africa, and Russia. This is a result of both the expected expansion in area plantings in some countries, as well as the expected higher yields. Subsequently, the 2025-26 global maize stocks are forecast at 278 million tonnes, a 1% increase from the previous season. The reason we don't see a sharp increase in stocks is due to the expected jump in maize usage for feed, food, and industrial purposes. The overall message we take from this picture is that maize prices may trend sideways, with a greater downward possibility in the coming months due to decent stock levels.

- Moreover, the 2025-26 global wheat harvest is forecast at 808 million tonnes, a 1% increase from the previous season. The EU, Russia, Canada, Argentina, India, and the UK are among the key countries expected to contribute to the anticipated global uptick in wheat harvests. This is a welcome development, as we had worried that the unfavourable weather conditions in much of Europe would lead to a poor harvest.

- The annual wheat consumption for food, feed, and industrial use is set to increase in the new year. Thus, the stocks may be down by 2% from the previous season, estimated at 265 million tonnes. This means that we may see wheat prices trading sideways, with possible mild upticks because of the tight supplies. With that said, it is worth mentioning that since the start of 2025, global wheat prices have traded sideways, under pressure in certain periods. Thus, we remain optimistic about a possible sideways movement, rather than sharp increases.

- In the case of rice, the International Grains Council forecasts the 2025-26 harvest at 544 million tonnes, a 0.5% increase from the previous season. We anticipate a likely larger harvest in India, Vietnam, Pakistan, China, Bangladesh, the Philippines, and Brazil. With consumption relatively stable, stocks are set to increase by 1% from the 2024-25 season to 185 million tonnes.

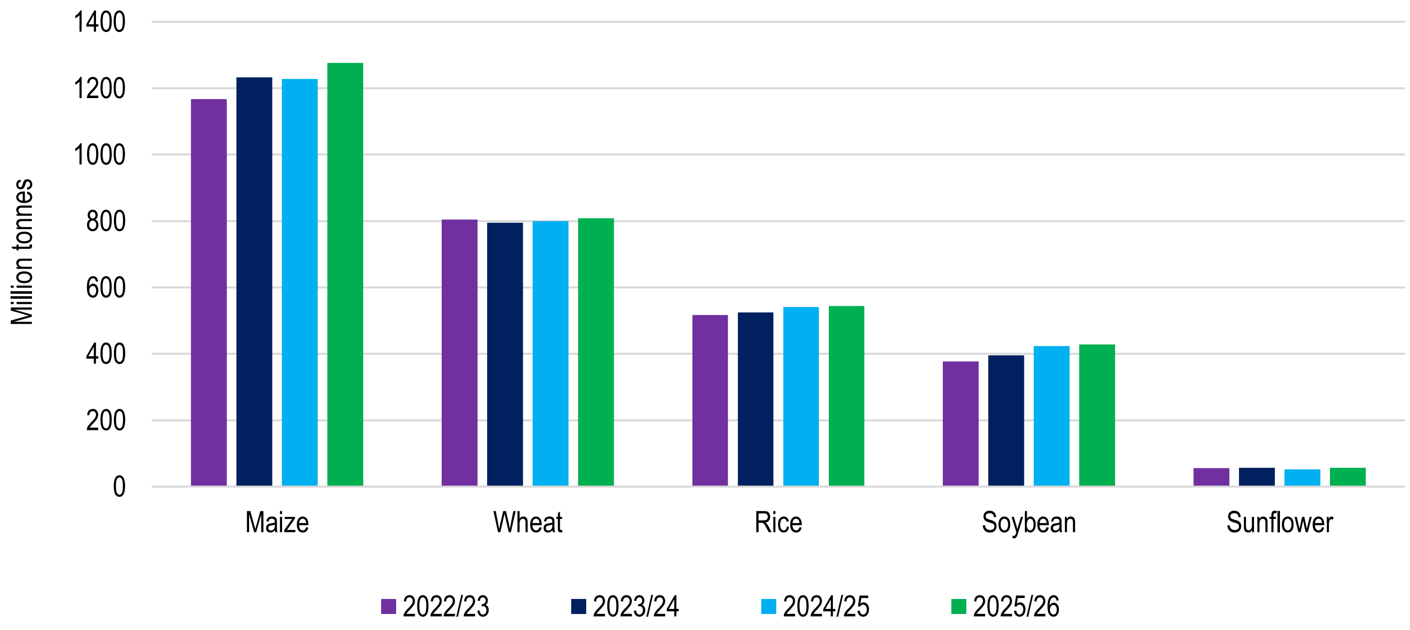
- Similar to other crops, the 2025-26 global soybean harvest is expected to increase by 1% to 428 million tonnes. Brazil, Argentina, China, Paraguay, and Ukraine are among the key countries expected to support this improvement. Still, it is worth emphasizing that the major producers, Brazil, Argentina, and Paraguay, are still busy with the 2024-25 production season. The 2025-26 season will only start in October. Therefore, these forecasts assume favourable weather conditions and widespread planting in the general area by farmers.

- We will have better insights into the outlook when the season starts in the southern hemisphere. With the crush, food and feed set to increase, the stocks will likely come under pressure. The International Grains Council forecasts global soybean stocks for 2025-26 at 83 million tonnes, a 1% decrease from the previous season. Still, we doubt this would lead to a major price increase; we anticipate a sideways movement in prices in the coming months.

- The International Grains Council forecasts the 2025-26 global sunflower seed crop at 57 million tonnes, up by 9% from the previous season. This is based on an anticipated large harvest in Russia, Ukraine, the EU, Moldova, China, Turkey, South Africa, and the U.S., among others. Consumption is also expected to remain strong in the 2025-26 season. Still, the stocks are set to increase by 7% to 3.8 million tonnes. This is likely to keep sunflower seed prices under pressure.

- In essence, we are still early in the 2025-26 season, with the Southern Hemisphere region yet to begin with plantings. Still, the production prospects paint an encouraging picture for the path ahead, with ample harvests expected, which should keep global food price conditions at moderate levels for some time.

Exhibit 1: Global grains and oilseeds production



Source: International Grains Council and Agbiz Research