Covid 19 crisis and the Grains/oilseeds and rice trade

Agriculture Committee of WTO

International Grains Council (IGC)
28th July 2020
International Grains Council (IGC)

Intergovernmental organisation established in 1949, that seeks to:

- Information-sharing, analysis and consultation on market developments.
- Daily monitoring of grains, rice and oilseeds market conditions, via circulation of reports and maintaining web-based information services.
- Regular monitoring of international policy changes.
- Exchange of information at Market Conditions Committee meetings and Council sessions.
- The annual IGC Grains Conference, a public forum for discussion, and an opportunity to bring buyers and sellers, industry representatives and policymakers together.

Further international cooperation in grains trade

Promote expansion, openness and fairness in the grains sector

Promote expansion, openness and fairness in the grains sector

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Regular information services

All IGC Information is provided without charge to member governments. Some available on subscription to other users.

IGC website
Includes comprehensive database of current and historical market information for members. Selection of information also available on the public area of the website.

www.igc.int

Daily Reports
Daily updates of grain and oilseeds developments, statistics and export prices.

IGC members only

GOI
A measure of international price movements across seven core commodities, calculated daily using 34 export quotations at leading origins.

GOFI
A weekly Index of freight costs
Available to public

Grain Market Report
Detailed review of the past month’s market developments and update of statistics and forecasts.

Subscription available

Grain Market Indicators
Weekly review of market developments and export prices.

Subscription available

Ocean Freight Rates
Weekly table of over 100 dry bulk rates on major grains/oilseeds routes.

Subscription available
COVID-19: no impact on seeding areas in the North Hemisphere
Grains & oilseeds: Record world production forecast in 2020/21, up by more than 0.5bn t over the past decade
### Rice Shipments by selected key exporters (Jan-May) *

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>India (Jan-Feb)</td>
<td>2.2</td>
<td>1.6</td>
<td>2.1</td>
<td>2.1</td>
<td>2.0</td>
<td>1.9</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.8</td>
<td>4.3</td>
<td>4.4</td>
<td>4.4</td>
<td>3.8</td>
<td>2.6</td>
<td>-31.9%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2.4</td>
<td>2.5</td>
<td>2.5</td>
<td>3.0</td>
<td>2.9</td>
<td>3.2</td>
<td>+11.6%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1.7</td>
<td>2.0</td>
<td>1.6</td>
<td>2.1</td>
<td>2.2</td>
<td>1.8</td>
<td>-17.5%</td>
</tr>
<tr>
<td>USA</td>
<td>1.5</td>
<td>1.3</td>
<td>1.6</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
<td>+1.1%</td>
</tr>
<tr>
<td>China</td>
<td>0.1</td>
<td>0.1</td>
<td>0.4</td>
<td>0.6</td>
<td>1.2</td>
<td>1.1</td>
<td>-7.4%</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>11.6</strong></td>
<td><strong>11.8</strong></td>
<td><strong>12.6</strong></td>
<td><strong>13.5</strong></td>
<td><strong>13.3</strong></td>
<td><strong>11.9</strong></td>
<td><strong>-10.7%</strong></td>
</tr>
</tbody>
</table>

*India Jan-Feb

### All Wheat Shipments by Main Exporters (July - May)

<table>
<thead>
<tr>
<th></th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>3.6</td>
<td>7.9</td>
<td>11.6</td>
<td>13.7</td>
<td>12.9</td>
<td>14.3</td>
<td>10.8%</td>
</tr>
<tr>
<td>Australia</td>
<td>15.3</td>
<td>14.8</td>
<td>19.8</td>
<td>14.2</td>
<td>9.2</td>
<td>9.1</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>22.6</td>
<td>20.3</td>
<td>18.3</td>
<td>19.9</td>
<td>21.9</td>
<td>20.9</td>
<td>-4.8%</td>
</tr>
<tr>
<td>EU</td>
<td>32.4</td>
<td>30.8</td>
<td>25.1</td>
<td>20.9</td>
<td>21.1</td>
<td>34.9</td>
<td>65.2%</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>5.1</td>
<td>6.8</td>
<td>6.7</td>
<td>7.8</td>
<td>8.2</td>
<td>6.0</td>
<td>-27.1%</td>
</tr>
<tr>
<td>Russia</td>
<td>21.0</td>
<td>24.4</td>
<td>26.3</td>
<td>39.0</td>
<td>34.4</td>
<td>31.5</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>10.8</td>
<td>16.1</td>
<td>17.3</td>
<td>16.9</td>
<td>15.5</td>
<td>20.8</td>
<td>34.1%</td>
</tr>
<tr>
<td>USA</td>
<td>20.9</td>
<td>19.3</td>
<td>26.1</td>
<td>21.2</td>
<td>23.7</td>
<td>23.9</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>131.8</strong></td>
<td><strong>140.3</strong></td>
<td><strong>151.2</strong></td>
<td><strong>153.5</strong></td>
<td><strong>147.1</strong></td>
<td><strong>161.3</strong></td>
<td><strong>9.7%</strong></td>
</tr>
</tbody>
</table>

Global trade progress despite Covid 19 crisis.
Global trade progress despite covid 19 crisis

Soybean Shipments by key exporters (October-May)*

<table>
<thead>
<tr>
<th>Country</th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>4.1</td>
<td>4.2</td>
<td>3.0</td>
<td>1.7</td>
<td>5.1</td>
<td>5.6</td>
<td>+ 9.5%</td>
</tr>
<tr>
<td>Brazil</td>
<td>23.5</td>
<td>35.6</td>
<td>36.8</td>
<td>42.8</td>
<td>50.0</td>
<td>59.2</td>
<td>+ 18.5%</td>
</tr>
<tr>
<td>Canada</td>
<td>3.4</td>
<td>3.6</td>
<td>4.0</td>
<td>4.2</td>
<td>4.1</td>
<td>2.9</td>
<td>- 28.3%</td>
</tr>
<tr>
<td>Paraguay</td>
<td>3.4</td>
<td>4.0</td>
<td>3.8</td>
<td>4.7</td>
<td>3.9</td>
<td>3.6</td>
<td>- 7.1%</td>
</tr>
<tr>
<td>Russia</td>
<td>0.2</td>
<td>0.4</td>
<td>0.3</td>
<td>0.7</td>
<td>0.6</td>
<td>0.7</td>
<td>+ 16.2%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2.1</td>
<td>1.9</td>
<td>2.6</td>
<td>2.6</td>
<td>2.0</td>
<td>2.3</td>
<td>+ 15.6%</td>
</tr>
<tr>
<td>Uruguay</td>
<td>1.3</td>
<td>0.7</td>
<td>1.0</td>
<td>0.8</td>
<td>1.0</td>
<td>1.4</td>
<td>+ 40.3%</td>
</tr>
<tr>
<td>USA</td>
<td>45.2</td>
<td>42.5</td>
<td>48.4</td>
<td>43.4</td>
<td>32.9</td>
<td>33.7</td>
<td>+ 2.2%</td>
</tr>
<tr>
<td>Sub-total</td>
<td>83.2</td>
<td>92.9</td>
<td>99.8</td>
<td>100.9</td>
<td>99.6</td>
<td>109.4</td>
<td>+ 9.9%</td>
</tr>
</tbody>
</table>

Shipments by selected key exporters (January – June)*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>9.8</td>
<td>11.7</td>
<td>9.9</td>
<td>12.7</td>
<td>17.8</td>
<td>20.3</td>
<td>14%</td>
</tr>
<tr>
<td>Brazil</td>
<td>5.3</td>
<td>12.3</td>
<td>3.2</td>
<td>5.2</td>
<td>9.1</td>
<td>3.4</td>
<td>-63%</td>
</tr>
<tr>
<td>EU</td>
<td>2.3</td>
<td>0.9</td>
<td>1.0</td>
<td>0.9</td>
<td>2.1</td>
<td>2.7</td>
<td>30%</td>
</tr>
<tr>
<td>Russia</td>
<td>1.8</td>
<td>2.9</td>
<td>2.8</td>
<td>3.5</td>
<td>1.5</td>
<td>1.8</td>
<td>23%</td>
</tr>
<tr>
<td>Serbia</td>
<td>1.6</td>
<td>1.1</td>
<td>1.3</td>
<td>0.5</td>
<td>1.6</td>
<td>1.5</td>
<td>-12%</td>
</tr>
<tr>
<td>South Africa</td>
<td>0.3</td>
<td>0.4</td>
<td>0.7</td>
<td>1.1</td>
<td>0.5</td>
<td>1.3</td>
<td>164%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>11.6</td>
<td>10.5</td>
<td>13.7</td>
<td>12.2</td>
<td>20.5</td>
<td>18.5</td>
<td>-10%</td>
</tr>
<tr>
<td>USA</td>
<td>25.1</td>
<td>26.4</td>
<td>32.2</td>
<td>36.9</td>
<td>26.4</td>
<td>27.8</td>
<td>5%</td>
</tr>
<tr>
<td>Sub-total</td>
<td>57.8</td>
<td>66.1</td>
<td>64.9</td>
<td>73.0</td>
<td>79.5</td>
<td>77.3</td>
<td>-3%</td>
</tr>
</tbody>
</table>

* Source: Exporter shipments data, IGC estimates
Wheat delivered prices*: selected North African importers

**Algeria:**
EU (France) Grade 1 wheat
- Delivered (c&f) price - USD
- Delivered (c&f) price - DZD
Rebased: 2 Jan 2020 = 100
+6%

**Morocco:**
EU (France) Grade 1 wheat
- Delivered (c&f) price - USD
- Delivered (c&f) price - MAD
Rebased: 2 Jan 2020 = 100
-2%

**Egypt:**
Russia milling wheat (12.5%)
- Delivered (c&f) price - USD
- Delivered (c&f) price - MAD
Rebased: 2 Jan 2020 = 100
-5%

* Calculated prices based on assessed free-on-board (fob) quotations and nominal freight rates on corresponding routes.

EU (France, Rouen) Grade 1 to Algeria (Bejaia)
EU (France, Rouen) Grade 1 to Morocco (Casablanca)
Russia milling 12.5% (Novorossiysk) to Egypt (Alexandria)
Wheat delivered prices: selected Asian importers

**Indonesia:**
Ukraine milling wheat (12.5%)

- Delivered (c&f) price - USD
- Delivered (c&f) price - IDR

Rebased: 2 Jan 2020 = 100

Note: A sharp drop in prices in June reflects a shift to a new crop.

**Malaysia:**
Australian Standard White (ASW)

- Delivered (c&f) price - USD
- Delivered (c&f) price - MYR

Rebased: 2 Jan 2020 = 100

Australia ASW (Kwinana) to Malaysia (Pasir Gudang)

Note: A sharp drop in prices in June reflects a shift to a new crop.
Wheat delivered prices: selected sub-Saharan importers

Kenya:
Russia milling wheat (12.5%)
- Delivered (c&f) price - USD
- Delivered (c&f) price - KES
Rebased: 2 Jan 2020 = 100
+3%

Angola:
EU (France) Grade 1 wheat
- Delivered (c&f) price - USD
- Delivered (c&f) price - AOA
Rebased: 2 Jan 2020 = 100
+15%

Ghana:
Russia milling wheat (12.5%)
- Delivered (c&f) price - USD
- Delivered (c&f) price - GHS
Rebased: 2 Jan 2020 = 100
-7%
Analysing Africa’s rice import costs: Africa Delivered Price Tool for Rice

IGC Africa Delivered Price Tool for Rice

1 Jan 2019 = 100

- Africa Delivered Price Tool (ADPT for rice)
- White rice sub-Index
- 100% broken rice sub-index
- Parboiled rice sub-index
Rice delivered prices: selected sub-Saharan importers

South Africa:
Thai Parboiled rice

Delivered (c&f) price - USD
Delivered (c&f) price - ZAR

Rebased: 2 Jan 2020 = 100

Delivered (c&f) price - USD: +29%
Delivered (c&f) price - ZAR: +9%

Thailand Parboiled (Bangkok) to South Africa (Durban)

Kenya:
Pakistan 5% broken rice

Delivered (c&f) price - USD
Delivered (c&f) price - KES

Rebased: 2 Jan 2020 = 100

Delivered (c&f) price - USD: +26%
Delivered (c&f) price - KES: +18%

Pakistan 5% broken (Karachi) to Kenya (Mombasa)

Cote D'Ivoire:
India 5% broken rice

Delivered (c&f) price - USD
Delivered (c&f) price - CFA

Rebased: 2 Jan 2020 = 100

Delivered (c&f) price - USD: +2%
Delivered (c&f) price - CFA: +4%

India 5% broken (Kakinada) to Cote D'Ivoire (Abidjan)
Stocks in major exporters: Still relevant to improve the expertise on stocks
A new challenge: Monitoring consumption in a more complex Grains Value Chain

**Industrial use of grains by usage**

- Ethanol
- Starch
- Brewing
- Others

**Industrial use of grains by country**

- USA
- China
- EU-28
- Brazil
Database on Covid 19-related measures

CORONAVIRUS (COVID-19): NEWS ARTICLES

This page displays all Coronavirus and Covid-19 news articles.

Select: ALL COUNTRIES from: 01 JAN 2020 to: 28 JUL 2020

Thursday 16 July 2020
ARGENTINA: Ag. Minister, to Reuters: despite the need for revenue amid the coronavirus outbreak, govt. not planning to increase taxes on wheat, maize and soybean exports. © 15 Jul

Wednesday 15 July 2020
EGYPT: Head of agricultural quarantine, to Reuters: to allow agriculture inspectors once again to travel to check wheat cargoes at the port of origin for countries that are currently accepting travellers from Egypt. © 14 Jul

Tuesday 14 July 2020
NIGERIA: Central Bank: asked local lenders to stop processing documents for maize imports with immediate effect, in an attempt to support domestic production, stimulate the economy and safeguard rural livelihoods amid the current coronavirus pandemic. © 13 Jul

Wednesday 8 July 2020
CHINA: China Rural Network: while the outbreak of the coronavirus was overall judged to have little impact on 2020/21 grain production In China, some minor impact on early rice production areas was noted due to tight supplies of agricultural inputs and obstruction of transport facilities. © 7 Jul

Monday 6 July 2020
INDIA: Market sources: 2020/21 kharif crop rice planting made rapid progress and was well ahead of one year earlier, underpinned by increased minimum support prices and the early arrival of monsoon rains. Some concerns were noted about locust outbreaks in northern
Analysing total cost of trade: wheat delivered prices and import tariffs

Composition of wheat delivered costs (incl. applied import tariffs)

- Countries under review account for about one-half of global wheat imports.
- FOB prices account for around 80% of implied delivered costs (incl. import tariffs) on average, but values range from 60% to more than 90% across countries.
- Freight represents about 10% of total costs on average (ranging from 6% to 16%).
- Share of applied tariffs ranges from 0% to around 30%. However, some importers apply tariff-rate quotas (TRQ) with lower or zero in-quota duties.

Notes:
- Price structure calculated based on nominal fob and freight prices from main origins as at 15 Jul 2020, as well as applied tariffs (MFN, general (non-MFN) or preferential basis, where applicable).
- Non-ad valorem tariffs converted into an ad valorem (%) equivalent using UN-WTO methodology.
- Sources: IGC, ITC, WTO, IGC calculations.
Freight: Spreads among origins narrowed during lockdowns, adding to fob competition, but widened again more recently as economies started to re-open.

IGC GOFI sub-Indices

1 Jan 2013 = 100

Brazil: -2%
Argentina: +7%
Black Sea: -7%
Canada: -8%
US: -9%
EU: -3%
Australia: -8%

Change since 1 Jan 2020
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