

RECORD-BREAKING INCREASES IN WHEAT AND CORN PRODUCTION



by Rebecca Sherratt,
Features Editor,
Milling & Grain

World wheat production is continuing to increase as many countries get back into the swing of things following the initial surge of the COVID-19 pandemic

Global wheat production has now hit a record-breaking 766 million metric tonnes (mmt), with production seeing a sharp increase in Argentina, Russia and Canada. The EU and United States are not experiencing this same increase but continue production at a steady level. Across the globe, countries are producing record amount of wheat, especially India and China, which is surprising, considering that they are countries not traditionally known for record levels of wheat export.

Global ending stocks are at a record high, at an estimated level of 317mmt. Should this estimate come to fruition, this volume would be a five percent increase compared to the 2019/20 harvest year. In contrast, US ending stocks are currently the lowest in six years and expected to decrease another 11 percent this year.

The US has seen lower imports and higher exports in recent months. Imports of wheat have lowered by 10 million bushels in August to 130 million. Food use in 2019/20 has lowered slightly to 962 million bushels. This is estimated to decrease slightly to 960 million bushels in 2020/21, due to the closure of restaurants and eating out services as a safety precaution against COVID-19. Other countries experiencing production drops include Kazakhstan and Turkey, both experiencing 1mt drops.

US production and export of feed ingredients such as soyabean is seeing some growth as exports to China continue to increase. US corn production has increased by 278 million from the July projections, up to 15.3 billion bushels, coming mainly from Minnesota and South Dakota. Corn imports have also seen a marked increase in the EU, Thailand and Canada. Many feedstuffs are being subject to larger harvests at lower prices.

Rice levels fluctuate amid extreme weather conditions

Whilst some countries have seen an increased demand for wheat, following a surge of home baking whilst many have remained in lockdown, rice usage remains constant, with slightly reduced export rates. Long-grain rice production is forecast at 159.1 hundredweight (cwt), whilst both short-grain and medium-grain production is expected to reach 59 million. China's rice



production has decreased slightly, possibly in part due to record rainfall experienced in the Yangtze River Valley in June and July, resulting in reduced harvesting areas and intense flooding. In contrast, a remarkably dry season has also limited harvests in Vietnam and Thailand.

Asia continues to experience much of the demand for rice imports and exports but, despite this, there is a slight decrease in rice exports. Exports of rice in 2020/21 are expected to decrease to 97 million and projected ending stocks are expected to reach 44.3 million cwt, which is 44 percent higher than 2019/20.

Brazil have experienced a strong past few months in regard o rice exports, which makes up for the past month of reduced rates. Their export market continues to be diverse, ranging from both eastern and western markets and Brazil is expected to remain one of the top rice exporters in 2020/21.

Oilseeds

US soyabean supply experienced lower beginning stocks in 2020/21, with higher production rates, exports and estimated ending stocks. Production in 2020/21 is expected to increase to 4.425 billion bushels, a 290 million increase compared to 2019/20. Supplies are, therefore, expected to see an increase this year of 13 percent to a record 5.1 million bushels.

On a global scale, US production increases are somewhat offset by a decrease in many other countries. Rapeseed and sunflower seed crops especially are seeing decreases in production in countries such as Russia, Ukraine, Kazakhstan and Moldova. Soyabean trade is seeing marked increases this year, especially in exports from Brazil, the US and Argentina. Countries experiencing an increased rate of soybean import demand include China, Argentina, Egypt, India and China.

