

11 June 2010

Meeting of the International Grains Council, London, 7 June 2010

The International Grains Council (IGC) met in London on 7 June under the chairmanship of Mr Matthew Koval, Minister-Counsellor (Agriculture), Australian Mission to the European Union, Brussels. Members examined the current world grains and oilseeds situation, exchanged information on national policy developments, agreed the Council's economic work programme for the year ahead and established its fiscal 2010/11 budget.

The Council reviewed **recent grain and oilseed market developments and assessed the outlook for 2010/11**. It noted the decline in dollar-denominated export prices since the beginning of 2010, although this partly reflected the higher value of the US currency, especially against the euro. Current crop prospects for *wheat and coarse grains* mostly remain favourable and total supplies should broadly balance projected demand, leaving world total stocks close to the current year's 400m. tons. Production of wheat will likely decline after recent record crops. However, because of ample carry-in stocks global supplies are forecast to be similar to the previous year's. Another record maize crop was forecast, with the outlook in the US particularly promising, but world consumption of this grain will also increase, with some reduction expected in ending stocks in 2010/11. While the use of maize and other grains in the bio-ethanol sector will again rise significantly, annual growth appears to have peaked in 2007/08. With regard to trade, some increase is expected in maize and barley shipments in 2010/11, reflecting strengthening international feed demand, but wheat trade is likely to stay at around 120m. tons.

Members considered the global *rice* situation, based on the Secretariat's first comprehensive supply and demand estimates. Despite the reduced world harvest in 2009/10, supplies remained ample, including in India, where output was affected by the poor 2009 monsoon. World trade in rice in calendar 2010 is forecast to rise by 5%, to 30m. tons, due mainly to higher Asian imports, notably by the Philippines. However, export prices, while recently stabilising, have fallen significantly since December as buying activity subsided. World trade in *oilseeds* is also expected to rise in 2009/10 (October/September), with significant increases in soyabeans and meal partly offset by a reduction in rapeseed/canola. China continued to be a big buyer of soyabeans.

The Council received a progress report on the Secretariat's current **economic work programme** and agreed the plans for 2010/11. It took note of the work done on rice and oilseeds, further widening the range of information and analysis available to members, and agreed on several areas where further analysis would be of benefit. The **budget** for fiscal year 2010/11 was approved at £1.66m.

Members warmly accepted the invitation by the Government of Australia to hold the **next Session of the Council** in Perth, Western Australia, on 7 December 2010. This would be accompanied by an industry-focused **International Grains Forum** on 8 December. There would also be opportunities to experience some of the country's major infrastructure and supply chains.

A number of **observers** representing intergovernmental organisations and non-member countries attended the Session, including the Kingdom of Saudi Arabia which, on 8 June, confirmed it was now in a position to set in motion the formal process to accede to the Grains Trade Convention, 1995.

The Council appointed Mr Kilian Greter (Advisor, Federal Office for Agriculture, Switzerland) as **Chairman** for 2010/11. It expressed its appreciation to Mr Koval for his very effective leadership during the past year.

The **IGC Grains Conference** was held the following day under the theme: "The new decade: towards greater market stability?" Eleven leading speakers from Australia, Italy, Kenya, China, the United States, the Russian Federation, France and the United Kingdom, representing the key sectors of the industry, set out their perspectives on recent grain and oilseed developments and likely future trends.

Note for Editors:

The International Grains Council (IGC) is an intergovernmental organisation administering the Grains Trade Convention, 1995 (GTC), the latest in a long series of multilateral agreements in operation since 1949. It seeks to further international cooperation in grains trade; to promote expansion, openness and fairness in the grains sector; to contribute to grain market stability and to enhance world food security. These objectives are sought by improving market transparency through information-sharing, analysis and consultation on grain market and policy developments. With effect from 1 July 2009, the definition of "grains" in the GTC was widened to include rice. In addition, the Council provides information on oilseeds. The IGC also administers the Food Aid Convention, 1999 (FAC) which, together with the GTC, forms part of the International Grains Agreement, 1995 (see also Food Aid Committee press release of 11 June 2010).

For more information, including IGC's latest supply and demand forecasts, and the IGC Grains Conference programme please consult IGC's web site (www.igc.int) or contact the Secretariat.

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