IGC PRESS RELEASE

Meeting of the International Grains Council
London, 3 December 2019

Members of the International Grains Council (IGC) convened for the 50th Council Session in London, on 3 December 2019. The meeting was chaired by Ms. Nathalie Dubé, Minister Counsellor, Commercial and Economic Division, High Commission of Canada, London.

The Secretariat presented its latest supply and demand forecasts and market developments for grains, rice and oilseeds1.

At 2,162m t, world total grains (wheat and coarse grains) production in 2019/20 was forecast to rise by 1% y/y, as bigger crops of wheat and barley were seen outweighing a decline for maize. Total grains consumption was predicted to climb to a new high of 2,188m t (+1% y/y). Global stocks of grains were projected to contract by 26m t, to a five-year low of 594m, entirely because of a drop in maize inventories. Trade (Jul/Jun) in grains was expected to reach a new all-time high of 375m t (+3% y/y). The world rapeseed area in 2020/21 was tentatively seen up by nearly 3% y/y, including gains in the EU and the Black Sea region.

Global rice production was predicted broadly steady y/y in 2019/20 as smaller crops in India and China were seen being offset by gains elsewhere. Accumulation in leading producers could see inventories reach a new peak. After declining in the prior year, trade was projected to rebound, but stay below past highs.

As the smallest US harvest in six seasons was expected to be only partially offset by larger outturns elsewhere, including in Brazil, global soyabean production in 2019/20 was tentatively seen contracting by 5% y/y, to 341m t. Consumption was predicted at a new high but, at 2%, y/y growth would pale in comparison to earlier periods. Mostly due to a drawdown in the US, carryovers were predicted to contract by one-third y/y, to 35m t. With bigger deliveries to China and a host of other markets offsetting smaller shipments to South America, trade was seen little-changed y/y, at 151m t.

The Secretariat updated the Council on its ongoing projects:

- **Rice**: the Council supported the work being done on the Africa Delivered Price Tool for rice which identifies the most commonly imported types of rice, as well as their points of origin and arrival ports, to generate an index which specifically reflects the costs of trading rice into Africa;

- **Pulses**: Members discussed the latest developments in the global pulses market and the Secretariat’s 2019/20 work programme which includes setting up of a pulses supply and demand balance database for key producing/exporting countries (dry peas, chickpeas, lentils) which would be available by July 2020. Members also approved the signing of a Memorandum of Understanding between the IGC and the Global Pulse Confederation (GPC);

- **Cost of trade in grains/oilseeds**: The Secretariat which currently calculates over 450 daily cost & freight prices for 17 commodity types across 200 grains/oilseeds routes is working on incorporating information on import tariffs for grains and soyabeans into the interactive web-based tool, including data from the WTO’s Integrated Database and Consolidated Tariff Schedules;

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Mr. Gary Martin, President of the IGTC, provided an update on current developments in policy and trade practice. The Council received statements from the WTO on recent developments. The Council welcomed the participation of Mexico, Paraguay and Serbia as observers.

The Council welcomed the Republic of Serbia’s interest in joining the organisation and invited its government to submit a formal letter of application.

On 4 December 2019 delegates attended a grains forum co-organised by the IGC and Canada titled “Impact of precision breeding innovations on the grains trade”. IGC’s members and representatives from the grains value chain exchanged information on the latest precision breeding techniques and reviewed how different regulations in countries could impact global grains trade and investment. The forum discussed ways to work together to minimize potential trade issues resulting from the different regulations.