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Meeting of the International Grains Council
London, 10 June 2019

Members of the International Grains Council (IGC) convened for the 49th Council Session in London on 10 June 2019. The meeting was chaired by Mr. Shuichi Akamatsu, Minister, Embassy of Japan.

The Council’s latest Grain Market Report (GMR499, 30 May 2019) formed the basis for discussions on the outlook for grains, rice and oilseeds. Total grains production in 2019/20 was projected to climb by 2% and would help to compensate for smaller opening stocks to lift overall supply a fraction higher than the season before. Nevertheless, with consumption growth predicted to outstrip the rise in supply, the third successive stock contraction was envisaged, to a four-season low. The retreat was entirely because of shrinking maize inventories, to their least in six years. In contrast, after falling in the prior season, wheat stocks were expected to rebound to a record level at the end of 2019/20. Grains trade was projected to expand on anticipated increased shipments of wheat and barley, and would potentially exceed the peak of two years ago.

Global soyabean production was seen marginally lower y/y in 2019/20 as a potentially smaller US outturn was only partly offset by larger crops elsewhere, principally in Brazil. Owing to the prolonged impact of African swine fever on Chinese demand, any expansion of global use was expected to be modest. And coupled with record opening stocks, carryovers were projected to remain elevated, especially in the US. Given policy and demand uncertainties, trade was tentatively placed little changed from the year before. The Council also forecast a further drop in global rapeseed/canola output in 2019/20 on smaller harvests in the EU and Canada, but exporters’ stocks were expected to be plentiful.

World rice production was projected at a new peak in 2019/20, as gains in some Asian producers and Africa more than offset an anticipated decline in China and the Americas. Global stocks would potentially reach a new high, albeit with China holding around 60% of the total. Trade in 2020 (Jan/Dec) was anticipated at a new all-time peak, with India remaining the leading exporter. Demand was expected to be underpinned by African purchasing, with buying from Far East Asia potentially subdued amid ample local availabilities.

The Secretariat updated the Council on progress with its economic work programme, including global five-year supply and demand projections to 2023/24, recent developments in the ocean freight market (GOFI), including an update on the new cost and freight calculation tool, and progress on establishing supply and demand balances for the world pulses sector. The Council considered recent changes in national policies as well as various administrative matters.

The Council approved the Secretariat’s 2019/20 work programme which included:

- Providing the fullest possible market information on grains, rice and oilseeds;
- Continuing to developing its work on pulses and collecting trade data to establish supply and demand balances for the major exporters;
- Enhancing collaboration with AMIS and other international organisations and the African region;
- Increasing information on the total cost of trade for grains and oilseeds.
At the Session the Council agreed to extend the Grains Trade Convention, 1995, by a further two years from 1 July 2019 to 30 June 2021.

The Council appointed Ms. Nathalie Dubé, Minister-Counsellor, High Commission of Canada, as Chair of the Council for 2019/20 and Ms. Corinne Roux, Policy Advisor, Trade Relations Unit, Federal Office for Agriculture (FOAG), Switzerland as Vice-Chair.

On 11-12 June, the IGC will welcome over 350 industry representatives to the 28th IGC Grains Conference. Leading government and industry speakers will exchange views on global grains and oilseeds market trends, including a focus on Africa, new developments in risk mitigation and how new technologies and climate change are shaping the grains and oilseeds sectors.

Day two of the conference will feature 6 workshops covering biodiesel trends, prospects for wheat products, pesticide MRLs and their importance for international trade of agricultural commodities, managing price risk in the rice trade and future of the grains shipping sector. The IGTC will present a panel on its work with industry and governments to achieve a market and regulatory environment supportive of trade that avoids disruptions in the international movement of grain, oilseeds, pulses and derivatives products.

PR (IGC June 2019)