

COARSE GRAINS

FAO's preliminary forecasts for world coarse grain markets in 2021/22 point to another season of tight supplies. Despite expectations of a sizeable increase in production, continued strong utilization growth is seen lowering stocks below opening levels for the fourth consecutive season.

At a record 1 516 million tonnes, world coarse grains production in 2021 is forecast to increase by 36 million tonnes (2.5 percent) from 2020, almost exclusively due to higher maize production. A large expansion in maize production in the United States of America accounts for the bulk of the expected global increase, in addition to greater outputs anticipated in China, the European Union and Ukraine. World production of sorghum is also foreseen to rise in 2021/22, while barley production is set to decline, largely on expected reduced output in Australia.

World utilization of coarse grains is forecast to increase in 2021/22 by 1.4 percent, reaching an all-time high of 1 526 million tonnes. The main driver of this growth is a rise in industrial use, stemming from expected greater utilization of maize for the production of ethanol in Brazil and, especially, the United States of America, as well as starch in China, as economies begin to recover from the COVID-19 pandemic. Increased feed use of both maize and sorghum, especially in China, is also seen lifting coarse grains utilization in 2021/22.

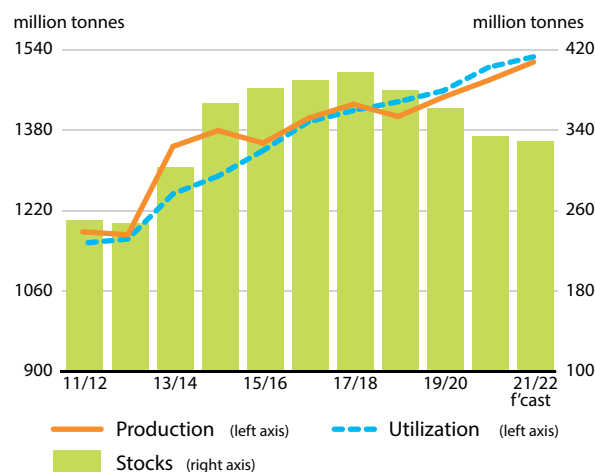
With the 2021/22 utilization forecast exceeding the global production forecast, coarse grains stocks are expected to contract by the close of seasons in 2022, falling by 1.7 percent below their opening levels. This decline is largely attributed to a likely further drawdown of maize inventories in China. In combination with the forecast rise in utilization, the expected fall in global coarse grain inventories would lower the world stocks-to-use ratio to its lowest level since 2012/13.

Larger shipments of maize and sorghum are seen balancing an expected reduction in barley trade, keeping global trade in coarse grains in 2021/22 near the 2020/21 record level. Continued strong import demand from China is anticipated to remain an important driver of the expected growth in trade for maize and sorghum, in addition to expectations of increased maize purchases by the European Union, Mexico, and Turkey. On the export side, larger shipments of maize are forecast for Argentina and Ukraine and increased sorghum exports are expected from the United States of America.

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COARSE GRAIN PRODUCTION, UTILIZATION AND STOCKS



WORLD COARSE GRAIN MARKET AT A GLANCE

	2019/20	2020/21 <i>estim.</i>	2021/22 <i>f'cast</i>	Change: 2021/22 over 2020/21
	<i>million tonnes</i>			%
WORLD BALANCE				
Production	1 447.0	1 479.7	1 516.1	2.5
Trade¹	210.4	233.8	234.2	0.1
Total utilization	1 459.3	1 505.5	1 526.5	1.4
Food	219.2	224.5	225.9	0.6
Feed	851.6	888.3	895.4	0.8
Other uses	388.6	392.7	405.3	3.2
Ending stocks²	361.6	333.9	328.2	-1.7
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/yr)	28.4	28.8	28.7	-0.4
LIFDC (kg/yr)	37.7	38.2	37.9	-0.9
World stocks-to-use ratio (%)	24.0	21.9	20.8	
Major exporters stocks-to-disappearance ratio ³ (%)	14.6	11.4	12.1	
FAO COARSE GRAIN PRICE INDEX (2014-2016=100)				
	2019	2020	2021 <i>Jan-May</i>	Change: Jan-May 2021 over Jan-May 2020 %
	95	101	143	53.3

¹ Trade refers to exports based on a common July/June marketing season.

² May not equal the difference between supply (defined as production plus carryover stocks) and total utilization due to differences in individual country marketing years.

³ Major exporters include Argentina, Australia, Brazil, Canada, European Union, Russian Federation, Ukraine and the United States of America.