



Ample supplies to help shield food markets from the COVID-19 crisis¹

Global cereal markets are expected to remain balanced and comfortable despite worries over the impacts of COVID-19. While localized disruptions, largely due to logistical issues, pose challenges to food supply chains in some markets, their anticipated duration and magnitude are unlikely to have a significant effect on global food markets.

GLOBAL CEREAL MARKETS EXPECTED TO REMAIN WELL SUPPLIED THROUGH 2019/20

The estimate of the Food and Agriculture Organization of the United Nations (FAO) for 2019 world cereal **production** has been revised upward by 1.2 million tonnes this month, and now stands at 2 721 million tonnes, surpassing the 2018 global output by 64.6 million tonnes (2.4 percent). The latest revision rests mostly on raised estimates for maize production in the European Union and the Russian Federation, based on higher-than-previously expected yields. As a result, world production of coarse grains in 2019 now stands at 1 445 million tonnes, 36.3 million tonnes higher year-on-year. The estimate for global wheat production remains unchanged since the previous month at 763 million tonnes, 30.9 million tonnes above the 2018 output and only slightly short of the record 765 million tonnes registered in 2016. There have been only minor adjustments to the global rice production outlook since March, with world output still expected at 512 million tonnes (milled basis), down only 0.5 percent from the 2018 high and the second largest volume on record.

PROSPECTS FOR 2020 CROPS²

FAO's forecast for 2020 world wheat production remains unchanged this month, with preliminary expectations still indicating an output of 763 million tonnes, a comparable level to the outturn in 2019. Lower outputs are expected in the European Union, Ukraine and the United States of America, mostly underpinned by area contractions. These declines are likely to be compensated by anticipated production gains in the Russian Federation, as well as in India and Pakistan; although in the latter two countries, pest infestations and recent unseasonal precipitations could temper the increases.

For coarse grains, harvesting of the 2020 crops is soon to commence in southern hemisphere countries. In South America, similar sized harvests to the previous year's bumper levels are forecast in Argentina and Brazil, primarily owing to above-average maize sowings. In South Africa, maize production is forecast to recover strongly from the drought-reduced level of 2019,

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² More detailed information can be found in the March issue of Food Crop Prospects and Food Situation
<http://www.fao.org/giews/reports/crop-prospects/>

exceeding 15 million tonnes and representing the second highest on record. In the northern hemisphere, planting of coarse grain crops has either commenced or is about to start. The recent downturn in international maize prices, reflecting in part the effects of the COVID-19 pandemic, could negatively influence sowing decisions.

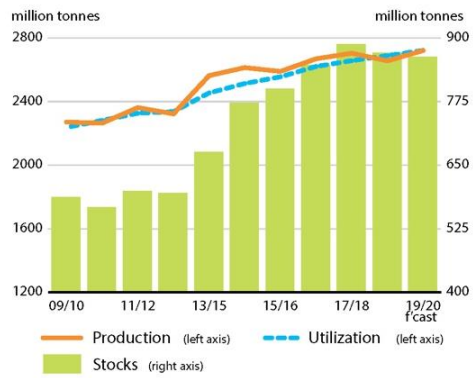
World cereal **utilization** forecast for 2019–2020 is lifted marginally to 2 722 million tonnes, now pointing to an expansion of 33 million tonnes (1.2 percent) from the 2018–2019 level. The global wheat utilization forecast remains nearly unchanged this month, as upward revisions made for China were balanced by a downward revision in the European Union resulting from lower than previously expected production and a faster pace in exports. Coarse grain utilization is now pegged at 1 447 million tonnes, roughly 19 million tonnes (1.3 percent) above 2018–2019, following upward revisions in maize utilization made this month for the European Union and the Russian Federation on larger production than earlier anticipated. FAO's forecast of world rice utilization in 2019–2020 has been lowered by 900 000 tonnes from last month to 513 million tonnes. At this level, world rice use would still surpass the 2018–2019 high by 0.9 percent, thanks to a 1.6 percent predicted expansion in food intake.

FAO's forecast for world cereal **stocks** by the close of the 2020 seasons has been lowered by almost 5 million tonnes, now totalling 8 million tonnes below their opening levels. As a result of this projected drop in cereal stocks, on top of the rise in forecast cereal utilization, the global cereals stocks-to-use ratio is down to 30.7 percent, which is still considered a comfortable level. Despite a reduction of 4.3 million tonnes (1.5 percent) this month on account of revised estimates in China, global 2019–2020 wheat inventories are still forecast to remain above their opening level by 1.4 million tonnes (0.5 percent). Global coarse grain stocks have also been trimmed since March, by 700 000 tonnes (0.2 percent), further amplifying the forecast decline from opening levels to over 9 million tonnes (2.2 percent), still reflecting large anticipated decreases in maize inventories. FAO's forecast of world rice stocks at the close of 2019–2020 has been raised by a further 400 000 tonnes to 183 million tonnes, which would imply a marginal (0.3 percent) decline from the previous season's record high. The major rice exporting countries account for all of this month's slight upward revisions, now expected to lift their aggregate level of reserves by 10.5 percent year-on-year, to a six-year high of 44 million tonnes.

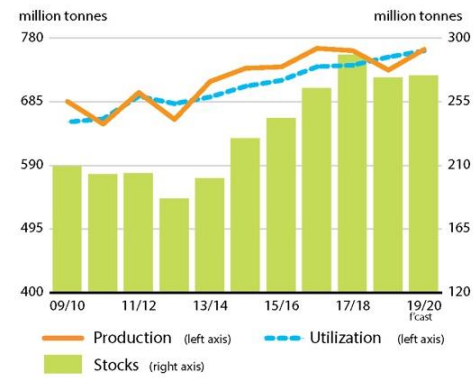
World **trade** in cereals in 2019–2020 is still forecast to rebound from 2018–2019 by 9.5 million tonnes (2.3 percent) and 420 million tonnes. Global 2019–2020 wheat trade (July/June) remains pegged at close to 174 million tonnes, a 3.2 percent recovery from 2018–2019, while the FAO 2019–2020 (July/June) forecast of world trade in coarse grains is also nearly unchanged, at 201.5 million tonnes, up 3.1 million tonnes (1.6 percent) from 2018–2019. Now surpassing 167 million tonnes, world maize trade in 2019–2020 (July/June) is forecast to reach an all-time high, with record maize shipments from Argentina, Brazil, and Ukraine more than compensating for a fall in exports from the United States of America. World rice trade in 2020 (January-December) is forecast to reach 45 million tonnes, down 700 000 tonnes from the March forecast but up 2.2 percent from the 2019 reduced level. The month-on-month revision primarily stems from less buoyant import expectations for the Asian Near East and Africa, while on the export side, forecasts were lowered for India and Thailand.

PRODUCTION, UTILIZATION AND STOCKS

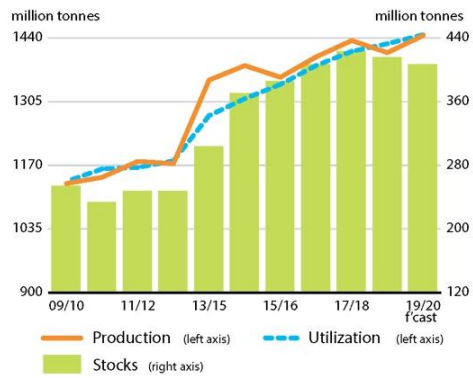
CEREAL



WHEAT



COARSE GRAINS



RICE



Source: FAO/GIEWS

Supply and Demand Summary tables in the next page

More information and full dataset can be accessed here:

<http://www.fao.org/worldfoodsituation/csdb/en/>

World cereal market						
	2015/16	2016/17	2017/18	2018/19 estimate	2019/20 forecast	
					Previous (05 Mar 2020)	Current (02 Apr 2020)
(. million tonnes)						
Production1/	2 589.4	2 668.9	2 703.9	2 656.0	2 719.4	2 720.6
Supply2/	3 360.4	3 467.8	3 549.5	3 541.9	3 592.1	3 590.0
Utilization	2 555.9	2 620.5	2 657.2	2 689.0	2 721.0	2 721.5
Trade3/	393.1	406.7	422.6	410.6	420.2	420.2
Ending Stocks4/	798.9	845.6	885.9	869.4	865.7	861.1
(. percent)						
World stock-to-use ratio	30.5	31.8	32.9	31.9	30.9	30.7
Major exporters' stock-to-disappearance ratio5/	17.0	17.8	18.3	18.8	18.7	18.8

World wheat market						
	2015/16	2016/17	2017/18	2018/19 estimate	2019/20 forecast	
					Previous (05 Mar 2020)	Current (02 Apr 2020)
(. million tonnes)						
Production1/	737.2	764.9	761.4	732.4	763.1	763.3
Supply2/	965.8	1 007.9	1 028.5	1 020.0	1 038.4	1 034.8
Utilization	717.1	737.5	739.7	751.9	761.5	761.2
Trade3/	167.5	176.9	177.4	168.2	173.7	173.7
Ending Stocks4/	243.1	267.0	287.6	271.5	277.2	272.9
(. percent)						
World stock-to-use ratio	33.0	36.1	38.3	35.7	35.9	35.3
Major exporters' stock-to-disappearance ratio5/	18.0	19.8	21.0	17.8	16.2	16.3

World coarse grain market						
	2015/16	2016/17	2017/18	2018/19 estimate	2019/20 forecast	
					Previous (05 Mar 2020)	Current (02 Apr 2020)
(. million tonnes)						
Production1/	1 356.9	1 400.0	1 434.7	1 409.1	1 444.1	1 445.4
Supply2/	1 726.2	1 784.6	1 840.8	1 831.5	1 858.5	1 860.1
Utilization	1 341.8	1 381.6	1 411.9	1 428.1	1 445.1	1 446.9
Trade3/	184.3	181.4	196.7	198.3	200.7	201.5
Ending Stocks4/	384.6	406.1	422.4	414.8	406.3	405.6
(. percent)						
World stock-to-use ratio	27.8	28.8	29.6	28.7	26.9	26.9
Major exporters' stock-to-disappearance ratio5/	13.4	14.8	15.7	16.1	15.4	15.3

World rice market						
	2015/16	2016/17	2017/18	2018/19 estimate	2019/20 forecast	
					Previous (05 Mar 2020)	Current (02 Apr 2020)
(. million tonnes)						
Production1/	495.3	504.0	507.7	514.6	512.2	512.0
Supply2/	668.3	675.3	680.3	690.4	695.2	695.1
Utilization	497.0	501.4	505.6	509.1	514.4	513.4
Trade3/	41.4	48.4	48.5	44.1	45.8	45.1
Ending Stocks4/	171.3	172.5	175.9	183.1	182.2	182.6
(. percent)						
World stock-to-use ratio	34.2	34.1	34.5	35.7	35.0	35.1
Major exporters' stock-to-disappearance ratio5/	19.7	18.9	18.1	22.6	24.5	24.9