

# Grains: Market expectations

H2 2024



9 August 2024

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# Speakers



Expana delivers independent business critical forecasts, proprietary prices and analysis on the grain markets, providing market participants with extensive coverage in all key regions across the world.



**Murphy Campbell**

Market reporter oilseeds, oils  
and grains



**Benoit Fayaud**

Senior manager – grains and crops  
analysis



**Zanna Aleksahhina**

Grains market reporter

# Agenda – Wheat and corn



Recent price movements



Market fundamentals



Market price sentiment going forward



# Wheat and corn recent price movement

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Murphy Campbell

Grains and Oilseeds Market Reporter



# Wheat price trend



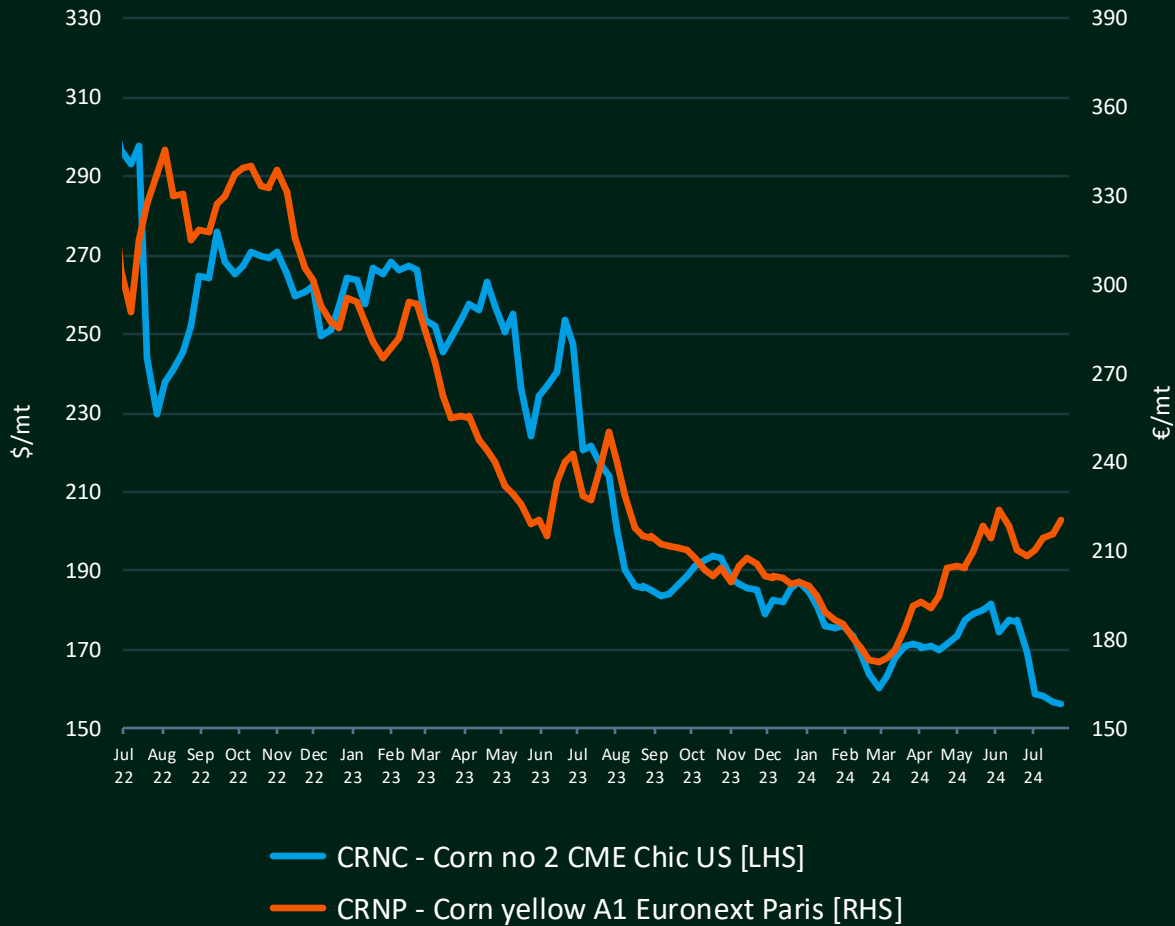
Source: Mintec Analytics by Expana

## Recent movement

- Harvest pressure
- Global wheat 2024/25 production estimate exceeded the expectations of many market players
- Dry hot weather in parts of Russia and Ukraine while parts of north/west Europe remained rainy in June/July
- Russian wheat production figures were revised upwards in July
- US winter wheat harvest at 86% complete (slightly ahead of the five-year average). Market players say that the crop looks good overall with expectations of favorable yields
- US spring wheat is currently 74% good/excellent. Market players are expecting very good yields as long as there continues to be adequate moisture

# Corn price trend

US and EU Corn Futures



Source: Mintec Analytics by Expana

## Recent movement

- Adverse weather in the Black Sea region, especially in Ukraine (without rain potentially repeating the 30- 35% yield reductions seen in 2020 across central, southern, and eastern regions) and Romania (production concerns) thus price volatility
- US corn conditions at 67% good/excellent. Market players say that the weather has been very good overall in the US Corn Belt. The crop has gotten through the development-critical month of July with good rainfall
- The Aug WASDE report will use Farm Service Agency data to estimate corn acreage. Market players say they will be looking at this closely to see how estimated production is impacted

# Wheat and corn market fundamentals

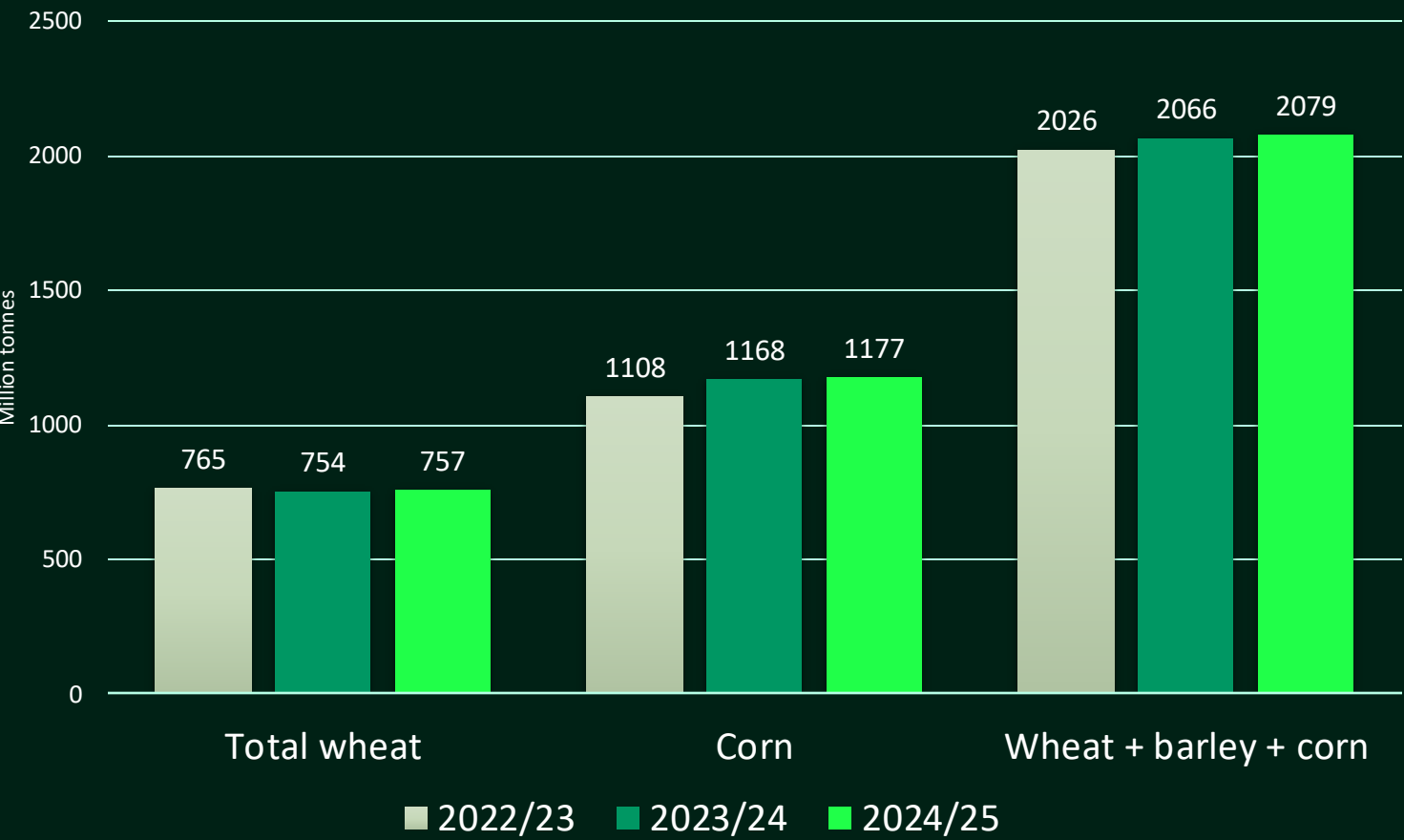
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Benoit Fayaud

Senior Manager, Grains and Crop Analysis



# World output of cereals



Source: Stratégie Grains by Expana

## What's ahead ?

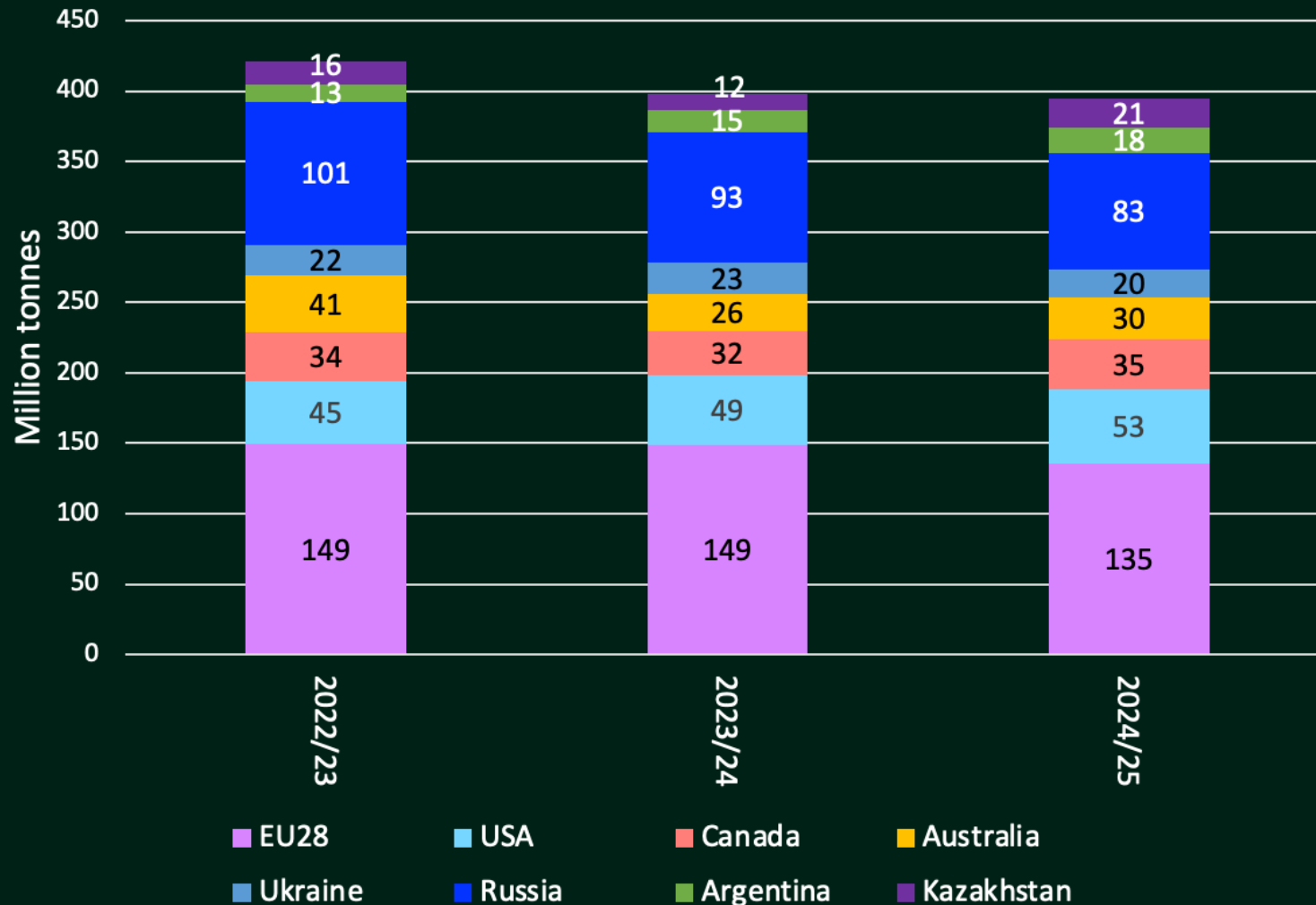
### Wheat:

- Moderate increase expected in 2024/25
- No return to the record-high level of 2022/23

### Corn:

- Moderate increase expected in 2024/25 after an already all-time high in 2023/24

# Wheat (soft + durum) production of main exporters



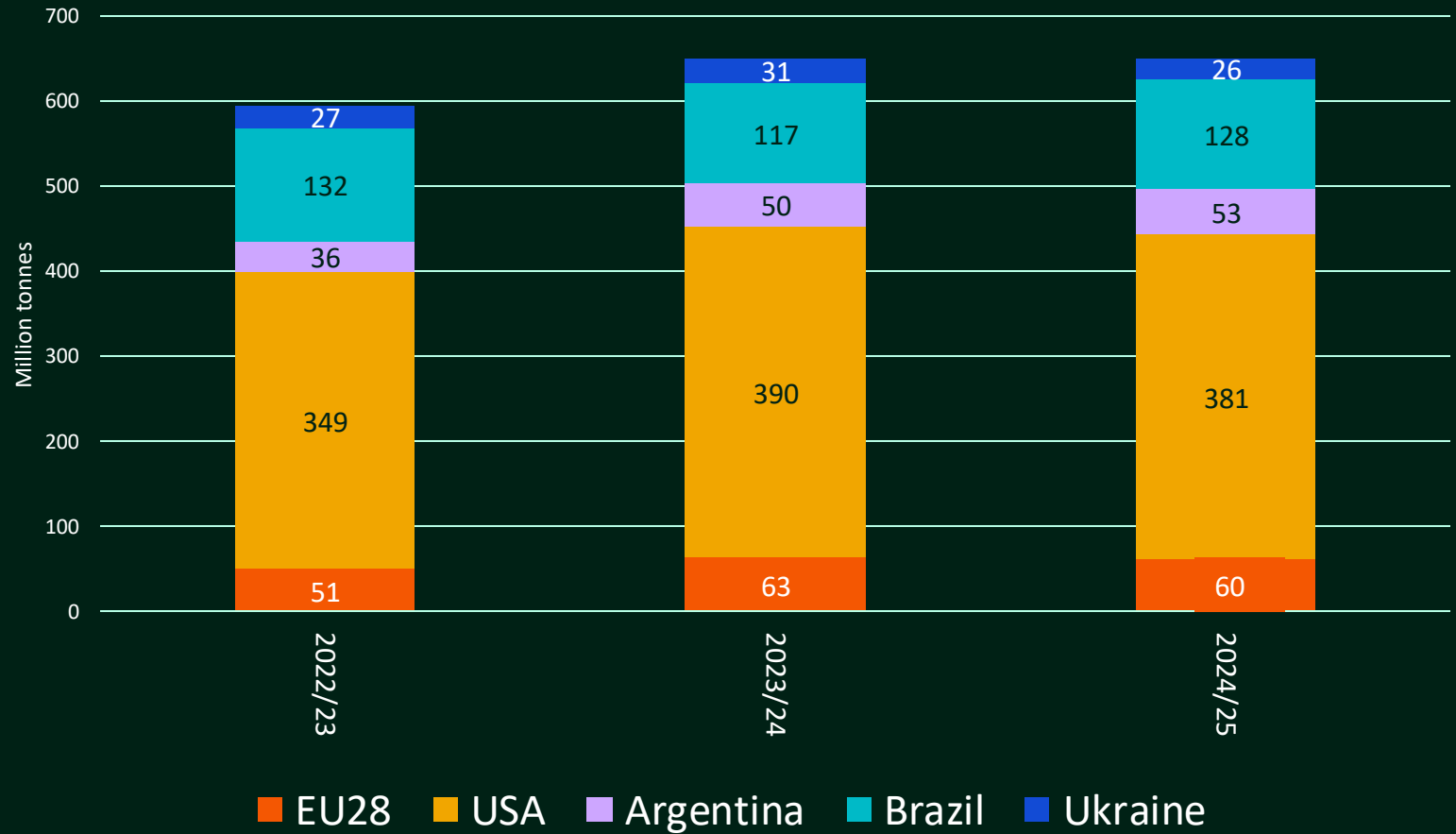
## Wheat production – Trends for 2024/25

- Overall very slight decrease in production of main exporters
- Decreases in the EU28 (EU27+UK), Russia and Ukraine
- Barely offset by increases in the US, Canada, Australia, Kazakhstan and Argentina
- To be noted: +3.6% year-on-year in Chinese production (importing country)
- Second highest crop ever in Kazakhstan (21 Mt)

## Corn production – Trends for 2024/25

- Corn production of main exporters expected more or less stable
- Decreases: US (lower area), Ukraine and the EU28 (EU27+UK, lower yields)
- Increases: Brazil (higher area), Argentina (higher yield)
- Production expected to increase in several importing countries (e.g. China)

## Corn production of main exporters



# Growth in global Human and Industrial (H&I) demand of wheat (soft + durum)

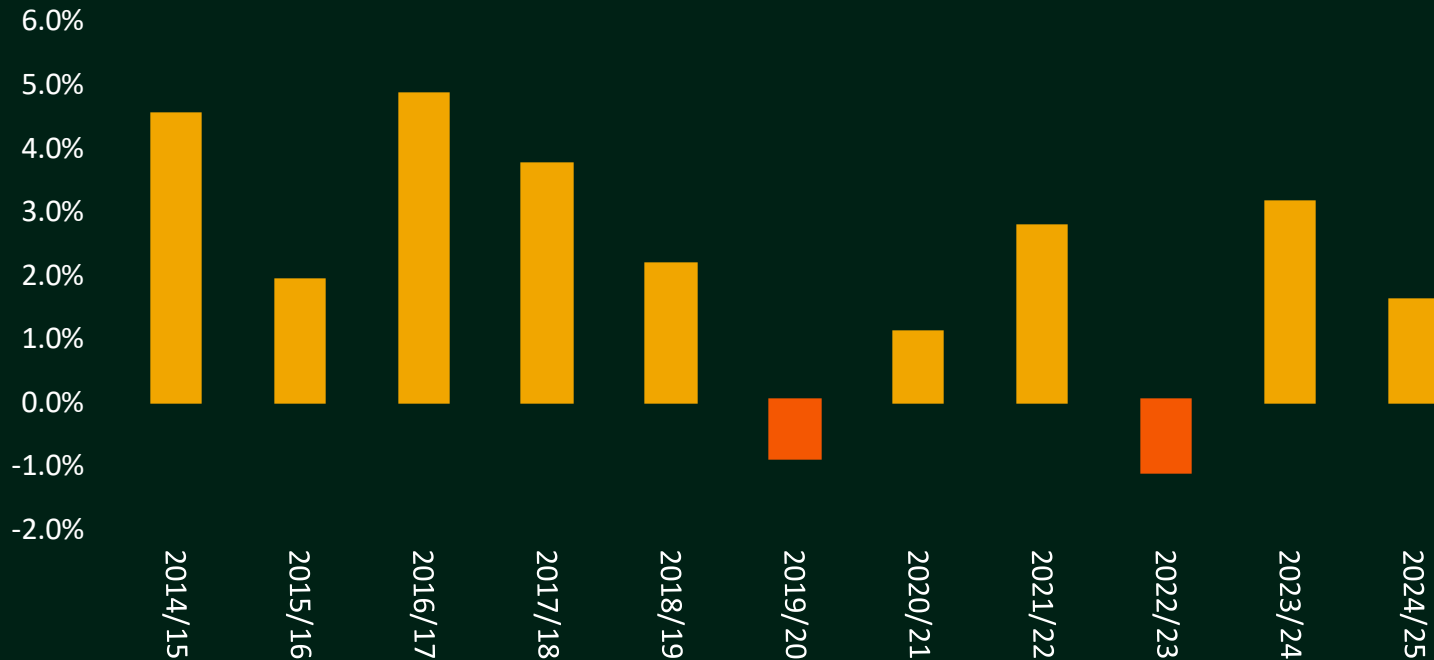


Source: Stratégie Grains by Expana

## Wheat H&I demand – Trends

- Which uses included in H&I ?:  
milling, starch, biofuels (excluding waste and seeds)
- 2018/19: poor harvest in the EU27+UK
- 2019/20: covid crisis
- 2020/21: post-covid recovery
- 2024/25: average growth expected

# Growth in global Human and Industrial (H&I) demand of corn



Source: Stratégie Grains by Expana

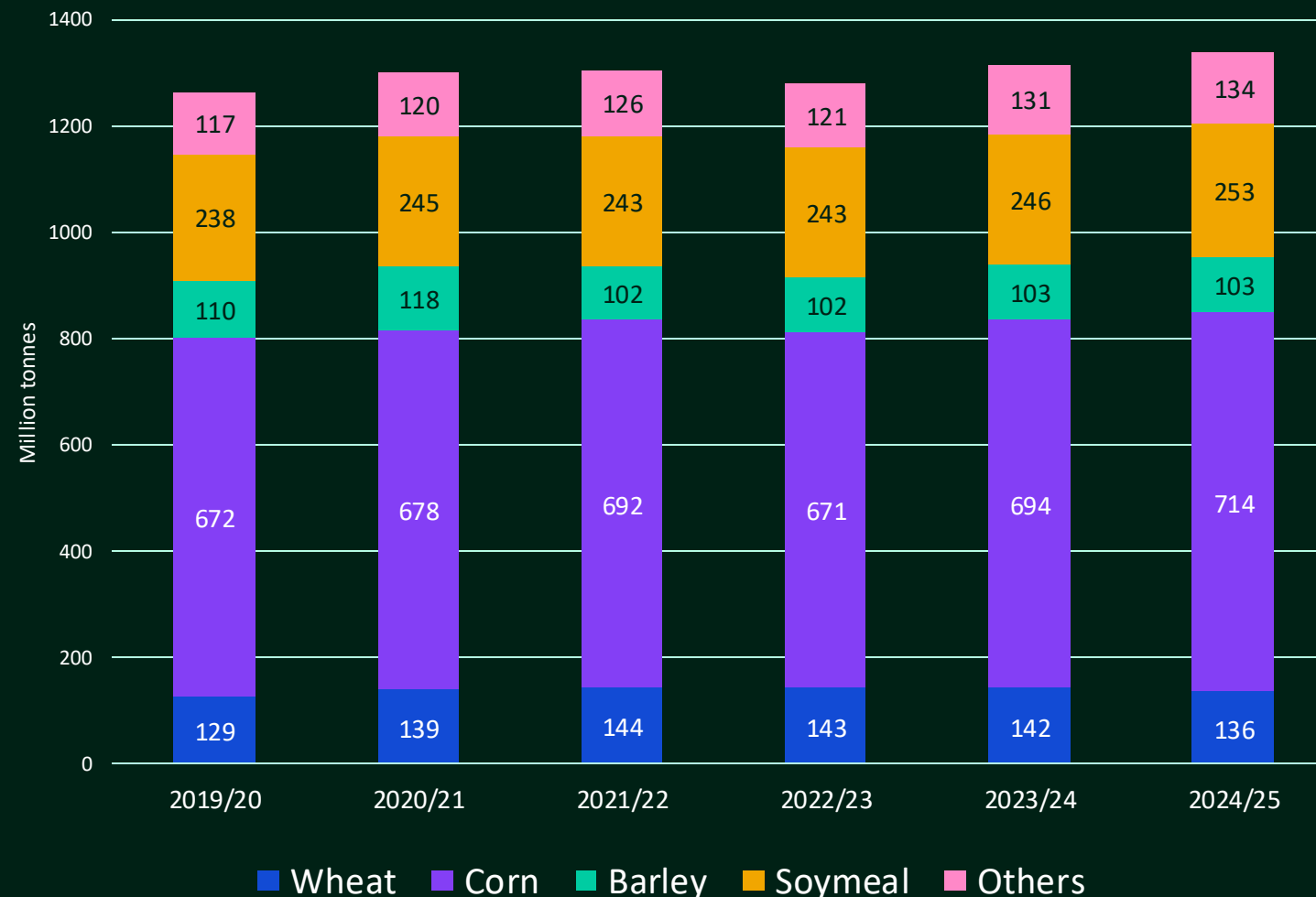
## Corn H&I demand – Trends

- Which uses included in H&I ?:  
milling, starch, biofuels (excluding waste and seeds)
- 2016/17: low corn prices
- 2019/20: covid crisis
- 2020/21 and 2021/22: post-covid recovery
- 2022/23: poor global harvest
- 2024/25: very moderate growth

## Feed demand – Trends

- Overall decrease in 2022/23 due to high prices
- Slight recovery in 2023/24 on higher corn supply
- Moderate growth expected in 2024/25 (+1.7%) on slight economic growth recovery
- Increase in corn demand in 24/25 on higher supply and good competitiveness vs wheat
- Increase in soymeal demand in 24/25 on attractive prices vs. other commodities
- Decrease in wheat demand due to lack of supply and lower competitiveness vs maize and soymeal

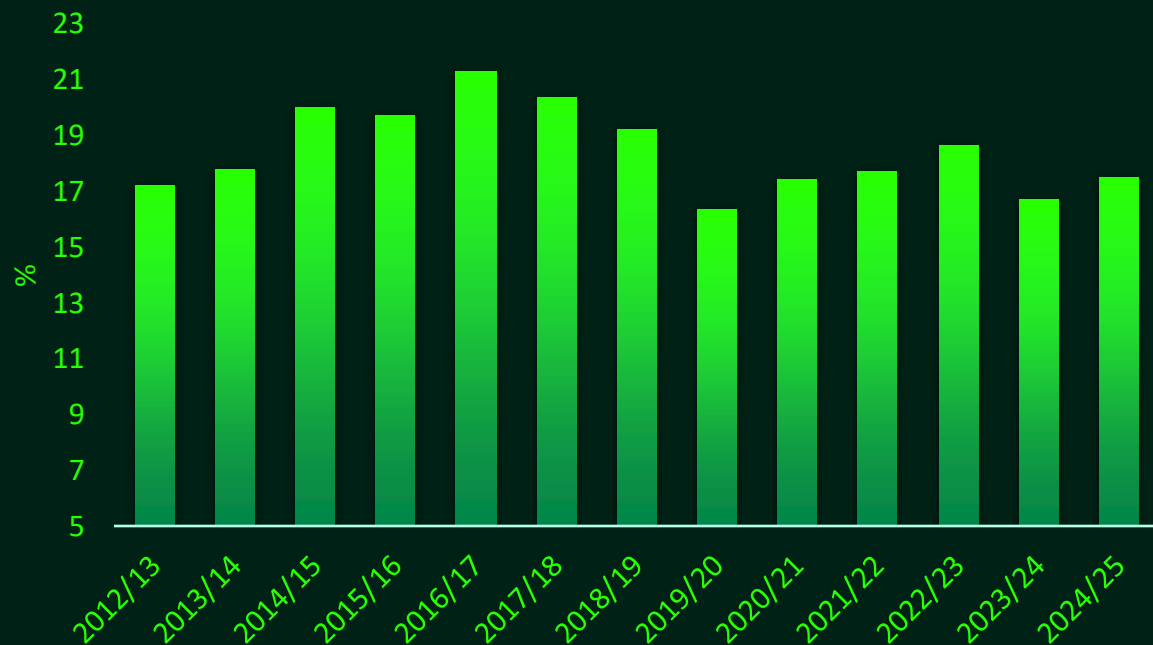
## Global feed demand



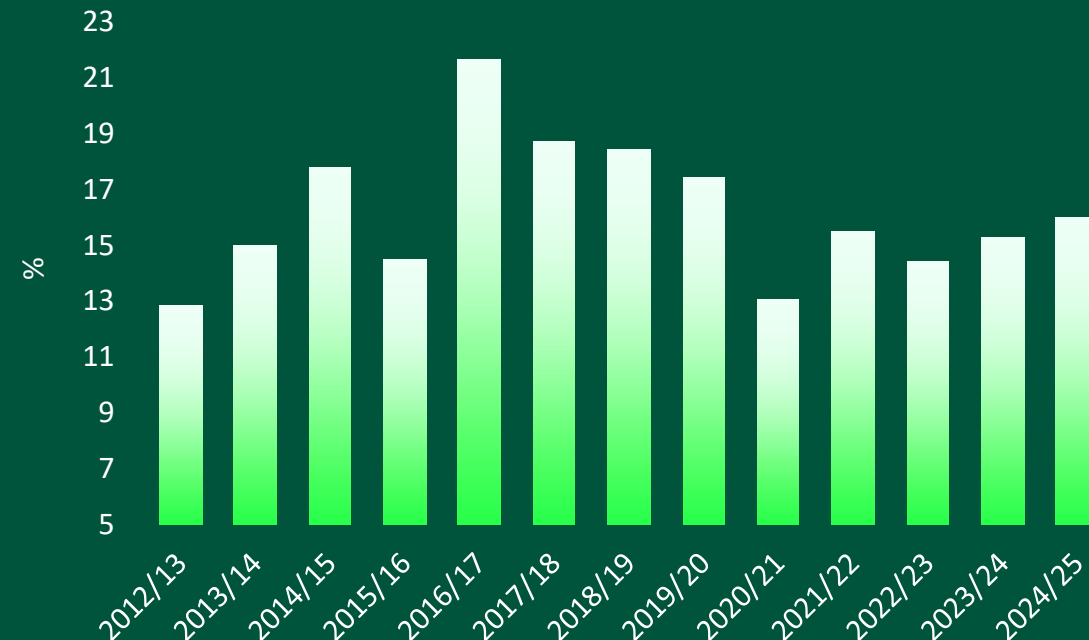
# Stocks/use ratio of main exporters

Source: Stratégie Grains by Expana

## WHEAT



## MAIZE



## Stocks/use ratio of main exporters – Trends

- Wheat: increase from 16.7% to 17.5% in 2024/25 vs a 10-year average of 18.8%
- Wheat: increase mainly in North America and Kazakhstan – decrease in EU and Russia
- Wheat: situation remains fragile with moderate tightness in EU and Russia and barely balanced situation in US and Australia (despite an increase in stocks) – heavy configuration in Kazakhstan and Argentina
- Maize: increase to 16% vs a 10-year average of 16.7%
- Maize: a balanced to comfortable situation expected in 2024/25

# Supply and demand of **wheat** of world and key market players

## World



July-June (Mt)	2022/23	2023/24	2024/25
Carry-in	226	231	222
Production	765	754	757
Trade	197	199	179
Feed demand	143	142	136
H&I demand + waste + seeds	617	621	626
Carry-out	231	222	218
World stocks/use ratio	30.5%	29.1%	28.6%

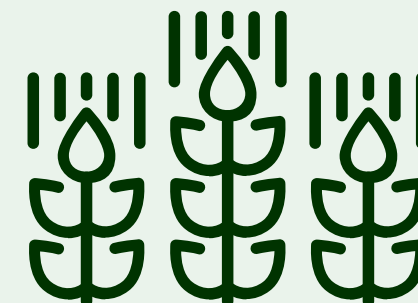
## USA



July-June (Mt)	2022/23	2023/24	2024/25
Carry-in	14.5	12.0	15.4
Production	44.9	49.3	53.0
Exports	19.9	19.3	23.6
Imports	2.1	2.5	2.1
Feed demand	1.9	2.2	2.7
H&I demand + waste + seeds	26.1	25.3	25.8
Carry-out	12.0	15.4	16.8

## Supply and demand of wheat – Trends for 2024/25

- World: lower feed demand and increasing production does not offset low carry-in stocks
- World: decrease of 4.5 Mt of world carry-out stocks to the lowest level since 2013/14
- USA: higher carry-in stocks and production enable higher exports and carry-out stocks
- USA: situation nevertheless expected barely balanced



# Supply and demand of **wheat** of world and key market players

## Russia



July-June (Mt)	2022/23	2023/24	2024/25
Carry-in	11.0	17.6	14.0
Production	101.1	92.8	82.5
Exports	48.5	54.1	44.2
Imports	0.0	0.0	0.0
Feed demand	18.9	17.5	17.3
H&I demand + waste + seeds	16.9	16.5	16.5
Carry-out	17.6	14.0	9.9

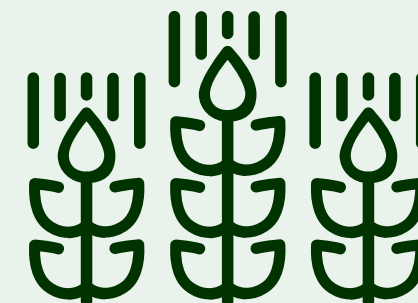
## EU27



July-June (Mt)	2022/23	2023/24	2024/25
Carry-in	12.6	15.1	15.5
Production	133.6	134.6	123.9
Exports	32.5	34.2	27.4
Imports	11.8	12.6	8.2
Feed demand	43.9	45.9	41.8
H&I demand + waste + seeds	59.6	59.9	59.7
Carry-out	15.1	15.5	11.9

## Supply and demand of wheat – Trends for 2024/25

- Russia: sharp decrease in production and carry-in stocks leads to lower ending stocks
- Russia: rather tight situation expected due to high competitiveness – but slow start to exports in July
- EU27: sharp decrease in production offset two marketing years of heavy situation
- EU27: toward a rather tight configuration



# Supply and demand of **maize** of world and key market players

## World



October-September (Mt)	2022/23	2023/24	2024/25
Carry-in	274	272	293
Production	1108	1168	1177
Trade	180	189	186
Feed demand	671	694	714
H&I demand + waste + seeds	439	453	460
Carry-out	272	293	296
World stocks/use ratio	24.5%	25.5%	25.2%

## USA



October-September (Mt)	2022/23	2023/24	2024/25
Carry-in	35.0	34.6	51.7
Production	348.8	389.7	380.8
Exports	43.0	55.5	58.2
Imports	0.9	0.5	0.5
Feed demand	138.6	143.3	145.4
H&I demand + waste + seeds	168.5	174.3	174.9
Carry-out	34.6	51.7	54.5

## Supply and demand of maize – Trends for 2024/25

- World: highest expected ending stocks since 2018/19
- USA: high carry-in stocks and decent production should maintain high stocks
- USA: situation to remain rather heavy despite increasing exports



# Supply and demand of **maize** of world and key market players

## Brazil



October-September (Mt)	2022/23	2023/24	2024/25
Carry-in	29.7	29.7	23.1
Production	131.9	117.4	128.5
Exports	52.9	42.4	42.0
Imports	1.6	1.8	2.2
Feed demand	59.5	60.1	61.0
H&I demand + waste + seeds	21.1	23.3	25.6
Carry-out	29.7	23.1	25.2

## Ukraine



October-September (Mt)	2022/23	2023/24	2024/25
Carry-in	9.3	4.0	1.1
Production	27.0	31.0	26.1
Exports	27.1	28.6	21.1
Imports	0.0	0.0	0.0
Feed demand	3.0	3.3	3.3
H&I demand + waste + seeds	2.2	2.0	1.8
Carry-out	4.0	1.1	1.0

## Supply and demand of maize – Trends for 2024/25

- Brazil: sharp increase in production should offset low carry-in stocks
- Brazil: situation however still tight despite low exports
- Ukraine: lower production and carry-in stocks should dry up Ukrainian stocks
- Ukraine: structural withdrawn of Ukraine from the corn market due to the war ?



# Wheat and corn market price sentiment going forward

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Zanna Aleksahhina

Grains Market Reporter



# Wheat market price sentiment

- New harvest
- Uncertain crop yields and quality results in the EU
- Absence of Chinese demand
- Turkey's wheat import ban until October
- Rather tight global ending stocks for major exporters



## Harvest pressure

Poor harvest outcomes in Europe are counterbalanced by the swift harvest progress in the US and competitive exports from the Black Sea region.

Buyers are increasingly sourcing high-quality wheat from the Black Sea.

Expectations of good yields of spring wheat in the Northern Hemisphere could help stabilise prices in the near term.

Nevertheless, market players indicate that the tightening wheat balance among major exporters suggests that wheat prices may find support towards the end of 2024 or early 2025.

# Corn market sentiment

- High US stocks
- Production decline in Eastern Europe (Ukraine, Romania, Bulgaria)
- Favorable weather conditions in the US
- Absence of Chinese demand
- Decreasing stocks of wheat could provide support for corn demand

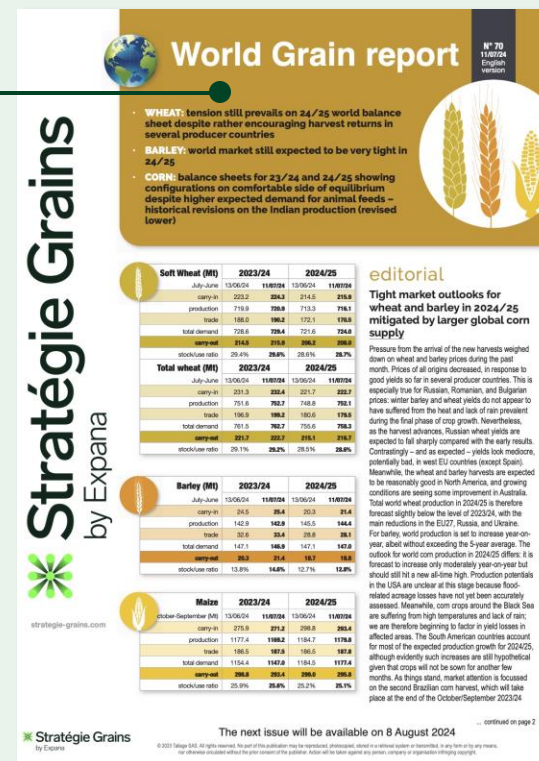
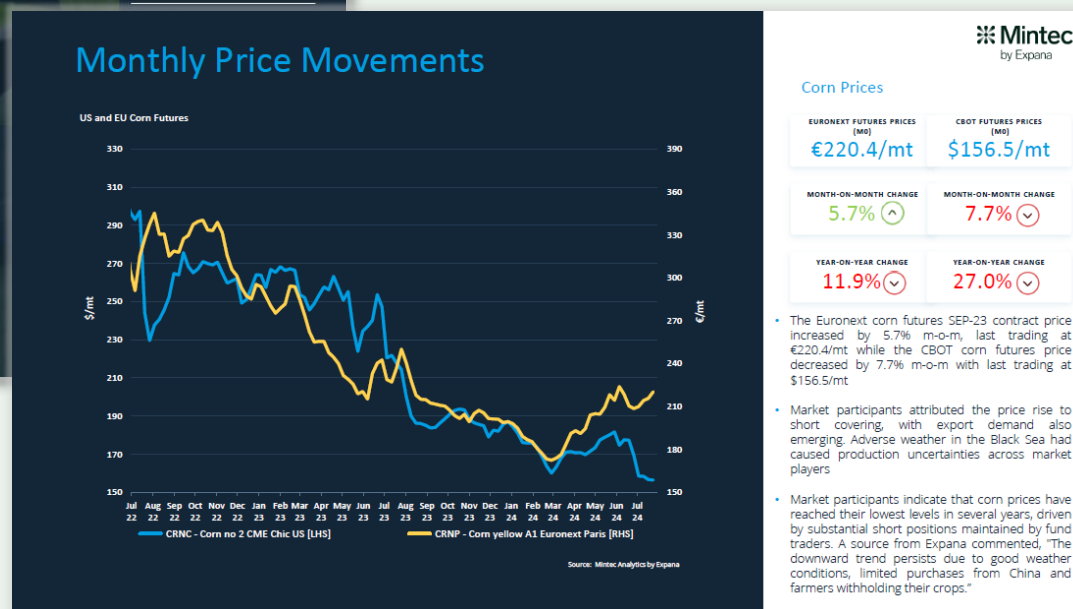
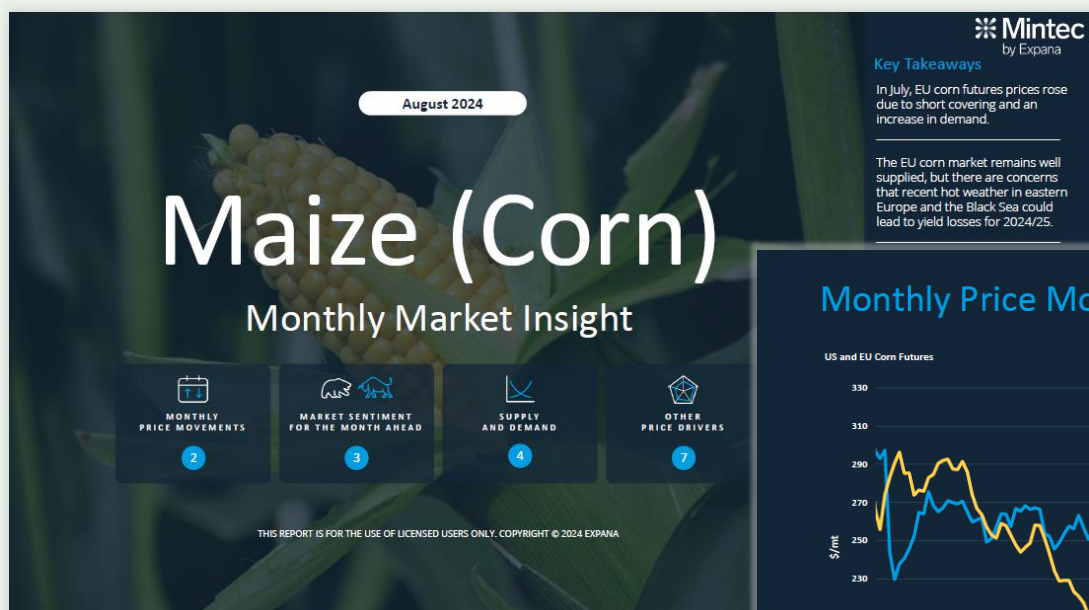
## MARKET SENTIMENT



### Well supplied market

Global projections indicate a well-supplied global corn market, although uncertainty persists regarding the Black Sea region. The US corn belt crop conditions remain a watch-out factor into the next month.

# Sample of reports/analysis



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