

Global Grain Market Outlook, March 2011

- World barley production down 17% to the lowest level in 40 years (U.S. crop down 21%), usage down 4% (U.S. down 3%) and carryover down 40% (U.S. down 21%). Malting barley crops were significantly smaller in the EU, Canada, U.S. and Australia compared to last year's bumper crops, helping to draw down large malt inventories in the face of lackluster beer demand.
- World wheat production down 5% (U.S. crop down slightly), usage up 2% (U.S. up 3%) and carryover down 8% (U.S. down 14%).
- World corn production up slightly (U.S. crop down 5%), usage up 2% (U.S. up 4%) and carryover down 15% (U.S. down 60%).

Key Drivers -

- **U.S. beer demand remains stagnant** (down more than 2% in 2010).
- **Australian wheat crop finished poorly, resulting in smaller milling stocks, larger share of exports from U.S. during 2nd half of the year and increased competition from feed wheat.**
- **U.S. winter wheat acres up 10%, but in generally poor condition.**
- **USDA raised its domestic corn usage estimate and lowered ending stocks to the lowest in past 30 years (5% stocks to use).**
- **How much corn will China need to import this year to meet its expanding livestock feed demand?**
China has been purchasing feed wheat from Australia, but many analysts still believe China will need to import several million metric tons of corn before the end of the marketing year to refill strategic reserves and meet rising demand for feed grains.
- **Outside market influences** – investment money flow, value of the dollar and crude oil will continue to strongly influence market direction, with recent high volatility attributed to geopolitical tensions in the Middle East and North Africa.

MY 2011 U.S. Grain Supply & Demand, USDA, March 10, 2011 (million bu)						
	BARLEY		CORN		WHEAT	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Harvested Acres (mln)	3.1	2.5	79.5	81.4	49.9	47.6
Carryin	89	115	1,673	1,708	657	976
Production	227	180	13,092	12,447	2,218	2,208
Imports	17	10	8	20	119	110
Total Supply	333	306	14,774	14,175	2,993	3,294
Food, seed & industrial	164	160	5,939	6,350	986	1,006
Ethanol			4,568	4,950		
Feed	48	45	5,140	5,200	150	170
Exports	6	8	1,987	1,950	881	1,275
Total usage	217	213	13,066	13,500	2,018	2,451
End stocks	115	93	1,708	675	976	843
Stocks to use	53%	44%	13%	5%	48%	34%

World Grain Supply & Demand
USDA, March 10, 2011 (million metric tons, MMT)

	BARLEY		CORN		WHEAT	
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11
Carryin	31.0	36.5	147.8	144.5	167.2	197.3
Production	149.6	124.2	812.4	813.8	682.6	647.6
Total Supply	180.6	160.7	960.2	958.3	849.8	844.9
Export trade	17.3	16.0	93.2	92.1	134.2	124.3
Total Usage	144.2	138.5	815.7	835.2	652.5	663.0
Carryout	36.5	22.1	144.5	123.1	197.3	181.9
Stocks / Use	25.3%	15.9%	17.7%	14.7%	30.2%	27.4%