

Current Global Grain Market Outlook, Nov. 2012

- World barley production down 3% (U.S. crop up 41%), usage down 2% (U.S. up 9%) and carryover down 11% (U.S. up 34%). **Consumption will outpace production for the 3rd consecutive year. Near record low global stocks-to-use.**
- World wheat production down 6% (U.S. crop up 13%), usage down 3% (U.S. up 13%) and carryover down 12% (U.S. down 5%).
- World corn production down 5% (U.S. crop down 12%), usage down 2% (U.S. down 9%) and carryover down 11% (U.S. down 35%). **Lowest global and domestic stocks-to-use on record.**

Key Drivers to Watch -

- Outside market influences / investor attitudes** – investment money flow continues to be highly erratic due to continued uncertainties about Europe's debt crisis and mixed views on the prospects for global economic growth. Volatility is likely to remain high through the year.
- U.S. beer demand showing modest rebound** - down 1.7% in 2011 but 1H 2012 up 1.3%.
- How much corn will China need to import to meet its expanding livestock feed demand?** They have imported about 1.1 MMT so far this year, compared to 5.174 MMT last year.
- Future of U.S. ethanol industry** – In the wake of a record drought that cut U.S. corn production by 30%, petitions were filed with EPA this summer to suspend the Renewable Fuels Standard which mandates blending 13.2 billion gallons ethanol in 2012 (4.7 billion bu corn) and 13.8 billion gallons in 2013 (4.9 billion bu corn). EPA must rule on petitions by early November.

MY 2011/12 U.S. Grain Supply & Demand						
USDA, Nov. 9, 2012 (million bu)						
	BARLEY		CORN		WHEAT	
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
Harvested Acres (mln)	2.2	3.2	84	87.7	45.7	49.0
Carryin	89	60	1,128	988	862	743
Production	156	220	12,358	10,725	1,999	2,269
Imports	16	20	29	100	112	130
Total Supply	261	300	13,515	11,814	2,974	3,142
Food, seed & industrial	155	155	6,437	5,867	1,017	1,023
Ethanol			5,011	4,500		
Feed	38	55	4,547	4,150	164	315
Exports	9	10	1,543	1,150	1,050	1,100
Total usage	201	220	12,527	11,167	2,231	2,438
Ending stocks	60	80	988	647	743	704
Stocks-to-use	30%	36%	7.9%	5.8%	33.3%	29%

MY 2011/12 World Grain Supply & Demand
USDA, Nov. 9, 2012 (million metric tons, MMT)

	BARLEY		CORN		WHEAT	
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
Carryin	24.3	22.8	127.0	132.1	197.9	197.9
Production	134.3	130.8	880.5	839.7	696.1	653.0
Total Supply	158.6	153.6	1007.5	971.8	894.0	850.9
Export trade	21.2	17.5	102.6	95.7	152.8	138.8
Total Usage	135.8	133.4	875.4	853.8	696.1	675.1
Carryout	22.8	20.2	132.1	118.0	197.9	174.2
Stocks / Use	16.8%	15.1%	15.1%	138%	28.4%	25.8%