# Current Global Grain Market Outlook, November 2013

| **MY 2013-14** USDA Nov 8 | **World Barley** | **U.S. Barley** | **World Corn** | **U.S. Corn** | **World Wheat** | **U.S. Wheat** |
|---|---|---|---|---|---|---|
| **Output** | **141.4 MMT + 9%** | **4.7 MMT - 1%** | **962.8 MMT + 12%** | **355.3 MMT +30%** | **706.4 MMT + 8%** | **57.9 MMT - 6%** |
| **Carryover** | **22.8 MMT + 12%** | **1.7 MMT + 3%** | **164.3 MMT + 22%** | **47.9 MMT +130%** | **178.5 MMT + 2%** | **15.4 MMT - 21%** |
| **Stocks / Use** | **16%** | **33%** | **18%** | **15%** | **25%** | **23%** |

## Key Market Drivers -

- **Investment money flow continues to fluctuate widely** based on global economic growth prospects, currency, fiscal and monetary policies and geopolitical risks, increasing **VOLATILITY** in commodity futures markets.
- **BIG RECOVERY in 2013 grain production and carryover stocks** – Global and US grain production recovered substantially in 2013, expanding carryover and pressuring global grain prices**.**
- **U.S. beer demand has weakened in the first three quarters of 2013, after increasing 1.3% in 2012.**
- **Chinese corn imports continue to be a WILD CARD.** China has purchased 4.45 MMT of U.S. corn so far this year, compared to 2.45 MMT for all of last year. Projections show Chinese corn production increasing this year to at least 211 MMT, up 2%, but still falling short of rising domestic demand.
- **U.S. ethanol demand –** Ethanol production fell 7% last year due to record high corn prices. This trend has reversed recently on lower corn prices, with USDA now projecting ethanol use will rebound 5% this year. But the **fate of the Renewable Fuels blending mandate** could greatly impact future corn demand. EPA is currently deliberating its 2014 RFS, with leaked documents suggesting that EPA will lower the conventional ethanol requirement from 14.4 billion gallons to 13 billion gallons, below the 2013 mandate of 13.8 billion gallons and below actual 2013 production of 13.2 billion gallons. Legislation to radically alter the RFS mandate has stalled in Congress.

| MY 2013/14 World Grain Supply & Demand<br>USDA, Nov. 8, 2013 (million metric tons, MMT) | | | | | | |
|---|---|---|---|---|---|---|
| | BARLEY | | CORN | | WHEAT | |
| | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 |
| Carryin | 22.6 | 20.4 | 132.5 | 134.9 | 199.4 | 175.6 |
| Production | 129.9 | 141.4 | 862.7 | 962.8 | 655.5 | 706.4 |
| Total Supply | 152.5 | 161.8 | 995.2 | 1,097.7 | 854.9 | 882.0 |
| Export trade | 19.8 | 19.3 | 99.7 | 109.2 | 147.4 | 152.1 |
| Total Usage | 132.1 | 138.9 | 860.3 | 933.4 | 679.3 | 703.5 |
| Ending Stocks | 20.4 | 22.8 | 134.9 | 164.3 | 175.6 | 178.5 |
| Stocks / Use | 15% | 16% | 16% | 18% | 26% | 25% |

| MY 2013/14 U.S. Grain Supply & Demand<br>USDA, Nov. 8, 2013 (million bu) | | | | | | |
|---|---|---|---|---|---|---|
| | BARLEY | | CORN | | WHEAT | |
| | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 |
| Harvested Acres (mln) | 3.2 | 3.0 | 87.4 | 87.2 | 48.9 | 45.2 |
| Carryin | 60 | 80 | 989 | 824 | 743 | 718 |
| Production | 220 | 215 | 10,780 | 13,989 | 2,266 | 2130 |
| Imports | 23 | 25 | 162 | 25 | 123 | 150 |
| Total Supply | 304 | 320 | 11,932 | 14,837 | 3,131 | 2,998 |
| Food, seed & industrial | 155 | 155 | 6,044 | 6,350 | 1,018 | 1,023 |
| Ethanol | | | 4,648 | 4,900 | | |
| Feed | 59 | 75 | 4,333 | 5,200 | 388 | 310 |
| Exports | 9 | 10 | 731 | 1,400 | 1,007 | 1,100 |
| Total Usage | 223 | 240 | 11,108 | 12,950 | 2,414 | 2,433 |
| Ending Stocks | 80 | 80 | 824 | 1,887 | 718 | 565 |
| Stocks / Use | 36% | 33% | 7% | 15% | 30% | 23% |