

International Grain Market Opportunities & Threats

2023 Online Risk & Profit Conference - ZOOM Webinar

Friday, August 25, 2023



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K-STATE AGRICULTURAL ECONOMISTS

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UNIVERSITY

Department of Agricultural Economics



Black Sea & EU Crop Moisture

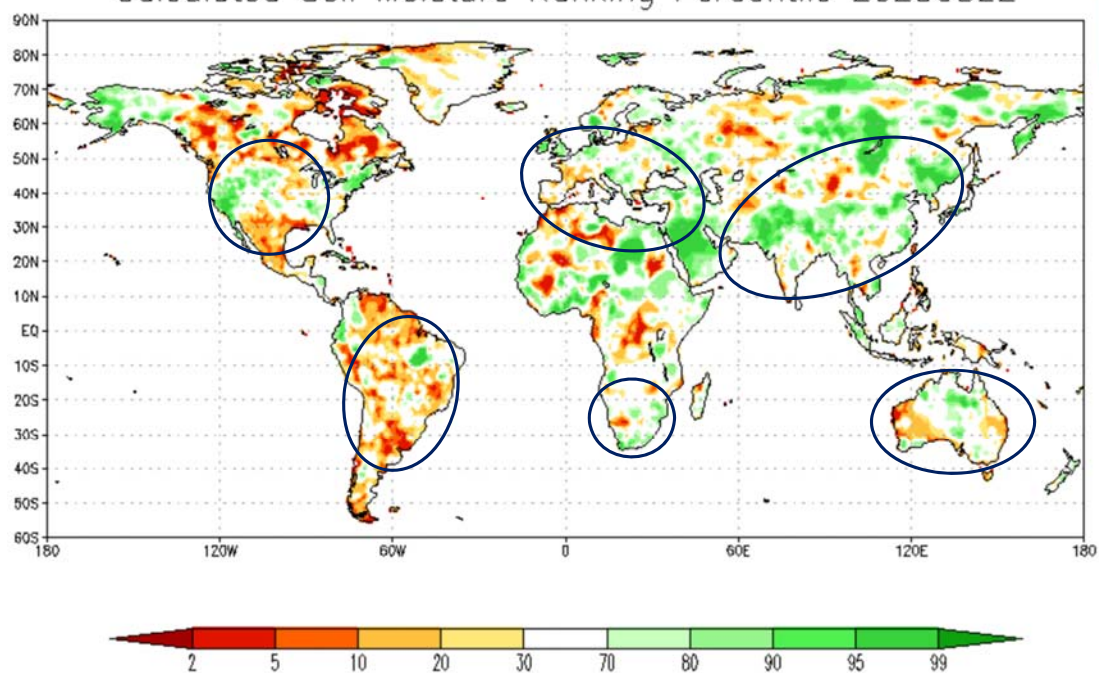
2



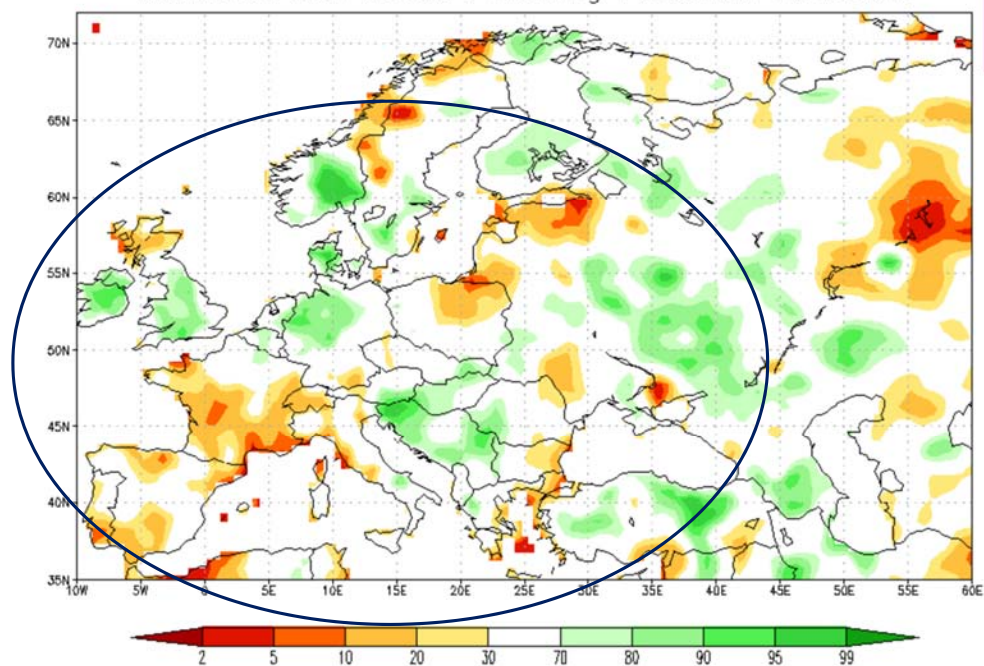
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Calculated Soil Moisture Ranking Percentile 20230822



Calculated Soil Moisture Ranking Percentile 20230822



Wheat Markets

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Weekly Commodity Futures Price Chart Wheat (Kansas) (Electronic) (KCBT)

TFC Commodity Charts

<https://futures.tradingcharts.com/printchart/KE/W>

KE - Wheat (Kansas) (Electronic) - Weekly Chart

Change: 0.500

08/25/2023 O: 765.000 H: 771.750 L: 741.750 C: 765.500 Vol: 29703 OI: 190563



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Global Wheat Markets *International Grains Council, 8/8/2023*

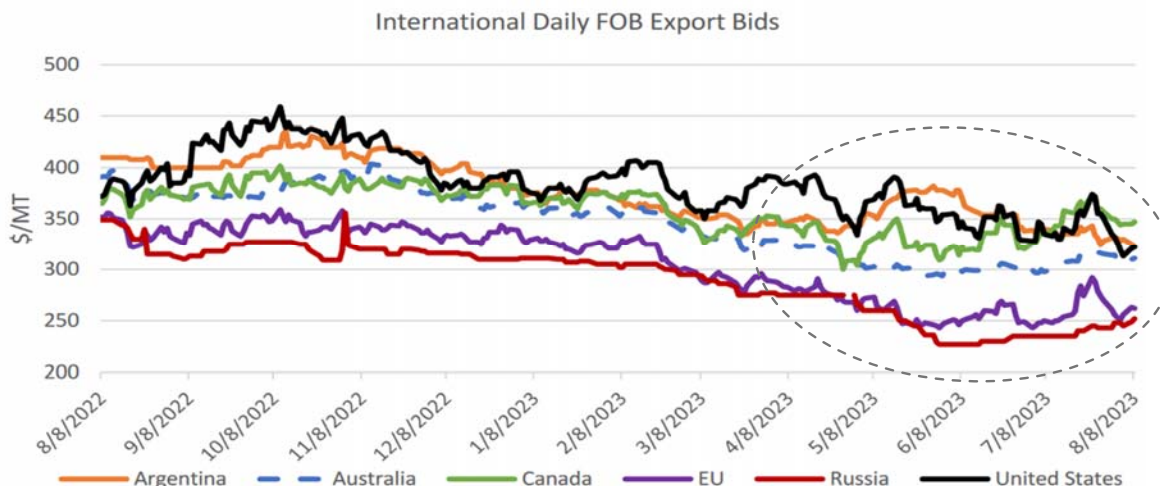
7

Argentina	Australia	Canada	EU	Russia	United States
\$323	\$311	\$347	\$262	\$252	\$322

Note: As of August 8, 2023

Source: International Grains Council

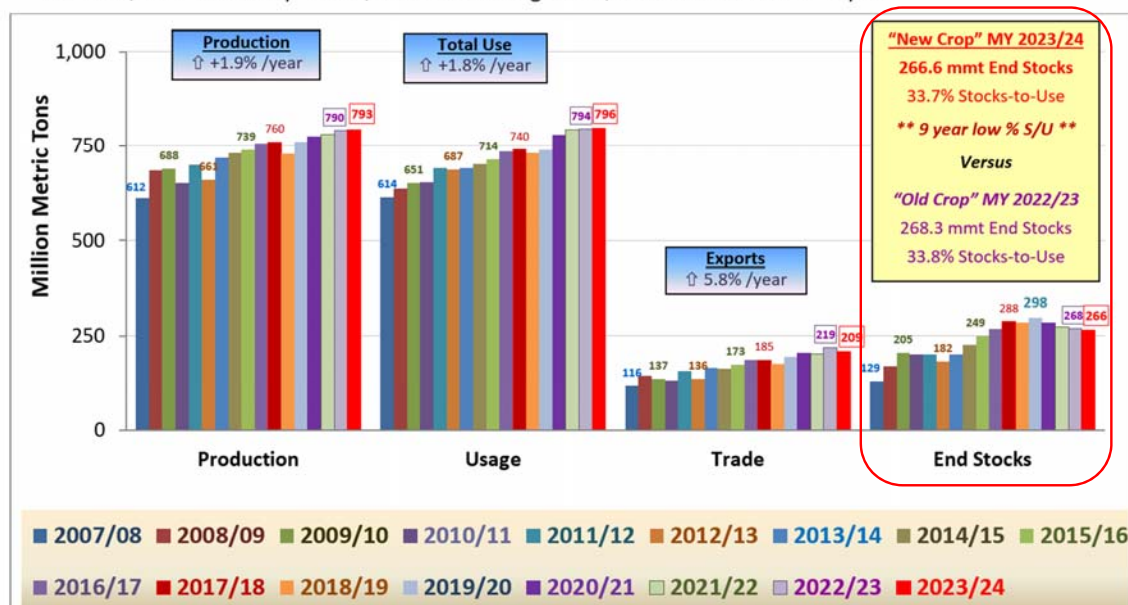
*Note on FOB prices: Argentina- 12.0%, up river; Australia- average of APW; Kwinana, Newcastle, and Port Adelaide; Russia - Black Sea- milling; EU- France grade 1, Rouen; US- HRW 11.5% Gulf; Canada- CWRs (13.5%), Vancouver



World Wheat Usage & Ending Stocks

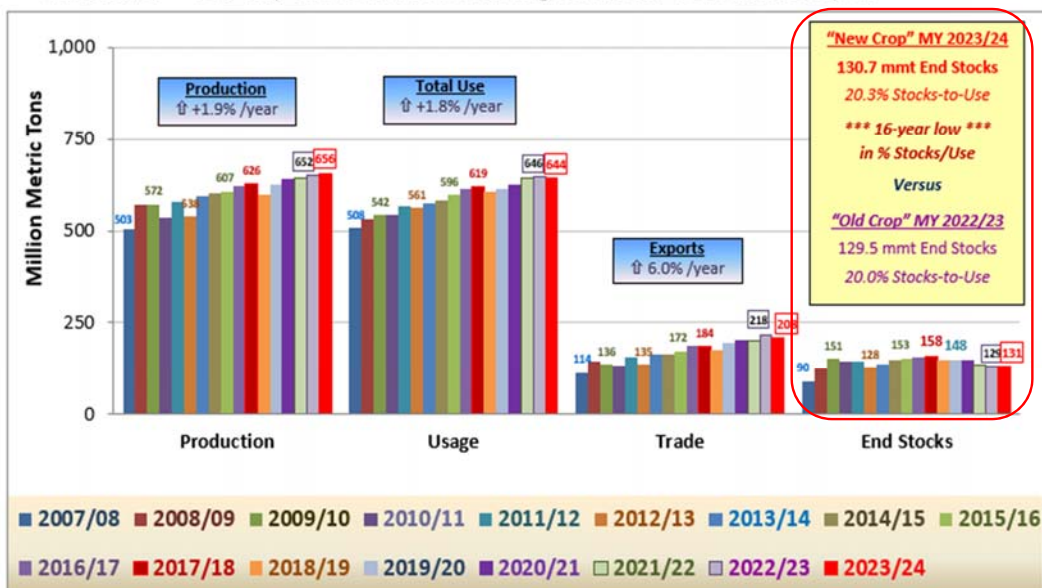
8

MY 2007/08 - "New Crop" 2023/24 as of the August 11, 2023 USDA WASDE Report



“World Less-China” Wheat Usage & Ending Stocks

MY 2007/08 - “New Crop” MY 2023/24 as of the August 11, 2023 USDA WASDE Report



World vs “World Less-China” Wheat Stocks & % S/U

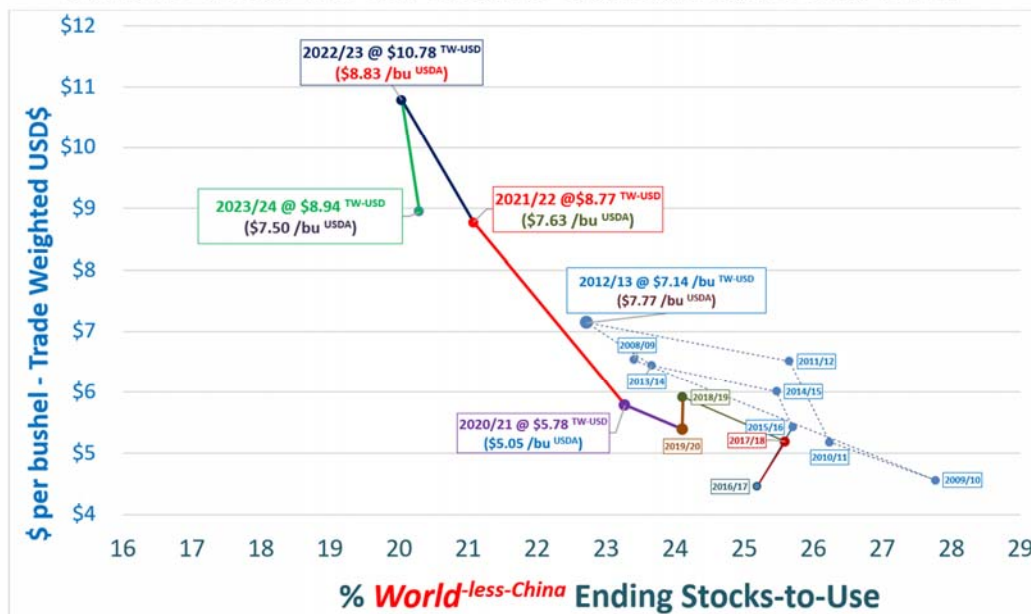
MY 2007/08 through “New Crop” MY 2023/24 as of the August 11, 2023 USDA WASDE report



U.S. Wheat \$ Trade-Wtd USD\$ vs World Less-China % S/U

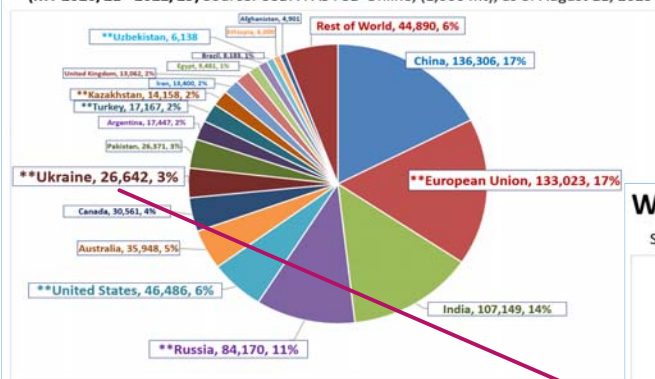
11

MY 2008/09 through "New Crop" 2023/24 as of the August 11, 2023 USDA WASDE



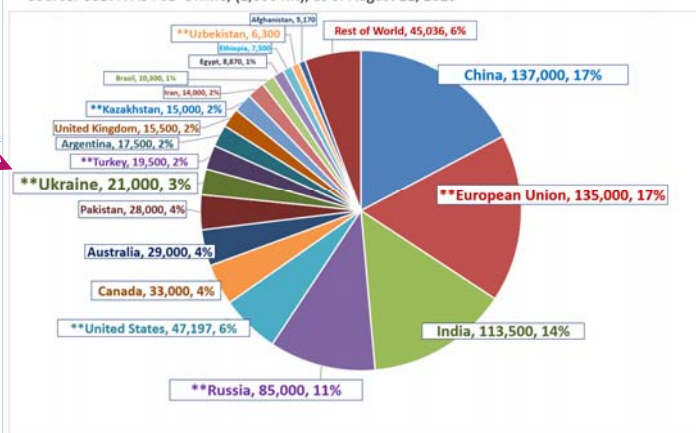
World Wheat Producing Countries 3 Year Average

(MY 2020/21 - 2022/23) Source: USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



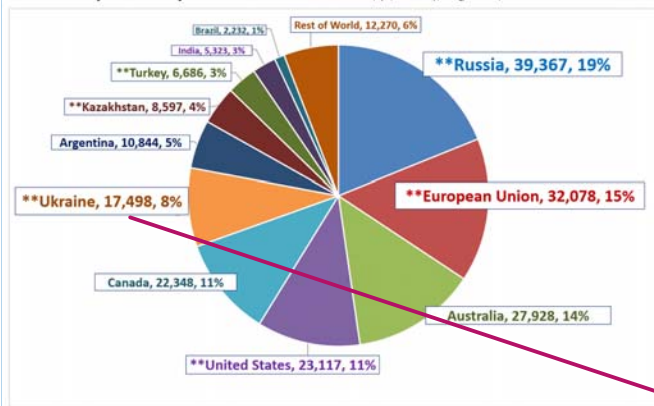
Wheat Producing Countries "New Crop" MY 2023/24

Source: USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



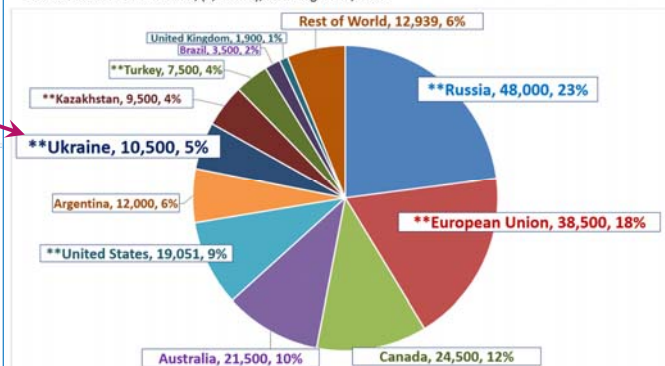
World Wheat Exporting Countries 3 Year Average

MY 2020/21 - 2022/23 Source: USDA FAS PSD-Online, (1,000 mt); August 11, 2023 USDA WASDE



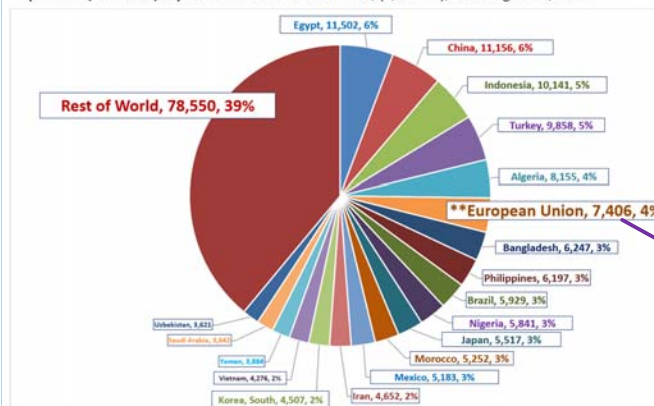
World Wheat Exporting Countries "New Crop" 2023/24

Source: USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



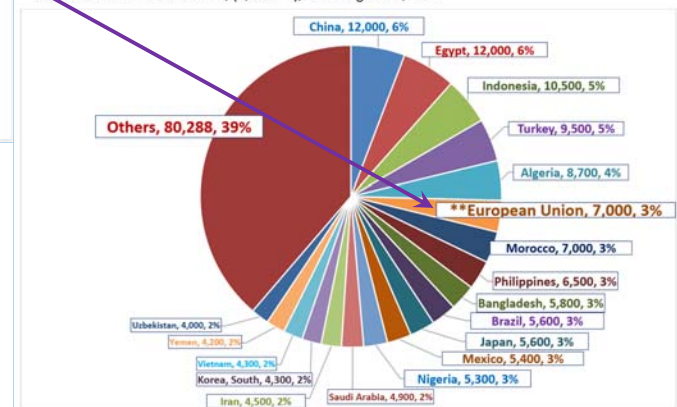
World Wheat Importing Countries 3 Year Average

(MY 2020/21 - 2022/23) Source: USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



World Wheat Importing Countries "New Crop" MY 2023/24

Source: USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023

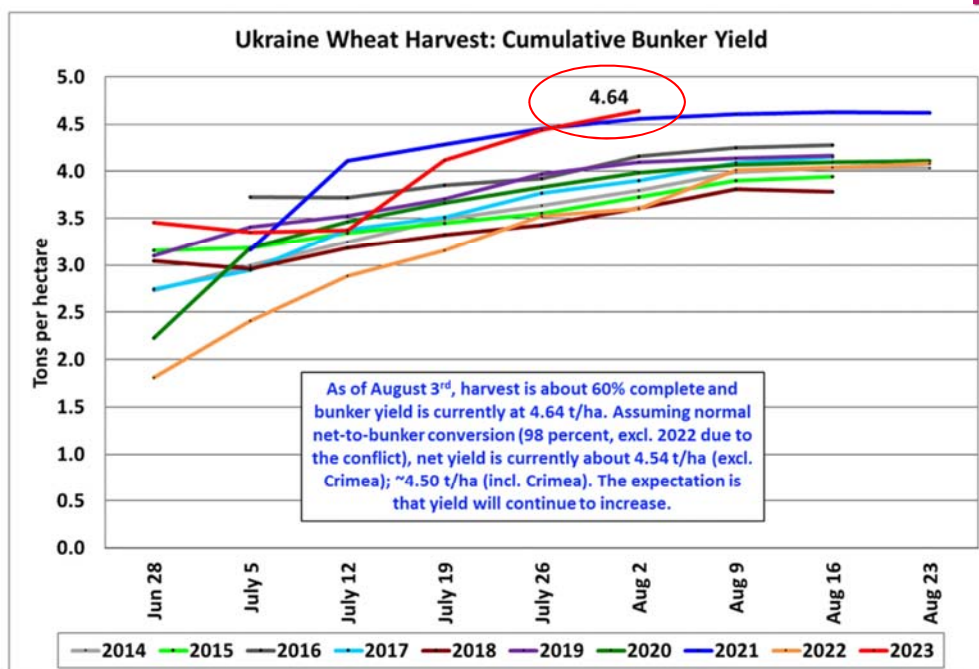




Ukraine Wheat Supply-Demand

MY 2013/14 – “New Crop” MY 2023/24 as of the August 11, 2023 USDA WASDE report





Source: Ukraine Ministry of Agriculture

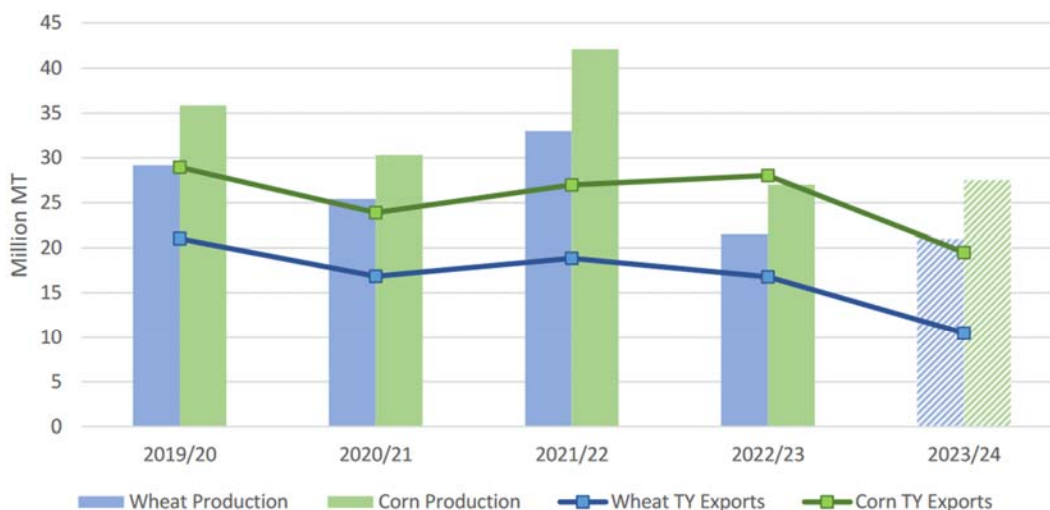


United States Department of Agriculture Foreign Agricultural Service

Grain: World Markets and Trade

August 2023

Ukraine Production and Trade for Corn and Wheat



Russia Wheat Supply-Demand

MY 2013/14 – “New Crop” 2023/24 as of the August 11, 2023 USDA WASDE report



United States Department of Agriculture Foreign Agricultural Service

Grain: World Markets and Trade

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Russia Withdraws from Black Sea Grain Initiative

Just under a year since its inception, on July 17, 2023, Russia withdrew its participation in the Black Sea Grain Initiative (BSGI). The “grain deal” brokered by Turkey and the United Nations allowed Ukraine to export nearly 33.0 million tons of grain and other agricultural products from its ports in Chornomorsk, Odesa, and Yuzhny. Grain was the primary commodity exported under the agreement, with 8.9 million tons of wheat and 16.9 million tons of corn comprising most of the volume. Corn was primarily destined for China and the European Union, whereas wheat was exported to a wider range of countries including Turkey, Bangladesh, Egypt, and the European Union. For the entirety of MY 2022/23 across all transportation routes, USDA estimates that Ukraine exported 16.8 million tons of wheat (Jul-Jun) and forecasts corn exports at 28.0 million tons (Oct-Sep).

In MY 2023/24, combined wheat and corn production in Ukraine is forecast to be the same as the previous year, though beginning stocks are expected to fall considerably to more normal levels. As a result, exports are anticipated to fall to 10.5 million tons of wheat and 19.5 million tons of corn.

European Union Wheat S-D Trends

MY 2013/14 – “New Crop” MY 2023/24 as of the August 11, 2023 USDA WASDE report



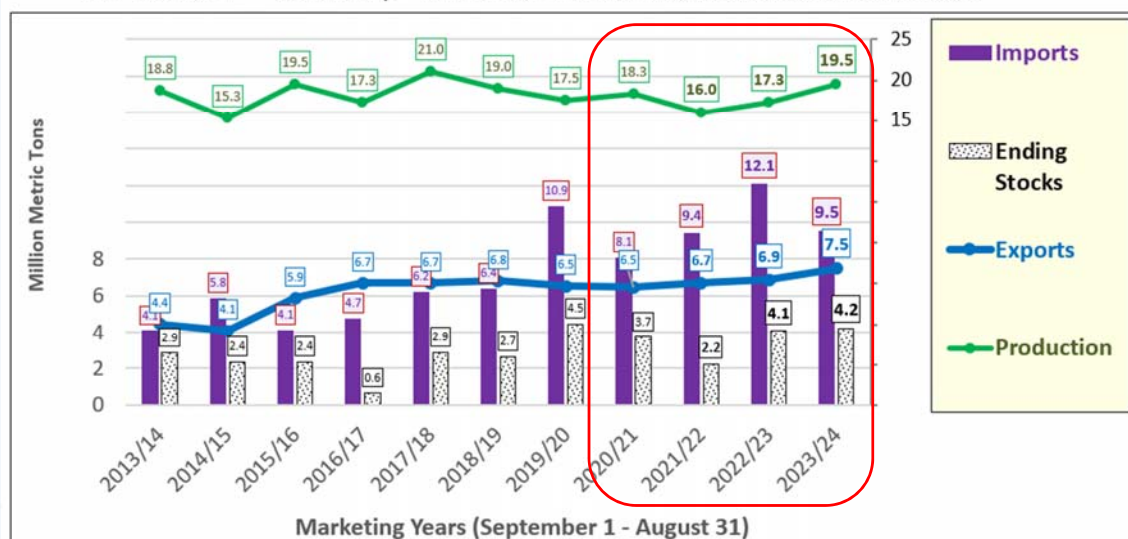
European Union Wheat Export-Import Trends

MY 2013/14 – “New Crop” MY 2023/24 as of the August 11, 2023 USDA WASDE report



Turkey Wheat Export-Import Trends

MY 2013/14 – “New Crop” MY 2023/24 as of the August 11, 2023 USDA WASDE report



Global Wheat Market Factors *USDA FAS, 8/11/2023*

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TRADE CHANGES IN 2023/24 (1,000 MT)

Country	Attribute	Previous	Current	Change	Reason
Indonesia	Imports	11,000	10,500	-500	Lower expected feed and residual use
Libya	Imports	1,400	1,600	200	Strong FSI demand demonstrated by purchases of Russia wheat
Nigeria	Imports	5,500	5,300	-200	Weakened purchasing power due to floating naira currency
Pakistan	Imports	2,200	2,000	-200	Less demand with record crop
Turkey	Imports	10,000	9,500	-500	Larger crop and large carry-in stocks
Uzbekistan	Imports	3,500	4,000	500	Strong demand for Kazakhstan wheat
Yemen	Imports	4,000	4,200	200	Strong FSI demand
Canada	Exports	26,500	24,500	-2,000	Decreased production due to worsening drought conditions
Russia	Exports	47,500	48,000	500	Large supplies coupled with strong demand from Middle East and North Africa markets
United States	Exports	20,000	19,000	-1,000	Slow export sales to date

Corn Markets

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Weekly Commodity Futures Price Chart
Corn (Globex) (CBO7)
 TFC Commodity Charts <https://futures.tradingcharts.com/printchart/ZC/W>

ZC - Corn (Globex) - Weekly Chart

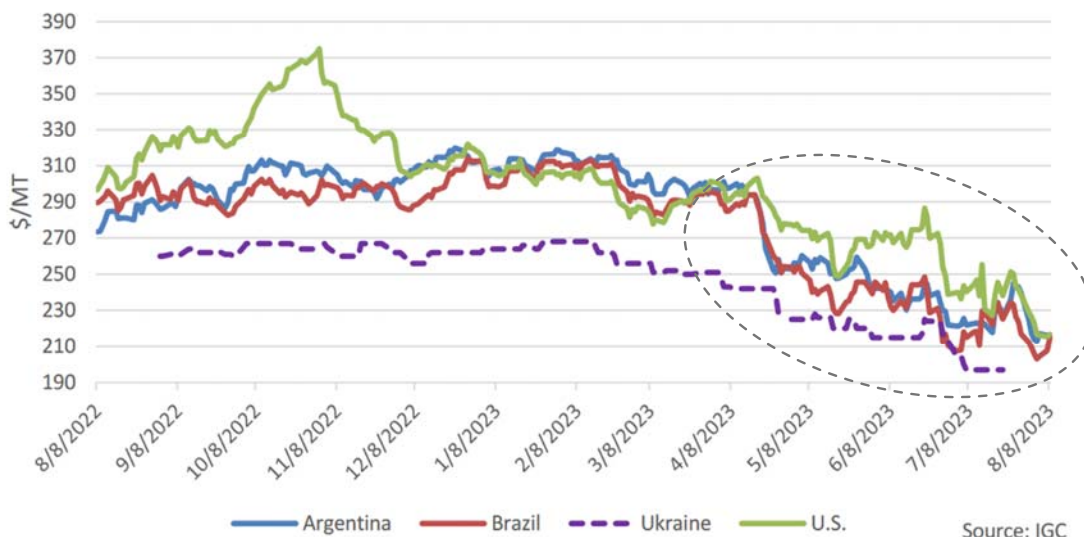
Change: -9.000

08/25/2023 O: 500.500 H: 506.250 L: 474.250 C: 491.500 Vol: 247634 OI: 1297639



Global Corn Markets *International Grains Council, 8/8/2023*

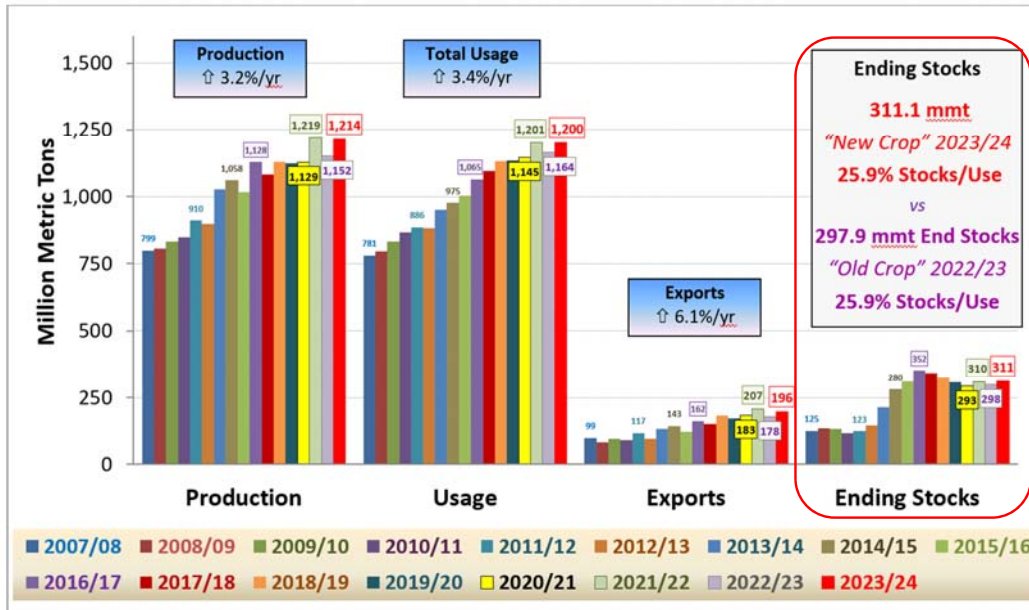
Selected Export Bids, FOB



Source: IGC

World Corn Supply-Demand

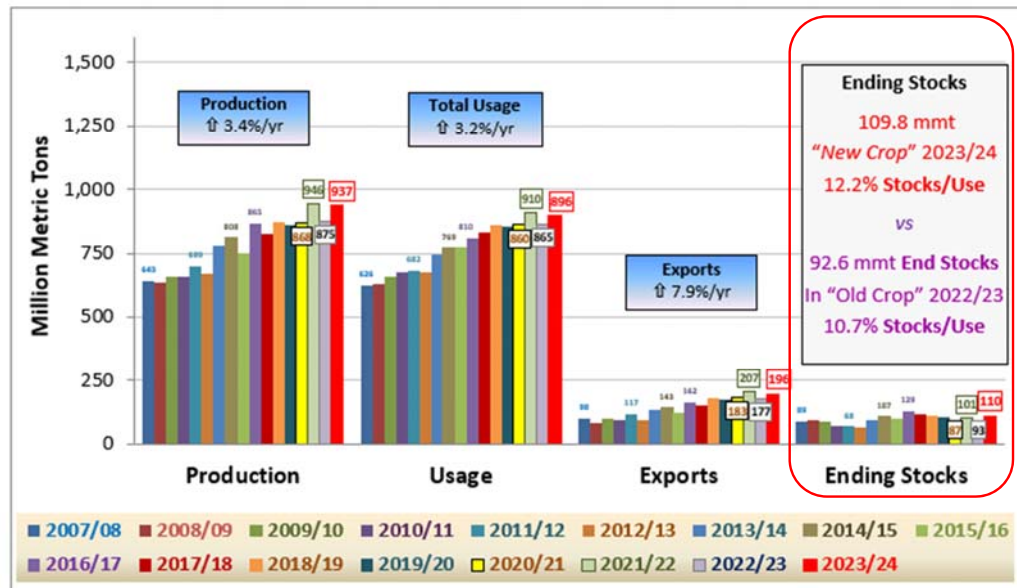
MY 2007/08 – “New Crop” MY 2023/24 as of the August 11, 2023 USDA WASDE Report



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“World Less-China” Corn Supply-Demand

MY 2007/08 – “New Crop” MY 2023/24 as of the August 11, 2023 USDA WASDE Report



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World vs World Less-China Corn % Stocks-to-Use

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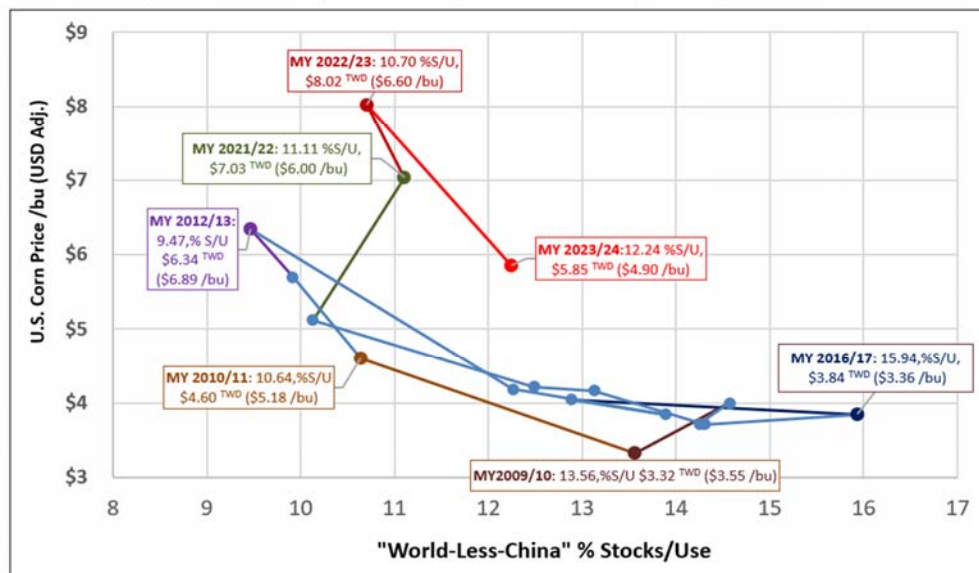
MY 2007/08 through "Current" MY 2022/23, as of the August 11, 2023 USDA WASDE report.



U.S. Corn \$^{USD\$ Adj.} vs World Less-China % S/U

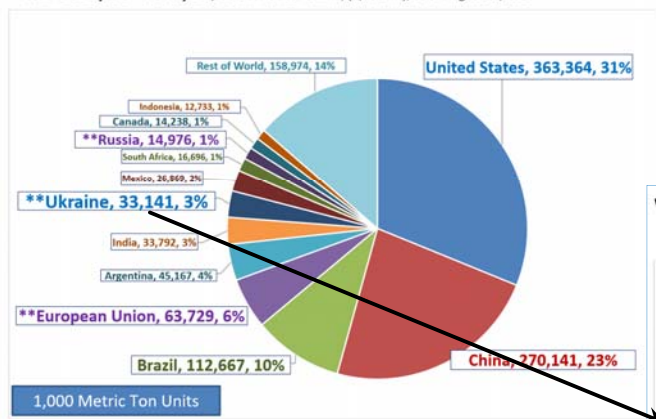
30

MY 2007/08 – "New Crop" MY 2023/24 as of the August 11, 2023 USDA WASDE



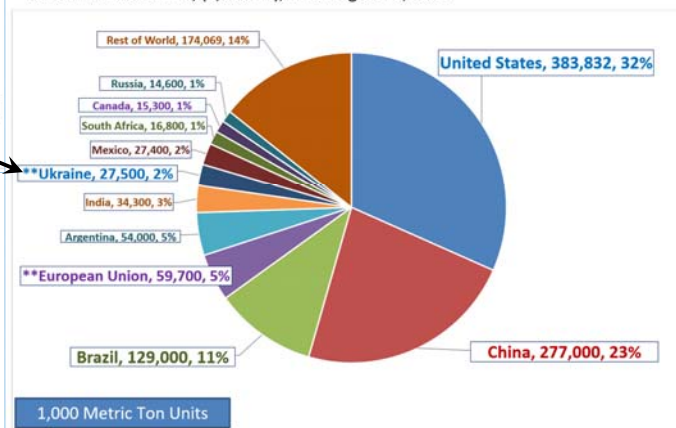
World Corn Producing Countries 3 Year Average

MY 2020/21 - 2022/23, USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



World Corn Producing Countries "New Crop" MY 2023/24

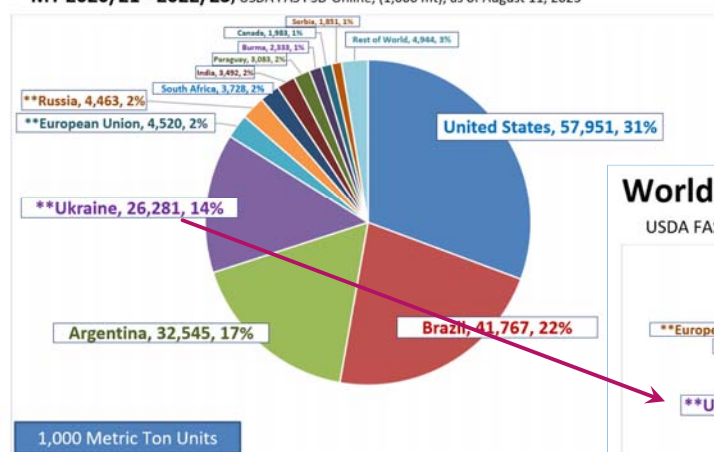
USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



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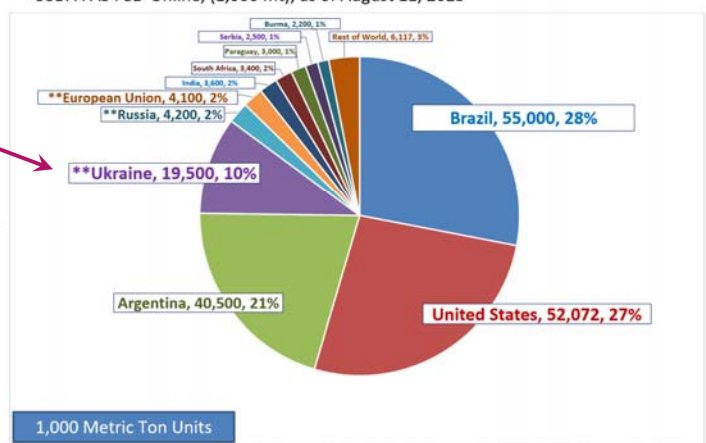
World Corn Exporting Countries 3 Year Average

MY 2020/21 - 2022/23, USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



World Corn Exporting Countries "New Crop" MY 2023/24

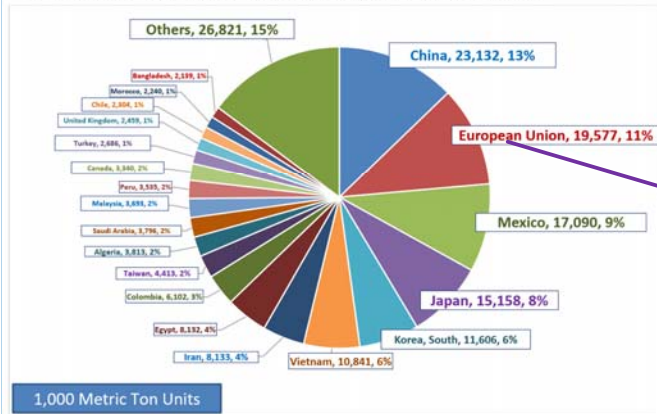
USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



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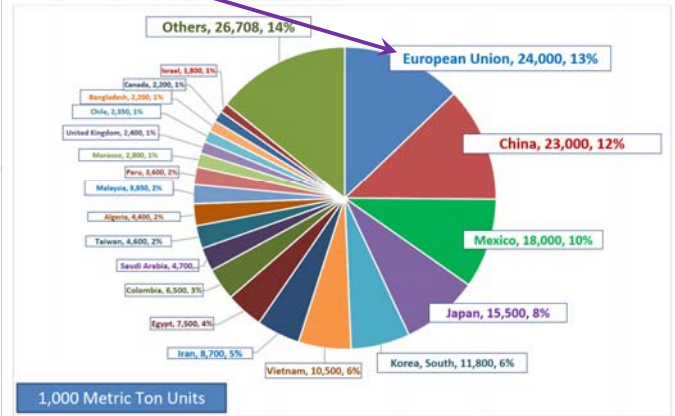
World Corn Importing Countries 3 Year Average

MY 2020/21 - 2022/23, USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



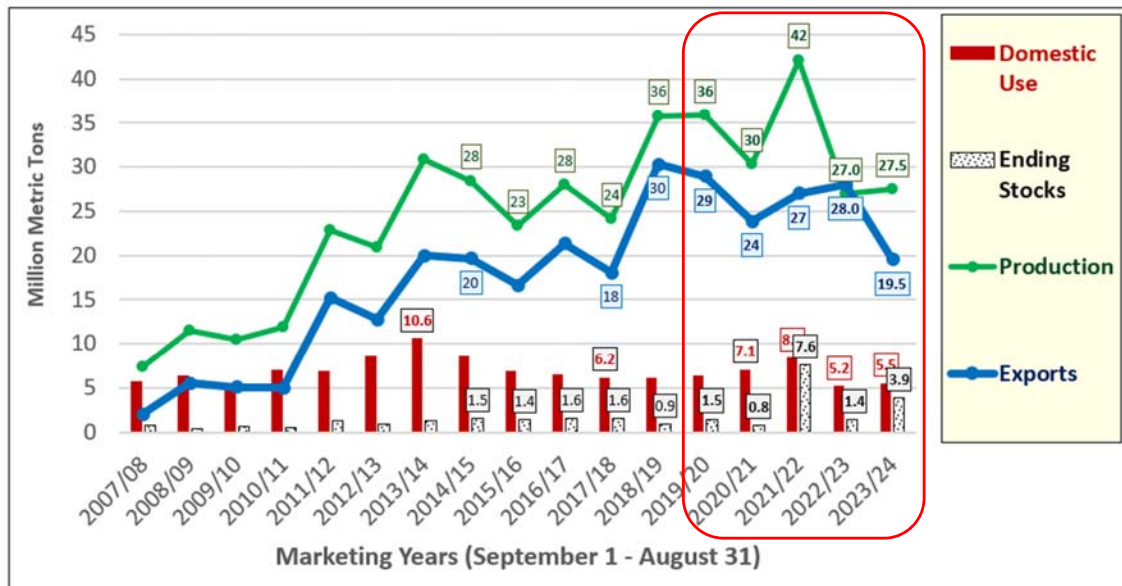
World Corn Importing Countries "New Crop" MY 2023/24

USDA FAS PSD-Online, (1,000 mt); as of August 11, 2023



Ukraine Corn Supply-Demand

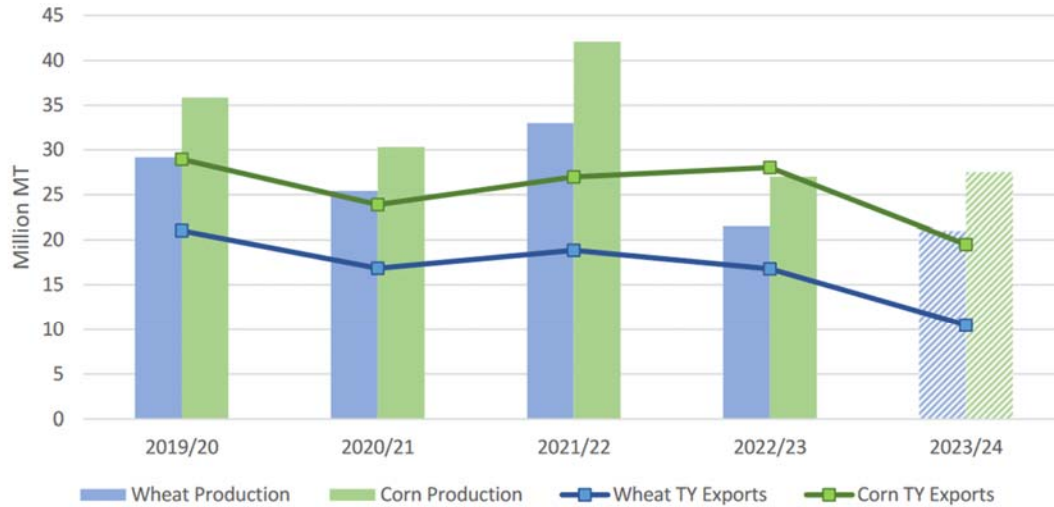
MY 2007/08 – "New Crop" 2023/24, as of the August 11, 2023 USDA WASDE report



Grain: World Markets and Trade

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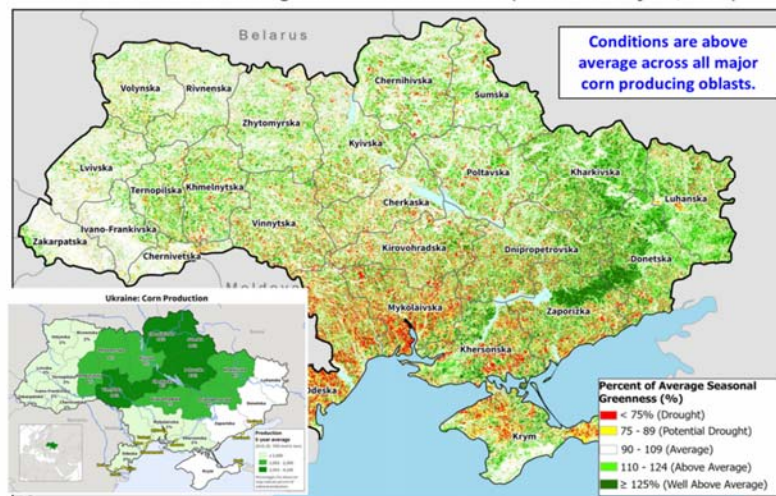
Ukraine Production and Trade for Corn and Wheat



Ukraine Corn: Favorable Weather Boosts Corn Prospects

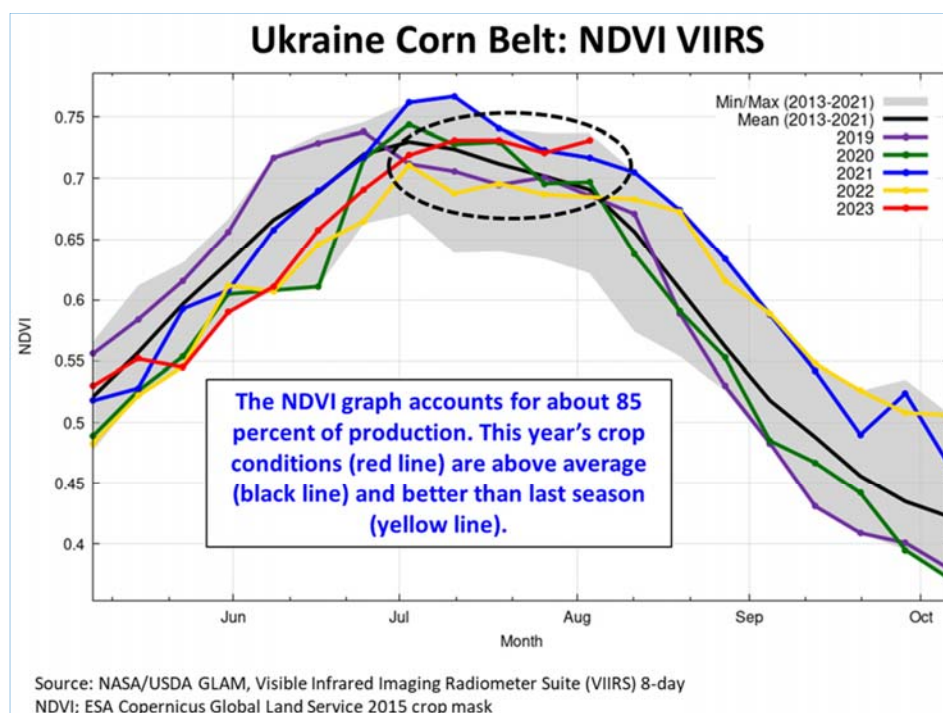
Ukraine corn production for marketing year (MY) 2023/24 is forecast at 27.5 million metric tons, up 10 percent from last month and 2 percent from last year. Yield is forecast at 6.88 tons per hectare, up 7 percent from last month and 3 percent from last year. Harvested area is estimated at 4.0 million hectares, up 3 percent from last month, but down 1 percent from last year.

Ukraine Percent of Average Seasonal Greenness (June 26 - July 27, 2023)



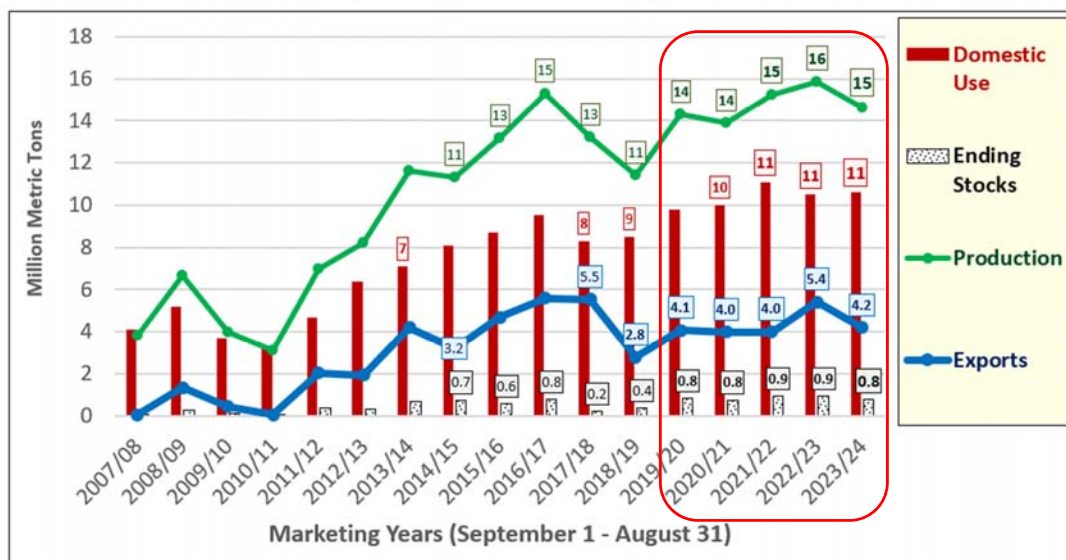
Source: Crop Production map: State Statistical Service of Ukraine (Rosstat for Crimea); Percent of Average Seasonal Greenness: NASA GIMMS, VIIRS.

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Russia Corn Supply-Demand

MY 2007/08 – “New Crop” 2023/24, as of the August 11, 2023 USDA WASDE report



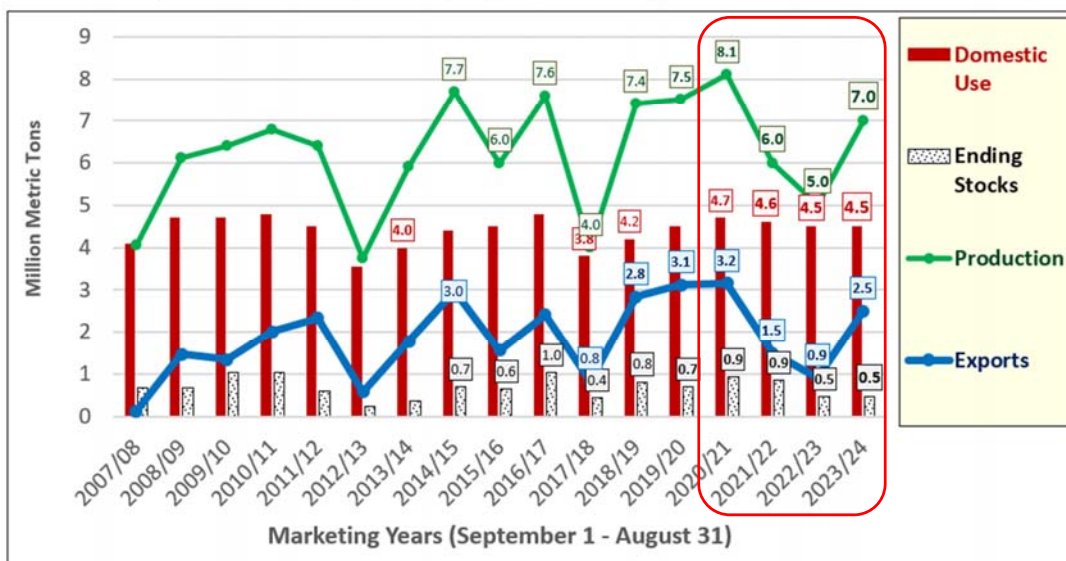
Turkey Corn Supply-Demand

MY 2007/08 – “New Crop” 2023/24, as of the August 11, 2023 USDA WASDE report



Serbia Corn Supply-Demand

MY 2007/08 – “New Crop” 2023/24, as of the August 11, 2023 USDA WASDE report



Global Coarse Grain Market Factors *USDA FAS-8/11/2023*

TRADE CHANGES IN 2023/24 (1,000 MT)

Country	Commodity	Attribute	Previous	Current	Change	Reason
Algeria	Corn	Imports	4,800	4,400	-400	Carryover change
Brazil	Corn	Exports	58,000	59,000	1,000	Timing of exports from large <i>safrinha</i>
Canada	Barley	Exports	2,900	2,600	-300	Smaller crop
	Corn	Imports	1,800	2,200	400	Worsening crop conditions in prairie provinces
China	Barley	Imports	7,800	7,500	-300	Weaker barley trade
Egypt	Corn	Imports	8,500	7,500	-1,000	Carryover change
European Union	Barley	Imports	1,100	1,400	300	Smaller crop
	Corn	Exports	5,000	4,100	-900	
Iran	Barley	Imports	2,500	2,200	-300	Lower global barley trade
United States	Corn	Exports	54,000	53,000	-1,000	Smaller production

Sunflower Markets



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Global Sunflowerseed Production and Crush Recover

The MY 2023/24 global sunflowerseed production forecast is raised this month by 1.1 million metric tons to 55.8 million metric tons. Higher production in **Ukraine** and **Russia** more than offset the lower sunflowerseed crops in the **European Union (EU)**, **Kazakhstan**, **Turkey**, and **China**. Combined with the carryover stocks from 2022/23 (which are estimated at 5.6 million metric tons) and the imports forecast of 3.4 million metric tons, the global sunflowerseed supply for 2023/24 is estimated at 64.9 million metric tons, marginally higher than previous year. Furthermore, global sunflowerseed crush is forecast at a record of 51.0 million metric tons, up 0.7 million metric tons from last month and 1.6 million metric tons higher than last year's crush. Global sunflowerseed ending stocks are raised this month by 0.6 million metric tons to 5.2 million metric tons.

World Sunflower Supply-Demand Trends

MY 2007/08 – "New" MY 2023/24 as of the August 11, 2023 USDA WASDE Report

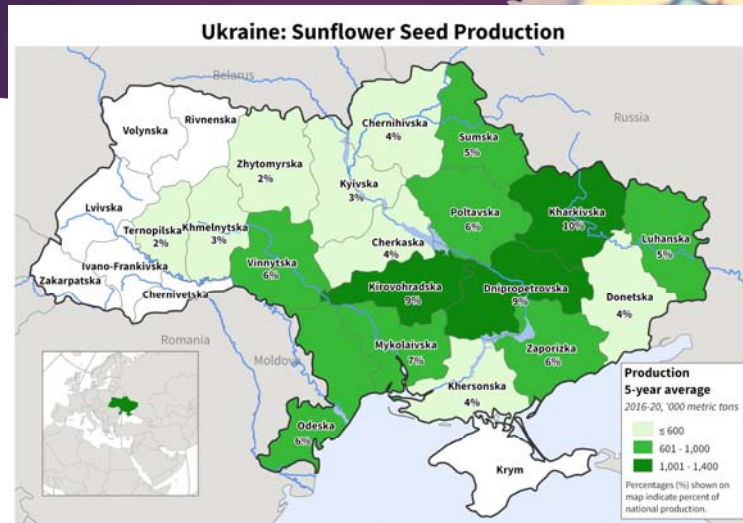


World Sunflower Oil S-D Trends

MY 2007/08 – "New" MY 2023/24 as of the August 11, 2023 USDA WASDE Report



Ukraine Sunflower Seed Production



USDA Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

Source: State Statistics Service of Ukraine (Rosstat for Crimea Oblast)
Average Sunflower Seed Production 2016-2020

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United States Department of Agriculture



Economic Research Service | Situation and Outlook Report

OCS-23h | August 15, 2023

Next release is September 14, 2023

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The sunflowerseed output in **Ukraine** is revised up by 1.1 million metric tons and is expected to reach 13.5 million metric tons on higher yields. The yields are forecast this month at 2.25 tons per hectare, nearly 9 percent higher than last month's forecast and 5 percent higher than the yield in 2022/23. This season's growing conditions are favorable in most of **Ukraine's** major producing oblasts. As a result of the higher sunflowerseed supply, the sunflowerseed crush and ending stocks are expected to increase in **Ukraine**. The 2023/24 sunflowerseed crush in **Ukraine** is raised this month by 0.6 million metric tons to 12.7 million metric tons. With higher supplies of sunflowerseed oil and sunflowerseed meal, the sunflowerseed oil and meal exports are raised this month by 0.20 million metric tons and 0.25 million metric tons, respectively.

Ukraine Sunflower Supply-Demand Trends

MY 2007/08 – “New” MY 2023/24 as of the August 11, 2023 USDA WASDE Report



Ukraine Sunflower Oil S-D Trends

MY 2007/08 – “New” MY 2023/24 as of the August 11, 2023 USDA WASDE Report



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OCS-23h | August 15, 2023

Next release is September 14, 2023

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Russia's SFSeed production forecast is raised this month by 1.0 mmt to **17.5 mmt** on higher yield. The **yield** now stands at **1.84 tons/hectare**, up 6% from July 2023 & 3% higher than 2022 yields.

Crop conditions remained relatively stable throughout July with most oblasts experiencing above average crop conditions. Widespread showers & cool temps sustained good-to-excellent conditions for the reproductive stage of SFSeed crops in the western oblasts of Russia.

With higher domestic supply, **Russia's MY 2023/24 SFSeed crush forecast** is raised in July by 0.6 mmt to a **record 16.0 mmt**. **SFSeed oil production** is increased by 0.2 mmt to **6.6 mmt** this month. *With higher SFSeed oil supply, the SFSeed oil exports forecast & ending stocks are raised 0.1 mmt & 0.3 mmt, respectively.*

Russia Sunflower Supply-Demand Trends

MY 2007/08 – “New” MY 2023/24 as of the August 11, 2023 USDA WASDE Report



Russia Sunflower Oil S-D Trends

MY 2007/08 – “New” MY 2023/24 as of the August 11, 2023 USDA WASDE Report



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OCS-23h | August 15, 2023

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Unfavorable growing conditions are expected to reduce **SFSeed output in the EU** for MY 2023/24. The **EU's SFSeed production** is reduced this month by 0.7 mmt to **10.9 mmt** on lower harvested acreage & yield.

Lower harvested area & dry conditions coupled with record setting heat led to **lowered output for Spain, France, & Romania**. The **EU's SFSeed yield** forecast is revised down in August by 2% & stands at **2.17 mt/ha** compared with yields of 1.85 mt/ha in 2022.

With the lower supply, **EU's SFSeed crush forecast** is cut to **10.0 mmt** in August from 10.4 mmt in July. **SFSeed ending stocks in the EU** are reduced in August by 0.2 mmt to **0.4 mmt**.

The reduced supply of SF oil & SF meal is offset partially by higher EU imports.

European Union Sunflower S-D Trends

MY 2007/08 – "New" MY 2023/24 as of the August 11, 2023 USDA WASDE Report



European Union Sunflower Oil S-D Trends

MY 2007/08 – "New" MY 2023/24 as of the August 11, 2023 USDA WASDE Report



Closing Perspectives

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Questions?

Daniel O'Brien – Extension Ag Economist

Blog: www.ksugrains.wordpress.com

KSUGrains on Twitter

www.AgManager.info



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