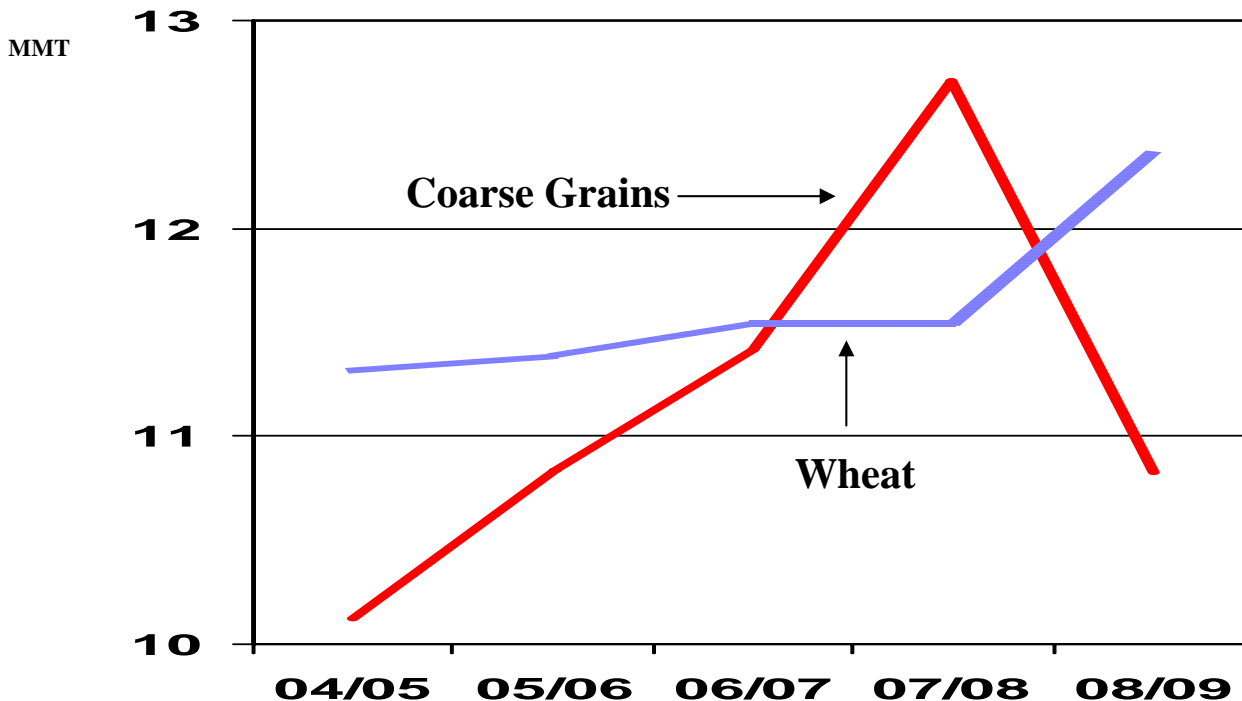


Grain: World Markets and Trade

Global Import Demand Shifts from Coarse Grains to Wheat



Import demand is up sharply for both milling and feed-quality wheat after several years of relative stagnation. Middle Eastern imports of milling wheat are estimated to expand dramatically following short crops in the region, particularly Iran, where imports are now estimated at 4.5 million tons compared to just 200,000 tons last year. Feed quality wheat imports have also jumped due to the rebound in world wheat production among major exporting countries (Ukraine, Russia, and the EU), which has driven down prices to competitive levels with coarse grains.

Conversely, the drop in global coarse grain import demand, particularly corn and sorghum for feed use, is primarily the result of more abundant EU domestic supplies of wheat, corn, and barley. The EU is expected to account for over 80 percent of the global drop in import demand. In addition, Canada and Mexico have more abundant domestic supplies of grains and, therefore, reduced need for corn imports. Still other countries such as Korea and Israel are expected to shift to more competitively priced feed-quality wheat and alternative feed stuffs such as distiller dried grains.

