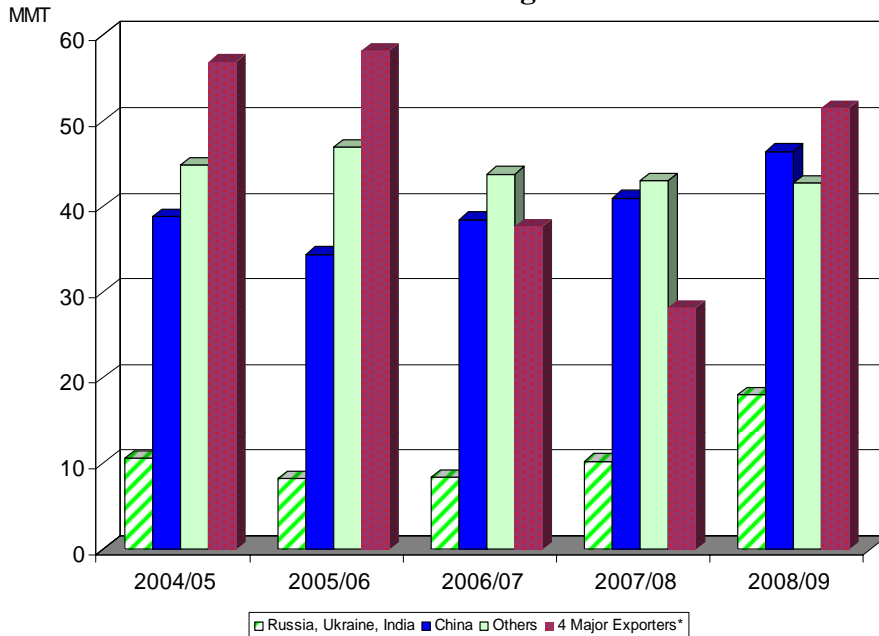




Grain: World Markets and Trade

More Wheat and Coarse Grain Stocks Will Add to Global Supplies in 2009

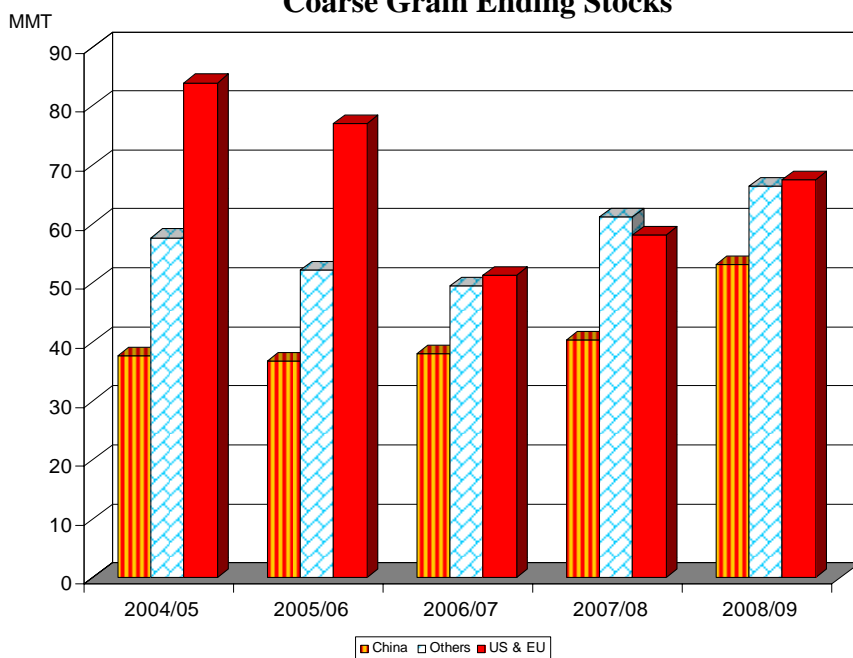
Wheat Ending Stocks



*Australia, Canada, EU, and U.S.

Global wheat stocks are forecast rebuild by 36 million metric tons (MMT), or 29 percent, primarily a result of record crops. However, not of all of these stocks are available to the world market. In China, where stocks are forecast up by over 5 MMT, stocks are a food security issue and their release is generally a policy decision. Russia, Ukraine, and India, which also have a buildup in stocks, are grouped together because of their history of using policy-based restrictions on exports. That implies that their stocks are only partially available to the world, depending on their domestic supply situation. In contrast, for the four major exporting countries, the surplus buildup of 22 MMT would presumably all be available to the world market. Note that despite the recent price volatility, it appears that most other countries in the world are not building stocks for food security.

Coarse Grain Ending Stocks



Global coarse grain stocks are forecast to grow by 26 MMT, or 17 percent, with corn accounting for half of the expansion, and barley 38 percent. China is also forecast to build stocks, mostly corn. However, the likelihood of significant exports is small, given the government's focus on maintaining self-sufficiency in grains. Among the "others" category, most of the change is attributable to Russia and Ukraine, and these stocks are also growing. The United States and EU account for 36 percent of the world's coarse grain stocks. Combined coarse grain stocks for the two countries are up 16 percent, or 9 MMT on the year. Those additional stocks are presumably available to the world market.

