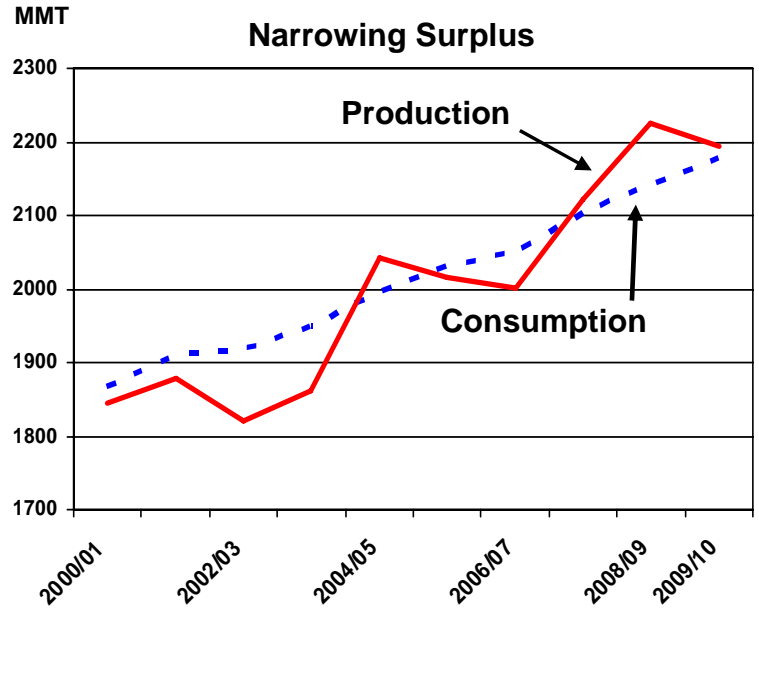
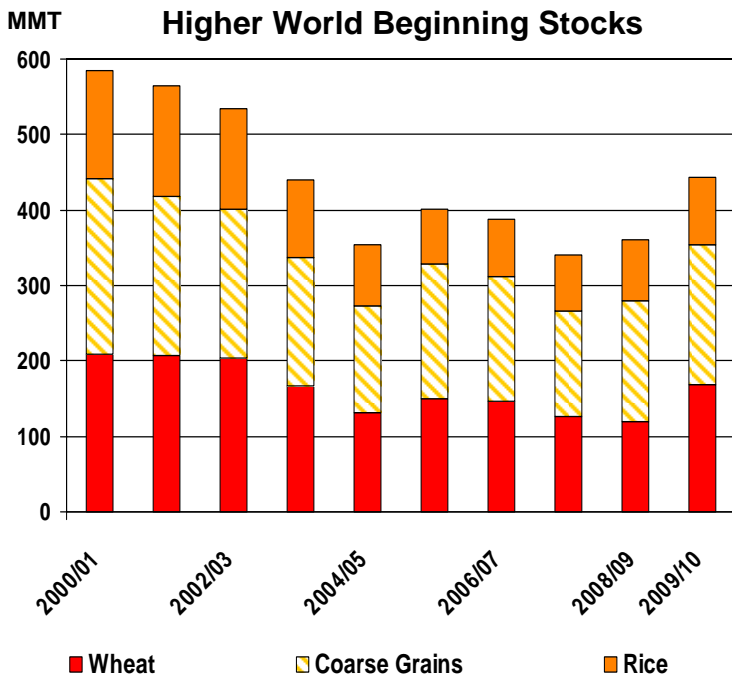




Grain: World Markets and Trade

Larger Global Carry-in Stocks More Than Offset Forecast Lower Production



The world's grain stocks situation is much improved for 2009/10, with an 85 MMT buildup. In 2008/09, tight supplies and strong demand have supported high global wheat, corn, and rice prices. Rising global grain stocks will provide a buffer against smaller grain crops as consumption continues to grow. While production in 2009 is forecast down from the previous year, it remains larger than projected consumption. Grain ending stocks for 2009/10 are forecast to grow only 8 MMT, down from 80 MMT the previous year.

Wheat is expected to account for almost 60 percent of the growth in global beginning stocks, driven primarily by the United States and the EU-27, which hold stocks that are mostly available to the world market. The buildup in coarse grain beginning stocks, which account for 30 percent of the growth in global grain stocks, is mostly attributed to higher corn stocks in China, and barley stocks in the EU. While U.S. corn beginning stocks are a significant part of global coarse grain stocks, there is a decline expected in 2009/10. Global rice stocks are forecast to expand for the third consecutive year.

