



# MARKET MONITOR

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*As COVID-19 maintains its strong grip on the world, food markets will need to remain at the center of attention. This is not only because of the many adverse effects on livelihoods at local levels, but also rising international prices of most food commodities. Prices received a further boost in recent weeks following unexpectedly large maize purchases by China, primarily from the US. The unprecedented level of China's purchases so far in this season necessitated a thorough review of the FAO-AMIS balance sheet for China's maize, starting from 2013/14. As a consequence, AMIS estimates for China's feed use of maize and imports were raised significantly this month while stock estimates for China were lowered, resulting in much tighter global maize supplies in 2020/21 than previously anticipated.*

## Markets at a glance

	From previous forecast	From previous season
<b>Wheat</b>	▲	▼
<b>Maize</b>	▼	▼
<b>Rice</b>	▲	■
<b>Soybeans</b>	▼	▼

▲ Easing      ■ Neutral      ▼ Tightening

The **Market Monitor** is a product of the Agricultural Market Information System (AMIS). It covers international markets for wheat, maize, rice and soybeans, giving a synopsis of major market developments and the policy and other market drivers behind them. The analysis is a collective assessment of the market situation and outlook by the ten international organizations and entities that form the AMIS Secretariat.

## Feature article

### Global food security – a sobering picture

After decades of progress, hunger has been on the rise in recent years. Amidst a growing number of conflicts, accelerating climate change and economic slowdowns, the number of chronically undernourished in the world climbed to almost 690 million in 2019, 60 million more than five years earlier. 135 million people faced acute hunger by the end of 2019 – compared to 80 million in 2015.

The COVID-19 pandemic has exacerbated this already alarming situation. It has thrown the global economy in turmoil, the likes of which have not been seen since the Second World War. Poorer economies often rely on a mix of commodity exports, tourism and remittances – all of which have taken a critical hit. The resulting income loss in these countries could leave millions of people without the means to buy food and bring the number of acutely hungry up to 270 million. Chronic hunger is estimated to have increased by between 83 and 132 million in 2020.

To make matters worse, the crisis hit at a time when external debt of low- and middle-income countries had surpassed a record USD 8 trillion; and almost half of low-income countries were already in debt distress or at high risk of it. This not only makes it difficult for them to safeguard lives and livelihoods today, but also to make the necessary investments to set their economies on a prosperous path for tomorrow.

Looking ahead, other broader trends could further undermine economic access to food. 20 million young people will enter Sub-Saharan Africa's workforce every year for the next two decades. However, the region has only created about 9 million jobs annually since 2000, during a period of relatively robust economic growth, not even half of what will be needed in the years to come. Moreover, technology and digitalization rapidly change the world of work. While this brings new opportunities, will the world's 3.6 billion people without reliable internet access be able

to join into reaping the benefits? Or will many of those farthest behind be amongst the 800 million estimated to lose their jobs to automation by 2030? How will the world's 2 billion informal workers cope with the transitions ahead?

In this context, stable food prices are ever more important to keep the impacts of currently – and possibly protracted – compromised incomes on access to food at bay. Yet, FAO's Food Price Index started surging in the second half of 2020. With continued, and strengthening, upward pressure, the Index now stands at values not seen since July 2014. The IGC's Grains and Oilseeds Index' sub-indices for basic staples steeply rose year-on-year: nearly 20 percent for rice and wheat, 44 percent for maize and 52 percent for soybeans. Given trade measures such as the new export duties by major exporters, upward pressure on prices is unlikely to recede.

Such higher prices imply that the ability to deliver food assistance decreases – a dire reality recognized by the welcome *Joint Statement on Agriculture Exports Prohibitions or Restrictions Relating to the World Food Programme* issued in January 2021 by close to 80 WTO members.

At the same time, rising prices in international markets combined with economic upheaval at country level make it more difficult for countries to pay their food import bills. This raises the question which countries are most at risk to see food security deteriorate. Attempts to charter country exposure and vulnerability have been made, rapidly at the onset of the COVID-19 crisis<sup>1</sup> as well as more recently, systematically considering food import bills and evidence from 2020 trade data<sup>2</sup>. However, the link between difficulties in financing imports and food security outcomes so far remains largely unexplored. One key aspect to analyse further is the degree to which potential price increases transmit to those markets serving the marginally food secure.

<sup>1</sup> Husain et al, [Economic and food security implications of the COVID-19 outbreak](#)

<sup>2</sup> Schmidhuber and Qiao, [Are international food markets holding-up during the COVID-19 pandemic?](#)

## World supply-demand outlook

- **Wheat** 2020 production estimate raised to an all-time high following upward revisions since December, largely in Australia, Canada and Iraq.
- Utilization in 2020/21 scaled down, mostly on downgraded feed wheat use, especially in the EU due to high prices.
- Trade in 2020/21 (July/June) expected to remain near the 2019/20 level as higher imports mostly by China, Iran, Morocco and Pakistan outweigh lower imports by Iraq and Turkey.
- Stocks (ending in 2021) lifted on upward revisions in Australia, EU and the Russian Federation more than offsetting cuts in Ukraine and the US.

- **Maize\*** production in 2020 set to reach a record, though lowered since December with downward adjustments in Ukraine and the US more than offsetting an upward revision in the EU.
- Utilization in 2020/21 lifted m/m mostly on significant upward adjustments to feed estimates in China (from 2013/14 to 2020/21) and now nearly 2 percent higher than in 2019/20.
- Trade forecast for 2020/21 (July/June) scaled up sharply, primarily on exceptionally bigger purchases by China in recent weeks, which could push up the country's imports for the season to a record 20 million tonnes.
- Stocks (ending in 2021) lowered because of substantial downward adjustments to China's inventories following revised feed estimates and lower inventories in the US on much bigger exports.

- **Rice** production in 2020 upgraded primarily on higher than previously envisaged yields in China, the Philippines and Guinea, as well as upward area-based historical revisions for the Democratic Republic of Congo and Venezuela.
- Utilization in 2020/21 seen expanding at its fastest pace in seven years, as food intake growth outpaces population growth and non-food uses recover from the seven year-lows touched in 2019/20.
- Trade in 2021 (January-December) upgraded and now pointing to purchases by Far Eastern countries (namely Bangladesh) staging a sizeable recovery in 2021, alongside import expansions in West Africa and the Asian Near East.
- Stocks (2020/21 carry-out) now seen on par with their opening levels and at their second highest volume on record.

- **Soybean** 2020/21 production forecast lowered (though still up 7 percent y/y), as weather-related downward corrections for Argentina and Brazil, combined with a lower estimate for the US, outweighed upward revisions elsewhere.
- Utilization in 2020/21 still expected to grow by 3.7 percent y/y, with this month's higher forecast for China offset by lower projections mostly in the EU, Argentina and Brazil.
- Trade in 2020/21 (Oct/Sept) lifted modestly, mainly reflecting higher-than-earlier anticipated import demand from China, to be met by increased shipments from Brazil and the US.
- Inventories (2020/21 carry-out) scaled down further (to a seven-year low) on sizeable downward corrections for Argentina, Brazil and the US.

	FAO-AMIS			USDA		IGC		
	2019/20	2020/21		2019/20	2020/21	2019/20	2020/21	
	est	3 Dec	4 Feb	est	f'cast	est	f'cast	
Wheat	Prod	761.3	761.7	766.5	763.9	772.6	763.7	768.0
	Supply	627.7	627.7	632.2	630.3	638.4	630.1	633.7
	Utiliz.	1,032.8	1,038.3	1,043.6	1,047.1	1,072.7	1,023.5	1,046.3
	Trade	783.8	776.6	781.6	773.7	786.8	771.3	783.1
	Stocks	750.7	757.6	756.1	747.0	759.5	745.2	752.8
	Trade	624.0	627.7	626.2	621.0	624.5	616.3	620.5
	Trade	184.5	184.5	184.5	191.3	192.5	184.3	186.8
	Trade	177.7	177.5	176.5	186.0	183.5	177.5	178.7
	Trade	277.1	282.9	284.3	300.1	313.2	278.3	293.5
	Trade	149.3	143.8	145.0	148.4	154.3	148.2	154.4
Maize	Prod	1,138.2	1,154.8	1,148.3	1,116.4	1,133.9	1,123.9	1,132.5
	Supply	877.5	893.8	887.6	855.7	873.2	863.1	871.8
	Utiliz.	1,462.3	1,509.6	1,450.0	1,436.5	1,436.9	1,450.6	1,429.7
	Trade	1,040.3	1,047.4	1,039.1	965.5	975.7	985.3	977.2
	Stocks	1,158.0	1,169.2	1,179.4	1,133.5	1,153.1	1,153.4	1,161.3
	Trade	878.7	890.4	887.1	855.5	866.1	870.6	872.6
	Trade	174.1	182.5	190.1	175.0	181.4	173.6	182.9
	Trade	168.7	172.5	170.1	167.5	163.9	164.3	167.9
	Trade	301.7	335.5	273.1	303.0	283.8	297.2	268.4
	Trade	151.4	143.1	134.5	102.5	92.2	105.4	89.6
Rice	Prod	501.4	508.4	510.6	496.4	503.2	497.0	503.3
	Supply	357.8	364.2	365.5	349.7	354.9	350.3	355.1
	Utiliz.	686.9	690.2	692.5	673.3	681.5	672.5	677.1
	Trade	437.9	442.7	444.0	411.6	416.7	416.9	419.2
	Stocks	503.2	510.3	512.1	495.0	502.0	498.7	502.3
	Trade	357.3	363.2	364.3	349.8	354.5	353.1	354.8
	Trade	44.9	47.6	48.4	44.7	45.6	43.1	45.5
	Trade	41.8	45.0	45.6	42.4	43.4	40.7	43.3
	Trade	181.9	181.0	181.9	178.3	179.5	173.8	174.8
	Trade	78.5	80.4	79.7	61.8	62.5	61.4	62.2
Soybeans	Prod	338.1	366.4	362.2	336.5	361.0	338.4	359.5
	Supply	320.0	347.5	342.6	318.4	341.4	320.3	339.9
	Utiliz.	401.4	423.0	416.6	449.3	456.4	401.6	410.4
	Trade	372.3	384.8	377.6	411.7	410.0	362.8	361.9
	Stocks	360.1	373.0	373.5	354.6	369.8	350.6	365.3
	Trade	252.0	256.8	255.0	245.4	252.1	239.8	246.9
	Trade	169.0	168.2	169.8	164.7	169.1	169.7	168.3
	Trade	70.4	69.5	69.6	66.9	66.8	68.7	66.8
	Trade	54.7	49.4	43.1	95.4	84.3	50.9	45.1
	Trade	35.3	28.9	22.7	68.6	55.7	21.9	13.5

in million tonnes

**i** Data shown in the second rows refer to world aggregates without China; world trade data refer to exports and world trade without China excludes exports to China.

To review and compare data, by country and commodity, across three main sources, go to <https://app.amis-outlook.org/#/market-database/compare-sources>

Estimates and forecasts may differ across sources for many reasons, including different methodologies.

\* The 2020/21 AMIS-FAO world maize production forecast includes southern hemisphere maize crops harvested in 2020 whereas IGC and USDA include southern hemisphere maize crops to be harvested in 2021 in their 2020/21 world production numbers.

For more information see Explanatory notes on the last page of this report.

## Revisions (FAO-AMIS) to 2020/21 forecasts since the previous report

in thousand tonnes

	WHEAT					MAIZE				
	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks
<b>WORLD</b>	<b>4760</b>	<b>4</b>	<b>-1469</b>	<b>25</b>	<b>1442</b>	<b>-6550</b>	<b>7530</b>	<b>10221</b>	<b>7545</b>	<b>-62456</b>
<b>Total AMIS</b>	<b>3111</b>	<b>1094</b>	<b>-890</b>	<b>0</b>	<b>722</b>	<b>-7778</b>	<b>7630</b>	<b>9765</b>	<b>7100</b>	<b>-63068</b>
Argentina	200	-	200	-500	-	-	-	-	-	-
Australia	2,255	-	94	400	679	-	-	-12	-	-
Brazil	-120	-	-20	100	-300	-	-100	300	-800	1000
Canada	1,042	-	92	-	-50	-466	-	-266	-	-200
China Mainland	245	1,000	-	-	250	-327	10000	13500	-	-53827
Egypt	-	-	-	-	-	-	-	-	-	-
EU	240	-	-1,260	1,000	500	2353	-2000	353	-	-
India	-	-6	-402	500	-	100	-270	-300	1900	-1802
Indonesia	-	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-
Mexico	-	-	-150	-	-150	-	-	-	-	-
Nigeria	-	-	-	-	-	-	-	-	-	-
Philippines	-	-	-	-	-	-	-	-	-	-
Rep. of Korea	-	-	-	-	-	-	-	-	-	-
Russian Fed.	-	-	-	-1,000	1,000	-	-	-	-	-
Saudi Arabia	-	-	-	-	-	-	-	-	-	-
South Africa	124	-	124	-	-	-	-	-	-	-
Thailand	-	-	-	-	-	-	-	-	-	-
Turkey	-	-	-	-	300	-	-	-	-	-
Ukraine	-400	-	-	-	-400	-1200	-	-	-	-1200
UK	-475	200	-275	-	-	-	-	-	-	-
US	-	-100	707	-500	-1,107	-8238	-	-3810	6000	-7039
Viet Nam	-	-	-	-	-	-	-	-	-	-

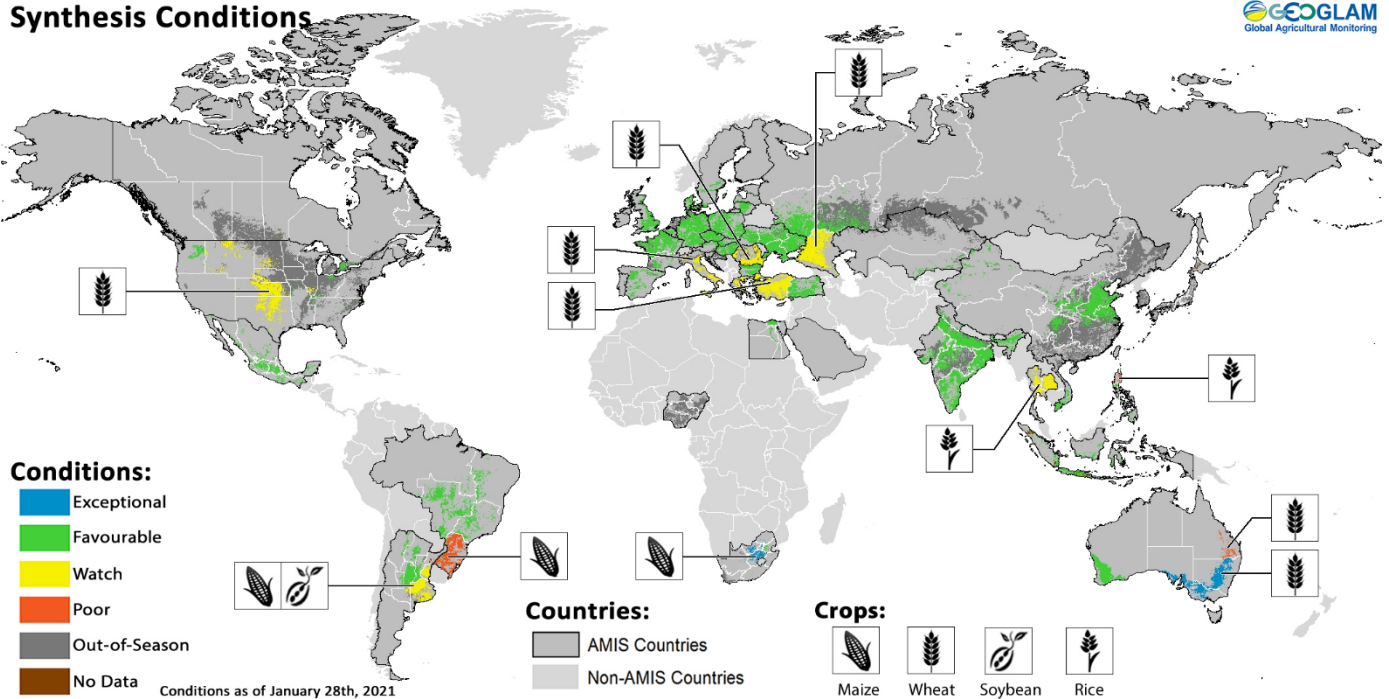
	RICE					SOYBEANS				
	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks
<b>WORLD</b>	<b>2158</b>	<b>830</b>	<b>1876</b>	<b>819</b>	<b>831</b>	<b>-4141</b>	<b>1624</b>	<b>514</b>	<b>1585</b>	<b>-6352</b>
<b>Total AMIS</b>	<b>1411</b>	<b>245</b>	<b>1002</b>	<b>810</b>	<b>440</b>	<b>-3641</b>	<b>1604</b>	<b>790</b>	<b>1785</b>	<b>-6333</b>
Argentina	-	-	-	-	-	-2000	-	-500	-	-2100
Australia	-	-	-	-	-	-	-	-	-	-
Brazil	-	80	108	-20	82	-1500	200	-493	550	-2400
Canada	-	-	-	-	-	134	-	9	200	-75
China Mainland	929	250	859	-300	1600	780	1500	2380	-	-100
Egypt	-	-	-	-	-	-	-	-	-	-
EU	-61	80	69	30	-40	-159	-400	-559	-	-100
India	-	-	-430	1250	-800	-	-	-	-	-
Indonesia	-	-100	-74	-	-	-	-	-	-	-
Japan	-58	-	-58	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-
Mexico	7	-20	-3	-	-	-	-	-	-	-
Nigeria	-	100	110	-	10	-	-	-	-	-
Philippines	357	-200	-93	-	-70	-	-	-	-	-
Rep. of Korea	-	-	-	-	-	-	-	-	-	-
Russian Fed.	28	-	8	-	20	-167	-100	-167	100	-200
Saudi Arabia	-	-	-	-	-	-	-	-	-	-
South Africa	-	-	-	-	-	-	-	-	-	-
Thailand	-	-	-	-	-	-	-	-	-	-
Turkey	9	25	9	-	-10	-	-	-	-	-
Ukraine	-1	-	-1	-	-	220	-5	63	135	18
UK	-	-	-	-	-	-	-	-	-	-
US	46	-	459	-	-352	-950	500	170	800	-1370
Viet Nam	155	30	39	-150	-	1	-91	-113	-	-6



## Crop monitor

Crop conditions in AMIS countries (as of 28 January)

### Synthesis Conditions



Crop condition map synthesizing information for all four AMIS crops as of 28 January. Crop conditions over the main growing areas for wheat, maize, rice, and soybean are based on a combination of national and regional crop analyst inputs along with earth observation data. **Only crops that are in other-than-favourable conditions are displayed on the map with their crop symbol.**

### Conditions at a glance

**Wheat** - In the southern hemisphere, Australia's season wraps up under mostly favourable to exceptional conditions. In the northern hemisphere, winter wheat is showing spot areas of concern in parts of the EU, the Russian Federation, Turkey, US, and Canada.

**Maize** - In the southern hemisphere, conditions are mixed in Argentina and Brazil as drought has impacted areas of the early-planted/spring-planted crops while the later-planted/summer-planted crops are under favourable conditions. South Africa conditions are exceptional.

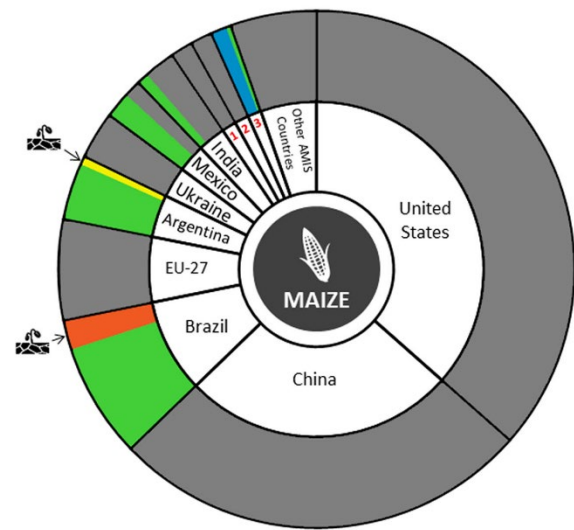
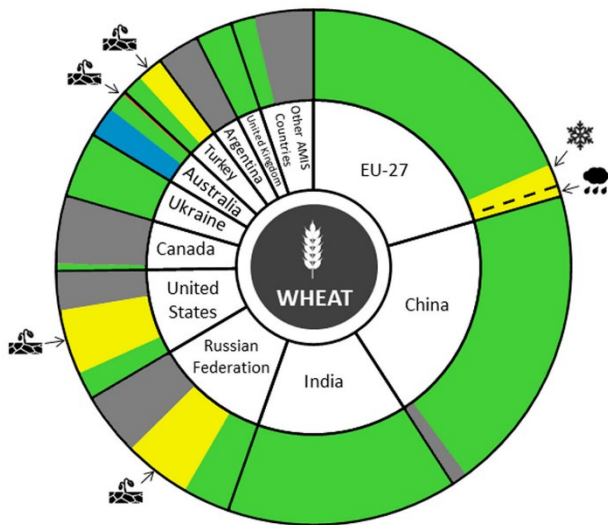
**Rice** – Transplanting of Rabi rice is ongoing in India. In Southeast Asia, wet-season rice in Indonesia and dry-season rice in the northern countries is progressing under generally favourable conditions with some issues in Thailand and the northern Philippines.

**Soybeans** - In the northern hemisphere, harvesting is wrapping up while in the southern hemisphere, sowing continues in Brazil and Argentina under generally favourable conditions.

### La Niña advisory

*The El Niño-Southern Oscillation (ENSO) is currently in the La Niña phase. This La Niña event is well-developed and moderate-to-strong, with very cool ocean conditions in the eastern equatorial Pacific. La Niña conditions are expected to continue (95 percent chance for January to March and 55 percent chance for March to May) and then transition to ENSO neutral (55 percent chance for April to June).*

*La Niña conditions typically reduce February to March/May rainfall in East Africa, the southern US, the northern Middle East, southern Central Asia, Afghanistan, Pakistan, and India. La Niña conditions typically increase February to March/May rainfall in Southeast Asia, Southern Africa, and in southernmost India and Sri Lanka. Southern Central America and northern South America typically see increased rainfall into February.*



Canada<sup>1</sup>, Russian Federation<sup>2</sup>, South Africa<sup>3</sup>

## Wheat

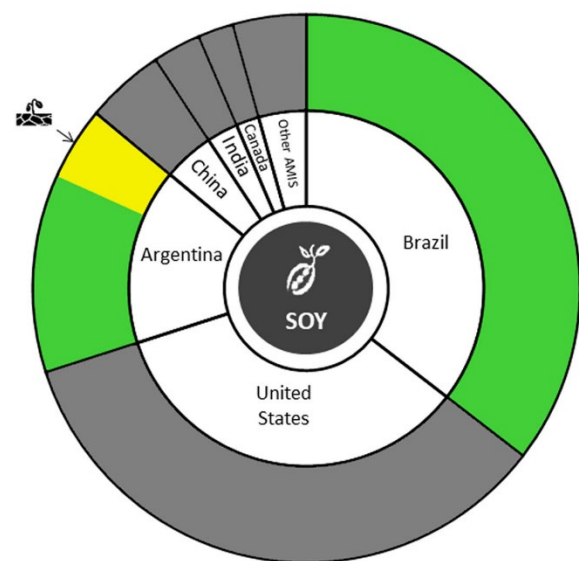
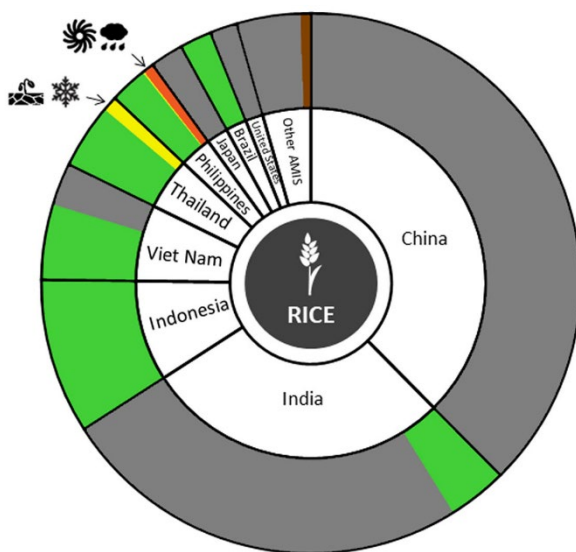
In **Australia**, harvesting is wrapping up with exceptional conditions in New South Wales, Victoria, and South Australia, while conditions are favourable in Western Australia and poor in Queensland. In the **EU**, conditions are generally favourable for winter wheat with some minor areas of concern in southern and south-eastern Europe for excess rainfall and lack of winter hardening against winterkill, respectively. In the **UK**, conditions are favourable. In **Ukraine**, conditions are generally favourable with adequate snow cover protection against recent severe frosts that only affected minor areas. In the **Russian Federation**, conditions are mixed for winter wheat due to the dry conditions last fall that may continue to impact the crop once it emerges from dormancy. In **Turkey**, conditions are mixed due to dry conditions combined with potential winterkill events in the west. In **China**, winter wheat is in dormancy under generally favourable conditions. In **India**, conditions are favourable with sowing completed in most areas. Total sown area is increased compared to last year and the average. In the **US**, winter wheat is under mixed conditions due to expanding dryness throughout the Great Plains. Total sown area is increased compared to last year. In **Canada**, conditions are favourable in the main producing province of Ontario, however, below-average snowfall in the Prairies leaves some areas vulnerable to winterkill.

## Maize

In **Mexico**, harvesting of the spring-summer crop (larger season) is over two thirds done under favourable conditions. In **Brazil**, conditions are mixed for the spring-planted crop (smaller season) as a lack of rains in the South Region during October and November affected the crop during the critical grain-filling stage, noticeably reducing yields. However, across the remaining regions, the lack of rains only delayed sowing. Sowing of the summer-planted (larger season) has begun under favourable conditions. In **Argentina**, conditions are mixed for the early-planted crop (usually larger season) as prolonged drought in the central agricultural region has impacted crops. The drought has also driven farmers to shift from sowing during the early-planted crop to sowing later during the late-planted crop, increasing the size of the second crop this cycle. Conditions are generally favourable for the late-planted crop (smaller season) as future rainfall can still benefit final crop yields. In **South Africa**, conditions are exceptional owing to continuous widespread above-average rainfall and normal temperatures since the start of the season. In **India**, the Rabi crop is under favourable conditions.

**i Pie chart description:** Each slice represents a country's share of total AMIS production (5-year average), with the main producing countries (95 percent of production) shown individually and the remaining 5 percent grouped into the "Other AMIS Countries" category. Sections within each country are weighted by the sub-national production statistics (5-year average) of the respective country and accounts for multiple cropping seasons (i.e. spring and winter wheat).

The late vegetative through to reproductive crop growth stages are generally the most sensitive periods for crop development.

**Conditions:****Drivers:****Rice**

In **India**, conditions are favourable as transplanting of Rabi rice is ongoing in the eastern states and wrapping up in the southern states. Total sown area is in line with last year's season. In **Indonesia**, conditions are favourable as the harvesting of dry-season rice is wrapping up with a large increase in harvested area compared to last year. Conditions are favourable for wet-season rice as sowing enters the fourth month and the harvesting of earlier sown crops begins. Total sown area of wet-season rice is also significantly increased this year compared to last year. In **Viet Nam**, conditions are favourable in the south for both the harvest of the autumn-winter (wet-season) crop and the sowing of the winter-spring (dry-season) crop. In **Thailand**, wet-season rice harvest is wrapping up under favourable conditions. Dry-season rice is under mixed conditions as a result of recent prolonged cold weather and a lack of irrigation water, which is also expected to reduce the total sown area this year compared to last year. In the **Philippines**, wet-season rice harvesting is wrapping up under favourable conditions except for Northern and Southern Luzon, which was impacted by flooding from three typhoons. Dry-season rice is under generally favourable conditions with some areas of concern remaining in North Luzon Agribusiness due to earlier lodging and flooding.

**Soybeans**

In **Brazil**, despite initial delays in sowing due to a lack of rains in October and November, a better volume and distribution of rainfall since December has allowed the completion of sowing under favourable conditions. There is an estimated increase in total sown area compared to last year. Harvesting is also beginning in parts of the country, most notably Mato Grosso. In **Argentina**, conditions are mixed as the prolonged drought has impacted the early-planted crop (larger season) particularly in the central agricultural region. Conversely, conditions are generally favourable for the late-planted crop (smaller season), which has not yet reached the critical developmental stages.

**For more information on La Niña effects in Argentina and Brazil please visit the [special report](#).**

**Information on crop conditions in non-AMIS countries can be found in the [GEOGLAM Early Warning Crop Monitor](#), published 4 February 2021**

## Policy developments

### Wheat

- On 10 December, **Brazil's** Health Regulatory Agency notified the WTO of the adoption of revised maximum residue levels (MRLs) for the plant protection chemical *Mancozeb* which is used on wheat (G/SPS/N/BRA/1784/Add.1).
- On 3 December, **Canada's** Pest Management Regulatory Agency notified the WTO of proposed MRLs for the pesticide *Sulfentrazone*, which is used on wheat (G/SPS/N/CAN/1356).
- On 6 January, the **US** notified the WTO of the establishment of MRLs for 2,4-D, which is used on wheatgrass (G/SPS/N/USA/3219).

### Maize

- On 11 January the Ministry of Agriculture in **Argentina** revoked a two-month suspension of export registrations on maize that was initially introduced on 30 December 2020. The measure was replaced by a daily export quota of 30 000 tonnes that would remain in place until 28 February.
- On 10 December, **Brazil** notified the WTO of the adoption of changes to MRLs for *Terbutylazine* (G/SPS/N/BRA/1781/Add.1) and *Azoxystrobin* (BRA/1782/Add.1), two pesticides that are used on maize.
- On 18 December, **Canada** notified the WTO of the establishment of MRLs for *Mandestrobin*, a pesticide used on various products including maize (G/SPS/N/CAN/1338/Add.1).
- On 29 December, **China's** Ministry of Agriculture and Rural Affairs approved the importation of two GM maize strains (MON87411 and MZIR098) for further processing. Biosafety certification of these GM varieties will be valid for 5 years.
- On 31 December, **Mexico** published a final decree calling for a gradual phase out by 31 January 2024 of: (i) the use, promotion, distribution and importation of glyphosate; and (ii) the cultivation and use of GM maize for human consumption.
- On 25 January, the Ministry of Economy in **Ukraine** introduced a quantitative export restriction on maize. Exports will be limited to 24 million tonnes in 2020/21 to mitigate increases in domestic feed prices.
- On 18 December, the **US** Department of Agriculture announced that it deregulated the maize variety (DP202216), which was developed using genetic engineering for enhanced yield potential and resistance to glufosinate-ammonium herbicides. On 21 December, new

pesticide MRLs were established for *Broflanilide*, which is used on maize (G/SPS/N/USA/3217).

### Rice

- On 16 December, under the Viet Nam-EAEU Agreement (signed in May 2015), the **Eurasian Economic Union (EAEU)** opened an import tariff quota of 10 000 tonnes of rice from **Viet Nam** for the year 2021.
- With effect from 11 January, due to the weakness of the TRY against the US dollar, Turkey lowered the import tariffs on paddy, brown and milled rice until 30 April 2021 from 34, 36 and 45 percent to 5, 10 and 15 percent, respectively.
- Following a proposal from the National Rice Policy Committee to address dropping prices caused by COVID-19, **Thailand** increased the budget of the Rice Price Guarantee Scheme on 1 December from THB 28.711 to 46.807 billion (USD 957 million to 1.56 billion). Guaranteed prices were set as follows: THB 15 000 (around USD 495.54) per tonne for Jasmine rice; THB 14 000 (USD 462.50) per tonne for off-season Jasmine rice; THB 10 000 (USD 330.36) per tonne for ordinary rice; THB 11 000 (USD 363.40) per tonne for Pathum Thani; and THB 12 000 (USD 396.43) per tonne for sticky rice.
- Following the completion of internal procedures, the **Republic of Korea** set its in- and out-of-quota tariffs for its WTO-bound rice tariff rate quota of 408 700 tonnes at respectively 5 percent and 513 percent, effective as of 5 January 2021 (Certification document WLI/100 dated 12 January 2021 refers).

### Soybeans

- With effect from 1 January 2021, **Brazil** adopted MRLs for *Abamectina*, a pesticide used on soybeans (G/SPS/N/BRA/1580/Add.1). On 14 January, **Brazil** also notified proposed changes to MRLs for *Phosphine* (BRA/1862) and *Buprofezin* (BRA/1873).
- On 1 December, **France** decided to invest EUR 100 million (USD 12.1 million) to help farmers double their cultivated area of protein-rich crops over the next ten years. This investment is expected to lower France's import demand for soybeans from South America.
- On 8 January, **Japan** notified the WTO of the adoption of MRLs for *Pyrimidifen*, a pesticide used on soybeans (G/SPS/N/JPN/771/Add.1).
- On 31 December, the **Russian Federation** issued Decree N 2397 to amend the rates of customs duties on soybean exported outside the member states of the Customs Union agreements. Export customs duties of



#### AMIS Policy database

Visit the **AMIS Policy database** at: <http://statistics.amis-outlook.org/policy/>

The **AMIS Policy database** gathers information on trade measures and domestic measures related to the four AMIS crops (wheat, maize, rice, and soybeans) as well as biofuels. The design of this database allows comparisons across countries, across commodities and across policies for selected periods of time.

Only AMIS participants are marked in **bold**.



30 percent, but not less than EUR 165 per tonne (USD 201.6), come into effect between 1 February and 30 June 2021.

### Biofuels

- On 30 December, **India** announced plans to bring forward its ethanol blending target of 20 percent to 2025. Last year, the ethanol-blending target was set at 10 percent by 2022 and 20 percent by 2030. To meet the new target, the Cabinet Committee on Economic Affairs approved an interest subsidy scheme of USD 626 million (INR 4 573 crores) to enhance the domestic ethanol distillation capacity from rice, maize, sorghum, wheat, and barley.
- On 20 January, the **US** Environmental Protection Agency granted three waivers to oil refiners from US biofuel blending obligations. Previously, the agency had granted two waivers in the 2019 compliance year and just one in 2018.

### Across the board

- On 2 December, **Argentina** published a decree that requires grain and oilseed exporters to convert their sales in foreign currency into pesos within 15 days. Operators who fail to comply will be temporarily banned from exporting. The measure aims at supporting the Argentinean peso and fight inflation and recession.
- Further to **Australia's** introduction of emergency measures against the spread of khapra beetle in shipping containers, the list of target risk countries was expanded with effect from 16 December to include several trade partners, including **Egypt, Nigeria, Saudi Arabia and Turkey**. (G/SPS/N/AUS/502/Add.1. See also December 2020 issue of the AMIS Market Monitor)
- On 17 December, **Brazil's** Health Regulatory Agency adopted *Glyphosate* MRLs (G/SPS/N/BRA/1487/Add.2). On 14 January, Brazil also notified proposed changes to MRLs for *Cyfluthrin* (BRA/1867) and *Diflubenzuron* (BRA/1863), used on various crops including AMIS crops.
- On 3 December, **China** published a new draft law on the management of grain reserves to account for the stocks that are maintained at regional and provincial level. Previous rules only applied to central state reserves. The law stipulates which products to stockpile, how stock levels should be set and when grains can be released.
- On 14 December, the **European Commission** banned the sale of the active ingredient *Mancozeb*, with EU member States required to comply as from June 2021 in accordance with the implementing regulation concerning the non-renewal of the approval of this plant protection chemical. On 6 January, MRLs for a wide range of plant pesticides were also adopted and shall enter into force as of 25 May 2021 (Commission Regulation (EU) 2020/1633).
- On 15 December, in line with the objectives of the Paris Agreement, the European Council endorsed a binding **EU** target of a net reduction in greenhouse gas emissions of at least 55 percent by 2030 compared to 1990. The Council called on this target to be reflected in the European Climate Law. The objectives are to strengthen the Emissions Trading Scheme, in particular carbon pricing policies, to develop innovative climate-neutral technologies, to set up a carbon border adjustment mechanism to ensure the environmental integrity of EU policies and avoid carbon leakage in a WTO-compatible way.
- On 24 December, the **EU-UK** Trade and Cooperation Agreement was finalized. Agriculture trade will be largely duty- and quota-free, while subject to rules of origin and trade facilitation principles, including mutual recognition of SPS and TBT schemes, customs border cooperation, improved efficiency of documentary clearance, transparency, advance rulings and non-discrimination). The administration of imports under 87 tariff rate quotas for a wide range of agricultural products, including grains, was recently notified by the **UK**, specifying implementation details such as country-specific quota allocations to trading partners (G/AG/N/GBR/2).
- In line with long-standing objectives to ban glyphosate by 2021, the Ministry of Agriculture in **France** launched two compensation schemes to encourage producers to refrain from using the substance in affected agricultural sectors, including cereals and oilseeds: (a) temporary tax credits worth EUR 2 500 will be granted to producers who undertake to cease using glyphosate in 2021 or 2022; (b) an increased EUR 215 million budget (increased by EUR 80 million (USD 97 million)) will be appropriated to assist EU producers to modernize agricultural equipment.
- On 10 December, the Ministry of Health, Labour and Welfare of **Japan** proposed new MRLs for *Fenbuconazole* (G/SPS/N/JPN/817), a pesticide used on various crops including wheat and soybeans; and *Tioxazafen* (JPN/818), which applies to rice and soybeans. On 8 January, Japan adopted new MRLs for *Mefentrifluconazole*, *Oxathiapiprolin* and *Pydiflumetofen*, all used on AMIS crops, was notified (JPN/766/Add.1; 770/Add.1; 767/Add.1).
- On 28 December, **Mexico** upgraded a direct support program for small and medium producers of grains, including maize, wheat and rice, to farms up to 20 hectares, with a view to reach self-sufficiency (*Producción para el Bienestar*). For 2021, a total of MXN 13.5 billion (approximately USD 680.5 million) will be available.
- On 15 December, the Department of Agriculture in the **Philippines** assigned an additional PHP billion for emergency funding to small farmers and fishermen. The funds were channelled to the Land Bank of the Philippines (LANDBANK) under the Expanded SURE Aid and Recovery Project, and take the form of non-interest-bearing loans, payable in 10 years, for around 40 000 eligible beneficiaries whose incomes were adversely affected by the COVID-19 pandemic.

- On 14 December, **Russia's** Ministry of Economic Development introduced an export quota (for wheat, rye, barley and maize) of 17.5 million tonnes for all grain exported outside the Customs Union. The quantitative restriction is intended to stabilize flour and bread prices, with effect from 15 February till 30 June 2021. Within this quota, a duty of EUR 25 (USD 30.44) per tonne will be levied on wheat, while exports of other grains remain duty-free. Should wheat export volumes exceed the quota, an out-of-quota levy of 50 percent of the customs price (or EUR 100 per tonne, whichever is higher) will also be levied. On 26 January, the export duty on wheat was doubled effective from 1 March until 30 June. Export taxes of EUR 25 and EUR 10 (USD 30.3 and 12.1) per tonne were also introduced on maize and barley, respectively. Additional support was allocated to compensate mills (RUB 4.2 billion – USD 55.4 million) and bakeries (RUB 3 billion – USD 39.6 million) for the cost of purchasing wheat and flour. According to the Ministry of Economy, a more permanent variable export duty mechanism might be introduced in July 2021.
- On 17 December, **Turkey** extended the suspension of the import duties on wheat (45 percent), maize (25 percent) and barley (35 percent) to 30 April 2021. First introduced in October 2020, the duty suspension was initially set to expire on 31 December 2020. The measure aims at securing food availabilities amid the COVID-19 crisis.
- As part of the American Rescue Plan announced on 20 January, the **US** plans to extend the 15 percent Supplemental Nutrition Assistance Program benefit increase through to September 2021, instead of June 2021, to address food insecurity in the COVID-19 context; invest USD 3 billion specifically to help women, infants and children to access food through the Special Supplemental Nutrition Program; and provide selected US Territories with USD 1 billion in additional nutrition assistance for their residents.
- On 17 December, a draft law was adopted in **Ukraine** to decrease the value-added tax on several products (including wheat, barley, maize, oats, rye, soybeans, rapeseed and sunflower seed) from 20 percent to 14 percent. The draft law was sent to the President for signature on 19 January.
- On 22 January 2021, 76 Agriculture Ministers participating in the Global Forum for Food and Agriculture in Berlin undertook to intensify efforts to achieve the United Nations SDG 2 (“No Hunger”) and contribute to the UN Food Systems Summit 2021 by fostering integrated, sustainable and resilient food systems; support the “One Health” approach; further climate change mitigation, carbon sequestration in soils, reduction in food loss and waste; and support climate negotiations in the agricultural sector while assisting producers to adopt sustainable practices. Agriculture Ministers also agreed that emergency

measures taken in the wake of the COVID-19 pandemic must be targeted, proportionate, transparent, and temporary; must not create unnecessary barriers to trade or disrupt global food supply chains and must be consistent with WTO rules.

- In recognition of the critical humanitarian support provided by the World Food Programme (WFP), and in light of the ongoing COVID-19 pandemic and other crises, close to 80 WTO Members issued a Joint Statement on 21 January, committing not to impose export prohibitions or restrictions on foodstuffs procured by WFP for non-commercial humanitarian purposes.

### Trade Junctures and Logistics

- On 2 December, grain inspectors and oilseed workers in **Argentina** went on strike over wage increases and a special COVID bonus. The strike was lifted on 29 December when the Argentinean Ministry of Labour agreed to a 25 percent wage increase from January to August 2021, to be followed by increments that would take account of the domestic rate of inflation. The strikes paralyzed the main oilseed export ports north of Rosario, disrupting all the milling activity and delaying the loading of cargo ships. On 16 January, the main union of independent carriers started demonstrations against increasing freight costs (fuel, taxes, tolls), disrupting the arteries around Sante Fe and in neighbouring provinces, and hampering the flow of goods to the port of Rosario and Buenos Aires. The strike was lifted on 24 January.
- Droughts in mid-December 2020 have led to low water levels in the north and central parts of the Rhine river, around Cologne and Kaub in **Germany**. The Rhine is a key transportation route for commodities including grains. Low water levels hamper the full loading of cargoes, leading to extra costs.
- Due to strong demand for bulk cargoes amid competitive prices and difficulties in securing shipping containers, **India's** main rice export hub, the port of Kakinada, is experiencing congestion and delays in cargo loading.
- On 16 December, **Nigeria** reopened four land borders (Seme border to the South West, Illela and Maigatari border in the North West and Mfun in the South) before a full reopening at the end of the month. Borders were closed over a year ago, to limit the smuggling of rice and other goods. Some import restrictions will be maintained, including the one on rice.

## International prices

### International Grains Council (IGC) Grains and Oilseeds Index (GOI) and GOI sub-Indices

	Jan 2021 Average*	percent Change	
		M/M	Y/Y
<b>GOI</b>	268	+ 8.7%	+ 36.5 %
<b>Wheat</b>	229	+ 6.8 %	+ 17.5 %
<b>Maize</b>	269	+ 11.2 %	+ 42.2 %
<b>Rice</b>	197	+ 2.9 %	+ 18.4 %
<b>Soybeans</b>	276	+ 10.2 %	+ 50.7 %

\*Jan 2000=100, derived from daily export quotations

#### Wheat

World wheat export prices posted strong gains in January. While some support came from wheat-related fundamentals, the rise in values was partly in response to strength in maize and soybeans. While Russia's harvest was confirmed to be one of the largest in history, there was uncertainty about the implications for prices from news that Russia's exports were to be subject to a quota/tax from mid-February. Solid import buying interest and tightening export surpluses in the EU and Ukraine contributed to overall bullish market sentiment. However, some of the focus switched to new crop prospects and additional price underpinning was linked to worries about a less than ideal start to the 2021/22 growing seasons in the US and the Russian Federation.

#### Maize

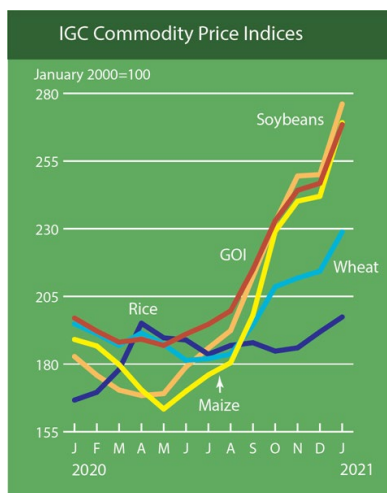
Buoyed by increasingly tight supply and demand fundamentals, the IGC maize sub-Index surged by 11 percent in January, to its highest since mid-2013. US export prices spiked on an unexpectedly sharp drop in USDA's production estimate, with support too from sustained Chinese buying interest and adverse weather for South American crops during the first half of the month. Traders were particularly concerned about dry soils in parts of Argentina, where market activity was also hampered by industrial action and uncertainty about export policy. Prices in Brazil were very thinly quoted amid tight spot availabilities, but with nominal values sharply higher m/m. FOB prices in Ukraine rallied on this season's smaller surplus and steady overseas demand.

#### Rice

Although main crop harvesting progressed in several key exporters in Asia, average international rice prices were stronger m/m, while trade remained disrupted by a widespread shortage of shipping containers in the region. Thai quotes were underpinned by strength in the local currency and concerns about low water availabilities, while Vietnamese values were lifted by tight availabilities ahead of winter/spring crop harvesting due to begin at the end of February. Prices in India increased on heavy government paddy procurement and steady demand amid competitive export prices.

#### Soybeans

Against the backdrop of tightening global availabilities and worries about South American crops, the IGC GOI sub-Index increased by 10 percent m/m, with sizeable gains at all major origins. Amid strong export demand, US values continued to gain on prospects for the smallest closing stocks in seven years, with firmer external markets and currency movements adding to the upbeat tone. Highlighting the strength of international demand for US supplies, 2020/21 (Sep/Aug) cumulative commitments were equivalent to 84 percent of the official forecast for full-year shipments. Despite generally subdued market activity and a recent improvement in weather conditions, worries about harvest delays in Brazil remained supportive.



		IGC commodity price indices				
		GOI	Wheat	Maize	Rice	Soybeans
		( ..... January 2000 = 100 ..... )				
2020	January	197.0	194.9	189.1	166.7	182.8
	February	192.2	191.2	186.7	169.6	175.9
	March	188.1	186.9	179.8	178.0	170.4
	April	189.2	191.5	170.5	195.1	168.4
	May	186.9	187.3	163.4	189.7	169.1
	June	191.1	181.4	170.0	188.9	179.0
	July	194.7	182.0	176.0	183.6	185.9
	August	199.7	183.7	180.5	186.9	192.4
	September	215.0	194.5	198.1	187.9	212.3
	October	233.0	208.6	229.1	184.8	232.5
	November	244.2	211.8	240.2	186.0	249.5
	December	246.8	214.3	242.0	191.9	250.0
2021	January	268.5	228.8	269.2	197.4	276.1

Selected export prices, currencies and indices

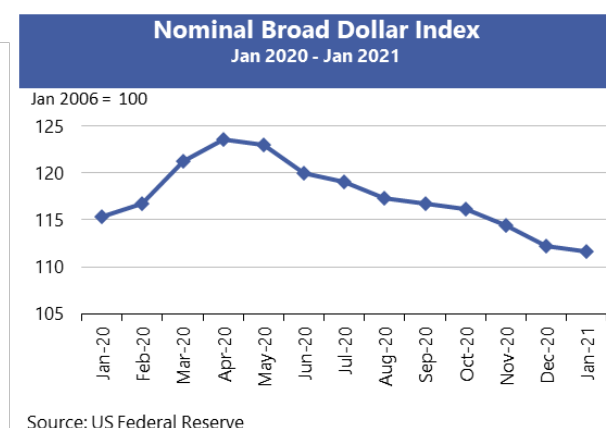
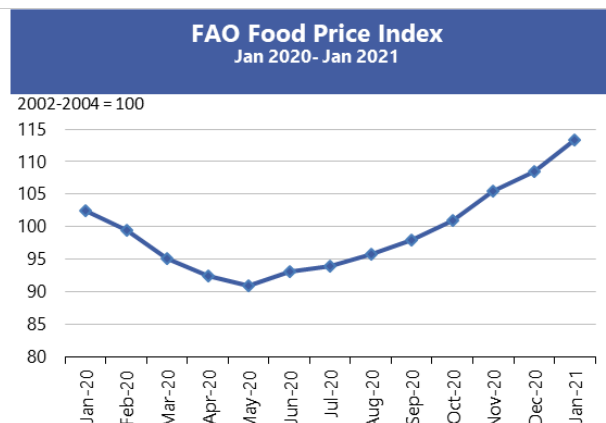


Daily quotations of selected export prices

	Effective Date	Quotation (1)	Month ago (2)	Year ago (3)	% change (1) over (2)	% change (1) over (3)
..... USD/tonne .....						
<b>Wheat (US No. 2, HRW)</b>	29-Jan	295	282	230	4.6%	28.3%
<b>Maize (US No. 2, Yellow)</b>	28-Jan	237	222	171	7.0%	38.7%
<b>Rice (Thai 100% B)</b>	29-Jan	541	520	437	4.0%	23.8%
<b>Soybeans (US No.2, Yellow)</b>	29-Jan	536	523	344	2.5%	55.8%

AMIS Countries' Currencies Against US Dollar

AMIS Countries	Currency	Jan 2021 Average	Monthly Change	Annual Change
Argentina	ARS	85.7	-3.7%	-43.0%
Australia	AUD	1.3	2.4%	11.2%
Brazil	BRL	5.3	-3.8%	-28.8%
Canada	CAD	1.3	0.7%	2.8%
China	CNY	6.5	1.0%	6.5%
Egypt	EGP	15.7	0.0%	1.2%
EU	EUR	0.8	0.0%	8.8%
India	INR	73.1	0.7%	-2.6%
Indonesia	IDR	14,007.8	0.6%	-2.1%
Japan	JPY	103.7	0.1%	5.1%
Kazakhstan	KZT	420.3	0.1%	-10.9%
Rep. Korea	KRW	1,097.9	-0.4%	5.9%
Mexico	MXN	19.9	0.2%	-5.9%
Nigeria	NGN	380.7	0.0%	-24.4%
Philippines	PHP	48.1	0.0%	5.5%
Russian Fed.	RUB	74.2	-0.4%	-19.9%
Saudi Arabia	SAR	3.8	0.0%	0.0%
South Africa	ZAR	15.1	-1.8%	-5.0%
Thailand	THB	30.0	0.2%	1.4%
Turkey	TRY	7.4	3.8%	-25.0%
UK	GBP	0.7	1.4%	4.1%
Ukraine	UAH	28.2	-0.1%	-16.5%
Viet Nam	VND	23,068.0	0.2%	0.5%





## Futures market (US)

### Futures Prices – nearby

	Jan-21 Average	percent Change	
		M/M	Y/Y
<b>Wheat</b>	241	9.2%	15.9%
<b>Maize</b>	203	18.4%	33.6%
<b>Rice</b>	285	4.6%	-2.6%
<b>Soybeans</b>	505	13.7%	49.6%

Source: CME

### Future Prices

Futures prices for wheat, maize and soybeans rose significantly m/m as global fundamentals tightened and economic fallout from the pandemic continued. Lower estimates for US ending stocks, the announcement of staggered export taxes on wheat by the Russian Federation and record maize and soybean purchases by China were the primary factors pushing values up, which have trended higher over the past six to seven months. Timely rains in South America eased dry weather concerns late in month, briefly sending prices into a sharp correction. Rice futures rose modestly in sympathy with the other commodities and strong Asian demand. In exogenous markets, the US dollar index continued to hover around 0.90 level for the last two months, defying bearish expectations while crude oil prices rose following the new US administration's executive orders intended to curb domestic dependence on fossil fuels. Prices for wheat, maize, soybeans rose 9.2, 18.4 and 13.8 respectively m/m while rising 15.9, 33.6, and 49.6 percent y/y. Rice was 4.6 percent higher m/m but 2.6 percent lower y/y.

### Volumes and volatility

Trade volumes for wheat, maize and soybeans improved both m/m and y/y as prices achieved multi-year highs. Open interest also approached the record levels attained in 2018 for maize and soybeans. Options trading, which has become increasingly popular, added an additional 25, 37 and 44 percent to open interest totals for wheat, maize and soybeans respectively. Implied volatility moved considerably higher m/m and doubled in value for maize and soybeans y/y. Historical volatility however was mostly unchanged for the three commodities m/m but higher for wheat and soybeans y/y.

### Basis levels and transport

Domestic basis levels were mostly unchanged m/m, despite the considerable futures price rally. In Illinois, average quotes to local elevators were minus USD 5 per tonne for maize, and minus USD 4 per tonne for soybeans, each under the respective March futures prices. In Iowa, maize and soybean bids were minus USD 10 and minus USD 19,

### Historical Volatility – 30 Days, nearby

	Monthly Averages		
	Jan-21	Dec-20	Jan-20
<b>Wheat</b>	28.0	26.3	14.6
<b>Maize</b>	20.5	19.3	22.8
<b>Rice</b>	16.5	14.4	12.7
<b>Soybeans</b>	20.7	16.4	10.9

respectively. Soft red wheat bids for delivery to northern flour mills, continued at a discount to nearby futures. Persistent record export demand kept maize and soybean bids delivered to gulf firm m/m at USD 27 per tonne over respective futures. Soft red wheat values were quoted at around USD 37 per tonne over the March futures in thin trade. Elevation margins at the New Orleans Gulf (the difference between barge shipments delivered gulf and free on-board vessel) fell from their lofty levels m/m to about USD 6 to 10 per tonne even as exports remained brisk. Despite heavy barge traffic on the Illinois River, freight levels weakened to about USD 23 per tonne. The USDA reported that exports to date and forward sales for maize and soybeans were continuing at a record pace, exceeding levels y/y by two to three times. Wheat exports together with forward sales also surpassed the previous year. China superseded Mexico as the largest US maize buyer and its cumulative soybean exports and forward commitments of 34 million tonnes comprised over half the projected soybean exports for the 2020/21 US crop season.

### Forward curves

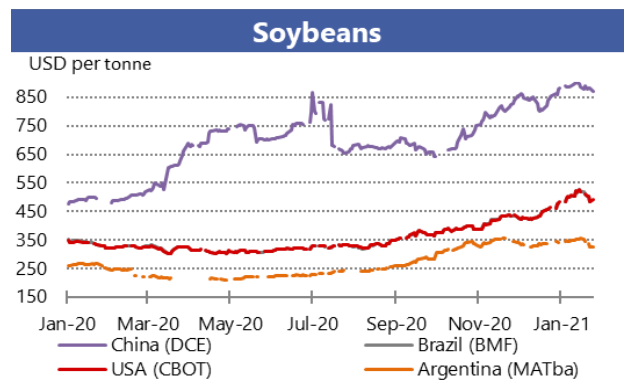
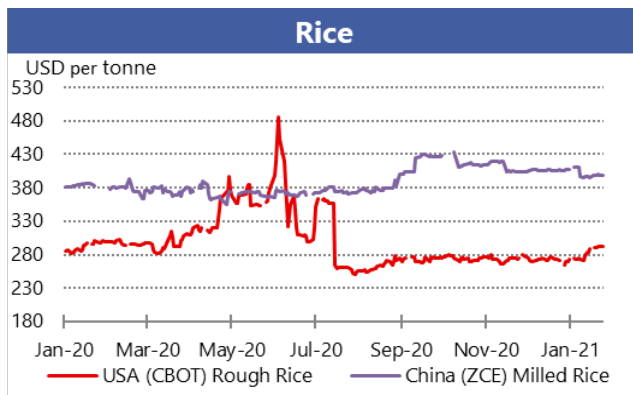
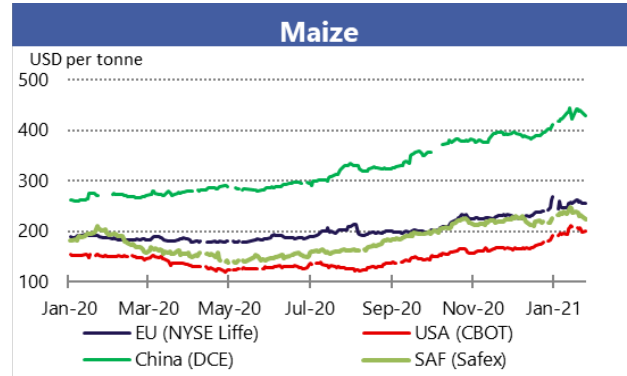
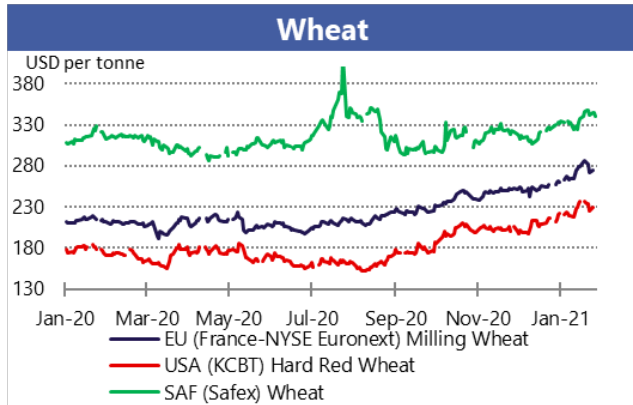
Forward curves for maize and soybeans reached multi-year inversion levels m/m as export demand remained robust and ending stock levels were projected to shrink further. In wheat, the front end of the curve dipped slightly as global wheat stocks appeared sufficient amid a few regional issues.

### Investment flows

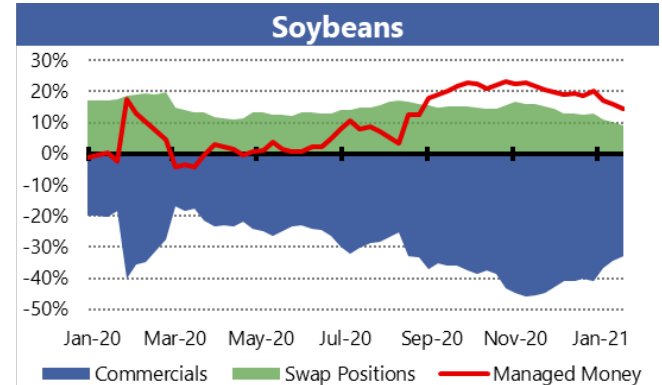
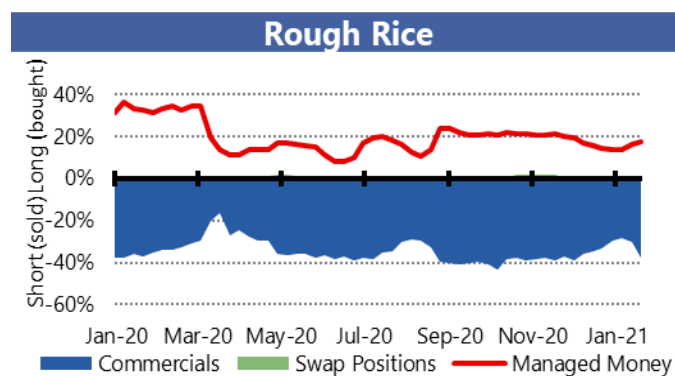
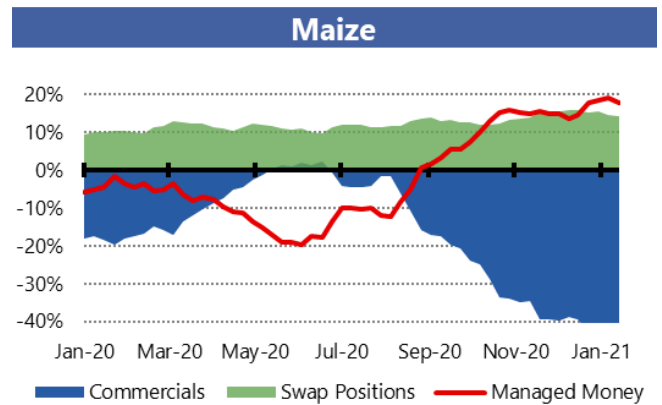
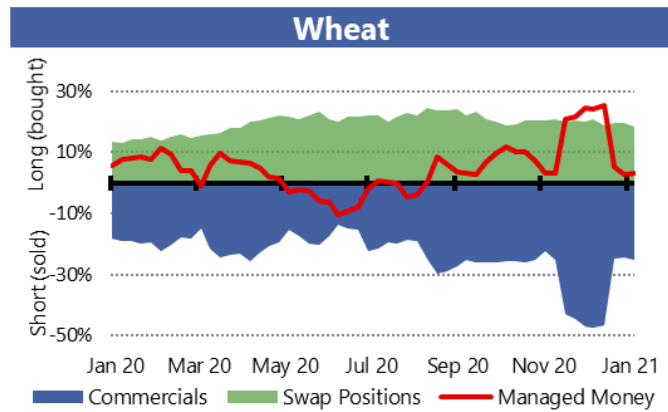
Managed money exited most of its large net long position in wheat m/m while trimming its record net long in soybeans by about a third. Fund managers also boosted slightly their net long position in maize m/m, their largest holdings since 2011. Commercials took opposite strategies, establishing a record net short position in maize while reducing their record net short m/m in soybeans. Similarly, in wheat, commercials bought contracts as fund managers sold.

# Market indicators

Daily quotations from leading exchanges - nearby futures

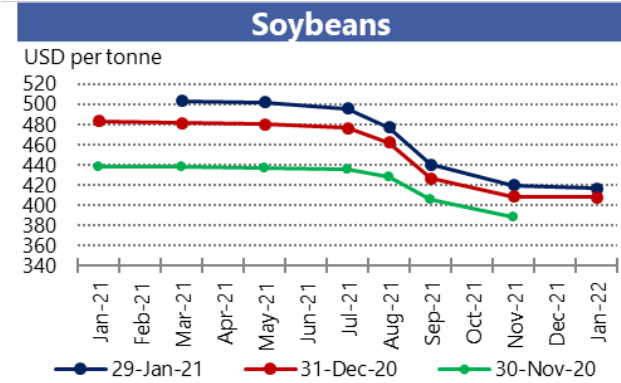
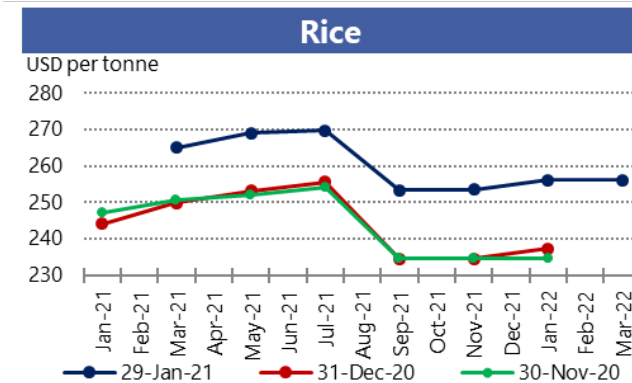
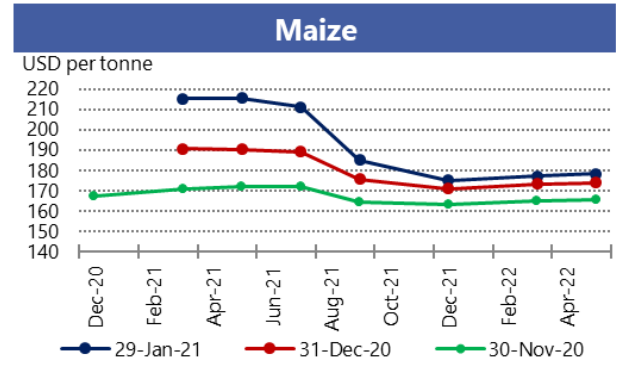
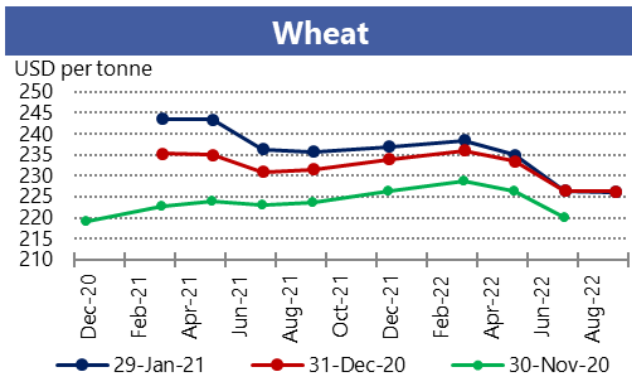


CFTC Commitments of Traders - Major Categories Net Length as percentage of Open Interest\*

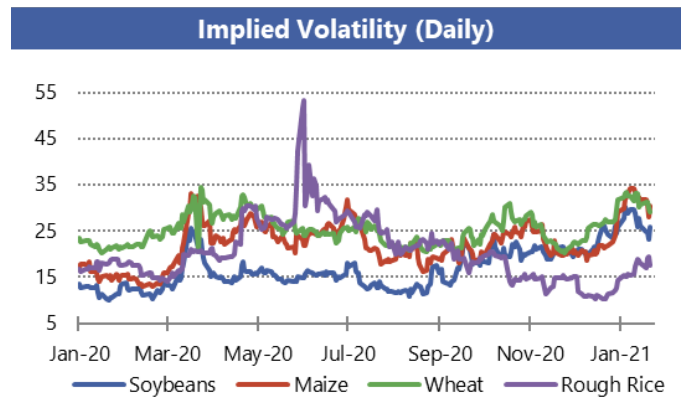
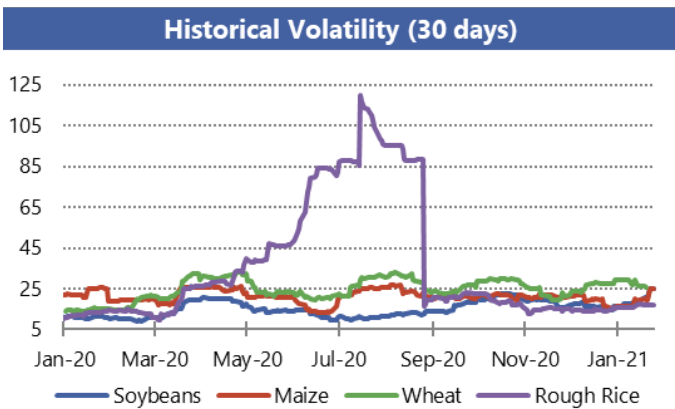


\*Disaggregated Futures Only. Though not all positions are reflected in the charts, total long positions always equal total short positions.

Forward Curves



Historical and Implied Volatilities



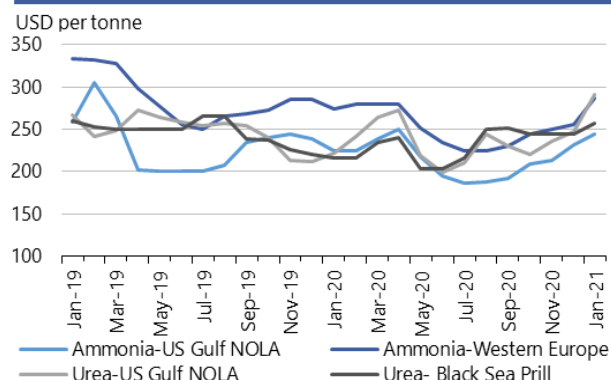
**i** AMIS Market indicators

Some of the indicators covered in this report are updated regularly on the AMIS website. These, as well as other market indicators, can be found at: <http://www.amis-outlook.org/amis-monitoring/indicators/>

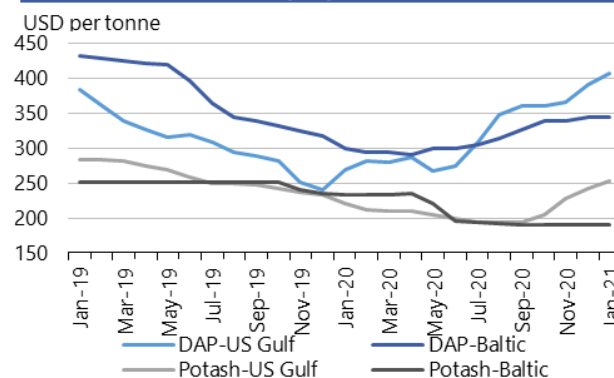
\*For more information about Forward Curves see the feature article in [No. 75 February AMIS Market Monitor 2020](#).

## Fertilizer outlook

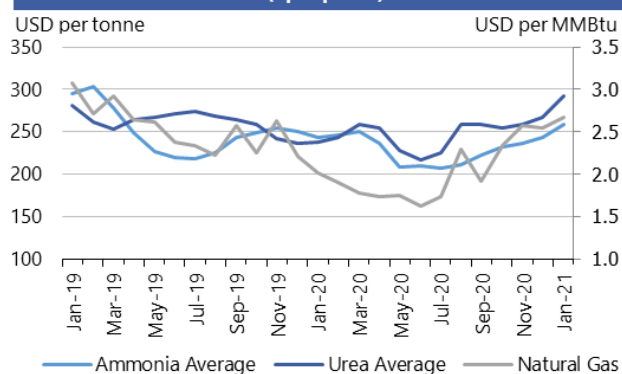
### Ammonia and Urea (Spot prices)



### Potash and Phosphate (Spot prices)



### Ammonia Average, Urea Average and Natural Gas (Spot prices)



Note: Natural gas is used as major input to produce nitrogen-based fertilizers.  
Own elaboration based on Bloomberg.

- Most **fertilizer prices** are reporting their highest values over the past 12 months following inventory shortages due to COVID-19, rising gas prices, and a milder winter in the US and Europe that is allowing for early application.
- **Natural gas** prices continued their upward trend since mid-2020, approaching year-ago levels. Expectations about the rollout of COVID-19 vaccines and eventual recovery of economic activity are driving up prices.
- The stronger demand for the upcoming planting season in the Northern Hemisphere has pushed **ammonia** prices upward.
- In the case of **urea**, a tighter supply from China has further pushed prices upward.
- **DAP** prices are on the rise due to import restrictions in the US, which have limited the supply.
- While high inventories have helped to stabilize **potash** prices in several regions, high demand has increased prices in the US.

	January average	January std. dev	% change last month*	% change last year*	12-month high	12-month low
Ammonia-US Gulf NOLA	245.0	-	6.1%	8.9%	250	186
Ammonia-Western Europe	287.5	23.6	12.7%	5.2%	288	225
Urea-US Gulf	291.8	31.6	18.1%	31.8%	291.8	199.5
Urea-Black Sea	257.5	25.0	5.1%	19.2%	257.5	203.0
DAP-US Gulf	407.5	16.6	4.0%	50.9%	407.5	267
DAP-Baltic	345.0	-	0.0%	15.0%	345	291
Potash-Baltic	190.0	-	0.0%	-18.8%	234.5	190
Potash- US Gulf NOLA	253.0	7.3	4.7%	14.7%	253.0	193
Ammonia	259.0	10.3	6.5%	6.1%	259.0	206.5
Urea	291.9	22.0	9.1%	23.0%	291.9	217
Natural Gas	2.7	0.1	4.5%	31.8%	2.7	1.6

All prices shown are in US dollars.

Source: Own elaboration based on Bloomberg

**i** Chart and tables description \* Estimated using available weekly data to date.

**Ammonia and Urea:** Overview of nitrogen-based fertilizer prices in the US Gulf, Western Europe and Black Sea. Prices are weekly prices averaged by month.

**Potash and Phosphate:** Overview of phosphate and potassium-based fertilizer prices in the US Gulf, Baltic and Vancouver. Prices are weekly prices averaged by month.

**Ammonia Average and Urea Average:** Monthly average prices from Ammonia's US Gulf NOLA, Middle East, Black Sea and Western Europe were averaged to obtain Ammonia Average prices; monthly average prices from Urea's US Gulf NOLA, US Gulf Prill, Middle East Prill, Black Sea Prill and Mediterranean were averaged to obtain Urea Average prices.

**Natural Gas:** Henry Hub Natural Gas Spot Price from ICE up to December 2017 and from Bloomberg (BGAP) from January 2018 onwards. Prices are intraday prices averaged by month. Natural gas is used as major input to produce nitrogen-based fertilizers

**DAP:** Diammonium Phosphate.



## Ocean freight markets

### Dry bulk freight market developments

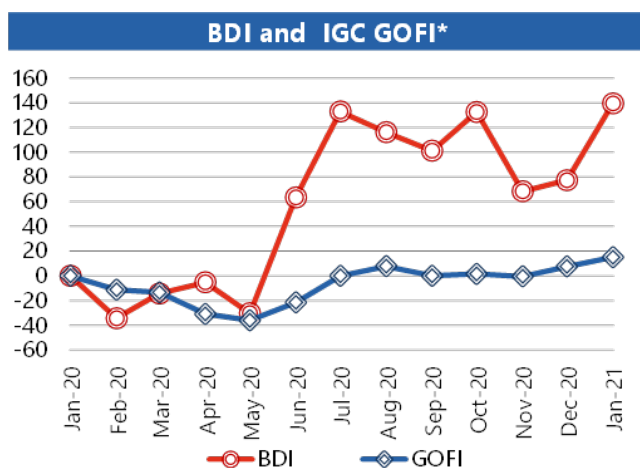
	January-21 average	Change m/m	Change y/y
<b>Baltic Dry Index (BDI)*</b>	<b>1679.3</b>	<b>+35.0%</b>	<b>+139.5%</b>
<i>sub-Indices:</i>			
Capesize	2691.3	+69.5%	+277.1%
Panamax	1587.3	+13.9%	+104.2%
Supramax	1084.3	+4.9%	+89.8%
Baltic Handysize Index (BHSI)**	662.5	-1.1%	+70.2%

Sources: Baltic Exchange, IGC.

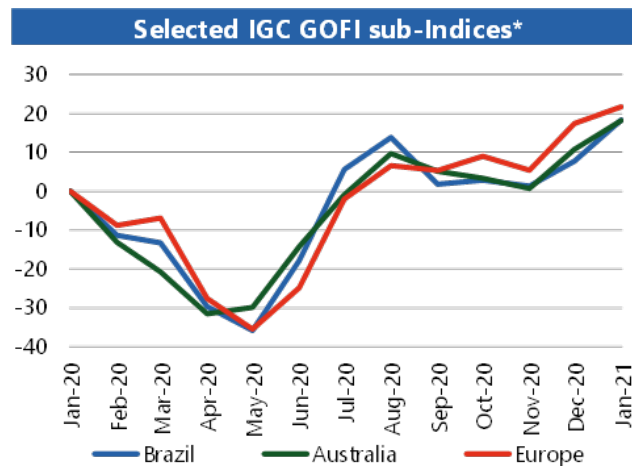
\*4 January 1985 = 1000. \*\*23 May 2006 = 1000.

\*\*\*1 January 2013 = 100.

	January-21 average	Change m/m	Change y/y
<b>IGC Grains and Oilseeds Freight Index (GOFI)***</b>	<b>131.3</b>	<b>+7.0%</b>	<b>+15.1%</b>
<i>sub-Indices:</i>			
Argentina	160.2	+6.6%	+16.3%
Australia	84.7	+6.7%	+18.2%
Brazil	171.5	+9.8%	+18.3%
Black Sea	138.9	+4.7%	+14.4%
Canada	109.8	+6.4%	+14.6%
Europe	116.8	+3.6%	+21.7%
US	109.6	+6.0%	+12.7%



\*percentage change based on monthly average values



- The dry bulk freight market exhibited a predominantly bullish tone in January. Despite two-sided trends, the **Baltic Dry Index (BDI)** averaged one-third higher compared to the previous month, chiefly owing to stronger rates for the largest carriers. Reflecting an unseasonably strong performance, average BDI values are two and a half times higher than a year ago, including steep annual gains across all constituent segments.
- The **Capesize** market was the driver of growth, with average values rising by 70 percent during the period. Increasing iron ore activity out of Brazil and Australia to China, coupled with rising coal enquiries in Indonesia, lifted values in the first half of the month, with broader support from firm global iron ore prices and congestion at Chinese and Australian ports. Values subsided more recently due to resistance from charterers at main origins, as well as easing logistical bottlenecks in China.
- Average **Panamax** quotations increased by 14 percent. The market moved sharply higher since the start of the year,

drawing support from the rallying Capesize sector, as well as robust demand in the Atlantic, mainly centred on the US Gulf. Rising enquiries in Australia and the northern Pacific contributed to overall gains, while markets were also buoyed by increased coal enquiries out of Indonesia and India, with cold spells reportedly boosting demand for heating and electricity in Asia.

- Rates for smaller carriers were relatively more stable, with narrowly mixed changes in average **Supramax** and **Handysize** values. Both sectors witnessed a weak start to the year, albeit market sentiment turned more positive in the latter part of the month on improving demand in Europe and the Mediterranean, coupled with supportive fundamentals in the South American market.
- Gains in vessel hire and fuel costs contributed to a 7 percent monthly increase in the IGC **Grains and Oilseeds Freight Index (GOFI)**, which reached its highest level since October 2019 recently.

#### **i** Source: International Grains Council

**Baltic Dry Index (BDI):** A benchmark indicator issued daily by the Baltic Exchange, providing assessed costs of moving raw materials on ocean going vessels. Comprises sub-Indices for three segments: Capesize, Panamax and Supramax. The Baltic Handysize Index excluded from the BDI from 1 March 2018.

**IGC Grains and Oilseeds Freight Index (GOFI):** A trade-weighted composite measure of ocean freight costs for grains and oilseeds, issued daily by the International Grains Council. Includes sub-Indices for seven main origins (Argentina, Australia, Brazil, Black Sea, Canada, the EU and the USA). Constructed based on nominal HSS (heavy grains, soybeans, sorghum) voyage rates on selected major routes.

**Capesize:** Vessels with deadweight tonnage (DWT) above 80,000 DWT, primarily transporting coal, iron ore and other heavy raw materials on long-haul routes.

**Panamax:** Carriers with capacity of 60,000-80,000 DWT, mostly geared to transporting coal, grains, oilseeds and other bulks, including sugar and cement.

**Supramax/Handysize:** Ships with capacity below 60,000 DWT, accounting for the majority of the world's ocean-going vessels and able to transport a wide variety of cargoes, including grains and oilseeds.

## Explanatory notes

The notions of **tightening** and **easing** used in the summary table of “Markets at a glance” reflect judgmental views that take into account market fundamentals, inter-alia price developments and short-term trends in demand and supply, especially changes in stocks.

All totals (aggregates) are computed from unrounded data. World supply and demand estimates/forecasts are based on the latest data published by FAO, IGC and USDA. For the former, they also take into account information provided by AMIS focal points (hence the notion “FAO-AMIS”). World estimates and forecasts produced by the three sources may vary due to several reasons, such as varying release dates and different methodologies used in constructing commodity balances. Specifically:

**Production:** Wheat production data from all three sources refer to production occurring in the first year of the marketing season shown (e.g. crops harvested in 2016 are allocated to the 2016/17 marketing season). Maize and rice production data for FAO-AMIS refer to crops harvested during the first year of the marketing season (e.g. 2016 for the 2016/17 marketing season) in both the northern and southern hemisphere. Rice production data for FAO-AMIS also include northern hemisphere production from secondary crops harvested in the second year of the marketing season (e.g. 2017 for the 2016/17 marketing season). By contrast, rice and maize data for USDA and IGC encompass production in the northern hemisphere occurring during the first year of the season (e.g. 2016 for the 2016/17 marketing season), as well as crops harvested in the southern hemisphere during the second year of the season (e.g. 2017 for the 2016/17 marketing season). For soybeans, the latter approach is used by all three sources.

**Supply:** Defined as production plus opening stocks by all three sources.

**Utilization:** For all three sources, wheat, maize and rice utilization includes food, feed and other uses (namely, seeds, industrial uses and post-harvest losses). For soybeans, it comprises crush, food and other uses. However, for all AMIS commodities, the use categories may be grouped differently across sources and may also include residual values.

**Trade:** Data refer to exports. For wheat and maize, trade is reported on a July/June basis, except for USDA maize trade estimates, which are reported on an October/September basis. Wheat trade data from all three sources includes wheat flour in wheat grain equivalent, while the USDA also considers wheat products. For rice, trade covers shipments from January to December of the second year of the respective marketing season. For soybeans, trade is reported on an October/September basis by FAO-AMIS and the IGC, while USDA data are based on local marketing years except for Argentina and Brazil which are reported on an October/September basis. Trade between European Union member states is excluded.

**Stocks:** In general, world stocks of AMIS crops refer to the sum of carry-overs at the close of each country’s national marketing year. For soybeans, stock levels reported by the USDA are based on local marketing years, except for Argentina and Brazil, which are adjusted to October/September. For maize and rice, global estimates may vary across sources because of differences in the allocation of production in southern hemisphere countries.

**For more information on AMIS Supply and Demand, please view [AMIS Supply and Demand Balances Manual](#).**

### Main sources







Bloomberg, CFTC, CME Group, FAO, GEOGLAM, IFPRI, IGC, OECD, Reuters, USDA, US Federal Reserve, WTO

## AMIS - GEOGLAM Crop Calendar

Selected leading producers

Wheat		J	F	M	A	M	J	J	A	S	O	N	D
EU (21%)*	winter				c	c		Harvest			Planting		
China (17%)	spring			Planting			c		Harvest				
	winter		c	c	c			Harvest				Planting	
India (13%)	winter	c	c		Harvest							Planting	
US (8%)	spring				Planting		c	c		Harvest			
	winter			c	c			Harvest			Planting		
Russia (8%)	spring				Planting		c	c		Harvest			
	winter		c	c	c			Harvest			Planting		
Maize		J	F	M	A	M	J	J	A	S	O	N	D
US (35%)					Planting		c	c	c		Harvest		
China (22%)	north				Planting		c	c		Harvest			
	south			Planting			c	c		Harvest			
Brazil (8%)	1st crop	c	c		Harvest						Planting		c
	2nd crop		Planting		c	c	c			Harvest			
EU (7%)					Planting		c	c	c		Harvest		
Argentina (3%)					Harvest						Planting	c	c
Rice		J	F	M	A	M	J	J	A	S	O	N	D
China (29%)	intermediary crop				Planting		c	c	c		Harvest		
	late crop							Planting		c	c		Harvest
	early crop			Planting			c	c			Harvest		
India (21%)	kharif					Planting		c	c		Harvest		
	rabi		c		Harvest								
Indonesia (9%)	main Java		c	c		Harvest						Planting	
	second Java				Planting		c	c	c		Harvest		
Viet Nam (6%)	winter-spring		c	c		Harvest						Planting	
	summer/autumn						Planting		c	c		Harvest	
Thailand (4%)	winter					Planting			c	c		Harvest	
	main season					Planting			c	c		Harvest	
	second season			c	c	c			Harvest				
Soybeans		J	F	M	A	M	J	J	A	S	O	N	D
USA (31%)					Planting		c	c	c		Harvest		
Brazil (29%)		c	c		Harvest						Planting		c
Argentina (18%)		c	c	c		Harvest						Planting	
China (4%)						Planting		c	c		Harvest		
India (3%)							Planting		c	c		Harvest	

\* Percentages refer to the global share of production (average 2013-15).

	Planting (peak)		Harvest (peak)
	Planting		Harvest
	Weather conditions in this period are critical for yields.		Growing period

### 2021 AMIS Market Monitor Release Dates

February 4, March 4, April 8, May 6, June 3, July 8, September 2, October 7, November 4, December 2

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