



MARKET MONITOR

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No. 92 – October 2021

Markets at a glance

How will developments in global food markets in 2021/22 differ from the COVID-19-driven situation of 2020/21? As world economic activity gradually returns to pre-pandemic levels, the likely upward pressure on food demand, along with rising energy prices as well as increased fertilizer and transport costs could further increase the degree of variability and uncertainty in the global food system. Against this background, assuring uninterrupted access to adequate food supplies, both nationally as well as internationally, remains crucial.

	From previous forecast	From previous season
Wheat	■	▼
Maize	▲	▲
Rice	▲	▲
Soybeans	▲	▲

▲ 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

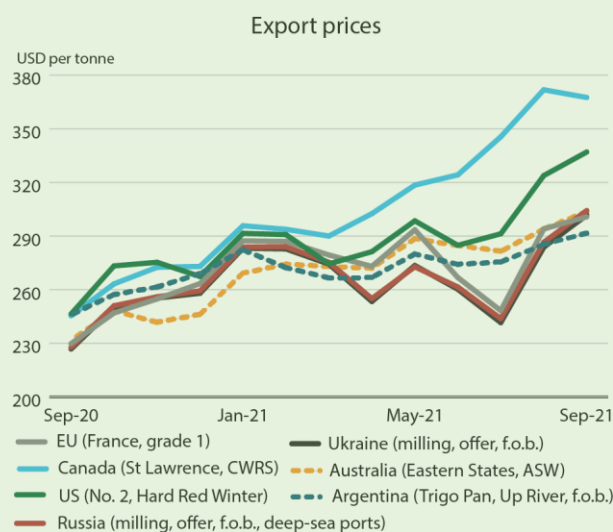
Uncertainties in wheat markets prevail

Poor weather conditions hit wheat crops particularly hard this season in several key producing countries, such as Canada (minus 38 percent below last season's output), the Russian Federation (minus 13 percent); and the United States (minus 7 percent). Not surprisingly, therefore, global wheat inventories could fall below opening levels in the 2021/22 marketing season. With most of the drawdowns concentrated in major exporting countries, the wheat stocks-to-disappearance ratio could fall to the lowest level in over two decades, which is a worrying sign of supply tightness in world markets, raising the possibility of even further gains in wheat prices this season.

On the demand side, wheat food consumption continues to rise at almost the same pace as population growth while feed use of wheat has intensified markedly since the previous season, largely on the back of tight supplies and high prices of more typical feed grains. Concerning trade, apart from quantity consideration, also the quality of this year's wheat crop will play an important role in determining how trade flows will unfold in the 2021/22 marketing season.

In the EU, where exports are forecast to rebound, significant quality downgrades, particularly in France, could deter potential buyers, as evidenced by the recent cancellation of a purchase by China. Conversely, Russia seems to be benefiting from better quality wheat this season, increasing its attractiveness for international buyers. In fact, with strong global demand for high-quality Russian wheat and overall lower Russian supplies that could result in more restrictive trade measures, pressure on markets can be expected to mount even further.

The current supply tightness in global wheat markets must also be assessed in light of important and fast changing developments in energy markets and supply chain logistics. Easing COVID-19 restrictions are likely to sustain economic recovery, boosting prices of oil, gas, and, as a result, fertilizer. In addition, port congestions, such as those witnessed recently in China and the US, are also a concern, contributing to supply chain disruptions, which – along with elevated freight rates – might add more volatility to wheat prices and increase import costs, which would be a particular burden for the poorest countries in the world.



World supply-demand outlook

- **Wheat** production in 2021 raised m/m mostly on upward revisions for Australia, Canada, the EU, and Ukraine.
- Utilization in 2021/22 scaled up and now seen expanding by 2.4 percent from the previous season, buoyed by relatively strong growth in food, feed, and other uses.
- Trade in 2021/22 (July/June) now forecast to exceed slightly the 2020/21 record level, with higher-than-earlier-expected exports from Australia, the EU and Ukraine more than offsetting a downward revision for shipments from Russia.
- Stocks (ending in 2022) to fall slightly below their record opening levels, with most of the drawdown concentrated in Canada, Russia, and the US.

- **Maize*** production in 2021 nearly unchanged m/m, with upward revisions for the US and Ukraine balancing a downgrade for prospects in the EU.
- Utilization in 2021/22 scaled up and now forecast to rise by 2.0 percent from 2020/21, driven by stronger feed use in Brazil, Canada, China, as well as higher industrial use in Brazil and the US.
- Trade in 2021/22 (July/June) still pointing to a decline from the 2020/21 record level, despite upward revisions to import forecasts for Canada and the Republic of Korea on stronger feed demand.
- Stocks (ending in 2022) now forecast to rise above their opening levels following upward revisions to end-season inventories of China and the US.

- **Rice** production in 2021 raised somewhat, with upward revisions for India and, to a lesser extent, China and Thailand, outweighing cuts for Mali, Pakistan and the US.
- Utilization in 2021/22 downgraded on reduced use figures for India, which overshadowed various smaller other use changes; nevertheless, global utilization is still seen rising to a fresh historical peak.
- Trade in 2022 (January-December) lifted on even higher export expectations for India and Thailand, while exports were cut, namely for Viet Nam. Among buyers, import upgrades primarily concerned Nepal and several countries in Africa.
- Stocks (2021/22 carry-out) upgraded and now pointing to a record high on the back of rising inventories in traditional exporters.

- **Soybean** 2021/22 production forecast lowered fractionally m/m, with downward revisions for Argentina and India offsetting higher forecasts for Brazil and the US; but world output is still 5 percent above the 2020/21 level.
- Utilization 2021/22 trimmed marginally on prospects of weaker domestic crushing in Argentina and the US.
- Trade in 2021/22 virtually unchanged, entailing a 3.5 percent y/y rebound following an exceptional contraction in 2020/21.
- Stocks (2021/22 carry-out) scaled up m/m based on upward adjustments for the US and Brazil, although global reserves still seen to recover only marginally from the well-below average level in 2020/21.

	FAO-AMIS			USDA		IGC		
	2020/21	2021/22		2020/21	2021/22	2020/21	2021/22	
	est	2 Sep	7 Oct	est	f'cast 10 Sep	est	f'cast 23 Sep	
Wheat	Stocks	775.8	769.5	776.6	775.8	780.3	773.4	780.6
	Prod	641.6	632.4	639.6	641.6	643.4	639.1	643.5
	Supply	1,053.3	1,059.4	1,063.5	1,073.4	1,072.8	1,048.5	1,059.5
	Utiliz.	792.4	792.0	796.1	789.2	791.8	785.5	795.6
	Trade	760.5	777.5	779.1	780.9	789.6	769.6	782.6
	Trade	619.6	634.7	636.3	630.9	640.6	623.7	637.1
	Trade	187.5	185.1	188.0	197.7	200.9	190.0	190.8
	Trade	176.7	176.1	178.5	187.1	190.9	179.0	181.2
	Trade	286.8	284.1	284.3	292.6	283.2	278.9	276.9
	Trade	156.5	150.7	150.4	148.5	142.2	150.8	148.8
Maize	Stocks	1,157.4	1,191.3	1,191.8	1,117.1	1,197.8	1,127.2	1,209.0
	Prod	896.8	917.8	918.3	856.4	924.8	866.5	936.2
	Supply	1,458.6	1,471.3	1,477.1	1,423.2	1,484.3	1,424.9	1,482.7
	Utiliz.	1,049.7	1,047.1	1,050.0	962.0	1,009.1	972.4	1,016.1
	Trade	1,173.2	1,195.1	1,196.7	1,136.7	1,186.6	1,151.2	1,201.2
	Trade	888.9	901.7	903.3	851.7	892.6	863.3	905.0
	Trade	189.9	186.0	187.5	183.8	192.4	189.0	179.4
	Trade	161.3	162.0	163.5	157.8	166.4	159.7	162.9
	Trade	285.3	282.6	288.1	286.5	297.6	273.7	281.5
	Trade	131.7	128.9	131.4	84.3	90.5	79.8	94.6
Rice	Stocks	513.2	519.1	519.7	506.2	508.0	506.6	511.9
	Prod	368.1	372.5	372.9	357.9	359.0	358.3	361.4
	Supply	697.5	703.4	705.4	688.0	693.9	685.2	691.2
	Utiliz.	449.0	454.2	456.0	423.2	428.4	426.7	433.9
	Trade	510.3	520.6	519.6	502.0	512.1	505.9	509.3
	Trade	362.3	371.0	369.8	351.7	356.4	352.8	357.9
	Trade	49.2	48.4	50.2	48.2	48.0	47.3	47.5
	Trade	45.3	45.2	47.0	44.3	44.4	43.5	44.2
	Trade	185.6	185.1	186.7	186.0	181.9	179.3	181.9
	Trade	83.0	85.0	86.6	69.5	70.9	70.0	72.7
Soybeans	Stocks	363.6	380.6	380.1	363.3	384.4	362.4	379.5
	Prod	344.0	362.2	361.5	343.4	365.4	342.8	360.9
	Supply	418.3	426.4	429.4	459.2	479.5	414.5	433.5
	Utiliz.	379.3	385.5	388.3	412.8	427.7	364.4	380.7
	Trade	368.5	380.9	379.0	365.1	329.4	360.5	376.2
	Trade	254.3	260.6	258.4	252.5	231.4	246.0	255.7
	Trade	164.6	170.3	170.4	165.7	173.2	165.9	171.4
	Trade	66.6	69.3	69.4	67.7	69.9	67.2	69.1
	Trade	49.3	46.2	50.2	95.1	98.9	54.0	57.3
	Trade	26.8	24.7	28.7	62.3	63.9	19.7	22.7

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 2021/22 forecasts since the previous report

in thousand tonnes

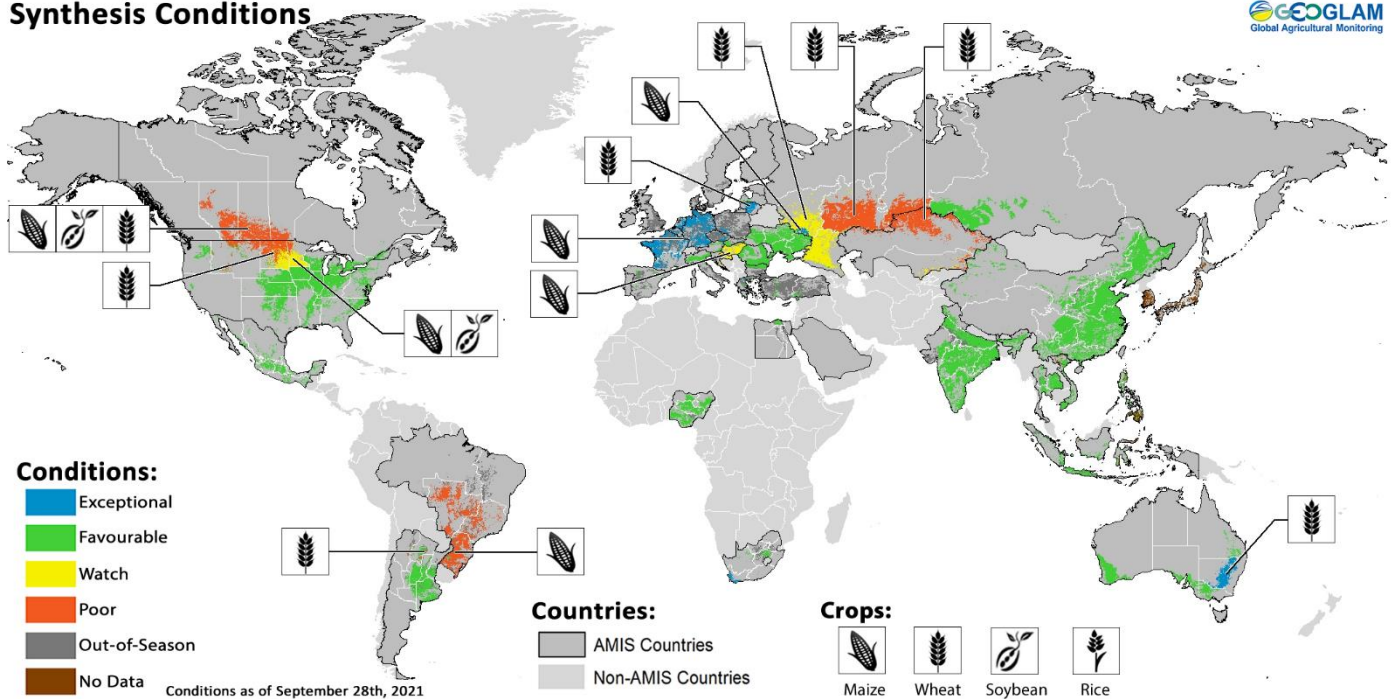
	WHEAT					MAIZE				
	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks
WORLD	7207	2917	1575	2893	140	467	1518	1541	1470	5499
Total AMIS	6187	1315	-298	2800	-519	-582	1320	546	1380	5264
Argentina	-	-	-	-	-	-	-	-500	1000	-500
Australia	2,633	-	-442	2,000	-3,361	-	-	-	-	-
Brazil	-435	-	-235	-200	-	-901	200	99	-	-
Canada	1,536	115	366	500	1,750	168	1300	1068	50	500
China Mainland	-	500	-	-	500	-	-	-	-	3000
Egypt	-	-	-	-	43	-	-	-200	-	-
EU	3,580	-	149	1,500	1500	-4108	-	-1433	-1175	-1500
India	-	-	-	-	-	-	-	-	-	-
Indonesia	-	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	-	-	-	-	-
Nigeria	-	800	-70	-	-	-	-	-	-	-
Philippines	-	-	-	-	-	-	-	-	-	-
Rep. of Korea	-	-100	-100	-	-	-	700	900	-	-300
Russian Fed.	-3,000	-	-	-2,000	-1,000	-	-	-	-	-
Saudi Arabia	-	-	-	-	75	-	-	-	-	-
South Africa	96	-	96	-	-	-220	-	-220	-	-
Thailand	-	-	-	-	-	-398	320	-78	-	-
Turkey	-	-	-	-	-500	-	-	-	-	-
Ukraine	2,000	-	-	1,000	1,000	1000	-	-	1000	-
UK	-223	-	-116	-	-200	-	-	-90	-	-
US	-	-	54	-	-326	3927	-	1905	500	4218
Viet Nam	-	-	-	-	-	-50	-1200	-905	5	-154

	RICE					SOYBEANS				
	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks
WORLD	617	1725	-963	1780	1629	-432	134	-1904	141	3989
Total AMIS	1035	400	-1705	1940	956	-492	136	-1744	41	3979
Argentina	-	-	25	-60	-25	-1000	-	-1200	300	-
Australia	-	100	20	100	20	-	-	-	-	-
Brazil	4	-	44	-	30	499	-	99	-	934
Canada	-	-	-	-	-	-114	-	-14	-100	-
China Mainland	212	-	212	-100	-	250	-	295	5	-
Egypt	-	120	90	-	30	-	-	-	-	-
EU	-	-	-	-	-	-68	86	-82	-	100
India	884	-	-1896	1700	1150	-480	270	-67	-	-
Indonesia	-	-	50	-	-	-	-	-20	-	-
Japan	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	-	50	42	-	-
Nigeria	-	-	-80	-	-	-	-	-	-	-
Philippines	-	30	65	-	50	-	-	-	-	-
Rep. of Korea	-	-	-	-	-	-	-	-	-	-
Russian Fed.	-	-	-	-	-	-300	-	-200	-100	-
Saudi Arabia	-	-	-	-	-50	-	-	-	-	-
South Africa	-	50	-	-	-	-28	-	-1	1	-28
Thailand	152	-	-89	600	-150	-	-	-	-	-
Turkey	-	-	-	-	-	-	-	-	-	-
Ukraine	-	-	-	-	-	-205	-	31	-265	-
UK	-	-	-	-	-	-	-	-	-	-
US	-217	-	-126	-	-99	960	-270	-623	200	2990
Viet Nam	-	100	-20	-300	-	-6	-	-4	-	-17

Crop monitor

Crop conditions in AMIS countries (as of 28 September)

Synthesis Conditions



Crop condition map synthesizing information for all four AMIS crops as of 28 September. 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 northern hemisphere, planting of winter wheat is underway while harvesting of spring wheat is mostly complete. Poor conditions resulted in lower yields in parts of Canada, the US, the Russian Federation and Kazakhstan. In the southern hemisphere, winter wheat harvesting has begun under generally favourable conditions.

Maize - Harvesting in the southern hemisphere is completed while harvesting in the northern hemisphere is wrapping up. Conditions are generally favourable except in western Canada and Brazil where final yields are below average.

Rice - Harvesting of single-season crops is nearing completion in China while harvesting of Kharif season crops is beginning in India. Conditions are favourable in both countries. In Southeast Asia, conditions remain favourable for wet-season rice in the north and for dry-season rice in Indonesia.

Soybeans - In the northern hemisphere, harvesting begins, amid lingering concerns over persistent dryness in the northern US and western Canada.

Climate Influences: La Niña Watch and Negative Indian Ocean Dipole

Neutral El Niño-Southern Oscillation (ENSO) conditions are present. A La Niña event will likely develop in October or November and persist through early 2022 (78 percent chance for October to December: 79 percent to 60 percent chance for November to March). Climate forecasts also anticipate exceptionally warm west Pacific Ocean conditions, which can amplify the impact of cool La Niña conditions in the east Pacific.

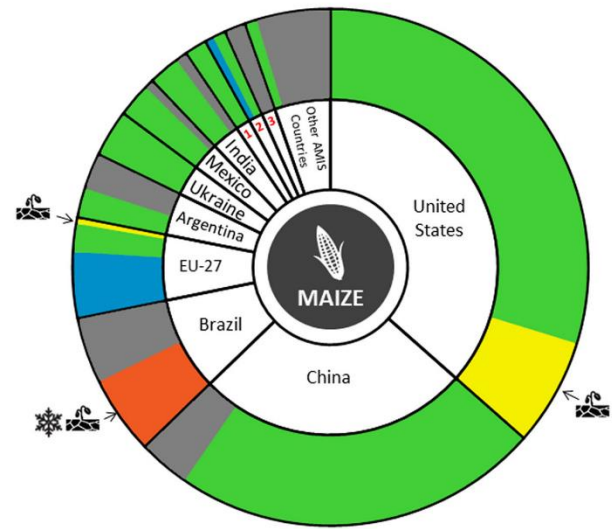
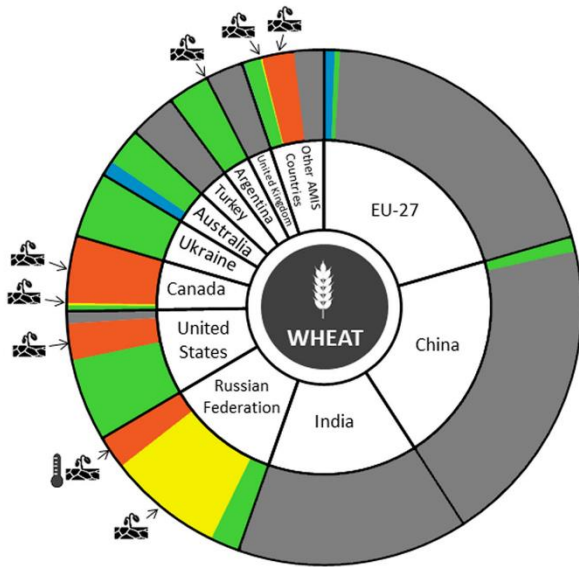
La Niña-like conditions typically increase the chances of below-average precipitation in East Africa, Central Asia, southern South America, southern United States, northern Mexico, and eastern East Asia. La Niña-like conditions typically increase the chances of above-average precipitation in parts of Southeast Asia, Australia, Southern Africa, and northern South America.

The Indian Ocean Dipole (IOD) is in a weak-negative state. The ongoing negative IOD event weakened in recent weeks, and some models forecast it will strengthen in October. Most models forecast a return to neutral conditions by December. Negative IOD conditions typically increase the chances of above-average precipitation in Southeast Asia and Australia and below-average precipitation in East Africa.

Conditions:



Drivers:



Canada¹, Russian Federation², South Africa³

Wheat

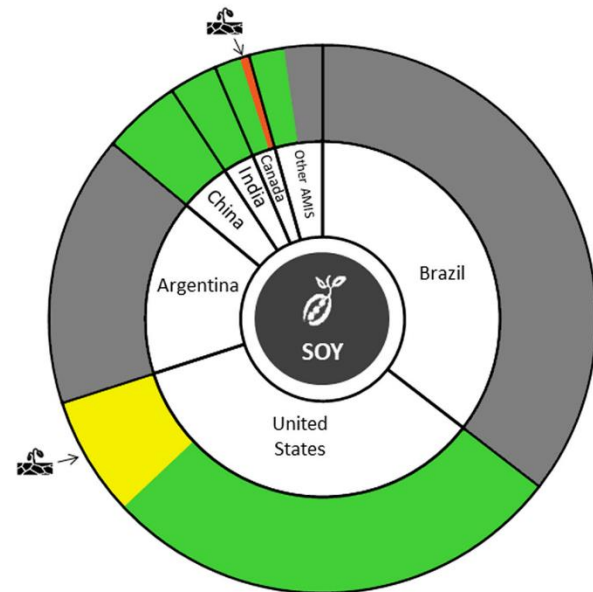
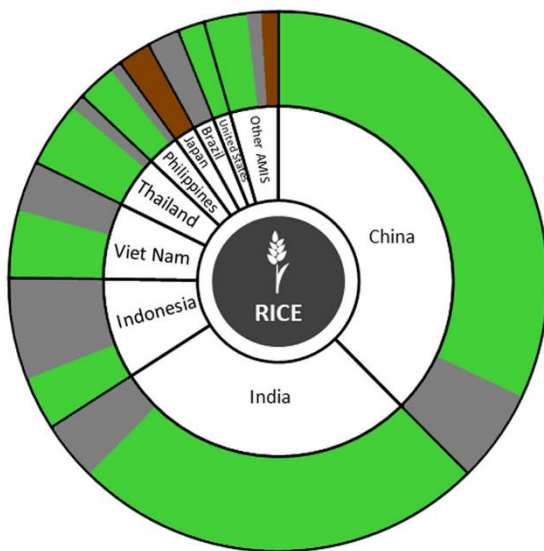
In the **EU**, harvesting of winter wheat finalized in Lithuania and Latvia under favourable to exceptional conditions. Elsewhere, land preparation and early planting activities are underway. In **Ukraine**, conditions are favourable with sufficient soil moisture and stable temperatures throughout the country. In the **Russian Federation**, sowing of winter-planted crops is underway under watch to poor conditions as dryness persists in the Volga region. Harvesting of spring-planted crops finalized with below-average yields in the Volga and Urals regions due to persistent dry and hot conditions. In **China**, harvesting of spring-planted crops finalized under favourable conditions despite below-average precipitation in the north-western part of the country. In the **US**, sowing of winter-planted crops began under favourable conditions. Harvesting of spring-planted crops finalized across the north and northwest with below-average yields due to persistent dryness throughout the season. In **Canada**, sowing of winter-planted crops commenced with concern in the prairies due to remaining dryness. Harvesting of spring-planted crops finalized in the prairies under poor conditions as a result of dry conditions and extremely hot weather, and national yield is expected to be well below-average. In **Argentina**, recent rains have improved conditions across the main producing areas while extreme dry conditions in the north and northwest have led to low yield expectations. In **Australia**, winter wheat crops continue to develop under generally favourable conditions due to good rainfall and soil moisture conditions in most cropping regions.

Maize

In **Brazil**, harvesting of summer-planted (late producing season) crops finalized under poor conditions in all main producing regions as persistent dryness and periods of frost impacted yields. In the **US**, harvesting continues under generally favourable conditions except in the northwestern Corn Belt where ongoing dryness is likely to reduce yields. In **Canada**, harvesting is underway with poor yield outlooks in the prairies due to drought during the growing season, though national yield is forecast to be above-average. In **Mexico**, sowing of spring-planted crops continues under favourable conditions for harvest from November. In the **EU**, harvesting commenced under favourable to exceptional conditions except in Croatia, Hungary, and Slovenia where concern remains due to persistent dryness. In **Ukraine**, conditions remain favourable despite cool and humid weather in the west and northern regions that delayed crop ripening and harvesting activities. In the **Russian Federation**, overall yield prospects remain positive due to adequate soil moisture during vegetative growth in most areas and despite above-normal temperatures in the Volga region. In **China**, harvesting of spring-planted crops is wrapping up while harvesting of summer-planted crops is beginning, and conditions are favourable despite dryness in the northern Loess Plateau and northwest. In **India**, harvesting of Kharif season crops began under favourable conditions. In **Argentina**, conditions are favourable for sowing of the early-planted (usually larger season) crop with improved soil moisture in eastern Córdoba, Santa Fe, and Entre Rios provinces.

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 **China**, harvesting of single-season crops is underway while late-season crops continue to develop, and overall conditions are favourable with abundant precipitation and suitable soil moisture. In **India**, harvesting of Kharif season crops is underway, and overall conditions are favourable with slightly above-normal temperatures. In **Indonesia**, harvesting of earlier planted dry-season rice is underway with yields slightly higher than the previous year due to sufficient precipitation received during the growing season. In northern **Viet Nam**, wet-season rice is in young panicle forming to grain filling stage under favourable conditions. In the South, harvesting of summer-autumn (wet-season) rice is underway, and yield is slightly improved from the previous year. Autumn-winter (wet-season) rice is developing under favourable conditions. In **Thailand**, wet-season rice is in young panicle forming stage, and planted area has increased due to favourable weather conditions and good paddy prices. Growing conditions have improved from the previous year due to abundant rainfall from April, and final yield is expected to increase. In the **Philippines**, harvesting of wet-season rice planted in April to May is now complete with production slightly higher than the previous year's level. Crops planted in July and August are now in the tillering stage, and growing conditions are favourable. In the **US**, harvesting is wrapping up with near-average yields as conditions have been favourable throughout the season.

Soybeans

In the **US**, harvesting began under generally favourable conditions except in Minnesota and the Dakotas where persistent dryness will likely reduce yields. In **Canada**, harvesting continues with poor yield outlooks in the prairies due to drought during the growing season, and national yield is forecast to be below-average. In **China**, harvesting began under favourable conditions despite drought conditions in the northern Loess Plateau. In **India**, crops are in maturity and harvesting stage in the major growing states of Madhya Pradesh, Maharashtra, and Rajasthan, and overall conditions are favourable. In **Ukraine**, harvesting continues under favourable conditions with near-average yields expected.

Information on crop conditions in non-AMIS countries can be found in the [GEOGLAM Early Warning Crop Monitor](#), published 7 October 2021

Policy developments

Rice

- On 8 September, the **European Commission** raised the import duty for husked rice from EUR 30 to EUR 42.50 (from USD 34.8 to USD 49.3) per tonne.
- On 17 September, the **Philippines'** House of Representatives decided that the Department of Agriculture will distribute to farmers the excess revenues collected from the import tariffs on rice under the Rice Tariffication Law. This direct cash assistance aims to help rice farmers cope with the effects of the Rice Liberalization Act (March 2019).
- On 14 September, **Viet Nam** introduced a zero percent duty on imports of rice with certificates of origin from Cambodia from 13 September to 31 December 2021 (Decree No. 83/2021/ND-C). In addition, the annual quota was fixed at 300 000 tonne.

Soybeans

- On 10 September, **India** reduced the base import tax of crude soy and sunflower oil as well as crude palm oil to 2.5 percent (from respectively 7.5, 7.5 and 10 percent). The policy aims to reduce the price of edible oils.

Biofuels

- On 6 September, **Brazil** reduced the blending mandate of biofuel in diesel oil, from 13 to 10 percent.
- On 22 September, **Germany** announced plans to ban palm oil as a feedstock in biofuel production from 2023 onwards. Palm oil only accounts for 3.9 percent of biofuel production. Instead, a minimum quota for the use of waste materials will be introduced.

Across the board

- On 17 September, in the lead up to the UN Climate Conference in Glasgow (COP26), the **EU** and the **US** agreed to cut their methane emissions by 30 percent by 2030 compared to 2020, a pledge supported by several AMIS participants including Argentina, Indonesia, Italy, Mexico and UK. To deliver the proposed cut, specific implementation measures are to be proposed in the energy, waste and agricultural sectors by way of technology innovation, climate-smart practices, and producer incentives to improve manure management systems and livestock feed.
- On 8 September, **Turkey** suspended import duties on wheat, rye, barley, oats and maize until the end of the year.
- On 21 September, the **US** decided to lift the import restrictions placed on certain food imports from Japan. These restrictions had been put in place 10 years ago, following the nuclear power plant accident in Fukushima.



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**.

International prices

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

	Sep 2021 Average*	Change M/M	Y/Y
GOI	279	+ 1.1 %	+ 29.9 %
Wheat	275	+ 4.0 %	+ 41.5 %
Maize	273	+ 0.3 %	+ 37.7 %
Rice	166	+ 0.5 %	- 11.4 %
Soybeans	275	+ 0.2 %	+ 29.7 %

*Jan 2000=100, derived from daily export quotations

Wheat

World wheat export prices posted further gains in September as concerns persisted about shrinking production prospects in some of the major exporters. Concerns continued to be centred on tightening outlooks for exportable supplies in North America and Russia, and while the EU crop was still expected to be larger than the previous season's poor result, below-average quality was seen potentially limiting the volume of EU milling wheat for export. Upward price pressure was moderated by mostly good production prospects in Australia. Despite high prices, there was limited evidence of waning buying interest from importers, and sustained strong demand provided underpinning to global markets.

Maize

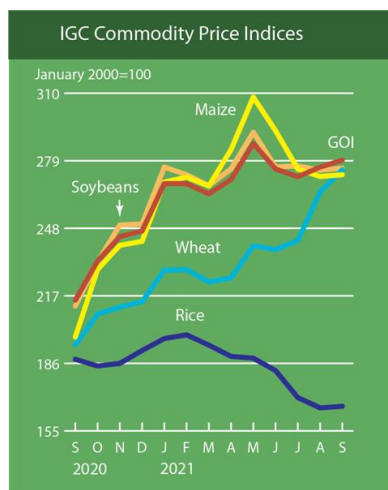
After three consecutive monthly losses, average maize export quotations stabilised in September, but with the IGC sub Index still up sharply compared to a year ago. Linked mainly to hurricane-related shipping disruptions at the Gulf, US prices strengthened on reduced port elevation capacity. Late-month support also stemmed from reports of disappointing results from the early stages of the harvest. Values in Argentina held steady overall, underpinned by complicated river logistics and brisk export activity. Prices in Ukraine edged lower on seasonal harvest pressure and expectations for a bumper crop. Spot quotations in Brazil were nominal, with much of the surplus reportedly already committed for export.

Rice

Average global rice prices were broadly steady m/m amid offsetting movements in key exporters. Indian quotes were slightly weaker on subdued demand and as exporters looked to sell stocks ahead of 2021/22 kharif crop arrivals, while Vietnamese offers were higher on rising logistical costs and solid local purchasing amid COVID-19 linked movement restrictions. Thai quotes were broadly steady over the month as buyers and sellers awaited new crop arrivals, which are due to begin in the coming weeks, for a clearer market picture.

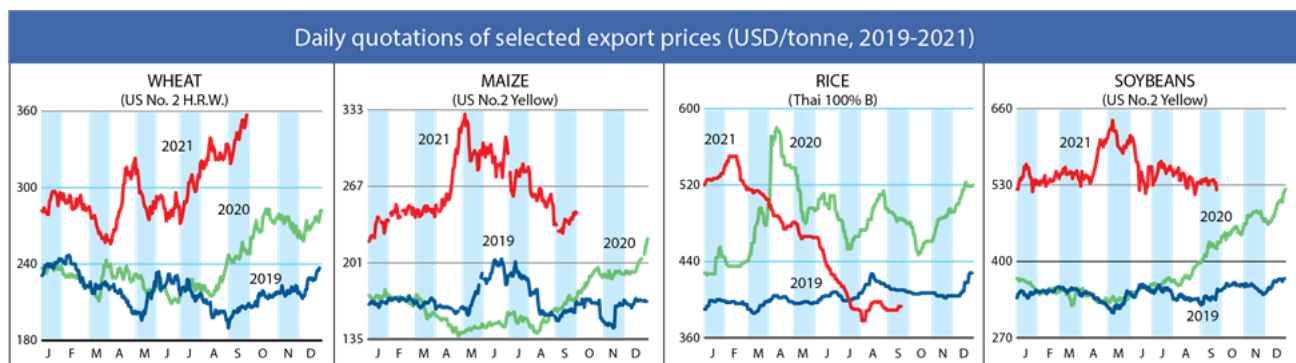
Soybeans

Average global export values were little changed during September as firmer markets in South America contrasted with weaker US quotations. While prospects for continued supply tightness underpinned, US export prices were weighed by export demand worries as Chinese buyers shifted a portion of nearby requirements to Brazil given the negative impact of Hurricane Ida on capacity at Gulf ports. The onset of harvesting lightly pressured, while movements in external markets and currencies were influential at times. FOB quotations in Brazil were modestly stronger on fresh international demand and background concerns about suboptimal planting conditions. Linked to underlying logistical challenges and an uptick of shipments in recent weeks, offers in Argentina moved higher.



		GOI	Wheat	Maize	Rice	Soybeans
(..... January 2000 = 100))						
2020	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
	February	268.5	229.0	271.5	199.1	272.6
	March	263.8	223.4	267.4	194.4	267.6
	April	270.4	225.2	284.2	189.2	275.3
	May	286.9	240.0	308.2	188.4	292.1
	June	275.2	238.2	292.8	182.7	276.2
	July	271.7	242.4	275.2	170.3	276.6
	August	276.1	264.6	271.8	165.6	274.7
	September	279.3	274.9	272.6	166.3	275.6

Selected export prices, currencies, and indices

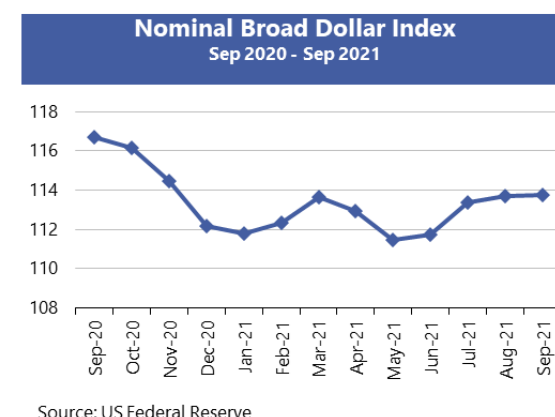
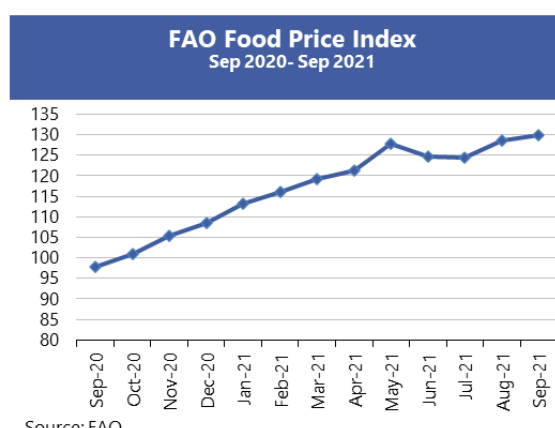


Daily quotations of selected export prices

	Effective Date	Quotation (1)	Month ago (2)	Year ago (3)	% change (1) over (2)	% change (1) over (3)
..... USD/tonne						
Wheat (US No. 2, HRW)	30-Sep	357	322	261	10.9%	36.8%
Maize (US No. 2, Yellow)	30-Sep	244	251	175	-2.6%	39.1%
Rice (Thai 100% B)	30-Sep	393	398	483	-1.3%	-18.6%
Soybeans (US No.2, Yellow)	30-Sep	522	526	433	-0.8%	20.6%

AMIS Countries' Currencies Against US Dollar

AMIS Countries	Currency	Sep 2021 Average	Monthly Change	Annual Change
Argentina	ARS	98.2	-1.1%	-23.5%
Australia	AUD	1.4	0.2%	1.2%
Brazil	BRL	5.3	-0.5%	2.4%
Canada	CAD	1.3	-0.6%	4.3%
China	CNY	6.5	0.3%	5.5%
Egypt	EGP	15.7	-0.1%	0.4%
EU	EUR	0.8	0.0%	-0.2%
India	INR	73.6	0.7%	-0.1%
Indonesia	IDR	14,249.5	0.9%	3.8%
Japan	JPY	110.2	-0.3%	-4.2%
Kazakhstan	KZT	425.6	0.0%	-0.1%
Rep. Korea	KRW	1,172.8	-1.1%	0.4%
Mexico	MXN	20.0	0.2%	8.0%
Nigeria	NGN	410.7	0.1%	-7.3%
Philippines	PHP	50.2	-0.1%	-3.4%
Russian Fed.	RUB	72.8	0.9%	4.3%
Saudi Arabia	SAR	3.8	0.0%	0.0%
South Africa	ZAR	14.6	1.3%	14.6%
Thailand	THB	33.1	0.0%	-5.2%
Turkey	TRY	8.6	-1.1%	-11.8%
UK	GBP	0.7	-0.5%	6.0%
Ukraine	UAH	26.7	0.2%	4.9%
Viet Nam	VND	22,759.6	0.4%	1.8%



Futures market (US)

Futures Prices – nearby in USD per tonne

	Sep-21 Average	Change	
		M/M	Y/Y
Wheat	259	-3.0%	28.3%
Maize	195	-10.4%	36.6%
Rice	298	1.4%	9.2%
Soybeans	470	-6.8%	28.1%

Source: CME

Historical Volatility – 30 Days, nearby

	Monthly Averages		
	Sep-21	Aug-21	Sep-20
Wheat	25.6%	32.2%	24.6%
Maize	26.5%	57.9%	20.7%
Rice	12.0%	17.3%	21.3%
Soybeans	25.7%	28.0%	16.3%

Future Prices

Futures prices for wheat, maize and soybeans declined m/m as production levels for 2021/22 grain and oilseed crops gained certitude. Maize and soybean prices fell the most as the September USDA report confirmed the market's expectations of increased US supplies. Wheat prices fell only modestly as an upper Midwest drought reduced the US spring wheat crop and Canada, France and the Black Sea Region reported various production issues. Rice futures, largely unaffected by the other three commodity price action, rose negligibly m/m. In exogenous markets, the US dollar index trended higher for the month which might have weighed on commodity prices. US crude oil prices also trended higher, topping USD 75/barrel but failed to support grains and oilseeds prices. Price inflation, recorded in various economic sectors including food and beverage, remained a concern, especially as the US administration proposed multiple fiscal spending measures. Despite the small m/m downturn, prices for wheat, maize, soybeans and rice were higher y/y by 28.3, 36.6, 28.1 and 9.2 percent, respectively.

Volumes and volatility

Trade volumes slumped to one-year lows for wheat and maize and multi-year lows for soybeans, reflecting a lack in speculative and hedging activity despite the relatively high-priced environment. Both implied and historical volatility declined for all three commodities m/m, while maintaining higher levels y/y, except for soybeans.

Basis levels and transport

US domestic basis levels for maize and soybeans, and to a lesser extent wheat, collapsed as the market transitioned into harvest. In Illinois, where crop yields reached record levels, maize bids fell almost USD 25 per tonne to minus USD 11 under the December futures while soybeans fell

from small premiums to minus USD 15 per tonne under the November futures. Iowa, which rivals Illinois as the top US maize and soybean producer, experienced a similar basis decline for the two commodities, falling to minus USD 8 per tonne for maize and minus USD 20 for soybeans under the respective futures. Soft red wheat bids remained weak domestically. Gulf delivery bids relinquished their inverses for spot shipment, falling to more normal harvest time levels at USD 32 and USD 28 for maize and soybeans over respective December and November futures. Soft red wheat values delivered gulf were stronger at USD 18 over the December futures. Barge freight on Illinois River soared above 700 percent of tariff rate to USD 36 per tonne as bottlenecks in supply chains and rising fuel costs continued to hamper transportation. Exports were off to a poor start as the recent hurricane interrupted gulf shipping at the start of the September 1 crop year. Outstanding sales lag y/y for wheat and soybeans while exceeding their pace for maize, mostly owing to record Chinese demand.

Forward curves

The forward curves for wheat, maize and soybeans exhibited both contango and backwardation configurations on a one-year projection. Showing negligible changes m/m, they reflected an adequate supply market for most of the crop year (upward sloping), and a May/July inflection point with tightening thereafter (downward sloping).

Investment flows

Managed money continued a pattern of vacillation between bullish and bearish stances in wheat without making strong commitments to either. It continued to hold a substantial net long position in maize (but not record) while trimming its net long in soybeans. Commercials maintained large net shorts in all three commodities in typical seasonal pattern.

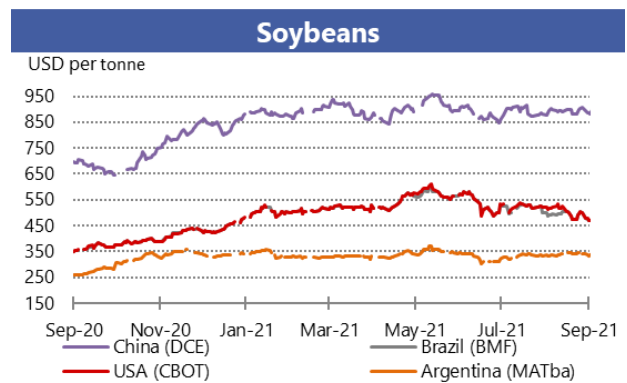
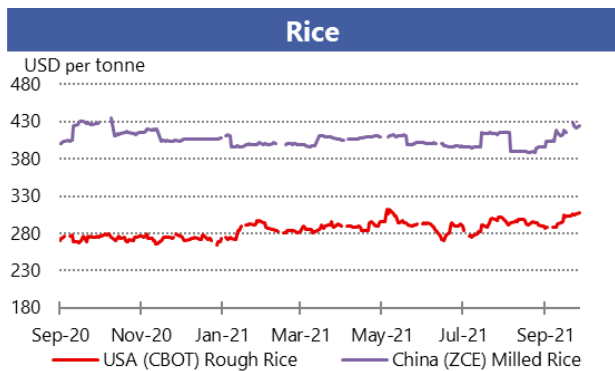
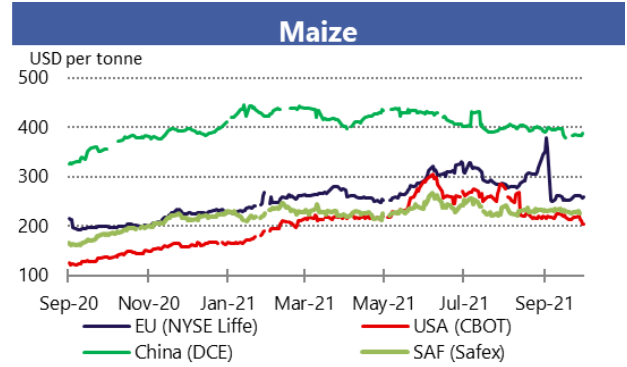
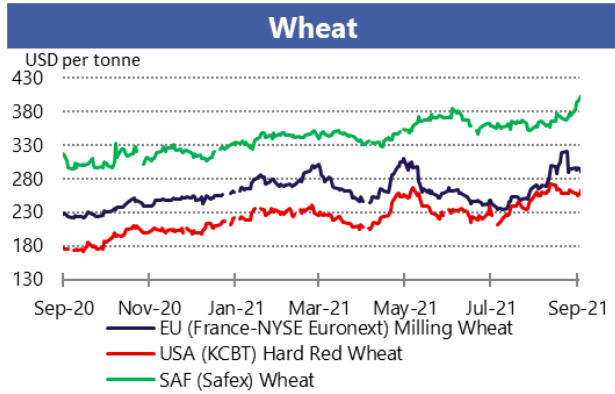


For information on technical terms please view the Glossary at the following link:

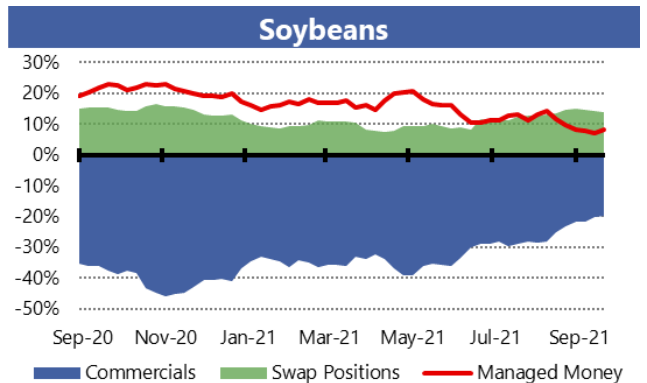
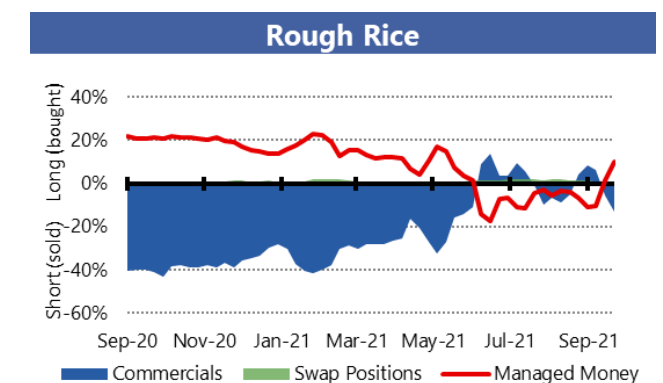
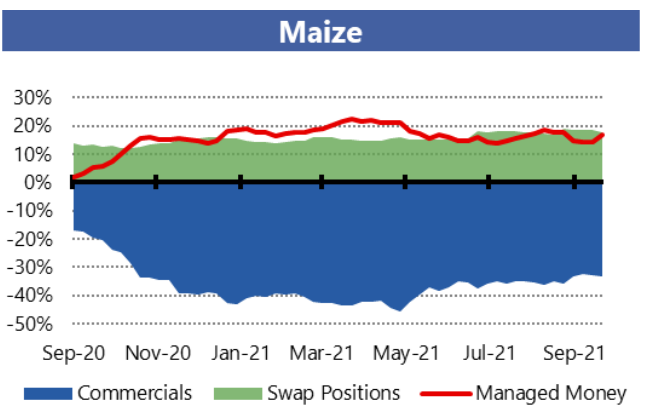
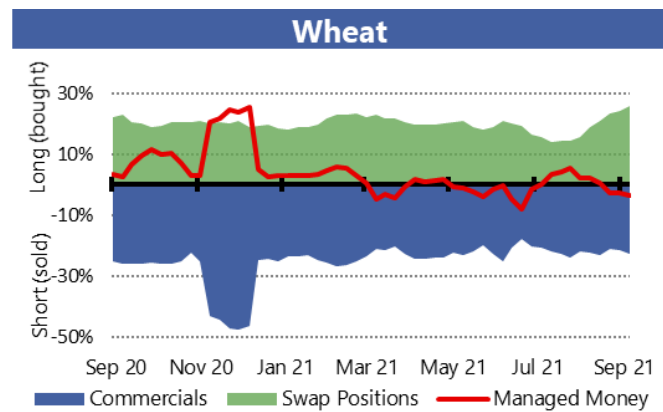
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Market indicators

Daily quotations from leading exchanges - nearby futures

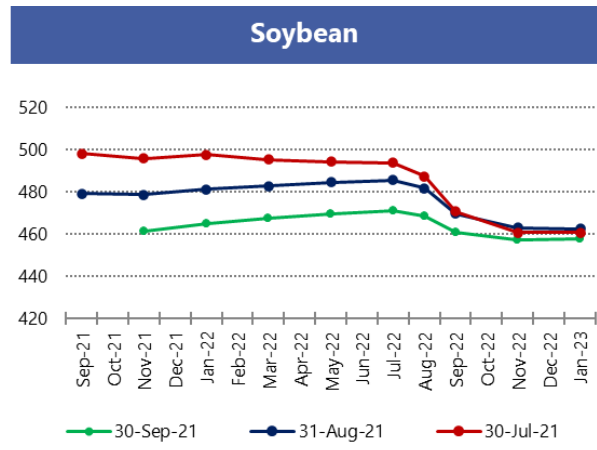
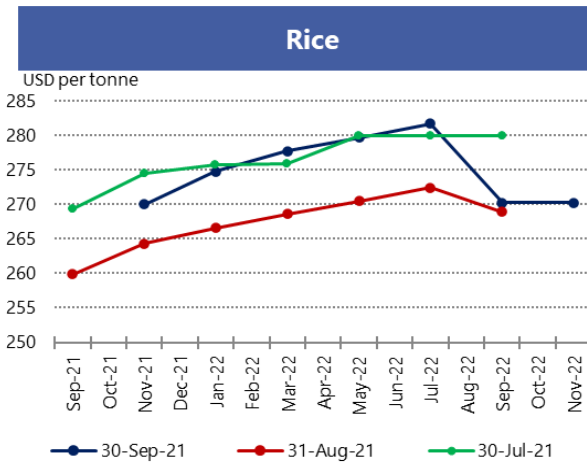
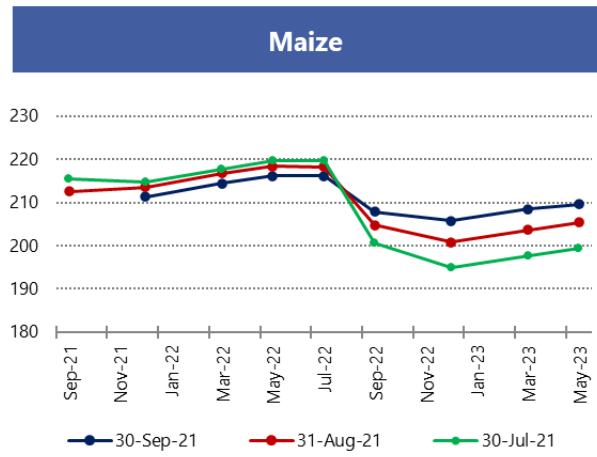
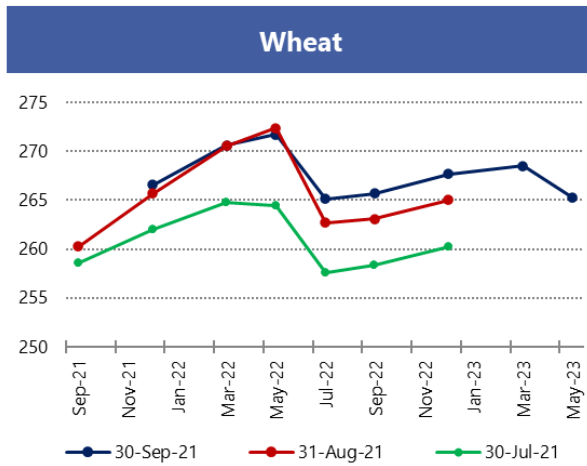


CFTC Commitments of Traders - Major Categories Net Length as percentage of Open Interest*

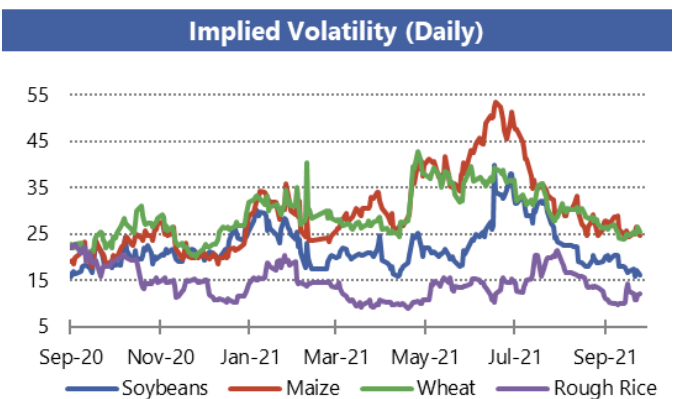
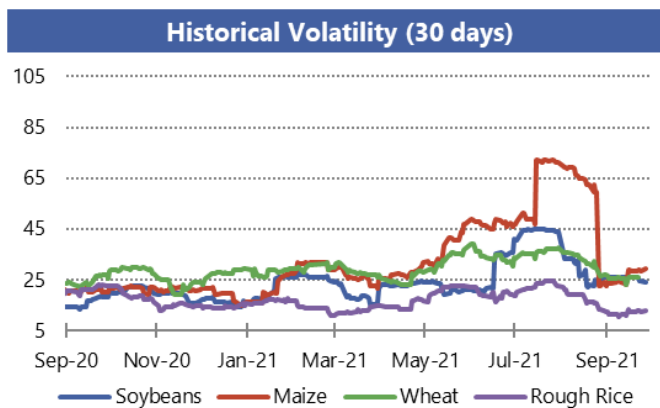


*Disaggregated Futures Only. Though not all positions are reflected in the charts, total long positions always equal total short positions.

Forward Curves



Historical and Implied Volatilities

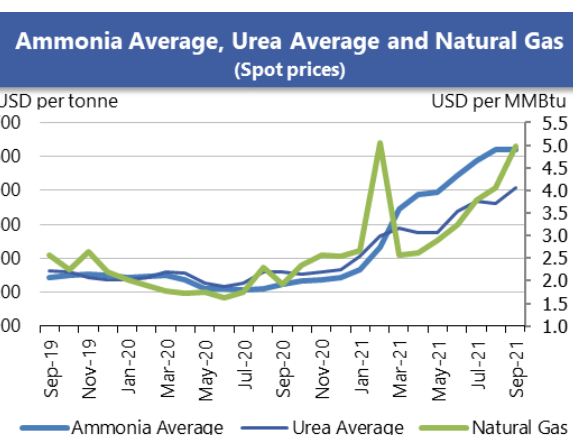
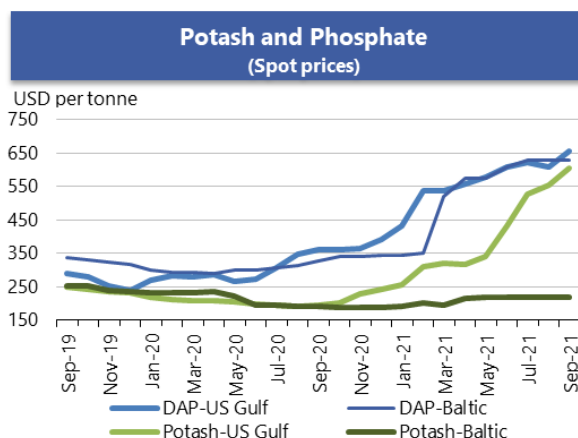
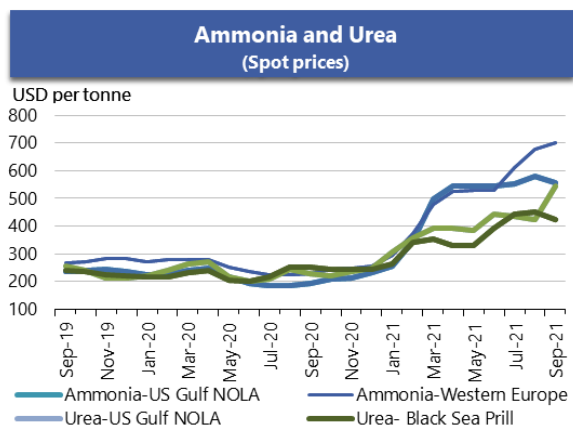


i AMIS Market indicators

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



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

Prices for most fertilizers continued their upward trend mainly driven by high energy and shipping costs and supply constraints.

- **Natural gas** prices increased markedly due to output disruptions in the Gulf of Mexico and lower inventories in Europe resulting from hot weather that increased cooling needs and a slowdown in wind-power output that increased demand for gas.
- **Ammonia** prices increased in the Baltic and other regions due to rising natural gas prices and lower production capacity.
- **Urea** prices increased significantly in the US Gulf due to extreme weather that both prevented product movement and paused output of a major nitrogen producer.
- **DAP** prices reached their highest levels in more than a decade driven by global supply constraints.
- **Potash** prices continued to increase in the US due to extreme weather that slowed down production and ongoing sanctions imposed on imports from Belarus.

	September average	September std. dev	% change last month*	% change last year*	12-month high	12-month low
Ammonia-US Gulf NOLA	558.0	-	-3.5%	190.6%	578	209
Ammonia-Western Europe	700.0	-	3.2%	204.0%	700	244
Urea-US Gulf	546.3	43.3	28.5%	138.0%	546.3	220.0
Urea-Black Sea	423.8	17.5	-6.1%	68.8%	451.3	245.0
DAP-US Gulf	656.3	23.3	7.8%	81.7%	656.3	360
DAP-Baltic	630.0	-	0.0%	93.0%	630	340
Potash-Baltic	220.0	-	0.0%	15.5%	220.0	190
Potash- US Gulf NOLA	603.8	4.8	8.8%	211.6%	603.8	204
Ammonia	619.5	-	0.1%	178.7%	619.5	232.9
Urea	508.3	24.1	10.2%	96.2%	508.3	254
Natural Gas	5.0	0.3	23.0%	159.1%	5.0	2.3

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

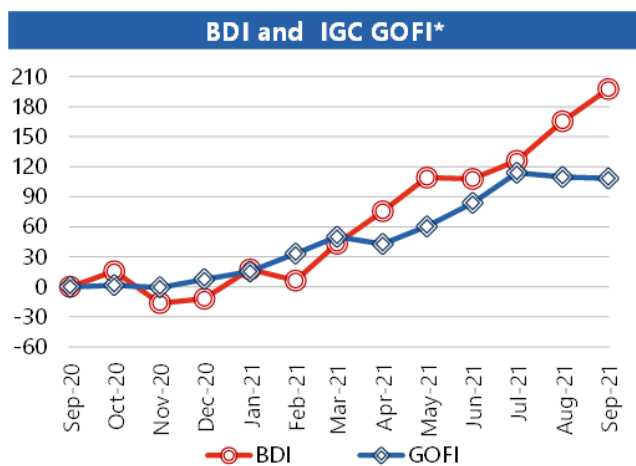
	September-21 average	Change m/m	Change y/y
Baltic Dry Index (BDI)*	4198.4	+12.2%	+197.6%
<i>sub-Indices:</i>			
Capesize	6305.8	+22.1%	+189.4%
Panamax	3772.4	+4.0%	+172.6%
Supramax	3297.0	+3.5%	+246.1%
Baltic Handysize Index (BHSI)**	1858.3	+1.5%	+226.7%

Sources: Baltic Exchange, IGC.

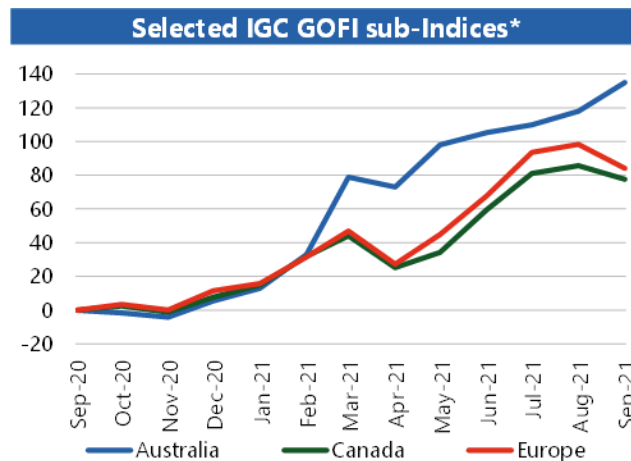
*4 January 1985 = 1000. **23 May 2006 = 1000.

***1 January 2013 = 100.

	September-21 average	Change m/m	Change y/y
IGC Grains and Oilseeds Freight Index (GOFI)***	237.9	-0.7%	+108.4%
<i>sub-Indices:</i>			
Argentina	298.1	+0.3%	+109.9%
Australia	177.0	+7.8%	+134.9%
Brazil	320.1	+0.5%	+117.0%
Black Sea	264.2	-1.6%	+122.9%
Canada	170.1	-4.4%	+77.5%
Europe	186.1	-7.2%	+84.1%
US	181.3	-1.0%	+88.3%



*percentage change based on monthly average values



- The dry bulk freight complex displayed two-sided trends during September. While the hurricane-related export disruption at the US Gulf pressured prices in the first part of the month, rates in the Pacific were bolstered by worsening congestion in parts of Asia following hurricane Chanthu. Markets were also buoyed by expectations for fresh coal business amid elevated natural gas prices. Mainly owing to Capesize gains, the Baltic Dry Index (BDI) averaged 12 percent higher m/m and reached a 13-year peak.
- After a weak start to the month, average Capesize values spiked higher on persistent congestion in China, thin vessel supply in Brazil and strong demand for coal deliveries.
- Early weakness in the grains and oilseeds carrying segments was partly tied to disruptions to US Gulf logistics. With many export facilities shuttered due to damage and power outages, some shipments were shifted to other Gulf terminals and PNW ports, leading to stiffer competition for elevation capacity. As activity gradually resumed, market sentiment improved in the latter half of the month.
- Panamax earnings averaged 4 percent higher m/m on firm enquiries in the Black Sea and northern Pacific, as well as sustained coal trade in Indonesia and Australia. Additionally, logistical bottlenecks in the Pacific led to a reduced flow of vessels to South America, where increased demand was noted for prompt soybean dispatches from Brazil to China.
- Supramax and Handysize segments posted slight monthly gains. While signs of a recovery at the US Gulf contributed to recent advances, fresh deals in Europe, the Mediterranean and South America offered additional support to Handysize values.
- Voyage costs on key grains/oilseeds routes posted mixed changes as participants monitored developments at the US Gulf. Markets rebounded from initial losses, but values for the main northern hemisphere origins were down m/m, as shown by the IGC Grains and Oilseeds Freight Index (GOFI).

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](#).

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	
	spring				Planting		c	c		Harvest			
US (8%)	winter				c	c			Harvest		Planting		
	spring				Planting		c	c		Harvest			
Russia (8%)	winter				c	c			Harvest		Planting		
	spring				Planting		c	c		Harvest			

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		
	winter					Planting		c	c		Harvest		
Thailand (4%)	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		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

Main sources

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

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