



Market Monitor



No. 119 June 2024

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The month of May marks the release of the first forecasts for global cereal production, but with many crops yet to be planted in the Northern hemisphere, there is a high level of uncertainty with these projections. This year, the validity of the first forecasts for 2024/25 wheat production is already being tested, as drought and prolonged frost in key producing areas of the Russian Federation have constrained yield prospects. Consequently, world wheat export prices surged during May on deepening production worries, centered on the Black Sea region. Wheat, most of which is consumed as food with only a limited number of substitutes, is being watched very closely, particularly by importing countries from a food security perspective.

Markets at a glance

| | FROM PREVIOUS FORECASTS | FROM PREVIOUS SEASON |
|----------|-------------------------|----------------------|
| WHEAT | N/A | ▼ |
| MAIZE | N/A | ■ |
| RICE | N/A | ▲ |
| SOYBEANS | N/A | ▲ |

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.



Food and Agriculture Organization of the United Nations



Enabling poor rural people to overcome poverty



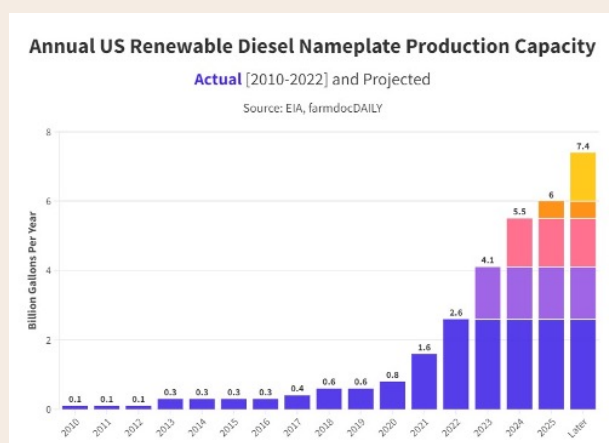
Global Agricultural Monitoring

Feature article

Navigating vegetable oil markets amidst shifts in biofuel policies

With the world facing multiple challenges posed by climate change, the transportation sector has emerged as a key area for tackling the energy transition. Accounting for about a **quarter** of global energy use, transportation is a major contributor to global greenhouse gas emissions, with automobile use responsible for roughly half of the sector's carbon footprint, according to the US Energy Information Administration (EIA). Against this background, transitioning to renewable energy in this sector will be crucial to meeting the climate goals outlined in the 2015 Paris Agreement.

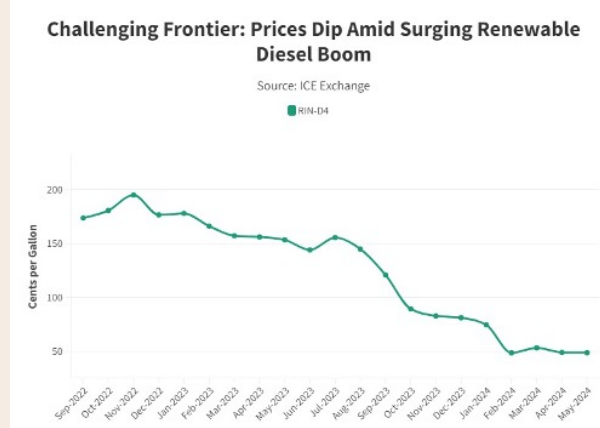
In view of the growing demand for renewable energy production, the global utilization of the four main vegetable oils – palm, soy, rapeseed, and sunflower – has shifted significantly over the past twenty years. While these oils were almost entirely consumed as food in the early 2000s, about 27 percent are now destined for energy production. This trend has recently accelerated further, driven by rising biofuel consumption in some large economies, including Brazil, Indonesia, and most importantly the United States of America, where the capacity for renewable diesel production is projected to quadruple by 2024. US farmers have responded by growing more oilcrops, especially soybeans, which are a main feedstock for biodiesel production. Soybean plantings are anticipated to be up by about 3 percent this year in the United States, which is the second-largest producer of soybeans globally, with enhanced returns from the energy sector being cited as a main driver.



The boom in the United States has been influenced by regulatory frameworks such as the Renewable Fuel Standard (RFS) and the California Low-Carbon Fuel Standard (LCFS), which have set ambitious targets for low-carbon fuel use. Mechanisms such as the biomass-based diesel blender credit (BTC) and Renewable Identification Numbers (RINs) have been equally important as they have encouraged industry participation. RINs, for example, not

only allow to track the production, blending and compliance of renewable diesel in the United States, but they also serve as a key profitability indicator for the sector as they can be traded in markets. Blending mandates have sparked a rush among US fuel producers, encouraging them to convert their existing fossil fuel plants into renewable diesel production facilities. This surge in biofuel production has been driving an increase in feedstock demand for soy- and other vegetable oils including **rape-seed oil**, but also waste materials such as used cooking oil.

As a result of increased supply and production capacity, the prices of D4 RIN, which cover renewable diesel and biodiesel, have fallen markedly by about 75 percent between mid-2023 and May 2024, leading some biofuel producers to **idled plants** or revert to fossil fuel production in response. Compressed profit margins risk impacting the entire supply chain from the level of the crusher all the way up to the farmgate of oilcrop producers. Due to the ongoing margin squeeze, changes are underway with the BTC scheduled to be replaced by the Clean Fuel Production Credits (CFPC) by the beginning of 2025. Unlike the BTC, the CFPC is designed to reduce competition from imported **biodiesel** to better manage the supply side and boost profitability within the sector, addressing some of the uncertainties highlighted by US producers. The transition will undoubtedly have an impact on the global vegetable oil supply and demand fundamentals.



The developments in renewable energy production underscore the dynamic and constantly evolving landscape of vegetable oil markets as they sit at the intersection of the food-energy equation, which will require close monitoring and analysis. Better understanding biofuel policies and their implication for the supply and demand balances for vegetable oil will thus be a critical part of the work being undertaken by AMIS in this sector.

World supply-demand outlook

WHEAT production in 2024 falling fractionally below (0.1 percent) the 2023 level. Potential output declines in the EU, Türkiye, the UK and Ukraine, to be offset by increases in Australia, Canada, India, and the US.

Utilization to contract by 0.8 percent in 2024/25, stemming from lower feed and other use, mostly concentrated in China and India.

Trade in 2024/25 (July/June) forecast to decrease by 1.2 percent, driven by lower import demand from China and the EU, along with smaller exports from the Russian Federation, Ukraine, and Türkiye.

Stocks (ending in 2025) predicted to decline by 1.6 percent below opening levels, largely due to a significant drawdown in the EU, along with smaller decreases in Kazakhstan and the Russian Federation.

| Wheat | FAO-AMIS | | USDA | | IGC | |
|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| | 2023/24 est | 2024/25 f'cast | 2023/24 est | 2024/25 f'cast | 2023/24 est | 2024/25 f'cast |
| | | 6 Jun | | 10 May | | 23 May |
| Supply Prod. | 787.7 | 786.7 | 787.7 | 798.2 | 790.4 | 794.5 |
| | 651.1 | 649.0 | 651.1 | 658.2 | 653.8 | 654.5 |
| Supply Utiliz. | 1109.9 | 1098.5 | 1058.1 | 1056.0 | 1071.8 | 1060.4 |
| | 831.8 | 820.3 | 782.7 | 783.5 | 796.1 | 782.5 |
| Trade Utiliz. | 800.3 | 794.0 | 798.5 | 795.9 | 806.0 | 800.6 |
| | 652.3 | 651.0 | 645.0 | 645.9 | 656.5 | 654.1 |
| Trade | 200.4 | 198.0 | 219.2 | 215.4 | 205.7 | 196.3 |
| | 189.7 | 189.0 | 207.7 | 204.4 | 193.0 | 185.6 |
| Stocks | 311.8 | 306.8 | 257.8 | 253.6 | 265.9 | 259.8 |
| | 171.3 | 162.9 | 125.3 | 121.0 | 126.9 | 117.7 |

IN MILLION TONNES

MAIZE production to decline in 2024 by 1.3 percent from the 2023 level with decreases in Brazil, South Africa, Ukraine and the US. By contrast, bigger harvests are likely seen in Argentina and the EU.

Utilization in 2024/25 forecast to expand by 1.1 percent, underpinned largely by growth in feed use, especially in China and, to a lesser extent, Brazil and the Russian Federation.

Trade in 2024/25 (July/June) falling below the 2023/24 level by 2.7 percent, primarily reflecting smaller purchases by China, and lower exports by Brazil and Ukraine.

Stocks (ending 2025) are likely to rise by 3.5 percent above their opening level, with a large build-up in the EU, as well as smaller increases in Brazil, China, and the US.

| Maize | FAO-AMIS | | USDA | | IGC | |
|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| | 2023/24 est | 2024/25 f'cast | 2023/24 est | 2024/25 f'cast | 2023/24 est | 2024/25 f'cast |
| | | 6 Jun | | 10 May | | 23 May |
| Supply Prod. | 1238.2 | 1222.0 | 1228.1 | 1219.9 | 1224.8 | 1220.0 |
| | 949.4 | 930.0 | 939.2 | 927.9 | 936.0 | 924.0 |
| Supply Utiliz. | 1525.6 | 1535.5 | 1529.0 | 1533.0 | 1504.3 | 1505.8 |
| | 1082.5 | 1074.8 | 1034.1 | 1030.2 | 1035.6 | 1030.0 |
| Trade Utiliz. | 1211.2 | 1224.1 | 1202.8 | 1212.4 | 1218.5 | 1224.8 |
| | 907.8 | 915.7 | 895.8 | 899.4 | 906.6 | 909.2 |
| Trade | 188.9 | 183.7 | 195.1 | 192.7 | 186.5 | 175.4 |
| | 160.4 | 163.7 | 172.1 | 169.7 | 163.5 | 156.3 |
| Stocks | 313.5 | 324.5 | 313.1 | 312.3 | 285.8 | 281.0 |
| | 144.8 | 152.3 | 102.2 | 99.4 | 106.0 | 101.8 |

IN MILLION TONNES

RICE production in 2024/25 tentatively forecast to expand by 0.9 percent y/y to a fresh peak, thanks to robust plantings and a revival in yield growth.

Utilization in 2024/25 to grow by 1.2 percent y/y, as ample supplies underpin a 1.4 percent increase in food use.

Trade in 2024 little changed m/m and still seen contracting to a four-year low, amid lower expected shipments by India, but also by Brazil, Paraguay, Uruguay and Viet Nam.

Stocks (2024/25 carry-out) seen at an all-time high, as in addition to continued build-ups in exporters, carryovers in importers could expand for the first time in four seasons.

| Rice | FAO-AMIS | | USDA | | IGC | |
|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| | 2023/24 est | 2024/25 f'cast | 2023/24 est | 2024/25 f'cast | 2023/24 est | 2024/25 f'cast |
| | | 6 Jun | | 10 May | | 23 May |
| Supply Prod. | 530.1 | 534.9 | 517.3 | 527.6 | 513.7 | 523.0 |
| | 388.6 | 392.6 | 372.7 | 381.6 | 369.1 | 378.0 |
| Supply Utiliz. | 726.0 | 734.6 | 696.5 | 702.5 | 686.1 | 691.5 |
| | 484.8 | 493.2 | 445.3 | 453.5 | 438.6 | 446.8 |
| Trade Utiliz. | 525.0 | 531.4 | 518.1 | 522.0 | 517.6 | 520.5 |
| | 382.7 | 390.3 | 369.9 | 377.0 | 369.6 | 374.8 |
| Trade | 51.4 | 53.4 | 53.5 | 53.8 | 51.0 | 51.5 |
| | 48.4 | 50.4 | 51.8 | 52.3 | 49.0 | 48.9 |
| Stocks | 199.7 | 205.1 | 174.9 | 176.1 | 168.5 | 171.0 |
| | 100.7 | 103.3 | 71.9 | 72.1 | 67.0 | 69.3 |

IN MILLION TONNES

SOYBEAN 2024/25 production to reach a fresh all-time high, mainly reflecting continued area expansion across Argentina, Brazil and the US, assuming favourable weather conditions.

Utilization in 2024/25 to increase further, underpinned by expectations of firm crushing activities due to robust soyoil uptake from the biofuel sector in the Americas, and improving feed demand mainly from China.

Trade in 2024/25 (Oct/Sep) to rebound after declining marginally in the previous season, supported by ample export availabilities and rising global import demand.

Stocks (2024/25 carry-out) to accumulate, possibly to record highs, with all major stockholders expected to build their reserves, while the global stocks-to-use ratio is also forecast to increase further.

| Soybean | FAO-AMIS | | USDA | | IGC | |
|----------------|-------------|----------------|-------------|----------------|-------------|----------------|
| | 2023/24 est | 2024/25 f'cast | 2023/24 est | 2024/25 f'cast | 2023/24 est | 2024/25 f'cast |
| | | 6 Jun | | 10 May | | 23 May |
| Supply Prod. | 393.4 | 419.2 | 396.9 | 422.3 | 391.4 | 414.4 |
| | 372.6 | 398.7 | 376.1 | 401.6 | 370.6 | 393.8 |
| Supply Utiliz. | 441.2 | 472.4 | 497.5 | 534.0 | 449.7 | 482.6 |
| | 396.9 | 427.3 | 444.3 | 477.0 | 390.2 | 420.7 |
| Trade Utiliz. | 388.7 | 410.1 | 383.5 | 401.7 | 381.5 | 404.5 |
| | 267.0 | 283.7 | 261.8 | 274.9 | 260.5 | 279.2 |
| Trade | 169.5 | 173.4 | 172.5 | 180.2 | 168.9 | 172.2 |
| | 67.5 | 66.9 | 67.5 | 71.2 | 66.0 | 69.2 |
| Stocks | 53.2 | 60.5 | 111.8 | 128.5 | 68.2 | 78.1 |
| | 28.7 | 35.5 | 75.4 | 89.3 | 26.8 | 38.5 |

IN MILLION TONNES

+i World Balances

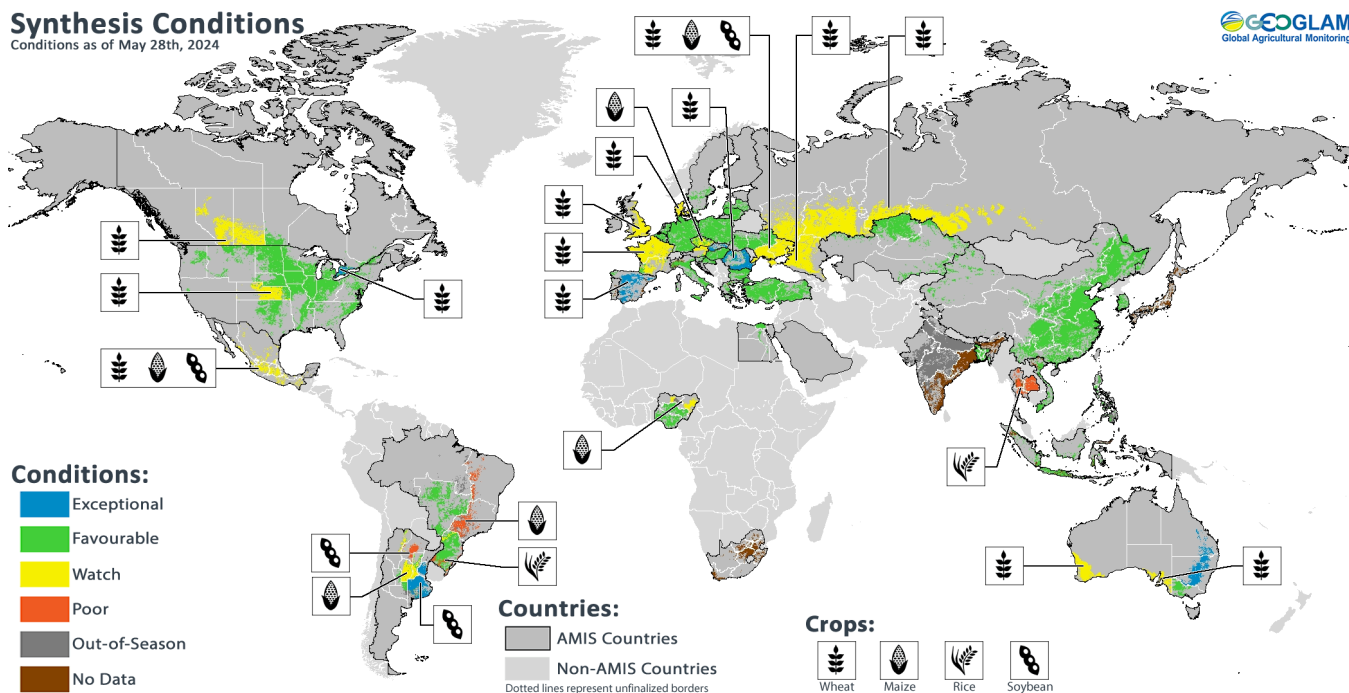
Data shown in the second rows refer to world aggregates without China; world trade data refer to exports; and world trade without China excludes exports to China. To review and compare data, by country and commodity, across three main sources, go to <https://app.amis-outlook.org/#/market-database/compare-sources>. Estimates and forecasts may differ across sources for many reasons, including different methodologies. For more information see [Explanatory notes](#) on the last page of this report.

Crop monitor

Crop conditions around the world

Synthesis Conditions

Conditions as of May 28th, 2024



CECOGLAM
Global Agricultural Monitoring

Crop condition map synthesizing information for all four AMIS crops as of 28 May. 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 and 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, winter wheat harvesting begins as spring wheat sowing is wrapping up. In the southern hemisphere, sowing is progressing.

Maize

In the southern hemisphere, harvesting progresses under mixed conditions in Argentina, Brazil, and South Africa. In the northern hemisphere, sowing is continuing.

Rice

Conditions are favourable in Bangladesh and China. In Southeast Asia, the seasons are transitioning between dry-season and wet-season crops or vice versa.

Soybeans

In the southern hemisphere, harvesting is progressing under mixed conditions, while in the northern hemisphere, sowing is continuing under favourable conditions.

El Niño Southern Oscillations transitioning period

The next several months will likely be a transition period, from rapidly waning El Niño conditions, into ENSO neutral and then likely emergent La Niña conditions. The CPC/IRI predicts a 69 chance of La Niña during July to September 2024, and chances remain high into early 2025.

Reflecting a La Niña influence, the July to September seasonal forecasts indicate above-normal precipitation in India, the Maritime Continent, northern East Africa, and Central America. During late 2024 to early 2025, La Niña conditions would raise the chances of below-average precipitation in East Africa, central-southern Asia, southern South America, the southern US, northern Mexico, and eastern East Asia. Above-average

precipitation would become more likely in Southeast Asia, Australia, Southern Africa, and northern South America.

April 2024 was the **hottest April on record** and the 11th consecutive month of record-breaking global temperatures. 2024 will be among the top five warmest years on record, and possibly the warmest (61 percent chance). There will likely be impacts on agriculture from extreme heat, particularly if it occurs during periods of moisture stress or the key reproductive stages that determine final yields. Extreme heat also negatively impacts agricultural labourers' health and productivity.

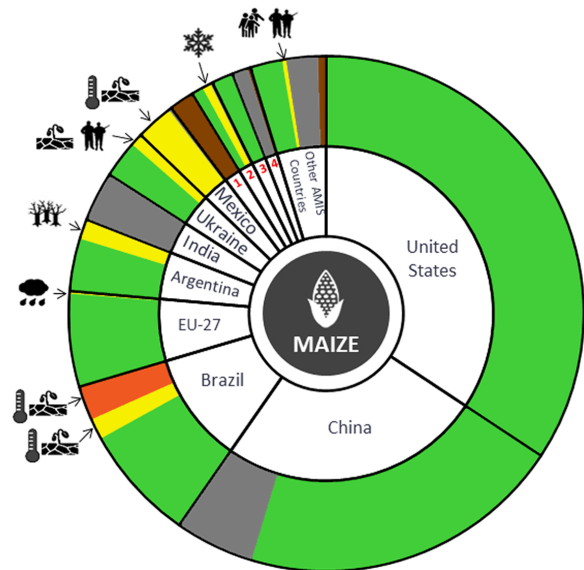
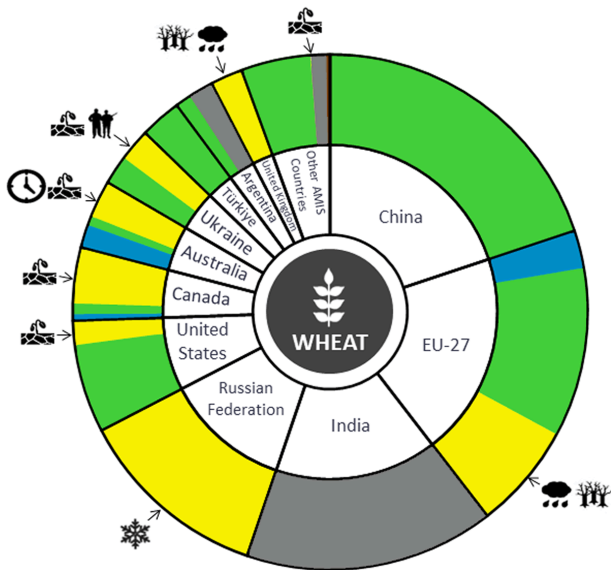
Source: UCSB Climate Hazards Center

Crop monitor

Conditions



Drivers



South Africa¹, Russian Federation², Canada³, Indonesia⁴

Summaries by crop

Wheat

In the **EU**, weather conditions have greatly varied, with excess rainfall resulting in water logging and high pest pressure in parts of western Europe, while also supporting exceptional crop conditions in Portugal, Romania, and Spain. In the **UK**, an overly wet winter and spring combined with recent warm weather has brought pressure from pests. In **Türkiye**, conditions remain favourable despite recent dry weather in the west. In **Ukraine**, drought conditions since mid-April are negatively impacting crops in the southern region alongside the persistent impacts of the ongoing war. In the **Russian Federation**, sharp and prolonged freezes in May have likely negatively impacted both winter and spring wheat across a wide area. In **China**, conditions are favourable as winter wheat harvest begins. In the **US**, conditions are mostly favourable for winter wheat, except in Kansas where dry conditions remain. The sowing of spring wheat is continuing. In **Canada**, the sowing of spring wheat continues with possible drought concerns in parts of the Prairies. In **Australia**, sowing is continuing with above-average conditions in New South Wales, Queensland and Victoria, while dry conditions prevail in South Australia and Western Australia. In **Argentina**, sowing is beginning in the central agricultural areas with good soil moisture.

Maize

In **Brazil**, for the spring-planted crop (smaller season), harvesting is delayed with yields below the 5-year average in the Southeast and Northeast regions due to a lack of rain and high temperatures during sowing and crop development. Harvesting of the summer-planted crop (larger season) has begun in some areas as rainfall in the South region has stabilised crop conditions. In **Argentina**, harvesting of the early-planted crop (larger season) is wrapping up in many areas under favourable conditions. As the harvesting of the late-planted crop (smaller season) begins, initial yields are highly variable due to the impact of corn stunt disease being spread by the maize leafhopper insect. In **South Africa**, harvesting is wrapping up under poor conditions in the Free State and North West provinces. In **Mexico**, drought conditions remain as the autumn-winter crop (smaller season) is being harvested alongside the sowing of the spring-summer crop (larger season). In **China**, conditions are favourable for the development of spring maize and the sowing of summer maize. In the **US**, sowing is progressing under favourable conditions. In the **EU**, sowing is wrapping up albeit with some delays in France and Bulgaria due to cold and wet weather. In the **Russian Federation**, sharp and prolonged freezes may have impacted crops.

+i Pie chart description

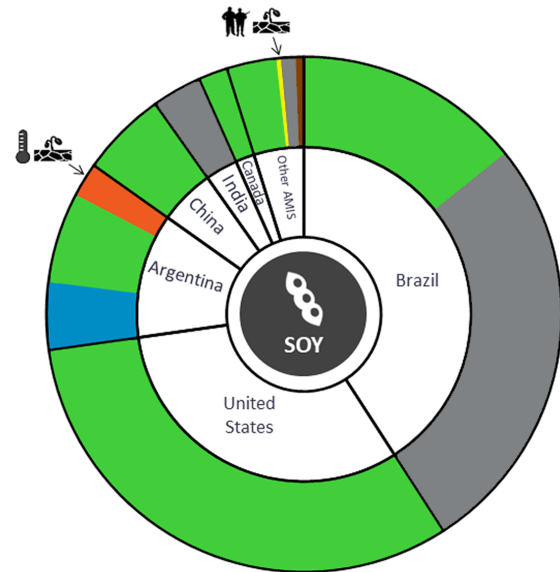
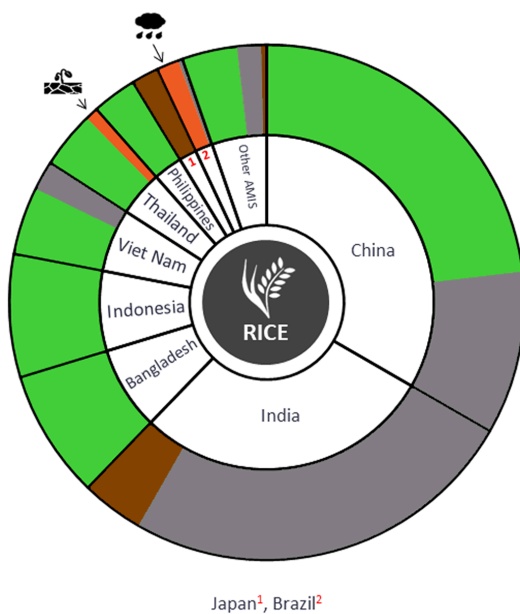
Each slice represents a country's share of total AMIS production (5-year average), with the main producing countries (95 percent of production) shown individually and the remaining 5 percent grouped into the "Other AMIS Countries" category. Sections within each country are weighted by the sub-national production statistics (5-year average) of the respective country and account for multiple cropping seasons (i.e. spring and winter wheat). The late vegetative to reproductive crop growth stages are generally the most sensitive periods for crop development.

Crop monitor

Conditions



Drivers



Rice

In **China**, conditions are favourable for both the early-planted and single-season rice crops with ample rainfall in the south-west. In **India**, Rabi and summer rice harvesting is wrapping up under favourable conditions. In **Bangladesh**, harvesting wraps up for the Boro crop (largest season) as the sowing of the Aus crop (smallest season) wraps up and the sowing of the Aman crop (mid-sized season) begins. In **Indonesia**, wet-season rice harvesting is wrapping up under favourable conditions. Due to high rainfall, dry-season rice sowing is continuing at a quicker rate than average. In **Viet Nam**, dry-season rice (winter-spring rice) is under favourable conditions in the north as harvesting continues in the south. The sowing of wet-season rice (summer-autumn) is accelerating in the South. In **Thailand**, dry-season rice harvesting is wrapping up under poor conditions due to drought. The sowing of wet-season rice is starting with an expected increase in total sown area compared to last season. In the **Philippines**, dry-season rice harvesting is wrapping up with a slight yield loss due to reduced rainfall during the season. Sowing of wet-season rice is beginning. In **Brazil**, harvesting is wrapping up under poor conditions due to recent flooding in Rio Grande do Sul.

Soybeans

In **Brazil**, harvesting is wrapping up in the South region with yields close to average despite periods of below and above-average rainfall and some damage from the flooding events in May. In **Argentina**, harvesting of the early-planting crop (typically larger season) is advancing with above-average yields in parts of Entre Ríos and Buenos Aires, albeit with below-average yields in the northeast due to drought. As harvesting begins for the late-planted crop (typically smaller season), good yields are expected due to timely rainfall in February. In the **US**, sowing continues under favourable conditions with over half the crop in the ground. In **Canada**, sowing is beginning under generally favourable conditions with an expected slight decrease in the total sown area compared to last season. In **China**, sowing continues under favourable conditions with recent rainfall in the northeast assisting the emerging crop. In **Ukraine**, sowing is wrapping up under generally favourable conditions in areas away from the war zone.

Information on crop conditions in non-AMIS countries can be found in the GEOGLAM Early Warning Crop Monitor, published 6 June.

+i Sources and disclaimers

The Crop Monitor assessment is conducted by GEOGLAM with inputs from the following partners (in alphabetical order): Argentina (Buenos Aires Grains Exchange, INTA), Asia Rice Countries (AFSIS, ASEAN+3 & Asia RiCE), Australia (ABARES & CSIRO), Brazil (CONAB & INPE), Canada (AAFC), China (CAS), EU (EC JRC MARS), Indonesia (LAPAN & MOA), International (CIMMYT, FAO, IFPRI & IRRI), Japan (JAXA), Mexico (SIAP), Russian Federation (IKI), South Africa (ARC & GeoTerraImage & SANS), Thailand (GISTDA & OAE), Ukraine (NASU-NSAU & UHMC), USA (NASA, UMD, USGS - FEWS NET, USDA (FAS, NASS)), Viet Nam (VAST & VIMHEMARD). The findings and conclusions in this joint multiagency report are consensual statements from the GEOGLAM experts, and do not necessarily reflect those of the individual agencies represented by these experts. More detailed information on the GEOGLAM crop assessments is available at <https://cropmonitor.org>.

Policy developments

Highlights

In May, Brazil lifted import restrictions on rice following severe floods in the south, and repeatedly adjusted biofuel blending requirements in a particularly hard-hit region, while Argentina cut tariffs on fertilizers and repealed a resolution allowing for export restrictions on wheat and maize. India exceptionally allowed non-basmati rice exports to Mauritius despite a previously imposed ban. The EU eased environmental requirements under its farm subsidy scheme, and renewed the suspension of restrictions on Ukrainian agricultural exports for another year. China approved its first gene-edited wheat variety, while the US approved a new genetically modified soybean variety.

Wheat

- On 29 May, the government of **Egypt** announced that from 1 June it will raise the price of subsidised baladi bread fourfold, the first such increase in more than 35 years. The price of five loaves of bread will increase from EGP 0.05 (USD 0.001) to EGP 0.20 (USD 0.004) under the new arrangements, thereby covering 16 percent of the production costs. The government said the move was intended to ease the fiscal burden of the existing subsidy programme, which was allocated some EGP 125 billion (USD 2.6 billion) under the 2024-25 state budget, following steep price inflation last year.

Rice

- On 7 May, **India** through Notification 11/2024-25 permitted the export of 14 000 tonnes of non-basmati white rice to Mauritius. The export of non-basmati white rice was banned in July 2023, with the aim of stabilizing domestic prices (see [AMIS Market Monitor, September 2023](#)), although government to government transactions with several importing countries were subsequently authorized on an exceptional basis.
- On 9 May, **Brazil** through Provisional Measure No. 1.217 authorized the National Supply Company (Conab) to import up to 1 million tonnes of rice, either processed or in husk, on an exceptional basis, in order to replenish public stocks. This decision was made in response to heavy rainfall in the southern part of the country, particularly in Rio Grande do Sul, which constrained agricultural output. The imported rice will be sold to small retailers in metropolitan areas, bypassing the need for auctions on commodity exchanges or public bidding for direct sales. This authorization is limited to the 2024 financial year. In addition, on 20 May, the Chamber of

Foreign Trade (Camex) approved the suspension of tariffs on rice imports, at the request of the Ministry of Agriculture and Livestock and Conab. The suspension applies to two types of non-parboiled rice and one polished/burnished type. The measure took effect following its publication on 21 May in the Official Gazette of the Union, and will remain in force until 31 December 2024.

- On 20 May, **Brazil** suspended import duties (ranging from 9 percent to 10.8 percent) on rough, brown, and semi-milled or wholly milled rice, after damage caused by flooding in the main rice production area of Rio Grande do Sul. The measure aims to guarantee adequate supply on the domestic market and will apply until the end of the year.

Soybeans

- On 18 April, the **US** Animal and Plant Health Inspection Service (APHIS) approved a genetically modified soybean containing pork proteins, called "Piggy Sooy", developed by Moolec Science (a science-based ingredient company). Among other conclusions, the APHIS determined that the modified soybean does not present a higher plant pest risk than traditional soybeans, and is therefore not regulated under APHIS rules for the movement of genetically engineered organisms or products.

Biofuels

- On 30 April, the **US** Department of Treasury released guidance for its sustainable aviation fuel (SAF) subsidy program. To qualify for a USD 1.25 per gallon (3.78 litres) tax credit, refiners must show that emissions from their SAF fuel are at least 50 percent lower than those from petroleum jet fuel. Reductions exceeding 50 percent are eligible for another USD 0.01 per gallon for each additional percentage point, up to a maximum of USD 0.50 per gallon. Maize-based ethanol can meet the required standard only if the supplying farmers practice no-till farming, cover cropping, and efficient fertilizer use, the new guidance says. Soy-based biodiesel qualifies if it can be traced to farms applying no-till and cover cropping.
- On 22 May, the National Agency for Petroleum, Natural Gas, and Biofuels (ANP) in **Brazil** raised minimum biodiesel blending requirements in Rio Grande do Sul, after having temporarily eased them on 4 May following heavy rains which impeded transport of biofuels into the state. The ANP said that, from 23 May, S10 and S500 diesel for distribution from bases in the municipalities of Esteio and Canoas should now include at least 7 percent biodiesel. The 4 May decision had temporarily allowed these two municipalities to distribute S10

Policy developments

diesel containing just two percent – down from 14 percent previously - and allowed S500 diesel to include no biodiesel at all. Distribution bases in the Rio Grande municipality will still be allowed to make available S10 diesel with no less than two percent biodiesel, and S500 diesel without any biodiesel. ANP will continue to require quality certificates to be sent to them if S500 diesel is sold without being blended with biodiesel. Following the 4 May decision, distribution bases in Canoas, Esteio, and Rio Grande have also been allowed temporarily to sell gasoline blended with a minimum 21 percent of ethanol – down from the 27 percent set out in legislation. The measures adopted are effective for 30 days from the ANP's 4 May decision and may continue to be revised depending on supply conditions in the region.

Fertilizers

- On 2 May, the **US** Department of Commerce proposed increasing tariffs on Moroccan phosphates from 2.12 percent to 14.21 percent, through a notice in the Federal Register. This new rate would apply retroactively to 2022 imports and serve as the provisional rate for imports from November 2024 until the next administrative review. The decision reverses a November 2023 ruling that lowered the countervailing duty on Moroccan phosphate fertilizers from 19.97 percent to 2.12 percent (see [AMIS Market Monitor, December 2023](#)). The latest development follows a May 2023 request by The Mosaic Company for an administrative review, citing continued subsidies to Moroccan producer OCP in 2022.
- On 3 May, **Argentina** through Decree 384/2024 reduced tariffs on fertilizers and herbicides. Fertilizer tariffs were previously set at 5.4 percent for urea, 6 percent for ammonium nitrate, and 3.6 percent for a mixture of the two, but have now been eliminated.
- On 27 April, the **Russian Federation** through Decree no. 547 approved the extension of export quotas for mineral fertilizers from 1 June to 30 November 2024, affecting exports to states that are not members of the Eurasian Economic Union. The total export quota will exceed 19.7 million tonnes - expanding by some 2 million tonnes the permitted volume that was set in the previous six-month period (see [AMIS Market Monitor, December 2023](#)). The Federal Antimonopoly Service also confirmed a domestic price freeze would be maintained.

Across the board

- On 2 May, the Ministry of Finance in **China**, in collaboration with the Ministry of Agriculture and Rural Affairs and

the Ministry of Water Resources, announced it had allocated CNY 309 million (USD 43 million) to support grain production and flood relief efforts in seven southern provinces and autonomous regions. Of this amount, CNY 155 million (USD 22 million) was designated for disaster prevention and relief in agricultural production in Zhejiang, Jiangxi, Guangdong, Guizhou, and other areas. Another CNY 154 million (USD 21 million) was provided to support water conservation and disaster relief in regions that included Fujian, Jiangxi, Hunan, Guangdong, and Guangxi.

- On 8 May, the Ministry of Agriculture and Rural Affairs in **China** issued its first approval of a disease-resistant gene-edited wheat variety, media reports indicated. Unlike genetic modification, which introduces foreign genes into a plant, gene editing alters existing genes in a bid to improve a plant's performance. China also issued a safety certificate for its genetically modified maize, which is resistant to herbicides and insects, as well as one higher yielding gene-edited maize variety. The approvals, which are valid for five years starting from 5 May, allow for the new varieties to be released commercially.
- On 10 May, the Ministry of Economy in **Argentina** announced through Resolution No. 302/2024 the removal of export restrictions on wheat and maize imposed in 2021. The new resolution also notes that export restrictions and quotas had already been lifted in the omnibus bill DNU 70/2023, which was put forward in December 2023, as part of a package of economic reforms introduced by the government.
- On 13 May, the **EU** Council extended the suspension of import duties and quotas on Ukrainian exports to the European Union for another year. The measures approved also include an "emergency brake" that will be automatically triggered for eggs, poultry, sugar, oats, maize, groats, and honey if import volumes reach their average yearly levels from between 1 July 2021 and 31 December 2023. The new arrangements will apply from 6 June 2024 until 5 June 2025, and will replace the existing Autonomous Trade Measures which have been in effect since June 2022.
- On 13 May, the **EU** Council approved revisions to the bloc's Common Agricultural Policy (CAP), which eased the environmental requirements that farmers must respect in order to receive agricultural subsidies. The revisions modify the CAP basic acts, by introducing changes to the "Good Agricultural and Environmental Conditions (GAECs)" that will enter into force following the law's publication in the Official Journal by the end of May. Farmers can retroactively apply some of the new environmental rules for the 2024 claim year. The revised regulations ease requirements on leaving land lying fallow or otherwise unproductive; on crop rotation; and on soil cover

Policy developments

during sensitive periods. Small farms under 10 hectares will be exempt from compliance controls and penalties.

- On 21 May, the **US** Grains Council released USD 17 million from the US Department of Agriculture under its Regional Agriculture Promotion Program (RAPP) for the export of maize, barley and sorghum. RAPP was initiated following a request from the US Senate Committee on Agriculture, Nutrition, and Forestry to strengthen, diversify, and expand market opportunities for US agricultural products.
- On 21 May, the Ministry of Finance in **China** announced subsidised insurance schemes for rice, wheat, and maize, backdated to 1 January. This follows the adoption of national policies in December 2023 and February 2024 which the government said sought to secure farmers' income, support revitalisation of rural areas, and ensure food security (See [AMIS Market Monitor, February 2024](#) and [March 2024](#)). The ministry specified that the level of insurance provided should not exceed 80 percent of the output value of the crops produced. Different premium subsidies will be provided in different re-

gions of the country, with grains from the central, western, and northeastern regions benefitting from a 45 percent premium subsidy, and a 35 percent premium subsidy set for the eastern region.

- On 30 May, the **EU** Council adopted a regulation to impose prohibitive tariffs on grain products imported from the **Russian Federation** and Belarus. This regulation increases duties on cereals, oilseeds, and derived products from these countries to levels that the EU said will effectively halt their importation and excludes them from the Union's tariff rate quotas. Currently, the products affected are subject to tariffs set at low levels, or at zero. The measures apply to products originating from or exported directly or indirectly from the Russian Federation and Belarus to the EU but will not affect transit through the EU to other countries. The regulation will be published in the EU's Official Journal and will take effect on 1 July 2024.

+i Note

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

International prices

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

| | May 2024 Average* | Change | |
|-----------------|-------------------|--------|--------|
| | | M/M | Y/Y |
| GOI | 241.1 | +6.3% | -8.5% |
| Wheat | 222.9 | +11.1% | -8.6% |
| Maize | 209.8 | +4.2% | -18.8% |
| Rice | 253.0 | +2.5% | +23.3% |
| Soybeans | 233.1 | +5.9% | -10.3% |

*Jan 2000=100, derived from daily export quotations

Wheat

World wheat export prices surged during May on deepening production worries in the northern hemisphere, centred on the Black Sea region. With new attacks on shipping infrastructure in the Russian Federation and Ukraine also challenging the resilience of Black Sea exports, average GOI wheat sub-Index values surged by 11 percent month-on-month, to an eight-month high. Russian quotations rose on firming domestic prices, yet, remained competitive overall. Likewise, a firmer market tone prevailed in Ukraine amid tightening supplies and weather-related concerns. US prices were buoyed by reports of dryness in some winter wheat areas, albeit conditions improved more recently. In the EU (France), Black Sea supply fears were exacerbated by risks of local crop quality downgrades due to soggy conditions.

Maize

World maize prices firmed for a third successive month in May, the GOI sub-Index up by an average of 4 percent on production uncertainties and spillover from wheat. There was some convergence in spot fob offers towards the end of the month. Gains were led by Ukraine, where old crop supplies tightened against a backdrop of accelerating shipments. Quotations in Argentina

ticked higher on heightened Spiroplasma disease pressure, seen crimping this season’s exportable surplus. While average prices also firmed in Brazil, partly on unfavourable weather, there was a softer tone in recent weeks on pre-harvest pressure and talk of limited buying interest. US quotations strengthened on South American crop concerns and a slower pace of 2024/25 Midwest plantings.

Rice

Amid tightening supplies in several key origins, the GOI rice sub-index rose by 2 percent month-on-month. Quotations in Thailand firmed on improving offshore demand and as the conclusion of an off-season harvest curtailed nearby availabilities. Vietnamese prices were also higher, as threshing of the main winter/spring crop came to an end, while, in India, parboiled prices softened on subdued buying interest and second (rabi) crop arrivals. In South America, offers surged, as flooding in Brazil’s major growing state of Rio Grande do Sul raised crop concerns.

Soybeans

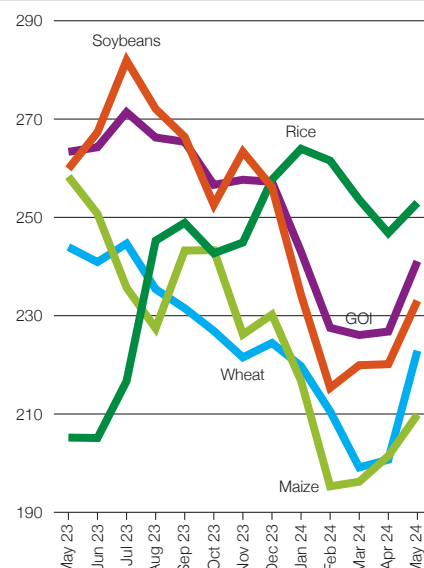
Average international soybean values, as measured by the GOI sub-Index, were 6 percent higher month-on-month in May, with gains at all major origins. Despite comfortable supply outlooks, market sentiment was underpinned by heightened worries about production and logistics in Brazil, where flooding in the southern state of Rio Grande do Sul compromised harvesting operations and disrupted port deliveries. Solid purchasing from Chinese processors added support to Brazilian offers (Paranagua). Despite few fresh developments, Up River quotations in Argentina also firmed. In the US, soft export demand pared overall advances, albeit as Gulf quotations drew support from events in Brazil.

IGC commodity price indices

| | | GOI | Wheat | Maize | Rice | Soybeans | |
|------|-----------|----------|-------|-------|-------|----------|-------|
| 2023 | May | 263.3 | 244.0 | 258.3 | 205.2 | 259.9 | |
| | June | 264.3 | 240.9 | 250.7 | 205.1 | 267.3 | |
| | July | 271.4 | 244.7 | 235.7 | 216.7 | 281.9 | |
| | August | 266.2 | 235.4 | 227.4 | 245.3 | 272.1 | |
| | September | 265.4 | 231.5 | 243.3 | 248.9 | 266.4 | |
| | October | 256.6 | 226.9 | 243.3 | 242.7 | 252.6 | |
| | November | 257.7 | 221.5 | 226.2 | 244.9 | 263.4 | |
| | December | 257.2 | 224.4 | 230.2 | 257.7 | 256.2 | |
| | 2024 | January | 243.0 | 219.7 | 216.7 | 264.0 | 234.2 |
| | | February | 227.5 | 210.5 | 195.3 | 261.5 | 215.3 |
| | | March | 226.1 | 199.1 | 196.2 | 253.6 | 219.9 |
| | | April | 226.8 | 200.7 | 201.5 | 246.8 | 220.1 |
| May | | 241.1 | 222.9 | 209.8 | 253.0 | 233.1 | |

(..... January 2000 = 100)

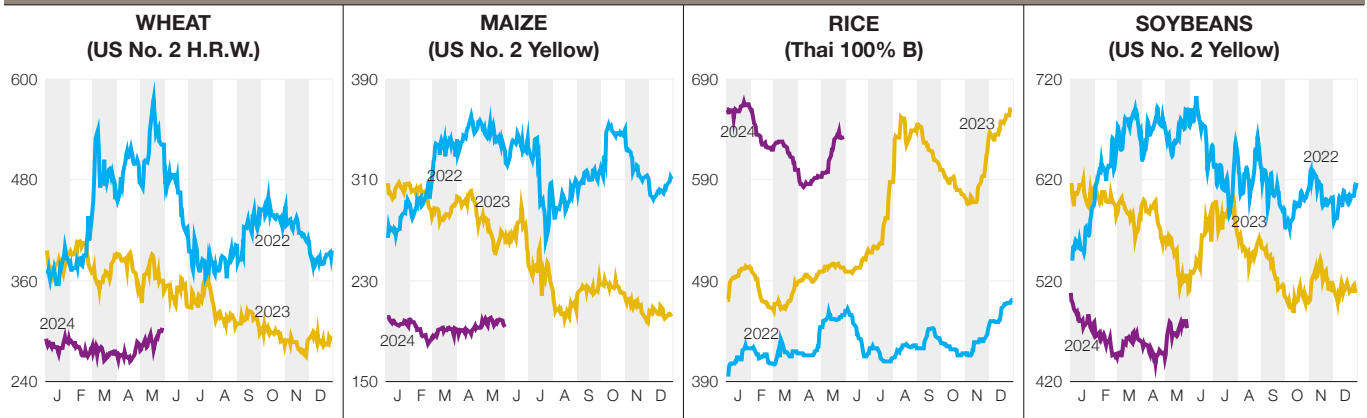
IGC commodity price indices



International prices

Selected export prices, currencies and indices

Daily quotations of selected export prices (USD/tonnes, 2022-2024)



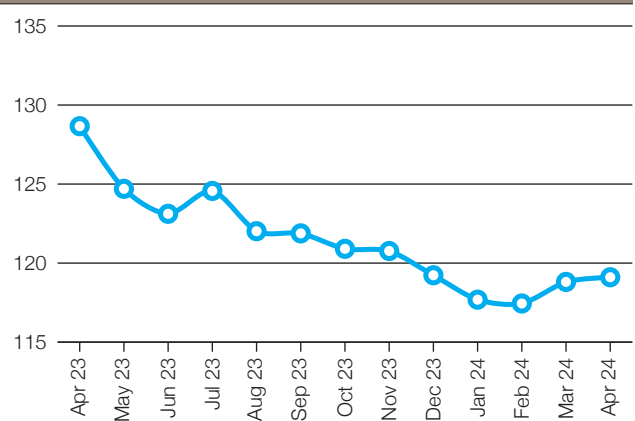
Daily quotations of selected export prices

| | Effective date | Quotation | Month ago | Year ago | % change M/M | % change Y/Y |
|-----------------------------|----------------|-----------|-----------|----------|--------------|--------------|
| USD/tonne | | | | | | |
| Wheat (US No. 2, HRW) | 28-May | 304 | 277 | 349 | +9.7% | -12.9% |
| Maize (US No. 2, Yellow) | 31-May | 193 | 193 | 265 | +0.4% | -27.1% |
| Rice (Thai 100% B) | 28-May | 630 | 593 | 499 | +6.2% | +26.3% |
| Soybeans (US No. 2, Yellow) | 28-May | 473 | 443 | 510 | +6.8% | -7.3% |

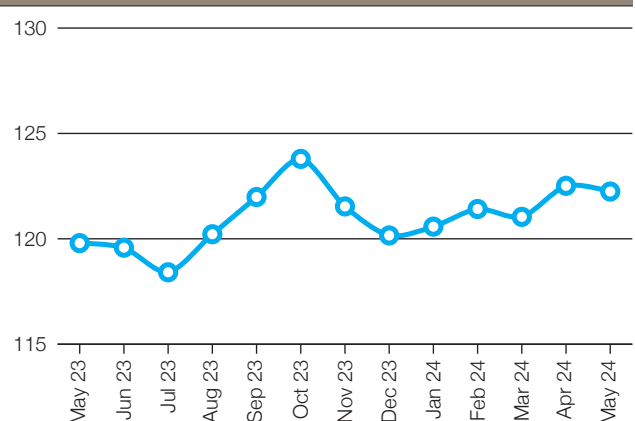
AMIS countries' currencies against US Dollar

| AMIS Countries | Currency | May 2024 Average | Monthly Change | Annual Change |
|----------------|----------|------------------|----------------|---------------|
| Argentina | ARS | 886.2 | -2.1% | -73.9% |
| Australia | AUD | 1.5 | 1.9% | -0.2% |
| Bangladesh | BDT | 114.8 | -4.6% | -6.7% |
| Brazil | BRL | 5.1 | -0.3% | -3.1% |
| Canada | CAD | 1.4 | 0.0% | -1.1% |
| China | CNY | 7.2 | 0.1% | -3.4% |
| Egypt | EGP | 47.2 | 1.1% | -34.7% |
| EU | EUR | 0.9 | 0.8% | -0.5% |
| India | INR | 83.4 | 0.1% | -1.3% |
| Indonesia | IDR | 16064.6 | -0.2% | -7.8% |
| Japan | JPY | 155.8 | -1.2% | -11.9% |
| Kazakhstan | KZT | 442.1 | 0.8% | 0.9% |
| Rep. of Korea | KRW | 1363.7 | 0.4% | -2.6% |
| Mexico | MXN | 16.8 | 0.0% | 5.6% |
| Nigeria | NGN | 1420.9 | -13.3% | -67.6% |
| Philippines | PHP | 57.8 | -1.4% | -3.5% |
| Russian Fed. | RUB | 90.9 | 2.3% | -13.1% |
| Saudi Arabia | SAR | 3.8 | 0.0% | 0.0% |
| South Africa | ZAR | 18.4 | 2.5% | 3.6% |
| Thailand | THB | 36.6 | 0.4% | -6.5% |
| Türkiye | TRY | 32.2 | 0.2% | -38.7% |
| UK | GBP | 0.8 | 1.0% | 1.3% |
| Ukraine | UAH | 39.7 | -1.0% | -7.1% |
| Viet Nam | VND | 25433.7 | -1.0% | -7.8% |

FAO Food Price Index Apr 2023 - Apr 2024



Nominal Broad Dollar Index May 2023 - May 2024



Futures markets

Overall market sentiment

- Price developments on CME and Euronext wheat futures hint at an upward trajectory, while CME maize and soybean futures show less strength.
- The rise in implied volatility for wheat suggests that crop concerns in the Black Sea are still a critical price driver that warrants monitoring.
- Funds reduced their net short positions in CME wheat, maize, and soybean futures, but continue to exhibit a bearish market sentiment.

MONTHLY PRICE TREND



Futures prices

In May, wheat futures rebounded significantly, with CME wheat reaching its highest level since July 2023 and Euronext wheat hitting a 14-month high. This rise was driven by concerns about unfavourable crop growing conditions in the Russian Federation (drought followed by frost damage) and parts of Western Europe (excess rain). US and EU futures markets responded swiftly to tighter estimates of the 2024-25 exportable wheat surplus. However, the reaction was more muted on local US and European cash markets, indicating that buyers of physical grains might be deferring procurement until after the northern hemisphere harvest is completed. Additionally, wheat futures values appear high relative to maize futures as regard to historical wheat-maize differentials, suggesting potential demand rationing in wheat and substitution with maize by feed producers.

CME maize and soybean futures trended upward for most of May amid unfavourable US planting conditions and strengthening US export competitiveness against Brazil where export prices hiked in view of adverse weather conditions and robust domestic demand. However, futures markets lost momentum in the last few days of May as US maize plantings resumed and US export sales for new-season soybeans remained remarkably low. Upward potential for prices thus appears limited, also in view of the USDA's initial 2024/25 crop estimates, which indicate adequate soybean and maize supply for the next season.

Volumes & volatility

Wheat prices experienced rising volatility in May, with historical volatility reaching 33 percent, slightly above the 10-year average. The market was primarily driven by unfavourable crop conditions in the Black Sea region, making prices susceptible to weather-related fluctuations. CME wheat implied volatility increased to 40 percent, exceeding the 10-year average, indicating that concerns over crop conditions will continue being a critical market driver requiring scrutiny.

CME maize and soybean futures continue to show historical and implied volatilities near their 10-year seasonal averages, sig-

nalling that observed and expected risks priced in by market participants remain limited at this point of the season.

Traded volumes were lower in May on both the CME and Euronext agricultural segments; however, trading activity since the beginning of the calendar year remains robust in both commodity exchanges, with record highs observed on Euronext.

Forward curves

Despite increasing absolute price levels and perceived risks in May, forward curves do not reflect concerns about wheat inventory shortages, as indicated by the sharp contango configuration in both CME and Euronext wheat futures. The higher prices for longer-dated contracts compared to nearby delivery suggest market participants are factoring in higher price values for deferred delivery, which is typical for situations with perceived high inventory levels. Similarly, the contango setup in CME maize signals an expected surplus. In contrast, soybean forward curves display a backwardation configuration, indicating strong short-term demand for old crop supplies, likely driven by US domestic crush demand, while futures contracts for the new crop are priced lower.

Investment flows

Funds reduced their net short positions held since October 2023 across combined wheat, maize, and soybean CME futures. However, their remaining net short positions suggest a continued bearish market leaning. Money managers displayed a more bullish sentiment on Euronext wheat, shifting from a net short position in April to a modest net long position in May.

| Euronext futures volumes and price evolution | | | |
|--|----------|--------|--------|
| Average daily volume (1000 tonnes) | May 2024 | M/M | Y/Y |
| Wheat | 4 475.8 | -10.7% | +69.4% |
| Maize | 178.1 | +52.4% | +47.1% |

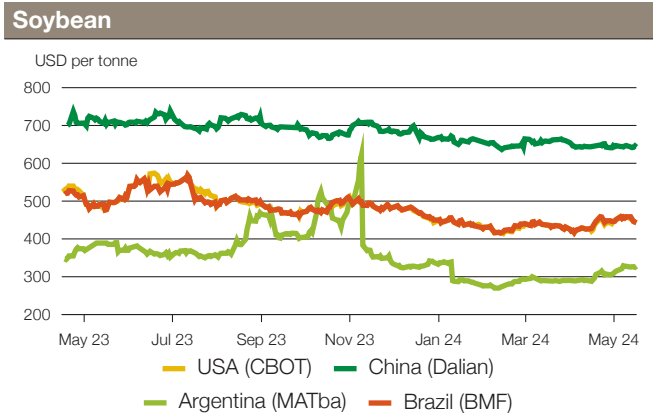
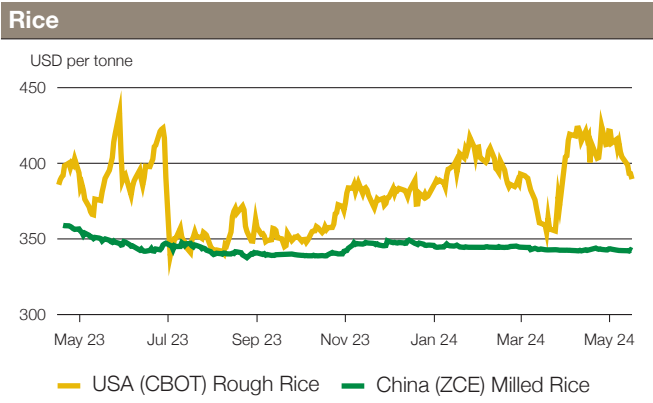
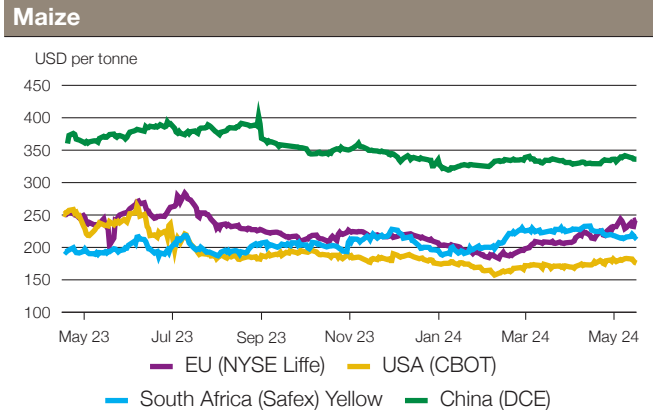
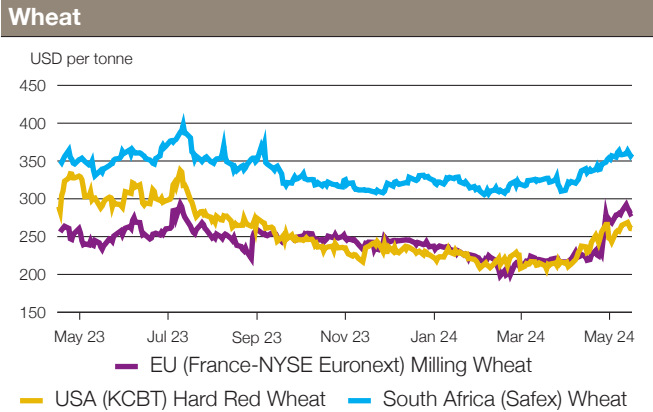
| Prices (USD/t) | May 2024 | M/M | Y/Y |
|----------------|----------|--------|-------|
| Wheat | 272.0 | +19.5% | +9.0% |
| Maize | 232.9 | +9.7% | -3.2% |

| CME futures volumes and prices evolution | | | |
|--|----------|--------|--------|
| Average daily volume (1000 tonnes) | May 2024 | M/M | Y/Y |
| Wheat | 19 200.3 | -7.9% | +25.1% |
| Maize | 50 151.6 | -9.1% | +14.6% |
| Soybean | 35 275.1 | -15.2% | +18.5% |

| Prices (USD/t) | May 2024 | M/M | Y/Y |
|----------------|----------|--------|--------|
| Wheat | 243.6 | +15.0% | +6.0% |
| Maize | 181.7 | +4.6% | -21.0% |
| Soybean | 449.9 | +4.2% | -10.6% |

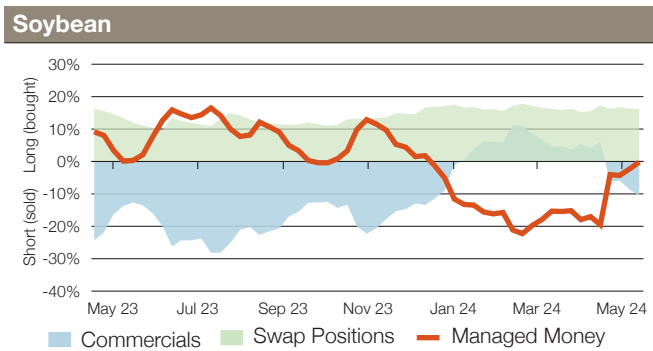
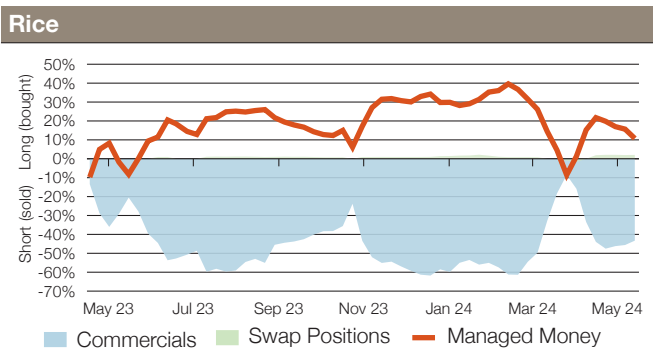
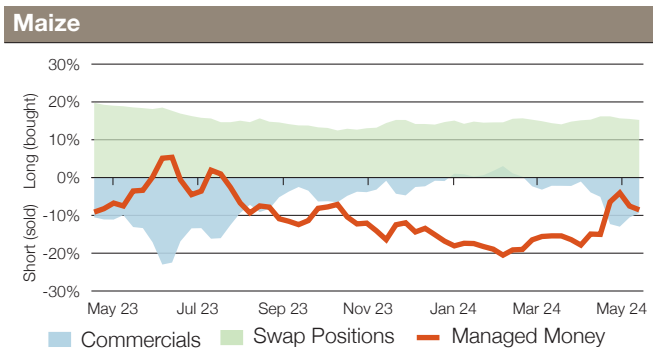
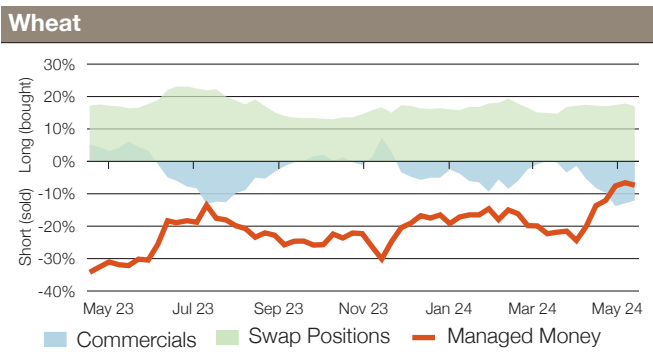
Market indicators

Daily quotations from leading exchanges - nearby futures



CFTC commitments of traders

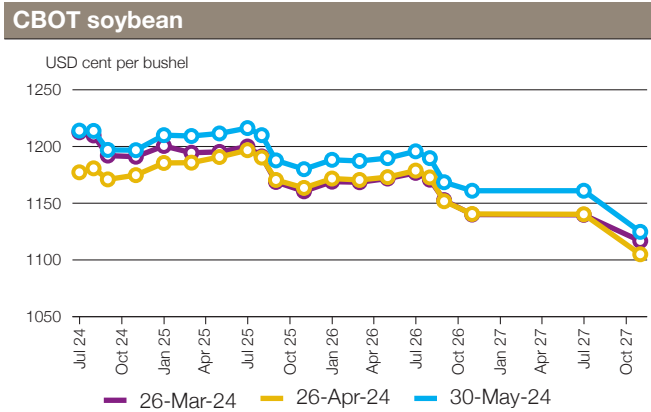
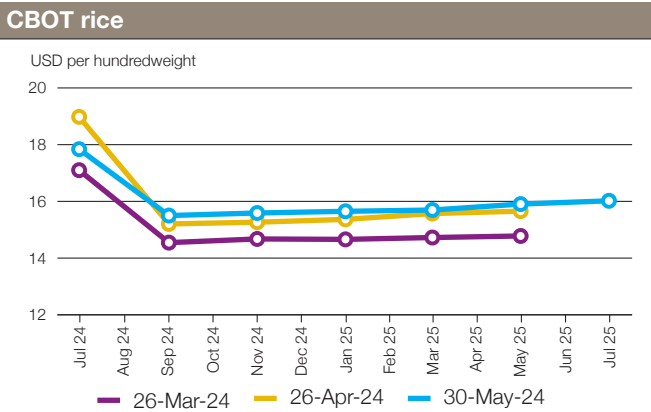
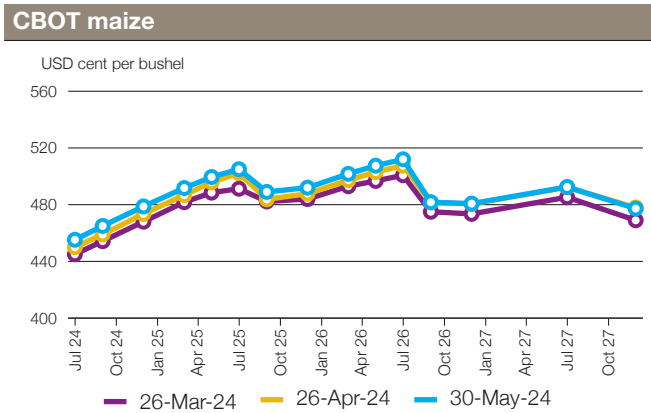
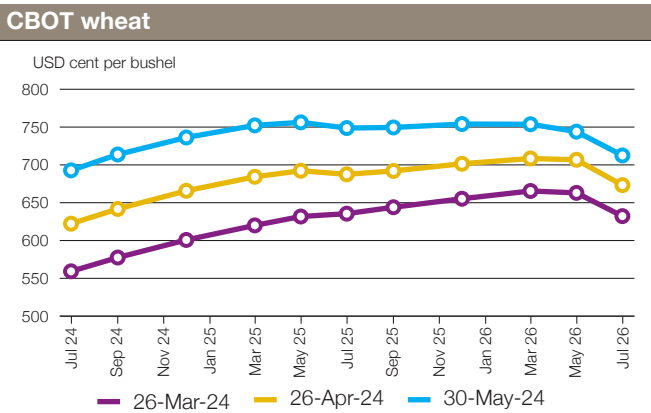
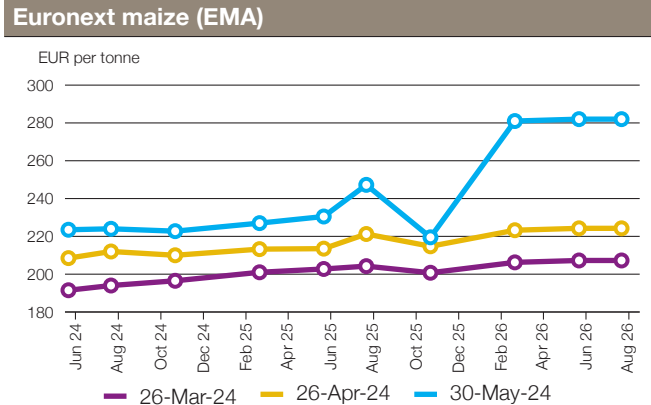
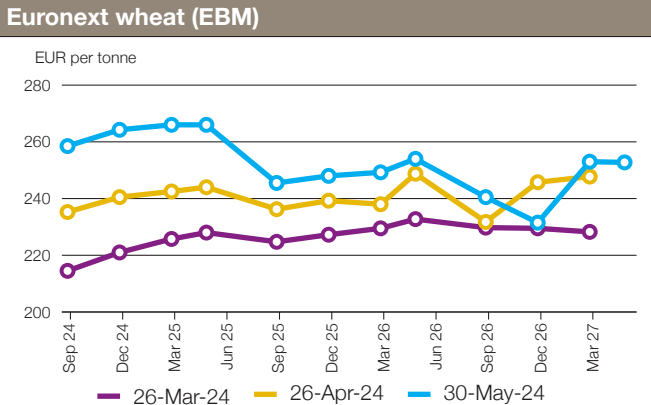
Major categories net length as percentage of open interest*



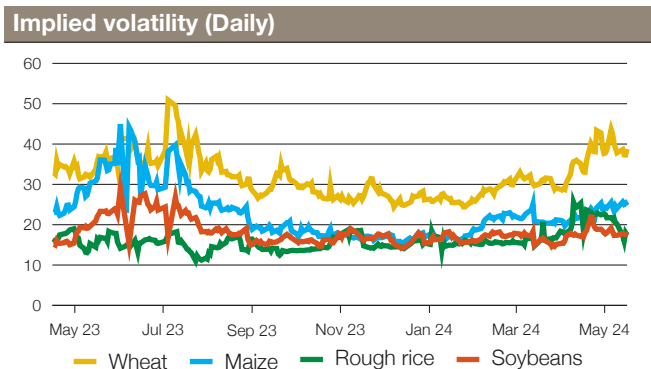
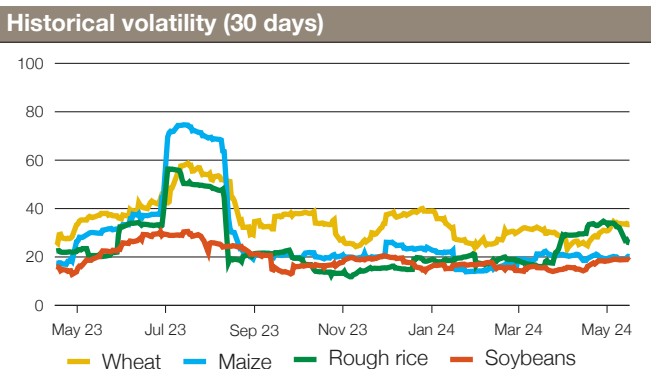
*Disaggregated futures only. Though not all positions are reflected in the charts, total long positions always equal total short positions.

Market indicators

Forward curves



Historical and implied volatilities

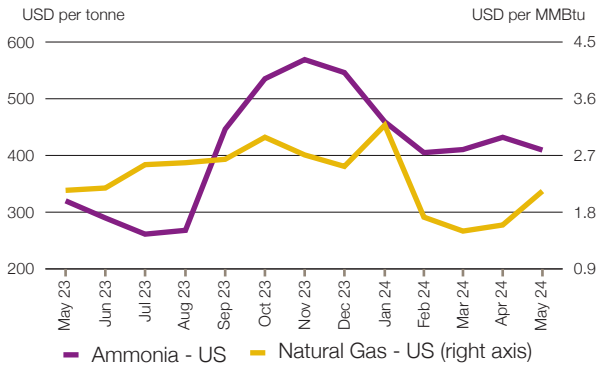


+i AMIS market indicators

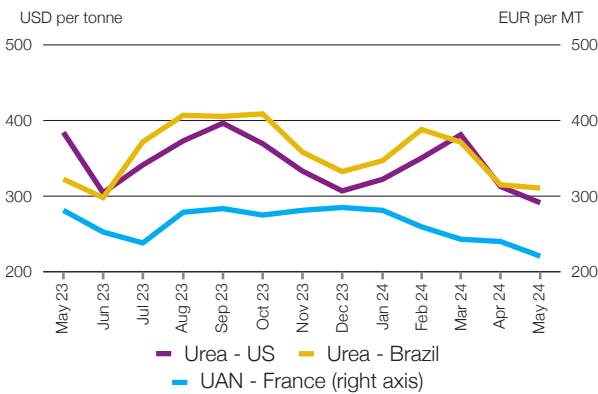
Several of the indicators covered in this report are updated regularly on the AMIS website. These, as well as other market indicators, can be found at: <https://www.amis-outlook.org/amis-monitoring/indicators/>. For more information about forward curves see the feature article in AMIS Market Monitor no. 75, February 2020.

Fertilizer outlook

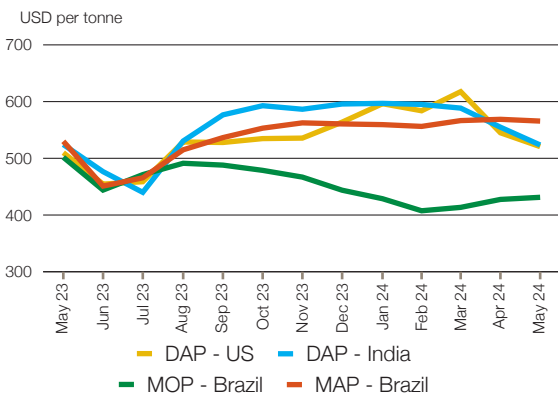
Input prices for manufacturing fertilizers



Nitrogen prices



Potash and phosphate



Fertilizer outlook prices

| | May-24 average | May-24 std. dev. | % change last month* | % change last year* | 12 month high | 12-month low |
|---|----------------|------------------|----------------------|---------------------|---------------|--------------|
| Ammonia - US (USD/ST) | 409.5 | - | -5.2 | +28.0 | 569.0 | 261.2 |
| Natural Gas - US (USD/MMBtu) | 2.1 | 0.3 | +33.7 | -0.6 | 3.2 | 1.5 |
| Natural Gas - EU (EUR/MWh) | 31.4 | 1.8 | +8.1 | +0.1 | 46.9 | 25.7 |
| Urea Ammonium Nitrate (UAN) - France (EUR/MT) | 220.6 | 10.7 | -8.1 | -21.6 | 285.0 | 220.6 |
| Urea - US (USD/ST) | 291.2 | 3.6 | -6.8 | -24.2 | 396.4 | 291.2 |
| Urea - Brazil (USD/MT) | 310.6 | 9.0 | -1.4 | -3.7 | 408.8 | 298.0 |
| Di-ammonium Phosphate (DAP) - India (USD/MT) | 523.5 | 17.1 | -5.7 | -0.1 | 596.9 | 440.0 |
| Di-ammonium Phosphate (DAP) - US (USD/ST) | 520.6 | 8.5 | -4.5 | +2.1 | 617.5 | 454.6 |
| Mono-ammonium Phosphate (MAP) - Brazil (USD/MT) | 565.6 | 5.5 | -0.5 | +6.7 | 568.8 | 451.0 |
| Muriate of Potash (MOP) - Brazil (USD/MT) | 431.2 | 1.4 | +0.9 | -14.1 | 491.2 | 407.5 |

Source: Own elaboration based on Bloomberg. Units: MT = Metric Tonne; ST = Short Ton; MMBtu = Million British Thermal Unit
 *Estimated using available weekly data to date.

Major market developments

Fertilizer prices were stable to soft in May. The tighter-than-expected domestic market in China is delaying the return of Chinese urea exports that would have increased supply on global markets. The timing of the full return of urea and phosphate exports from China remains a critical factor for global fertilizer markets.

- Fertilizer input prices.** US natural gas prices were up in May, but supplies remain ample. High temperatures in Asia, prompting need for energy generation, increased competition among major LNG hubs, tightening markets. Forecasts of heat in Europe also supported prices, as did the possible sudden halt in Russian supply to Austria. Increased output from Norway and solid European inventories limit potential market upsides. Ammonia prices remain supported East of Suez on supply constraints in the Middle East and Southeast Asia, while benchmarks West of Suez are softening with the seasonal slowdown in demand.
- Nitrogen fertilizer prices.** Urea prices were down slightly month-on-month as Arab Gulf producers resumed full production at a time of low import demand from large buyers including India. However, the month ended on a firmer note. The return of exports from China was delayed, while Egyptian export prices surged after the announcement of a reduction in natural gas supply to industrial users. Firmer grain markets also improved fertilizer affordability in key buying markets.
- Phosphorus fertilizer prices.** Phosphate prices moved downwards month-on-month, particularly in India. Exports out of Morocco are seasonally low, and despite the recent easing of export restrictions, exports from China remain below average. Against this backdrop, a firmer tone prevails on an anticipated increase of demand in Brazil and India in the coming weeks. In the US, the increase of countervailing duties on phosphorus fertilizer imports from Morocco may continue to support prices.
- Potash prices.** Potash prices were stable month-on-month. The market still lacks clear references in the absence of price settlement for India's long-term contract for potash supply. However, the sentiment at the recent industry gathering of the International Fertilizer Association (IFA) was slightly bearish on estimates of ample supply.

Ocean freight markets

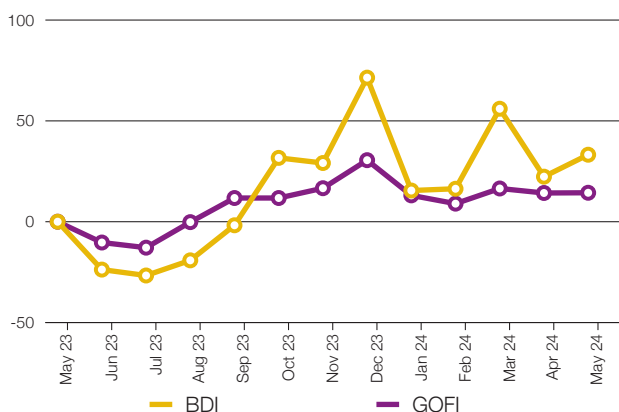
Dry bulk freight market developments

| | May-24 average | Change | |
|--------------------------------------|----------------|--------------|---------------|
| | | M/M | Y/Y |
| Baltic Dry Index (BDI) | 1889.7 | +8.9% | +33.2% |
| sub-indices: | | | |
| Capesize | 2777.9 | +14.5% | +29.8% |
| Panamax | 1868.1 | +4.0% | +40.6% |
| Supramax | 1405.3 | +4.1% | +32.6% |
| Baltic Handysize Index (BHSI) | 706.0 | -4.7% | +13.6% |

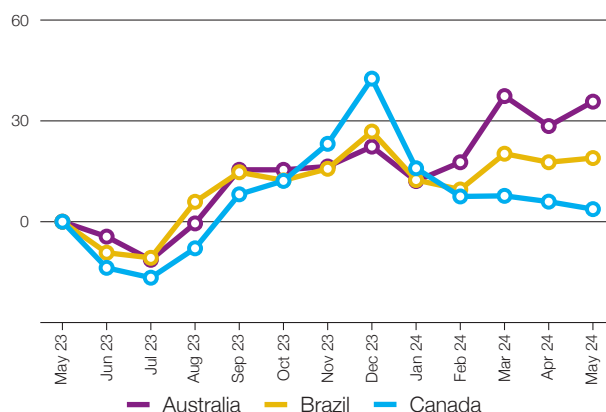
Source: Baltic Exchange, IGC. Base period for BDI: 4 January 1985 = 1000; for BHSI: 23 May 2006 = 1000; for GOFI: 1 January 2013 = 100

| | May-24 average | Change | |
|---|----------------|--------------|---------------|
| | | M/M | Y/Y |
| IGC Grains and Oilseeds Freight Index (GOFI) | 157.1 | +0.1% | +14.4% |
| sub-Indices: | | | |
| Argentina | 199.5 | -0.7% | +12.8% |
| Australia | 115.9 | +5.7% | +35.7% |
| Brazil | 213.1 | +1.1% | +18.9% |
| Black Sea | 160.1 | -2.3% | +12.0% |
| Canada | 108.5 | -2.1% | +3.7% |
| Europe | 120.1 | -2.1% | +2.4% |
| US | 124.0 | +0.9% | +13.4% |

BDI and IGC GOFI



Selected IGC GOFI sub-indices



- Average **Baltic Dry Index (BDI)** values were 9 percent higher month-on-month in May, with gains most notable in the early part of the month, while average rates were around one-third higher year-on-year.
- A further recovery in shipments was noted via the Panama Canal, where water levels began to improve, albeit as transits remained well below average. Elsewhere, there were few changes in the situation around the Red Sea, as bulk carriers from North America and Western Europe to Asia continued to avoid the Suez Canal and take longer alternative routes.
- The biggest increase was recorded in the **Capesize** sector, where accelerating trade in the Atlantic and an uptick in demand for minerals and energy across Asian routes pushed the rates up in the first week of May before falling back on signs of receding Chinese demand.

- Earnings in the grains and oilseeds carrying sectors were relatively more stable, with average **Panamax** values 4 percent higher month-on-month, as spillover strength from the Capesize market and brisk front haul deliveries from South America offset subdued activity in the northern Atlantic.
- Average **Supramax** values also posted a 4 percent month-on-month increase, as firmer demand in the Pacific was partly offset by slack activity in the Atlantic, including the US Gulf and Europe.
- In contrast, the **Handysize** sector was weaker, largely on excess tonnage in Europe and the Mediterranean.
- The **IGC Grains and Oilseeds Freight Index (GOFI)**, which accounts for fuel costs, was broadly unchanged month-on-month, as weaker bunker values offset gains in timecharter rates.

+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 cargos, including grains and oilseeds.

Explanatory note

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.

AMIS - GEOGLAM Crop Calendar Selected leading producers*

| WHEAT | | J | F | M | A | M | J | J | A | S | O | N | D |
|--------------------|-------------------|----------|---|----------|----------|----------|----------|---------|---------|---------|----------|----------|---|
| China (18%) | spring | | | Planting | | | c | | Harvest | | | | |
| | winter | | c | c | c | | Harvest | | | | | Planting | |
| EU (16%) | winter | | | | c | c | | Harvest | | | | Planting | |
| India (14%) | winter | c | c | | Harvest | | | | | | | Planting | |
| Russian Fed. (12%) | spring | | | | Planting | | c | c | | Harvest | | | |
| | winter | | c | c | | c | Harvest | | | | | Planting | |
| US (6%) | spring | | | | Planting | | c | c | | Harvest | | | |
| | winter | | | | c | c | | Harvest | | | | Planting | |
| MAIZE | | J | F | M | A | M | J | J | A | S | O | N | D |
| US (31%) | NA | | | | Planting | | c | c | c | | Harvest | | |
| China (24%) | north | | | | Planting | | c | c | | Harvest | | | |
| | south | | | Planting | | c | c | | Harvest | | | | |
| Brazil (9%) | 1st crop | c | c | | Harvest | | | | | | | Planting | |
| | 2nd crop | Planting | c | c | | c | | Harvest | | | | | |
| EU (6%) | NA | | | | Planting | | c | c | c | | Harvest | | |
| Argentina (5%) | NA | | | | Harvest | | | | | | Planting | c | c |
| RICE | | J | F | M | A | M | J | J | A | S | O | N | D |
| China (27%) | early crop | | | Planting | | c | c | | Harvest | | | | |
| | intermediary crop | | | | Planting | | c | c | c | | Harvest | | |
| | late crop | | | | | | Planting | | c | c | | Harvest | |
| India (26%) | kharif | | | | | Planting | | c | c | | Harvest | | |
| | rabi | Planting | | Harvest | | | | | | | | | |
| Indonesia (6%) | main Java | | c | c | | Harvest | | | | | | Planting | |
| | second Java | | | | Planting | | c | c | c | | Harvest | | |
| | summer/autumn | | | | | | Planting | | c | c | | Harvest | |
| Viet Nam (5%) | winter | | | | Planting | | | c | c | | Harvest | | |
| | winter-spring | | c | c | | Harvest | | | | | | Planting | |
| SOYBEAN | | J | F | M | A | M | J | J | A | S | O | N | D |
| Brazil (39%) | NA | c | c | | Harvest | | | | | | | Planting | |
| US (29%) | NA | | | | | Planting | c | c | c | | Harvest | | |
| Argentina (12%) | NA | c | c | c | | Harvest | | | | | | Planting | |
| China (5%) | NA | | | | | Planting | c | c | | Harvest | | | |
| India (3%) | NA | | | | | Planting | | c | c | | Harvest | | |

*Percentages refer to the global share of production according to the latest AMIS-FAO estimates available for the most recent season

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

For more information on AMIS Supply and Demand, please view AMIS Supply and Demand Balance Manual

Main sources

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

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