AMIS Market Monitor

No. **122** October 2024

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Markets at a glance

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	FROM PREVIOUS **FORECASTS**	FROM PREVIOUS **SEASON**
WHEAT	▲	▬
MAIZE	▼	▬
RICE	▲	▲
SOYBEANS	▲	▲

In August 2024, global temperatures reached record highs for the 15th consecutive month. Favourable rainfall improved wheat prospects in Australia, while excessive wet weather caused harvest delays in Canada. Despite improvements in Panama Canal crossings, low water levels in the Mississippi River disrupted supply chains, complicating exports of maize and soybeans in particular via the US Gulf. Reflecting weather-influenced market fundamentals, the export prices for wheat, maize, and soybeans all increased in September, though they remained below their levels from a year earlier. Rice prices stayed softer. Fertilizer markets, generally well-supplied, anticipate seasonally increased activity in the last quarter of the year. In September, India lifted its 14-month export ban on non-basmati rice, replacing it with a minimum export price.

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 · IFAD Enabling poor rural people to overcome poverty · IFPRI · IGC · OECD · UNCTAD · WORLD BANK GROUP · WFP World Food Programme · WORLD TRADE ORGANIZATION · GEOGLAM Global Agricultural Monitoring

Feature article

Achieving Sustainable Development Goal 2: What Role for Trade?

Ahead of this year's World Food Day on 16 October, policy-makers and market actors can usefully reflect on how trade and trade policy have helped to advance SDG 2, "zero hunger", and what more can be done.

In July this year, five UN agencies - including AMIS Secretariat members FAO, IFAD, and WFP - released new figures which showed that progress towards tackling hunger remains stalled, after rapidly worsening in the wake of the COVID-19 pandemic and the start of the war in Ukraine.

The numbers also show that, with around 735 million people or 9 percent of the world's population facing hunger, we are off track to meet the targets set out under Sustainable Development Goal 2 - which commit governments to end hunger and malnutrition by 2030.

In July, the WTO published a report ahead of the High-Level Political Forum on Sustainable Development, , which examined how trade has contributed towards progress to date, and looked at the challenge ahead.

The report comes two years after trade ministers agreed a landmark declaration on food security at the WTO's twelfth ministerial conference in June 2022. This expressed ministers' determination to make progress towards the objectives set out under SDG 2, while also acknowledging that this had been undermined in recent years.

The report found that the agricultural sector globally continues to be affected by deep-seated structural challenges associated with trade-distorting support and protection. OECD data indicates that, in 54 economies in 2020-22, USD 630 billion was provided on average in annual support to individual producers, including highly distorting forms of support such as payments tied directly to prices and production.

These measures undermine efforts to correct and prevent trade restrictions and distortions in world agricultural markets (a commitment set out in SDG 2b).

FAO research has also found the agri-food system imposes "hidden costs" of at least USD 10 trillion, as a result of unhealthy diets, environmental costs, and undernourishment. Progress on SDG 2 will require governments to take action to address these, including by reforming subsidies, reinforcing environmental protection, and strengthening social safety nets.

WTO data indicates that, between 2000 and 2022, the value of agricultural trade has grown five-fold, and has been remarkably resilient to shocks, growing rapidly and relatively steadily across all world regions. Trade in grains has also expanded strongly.

Meanwhile, tariffs on agricultural goods fell significantly, easing consumers' access to food and enabling exporters to respond to rising effective demand, especially in developing countries. The average applied tariff (including preferences) on agricultural goods was 13 percent in 2005, but this fell to 6.2 percent in 2021.

In addition to improving the stability of supply and enhancing the availability of food, trade has helped to improve economic and physical access to food, by helping to create jobs and raise people's incomes.

In the first decade of this century, China's merchandise imports and exports both grew six-fold, in line with a dramatic reduction in the number and prevalence of hungry people in the country. Undernourishment fell from 10 percent to less than 2.5 percent between 2000-02 and 2020-22 – or 131.3 million fewer people.

Similar trends are apparent in many other countries which were home to large numbers of undernourished people just over two decades ago, including Indonesia, Myanmar, the Philippines, Thailand, and Vietnam.

At the same time, some other economies have seen trade in goods and services grow, while the number of hungry people has risen after initially falling in the first decade of the century. This trend is apparent in India - home to one-third of all the under-nourished people in the world - as well as in Brazil, Ethiopia, Kenya, Madagascar, and Pakistan.

Conflict, climate extremes, economic slowdowns and downturns, and growing inequality remain among the key drivers of food insecurity, the FAO and other international agencies have said.

Trade has also helped bring food prices back down to lower levels after these hit record peaks in March 2022, following the outbreak of war in Ukraine. The Black Sea Grain Initiative, and more recently Ukraine's humanitarian shipping corridor, have helped to keep trade in food flowing to where it is needed, even though extreme weather events and geopolitical tensions have continued to affect trade in different world regions.

This article draws on analysis in the July 2024 publication "WTO's contribution to attaining UN Sustainable Development Goals: 2024 update to the High-Level Political Forum".

World supply-demand outlook

WHEAT

WHEAT production in 2024 forecast raised on a higher forecast for Australia and now rests 0.5 percent above last year's level.

Utilization in 2024/25 up marginally m/m but still set to decrease by 0.6 percent below the 2023/24 level owing to lower feed and other uses.

Trade in 2024/25 (July/June) scaled down due to a downgrade in the EU's export forecast and slightly smaller expected purchases by several importers.

Stocks (ending in 2025) raised on higher stock estimates in Australia, the EU and Ukraine, now marginally above opening levels.

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 Sep	4 Oct		12 Sep		19 Sep
Prod.	789.0	791.4	792.9	790.5	796.9	795.0	798.0
	652.4	651.3	652.8	653.9	656.9	658.4	658.0
Supply	1112.7	1106.5	1108.3	1064.2	1062.1	1078.9	1070.2
	832.2	819.3	821.2	788.8	787.6	803.2	791.2
Utiliz.	798.6	793.3	793.7	801.0	798.4	806.8	803.2
	652.4	652.2	652.6	647.5	647.4	657.0	656.4
Trade	207.0	199.4	198.4	224.4	216.5	214.7	197.8
	193.6	189.4	188.4	210.7	204.5	200.5	187.1
Stocks	315.5	314.5	316.2	265.2	257.2	272.2	267.0
	168.4	158.7	160.5	130.7	122.7	132.1	124.1

IN MILLION TONNES

MAIZE

MAIZE production forecast for 2024 lowered, almost exclusively in the EU where adverse weather conditions diminished yield prospects, and now 1.4 percent below the 2023 level.

Utilization in 2024/25 raised marginally on higher anticipated utilization in Argentina, bringing the forecast to 1.1 percent above the 2023/24 level.

Trade in 2024/25 (July/June) boosted by stronger import demand anticipated for the EU and larger sales by Brazil, but still forecast 3.8 percent lower than in 2023/24.

Stocks (ending in 2025) lowered with cuts in the EU inventory forecasts, as well as smaller downward revisions in Argentina, China, and the US, but still up from opening levels.

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 Sep	4 Oct		12 Sep		19 Sep
Prod.	1240.0	1225.2	1223.2	1224.3	1218.6	1227.2	1224.2
	951.2	933.2	931.2	935.5	926.6	938.3	928.2
Supply	1526.4	1533.2	1528.6	1527.2	1528.2	1504.2	1505.6
	1083.3	1072.5	1068.0	1032.3	1024.8	1035.0	1029.3
Utiliz.	1215.4	1227.5	1228.3	1209.4	1213.2	1222.7	1230.2
	916.0	919.1	919.9	902.4	900.2	910.9	913.5
Trade	196.5	187.6	189.1	198.7	192.8	194.9	181.4
	170.3	167.1	169.1	175.2	171.8	171.9	163.4
Stocks	305.4	312.5	309.6	309.6	308.3	281.4	275.7
	136.8	139.7	137.3	98.3	97.0	101.1	98.0

IN MILLION TONNES

RICE

RICE production upgraded, as improved output prospects for India overshadow downgrades for various other countries, most notably for Myanmar.

Utilization in 2024/25 raised to a fresh peak, amid more buoyant expectations for food and non-food uses.

Trade in 2024 still expected to decline for the second successive year. However, it could recover by 4.1 percent y/y in 2025, with a revival in imports by Near East Asian and African countries seen spearheading the trade upturn.

Stocks (2024/25 carry-outs) lifted, as an upward revision for India offsets some downward adjustments for various other countries, most notably Madagascar, Myanmar and Thailand.

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 Sep	4 Oct		12 Sep		19 Sep
Prod.	534.4	536.9	539.2	520.6	527.3	521.8	528.2
	392.9	394.9	397.1	376.0	381.3	377.1	383.2
Supply	728.2	734.9	738.2	700.4	704.7	694.2	701.4
	487.3	494.0	497.3	449.2	455.7	446.5	456.6
Utiliz.	526.5	532.9	535.6	518.7	523.6	521.0	525.2
	384.5	392.5	395.2	370.5	378.5	373.0	380.0
Trade	52.1	53.3	54.3	55.5	54.0	53.3	53.7
	50.3	51.1	52.0	54.0	52.5	51.5	51.6
Stocks	199.0	204.8	206.0	177.4	177.2	173.2	176.2
	100.2	103.6	104.8	74.4	73.2	71.7	74.5

IN MILLION TONNES

SOYBEAN

SOYBEAN 2024/25 production revised up marginally m/m, primarily underpinned by expectations of larger output in Argentina.

Utilization in 2024/25 revised up, largely reflecting higher crushing forecasts for Argentina and China, more than offsetting downward revisions mainly for Brazil.

Trade in 2024/25 (Oct/Sep) lifted on projections of higher import purchases by Argentina, China and the EU, while export forecasts are raised across major exporters in the Americas.

Stocks (2024/25 carry-out) upgraded further to potentially new highs, mostly reflecting an upward revision for China following import adjustments.

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 Sep	4 Oct		12 Sep		19 Sep
Prod.	394.7	423.5	424.5	394.8	429.2	393.1	419.5
	373.8	403.0	404.0	373.9	408.5	372.4	399.4
Supply	445.7	476.5	483.6	495.6	541.5	454.4	488.5
	397.9	431.5	433.0	442.4	477.9	394.7	423.8
Utiliz.	391.3	410.1	412.1	383.3	403.0	385.3	406.1
	266.5	283.7	282.7	261.6	276.2	262.1	278.4
Trade	176.6	174.2	178.1	177.9	181.6	175.0	177.8
	69.6	67.2	69.1	66.4	72.6	66.8	69.8
Stocks	59.0	64.2	69.6	112.2	134.6	69.0	82.4
	29.0	38.7	39.6	69.4	88.9	24.3	37.5

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.

World supply-demand outlook

Revisions (FAO-AMIS) to 2024/25 forecasts since the previous report

	WHEAT					MAIZE					RICE					SOYBEANS				
	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks	Production	Imports	Utilization	Exports	Stocks
WORLD	**1489**	**-992**	**407**	**-1000**	**1716**	**-2030**	**1497**	**750**	**1500**	**-2942**	**2223**	**955**	**2706**	**979**	**1246**	**1028**	**3834**	**2011**	**3891**	**5350**
Total AMIS	**920**	**-500**	**393**	**-1000**	**1258**	**-1970**	**1687**	**995**	**1000**	**-2358**	**2802**	**1065**	**2949**	**915**	**1383**	**1028**	**3834**	**2560**	**3591**	**5551**
Argentina	-	-	-	-	-	100	-	1500	-	-400	-	-	40	-	30	1000	1530	800	800	700
Australia	2330	-	1123	500	838	-	-	-	-	-	7	-	7	-	-	23	-1	30	-9	1
Bangladesh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brazil	-30	-	-30	-	-	73	-	73	1000	-	-3	-30	-3	65	-	-	-	-1200	2300	500
Canada	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95	-	95	-	-
China Mainland	-	-	-	-	-	-	-500	-	-	-500	-	-	12	-100	-	-	2000	3000	-	4500
Egypt	-	-500	-200	-	-200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU	-2000	-	-500	-2000	500	-3132	2087	-578	-	-1000	-	-	-20	-	-	-	700	500	-	200
India	-	-	-	-	-	-	100	-	-	-50	3134	-	2914	350	1500	-	-	-	-	-
Indonesia	-	-	-	-	-	-	-	-	-	-	-	1000	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mexico	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-200	-200	-	-
Nigeria	-	-	-	-	-	-	-	-	-	-	-90	20	-30	-	-	-	-	-	-	-
Philippines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rep. of Korea	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Russian Fed.*	-	-	-	500	-500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Saudi Arabia	-	-	-	-	-	-	-	-	-	-	-	-	20	-	80	-	-	-	-	-
South Africa	-	-	-	-	-	-	-	-	-	-	-	50	30	-	55	-	-	-	-	-
Thailand	-	-	-	-	-	-	-	-	-	-	-	-	30	400	-250	-	-200	-180	-	-20
Türkiye	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	50	-	50
Ukraine**	620	-	-	-	620	-	-	-	-	-	-	-	-5	-	5	-	-	-300	-	-100
UK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US	-	-	-	-	-	989	-	-	-	-408	-32	25	-32	-	63	-90	-	60	500	-280
Viet Nam	-	-	-	-	-	-	-	-	-	-	-214	-	-14	200	-100	-	-95	-95	-	-

In thousand tonnes

Note

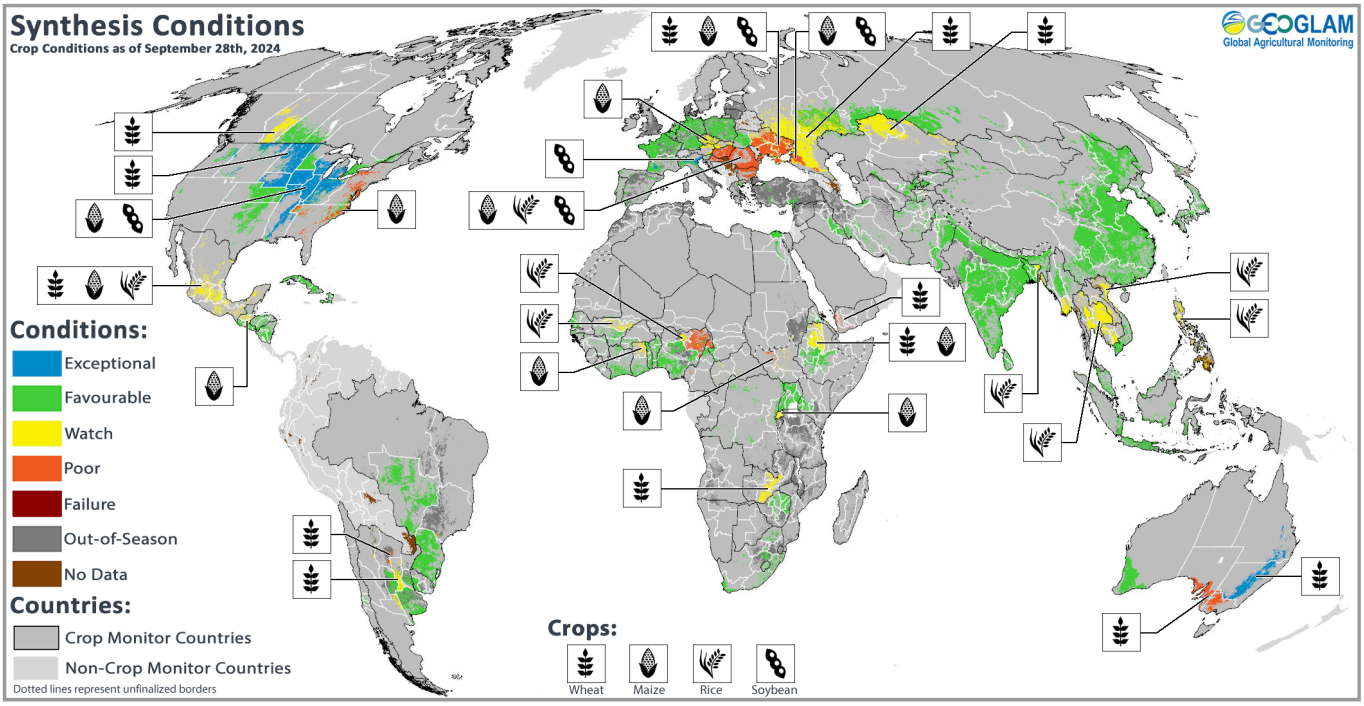
Only significant changes (of more than 1 000 tonnes) are displayed in the table.

*Information for the Russian Federation includes statistical data for the Autonomous Republic of Crimea and the city of Sevastopol, Ukraine, temporarily occupied by the Russian Federation.

**Information for Ukraine excludes statistical data concerning the Autonomous Republic of Crimea, the city of Sevastopol and the Donetsk, Luhansk, Kherson and Zaporizhzhia regions. The information is presented without prejudice to relevant UN General Assembly and UN Security Council resolutions, which reaffirm the territorial integrity of Ukraine.

Crop monitor

Crop conditions around the world



Crop condition map synthesizing information for all four AMIS crops as of . 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, spring wheat harvesting is progressing as winter wheat sowing begins. In the southern hemisphere, crops are under mixed conditions.

Maize

In the northern hemisphere, harvesting is beginning under a diversity of crop conditions. In the southern hemisphere, sowing is beginning in Brazil.

Rice

Conditions are generally favourable, however, super typhoon Yagi and heavy monsoon rains have negatively impacted northern countries in South East Asia.

Soybeans

In the northern hemisphere, harvest is beginning under exceptional conditions in the US, while under poor conditions in the Russian Federation and Ukraine. In the southern hemisphere, sowing is beginning in Brazil.

La Niña watch

ENSO-neutral conditions have been present since June 2024. La Niña conditions are likely to develop during the next several months. The CPC/IRI predicts there is a 71 to 83 percent chance of La Niña during October 2024 to February 2025.

La Niña typically raises the chances of below-average precipitation in eastern East Africa, central-southern Asia, southern South America, the southern United States, northern Mexico, and eastern East Asia. Above-average precipitation tends to become more likely in Southeast Asia, Australia, Southern Africa, and northern South America. Negative Indian Ocean Dipole conditions could potentially occur in October-November and enhance La Niña impacts on rainfall in eastern East Africa and Australia.

August 2024 was the hottest August on record and the 15th consecutive month of record-breaking global temperatures according to NOAA National Centers for Environmental Information (NCEI). 2024 will rank among the warmest years on record. Above-average temperatures are forecast in many regions during late 2024, continuing the elevated likelihood of adverse heat impacts. Excessive heat can be particularly damaging during periods of moisture stress or reproductive stages that determine final yields.

Source: UCSB Climate Hazards Center

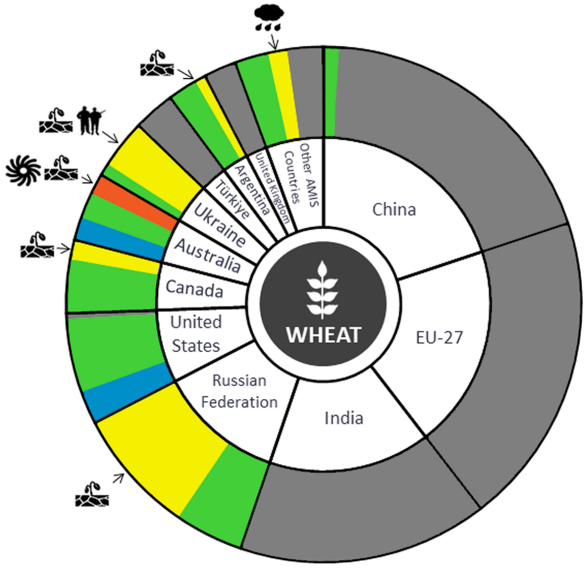
Crop monitor

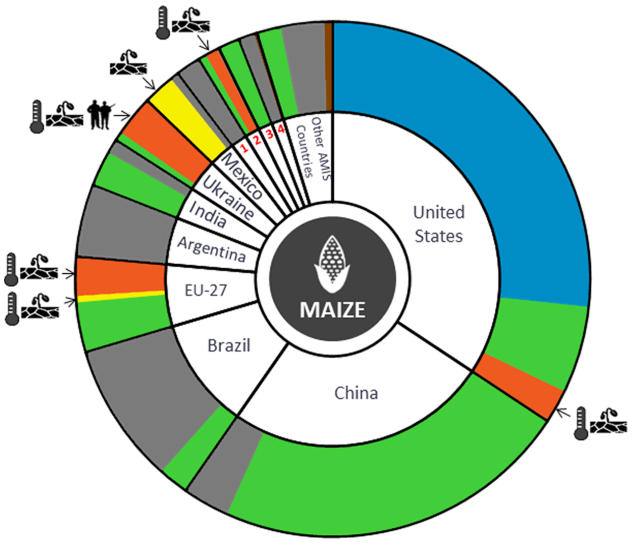
Conditions

Exceptional | Favourable | Watch | Poor | Out-of-Season | No Data

Drivers

Wet | Dry | Extreme Event | Pests & diseases | Conflict
Hot | Cool | Delayed-Onset | Socio-Economic





South Africa[1], Russian Federation[2], Canada[3], Indonesia[4]

Summaries by crop

Wheat

In the **Russian Federation**, spring wheat harvest is ongoing under generally favourable conditions, albeit slowed by abundant rainfall in Siberia. Winter wheat sowing is beginning under mixed conditions as crops are being sown into dry soils. In **Ukraine**, the sowing of winter wheat is behind schedule due to dry soils in over 50 percent of the country, particularly in the main southern and central growing regions. In **China**, spring wheat harvesting wraps up under favourable conditions. In the **US**, harvesting of spring wheat wraps up with above-average yields as winter wheat sowing begins. In **Canada**, spring wheat harvesting is progressing under variable conditions due to earlier dry weather in the western Prairies. In **Australia**, conditions are exceptional in New South Wales and Queensland, however, dry conditions have negatively impacted yields in parts of South Australia and Victoria. In **Argentina**, conditions are mixed due to a lack of soil moisture and high temperatures in the northern and western regions, while ample rainfall and good temperatures in the eastern, central, and southern regions have supported crop development.

Maize

In the **US**, harvest is beginning under mostly exceptional conditions in the Corn Belt, however, earlier hot and dry weather has reduced yields along the East Coast, which is a more minor growing region. In **Canada**, conditions are favourable with an expected increase in national yields compared to last year. In the **EU**, harvest is ongoing as worsening hot and dry weather continues to negatively impact southern-central and eastern countries, particularly Bulgaria and Romania. In **Ukraine**, harvest is beginning after hot and dry weather during July and August significantly degraded yields in the southern, central, and eastern regions. In the **Russian Federation**, harvest is beginning with poor yields expected in the southern region due to earlier hot and dry weather. In **China**, conditions are favourable as harvest progresses north for the summer-planted crop. In **India**, conditions are favourable for the Kharif crop (larger season). In **Mexico**, improved September rain has helped wrap up the sowing of the spring-summer crop (larger season), however, dry conditions at the start of the season remain a concern. In **Brazil**, sowing of the spring-planted crop (smaller season) is beginning in the main producing South region under favourable conditions. A reduction in total sown area is expected compared to last year.

+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.

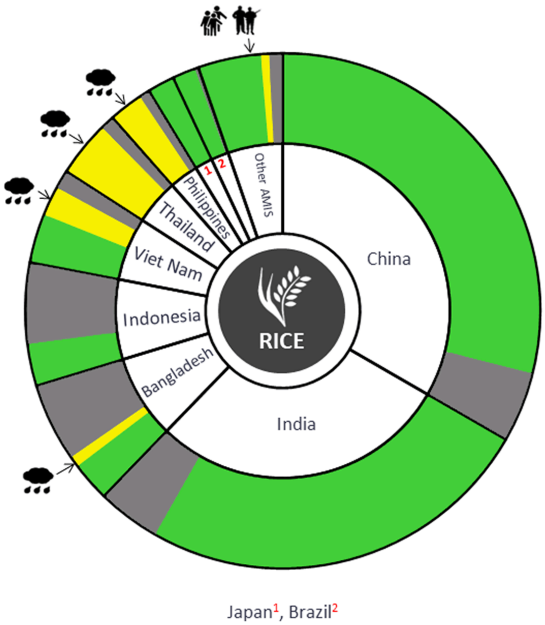
Crop monitor

Conditions

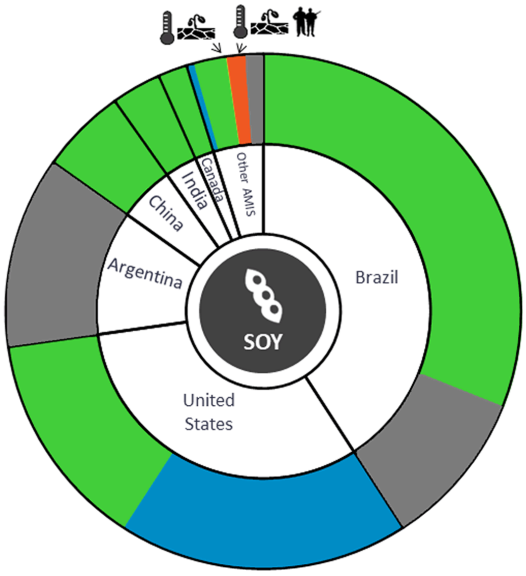
Exceptional | Favourable | Watch | Poor | Out-of-Season | No Data

Drivers

Wet | Dry | Extreme Event | Pests & diseases | Conflict
Hot | Cool | Delayed-Onset | Socio-Economic



Japan[1], Brazil[2]



Rice

In **China**, harvesting of single-season rice continues. Conditions are favourable for the late double-crop. In **India**, continued ample rainfall in September has supported the progress of transplanting the Kharif crop (larger season). There is an increase in total sown area compared to last year. In **Bangladesh**, conditions are generally favourable for the Aman crop (mid-sized season). In **Indonesia**, harvesting of dry-season rice is continuing under favourable conditions with an increase in total sown area compared to last year. In **Viet Nam**, super typhoon Yagi made landfall in the north, negatively impacting wet-season rice (summer-autumn and seasonal) yields. In the south, wet-season rice (summer-autumn) is harvesting as the other wet-season rice (autumn-winter and seasonal) develops. In **Thailand**, wet-season rice is in the young panicle-forming stage under mixed conditions due to flooding from the monsoon and tropical disturbances. In the **Philippines**, wet-season rice is harvesting under mixed conditions due to water lodging and pest damage during the growing season. In **Japan**, conditions are generally favourable as harvest progresses. In **Brazil**, sowing is ongoing with an estimated increase in total sown area compared to last season.

Soybeans

In the **US**, harvest begins under exceptional conditions in many states with forecasted record national yields. In **Canada**, harvest is beginning under favourable conditions with an increase in total sown area compared to last season. In **China**, conditions are favourable as harvest begins in the northeast. In **India**, conditions remain favourable. In **Ukraine**, harvest is progressing with lower yields due to hot and dry weather during the growing season, however, conditions are favourable in the western region. In **Brazil**, sowing is just beginning in irrigated parts of the Central-West region and areas with ample soil moisture in the South region. An increase in the total sown area is estimated compared to last season.

Information on crop conditions in non-AMIS countries can be found in the GEOGLAM Early Warning Crop Monitor, published 3 October 2024.

+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 & SANSA), 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 September, India lifted, after 14 months, its export ban on non-basmati rice, and instead imposed a minimum export price. It also removed the minimum export price for basmati rice, while Indonesia changed its export levy rule on vegetable oils. Import restrictions were eased on wheat in Brazil and Japan while import duties increased on fertilizers in Brazil and on rice in the European Union.

Wheat

- On 11 September, **Japan** decided to revise downwards (-1.8 percent) the selling price of imported wheat. This price, based on the average purchase price of the last six months, will be set at JPY 66 610 per tonne (USD 465) for the next 6 months, starting 1 October.
- On 13 September in **India**, the Department of Food and Public Distribution lowered the maximum permitted level of wheat stocks that supply chain actors may maintain. Traders are allowed to stock 2 000 tonnes, down from 3 000 tonnes. Big chain retailers may still stock 10 tonnes for each outlet, plus 10 times their total number of outlets, instead of 3 000 tonnes at all their depots as applied previously. Processors are allowed to stock 60 percent of their monthly installed capacity, down from 70 percent, multiplied by the remaining months of fiscal year 2024-2025. Stock limits for retailers remain unchanged at 10 tonnes for each of their outlets. India last revised stock limits in June this year (see AMIS Market Monitor, July 2024).
- On 16 September, **Brazil** allowed 28 000 tonnes of duty-free wheat gluten imports between 16 September 2024 and 15 September 2025, through Resolution No. 637 of its Executive Management Committee (GECEX). On 25 September, the government permitted, through GECEX Resolution No. 640, an additional duty-free importation of 250 000 tonnes of wheat and meslin, bringing the total quota to 1 million tonnes for 2024. The additional quota covers the period from 25 September until the end of the calendar year. The import tariff for wheat beyond the quota remains at 9 percent.
- On 18 September, **India** increased the wheat allocation under its foodgrains scheme, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Between October 2024 and March 2025, an additional 3.5 million tonnes of wheat will be allocated. Under the PMGKAY, eligible beneficiaries receive 5 kilograms of free food grains each month; in May 2022 the wheat allocation had been reduced due to lower domestic production, and the rice allocation increased.
- On 20 September, the **Kazakh** National Food Contract Corporation announced the procurement prices for third-grade wheat for the 2024/25 season. Including VAT, they are set at KZT 100 000 (USD 208) per tonne for gluten content of more than 27 percent, KZT 90 000 (USD 188) per tonne for gluten between 25 and 27 percent, and KZT 85 000 (USD 177) per tonne for gluten between 23 and 25 percent (Grain union reports).

Rice

- On 5 September, the **European Commission** raised tariffs on husked (brown) rice, excluding husked basmati rice, to EUR 42.50 (USD 47.2) per tonne, up from EUR 30 (USD 33.3) per tonne, through Commission Implementing Regulation (EU) 2024/2403, effective from 6 September.
- On 6 September, **Nigeria** started selling milled rice at a subsidized price of NGN 800 (USD 0.50) per kilo. This measure aims to ease the burden of rising food prices, with the price of milled rice per kilogram having reached NGN 1800 (USD 1.1) in some states. The government allocated 30 000 tonnes for the program.
- On 14 September, **India** removed the USD 950 per tonne minimum export price (MEP) on basmati rice which the government had introduced in August 2023, and subsequently lowered (see AMIS Market Monitor, September and November 2023).
- On 28 September, the Directorate General of Foreign Trade in **India**, through Notification 23/2024-25, lifted with immediate effect, the export ban on non-basmati white rice but imposed a minimum export price of USD 490 per tonne. The export ban was introduced in July 2023 (see AMIS Market Monitor, September 2023). The government also reduced from 20 percent to 10 percent the duty on export of parboiled rice.

Soybeans

- On 11 September, **India** allowed the authorities in the state of Madhya Pradesh, the country's largest soybean producer, to procure soybean from farmers at the minimum support price of INR 4 892 (USD 58.4) per 100 kg, due to the market price decline.

Fertilizers

- On 16 September, through Resolution No. 1261, the **Russian Federation** added Kandlaksha seaport to the list of ports through which exports of ammonium nitrate are permitted, effective 15 October. In spring 2024, the transshipment of ammonium nitrate, an explosive material, was interrupted in the big Port of St Petersburg due to drone attacks.
- On 18 September, **Brazil** raised import tariffs on fertilizers and other chemicals, including ammonium nitrate from zero to 15 percent.

Policy developments

- On 18 September, **India** approved subsidy rates for phosphatic and potassic fertilizers, for the rabi (winter) crop. In total, INR 244 755 billion (USD 2 921 billion) would be provided under the government's nutrient based subsidy scheme, from 1 October 2024 to 31 March 2025.
- On 25 September, **Mexico** lifted the countervailing duties imposed on ammonium sulphate from China, while duties on imports from the United States remain in force until 10 October 2025. Mexico initiated an anti-dumping investigation on imports from China and the US in 2014, and, the following year, imposed duties ranging from USD 0.075 to USD 0.17 per kilogramme.

Vegetable oils

- On 14 September, **India** raised its basic customs duties on imports of crude and refined vegetable oils, to 20 percent and 32.5 percent, respectively, effectively increasing the total import duties from 5.5 percent and 13.75 percent to 27.5 percent and 35.75 percent. On 17 September, the government of India asked edible oil associations not to increase retail prices following the increase in import tariffs indicating that the stocks imported at the previous lower import duty are sufficient for 45 to 50 days domestic consumption.
- On 14 September, the Ministry of Finance of **Indonesia** issued Regulation Number 62 of 2024, which adjusts the export levy tariff for palm oil products (including crude palm oil and its derivative products). Monthly levies currently ranging from USD 55 to USD 240 per tonne are replaced by a 7.5 percent rate (between 3 percent and 6 percent for more refined palm oil products) of the reference prices set by the government. The measure will be effective from 21 September onwards.

Across the board

- On 2 September, **Argentina** lowered taxes under the "Por una Argentina Inclusiva y Solidaria" initiative from 17.5 percent to 7.5 percent, through General Resolution 5559/2024. The lower tax on imported goods, is expected to reduce the cost of products such as fertilizers and farm machinery.
- On 13 September, the **European Commission** authorized higher advanced payments to farmers, through Commission Implementing Regulation 2024/2434 and 2024/2445. Member states may in advance provide farmers up to 70 percent of the direct payments for which they are eligible as of 16 October, up from 50 percent, and 85 percent of their grants for area and animal-based interventions under rural development, up from 75 percent.
- On 17 September, **Australia** concluded a trade deal with the United Arab Emirates (UAE), which will remove tariffs on Australian exports of oilseeds and other agricultural products once the agreement enters into force.
- On 26 September, **China**'s National Development and Reform Commission confirmed the grain import quotas for 2025 to be the same as in 2024: about 9.64 million tonnes of wheat, 7.2 million tonnes of maize and 5.32 million tonnes of rice.

+i Note

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

International prices

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

	Sep 2024 Average*	Change	
		M/M	Y/Y
GOI	226.8	+4.3%	-14.5%
Wheat	205.4	+4.2%	-11.3%
Maize	211.6	+5.8%	-13.0%
Rice	242.9	-1.3%	-2.4%
Soybeans	215.0	+6.0%	-19.3%

*Jan 2000=100, derived from daily export quotations

Wheat

The GOI wheat sub-Index, which tracks average fob prices at key origins, rebounded from a four-year low in late-August and rose by an average 4 percent month-on-month during September. Prices were underpinned by disappointing harvest results in Western Europe, unfavourable weather in some exporters and renewed concerns about Black Sea supplies, but sustained competition from the latter region capped any rallies. US quotations rose on robust export progress, coupled with weather-linked concerns about local spring wheat production. Despite thin overseas demand, EU (France) prices advanced on tight local availabilities. Gains in Russian and Ukrainian markets were less pronounced. Although unfavourable conditions for 2025/26 winter crops sowing dampened farmer selling interest, local supplies continued to be offered at discounts to competing origins, with fob values reportedly weighed by elevated freight and insurance costs.

Maize

Average maize export prices posted solid gains in September, the GOI sub-Index up by 5 percent month-on-month. Tight nearby export handling capacity and logistical complications caused by low water levels along the Mississippi River were the main catalyst for solid gains in US prices. Quotations in Brazil also strengthened amid slow grower selling and firm local demand, albeit with sentiment weighed at times by muted Chinese buying. In Argentina, prices were supported by a steady pace of exports and spillover strength at competing origins. Nearby Ukrainian values were highly nominal amid seasonally thin supplies.

Rice

Amid subdued activity, average international rice prices were slightly softer in September. While attention was focussed on purchasing by Indonesia, buying interest elsewhere was limited ahead of upcoming harvests in key exporters, as well as uncertainty surrounding potential changes to India's export policy. Lower prices were recorded in Pakistan and the US, where harvesting boosted availabilities, while offers in Thailand were little changed, as pressure from slow demand was countered by supportive currency movements.

Soybeans

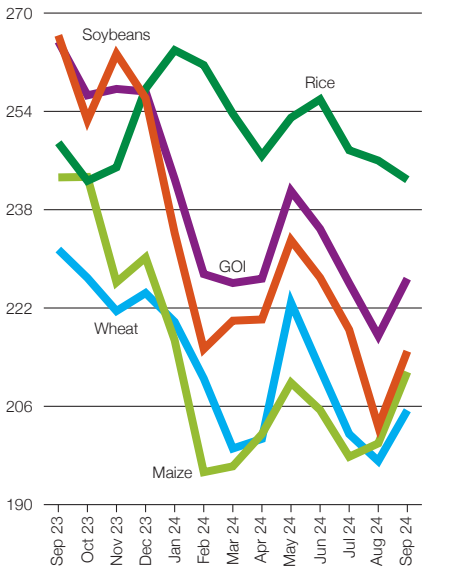
Average international prices, as tracked by the GOI sub-Index, advanced solidly during September, rising by around 6 percent month-on-month, albeit with values still about one-fifth lower year-on-year. Despite outlooks for sizeable global availabilities, markets were underpinned by strengthening demand for US supplies – as evidenced by news of fresh purchases by China, together with a series of good weekly export sales tallies. With the Brazilian planting campaign officially commencing during the first half of the month, suboptimal conditions in core growing areas added to the positive tone. Movements in soya product prices were influential at times.

IGC commodity price indices

		GOI	Wheat	Maize	Rice	Soybeans
2023	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
	June	**234.9**	212.1	205.4	256.0	226.9
	July	**226.0**	201.5	197.8	247.7	218.5
	August	**217.5**	197.1	200.0	246.0	202.7
	September	**226.8**	205.4	211.6	242.9	215.0

(..... January 2000 = 100 .....)

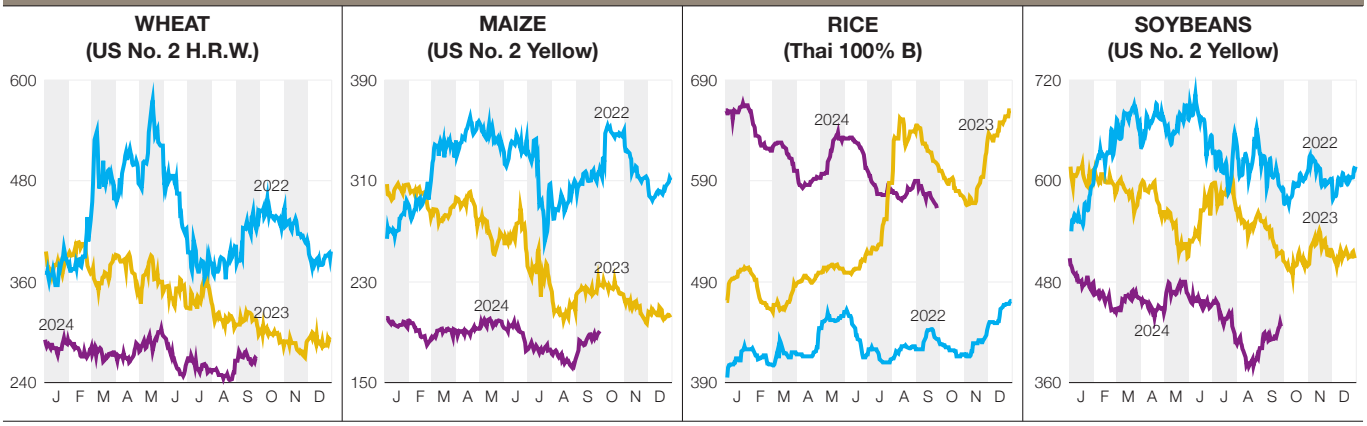
IGC commodity price indices



International prices

Selected export prices, currencies and indices

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



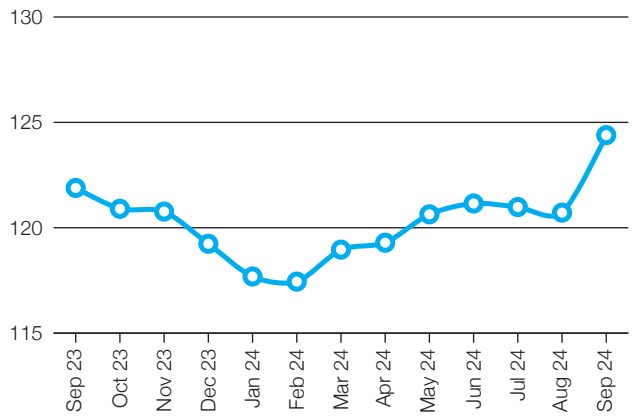
Daily quotations of selected export prices

	Effective date	Quotation	Month ago	Year ago	% change M/M	% change Y/Y
		USD/tonne				
Wheat (US No. 2, HRW)	26-Sep	268	266	297	+0.8%	-9.8%
Maize (US No. 2, Yellow)	30-Sep	191	168	227	+13.5%	-16.0%
Rice (Thai 100% B)	26-Sep	563	590	600	-4.6%	-6.2%
Soybeans (US No. 2, Yellow)	26-Sep	427	401	505	+6.5%	-15.4%

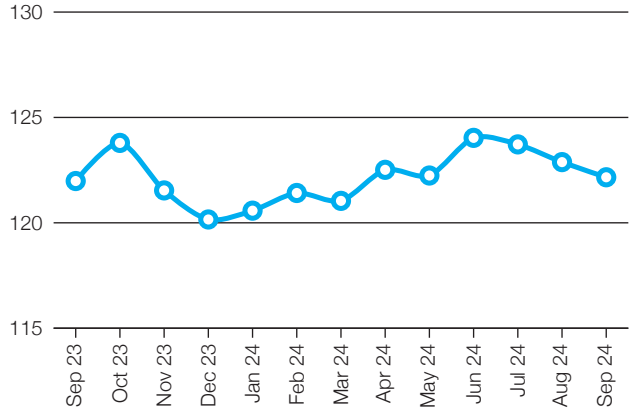
AMIS countries' currencies against US Dollar

AMIS Countries	Currency	Sep 2024 Average	Monthly Change	Annual Change
Argentina	ARS	960.3	-2.0%	-63.6%
Australia	AUD	1.5	1.8%	5.6%
Bangladesh	BDT	119.0	-1.0%	-7.9%
Brazil	BRL	5.5	0.2%	-10.7%
Canada	CAD	1.4	0.9%	0.0%
China	CNY	7.1	1.0%	3.1%
Egypt	EGP	48.4	0.9%	-36.2%
EU	EUR	0.9	0.8%	4.1%
India	INR	83.8	0.1%	-0.9%
Indonesia	IDR	15318.6	2.7%	0.3%
Japan	JPY	143.1	2.1%	3.3%
Kazakhstan	KZT	479.8	-0.2%	-2.3%
Rep. of Korea	KRW	1329.1	1.5%	0.3%
Mexico	MXN	19.6	-2.1%	-11.7%
Nigeria	NGN	1610.0	-3.6%	-52.3%
Philippines	PHP	56.0	1.6%	1.3%
Russian Fed.	RUB	91.1	-2.0%	5.4%
Saudi Arabia	SAR	3.8	0.0%	-0.1%
South Africa	ZAR	17.6	2.5%	7.9%
Thailand	THB	33.3	4.3%	7.8%
Türkiye	TRY	34.0	-1.1%	-20.8%
UK	GBP	0.8	2.2%	6.8%
Ukraine	UAH	41.2	-0.2%	-10.5%
Viet Nam	VND	24635.6	1.5%	-1.7%

FAO Food Price Index Sep 2023 - Sep 2024



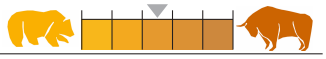
Nominal Broad Dollar Index Sep 2023 - Sep 2024



Futures markets

Overall market sentiment

- Wheat, maize, and soybean futures prices increased in September, but the attempt to pivot away from a downward trend appears weak, as sustained Black Sea wheat exports and strong supply prospects for maize and soybeans limit the potential for significant price rallies.
- Volatility remains subdued, with implied and historical volatility near 10-year averages, reflecting limited expectations of significant price swings for the remainder of the calendar year, consistent with historical patterns.
- Investor flows indicate a more neutral stance, as money managers have covered a significant part of their short positions in maize and soybean, moving closer to flat positions in Chicago Mercantile Exchange (CME) wheat futures for the first time since 2022.

MONTHLY PRICE TREND 

Futures prices

Wheat futures on the CME and Euronext have edged higher, reaching a three-month high reflecting mixed harvest results in the Northern Hemisphere. Concerns are emerging about the 2025 harvest as dry weather in the Russian Federation and Ukraine has been hampering sowing. However, consistent flows of competitive Black Sea exports continue to limit significant price rallies, and the potential for sustained upward momentum appears weak.

Maize and soybean futures on the CME returned to June highs but remain at the lower end of their 15-year historical trading ranges, mostly supported by drought concerns in parts of Brazil. Nonetheless, any price rally in maize and soybean is tempered by weak import demand from China where the recent economic stimulus did not have significant impact on agricultural imports. In a context of strong production prospects in the United States, the pace of the ongoing harvest will be a key determinant in future price movements. A swift harvest could exert downward pressure on prices as additional strains on logistical capacity, already limited by the low water level on Mississippi level, might force producers to sell rapidly. Conversely, rain delays may prevent prices from hitting new lows, allowing markets to gradually absorb the new crop.

On a macroeconomic level, the decision of the U.S. Federal Reserve to cut the interest rate weakened the US dollar, improving the competitiveness of USD -denominated agricultural commodities on international markets. This dynamic supports a more favourable outlook for US grains and oilseed exports in the short term.

Volumes & volatility

Historical volatility in maize and soybean markets remains near 10 years averages, hovering around 20 percent. Implied volatility is similarly subdued, suggesting market participants expect price movements to remain within a narrow range. Historical seasonal patterns indicate limited price fluctuations from October through the end of the calendar year in wheat, maize, and soybean futures.

This lower volatility contributes to a reduction in trading activity, with futures volumes for grains and oilseeds on the CME and Euronext remaining moderate.

Forward curves

Wheat forward curves on CME and Euronext show wider carries, with deferred futures trading at higher prices than nearby contracts. This market structure encourages grain holders to delay delivery and typically signals weaker short-term demand, consistent with the current reduced export lineups from Europe and the US.

The forward curves for maize and soybeans maintain a contango structure, though the soybean curve has flattened compared to the previous month, particularly in the May 2025–July 2025 spread. This reflects market expectations of higher demand for U.S. soybeans later in the marketing year, as drought in Brazil through September hampered sowing conditions, reducing its export potential.

Investment flows

Money managers have reduced their large short positions in CME wheat, maize and soybean. In wheat, funds are now closer to a neutral position for the first time since 2022, when prices peaked following the onset of the war in Ukraine. The shift reflects a reassessment of the bearish outlook that had dominated sentiment in these markets over the past two years.

Euronext futures volumes and price evolution

Average daily volume (1000 tonnes)	Sep 2024	M/M	Y/Y
Wheat	3 297.2	-24.5%	-0.3%
Maize	125.4	+84.1%	+23.1%

Prices (USD/t)	Sep 2024	M/M	Y/Y
Wheat	237.4	+4.2%	-3.7%
Maize	226.0	+3.1%	+0.3%

CME futures volumes and prices evolution

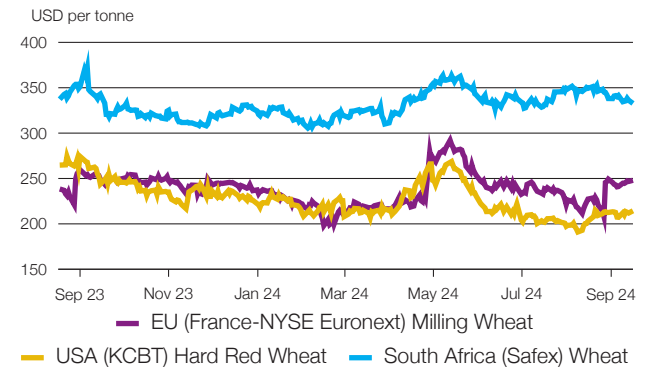
Average daily volume (1000 tonnes)	Sep 2024	M/M	Y/Y
Wheat	13 172.5	-29.7%	+4.7%
Maize	39 988.9	-27.6%	+45.6%
Soybean	31 809.7	+21.3%	+7.7%

Prices (USD/t)	Sep 2024	M/M	Y/Y
Wheat	209.6	+8.1%	-0.9%
Maize	157.6	+6.3%	-15.5%
Soybean	399.4	+3.0%	-23.4%

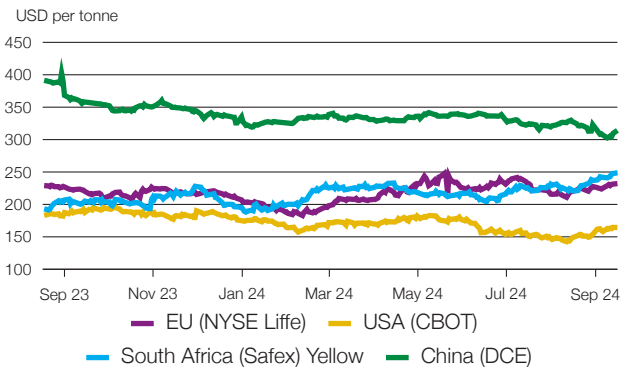
Market indicators

Daily quotations from leading exchanges - nearby futures

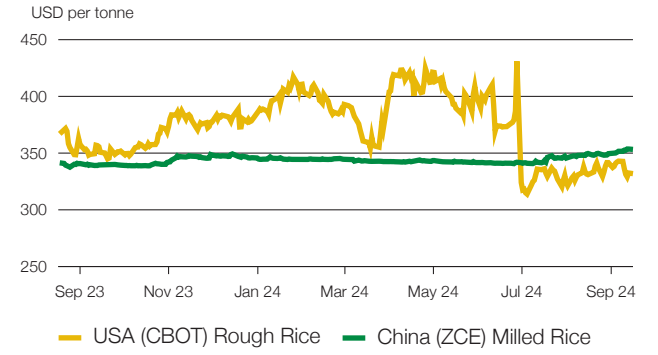
Wheat



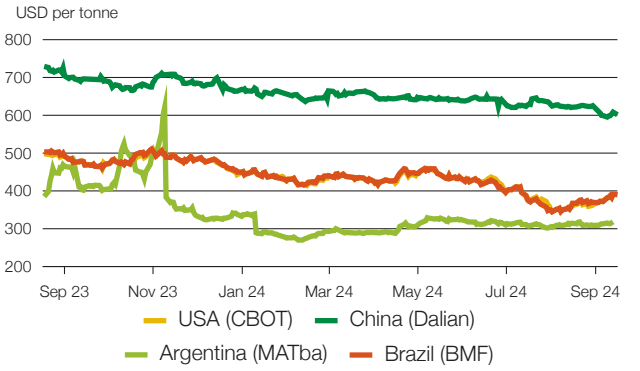
Maize



Rice



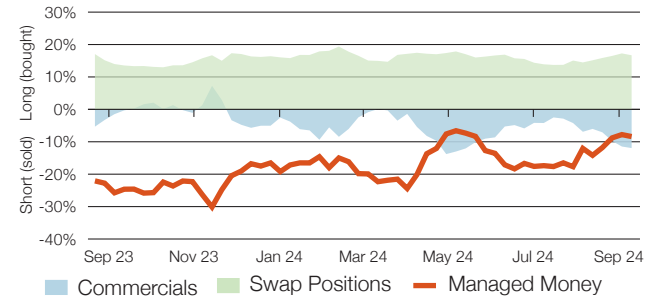
Soybean



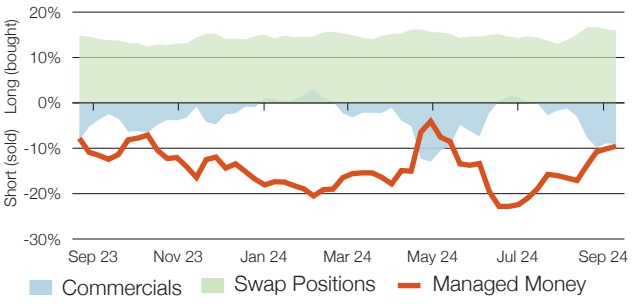
CFTC commitments of traders

Major categories net length as percentage of open interest*

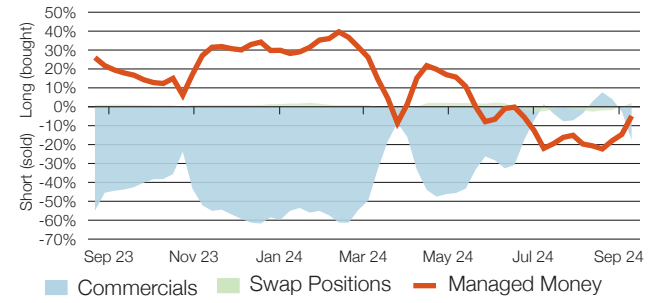
Wheat



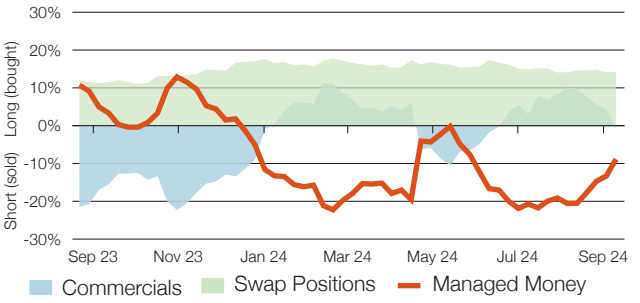
Maize



Rice



Soybean

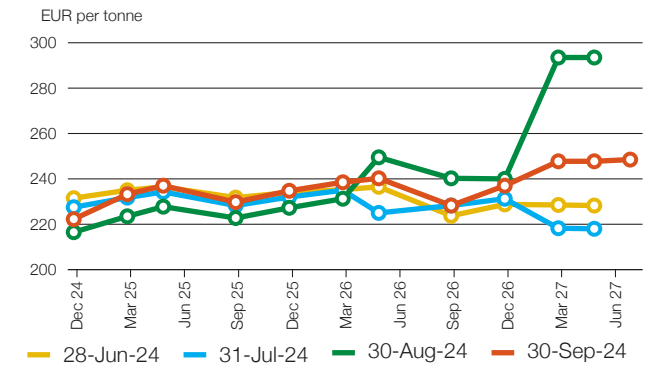


*Disaggregated futures only. Though not all positions are reflected in the charts, total long positions always equal total short positions.

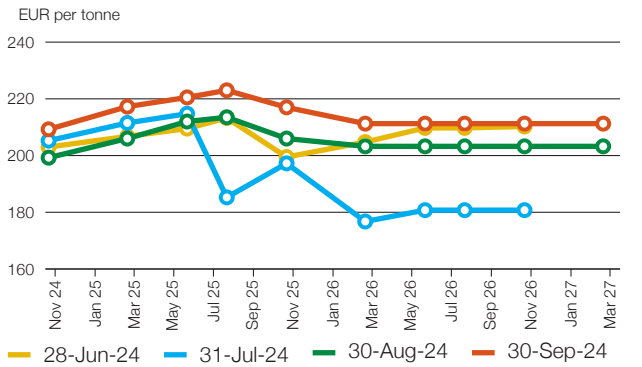
Market indicators

Forward curves

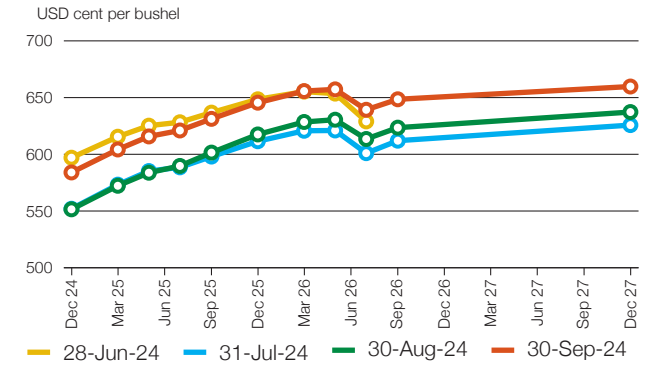
Euronext wheat (EBM)



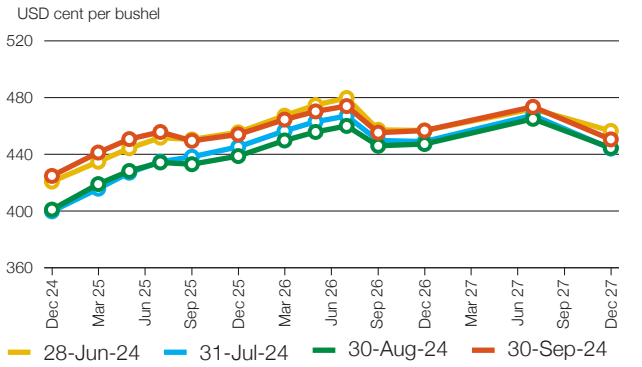
Euronext maize (EMA)



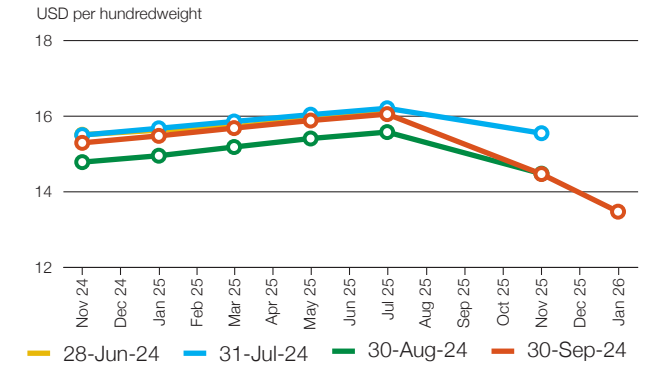
CBOT wheat



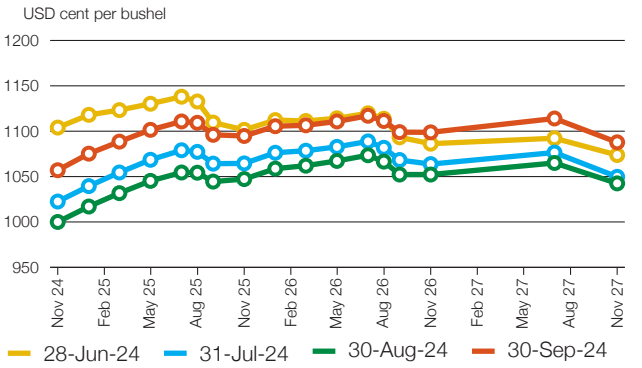
CBOT maize



CBOT rice

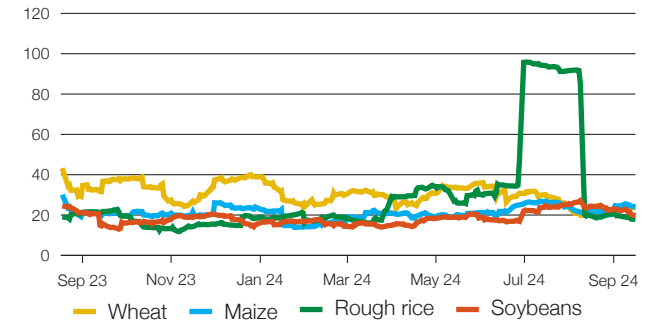


CBOT soybean

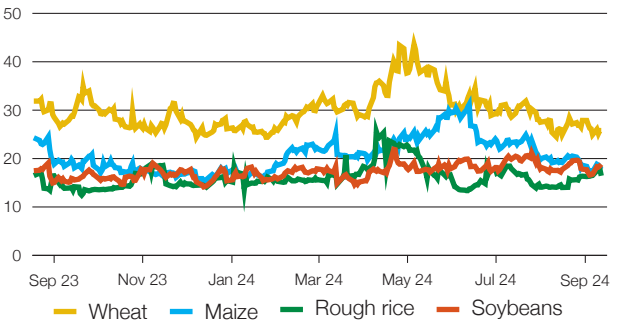


Historical and implied volatilities

Historical volatility (30 days)



Implied volatility (Daily)

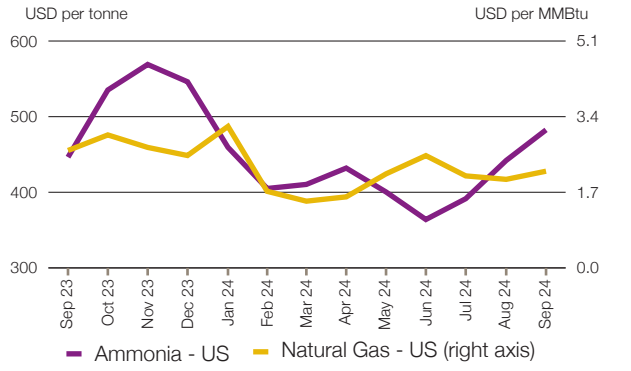


AMIS market indicators

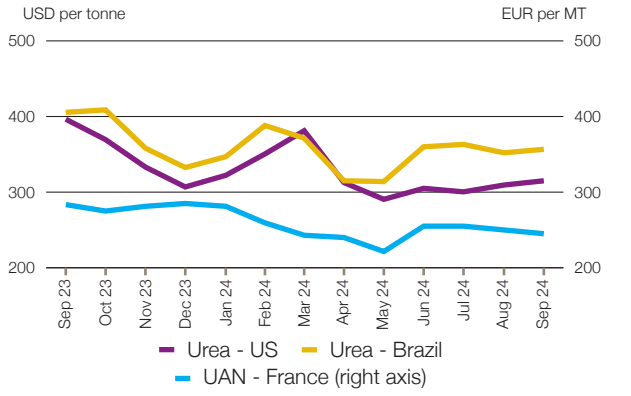
Several of the indicators covered in this report are updated regularly on the AMIS website. These, as well as other market indicators, can be found at: https://www.amis-outlook.org/amis-monitoring/indicators/. For more information about forward curves see the feature article in AMIS Market Monitor no.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

Fertilizer outlook

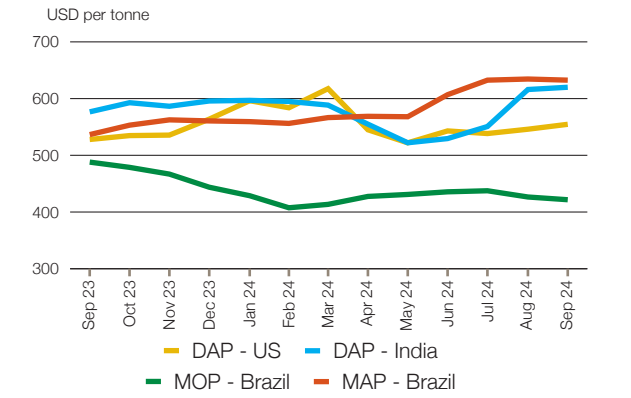
Input prices for manufacturing fertilizers



Nitrogen prices



Potash and phosphate



Major market developments

Fertilizer markets overall were more active compared to the previous month. Stronger than expected import demand from India for nitrogen and phosphates was the major driver of demand globally. The supply situation remains similar to August, with availabilities particularly tight in phosphate fertilizer markets. Going into the last quarter of 2024, fertilizer demand is expected to pick up, further supporting prices.

- **Fertilizer input prices**. Natural gas prices increased in the United States due to weather-related supply disruptions, while European prices eased reflecting sufficient inventories and increased supply from Norway. Tight ammonia availability overcame subdued demand to support a month-on-month ammonia price increase. While ammonia supply levels normalized in Trinidad and North Africa, production in Saudi Arabia decreased due to technical maintenance. Prices are expected to hold due to upcoming seasonal downstream demand in the US, but easing supply constraints should alleviate the tightness on the global market.
- **Nitrogen fertilizer prices**. Urea prices increased slightly in September. Two tenders in quick succession in India were the main drivers of demand in an otherwise quiet market. There appears to be no movement towards softening urea export restrictions in China, which is likely to keep supply tight, especially considering that demand in Brazil and Europe is set to seasonally pick up in the fourth quarter.
- **Phosphorus fertilizer prices**. As with nitrogen, phosphate markets were driven by import demand from India and continued limited exports out of China. The outlook is for continued tight markets, as India likely still requires further imports to meet domestic demand, and global supply remains constrained reflecting the absence of exports out of China.
- **Potassium fertilizer prices**. Potash prices were mostly flat in September. Previous month's potential supply shock due to labor disputes in Canada did not materialize, leading to limited impacts on exports for the leading exporter. Elsewhere, a rebound of supply out of Belarus and the Russian Federation is expected for the rest of the year, supporting the outlook for well-supplied markets.

Fertilizer outlook prices

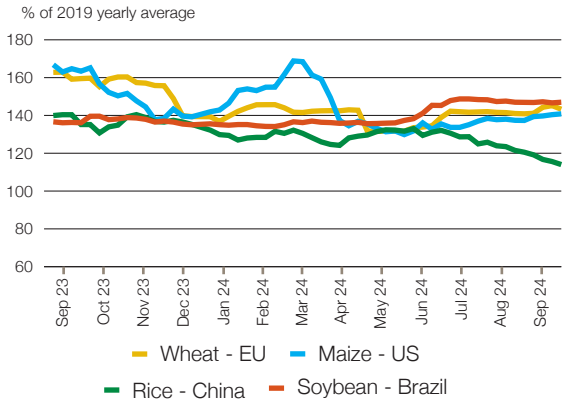
	Sep-24 average	Sep-24 std. dev.	% change last month*	% change last year*	12 month high	12-month low
Ammonia - US (USD/ST)	482.5	-	+9.1	+8.1	569.0	364.0
Natural Gas - US (USD/MMBtu)	2.2	0.1	+9.2	-17.6	3.2	1.5
Natural Gas - EU (EUR/MWh)	35.7	1.4	-5.5	-2.7	43.4	25.6
Urea Ammonium Nitrate (UAN) - France (EUR/MT)	245.0	-	-2.0	-13.6	285.0	221.5
Urea - US (USD/ST)	315.0	1.8	+1.8	-20.5	381.2	290.5
Urea - Brazil (USD/MT)	356.7	1.4	+1.3	-12.0	408.8	314.0
Di-ammonium Phosphate (DAP) - India (USD/MT)	620.0	-	+0.6	+7.5	620.0	522.1
Di-ammonium Phosphate (DAP) - US (USD/ST)	554.7	2.0	+1.6	+5.1	617.5	522.0
Mono-ammonium Phosphate (MAP) - Brazil (USD/MT)	632.5	2.5	-0.3	+17.9	634.5	553.1
Muriate of Potash (MOP) - Brazil (USD/MT)	421.7	2.9	-1.1	-13.6	478.8	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.

Fertilizer outlook

Fertilizer market developments - Indicators

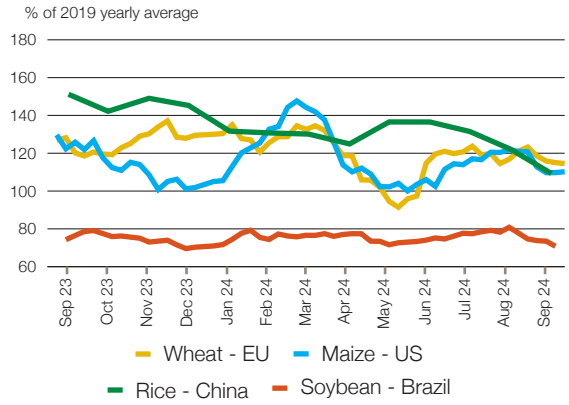
Fertilizer cost index for selected regions and commodities



In September 2024, all fertilizer cost indices remained significantly above their 2019 baseline levels. Fertilizer costs for wheat in the EU and maize in the US remained rangebound in September 2024. Their current values 40 percent above the 2019 baseline show a clear improvement compared to September 2023, benefiting from cheaper prices of nitrogen fertilizers.

Although also rangebound, fertilizer costs for soybeans in Brazil in September 2024 were slightly above their September 2023 level. The phosphate component of the fertilizer mix is higher for soybean than for other crops, so soybean production costs are the most impacted by the continued firmness on phosphate markets since last year. The fertilizer cost index for rice production in China decreased further, reflecting sliding domestic prices for nitrogen. This index is below its September 2023 value and only 14 percent above its 2019 baseline.

Fertilizer crop price ratio for selected regions and commodities



Fertilizer crop price ratios decreased in September 2024 compared to last month, implying improved fertilizer affordability, mostly on rebounding crop prices. Yet they remained above their 2019 average, except for the potash-soybean ratio in Brazil where steady potash prices were offset by firmer soybean prices. However, there is rising concern about the affordability of phosphates, which account for an important share of fertilizer expenses for soybean.

Nitrogen fertilizers were slightly more affordable for wheat production in September in the EU, reflecting a slight rebound in Rouen wheat prices on the back of stable fertilizer costs. Similarly, rebounding maize prices made the nitrogen/maize price ratio more favourable for US farmers. With declining nitrogen fertilizer costs and rangebound rice prices, the affordability of fertilizers improved in September in China.

Fertilizer market developments - Selected leading crop producers

Brazil: The vessel line up is currently considered adequate for nitrogen over the next six weeks, topping above-average imports on the January-August 2024 period. Farmers are thus not concerned about nitrogen availability and buying interest remained subdued in September. Demand should pick up in the coming weeks for the Safrinha crop to be planted in early 2025. By contrast, phosphate imports are delayed because high prices have deterred purchases, creating concerns about stock levels.

China: Inland prices continued to decrease in September, reflecting slow domestic demand. Fertilizer inventory is perceived as sufficient across the supply chain and domestic fertilizer producers lower their operating rates. Yet, no major changes are foreseen on the current restrictions on urea and phosphate exports.

EU: European markets were quiet in September. Fertilizer affordability improved since last year but remains less favourable than before the price peaks of 2021-2022. This justified cautious buying across the value chain as global prices firm again.

India: India is at the center of global attention after issuing two urea purchase tenders in an unusually short timeframe. This confirms strong sales in August and September on the back of heavy monsoon rains supporting fertilizer applications. Details are awaited on the new subsidy scheme that will be applied from October 2024 for the rabi season, with an expected increase in phosphate subsidies compared to the previous kharif season.

US: The US market was seasonnally slow in September, with the exception of ammonia for the fall application season. Phosphate demand may be limited because of constrained affordability, while significant 2024 harvests point toward depletion of soil nutrients.

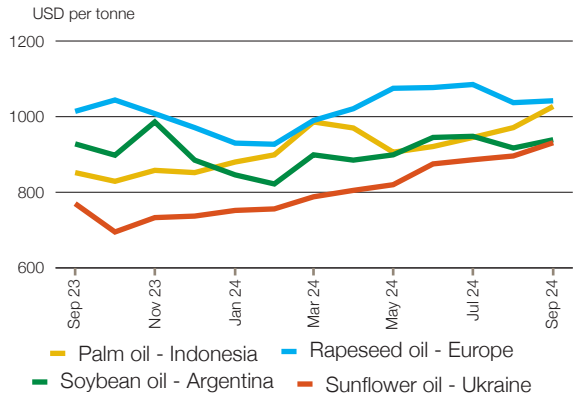
+i Fertilizer outlook indicators

This page provides monthly indicators on fertilizer markets with emphasis on selected leading crop producers. It covers the evolution of fertilizers costs and relative pricing compared to crop prices, as well as a summary of major developments on fertilizer markets for a selected set of leading crop producers.

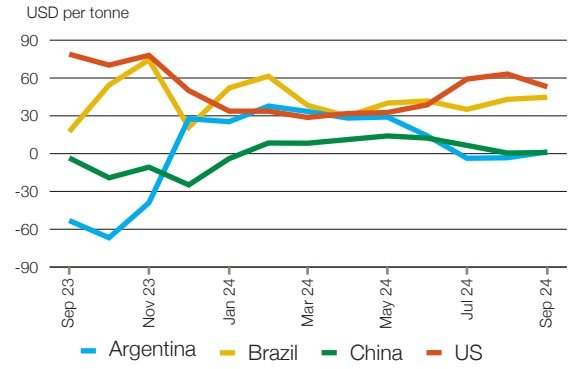
Two background notes, available on AMIS website, explain the rationale, construction, interpretation and limitations of the fertilizer cost index and the fertilizer crop price ratio index.

Vegetable oils

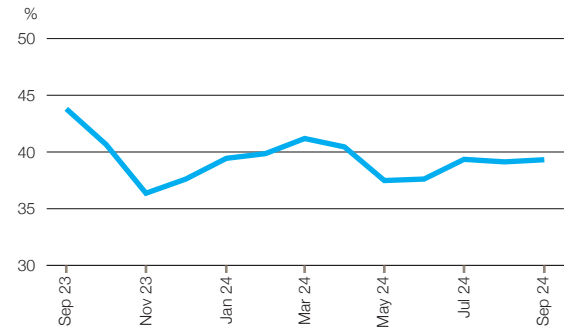
Vegetable oil export prices



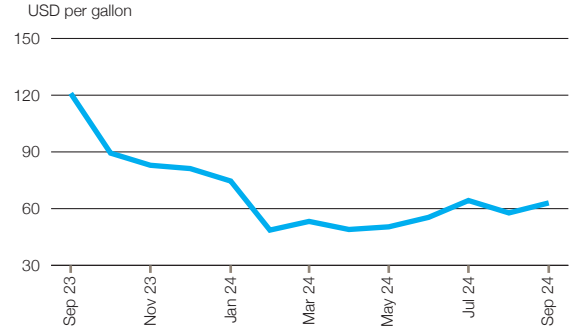
Soybean gross crush margin



Soybean oil share of crush margin



D4 RIN price (for biomass-based diesel)



Highlights

In September, vegetable oil export prices firmed up, mainly driven by higher palm oil quotations amid expected tightening of global supplies, outweighing the impact of sharply higher import duties imposed by India. Profitability in the biomass-based diesel sector also improved, as reduced production in North American markets boosted D4 RIN credit values.

Palm oil

In September, international palm oil export prices rose due to expected production tightening in the coming months in Indonesia and Malaysia, aligning with the year-end peak harvest, despite India curbing purchases by raising import duties earlier the month.

Soybean oil

In September, export prices and soybean oil's share of revenue rose, driven by an estimated 19.5 percent decline in August crush volumes from key soybean growing and crushing countries, Argentina and the US, largely due to scheduled maintenance in the US and an earlier strike in Argentina.

Rapeseed oil

In September, EU export prices rose with stronger crush volumes, while Canadian rapeseed crush fell 29 percent in August due to plant maintenance downtime ahead of arrival of new crop supplies. Tightening global rapeseed supplies are supporting rapeseed oil prices which are likely to ration demand toward alternative oils, particularly soybean oil.

Sunflower oil

Ukrainian export prices continued to rise in September on lower production prospects, pressuring demand as August exports slowed. However, the narrowing price spread with soybean oil, and India's increased import duties are expected to dampen demand.

Biomass-based diesel

Profitability improved in September, with a 9 percent rise in D4 RIN prices, a key indicator for processing vegetable oils into renewable diesel in the US. However, D4 RIN generation fell 23 percent in August, partly due to seasonal plant maintenance and softening global crude oil prices. Global margin gains in biomass-based diesel are expected to be short-lived as end users increasingly turn to cheaper fossil fuels.

+i Vegetable oils indicators

Soybean gross crush margin: Gross revenue from selling soybean oil and meal minus the costs of soybeans, an indicator of processing profitability.

Soybean oil share of crush margin: The proportion of revenue from soybean oil in the gross crush margin based on CME futures prices, reflecting its value relative to soybean meal in processing.

D4 RIN: Renewable Identification Number (RIN) is a code for biomass-based diesel under the US Renewable Fuel Standard. It verifies compliance with blending requirements and can be traded in the market. The D4 RIN prices are often indicative of profitability of the biomass-based diesel sector in the US.

Sources: The analysis is based on calculations and direct data from Chicago Mercantile Exchange (CME), Intercontinental Exchange (ICE), International Grains Council (IGC) and Fastmarkets.

Ocean freight markets

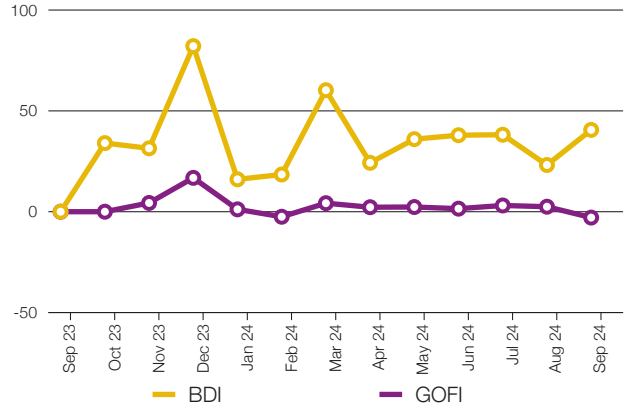
Dry bulk freight market developments

	Sep-24 average	Change	
		M/M	Y/Y
Baltic Dry Index (BDI)	**1958.8**	**+14.1%**	**+40.6%**
sub-indices:			
Capesize	3287.8	+25.6%	+93.2%
Panamax	1418.7	-7.7%	-11.9%
Supramax	1278.8	-2.5%	+7.1%
Baltic Handysize Index (BHSI)	*715.4*	*-5.1%*	*+15.0%*

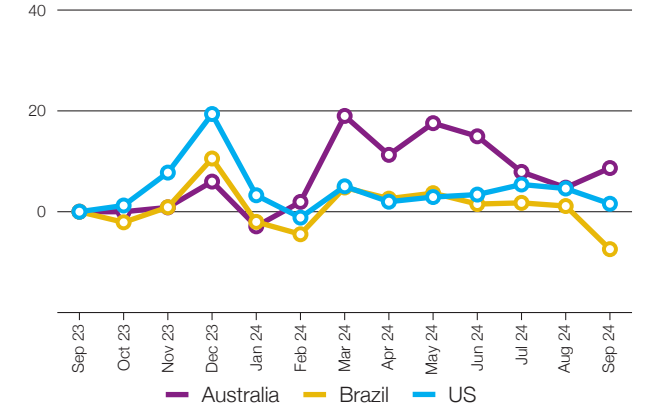
Source: Baltic Exchange, IGC. Base period for BDI: 4 January 1985 = 1000; for BHSI: 23 May 2006 = 1000; for GOFI: 1 January 2013 = 100

	Sep-24 average	Change	
		M/M	Y/Y
IGC Grains and Oilseeds Freight Index (GOFI)	**149.1**	**-5.3%**	**-2.9%**
sub-Indices:			
Argentina	*183.8*	*-5.8%*	*-4.5%*
Australia	*107.2*	*+3.7%*	*+8.7%*
Brazil	*190.3*	*-8.5%*	*-7.4%*
Black Sea	*157.6*	*-2.7%*	*-3.3%*
Canada	*116.4*	*-2.4%*	*+2.9%*
Europe	*131.5*	*-3.1%*	*+6.7%*
US	*122.4*	*-2.9%*	*+1.6%*

BDI and IGC GOFI



Selected IGC GOFI sub-indices



- Average **Baltic Dry Index** (BDI) values advanced by 14 percent month-on-month during September. However, gains were tied to the largest Capesize vessels, which mostly transport iron ore, coal and heavy raw materials, while rates in the grains and oilseeds carrying sectors were moderately weaker.
- Grains and oilseeds shipments via the Suez Canal continued to be curtailed by Red Sea security challenges, as bulk shippers from Western Europe took longer routes via southern Africa. However, an uptick in cargo volumes was noted following winter wheat harvests in the Black Sea region, which boosted deliveries to Asia.
- The **Capesize** sector posted a solid 24 percent increase month-on-month, as shipments of coal and minerals, notably of bauxite, underpinned, with brisk front haul activity noted in the Atlantic. However, values were below the peaks seen earlier this year on relatively lower Chinese iron ore requirements.
- A 7 percent monthly drop in average **Panamax** rates was tied to persistent ample tonnage supply in the Atlantic, albeit with some support noted recently from accelerating US grains and oilseeds dispatches.
- Average **Supramax** values posted a 3 percent monthly drop, as weak demand in Europe and the Mediterranean was partly offset by an uptick in activity at the US Gulf, including for grains.
- The **Handysize** sector fell by 5 percent month-on-month, on average, largely reflecting subdued demand in South America.
- Amid weaker timecharter rates and lower marine fuel prices, the **IGC Grains and Oilseeds Freight Index** (GOFI), softened by 5 percent month-on-month, led by declines in Brazil and Argentina.

+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.

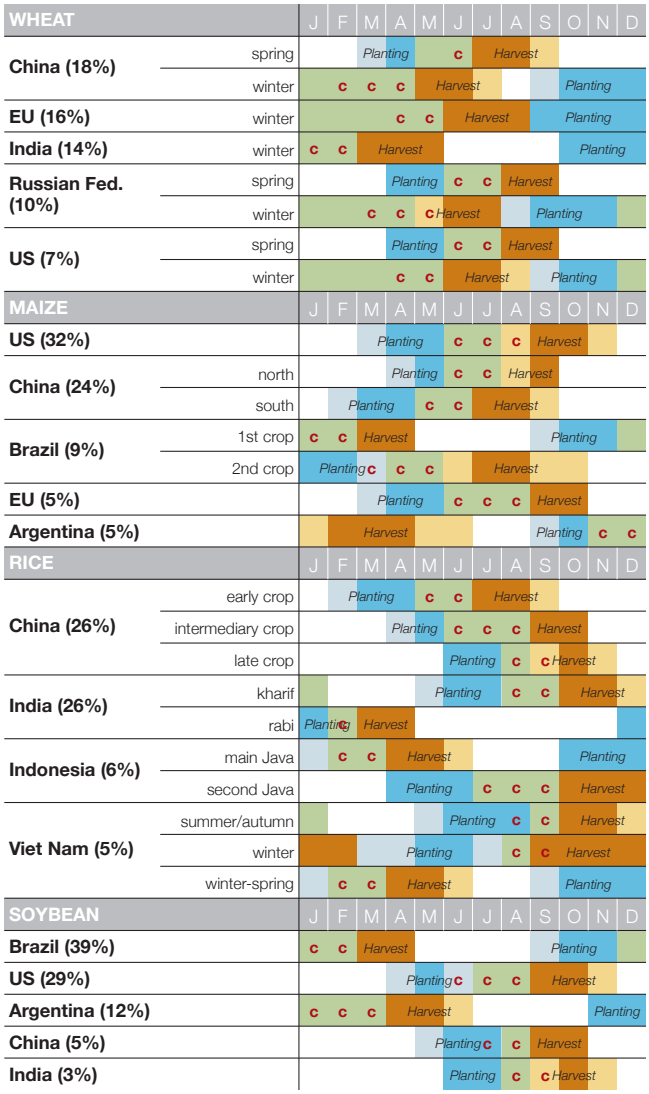
UTILIZATION: For all three sources, wheat, maize and rice utilization includes food, feed and other uses (namely, seeds, industrial uses and post-harvest losses). For soybeans, it comprises crush, food and other uses. However, for all AMIS commodities, the use categories may be grouped differently across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



***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**
- **c** **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

2024 AMIS Market Monitor release dates
1 February, 7 March, 4 April, 2 May, 6 June, 4 July, 6 September, 4 October, 8 November, 6 December

Contacts and Subscriptions
AMIS Secretariat Email: AMIS-Secretariat@fao.org

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