

French grains and international market conditions

Septembre 12th, 2014

London



British

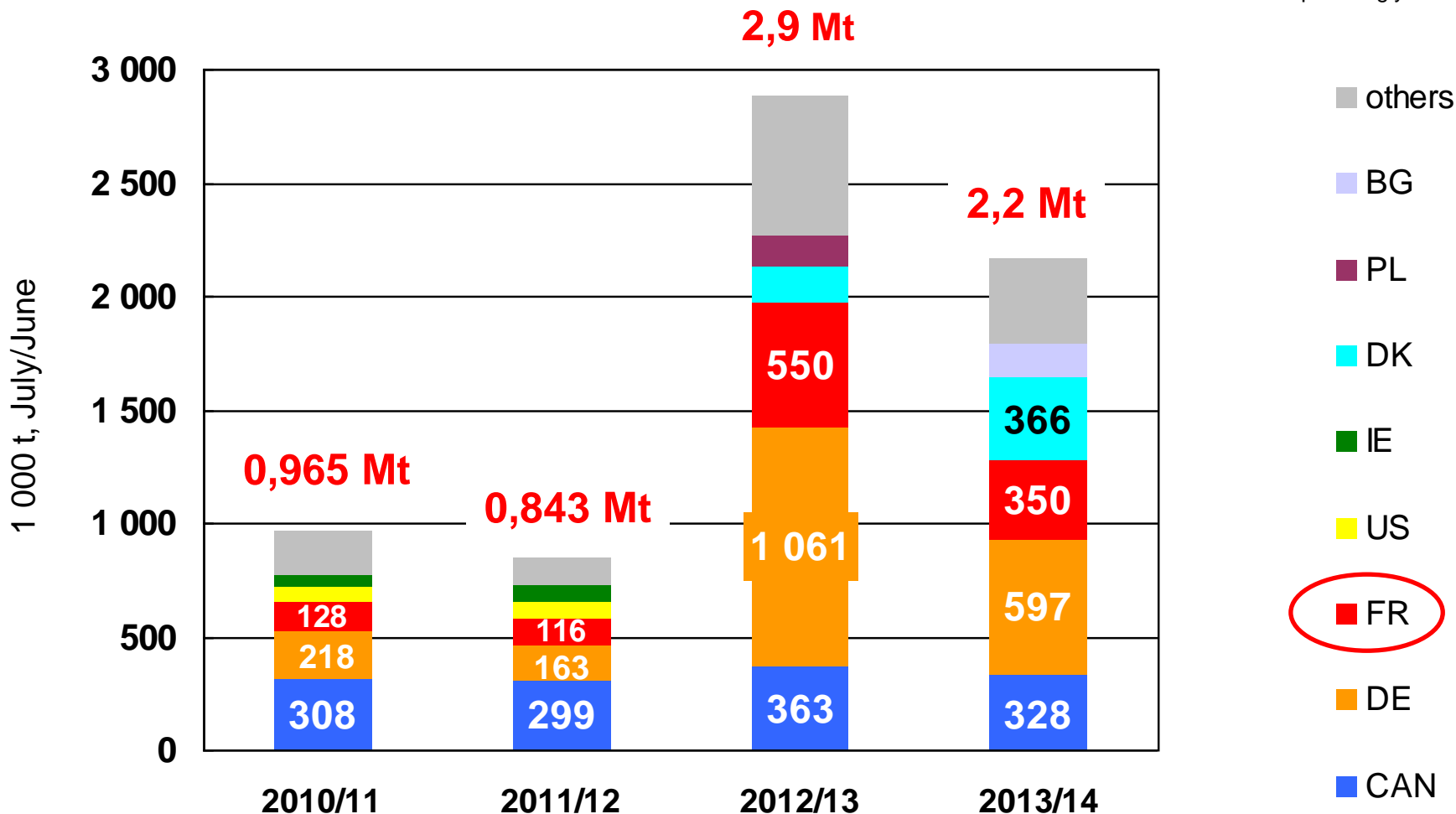
cereals import needs

and countries of origin

Soft WHEAT imports to the UK – main origins

Main origins, adding up to 80% (or over) of total imports

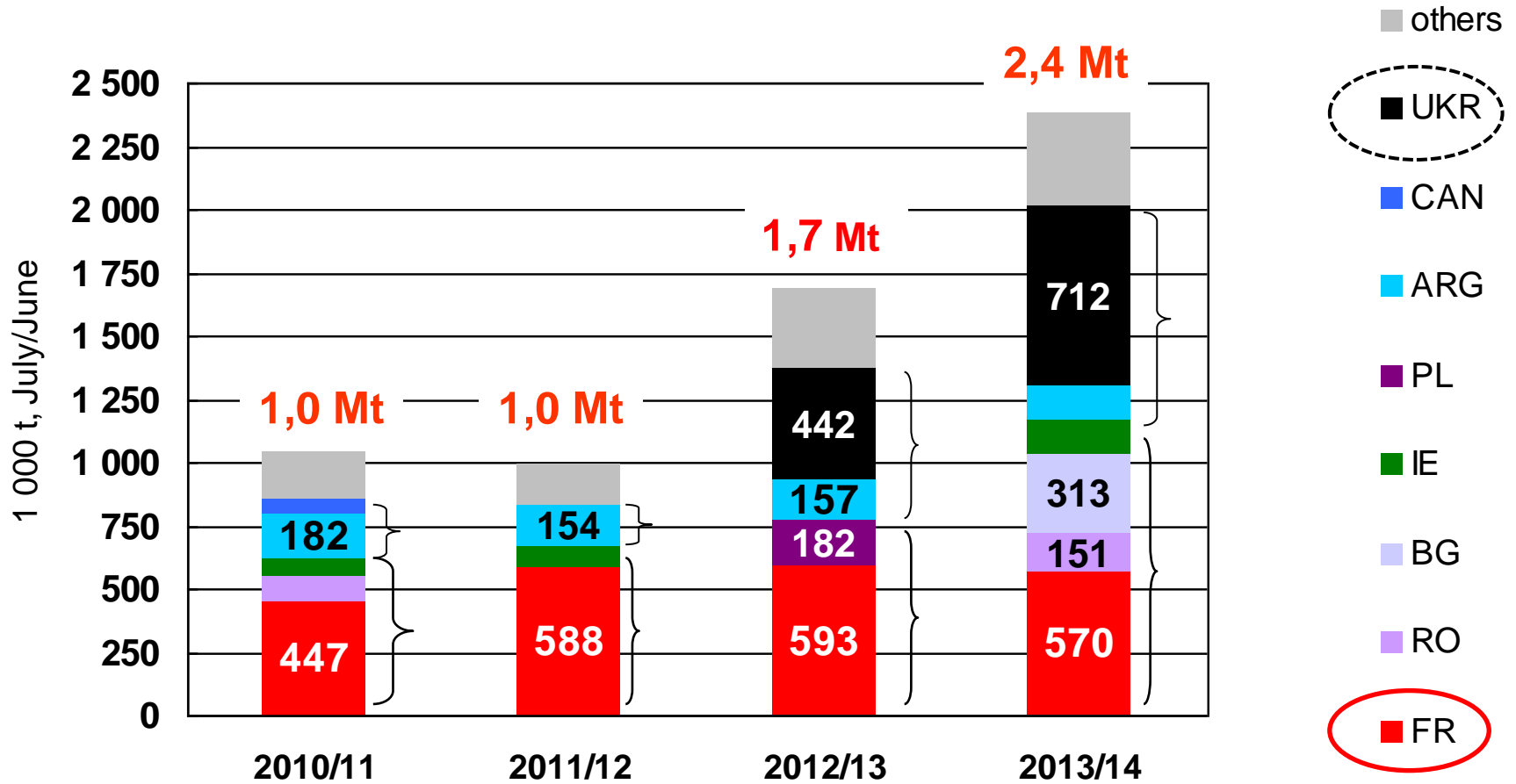
« Others » : per mktg year



MAIZE imports to the UK – main origins

Main origins, adding up to 80% (or over) of total imports

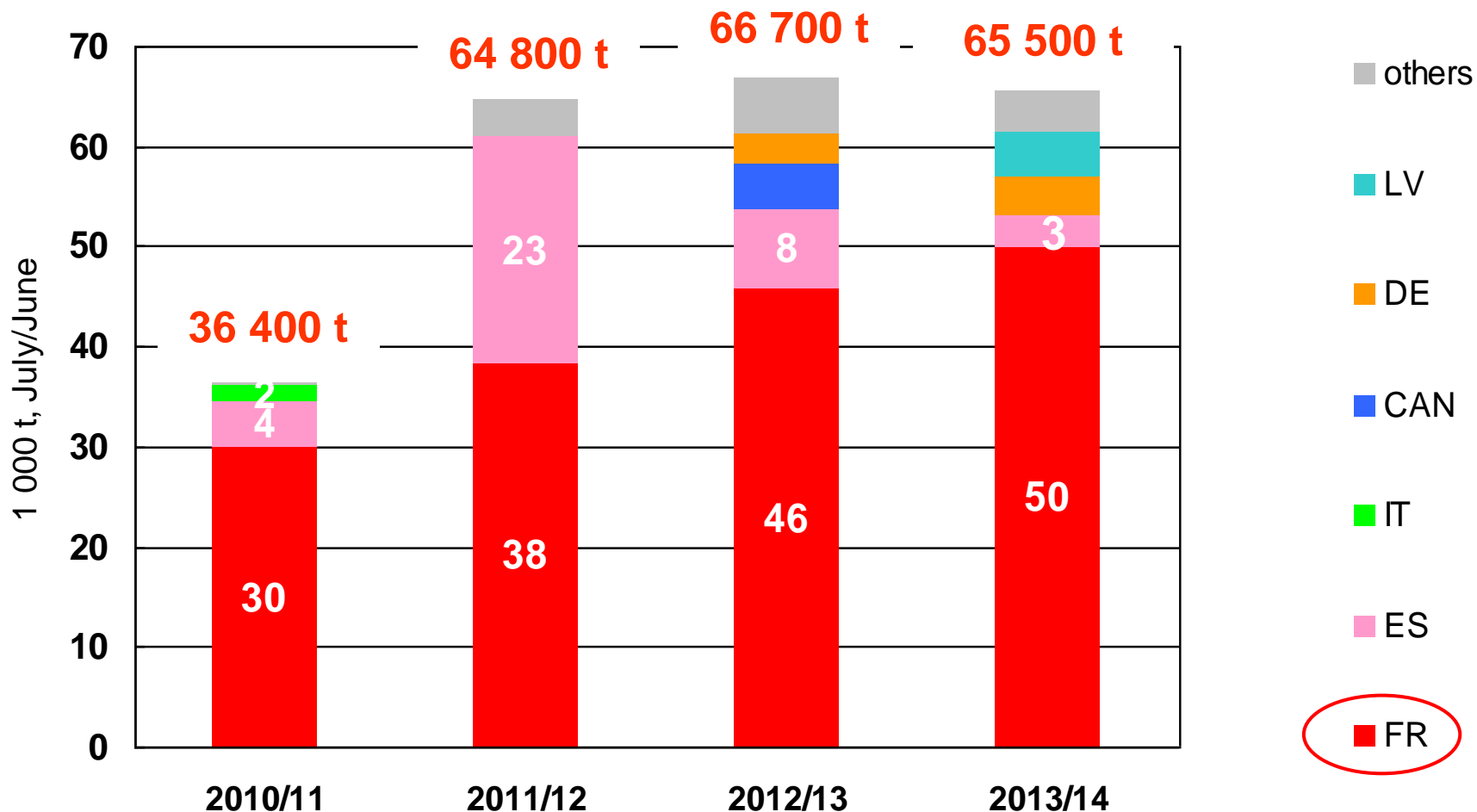
« Others » : per mktg year



DURUM Wheat imports to the UK – main origins

Main origins, adding up to 80% (or over) of total imports

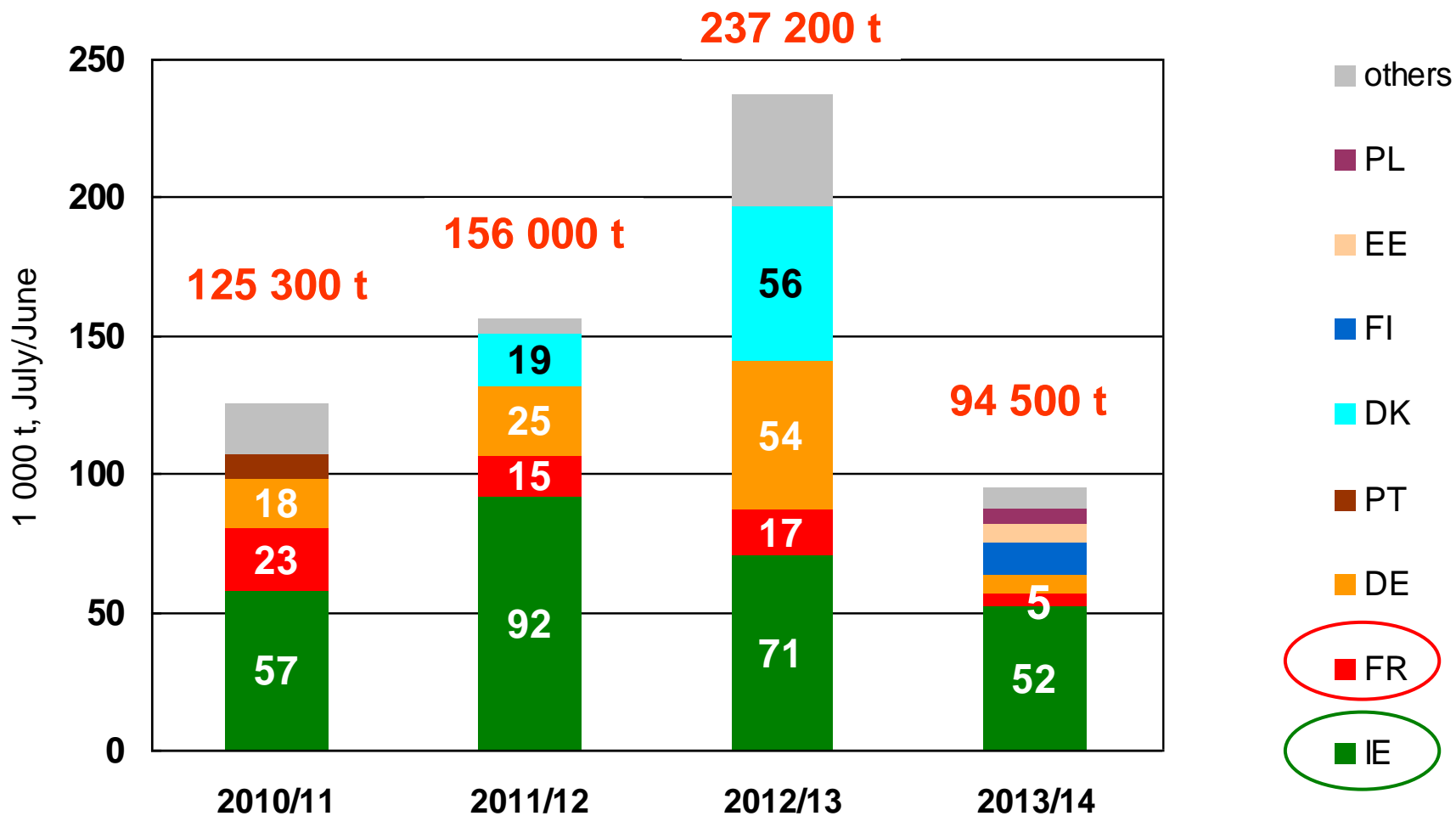
« Others » : per mktg year



BARLEY imports to the UK – main origins

Main origins, adding up to 80% (or over) of total imports

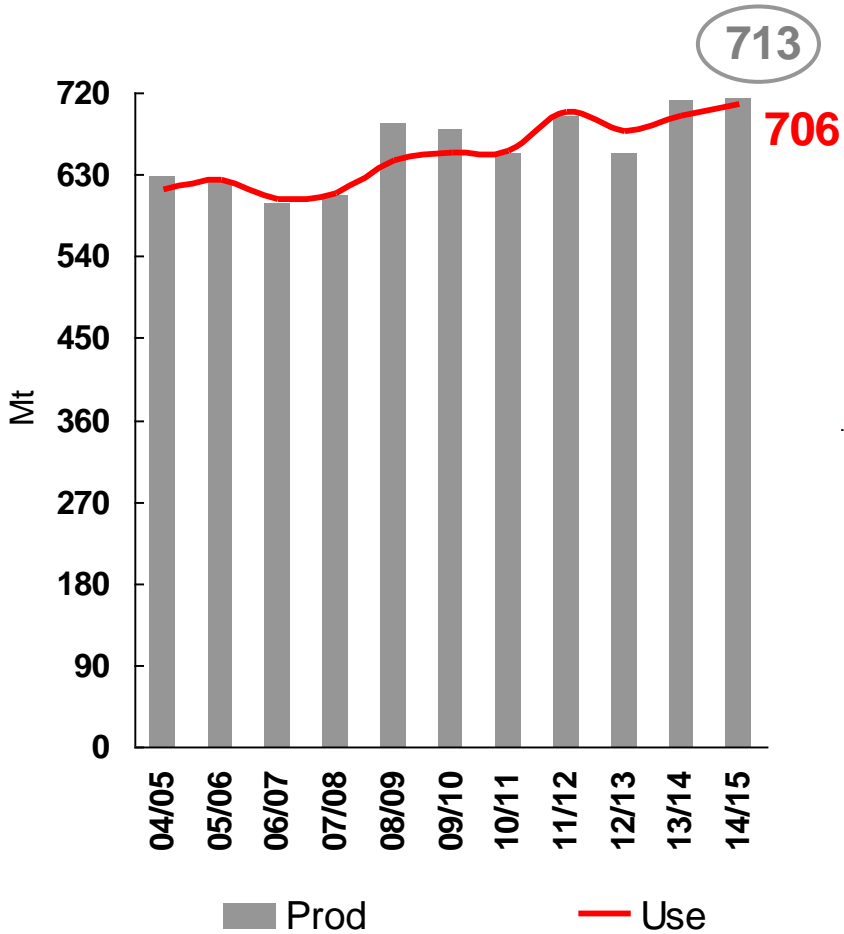
« Others » : per mktg year



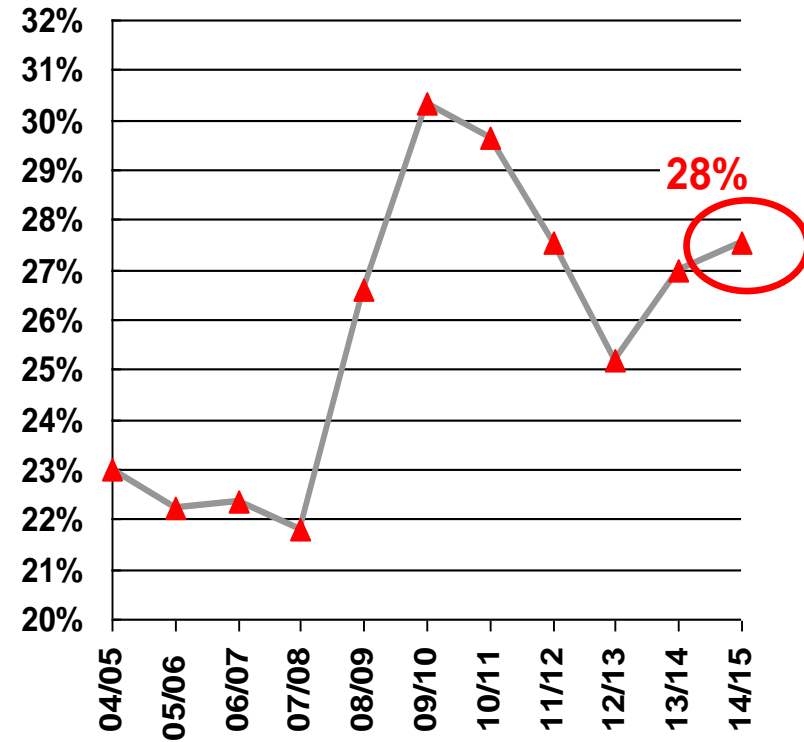
The 2014/15 marketing year on the international market

An unusual picture

World WHEAT fundamentals

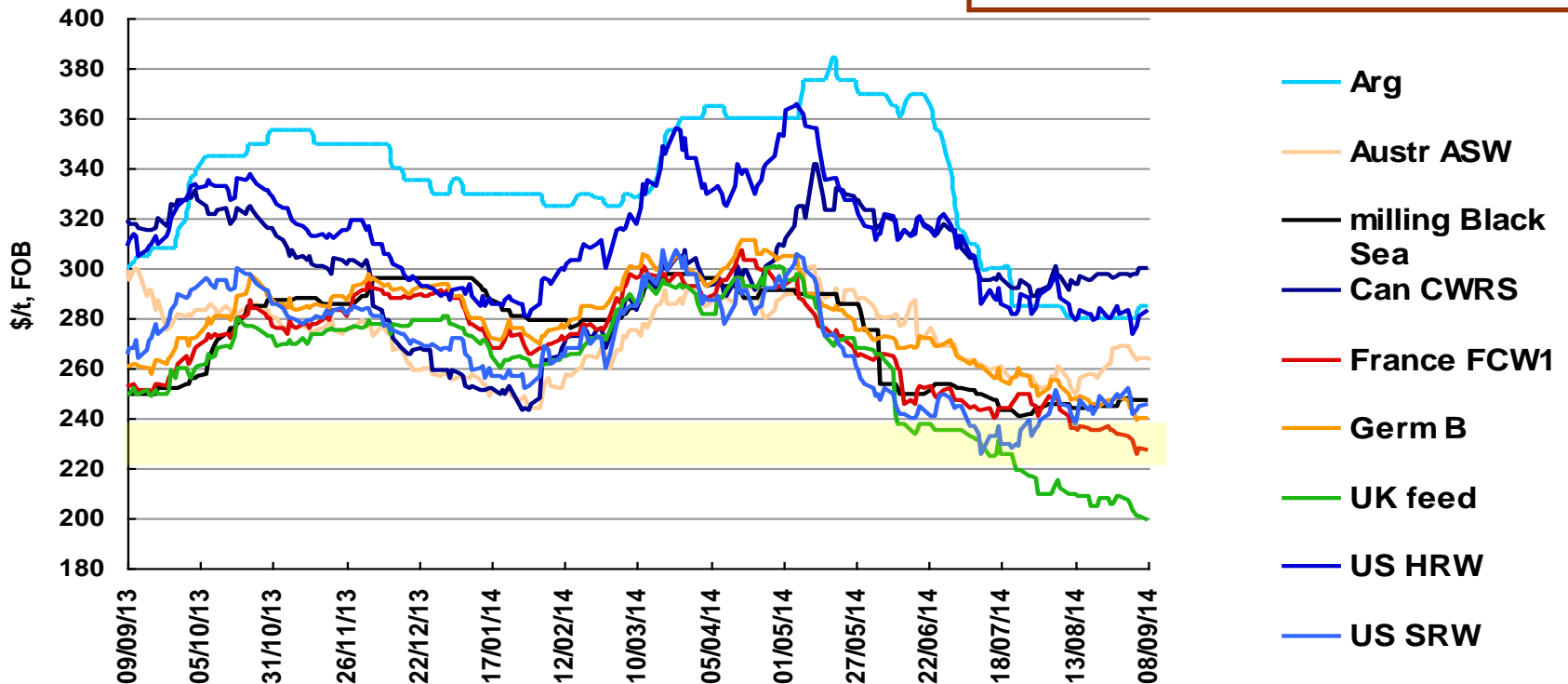
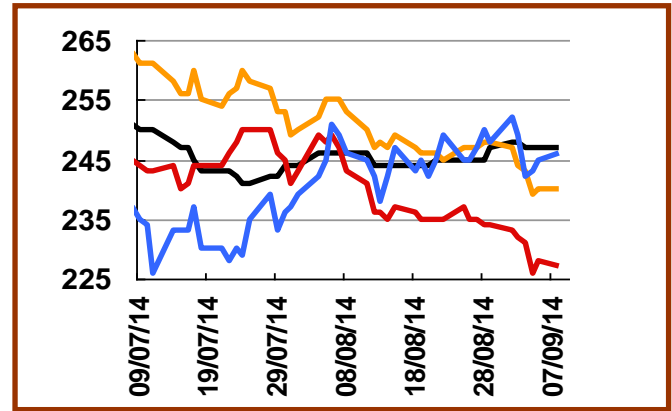


Stock / Use rate



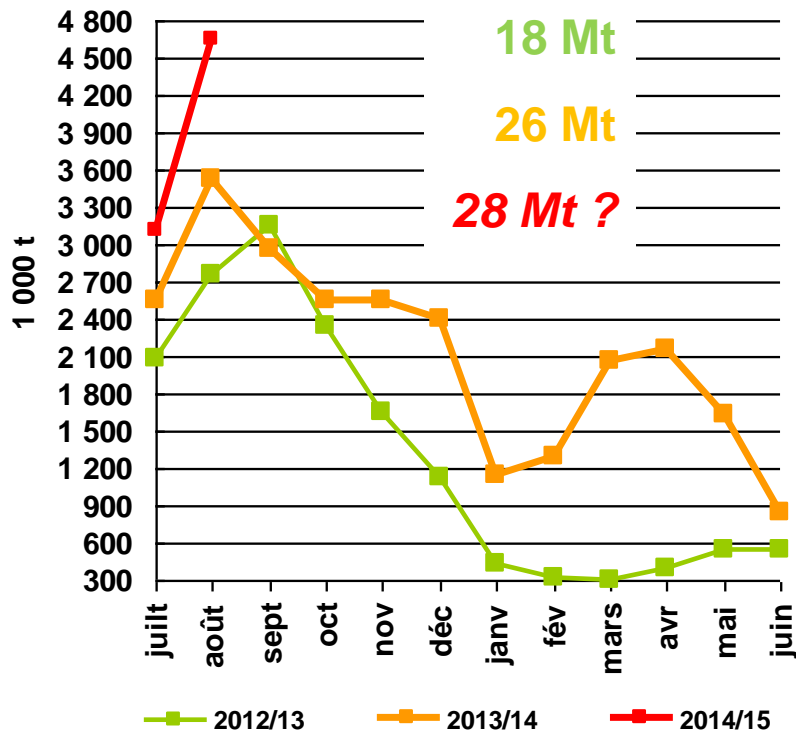
International market – soft WHEAT export prices

- 14/15 falling prices
- qualities and political tensions
- FR wheat competitiveness



A sense of urgency: Russian exports

Russian cereals exports



Import ban, inflation, credit cost

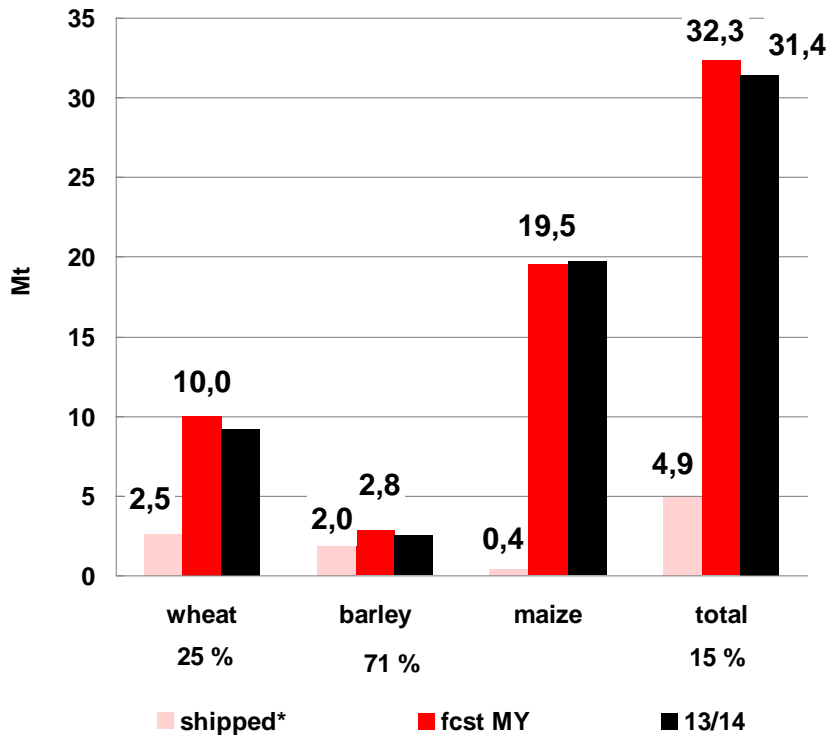
Export restrictions rumours (26,9)

> ???

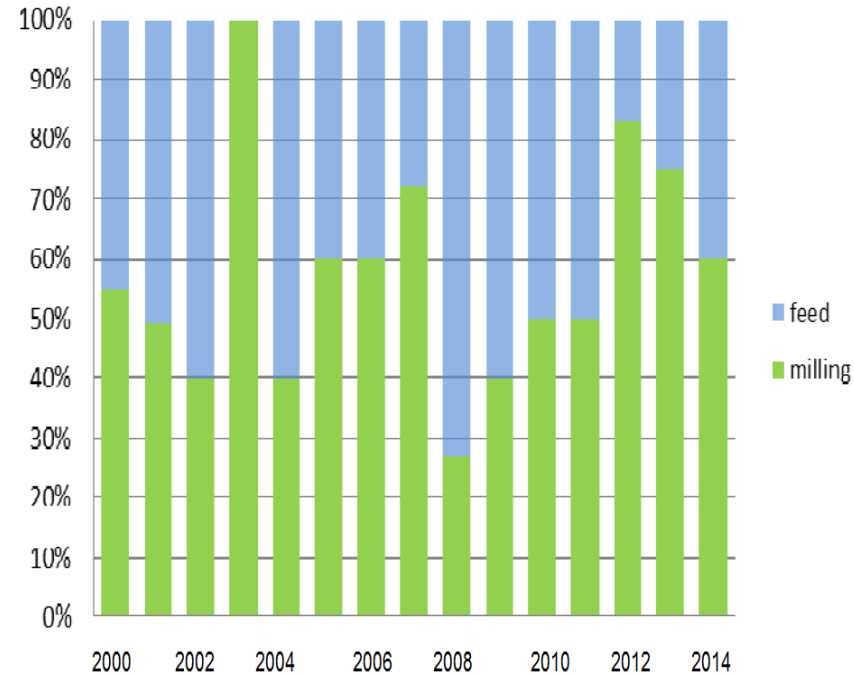
Ongoing deals with Egypte, Iran

Unsettled situation

A sense of urgency: Ukrainian exports



* July 1st – August 31st

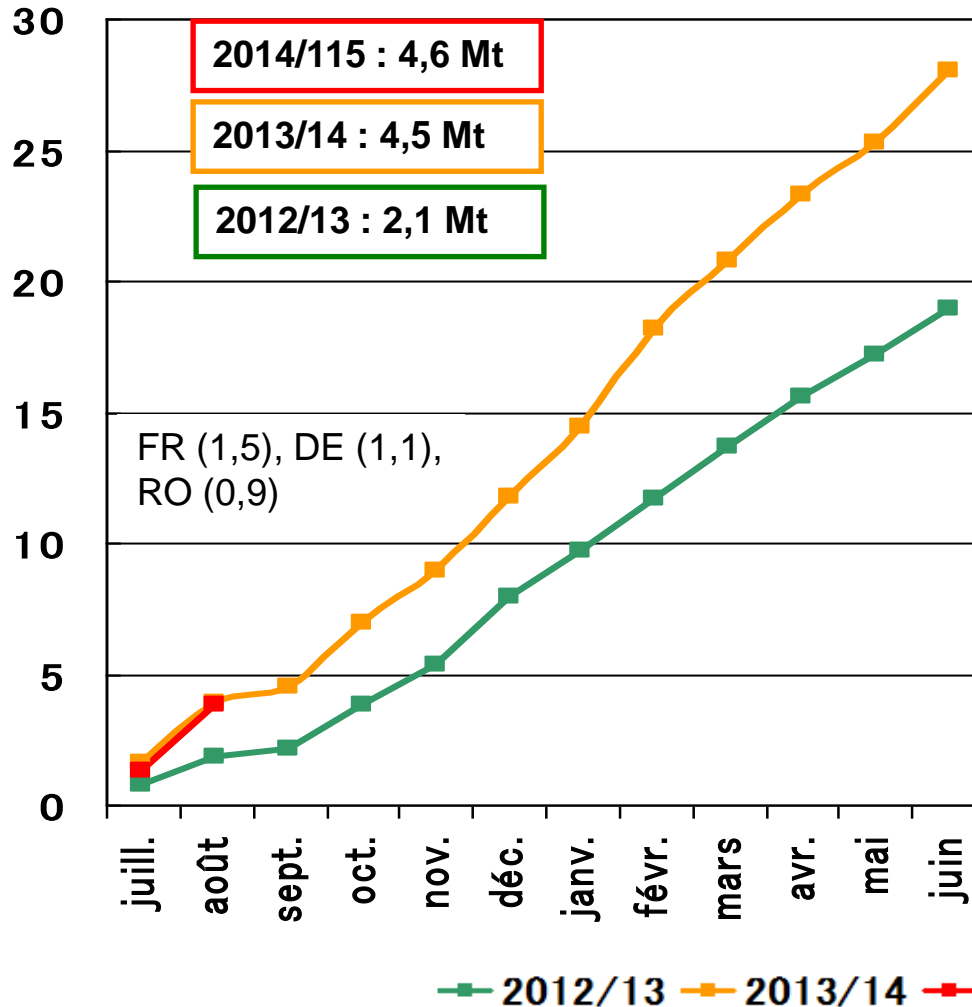


Agreement government / exporters

> Exports monitoring / domestic market supply

WHEAT export licences granted in the EU

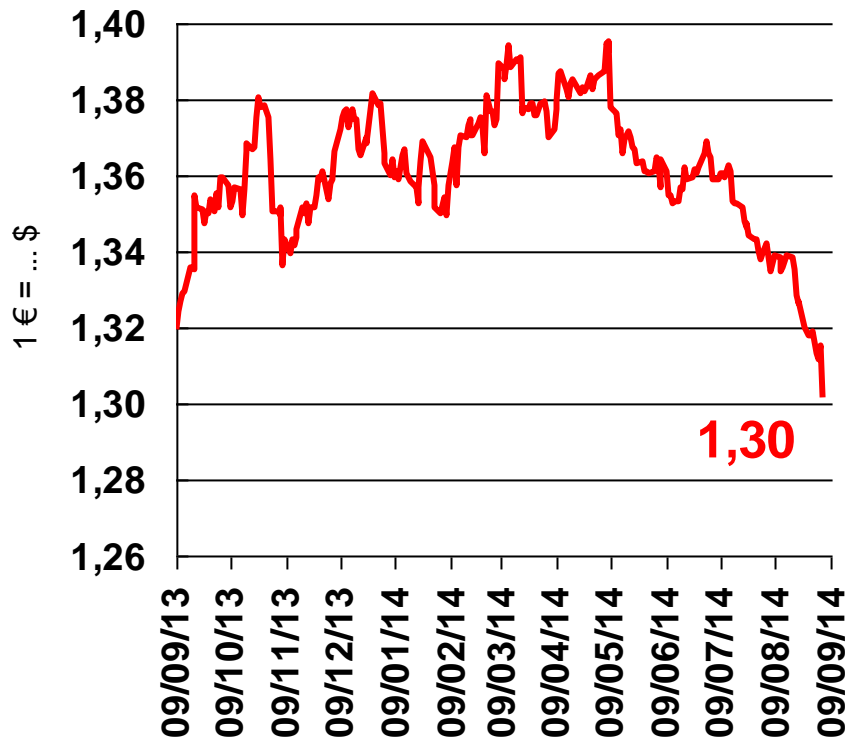
Grains – Cumulative volumes as of week 10 (02/09/14)



Soft wheat (Mt)

Exchange rate Euro / Dollar

Over the last 12 months



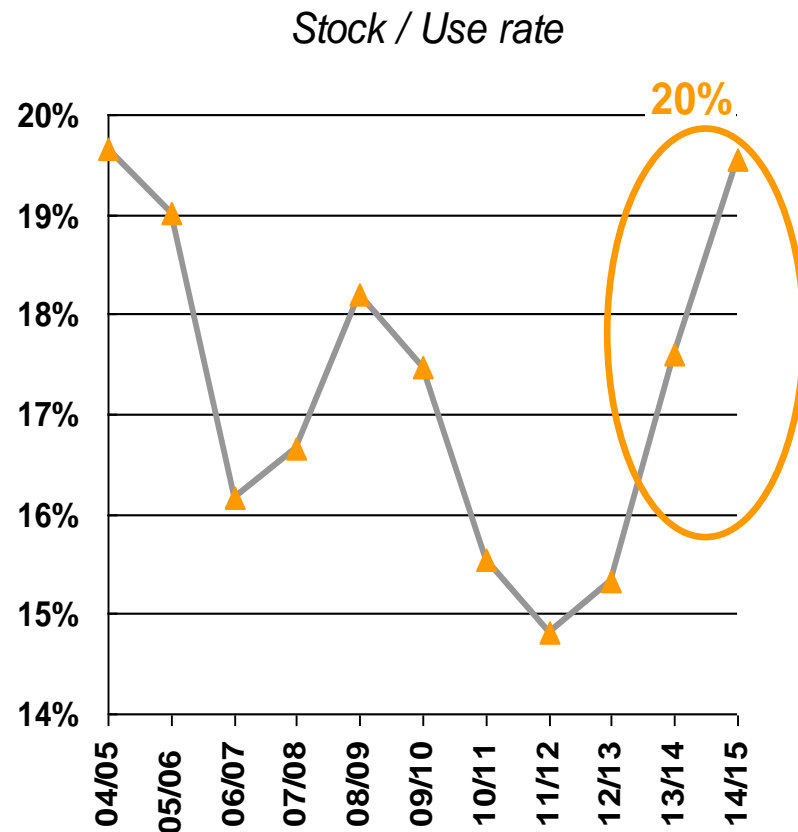
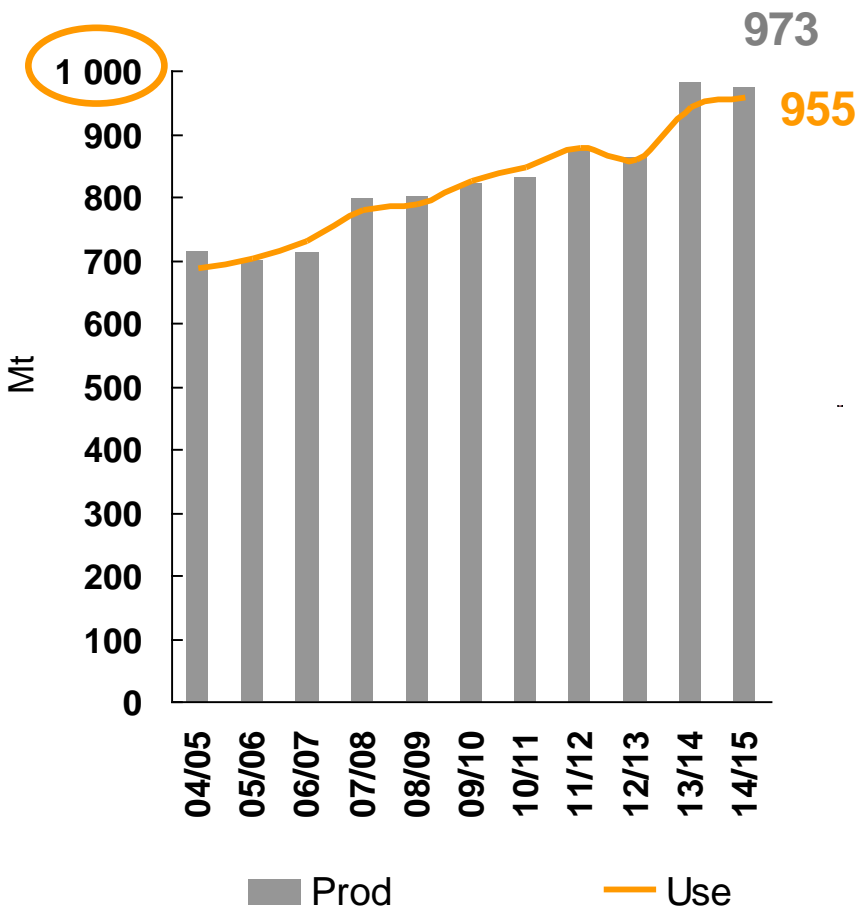
Historical perspective



ECB # FED credit policies

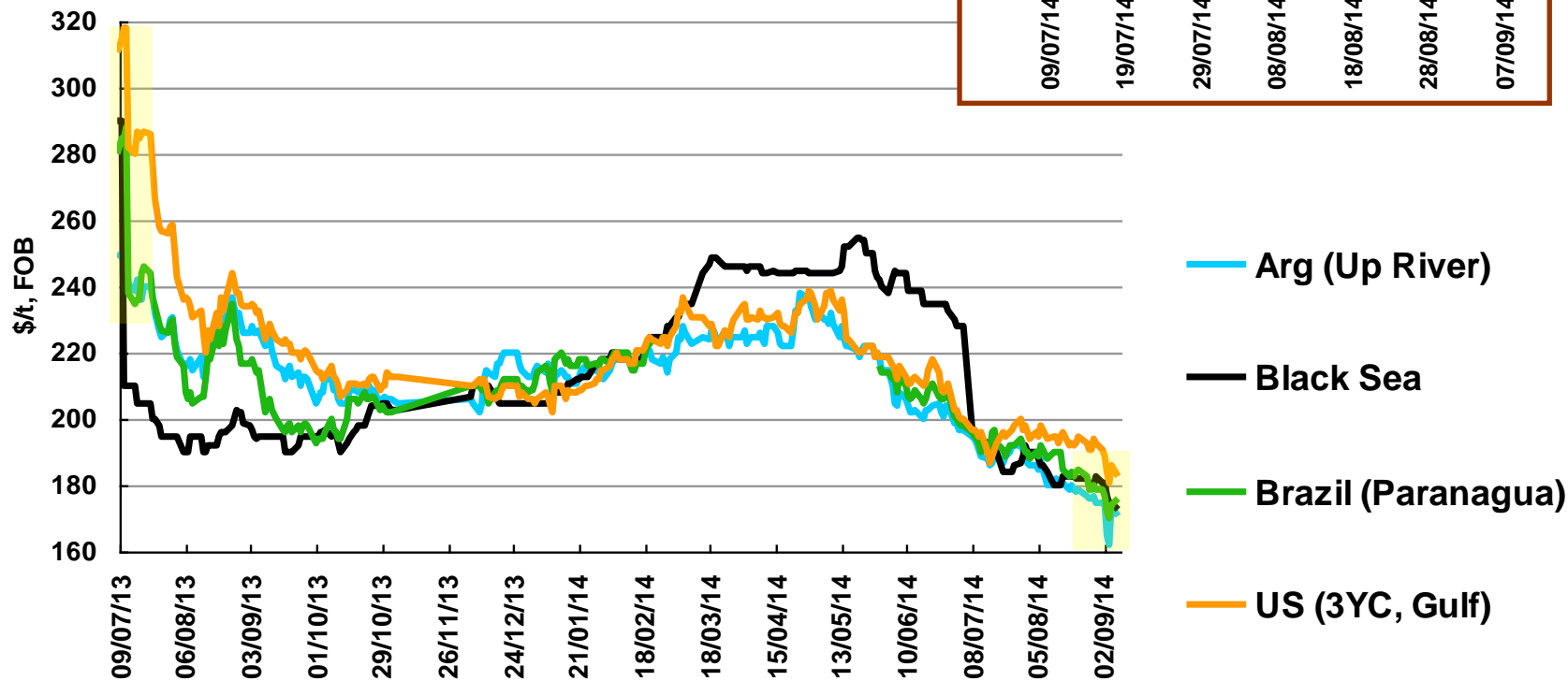
Lasting effect expected >>> in favour of the euro zone exports

World MAIZE fundamentals



International market – MAIZE export prices

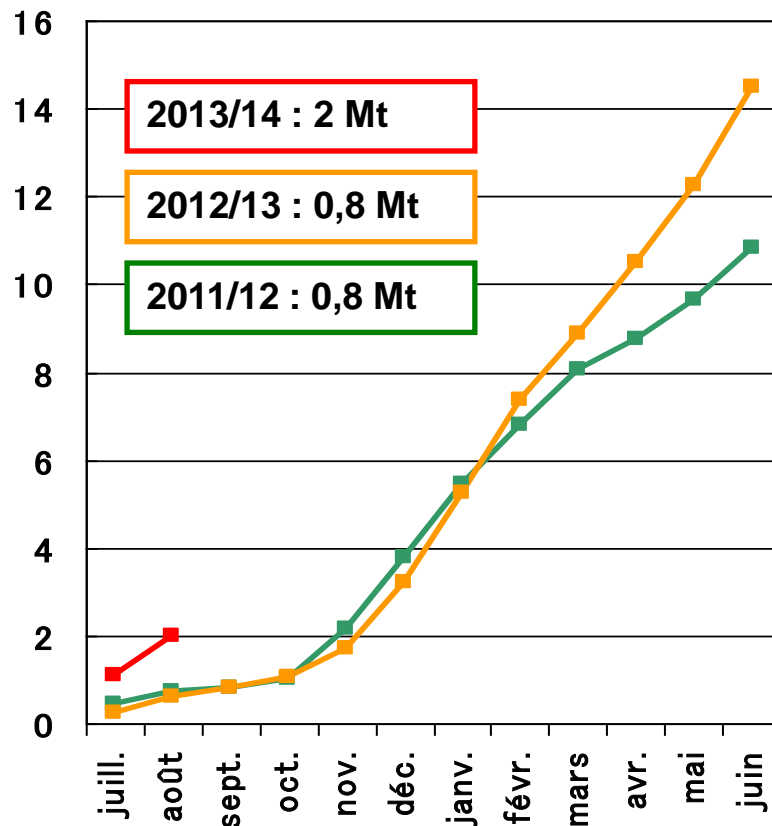
Harvest coming nearer



The MAIZE duty should put a curb on EU imports

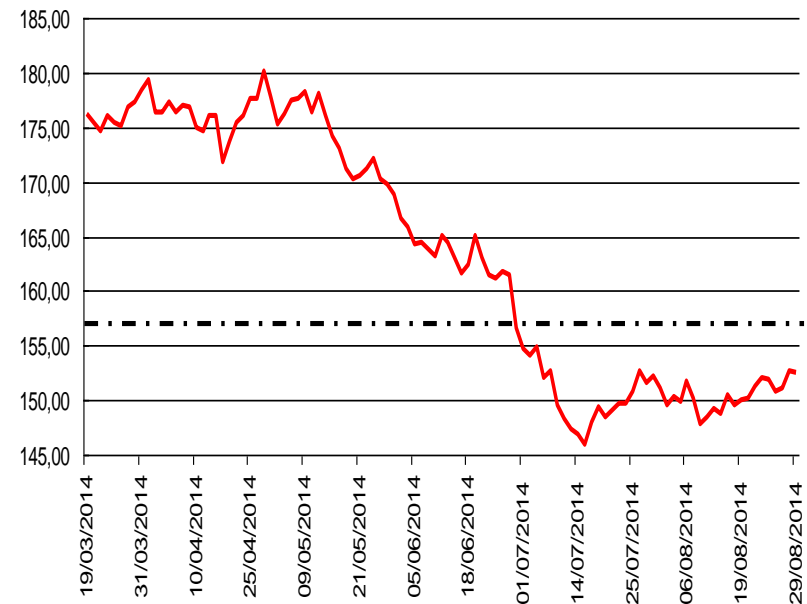
Out of the TRQ, duty in force

MAIZE import licences granted in the EU

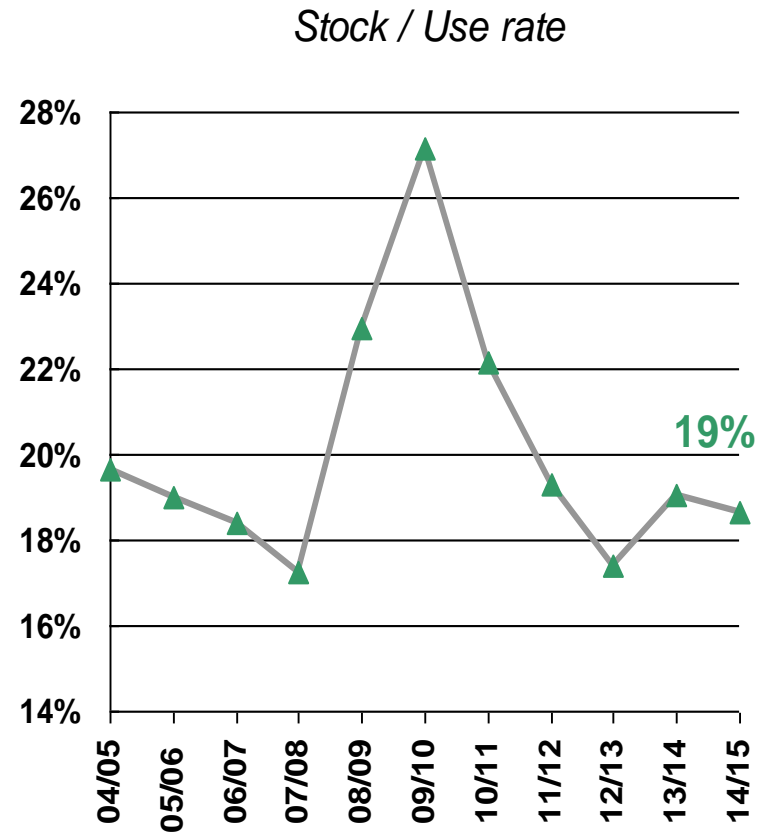
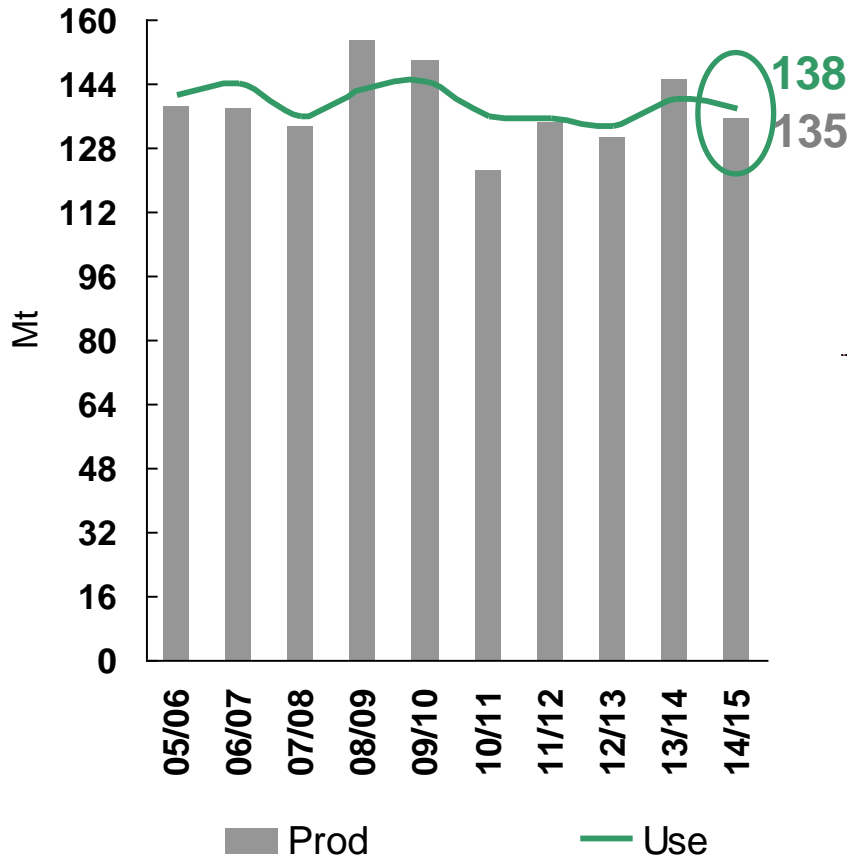


Reference price= 157 €/t

(101.31 x 155 % - CAF Rotterdam)

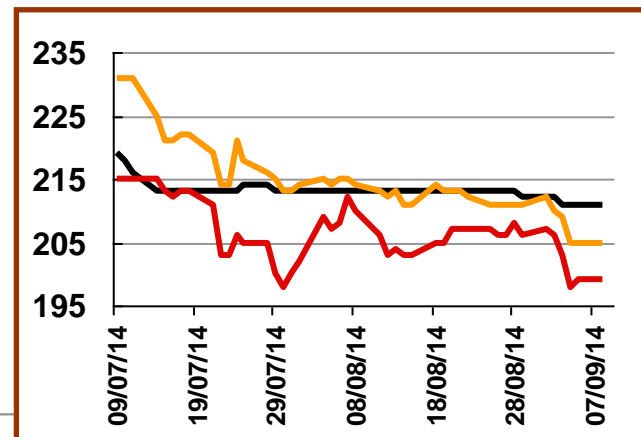
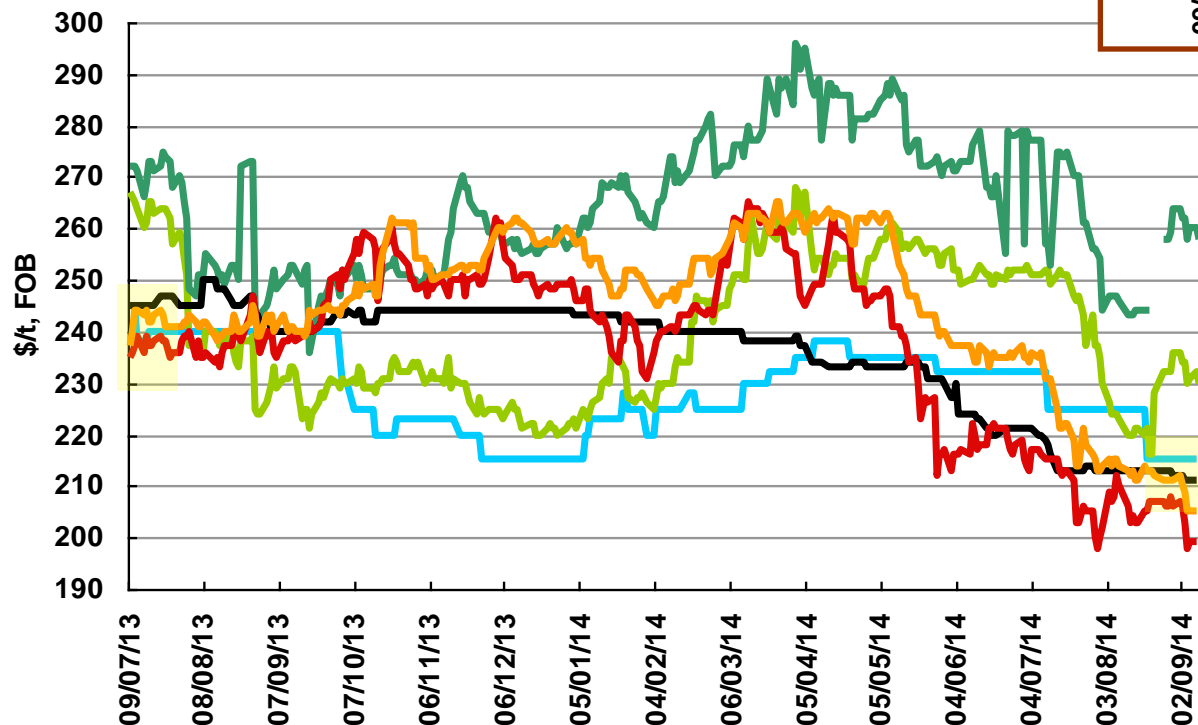


World BARLEY fundamentals



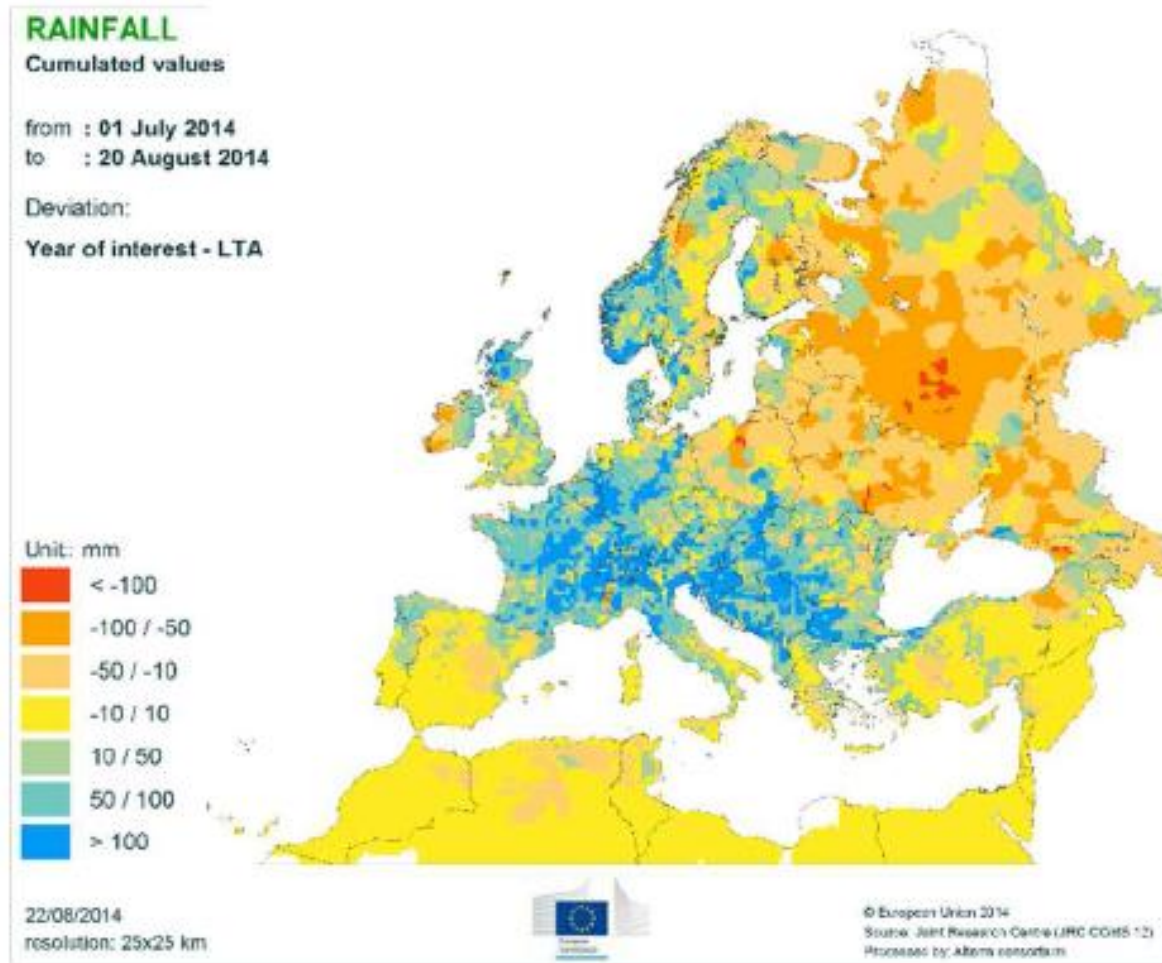
International market – BARLEY export prices

Fr barley competitiveness

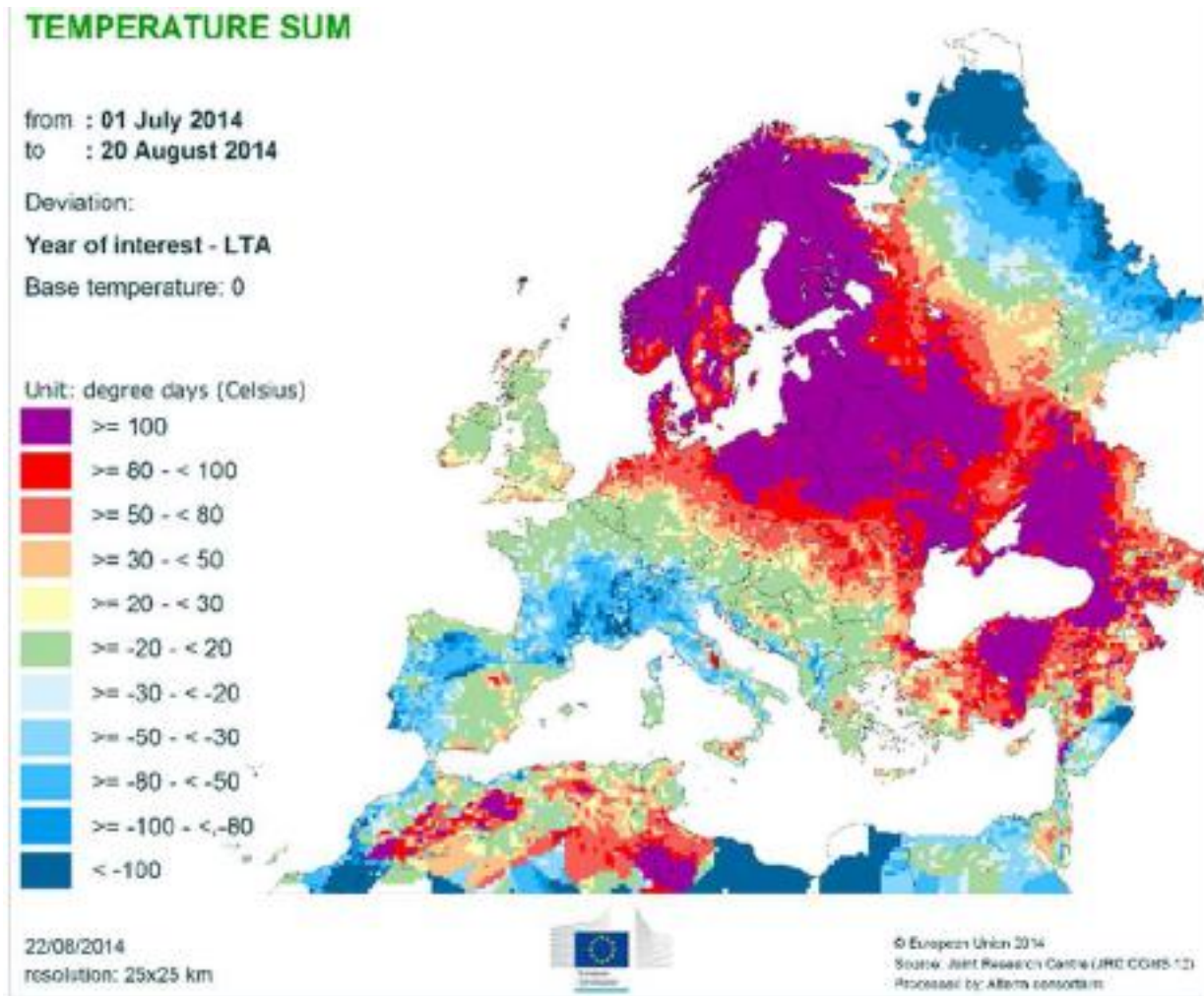


- Arg. feed
- Austr. (Eastern St.) four
- Aust (Eastern St.) malting
- Black Sea feed
- France (Rouen) feed
- Germ (Hamburg) feed

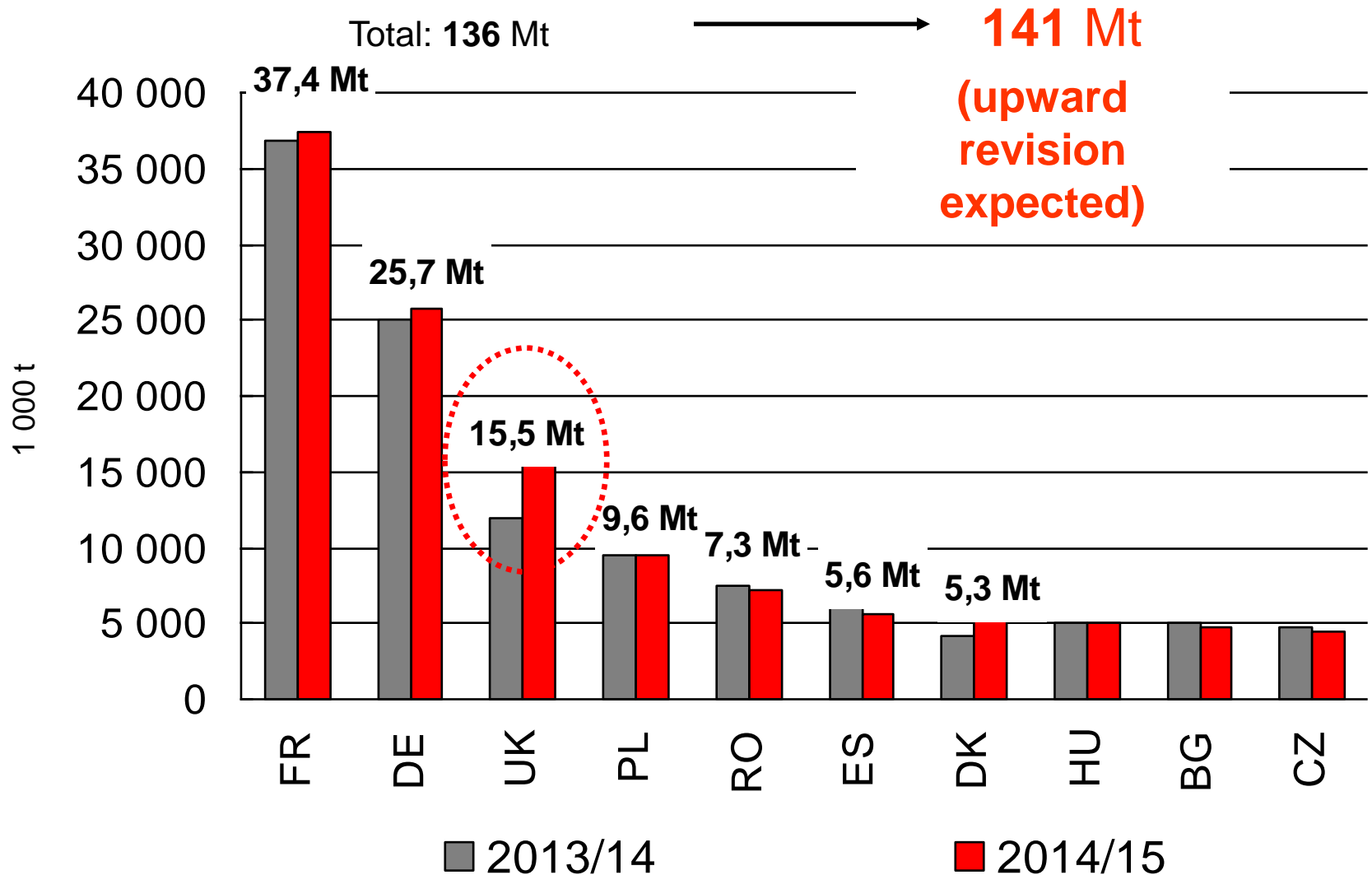
Summer rainfall in the EU



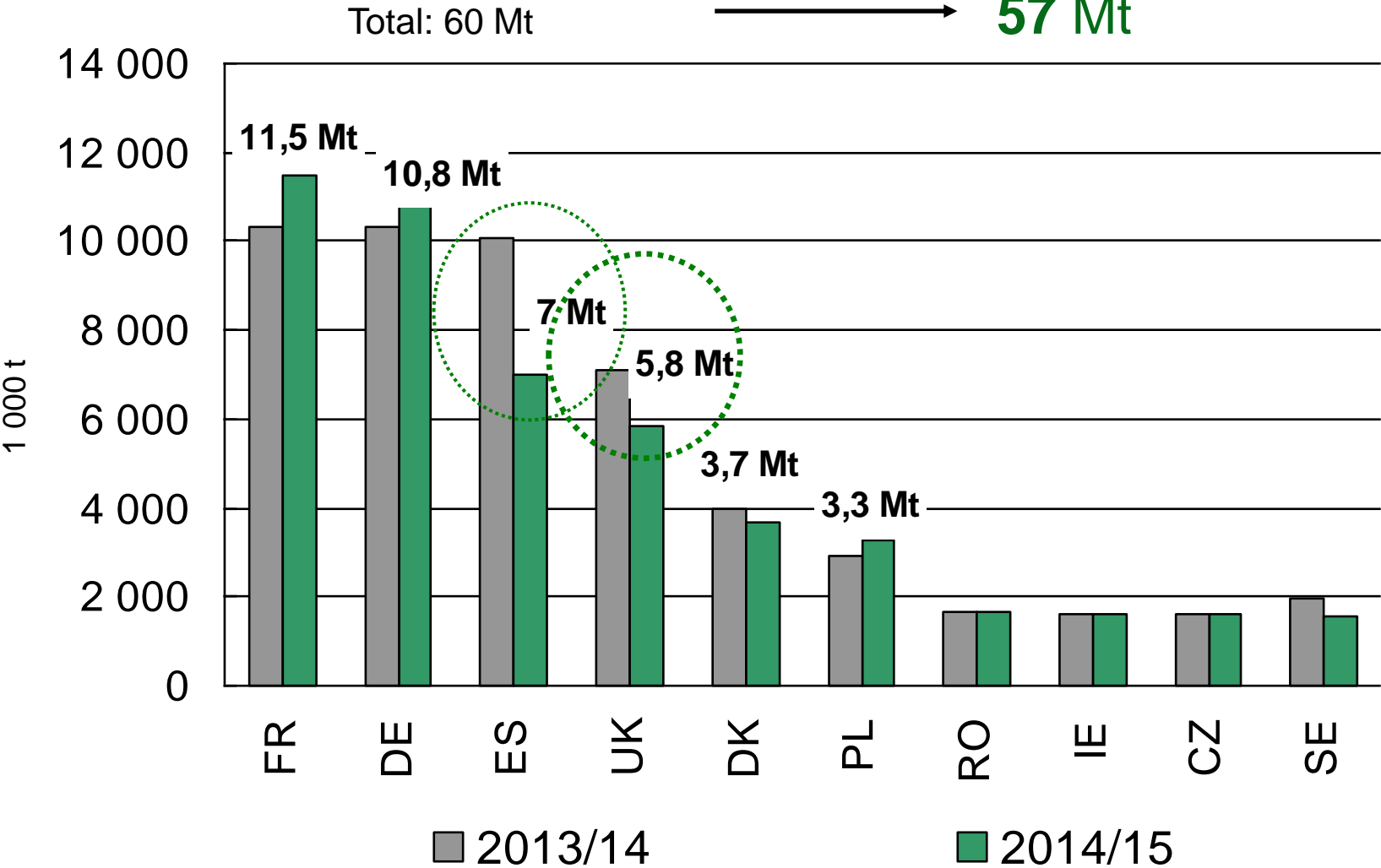
Summer temperatures in the EU



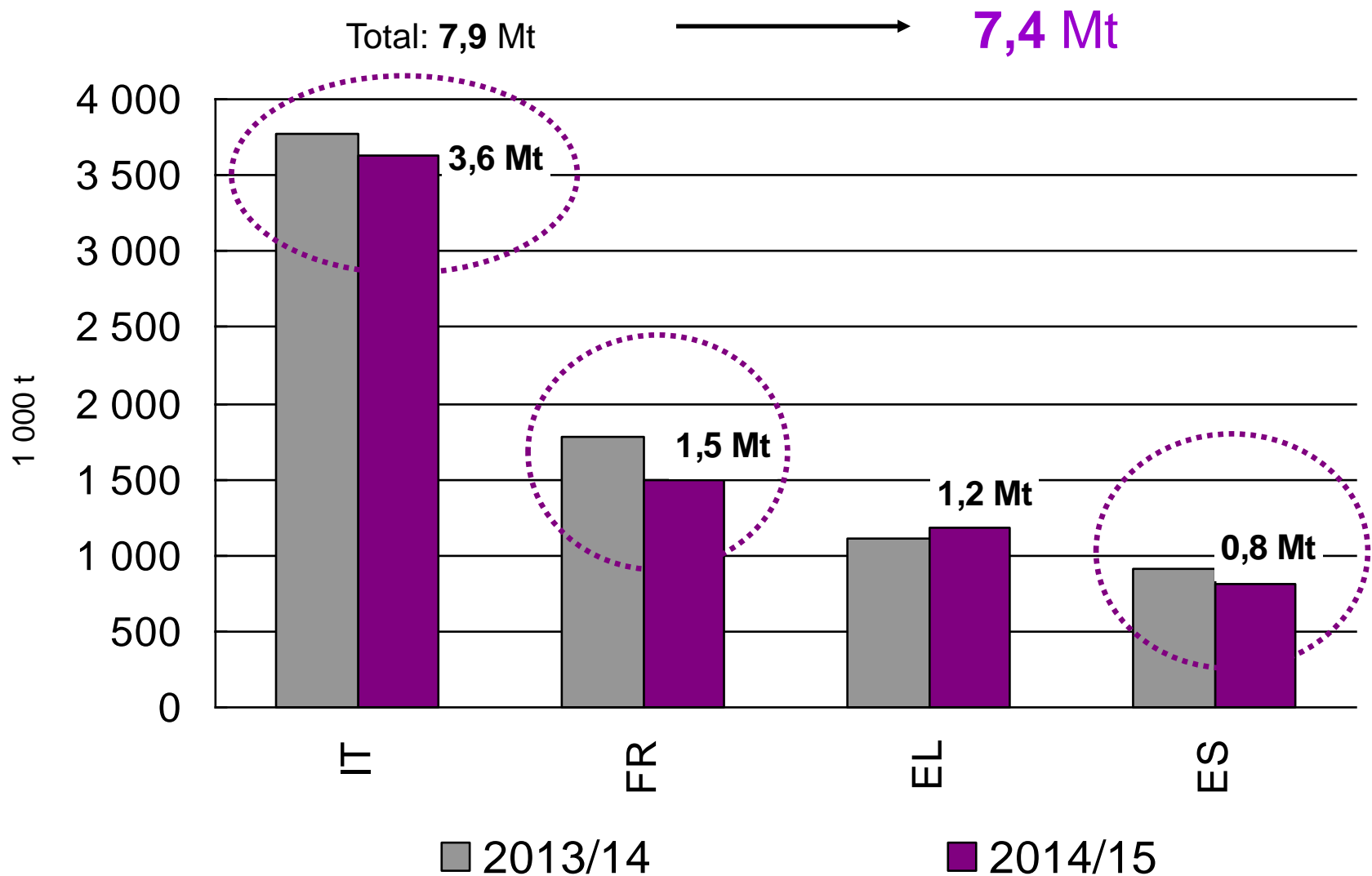
EU: wheat production



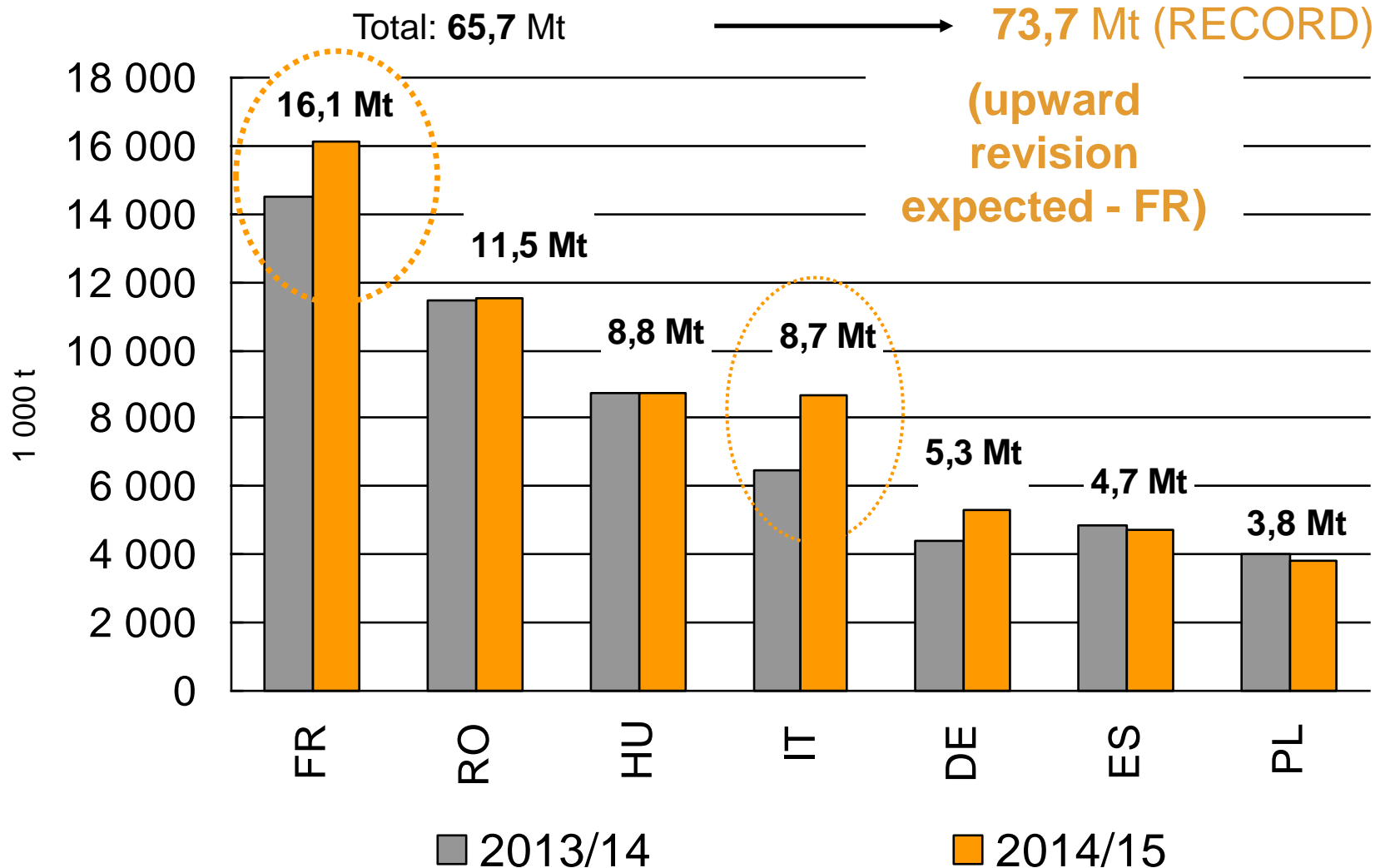
EU: barley production



EU: durum production

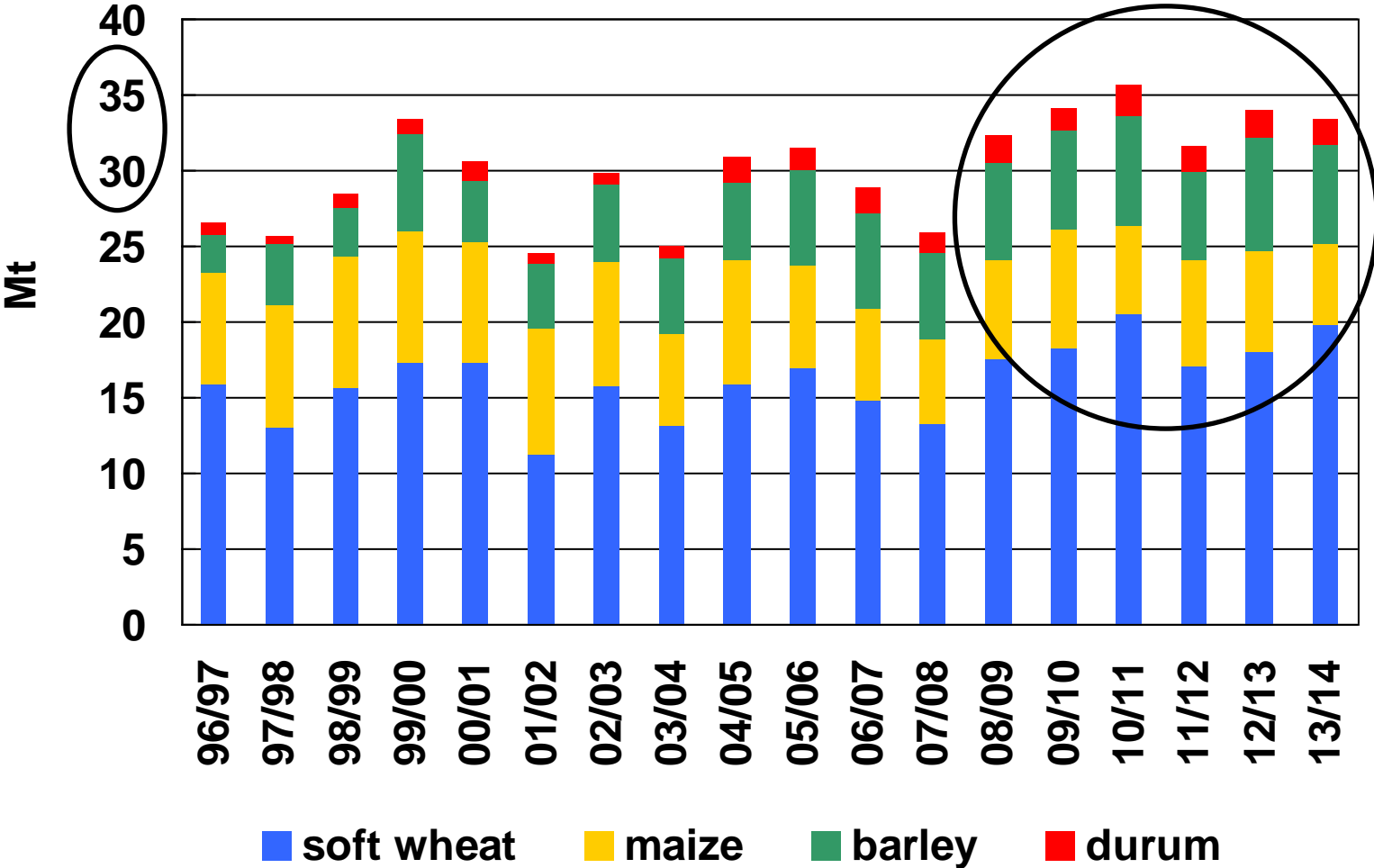


EU: maize production prospects

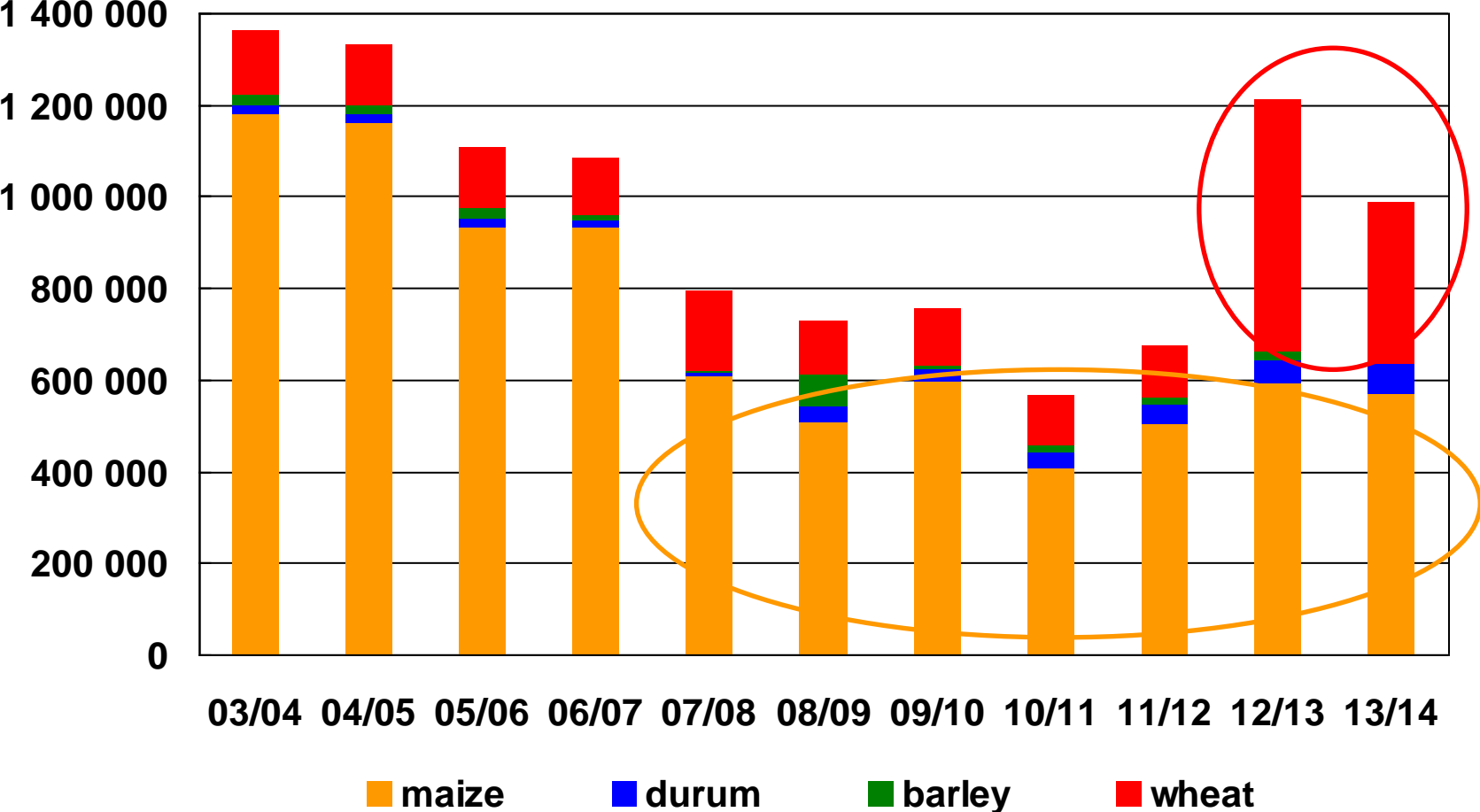


The French grain balances in the international context

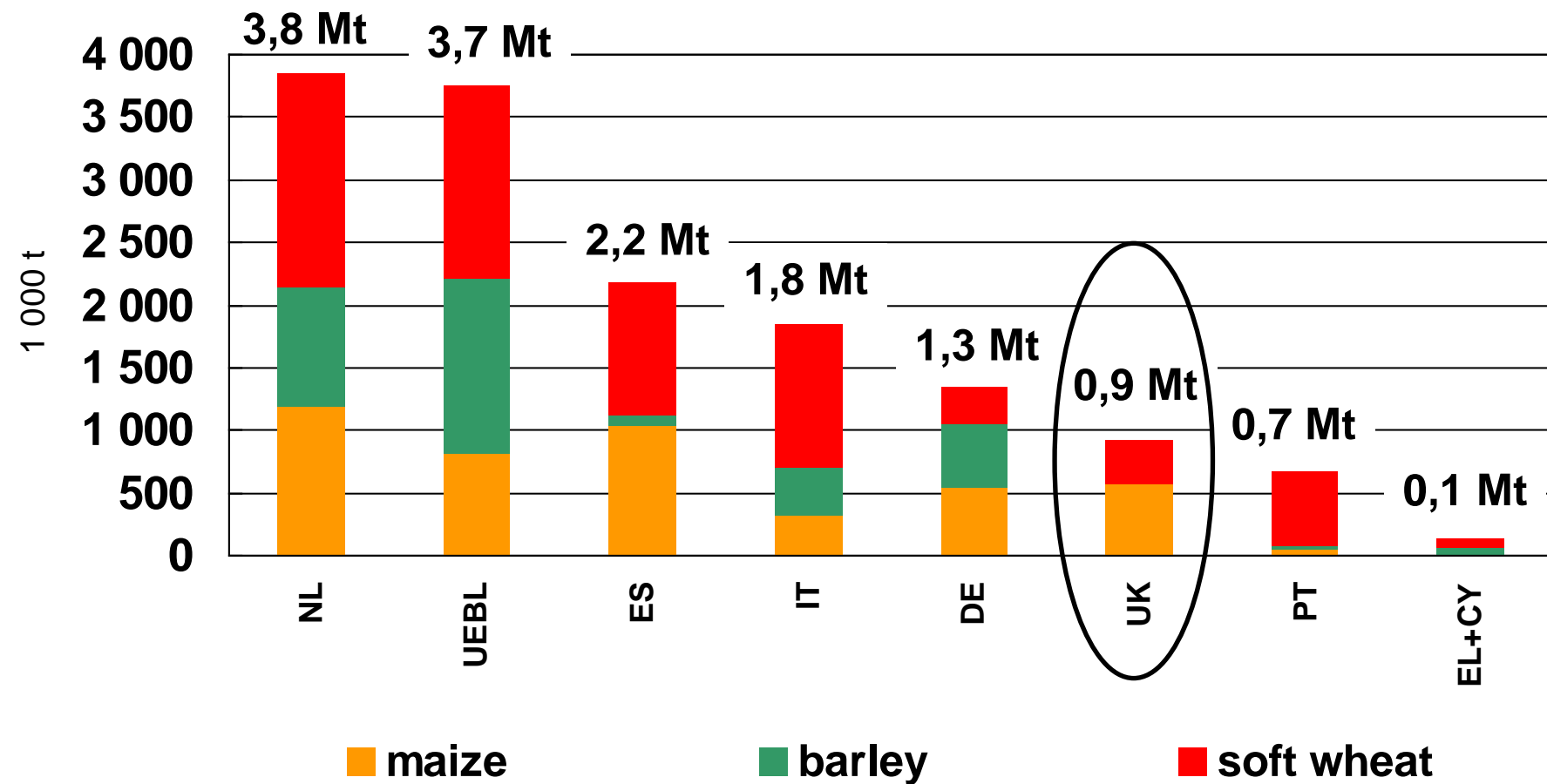
French cereals exports (grains and products)



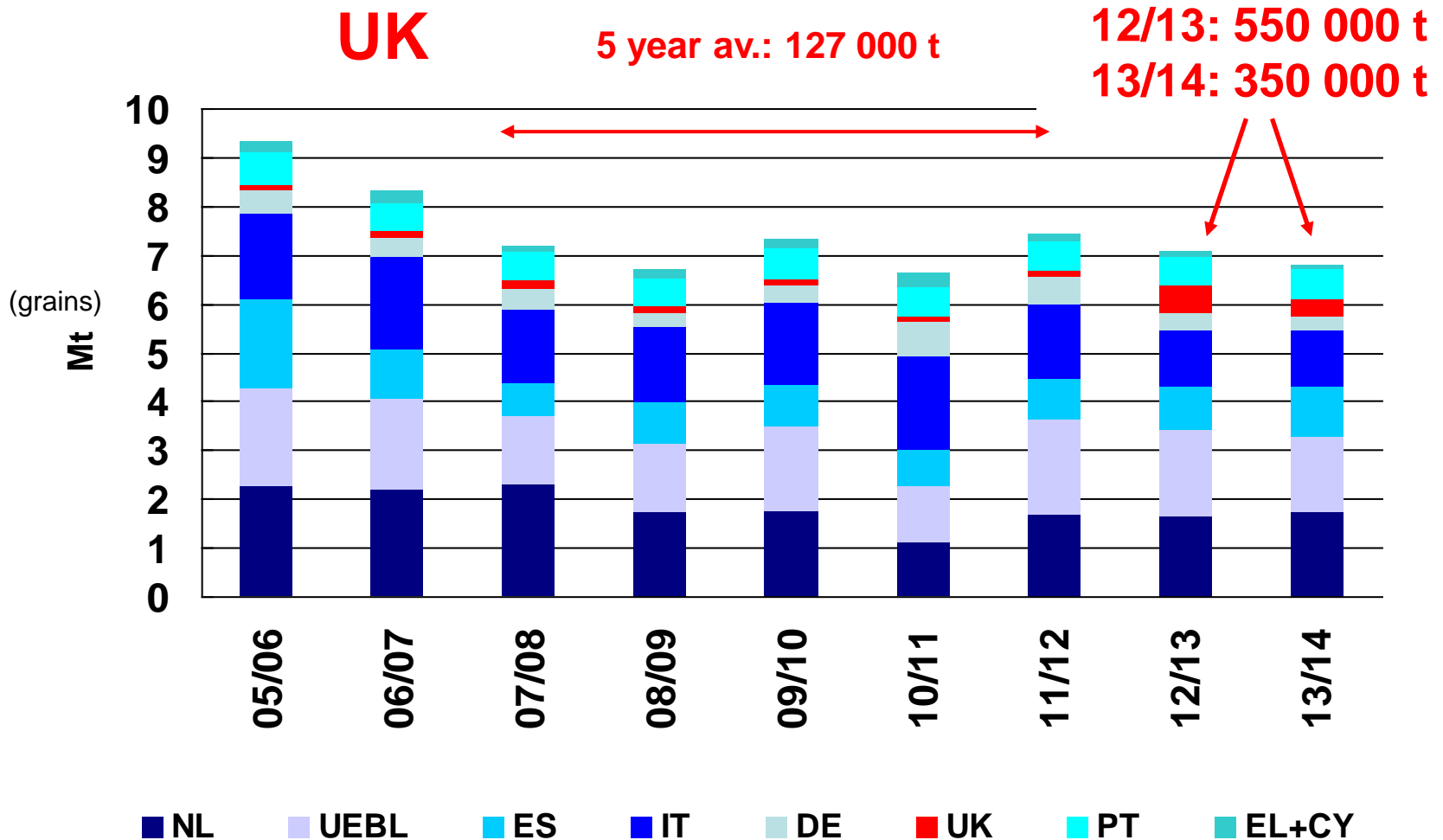
French cereals exports to the UK (grains)



French cereals exports within the EU main destinations in 2013/14

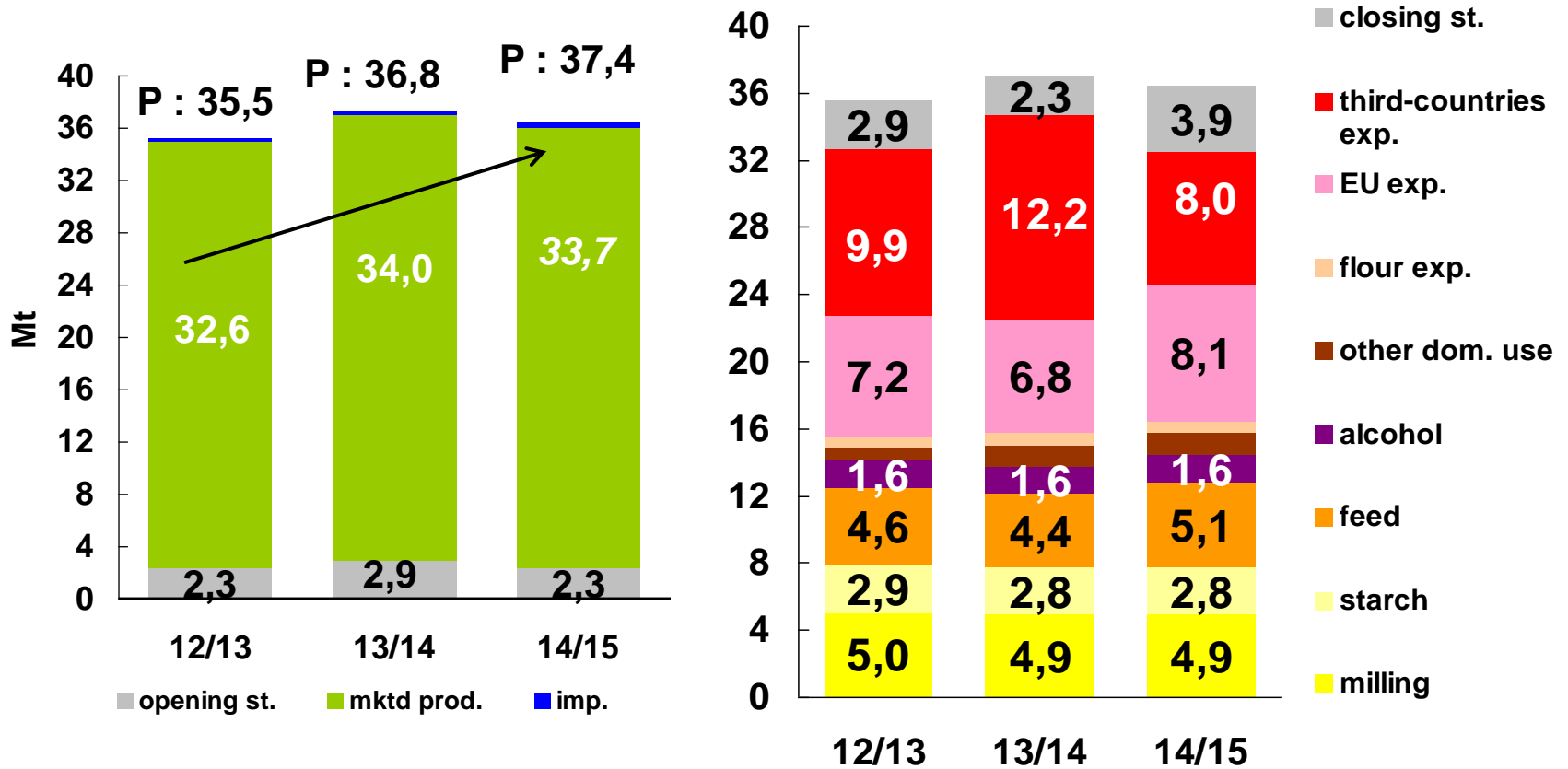


French soft WHEAT – EU main destinations



2014/15 FR >>> UK as of Sept 5 : 126 300 t!

French WHEAT balance



Growing availabilities

Prod & Mktd prod: upward revision expected

M 400 (254)

Feed 5,1 (4,4) - X EU 8,1 (6,8) - X third countries 8,0 (12,2) – closing st 3,9 (2,3)

Total in feed (wheat, barley, maize) 9,2 (9,1)

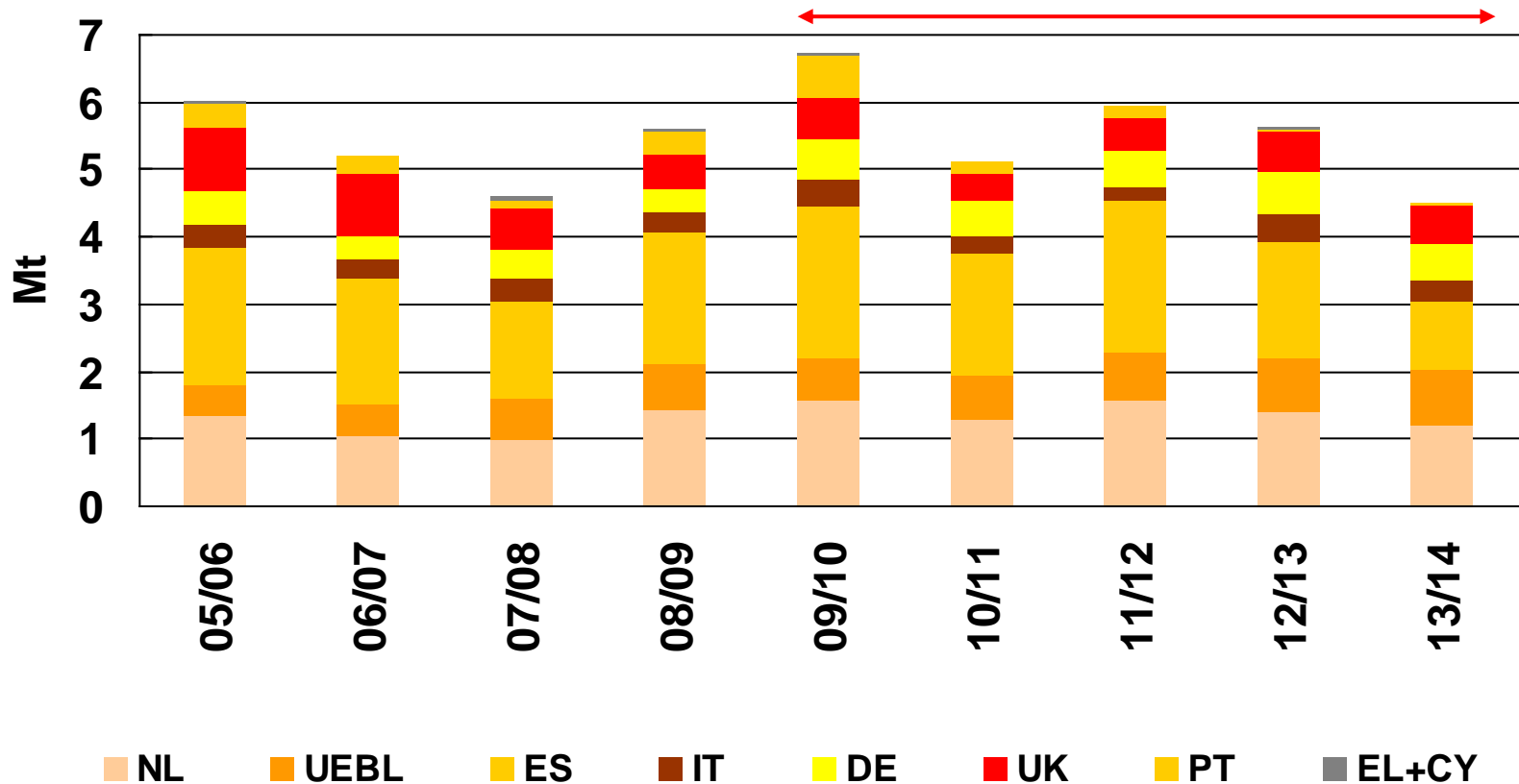
French MAIZE – EU main destinations

UK

5 year av.: 530 000 t

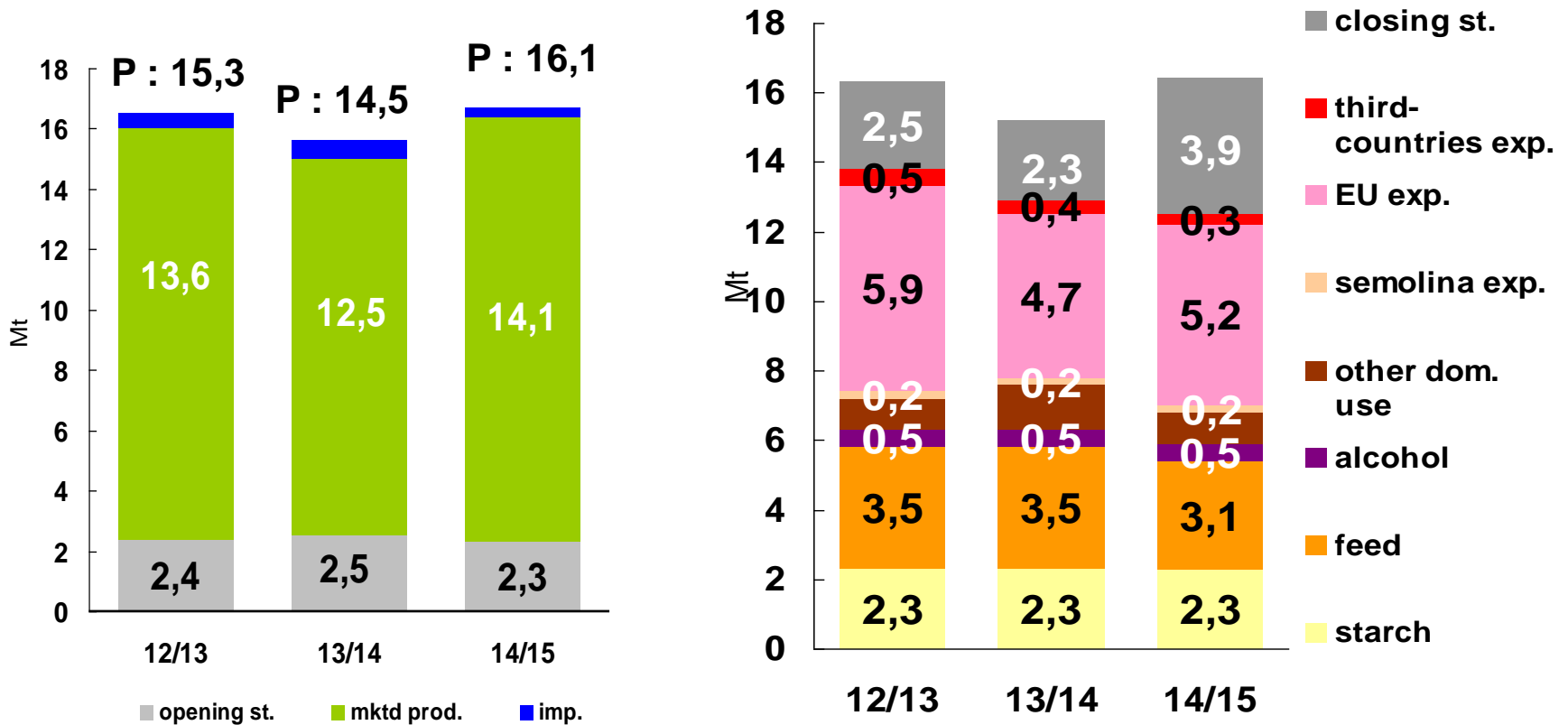
12/13: 593 000 t

13/14: 570 000 t



2014/15 FR >>> UK as of Sept 5 : 101 000 t

French MAIZE balance

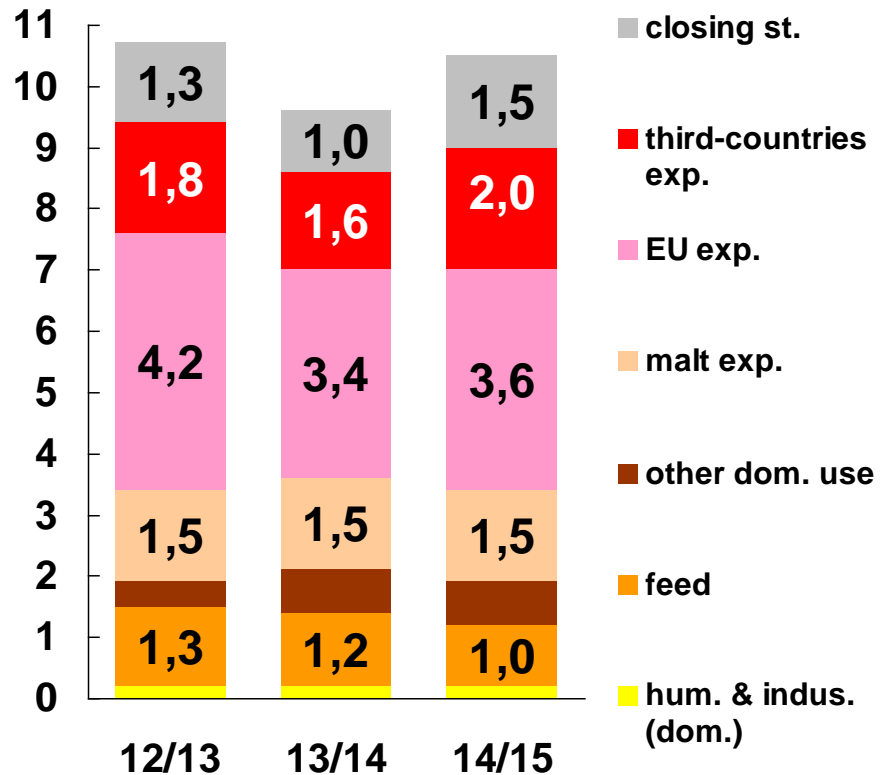
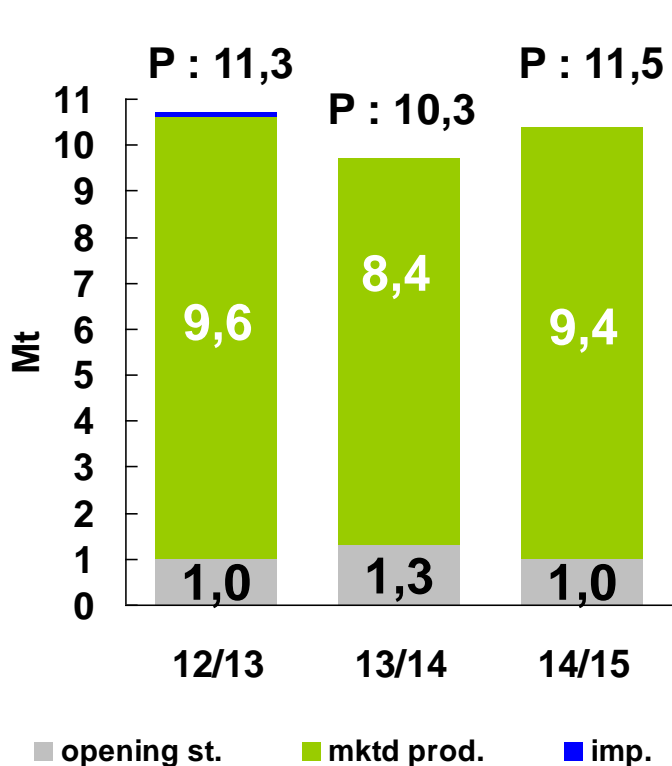


Production: significant upward revision expected

feed 3,1 (3,5) (?)

X EU 5,2 (4,7) (tariff) - X third countries 0,3 (0,4) – closing st 3,9 (2,3)

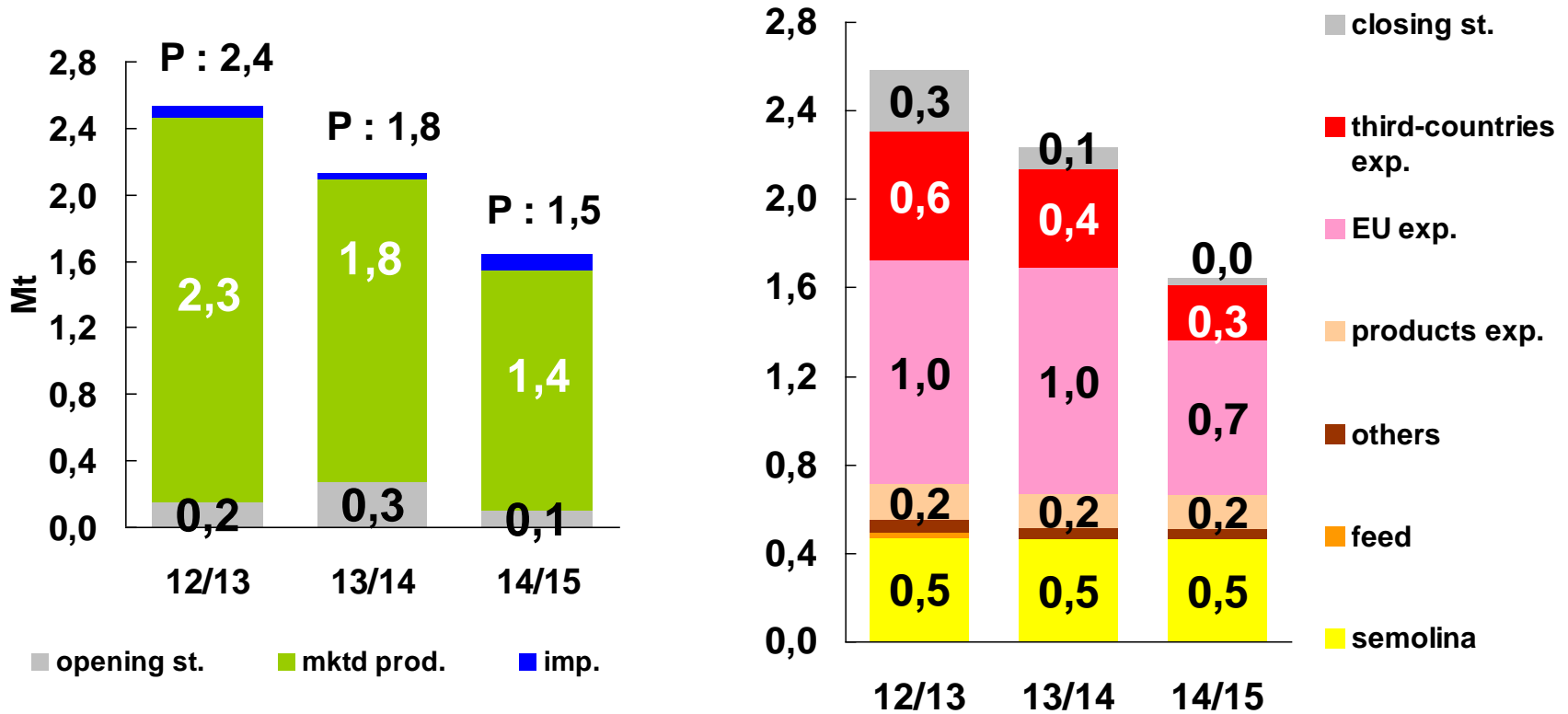
French BARLEY balance



feed 1,0 (1,2) >>> techn min

X EU: 3,6 (3,4) - X third countries 2 (1,6) China mlt & feed – closing st 1,5 (1)

French DURUM balance



Area < 300 000 ha ; -1/3 over the last 2 years

X EU 0,7 (1,0) ; X third countries 250 kt (440) – closing st 25 (98) (tight!)

French cereals – marketing system

« grain collectors » - 1st marketing stage

producers >>> grain collectors >>> trade, end users

« grain collector » - a major player in the chain

- collecting
- sorting out
- cleaning
- separating into batches / mkt
- storing

>>> quality control

>>> mkt in order

French cereals: moving forwards and upwards

Still many international factors of price instability

political Ukr / Russia conflict: the major wild card

Emerging economies capturing the main flows

China: securing volumes and diversifying origins (Black Sea)

French grains, a reliable origine for importing countries

- *a stable level of harvested crop & mkt prod*
- *smooth logistics*
- *a collective determination on quality*



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