

# Cereal market summary

The FAO's first forecast for world cereal production in 2012 points to a 1 percent (or 27 million tonnes) increase from 2011 to a new record of 2 371 million tonnes. Increases are expected for coarse grains and rice, while wheat may decrease.

Total cereal utilization is anticipated to expand by 1.4 percent in 2012/13, to 2 357 million tonnes, with feed utilization growing fastest and food consumption keeping pace with population. On the other hand, growth in industrial use of cereals for the production of biofuels is likely to stall after several years of strong gains.

Based on these early prospects for world production and utilization, world end-of-season cereal stocks for crop years closing in 2013 could increase to 524 million tonnes, roughly 9 million tonnes, or 1.7 percent, higher than their opening levels. This is not expected to result in any significant variation in the global stocks-to-use ratio, which is estimated to remain stable at roughly 22 percent. Among the major cereals, world carryovers are forecast to decline for wheat while increasing for coarse grains and rice. The forecast rise in inventories of coarse grains could still leave its stocks-to-use ratio at a precariously low level of 14.3 percent, up marginally from 2011/12.

World trade in cereals in 2012/13 is forecast to reach 295.5 million tonnes, slightly higher than in 2011/12. This increase mostly concerns maize, supported by rebounding supplies, more than offsetting an anticipated contraction in wheat, while rice trade is forecast to remain stable.

The FAO Cereal Price Index averaged 224 points in April 2012, down nearly 2 percent from March, with all cereals showing weakness, amid favourable supply prospects. In April, wheat prices on average were roughly 21 percent, maize 15 percent and rice 4 percent lower than the corresponding month last year.

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## World cereal market at a glance<sup>1</sup>

	2010/11	2011/12 estim.	2012/13 f'cast	Change: 2012/13 over 2011/12
	million tonnes			%
WORLD BALANCE				
Production	2 253.7	2 344.1	2 370.7	1.1
Trade <sup>2</sup>	281.4	293.1	295.5	0.8
Total utilization	2 275.4	2 324.7	2 357.2	1.4
Food	1 059.4	1 073.4	1 084.7	1.1
Feed	763.8	789.8	806.6	2.1
Other uses	452.2	461.5	465.9	1.0
Ending stocks	500.6	515.2	524.0	1.7
SUPPLY AND DEMAND INDICATORS				
Per caput food consumption:				
World (kg/year)	153.3	153.6	154.1	0.3
LIFDC <sup>3</sup> (kg/year)	160.0	160.7	162.4	1.1
World stock-to-use ratio (%)	21.5	21.9	21.7	
Major exporters stock-to-disappearance ratio (%)	16.8	17.5	18.2	
FAO CEREAL PRICE INDEX (2002-2004=100)				
	2010	2011	2012 Jan-Apr	Change: Jan-Apr 2012 over Jan-Apr 2011 %
	183	247	225	-11.7

<sup>1</sup> Rice in milled equivalent.

<sup>2</sup> Trade refers to exports based on a July/June marketing season for wheat and coarse grains and on a January/December marketing season for rice.

<sup>3</sup> Low-Income Food-Deficit countries.

## Cereal production, utilization and stocks

