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## Markets at a glance

	FROM PREVIOUS FORECASTS	FROM PREVIOUS SEASON
<b>WHEAT</b>	Neutral	Tightening
<b>MAIZE</b>	Easing	Easing
<b>RICE</b>	Neutral	Tightening
<b>SOYBEANS</b>	Neutral	Easing

With the onset of 2024, commodity markets remain relatively calm, at least compared to the recent past. Wheat, maize and soybean export prices were at their lowest of the past two years. Rice prices remain the exception: due to El Niño-induced production shortfalls and India's ongoing export restrictions, these are almost a third higher than they were one year ago. Markets will be watching the development of Brazil soybean production which have been under some stress due to below normal rainfall.

Yet, potential for shocks abounds: shipping disruptions in the Panama Canal, the Red Sea and many inland waterways could threaten established trade routes, and alter the competitiveness of different origins, with implications for planting intentions for 2024 crops.

The **Market Monitor** is a product of the Agricultural Market Information System (AMIS). It covers international markets for wheat, maize, rice and soybeans, giving a synopsis of major market developments and the policy and other market drivers behind them. The analysis is a collective assessment of the market situation and outlook by the ten international organizations and entities that form the AMIS Secretariat.

## Feature article

### Shipping Disruptions: focus on the Panama Canal and the Red Sea

While shipping disruptions affecting flows from Ukrainian Black Sea Ports following the cessation of the Black Sea Grain Initiative in July 2023 were partially addressed by implementation of a “humanitarian corridor”, shipping in 2023 was marred by strains in other chokepoints affecting movement of goods globally.

Particularly in the second half of 2023, low water levels on inland waterways transporting agricultural commodities for exports downstream and agricultural inputs upstream, including the Rhine in Germany, the Mississippi River in the United States of America and the Tapajós River in Brazil, constrained volumes and challenged internal transportation and logistics in major exporting countries.

Similarly, low water levels resulting from extreme drought, and exacerbated by the ongoing El Niño event, capped the size and the number of vessels in the Panama Canal locks, which usually handle crossings of as many as 38 vessels per day. Panama Canal Locks operate on fresh water. First reductions were introduced in July 2023, and in January 2024 reached nearly 40 percent compared to last year, leading to extended waiting time and diversions. While container traffic can book a passing slot or unload intermodal containers by rail, tankers and dry cargo have been affected by longer waiting time and disruptions. The Panama Canal route shortens transit, among others, for shipments of grains, oilseeds and cotton from the US Gulf coast to destinations in Asia, as well as horticulture products from Chile and Peru to Europe and US East coast destinations. Dry conditions are likely to persist until May 2024, eroding Panama's export earnings from crossing fees.

Elsewhere, disruptions in and around the Bab el-Mandeb between Yemen and the Horn of Africa caused by attacks on commercial vessels along the shipping route connecting the Indian Ocean with the Mediterranean Sea via the Red Sea and the Suez Canal, have been constraining traffic since late 2023. The route carries slightly over ten percent of global maritime trade volume, with energy products (mostly crude oil and LPG), being the most significant ones. While earlier attacks appeared to have been directed at container vessels, in January 2024 a dry bulk carrier and an oil tanker were also hit. A number of shipping companies responded to the threat of attacks by rerouting maritime traffic via the Cape of Good Hope (discussed in the freight section). Even if vessels are not rerouted, insurance costs for passing the Strait

have increased. UNCTAD estimates that the number of vessels clearing the Suez Canal has declined by over 40 percent in the past two months, constraining one of the main sources of foreign currency for Egypt.

The events in the Red Sea have already impacted global value chains, such as delayed deliveries of components in just in time delivery systems, with some industrial sectors reporting delays in arrivals of necessary components. For agricultural commodities, the passage secures exports of grains and oilseeds from the EU, Russian Federation and Ukraine to Asia and east Africa. Similarly, rice and other commodities head eastwards from Asia. Fertilizer trade, including potash from Russian Federation to Asia, also transits through the Red Sea.

Rice tends to be shipped in containers. Quotations for Asia – Europe containerized shipping have increased by up to six times, depending on the timing. The benchmark Shanghai Containerized Freight Index has doubled between mid-December 2023 and mid-January 2024. In the dry bulk carriers' sector (used to transport a significant share of grains, oilseeds as well as some fertilizers), broad effects are not yet seen, although longer shipping routes will increase the costs - some of which depend directly on the cost of crude oil. There is also a concern about the impact of longer shipping routes on perishable products and live animals, especially those heading to Near East markets.

Competitiveness of Black Sea and other European origins to destinations in Asia might be eroded by higher shipping costs, while the developments could be beneficial for producers on the American continent. Higher shipping costs will impact food import bills and subsequently retail prices, although they might not fully translate into higher consumer prices. Lower fob (and farm-gate) prices might absorb some of the increases in shipping costs.

Should energy prices significantly increase (as a result of the attacks, or combined with other factors), higher energy costs will have spillover effects on the agricultural sector due to its high energy intensity including use of energy in Nitrogen fertilizer production.

UNCTAD warns that the cumulative effect of these disruptions translates into extended cargo travel distances, escalating trade costs, and a surge in greenhouse gas emissions from shipping having to travel greater distances and at greater speed.

## World supply-demand outlook

### WHEAT

production in 2023 still 2.2 percent below the level harvested in 2022, despite an upward revision this month largely from higher estimates for Canada.

Utilization in 2023/24 lifted since December, largely on another upward revision to feed use in the EU, and forecast to increase by 2.0 percent above the 2022/23 level.

Trade in 2023/24 (July/June) raised this month on improved export prospects for Ukraine and import demand from Brazil, China, and several countries in Asia; but still falling below the 2022/23 level.

Stocks (ending in 2024) forecast nearly unchanged compared to December but pointing to a 1.1 percent contraction below opening levels following revisions of historical inventories.

Wheat	FAO-AMIS			USDA		IGC	
	2022/23 est	2023/24 f'cast		2022/23 est	2023/24 f'cast	2022/23 est	2023/24 f'cast
		7 Dec	1 Feb				
Supply Prod.	805.9	787.1	788.5	789.2	784.9	803.7	788.3
	668.2	650.5	651.9	651.4	648.3	666.0	651.7
Trade Utiliz.	1105.4	1105.4	1111.3	1062.5	1056.5	1076.7	1070.0
	833.7	827.3	833.2	788.0	781.1	807.2	794.2
Stocks	778.9	791.4	794.3	783.0	796.4	795.1	804.4
	636.2	643.4	646.3	635.0	642.9	652.3	655.0
	200.0	194.1	197.4	216.1	213.3	207.6	197.9
	186.5	184.1	186.7	202.8	200.8	194.1	185.2
	323.1	319.3	319.7	271.6	260.0	281.6	265.6
	181.6	179.7	179.3	132.7	126.5	141.3	126.6

IN MILLION TONNES

### MAIZE

production forecast for 2023 now 5.2 percent above the 2022 level following another adjustment mostly reflecting upward revisions in China, the EU, the US, and Türkiye.

Utilization in 2023/24 raised slightly this month on higher feed use, especially in China, and set to increase by 1.5 percent above the 2022/23 level.

Trade in 2023/24 (July/June) raised this month on larger anticipated purchases from China and bigger sales anticipated in Ukraine, Türkiye, and the Russian Federation.

Stocks (ending in 2024) revised upwards this month with larger inventories expected in China and Mexico, and now surpassing opening levels by 10.3 percent.

Maize	FAO-AMIS			USDA		IGC	
	2022/23 est	2023/24 f'cast		2022/23 est	2023/24 f'cast	2022/23 est	2023/24 f'cast
		7 Dec	1 Feb				
Supply Prod.	1168.9	1219.0	1229.4	1155.6	1235.7	1164.7	1230.1
	891.7	934.0	940.6	878.4	946.9	887.5	941.3
Trade Utiliz.	1476.1	1502.6	1513.9	1466.1	1536.3	1451.2	1504.8
	1042.2	1063.4	1070.9	979.8	1041.4	985.9	1040.0
Stocks	1187.6	1201.8	1205.5	1156.8	1199.6	1176.6	1217.9
	889.2	899.4	900.1	857.8	893.6	868.1	907.0
	182.9	180.5	186.1	180.5	198.5	179.7	176.0
	163.8	160.5	161.1	161.8	175.5	160.6	156.0
	285.8	309.1	315.2	300.6	325.2	274.6	286.8
	131.6	152.4	152.6	94.5	113.4	98.6	113.0

IN MILLION TONNES

### RICE

production in 2023/24 lowered slightly, as a downward revision for China is mostly compensated by output upgrades for various other countries, especially Guinea, Mali and Nepal.

Utilization in 2023/24 still seen stagnating at the 2022/23 level, despite a mild upward revision since December.

Trade in 2024 downgraded somewhat, primarily on less buoyant import expectations for Nepal and Nigeria. Among exporters, shipments by India downgraded the most.

Stocks (2023/24 carry-out) lowered as downscaled expectations for China, Pakistan and Thailand outweigh an upgrade, namely for India. Despite the revision, global rice reserves still seen rising by 1.1 percent y/y.

Rice	FAO-AMIS			USDA		IGC	
	2022/23 est	2023/24 f'cast		2022/23 est	2023/24 f'cast	2022/23 est	2023/24 f'cast
		7 Dec	1 Feb				
Supply Prod.	521.2	524.9	524.6	513.0	513.5	514.5	511.1
	378.4	381.8	383.0	367.0	368.9	368.5	366.5
Trade Utiliz.	718.3	721.4	721.3	696.2	689.3	690.1	681.2
	474.9	478.7	480.1	437.3	438.1	437.8	434.3
Stocks	522.6	521.6	522.2	525.0	519.9	520.0	515.7
	375.7	378.3	379.4	370.0	370.0	369.2	367.7
	52.7	52.2	51.5	52.4	52.2	51.0	49.7
	49.9	48.9	48.1	49.8	49.4	48.0	46.4
	196.7	199.7	198.8	175.8	167.2	170.2	165.6
	97.1	99.5	99.7	69.2	65.2	65.6	63.3

IN MILLION TONNES

### SOYBEAN

2023/24 production virtually stable, as upward revisions in Argentina and the US compensated a lower forecast for Brazil amid unfavourable weather conditions.

Utilization in 2023/24 steady due to offsetting revisions in a number of countries, confirming expectations of a 5.8-percent y/y recovery after stagnating for two consecutive seasons.

Trade in 2023/24 (Oct/Sep) lifted marginally, primarily reflecting import purchases by China, while export forecasts were raised for Argentina and the US.

Stocks (2023/24 carry-out) lowered further, mostly on expectations of stock releases in Brazil following reduced supplies. Globally, a 13 percent y/y recovery in carry-over inventories is expected.

Soybean	FAO-AMIS			USDA		IGC	
	2022/23 est	2023/24 f'cast		2022/23 est	2023/24 f'cast	2022/23 est	2023/24 f'cast
		7 Dec	1 Feb				
Supply Prod.	371.8	395.2	395.5	375.4	399.0	371.1	392.4
	351.6	374.4	374.7	355.1	378.1	350.8	371.6
Trade Utiliz.	416.8	442.6	438.8	473.4	500.8	421.0	449.7
	377.5	398.8	395.0	423.9	446.2	372.7	390.2
Stocks	366.5	388.0	388.6	364.7	383.7	363.7	383.6
	250.5	269.0	269.0	248.2	263.2	247.2	263.2
	171.0	167.1	168.2	171.7	170.9	171.6	168.0
	71.1	69.3	69.4	70.8	68.9	64.7	66.0
	43.3	51.8	49.0	101.9	114.6	57.3	66.1
	20.3	29.3	26.0	68.1	78.6	18.5	25.0

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 2023/24 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
<b>WORLD</b>	1373	3365	2891	3355	342	10390	5609	3630	5615	6085	-283	-765	590	-779	-872	328	1148	570	1102	-2805
<b>Total AMIS</b>	1163	1400	2577	3175	-656	10897	4600	3101	5115	6920	-1619	-318	263	-730	-471	328	1148	570	1102	-2805
Argentina	-	-	370	-	1630	-	-	-	-	-	-	-3	33	-65	10	2000	50	500	800	500
Australia	69	-	515	-	1175	-	-	-	-	-	-	-20	15	20	45	-15	-	-16	1	-
Bangladesh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brazil	-1537	700	164	-500	-300	186	-	186	-	-	-2	-50	8	40	50	-3000	-	-500	-	-5000
Canada	2119	-	-131	500	350	144	-	-156	-	-	-	-	60	-	70	259	-	9	100	150
China Mainland	50	700	-	-	750	3842	5000	3000	-	5842	-1562	-	-528	-	-1100	40	1000	540	-	500
Egypt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU	160	-	1002	-	-650	1561	-1000	62	-	500	-	-	-	-	-	48	-2	46	-	-
India	-	-	-	-	-	-	-	-	-	-	-	-	835	-700	700	-	-	-	-	-
Indonesia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-50	-	-50	-	-
Japan	-	-	-	-	-	-	300	-	-	-	-	-	-	-	-	-5	-	-15	-	10
Kazakhstan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mexico	-	-	400	-400	-	318	1000	318	-	2000	-	-	-20	-	-	-	-	-	-	-
Nigeria	45	-	45	-	-	-1410	-	-1240	-	-170	-119	-250	-239	-	-80	-	-	-	-	-
Philippines	-	-	-	-	-	-100	-	-100	-	-	-	-	-	-	-	-	-	-	-	-
Rep. of Korea	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	-	-	-	-	-
Russian Fed.*	-230	-	-	-	1352	545	-	-455	1000	-	-	-	-	-	-	100	-	-	-	100
Saudi Arabia	-	-	-	-	50	-	-	-	-	-	1	-70	-49	-	110	-	-	-	-	-
South Africa	10	-	10	-	-	-14	-	-14	-	-	-	-	-	-	-	-	-	-	-	-
Thailand	-	-	-	-	-	-	-	-	-	-	-	-	-110	-	-360	-	-	-	-	-
Türkiye	200	-	-	-	150	2500	-900	-300	2100	-	-	-	-	-	-	8	-	8	-	-
Ukraine**	278	-	-	4000	-3722	600	-	-	2000	-1400	-	-	-	-	-	-	-	-	-	-
UK	-1	-	229	-425	-461	-	-	-104	15	-10	-	-	-	-	-	-	-	-	-	-
US	-	-	-27	-	-980	2725	-	1904	-	158	-44	75	-	-25	84	950	-	-100	200	940
Viet Nam	-	-	-	-	-	-	-	-	-	-	108	-	258	-	-	-7	100	148	1	-5

In thousand tonnes

**+i Note**

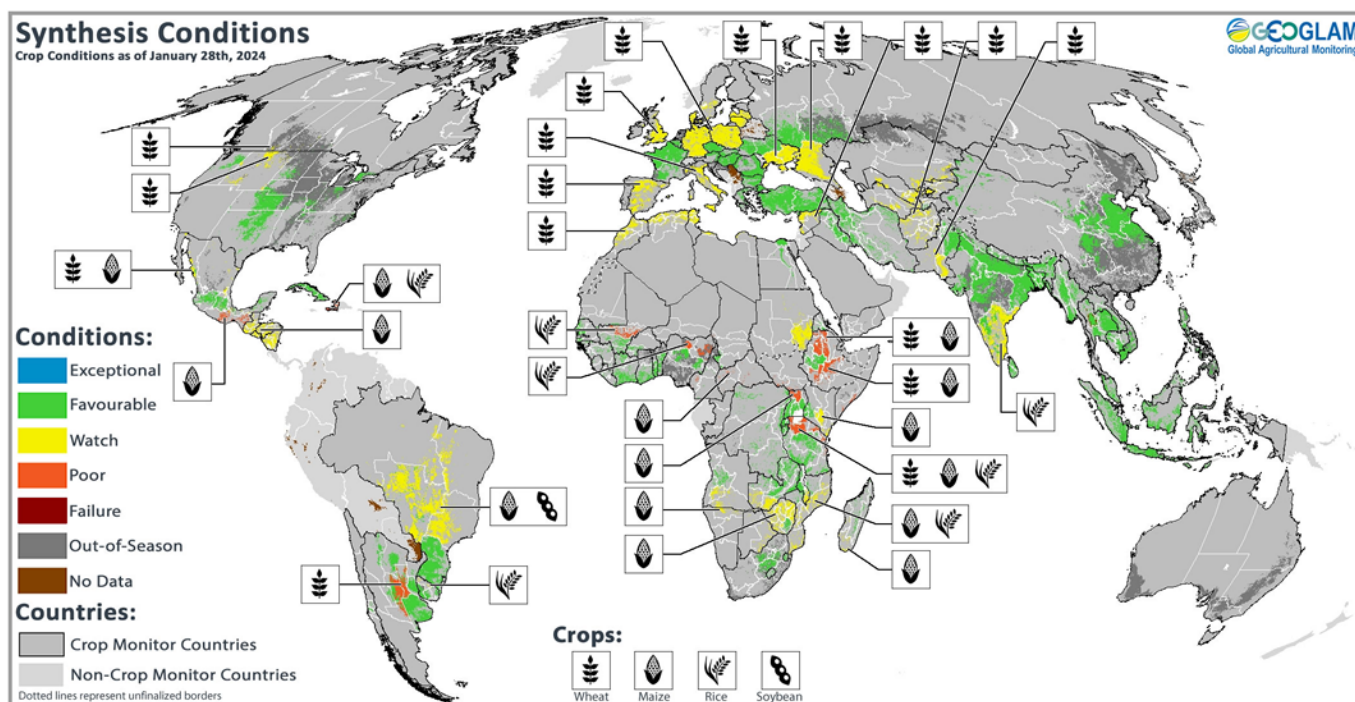
Only significant changes (of more than 1 000 tonnes) are displayed in the table.

\*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 28 January. 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 southern hemisphere, harvesting is wrapping up in Argentina. In the northern hemisphere, winter wheat is under mixed conditions in parts of Europe, the Black Sea region, the US, and Canada.

#### Maize

In the southern hemisphere, conditions are favourable in Argentina and South Africa while harvesting is beginning in Brazil for the spring-planted crop under mixed conditions. Conditions are favourable in India for the Rabi crop.

#### Rice

In India, transplanting of the Rabi crop continues. In Bangladesh, Aus season rice harvest is wrapping up as Boro season rice is sown. In Southeast Asia, wet-season rice is beginning in Indonesia as the sowing of dry-season rice ramps up in the northern countries.

#### Soybeans

In the southern hemisphere, harvesting is beginning in Brazil under mixed conditions as sowing is wrapping up in Argentina under favourable conditions.

### Ongoing El Niño and Positive IOD

The ongoing strong El Niño event is forecast to weaken during the next several months. ENSO-neutral conditions are likely during April to June (73 percent chance). Long-range outlooks indicate a possible return to La Niña conditions later this year, with a 64 percent chance of a La Niña event by August to October 2024, based on the CPC/IRI forecast.

El Niño events tend to enhance precipitation in Central Asia, southern North America, south-eastern South America, and south-eastern China. Drier-than-average conditions tend to occur in northern South America, parts of the northern U.S. and

Canada, Southern Africa, the Maritime Continent, and northern Australia.

Positive Indian Ocean Dipole (IOD) conditions continue to weaken and will likely return to neutral during February 2024. Globally, 2023 was the warmest year on record, and the warming influence of El Niño will likely continue this upward trend into 2024. Warmer temperatures will exacerbate rainfall deficits due to higher evaporation.

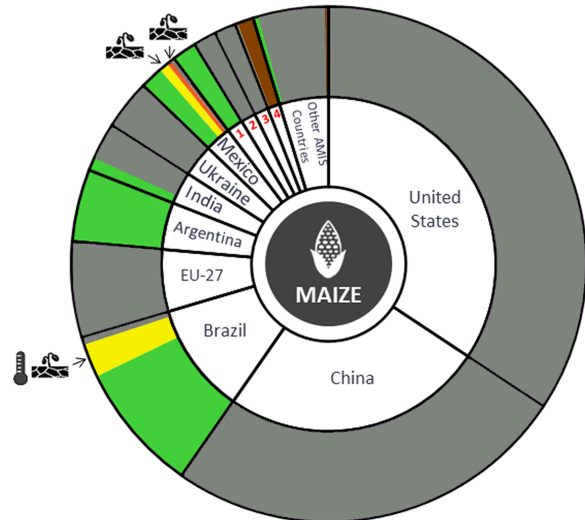
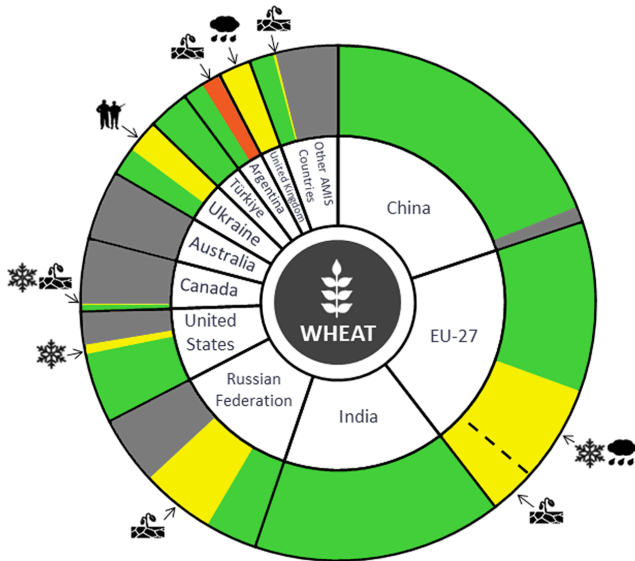
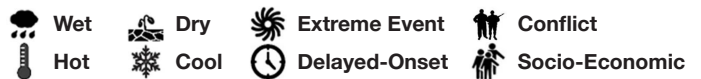
Source: UCSB Climate Hazards Center

## Crop monitor

## Conditions



## Drivers



South Africa<sup>1</sup>, Russian Federation<sup>2</sup>, Canada<sup>3</sup>, Indonesia<sup>4</sup>

## Summaries by crop

## Wheat

In **Argentina**, harvesting is wrapping up under mixed conditions as the earlier severe drought affected much of the country. In the **EU**, conditions are mixed due to a cold spell in the north, excessive rainfall in central parts, and dryness along the Mediterranean. In the **UK**, conditions are mixed due to excessive rainfall. In **Türkiye**, conditions are favourable. In **Ukraine**, conditions are favourable away from the warzone with adequate snow cover and an increase in soil moisture. In the **Russian Federation**, conditions are favourable as soil moisture improved due to ample precipitation; however, dry conditions remain in part of the Caucasus. In **China**, conditions are favourable with a boost to soil moisture reserves received in December. In **India**, sowing is wrapping up under favourable conditions with an increase in total sown area compared to 2023. In the **US**, conditions are generally favourable albeit with recent extreme cold temperatures combined with limited snow cover increasing the potential for winterkill in the Northern High Plains. There is a reduction in the total sown area compared to last year. In **Canada**, winter wheat conditions are favourable in the main producing provinces of Ontario and Manitoba; however, a lack of adequate snow cover combined with extremely low temperatures is potentially impacting crops in the Prairies.

## Maize

In **Brazil**, harvesting is beginning for the spring-planted crop (smaller season) under mixed conditions due to a lack of rain and high temperatures earlier in the season; however, a recent return of rains is expected to facilitate the recovery of the crop. A reduction in the total sown area is expected compared to last year. Sowing of the summer-planted crop (larger season) is beginning under favourable conditions. In **Argentina**, conditions are favourable for both the early-planted crop (larger season), which is in the flowering and grain-filling stage, and the late-planted crop (smaller season), which is in the early-vegetative stage. In **South Africa**, conditions are favourable following widespread rain since early December, however, temperatures and rainfall during February will be critical. In **Mexico**, harvesting is wrapping up for the Spring-Summer season (larger season) as the sowing of the Autumn-winter season (smaller season) continues under dry conditions. In **India**, sowing of the Rabi crop is wrapping up under favourable conditions.

## +i Pie chart description

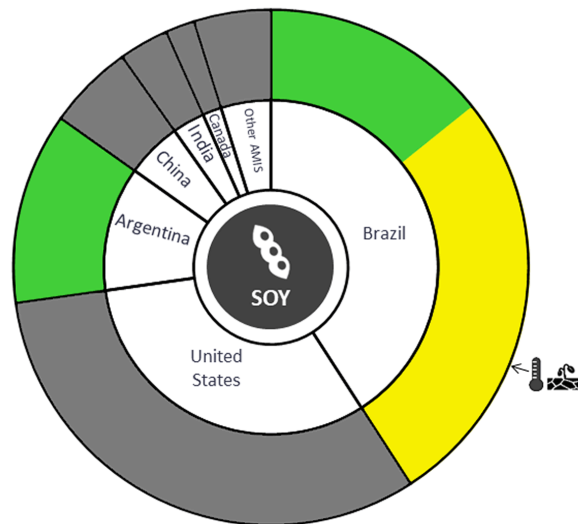
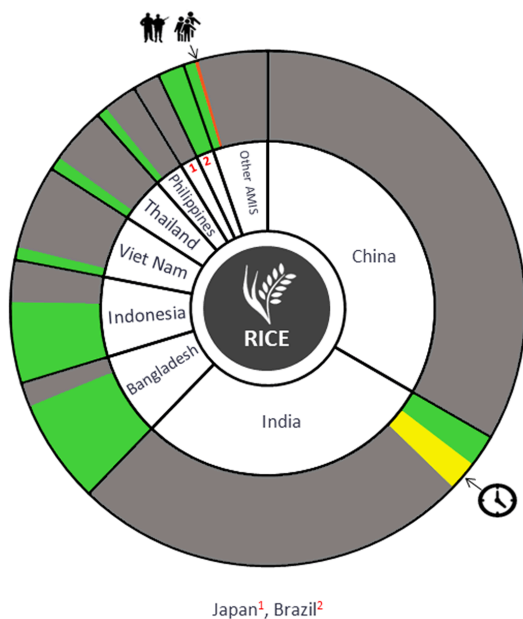
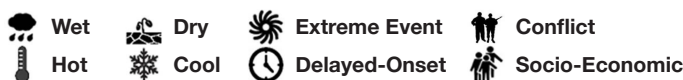
Each slice represents a country's share of total AMIS production (5-year average), with the main producing countries (95 percent of production) shown individually and the remaining 5 percent grouped into the "Other AMIS Countries" category. Sections within each country are weighted by the sub-national 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 **India**, transplanting of Rabi rice is ongoing under favourable conditions in the eastern states and with a delay in the southern states, especially in Karnataka due to dryness left over from the previous season. In **Bangladesh**, conditions are favourable as both the harvesting of the Aus season rice (smallest season) and sowing of the Boro season rice (largest season) wrap up. In **Indonesia**, conditions are favourable as wet-season rice sowing continues and the harvesting of earlier sown crops begins. In **Viet Nam**, the sowing of dry-season rice (winter-spring rice) is beginning in the Mekong River Delta under favourable conditions. In **Thailand**, dry-season rice conditions have improved, although the dry weather during sowing is expected to result in a reduction in the total sown area compared to last year. In the **Philippines**, dry-season rice is under favourable conditions due to ample rainfall during sowing and high-yield seed assistance from the government. In **Brazil**, conditions are favourable with an increase in sown area compared to last year.

Soybeans

In **Brazil**, as harvesting begins, conditions are mixed across most of the country due to a lack of rain and high temperatures from September to mid-December. However, regular rains have returned, and conditions are likely to improve before harvest. In the South, conditions are favourable despite excessive rainfall. In **Argentina**, sowing is wrapping up under favourable conditions across the country. The early-planted crop (typically larger season) is in the reproductive stages and the late-planted crop (typically smaller season) is emerging.

Information on crop conditions in non-AMIS countries can be found in the **GEOGLAM Early Warning Crop Monitor**, published 1 February.

**+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 & IRRRI), 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 December 2023 and January 2024, policy measures affecting the wheat and rice sectors were introduced by India and the Russian Federation, while Argentina announced changes affecting grains and soybeans, and Brazil and Indonesia modified their biofuel policies.

### Wheat

- On 7 November, **India** announced plans to offer consumers "bharat atta" wheat flour at a capped price of INR 27.50 (USD 0.33) per kilo, compared to INR 36 - 70 (USD 0.43 - 0.84) prevailing on the markets at the time of the introduction, in view of making the flour available to consumers at an affordable rate.
- On 8 December, the Ministry of Consumer Affairs, Food and Public Distribution in **India** revised downwards its wheat stock limits for traders, wholesalers, and retailers. The new limits are set at 1 000 tonnes (down from 2 000 tonnes) for traders and wholesalers, five tonnes (previously 10 tonnes) for retailers, and five tonnes (formerly 10 tonnes) for each outlet. Moreover, big chain retailers' depots will now have a limit of 1 000 tonnes (reduced from 2 000 tonnes).
- On 11 December, the **Russian Federation**, through Resolution 2123, announced a ban on durum wheat exports until 31 May 2024 to ensure sufficient domestic supplies. Exceptions to the ban include those exports that are provided for humanitarian assistance, as well as exports under international intergovernmental agreements.
- On 11 December, the government of **Kazakhstan** allocated KZT 31.375 billion (USD 70 million) from the reserve fund to finance the purchase of 350 000 tonnes of wheat from Kazakh farmers. The stated objective of the intervention is to support farmers affected by unfavourable weather conditions in the year 2023.
- On 4 January, **Argentina** provided an exceptional extension to the authorization period that had been granted for wheat exports. Affidavits of Foreign Sale that had been established with a shipment date in February 2024 were granted a 30-day extension, while those for March 2024 were granted a 60-day extension.

### Maize

- On 1 January, **China** implemented a new tariff adjustment plan for 2024, which eliminated applied tariffs on imports of sweetcorn seeds. The cut reduces the duty charged on imports from the 13 percent Most Favoured Nation (MFN) rate.

- On 19 January, the **European Commission** announced it would allocate EUR 230 million in direct grants to support Polish maize producers, under the Commission's state aid "Temporary Crisis and Transition Framework". Grants not exceeding EUR 280 000 (USD 311 000) per beneficiary would be provided to recipients no later than 30 June 2024.

### Rice

- On 4 December, the **Philippines** revised rice import rules by shortening the validity of import permits from 60 to 30 days after issuance of the sanitary and phytosanitary import authorization. This measure aims to facilitate availability of the staple grain.
- On 7 December, the Directorate General of Foreign Trade in **India**, through Notification 48/2023, authorized exports of non-basmati white rice to five countries, following the imposition of an export ban on this product category in July (see AMIS Market Monitor, September 2023). The notification approved exports to Comoros (20 000 tonnes); Madagascar (50 000 tonnes); Equatorial Guinea (10 000 tonnes); Egypt (60 000 tonnes); and Kenya (100 000 tonnes). Separately, Notification 47/2023 on the same date approved the export of 20 tonnes of non-basmati white rice to Nepal, as a donation to earthquake victims. The latest announcements come after the government had previously approved exports to seven other African and Asian countries in October (see AMIS Market Monitor, November 2023).
- On 8 December, the Directorate General of Foreign Trade in **India** through Notification 51/2023 extended until 31 March 2024 a ban on the export of de-oiled rice bran, a major ingredient in the preparation of cattle and poultry feed. Exports of de-oiled rice bran were initially banned in July 2023.
- On 12 December, the Directorate General of Foreign Trade in **India** through Notification 52/2023 deferred the mandatory requirement of a certificate of inspection by export inspection agencies for shipping both basmati and non-basmati rice to certain European countries by six more months (see AMIS Market Monitor, July 2023). Under the revised policy, the export of rice to Iceland, Liechtenstein, Norway, Switzerland, and the UK will only be permitted if accompanied by a certificate of inspection issued by the Export Inspection Council or Export Inspection Agency. **EU** member states are already subject to the same requirement. However, exports to other European countries will be exempt from the requirement for a certificate of inspection for rice exports, for a six-month period.
- On 16 December, **Indonesia** agreed to set a low tariff-rate quota of 8 500 tonnes for rice imports from **Japan**, included in an updated economic partnership agreement for free trade



## Policy developments

between the two nations. Under this quota, Indonesia will impose a tariff rate close to JPY 4.3 (USD 0.03) per kilogramme. In 2022, Japan exported 39 tonnes of polished rice to Indonesia.

- On 18 December, the Department of Food and Public Distribution in **India** instructed representatives of the rice processing industry to maintain the prices of non-basmati rice within reasonable levels and enforce strict measures against profiteering.
- On 18 December, the **European Commission** suspended until 31 March 2025 the additional 25 percent *ad valorem* duty on imports of semi-milled or milled rice and broken rice originating in the **United States**, which was due to expire in 2023. It had been introduced on 21 June 2018, following the implementation by the United States of safeguard measures against products from the EU.
- On 26 December, the President of the **Philippines** approved an extension of the lower 35 percent Most Favoured Nation (MFN) rice import tariff until December 2024. The government said the measure was intended to contain inflation and maintain affordable prices (see AMIS Market Monitor, June 2021).
- On 30 December, the **Russian Federation** through Resolutions 2377 and 2378 extended its ban on rice and rice cereal exports, until 30 June 2024. Some exceptions to the ban apply, including for humanitarian aid, and goods in transit. The government said that the measure sought to maintain stability on the domestic market.
- On 3 January, the **Philippines** increased the 2024 budget of the National Rice Program from PHP 30.2 billion (USD 539 million) to PHP 30.9 billion (USD 552 million) to support small-scale rice farmers. On 11 January, the Department of Agriculture rejected the option of capping rice retail prices to contain inflation, favouring instead market-driven pricing for agricultural products.

## Soybeans

- On 22 December, **India** announced it would extend until March 2025 the reduced import duty on vegetable oils (including soyoil) from 17.5 to 12.5 percent, which had been implemented on 15 June 2023 and was set to expire in March 2024.
- On 19 January, the Ministry of Agriculture of **Kazakhstan** published a draft "Comprehensive Action Plan for the Development of Processing of Agricultural Products and the Food Industry for 2024-2028". The proposal includes imposing export duties on soybeans, rapeseed, and possibly other crops

by the end of 2024. It aims to increase the utilization of processing facilities and reduce exports of raw material.

## Biofuels

- On 4 December, **Brazil** announced a range of clean energy initiatives under the "Fuel of the Future" programme, with an investment of BRL 200 billion (USD 41 billion) by 2037. Over BRL 105 billion (USD 21 billion) will be directed towards integrating Renovabio, which sets annual national decarbonization targets for the fuel industry, and Rota 2030, an automotive sector development plan. Another BRL 65 billion (USD 13 billion) will boost the biofuels sector, which includes ethanol, biodiesel, synthetic fuels, and biomethane.
- On 11 December, **India** set a target of 20 percent blending of ethanol in petrol under the Ethanol Blending Programme (EBP) in Ethanol Supply Year (ESY) 2025-26. The estimated requirement for 20 percent ethanol blending in ESY 2025-26 is around 10.16 million litres, aiming to substitute this volume of petrol with ethanol. Additionally, on 8 December, the government announced it would rely on maize for ethanol production to meet gasoline blending goals.
- On 19 December, the National Energy Policy Council (CNPE) in **Brazil** decided to increase the biodiesel blend ratio with diesel oil, raising it from 12 to 14 percent beginning March 2024. This percentage will further escalate to 15 percent by March 2025. The previous timeline had slated the B14 mixture for April 2025 and B15 for 2026. As per the Ministry of Mines and Energy, this measure is anticipated to prevent the emission of five million tonnes of CO<sub>2</sub> into the atmosphere and lead to an approximate reduction of BRL 7.2 billion (USD 1.5 billion) in fossil diesel imports.
- On 4 January, **India** state fuel retailers raised the purchase price of maize-based ethanol to INR 71.86 (USD 0.86) per litre, representing an increase of INR 5.79 (USD 0.07) per litre. The measure is intended to improve domestic availability of sugar, another ethanol feedstuff, amid an expected decline in domestic sugar output in the current marketing year.
- On 16 January, the Ministry of Energy and Mineral Resources of **Indonesia** indicated it would raise its biofuel blending mandate from 30 to 35 percent. The increase is due to take effect in February 2024, a month later than previously expected, with a target of 12.5 million metric tonnes.

## Fertilizers

- On 6 December, the **Russian Federation** indicated it would maintain a freeze on domestic prices of fertilizers until May

## Policy developments

2024. The decision follows an announcement in December extending fertilizer export quotas for a six-month period (see AMIS Market Monitor, December 2023).

- On 11 December, the Ministry of Economy and Finance in **Korea** said it would extend its tariff rate quota system for urea and ammonium phosphate until the end of 2024. The measure seeks to respond to supply chain risks associated with export restrictions imposed by China, the ministry said.
- On 2 January, media reports indicated that **Indonesia** proposed to increase its fertilizer subsidy budget by IDR 14 trillion (USD 897 million) in the second half of the year to improve access to fertilizers. The increase is subject to approval by the House of Representatives. Currently, the state-owned fertilizer agency Pupuk Indonesia has 1.7 million tonnes of fertilizers available for farmers to use, 1.2 million tonnes of which are subsidized.
- On 22 January, the **United States** Department of Agriculture announced USD 207 million investment in renewable energy and domestic fertilizer projects, including USD 157 million through the Rural Energy for America Program (REAP), and USD 50 million through the Fertilizer Production Expansion Program (FPEP). The two programmes seek to lower energy costs in rural areas, and to ease rising fertilizer costs.

## Across the board

- On 30 November in the **EU**, Bulgaria and **Ukraine** agreed on the details of implementing a licensing system for sunflower seeds, rapeseed, maize and wheat exported from Ukraine. The Ministry of Agriculture and Food in Bulgaria adhered to its commitment until 30 November to minimize the import of these agricultural items, following the Memorandum agreed between the government and the Initiative Committee of protesting agricultural producers.
- On 5 December, the government of the **Russian Federation** has proposed halving the value-added tax on treated maize and sunflower seeds for sowing to ten percent. The measure would apply retroactively to sales since 1 January 2020, and will be in effect until 31 December 2029. Following a Supreme Court ruling in 2022 which considered the final use, the treated seeds have been subject to a 20 percent value added tax rate.
- On 11 December, the **Russian Federation** announced it would consolidate its existing subsidy programmes into one subsidy from 1 January 2024 onwards. The new single subsidy is composed of 12 priority areas, five of which are available to all regions. These cover support for agricultural technology, advanced seed breeding, breeding of pedigree livestock, small-scale farming, and agricultural insurance. Regions can also choose to provide three types of subsidies from another seven areas that are also identified as priorities.
- On 14 December, **Argentina** reopened its grain export registry after an initial suspension on 11 December. The register allows agricultural trading companies to export commodities including processed soybeans and maize. The suspension followed a sharp devaluation of the national currency on 13 December, along with a new export regime allowing exporters to exchange 20 percent of their export earnings at a preferential rate, with the remainder being converted into Argentinian pesos at the official exchange rate. On 20 December, the government also presented an economic reform bill to Congress, including a number of farm policy measures. In a bid to restore a fiscal surplus, the government has proposed temporarily raising export taxes on soy and processed soy products from 31 to 33 percent.
- On 18 December, the Ministry of Agriculture and Food Sovereignty in **France** announced that the **European Union** has approved a EUR 34 million (USD 38 million) emergency increase in support to French organic producers. The support would help French organic producers to maintain their production potential despite current economic challenges, the ministry said.
- On 19 December, **Russian Federation** and **China** amended the Protocol on phytosanitary requirements and lifted restrictions on Russian shipments of maize, rice, soybeans and rapeseed to China. Previously, exports were granted only from Primorsk, Transbaikal, and Khabarovsk territories, the Amur Region, and the Jewish Autonomous Region.
- On 27 December, **Mexico** exempted imports of maize, soybeans, and other products from tariffs until December 2024.
- On 29 December, **China's** National People's Standing Committee adopted a new food security law which is due to come into force on 1 June 2024. The law includes provisions for the support of cereal production; income support for grain producers; and measures to modernize the agricultural sector. The stated aim of the new legislation is to ensure adequate grain production and to protect agricultural land from urbanization.
- On 4 January, the Ministry of Agriculture and Rural Development in **EU** member Poland said its current restrictions on agricultural imports from **Ukraine** will remain in place until further notice. Media reports indicated that five EU member states that border Ukraine also called on the bloc to impose import duties on Ukrainian grain. In September, Ukraine initiated a dispute at the World Trade Organization (WTO) concerning bilateral measures that had been imposed by three

## Policy developments

of these countries at that time (see AMIS Market Monitor, October 2023).

- On 18 January, the Ministry of Agriculture in **China** approved the import and use of new varieties of genetically modified soybeans and maize. Six new varieties of genetically modified maize and two varieties of soybeans were approved. China also expanded the eligible planting areas for most of the crops concerned. The move follows China's decision, on 25 December 2023, to issue licenses to 26 companies for producing, processing, and distributing genetically modified maize and soybean seed in certain regions; and the approval, on 6 December 2023, of the registration of 37 genetically modified maize varieties and 14 genetically modified soybean varieties, following their preliminary approval for public comment on 17 October 2023.
- On 18 January, **EU** member state Romania unveiled a set of measures to help protesting farmers and transporters cope with high costs, compliance with EU environmental protec-

tion measures, and difficulties associated with Ukrainian agricultural imports.

- On 24 January, the Environment Committee of the **European Parliament** approved the European Commission's proposal 2023/0226(COD), establishing two categories and two set of rules for new genomic technique (NGT) plants (see AMIS Market Monitor, September 2023). Under the proposal, NGT plants that could naturally arise or be developed through conventional breeding would be exempt from genetically modified organisms (GMO) regulations and labelling mandates, while other NGT plants would still require risk assessments and authorization. The parliament also voted to prohibit NGT plants in organic production, citing the need for further compatibility assessment, and voted for a complete patent ban on NGTs to prevent legal uncertainties and additional burdens for farmers and breeders. A plenary vote is scheduled for 5 February 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

	Jan 2024 Average*	Change	
		M/M	Y/Y
<b>GOI</b>	244.4	-5.2%	-20.3%
<b>Wheat</b>	219.7	-2.1%	-21.7%
<b>Maize</b>	216.7	-5.9%	-30.4%
<b>Rice</b>	264.0	+2.4%	+32.7%
<b>Soybeans</b>	234.2	-8.6%	-23.5%

\*Jan 2000=100, derived from daily export quotations

### Wheat

Ample nearby availabilities saw the Grains and Oilseeds Index (GOI) wheat sub-Index decline by an average 2 percent during January. US quotations were weighed by export competition, with USDA's monthly WASDE report also termed bearish; however, recent support stemmed from accelerating domestic activity, rumours of renewed buying by China and speculation that Red Sea shipping disruptions (discussed in the feature article) could shift demand to North American origins. French values eased on worries about export competitiveness, but lower prices underpinned overseas demand, with declines capped by concerns about local 2024/25 crop prospects. Russian quotations edged lower amid slowing export demand, with shipments hampered by seasonally difficult weather. Fob prices at Ukraine's ports were thinly quoted, albeit as the seaborne corridor remained the main export route.

### Maize

Global maize export prices weakened in January, the GOI sub-Index down by 5 percent month-on-month, to a three-year low. Initial declines in US prices were tied to a comfortable supply outlook, underlined by USDA's upgraded numbers for 2023/24 production and stocks. However, an upturn in export demand

underpinned prices more recently. Quotations in Argentina were soft, as traders eyed a potentially record harvest, despite recent drier cropping weather. Spot values in Brazil also eased, albeit with prices termed nominal amid seasonally tight supplies. Activity in Ukraine was focused on shipments from deep seaports, with fob offers quoted at a more than USD 30 per tonne discount to US/Argentine quotations.

### Rice

International rice prices posted moderate gains over January on fresh demand from Indonesia and tightening availabilities in some exporters. In Thailand, white and parboiled rice quotations firmed on confirmed and prospective sales to Indonesia, while Indian parboiled quotes also ticked higher amid increased demand from West Africa, notably for bulk vessels due to elevated container rates. In contrast, offers in Vietnam were fractionally weaker on seasonal pressure ahead of the upcoming harvest. Elsewhere, South American prices rose on tight stocks ahead of the 2023/24 crop.

### Soybeans

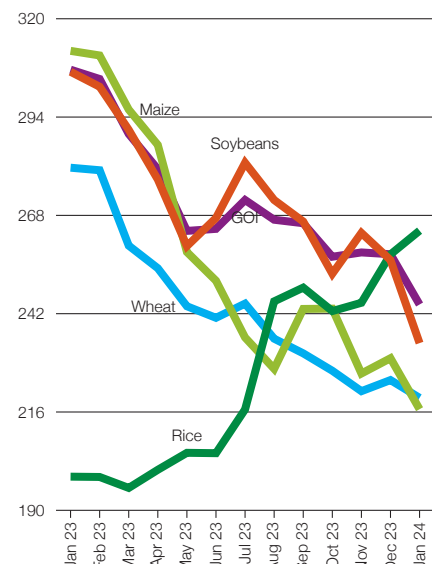
International soybean prices plunged during January, the GOI sub-Index averaging 8 percent lower month-on-month. The downside was led by Brazil, where improved weather tempered worries about dwindling crop prospects, while mounting harvest pressure and limited demand pulled export premiums to multi-month lows. Downside in US values was partly linked to an unexpected uprating of the local output estimate by USDA, coupled with higher than envisaged quarterly inventories. Soft export interest for US supplies added to the negative tone, as did sizable falls in soymeal values. Quotations in Argentina also declined on rising local crop forecasts, but with growers wary of the recent hotter and drier weather.

## IGC commodity price indices

	GOI	Wheat	Maize	Rice	Soybeans
2023 January	306.5	280.6	311.5	198.9	306.0
February	304.1	279.9	310.3	198.8	302.0
March	289.5	260.0	296.0	195.9	290.6
April	280.2	254.0	286.6	200.7	277.5
May	263.9	244.0	258.3	205.2	259.9
June	264.4	240.9	250.7	205.1	267.3
July	272.1	244.7	235.7	216.7	281.9
August	266.8	235.4	227.4	245.3	272.1
September	265.9	231.5	243.3	248.9	266.4
October	257.1	226.9	243.3	242.7	252.6
November	258.2	221.5	226.2	244.9	263.4
December	257.7	224.4	230.2	257.7	256.2
2024 January	244.4	219.7	216.7	264.0	234.2

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

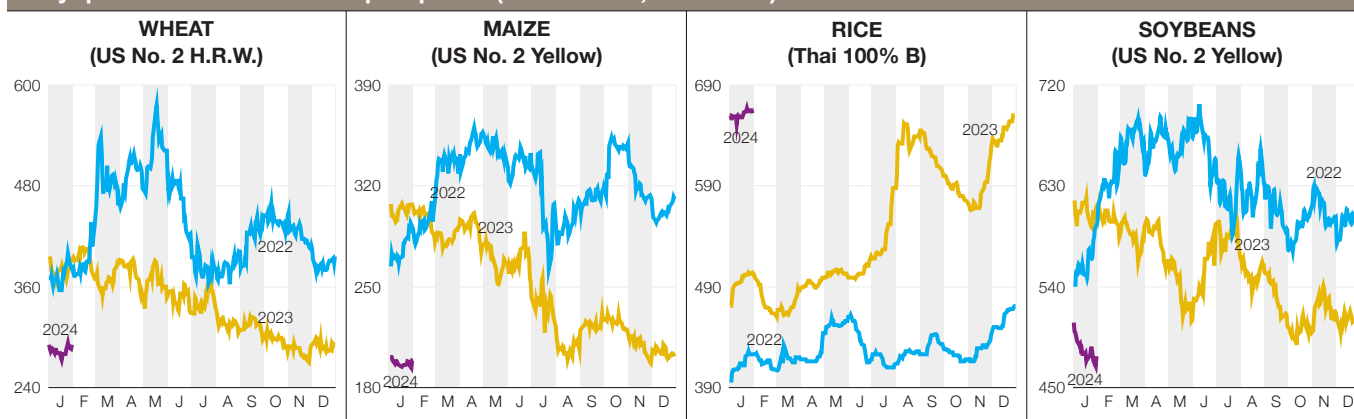
## IGC commodity price indices



International prices

Selected export prices, currencies and indices

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



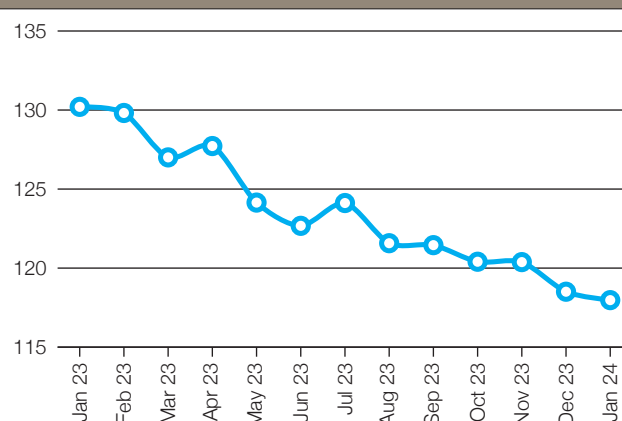
Daily quotations of selected export prices

	Effective date	Quotation	Month ago	Year ago	% change M/M	% change Y/Y
		USD/tonne				
<b>Wheat (US No. 2, HRW)</b>	30-Jan	291	291	393	+0.0%	-26.0%
<b>Maize (US No. 2, Yellow)</b>	31-Jan	199	202	306	-1.2%	-34.8%
<b>Rice (Thai 100% B)</b>	30-Jan	662	660	502	+0.3%	+31.9%
<b>Soybeans (US No. 2, Yellow)</b>	30-Jan	478	508	613	-5.9%	-22.0%

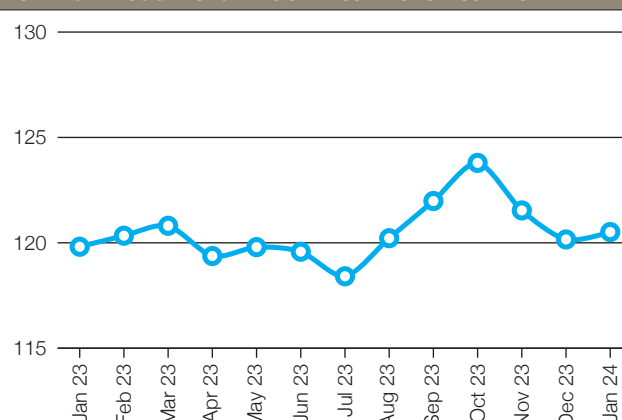
AMIS countries' currencies against US Dollar

AMIS Countries	Currency	Jan 2024 Average	Monthly Change	Annual Change
Argentina	ARS	817.9	-22.2%	-77.7%
Australia	AUD	1.5	-0.8%	-4.4%
Bangladesh	BDT	109.5	0.1%	-4.3%
Brazil	BRL	4.9	-0.4%	5.7%
Canada	CAD	1.3	0.0%	0.1%
China	CNY	7.2	-0.4%	-5.3%
Egypt	EGP	30.8	0.1%	-7.0%
EU	EUR	0.9	-0.1%	1.2%
India	INR	83.1	0.2%	-1.6%
Indonesia	IDR	15607.3	-0.7%	-2.3%
Japan	JPY	146.0	-1.5%	-10.7%
Kazakhstan	KZT	450.7	1.4%	2.6%
Rep. of Korea	KRW	1324.8	-1.7%	-6.2%
Mexico	MXN	17.1	0.6%	11.1%
Nigeria	NGN	921.8	-9.8%	-50.8%
Philippines	PHP	56.0	-0.8%	-1.9%
Russian Fed.	RUB	89.4	1.7%	-22.2%
Saudi Arabia	SAR	3.7	0.0%	0.1%
South Africa	ZAR	18.8	-0.9%	-9.0%
Thailand	THB	35.2	-0.6%	-5.5%
Türkiye	TRY	30.0	-3.2%	-37.5%
UK	GBP	0.8	0.3%	3.8%
Ukraine	UAH	37.8	-1.8%	-2.9%
Viet Nam	VND	24460.2	-0.7%	-4.1%

FAO Food Price Index Jan 2023 - Jan 2024



Nominal Broad Dollar Index Jan 2023 - Jan 2024



## Futures markets

### Overall market sentiment

- US soybean and maize futures hit a three-year low in January in a context of subdued export prospects for the United States reflecting weaker competitiveness.
- Euronext and CME wheat futures in January experienced limited developments, primarily influenced by competitively-priced supplies from the Black Sea.
- Volatility has significantly retreated throughout 2023, reaching a low level close to 10-year averages.

### MONTHLY PRICE TREND



### Futures prices

US soybean and maize futures prices weakened in January, marking their lowest levels in three years. The downward trend observed in CME soybean and maize futures markets reflected compounding developments that collectively challenged the competitiveness of the US origin for the nearby contract, which corresponds to a delivery in March. These included improving harvest prospects in Brazil, adverse impacts from a firmer US dollar, and logistical challenges in both the Red Sea and Panama Canals (see feature article). In addition, continuing tepid demand from China dampened market sentiment. Although the Chinese government announced a stimulus package in January to boost maize and soybean demand, US exporters do not appear to be well-positioned to capitalize on this opportunity due to above mentioned competitiveness issue.

Wheat futures markets on the CME and Euronext remained within a certain range in January, with competitively priced supplies from the Black Sea dominating the market narrative. Limited international demand prospects also put pressure on US and EU futures prices. Although EU origins gained competitiveness in January against Russian origins, flagging Euronext futures prices reflected concerns about potential export disruptions to China due to grain logistics bottlenecks in the Red Sea.

### Volumes & volatility

Historical and implied volatility were limited in January, in line with the seasonal pattern of contained price fluctuations typically observed at this time of year. Historical volatility for CME maize, soybean, and wheat remained near the 10-year average. Wheat implied volatilities, at around 30 percent, exceeded the 10-year average, indicating that market participants were pricing in a risk premium mainly due to trade logistic risks associated with the shipping disruptions in the Red Sea.

Limited price fluctuations resulted in decreased market activity, as reflected in month-on-month declining daily average volumes on CME and Euronext futures.

### Forward curves

In an environment where US farmers are reportedly holding on to their stocks of old crops, CME forward curves all show contango, reflecting higher prices in succeeding delivery months than nearby or spot months to account for storage costs. For new crops, expectations of large carryover stocks from this marketing year and favourable yield potential for winter crops so far, have led to prospects of significant storage needs and related costs. Notably, the curve break between the delivery month of old crops and new crops in soybeans accounts for expectations of increased US soybean end-of-season stocks as the current pace of exports trails behind previous years.

### Investment flows

Money managers are holding the largest net short position across contracts since 2020, indicating a noticeable bearish stance on grain and oilseed futures markets. Their bearish leaning in wheat and maize started in the summer of 2023. For soybeans, money managers reversed their net long positioning in January 2024 which they had maintained for four years.

#### Euronext futures volumes and price evolution

Average daily volume (1000 tonnes)	Jan 2024	M/M	Y/Y
Wheat	3 007.4	+15.2%	+32.4%
Maize	111.4	+17.4%	+10.6%

Prices (USD/t)	Jan 2024	M/M	Y/Y
Wheat	238.5	-3.3%	-24.0%
Maize	208.9	-4.3%	-31.3%

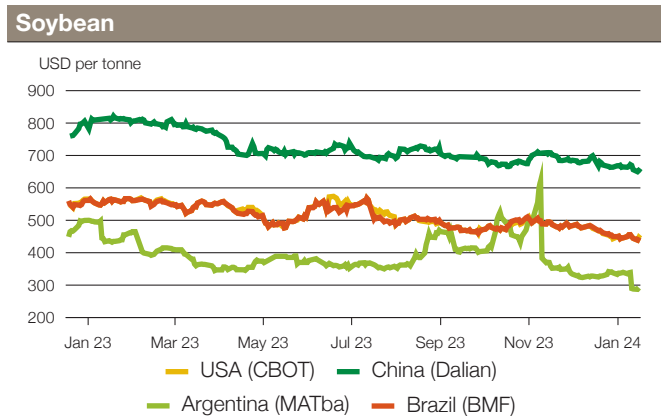
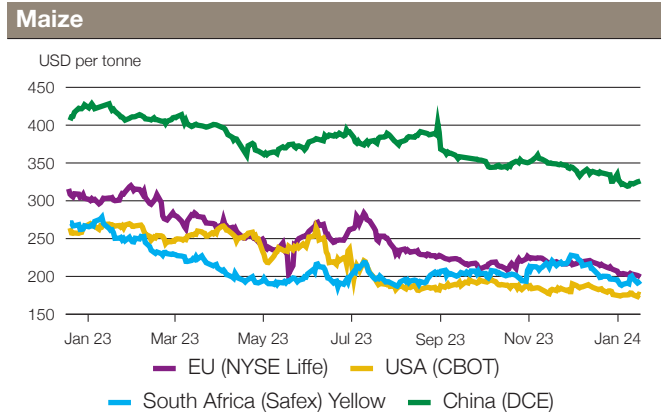
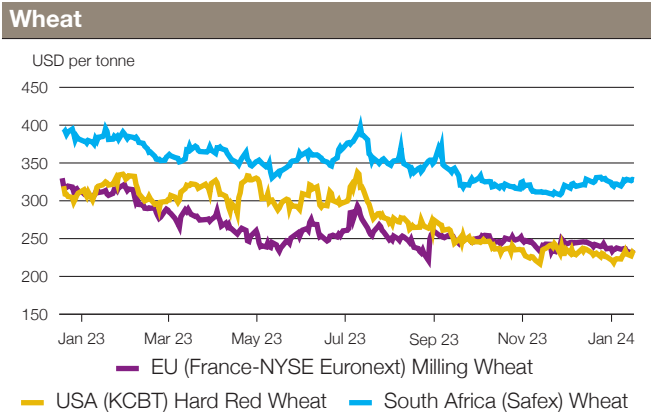
#### CME futures volumes and prices evolution

Average daily volume (1000 tonnes)	Jan 2024	M/M	Y/Y
Wheat	13 122.9	-3.0%	+21.8%
Maize	39 747.2	+58.7%	+10.3%
Soybean	29 921.2	-13.9%	+6.3%

Prices (USD/t)	Jan 2024	M/M	Y/Y
Wheat	219.9	-3.7%	-19.5%
Maize	178.2	-5.5%	-32.4%
Soybean	454.8	-5.9%	-17.7%

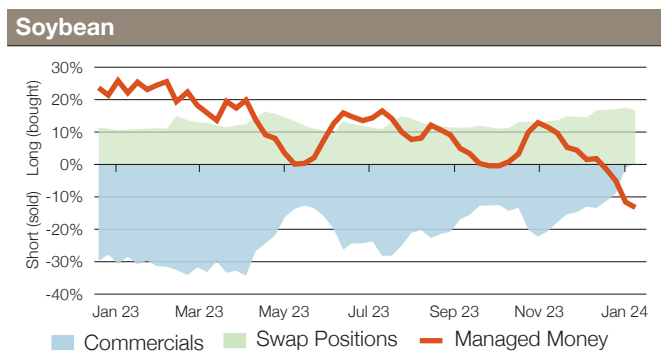
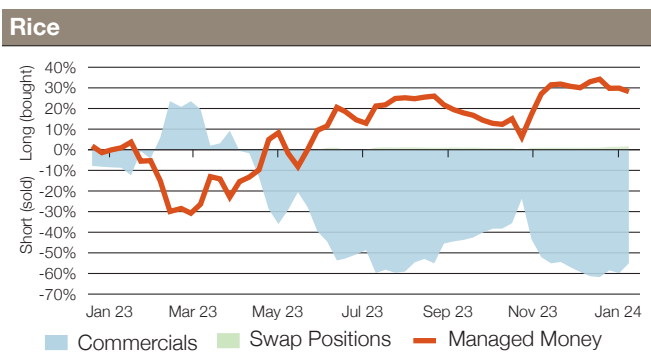
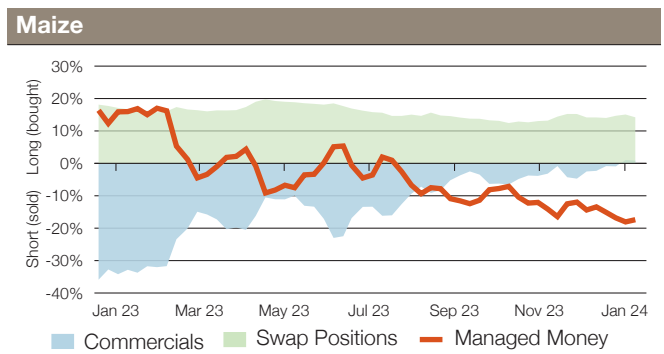
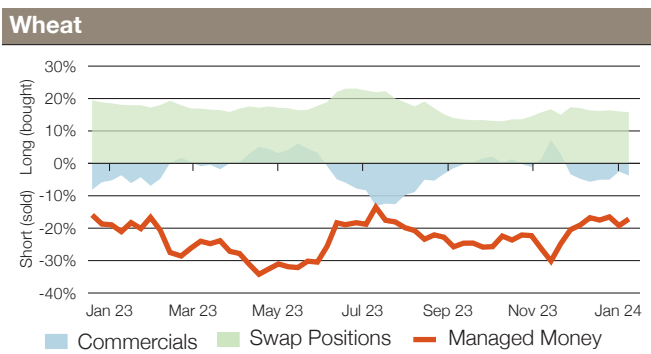
# Market indicators

## Daily quotations from leading exchanges - nearby futures



## CFTC commitments of traders

Major categories net length as percentage of open interest\*

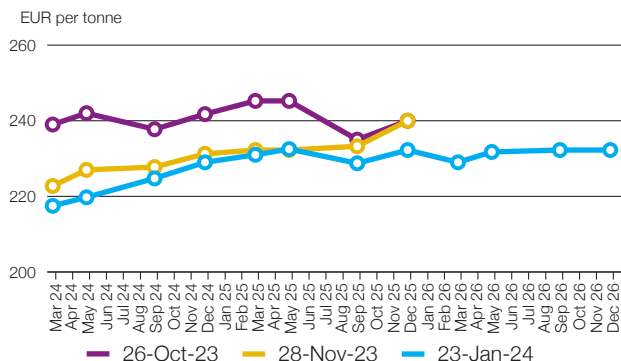


\*Disaggregated futures only. Though not all positions are reflected in the charts, total long positions always equal total short positions.

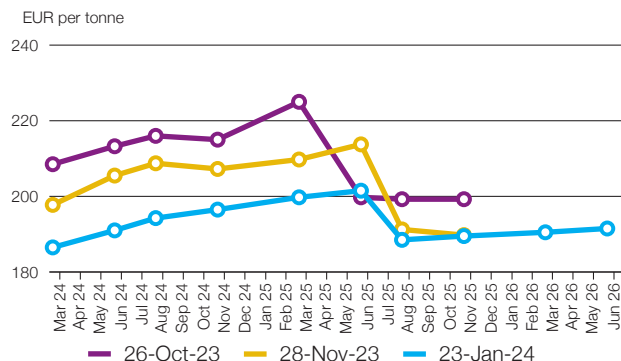
Market indicators

Forward curves

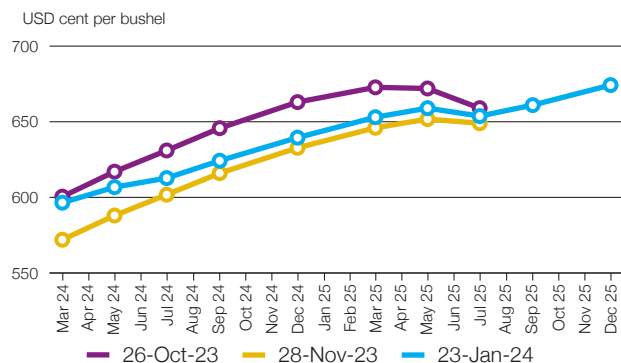
Euronext wheat (EBM)



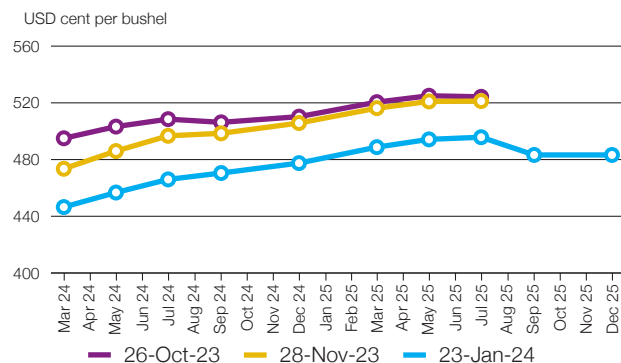
Euronext maize (EMA)



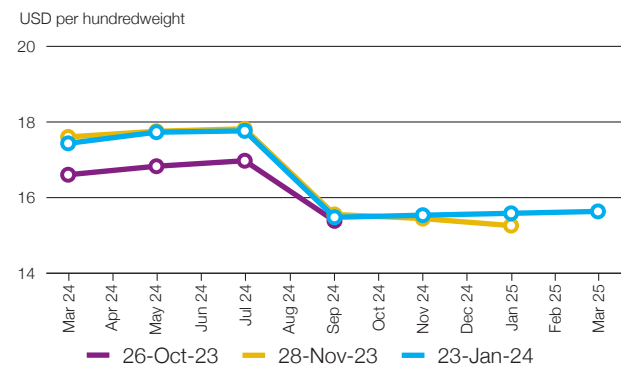
CBOT wheat



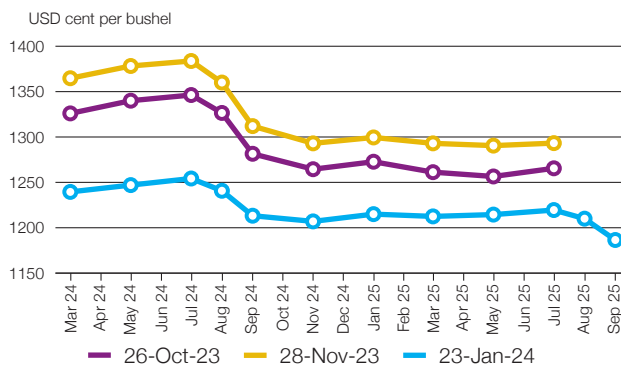
CBOT maize



CBOT rice

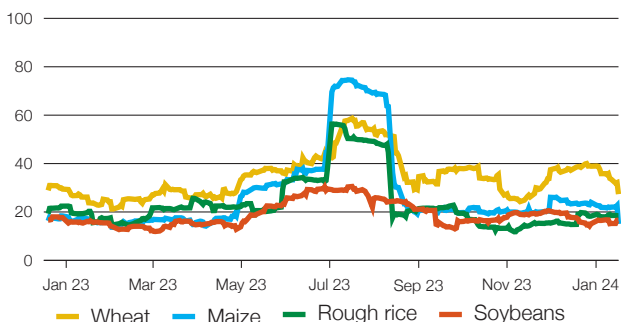


CBOT soybean

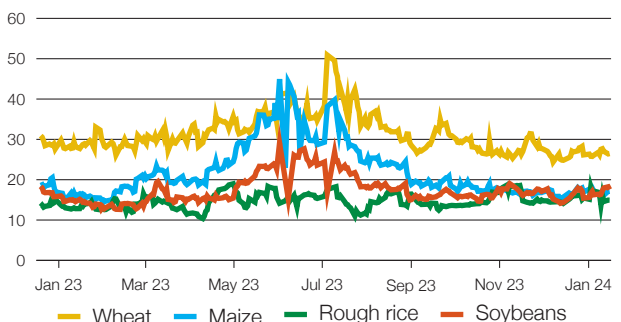


Historical and implied volatilities

Historical Volatility (30 days)



Implied Volatility (Daily)



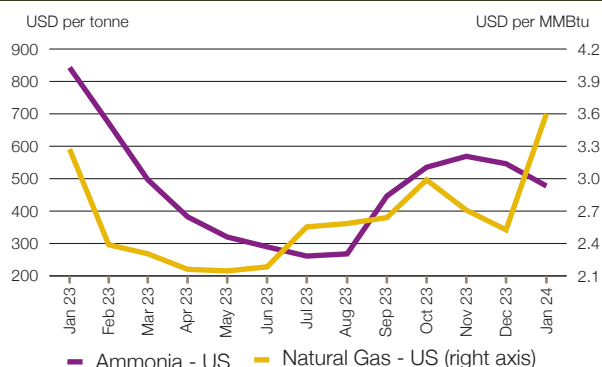
+i AMIS market indicators

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.

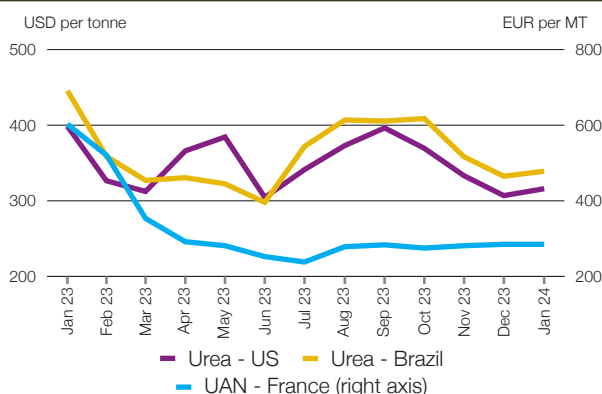


# Fertilizer outlook

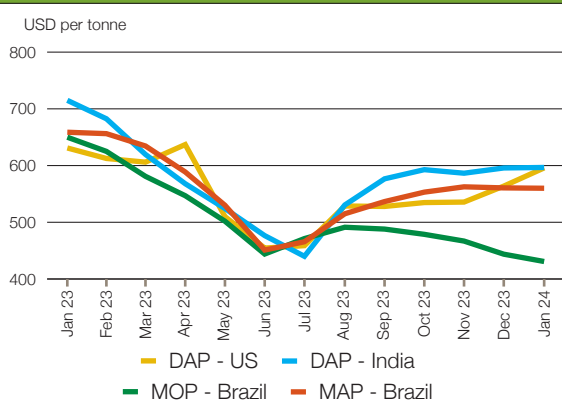
## Input prices



## Nitrogen prices



## Potash and phosphate



## Major market developments

Support for nitrogen prices returned, while phosphate prices remain mostly unchanged and potash prices show signs of weakness. Despite sliding crop prices, fertilizer market participants bet on solid demand for the spring season in the Northern Hemisphere amid relatively stable or declining fertilizer prices. The main potential concern ahead is logistics stemming from low water levels in the Panama Canal and shipping disruptions in the Red Sea, or the eventual impact of tensions in the Near East on energy costs should the conflict intensify.

■ **Fertilizer input prices.** While natural gas increased on US price benchmarks, European references maintained their downward trend since autumn due to ample inventories and low demand. Ammonia prices were down substantially in January compared to November. Lower natural gas prices in Europe could incentivize plants to increase production, pressuring ammonia prices even lower - though sluggish demand may dampen such a supply response.

■ **Nitrogen fertilizer prices.** Nitrogen prices have firmed. The 4 January Indian tender may have given some support for firming export quotes, but the somewhat limited volumes secured were not sufficient to substantially tighten overall well-supplied global nitrogen markets. The export restrictions in place since November in China limiting exports through the first quarter did not send prices up substantially, suggesting global supplies are indeed sufficient. Overall, demand is yet to fully materialize after recent dry conditions in Brazil and wet conditions in Europe limited the incentive to apply fertilizers.

■ **Phosphorus fertilizer prices.** Global phosphate fertilizer prices remain supported by current Chinese export limitations given its importance as a major exporter of DAP/MAP. Phosphates' prices are currently high relative to other nutrients and could remain so until Chinese exports return to global markets, as some producers in other countries lack sufficient availability. The evolution of Indian demand will depend on the level of the nutrient subsidies put in place by the Government of India for the Rabi season.

■ **Potash prices.** Supply of potash fertilizers continues to outweigh demand. The spring demand in the US could provide some support to the overall market, particularly if buyers in Brazil start stepping up purchases concurrently. Demand in major importer Brazil is sluggish and inventories there remain at high levels.

	Jan-24 average	Jan-24 std. dev.	% change last month*	% change last year*	12 month high	12-month low
Ammonia - US (USD/ST)	477.5	-	-12.6	-43.4	671.5	261.2
Natural Gas - US (USD/MMBtu)	3.6	2.8	+42.5	+10.0	3.6	2.1
Urea Ammonium Nitrate (UAN) - France (EUR/MT)	285.0	-	+0.0	-52.7	520.6	238.1
Urea - US (USD/ST)	316.0	12.5	+3.0	-20.7	396.4	304.5
Urea - Brazil (USD/MT)	339.2	16.1	+2.0	-23.9	408.8	298.0
Di-ammonium Phosphate (DAP) - India (USD/MT)	596.7	1.4	+0.2	-16.6	682.5	440.0
Di-ammonium Phosphate (DAP) - US (USD/ST)	595.8	12.6	+5.7	-5.6	637.0	454.6
Mono-ammonium Phosphate (MAP) - Brazil (USD/MT)	560.0	-	-0.1	-15.0	656.2	451.0
Muriate of Potash (MOP) - Brazil (USD/MT)	430.8	1.4	-2.9	-33.7	625.0	430.8

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.

# Ocean freight markets

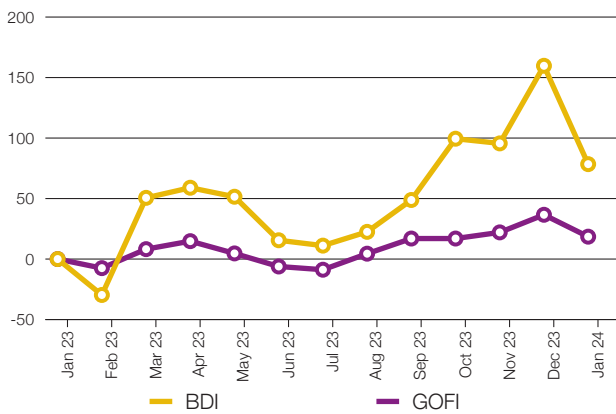
## Dry bulk freight market developments

	Jan-24 average	Change	
		M/M	Y/Y
<b>Baltic Dry Index (BDI)</b>	<b>1670.8</b>	<b>-31.3%</b>	<b>+78.4%</b>
sub-indices:			
Capesize	2613.3	-38.4%	+128.0%
Panamax	1598.8	-21.4%	+38.6%
Supramax	1127.8	-21.9%	+52.2%
<b>Baltic Handysize Index (BHSI)</b>	<b>651.9</b>	<b>-25.4%</b>	<b>+31.2%</b>

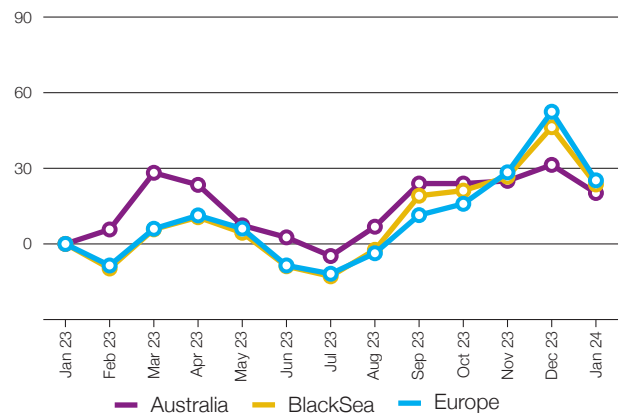
Source: Baltic Exchange, IGC. Base period for BDI: 4 January 1985 = 1000; for BHSI: 23 May 2006 = 1000; for GOFI: 1 January 2013 = 100

	Jan-24 average	Change	
		M/M	Y/Y
<b>IGC Grains and Oilseeds Freight Index (GOFI)</b>	<b>155.6</b>	<b>-13.2%</b>	<b>+18.5%</b>
sub-Indices:			
Argentina	190.9	-12.3%	+15.9%
Australia	95.6	-8.5%	+20.2%
Brazil	201.0	-11.5%	+16.0%
Black Sea	169.1	-15.5%	+23.6%
Canada	122.3	-18.0%	+24.1%
Europe	138.5	-17.9%	+25.2%
US	124.9	-13.2%	+18.9%

**BDI and IGC GOFI**



**Selected IGC GOFI sub-indices**



- In recent weeks, market attention has centred on developments in the Red Sea, namely on attacks on cargo vessels. While the impact to date has been mainly confined to the container sector, shipping data indicated an increasing number of diverted bulk vessels to avoid the Suez Canal, including for grain deliveries from Europe to Asia, with the re-routing via the Cape of Good Hope estimated to add 10-15 days to journey time, as well as around USD 10 per tonnes to freight costs.
- However, the impact on average freight rates appeared to be limited, as the benchmark **Baltic Dry Index (BDI)** averaged almost one-third lower month-on-month in January, in part reflecting seasonal trends. In spite of the decline, average Index values remained sharply higher year-on-year, with underlying support coming from persistent traffic restrictions at the Panama Canal.
- Although average values across all vessel segments posted sizable monthly losses, there were two-sided trends, with the

initial drop followed by a rebound in the second half of the period.

- Excess tonnage availability in the Atlantic contributed to initial weakness in **Panamax** rates, but earnings rebounded thereafter on sustained fixing out of South America, coupled with renewed demand for grains/oilseeds shipments from the northern Pacific and mineral flows from Australia and Indonesia.
- Downside in **Supramax** values was capped by the recent upturn in activity from South America, while tightening vessel supply in Europe helped to limit the drop in **Handysize** rates.
- Declines in voyage freight rates, tracked by the **IGC Grains and Oilseeds Freight Index (GOFI)**, were smaller compared to timecharter values, in part owing to the recent upsurge in marine fuel costs.

**+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 (17%)	spring			Planting			C		Harvest				
	winter		C	C	C			Harvest				Planting	
EU (17%)	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 (32%)					Planting		C	C	C		Harvest		
China (23%)	north				Planting		C	C		Harvest			
	south			Planting		C	C		Harvest				
Brazil (11%)	1st crop	C	C		Harvest						Planting	C	
	2nd crop	Planting	C	C	C			Harvest					
EU (5%)					Planting		C	C	C		Harvest		
Argentina (3%)					Harvest						Planting	C	C
RICE		J	F	M	A	M	J	J	A	S	O	N	D
China (27%)	intermediary crop				Planting		C	C	C		Harvest		
	late crop						Planting		C	C	Harvest		
	early crop		Planting		C	C			Harvest				
India (25%)	kharif						Planting		C	C		Harvest	
	rabi		C		Harvest								
Indonesia (7%)	main Java		C	C		Harvest						Planting	
	second Java				Planting		C	C	C		Harvest		
	winter-spring		C	C		Harvest					Planting		
Viet Nam (5%)	summer/autumn						Planting		C	C		Harvest	
	winter				Planting				C	C		Harvest	
Thailand (4%)	main season					Planting			C	C	Harvest		
	second season	Planting	C	C	C		Harvest						
SOYBEANS		J	F	M	A	M	J	J	A	S	O	N	D
Brazil (39%)		C	C		Harvest						Planting		C
US (29%)						Planting	C	C	C		Harvest		
Argentina (12%)		C	C	C		Harvest						Planting	
China (5%)						Planting	C	C		Harvest			
India (3%)						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)
- Planting
- Harvest (peak)
- 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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### 2024 AMIS Market Monitor release dates

1 February, 7 March, 4 April, 2 May, 6 June, 4 July, 5 September, 3 October, 7 November, 5 December

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