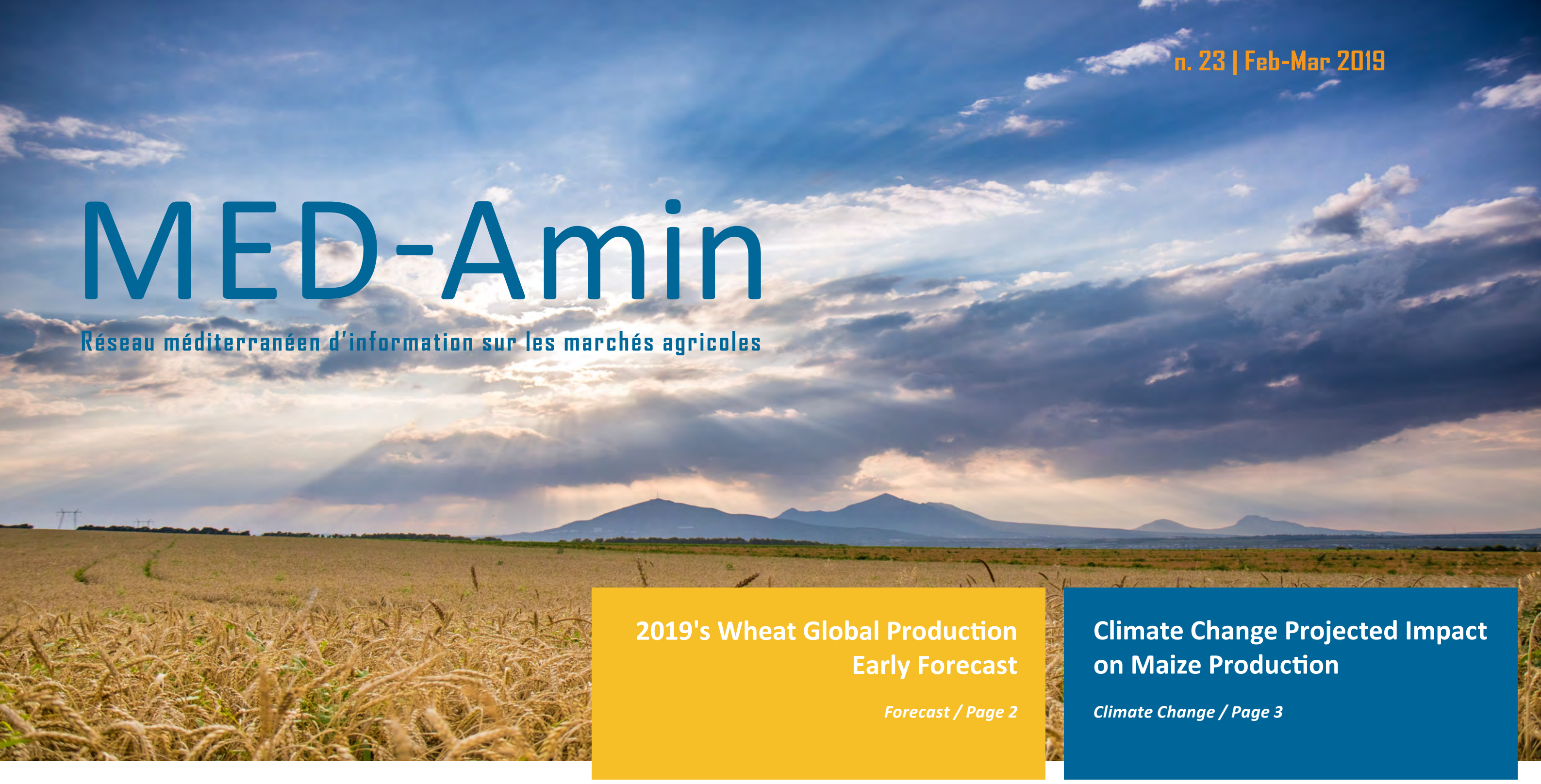

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MED-Amin

Réseau méditerranéen d'information sur les marchés agricoles

2019's Wheat Global Production Early Forecast

Forecast / Page 2

Climate Change Projected Impact on Maize Production

Climate Change / Page 3

Edito

This newsletter starts with specific news from one country of the network. Portugal launches this series with data shared by its Focal Points.

Country outlook: Portugal produced 1,118 thousand tonnes of cereals in 2017. Maize weighted 67% and rice 16% of the total cereal production. Soft wheat, barley and oats weighted 4% each.

Cereal production in volume has decreased 18% from 2013 to 2017, while the area cultivated with cereals has decreased by 25%. The value of cereal output represents around 4% of the total agricultural industry output value.

Portuguese trade deficit in cereals is around 685 million euros and the main imports are those of maize (46%), wheat (36%), rice (8%) and barley (8%).

The top 5 suppliers of cereals have been France (22%), Ukraine (16%), Spain (15%), Brazil (8%) and Germany (6%).

Although Portugal is a net importer of cereals, it also exports: during the last 5 years the top 5 destinations have been Spain (51% in value), France (9%), Turkey (6%), Angola (4%) and UK (4%).

A National Strategy for the Promotion of Cereal Production has been designed by a working group composed of public and private actors from the cereal sector. The aim is particularly to valorize better and scale-up the strengths of the cereal sector in Portugal, for instance its organization and know-how; its quality and safety; the existing national irrigation plan; investment in innovation and intelligent agriculture despite increasing impacts of climate change. This National Strategy, to be implemented during the five years period of 2019 – 2023, has as main goal the increasing of Portuguese self-sufficiency in cereals from 23% in 2018 to 38% in 2023.

More generally, the first trimester of 2019 has plenty of activities on stage. The **evaluation of the 5-year MED-Amin network** requested by the CIHEAM and the French Ministry of agriculture, the two main funders, is being carried out. After the Secretariat's staff, the Focal Points will be interviewed by the three evaluators, who will discuss also with some observers and partners of the network. The evaluation report is expected by mid-2019. The **crop forecasting exercise** has started and the focal points will soon receive the first analysis documents. The MED-Amin network will participate in the **Global Grain Conference for the Middle East and North Africa (MENA) region** held in Dubai on 30 April – 1 May 2019. Three speakers from the network will present the activities of MED-Amin and share the recommendations of the last **Policy brief** (under validation) about a fruitful dialogue between the private and public sectors. It will be also an opportunity to meet grain professionals and envisage potential collaborations.

Concerning the **CIHEAM**, Mr. Mohamed Sadiki, is the President elect of the Governing Board from the 1st of April, and Mr. Placido Plaza has been elected Secretary General recently. The CIHEAM will participate in preparatory meetings (in Sicilia and in Malta) of the **Summit of the Two Shores**, scheduled on 24 June in Marseille, France.

MED-Amin
Mediterranean Agricultural Market Information Network

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TUNISIE

Prix à la production révisé?

(AfricanManager, 15/03/2019)

L'Union Tunisienne de l'agriculture et de la pêche a contesté les déclarations du ministre de l'agriculture selon lesquelles les prix des céréales à la production ne seront pas augmentés en 2019. Alors que les prévisions de récoltes sont exceptionnelles pour cette campagne, elle a exprimé son soutien aux producteurs des céréales et à leurs mouvements de protestation pour défendre leur droit à la révision du prix de référence des céréales dans un contexte d'augmentation constante du coût des intrants agricoles.

ALBANIE

35M€ pour les IAA

(Econostrum, 01/04/2019)

La Banque européenne pour la construction et le développement (BERD) débloque une ligne de crédit de 35 M€ pour développer l'industrie agro-alimentaire (IAA) albanaise, qui représente 50% de l'emploi dans les zones rurales et 20% du PIB national. Les prêts couvriront les investissements et les besoins en fonds de roulement et devraient permettre de mieux absorber les subventions destinées au développement rural dans le cadre du programme IPARD.

MAROC

Récolte 2019 menacée

(Tel Quel, 14/03/2019)

Du fait d'un niveau de pluviométrie relativement bas, les récoltes céréalières ainsi que le prix du bétail devraient être impactés négativement. Les prévisions parlent de 40 à 50 millions de quintaux, bien loin des records au-delà des 100 Mq atteints à quatre reprises (dont l'année dernière). Des précipitations dans un futur proche pourraient encore changer la donne.

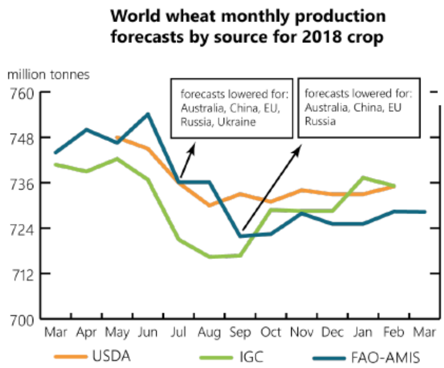
Credit: Creative Commons

Early Forecasts in 2019's Global Wheat Production

By FAO-AMIS, March 2019

While providing a detailed analysis of regional outlooks for cereals, the FAO-AMIS reports in March a prevision of global wheat production to strongly recover from last year, rising by 4%, to 757.4 Mt in 2019[1]. This would be close to the record crop of 2017, with the bulk of the recovery stemming from Europe.

In the EU, a larger planted area combined with generally good weather (so far) is seen to drive up wheat production by at least 8% from last year's six-year low. Similarly, in the Russian Federation, an expectation of increased overall plantings in combination with beneficial weather could push up production by almost 10%. Favourable crop conditions also currently prevail in Ukraine, where this year's wheat output is forecast to rise by nearly 8%. In North America, this year's production in the United States is likely to remain close to last year's level, whereas in Canada it could increase by around 4%. In Australia, a strong rebound from last year's drought afflicted level is foreseen, though wheat planting will only begin in May. Elsewhere, the 2019 output in India could arrive close to last year's record level while a contraction is predicted for Pakistan.



Is this early forecast consistent with other sources predictions (namely from USDA and IGC) and with real production? Last year, the FAO-AMIS projections didn't fare so badly, but all were too optimistic (see graph above) partly due to a lower estimate of China's wheat production (recent official historical revisions, which show much higher-than-previously reported estimates for wheat, rice and overall maize production over 2007-2017).

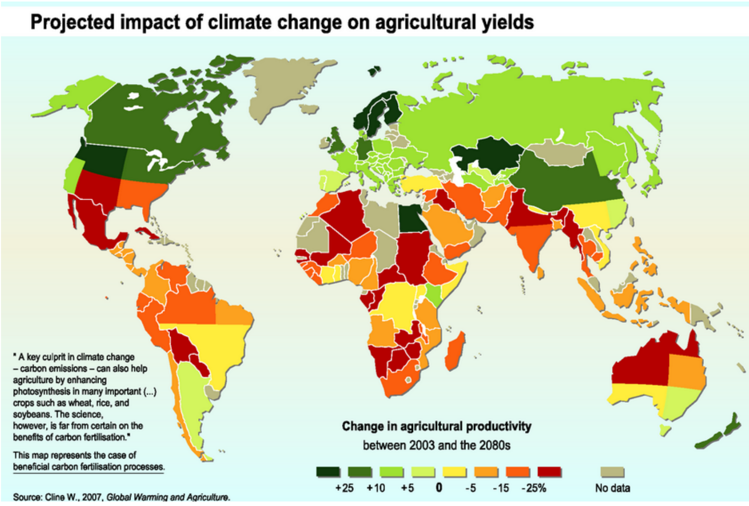
Sources: *AMIS Market Monitor report* – No.66, March 2019: http://www.amis-outlook.org/fileadmin/user_upload/amis/docs/Market_monitor/AMIS_Market_Monitor_Issue_66.pdf; *FAO Crop Prospects and Food Situation* – No.1, 03: http://www.fao.org/3/ca3696en/CA3696EN.pdf

Trust formation in agri-food institutional support networks (2019)

L. McKitterick et al*., Jan 2019, Journal of Rural Studies.*

The important role of institutional support actors in building the networking capacities of rural economic stakeholders and communities has been noted. Over the last two decades, rural and agri-food network models of institutional support have undergone substantive change. Trust is a vital feature of such programmes like in other territorial approaches, however the nature of trust, and how it is manifest, in rural support programmes is underexplored. A longitudinal qualitative methodology is adopted, involving semi-structured interviews and group discussions with artisanal food producers and institutional actors in four cases of business support. Demonstrating varying levels of trust, the paper examines how trust is formed, and lost, across forms of institutional support programmes and the underlying factors that moderate trust formation. The analysis provides insights into the conflicting narratives around trust formation from advisor-client perspectives. The paper contributes to theory development by offering a conceptualisation of trust building approaches in advisor-client relationships in rural support programmes. "*... the major problem is the major changes from within and I certainly find on a personal level it is quite disconcerting for staff in there, one minute they have a portfolio, the next their job spec is changed either marginally or completely .... Continuity is a major problem in there, particularly for developing businesses, for people like ourselves.*" illustrates one of the major difficulties for trust building.

Source: https://doi.org/10.1016/j.jrurstud.2018.11.008



Credit: Wikimedia Commons

Climate Extremes Affecting Maize Production To Become the Norm?

By JRC, January 2019

Even with an increase in global temperatures of just 1.5 °C, the worst production losses experienced by maize producers so far are likely to become increasingly frequent. Scientists of the Joint Research Center (JRC) of the European Commission have simulated the effects of 1.5 °C and 2 °C temperature increases on global maize production.

Maize, the most widely produced crop in the world

In recent years, global cereal production has increased at a steady pace. It has also lost diversity as maize, wheat and rice production have boomed, leaving behind other minor crops such as barley.

The United States is the most important maize producer in the world, and is the main driver of the increase in global maize production in the past 15 years. The European Union is the fourth largest producer, just after Brazil. In the past ten years, the EU-28 produced on average 65 million tonnes of maize per year.

Big crop losses ahead

The study shows that, even with an increase in global temperatures of just 1.5 °C, the heat waves and severe droughts that currently occur about once every ten years could become frequent phenomena by early 2020.

Without any mitigation and adaptation efforts, this would mean that the worst production losses experienced by maize producers to date would happen with increasing frequency.

With a 2 °C temperature increase, maize production areas would be affected by heat and drought events never experienced before. The damages would be felt by all producers, with first effects on minor producers in developing countries (in particular in tropical regions). So would other regions like the European Union, when scenarios forecast impact by 2020 - producers are already feeling locally the impact of global warming like during summer 2018 with out-of-average high temperatures.

Source: JRC, M. Zampieri et al., (2019), *When Will Current Climate Extremes Affecting Maize Production Become the Norm?*

https://doi.org/10.1029/2018EF000995

FAO Food Prices

The Cereal Price Index

(FAO www.fao.org/worldfoodsituation/, 07/04/2019)

The FAO Cereal Price Index averaged 164.8 points in March, down 2.2% from February and now almost at par with its March 2018 value. Among the major cereals, wheat prices fell the sharpest, driven by large exportable supplies and a slack demand, in particular for the US origin wheat, and generally favourable prospects for this year's harvest. Maize prices also dropped, pressured by ample export availabilities and expectations of a large crop in Argentina. International rice prices were mildly firmer in March, as weak fresh demand capped increases in the Japonica and lower quality Indica markets.

FRANCE

Bonnes perspectives commerciales

(Terre-net, 13/03/2019 et 09/04/2019)

En sortie d'hiver, les prévisions de production mondiale de céréales en 2019 sont bonnes, notamment grâce à des conditions de culture favorables en Mer Noire et dans l'Union européenne. Elles offrent des perspectives d'échanges nettement plus toniques que pour la précédente campagne. Les exportations de blé français progressent encore (+ 1 Mt vs 2018 à la même période), contribuant à l'accroissement de l'excédent commercial de la France en 2018 de 1,4 Mds€ pour les céréales.

SCOOPS

Pour plus de news sur les marchés céréaliers, suivez le Scoop.It MED-Amin !

A retrouver sur :
www.scoop.it/t/med-amin
ainsi qu'à partir du site web de MED-Amin :
http://www.med-amin.org

Farmers become better traders, the margins for traders are going down (2019)

Miller Magazine, Interview special issue (April 2019).

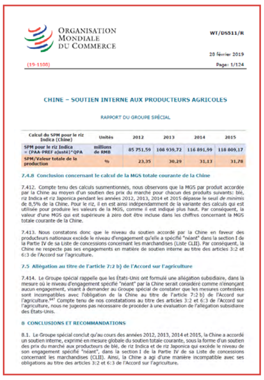
Mr. Sizov, Managing Director of SovEcon, a leading Russian company specializing in agriculture markets research and consulting: *"If you look at the global grain market as a whole, I think farmers are receiving more bargaining power. Farmers have become better sellers which implies that it is harder for traditional traders to make money in this market. Now it is much more easy to access information. It is much more easy to hedge your risks and much cheaper to hedge your risks. Farmers also can store their grains more cheaply and easily. And that means that margins for traders are going down. I think the guys which will suffer most will be very large traders like famous ABCD's of the global grain trading.*

There are very lots of internal restrictions like legal for example, a lot of bureaucracy and internal political games in those companies. And at the same time the service and value they are providing, medium size companies can do the same now. These medium-sized companies can hedge, they can arrange the trade." It is not so important to be that big as it is used to be 10-20 years ago. A relevant example is the new company Sirientz set up by Louis Dreyfus likely to be much more agile and obviously not that big.

To read the full interview: http://www.millermagazine.com/english/farmers-become-better-traders-the-margins-for-traders-are-going-down/

Credit: Creative Commons Licensing

Rapport du Groupe spécial concernant les subventions agricoles chinoises *(OMC, 28 février 2019)*



ORGANISATION MONDIALE DU COMMERCE

WT/DS511/R

28 février 2019

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CHINE – SOUTIEN INTERNE AUX PRODUCTEURS AGRICOLES

RAPPORT DU GROUPE SPÉCIAL

Calcul du SPM pour le riz Indica (Chine)	Unités	2012	2013	2014	2015
SPM pour le riz Indica = (PAA-PREF ajusté)*QPA	millions de RMB	85 751,59	108 939,72	116 891,99	118 809,17
SPM/Valeur totale de la production	%	23,35	30,29	31,13	31,78

7.4.8 Conclusion concernant le calcul de la MGS totale courante de la Chine

7.412. Compte tenu des calculs susmentionnés, nous observons que la MGS par produit accordée par la Chine au moyen d'un soutien des prix du marché pour chacun des produits suivants: blé, riz Indica et riz Japonica pendant les années 2012, 2013, 2014 et 2015 dépasse le seuil *de minimis* de 8,5% de la Chine. Pour le riz, il en est ainsi indépendamment de la variante des calculs qui est utilisée pour produire les valeurs de la MGS, comme il est indiqué plus haut. Par conséquent, la valeur d'une MGS qui est supérieure à zéro doit être incluse dans les chiffres concernant la MGS totale courante de la Chine.

7.413. Nous constatons donc que le niveau du soutien accordé par la Chine en faveur des producteurs nationaux excède le niveau d'engagement qu'elle a spécifié "néant" dans la section I de la Partie IV de sa Liste de concessions concernant les marchandises (Liste CLII). Par conséquent, la Chine ne respecte pas ses engagements en matière de soutien interne au titre des articles 3:2 et 6:3 de l'Accord sur l'agriculture.

7.5 Allégation au titre de l'article 7:2 b) de l'Accord sur l'agriculture

7.414. Le Groupe spécial rappelle que les États-Unis ont formulé une allégation subsidiaire, dans la mesure où le niveau d'engagement spécifié "néant" par la Chine serait considéré comme n'énonçant aucun engagement, visant à demander au Groupe spécial de constater que les mesures contestées sont incompatibles avec l'obligation de la Chine au titre de l'article 7:2 b) de l'Accord sur l'agriculture.[647] Compte tenu de nos constatations au titre des articles 3:2 et 6:3 de l'Accord sur l'agriculture, nous ne jugeons pas nécessaire de procéder à une évaluation de l'allégation subsidiaire des États-Unis.

8 CONCLUSIONS ET RECOMMANDATIONS

8.1. Le Groupe spécial conclut qu'au cours des années 2012, 2013, 2014 et 2015, la Chine a accordé un soutien interne, exprimé en mesure globale du soutien totale courante, sous la forme d'un soutien des prix du marché aux producteurs de blé, de riz Indica et de riz Japonica qui excède le niveau de son engagement spécifié "néant", dans la section I de la Partie IV de sa Liste de concessions concernant les marchandises (CLII). Ainsi, la Chine a agi d'une manière incompatible avec ses obligations au titre des articles 3:2 et 6:3 de l'Accord sur l'agriculture.

Le 13 septembre 2016, les États-Unis ont demandé l'ouverture de consultations avec la Chine au sujet de certaines mesures au moyen desquelles il apparaît que la Chine accorde un soutien interne en faveur de producteurs agricoles, en particulier les producteurs de blé, de riz Indica, de riz Japonica et de maïs.

Les États-Unis ont allégué qu'il apparaissait que les mesures étaient incompatibles avec l'Accord sur l'agriculture (articles 3:2, 6:3 et 7:2 b), demandant l'établissement d'un groupe spécial fin 2016.

Le Groupe spécial conclut qu'au cours des années 2012, 2013, 2014 et 2015, la Chine a accordé un soutien interne, exprimé en mesure globale du soutien totale courante, sous la forme d'un soutien des prix du marché aux producteurs de blé, de riz Indica et de riz Japonica qui excède le niveau de son engagement spécifié "néant" dans la Liste de concessions concernant les marchandises. Il recommande que la Chine rende ses mesures incompatibles conformes à ses obligations au titre de l'Accord sur l'agriculture.

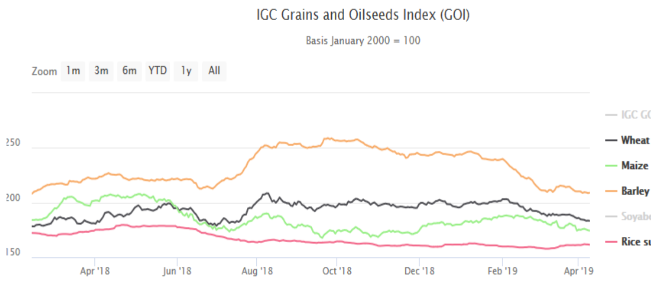
Voir en détail le rapport complet : https://www.wto.org/french/tratop_f/dispu_f/511r_f.pdf

Global Markets: What Is the Trend?

	Global Index[1] (4 April 19)		Supply & Demand March 19 From previous forecast (m/m)	Supply & Demand March 19 From previous season
Blé/Wheat	184	↘	▼	▼
Maïs/Maize	176	↘	▲	▼
Riz/Rice	162	↔	▲	▲
Orge/Barley	209	↘	n/a	▼

[1]: Monthly average in USD, base 100=year 2000, ↗↘ vs last month (▲ : Easing ; ▼ : Tightening ; ↔ : Neutral, n/a : missing data)

Sources : AMIS Outlook - http://www.amis-outlook.org and International Grains Council for the Barley (04/04/19) and the graph below.



Evénements

11-12 06 19

IGC Grains Conference (London, UK)

Ambition to highlight the key challenges facing the international grains and oilseed industry and to strengthen the dialogue between key players from across the global grains supply chain.

https://www.igc.int/en/conference/confhome.aspx

12-14 10 19

Global Grain Geneva (Geneva, Switzerland)

Aside the Global Grain MENA in Dubai (see last newsletter), the Global Grain Geneva is the biggest annual meeting in Europe for the grain trade.

http://www.globalgrainevents.com/geneva/details.html and www.globalgrainevents.com/mena

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