



The organized Resources for Marketing

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USDA report: global wheat and coarse grain ending stocks drop

In the short-run, prices react to crop shortfalls, but in the long-run, prices will tend to reflect changes in ending stocks as the grain is marketed and utilized. Global wheat and coarse grain stocks (excluding China) are currently forecast to drop significantly, wiping out nearly all the stocks build-up of the past several years. Most of the expected stocks reductions are in key exporter countries. Falling U.S. corn and EU barley account for 80 percent of the global coarse grains stocks decline. Conversely, 60 percent of the reduction in wheat stocks is shared among Russia, Kazakhstan, the EU, and Canada.

The combined production shortfalls and dramatic potential stock draw downs mean a much tighter supply picture than just a few months ago. Consequently, global wheat and corn prices have surged. Some countries have already shifted from higher priced corn to feed quality wheat in livestock rations. Early season reports of good crop prospects in Argentina (barley, corn, sorghum, and wheat) and Australia (sorghum, wheat) have the potential to improve the year-to-year drop in global stocks outlook.

Ukraine harvests nearly 41 million tons of grain as of November 9

As of November 9, 2010 Ukraine harvested 40.93 million tons of grain from an area of 14.4 million hectares, or 99% of the target. The average yield of grain and leguminous crops is 28.3 quintals per hectare.

Farmers harvested 11.5 million tons of corn from 2.52 million hectares (95% of the forecast), with an average yield being 45.6 quintals per hectare, and 1 million hectares of soybeans (95% of the forecast) and 1.609 million tons of oil-bearing crops, with an average yield being 16 quintals per hectare.

In addition, the country harvested 7.107 million tons of sunflower seeds from 4.41 million hectares (99% of the forecast), with an average yield being 16.1 quintals per hectare.

The Ukrainian Agrarian Policy Ministry predicted that Ukraine planned to harvest 42.1 million tons of grain in 2010.



Saudi Arabia - Australia wheat major buyer

Saudi Arabia may appear as one of Australia's biggest wheat buyers after changes to tender specifications this year opened access to the trade and the country's imports continue to rise.

Australia may be able to supply about 1 million tonnes a year as Saudi Arabia's annual imports increase to about 3.5 million tonnes from 2011/12.

Rice:

Vietnam will Tighten Rice Export Procedures in 2011

A new decree was taken in Vietnam to tighten rice export procedures from next year, requiring exporters to have sufficient storage capacity and milling facilities, at a time when firms with some foreign ownership will be allowed to enter the sector.

As the decree from Jan. 1, 2011, rice exporters must have at least one warehouse capable of storing 5,000 tonnes of paddy and one milling facility to process 10 tonnes of paddy per hour.

Now, rice exporters are not bound by any conditions related to storing or milling capacity, while they have to respect minimum export prices set by the Vietnam Food Association.

The decree could reduce the number of qualified rice exporters, which would help avoid excess capacity next year, while Vietnam will allow companies with some foreign investment to process and export rice.

Vietnam, the world's second-largest rice exporter after Thailand, is forecast to ship at least 6 million tonnes in 2011, after a record 6.5 million tonnes expected for 2010, according to a recent state media report.

More than 200 Vietnamese companies now compete to export rice, but only 57 of them can be described as active, shipping at least 10,000 tonnes a year or more. Some 82 firms sell less than 1,000 tonnes each a year, the Vietnam Food Association reported.



According to the decree, rice export companies will be required to maintain a standard stock level of at least 10 percent of the volume they exported in the previous six months.

Exporters that fail to respect the requirements on storage and milling capacity, or that wonder on paddy and milled rice, causing volatility in prices, could face a three-month suspension or even have their export license withdrawn.

Rice export companies have nine months until September 2011 to build their infrastructure before the new decree is fully enforced.

Recently Vietnam affected by floods and landslides in central Vietnam, which destroyed 45,000 tonnes of unmilled and milled rice, but that damage is small, compared with Vietnam's expected output of nearly 40 million tonnes of unmilled rice this year.

2.67 bln USD Vietnam's profit from rice export in first ten months

According to report of the Vietnam Food Association (VFA), Vietnam earned 2.67 billion U.S dollars from exporting rice to the world market in the first ten months, up 10.8 percent year-on-year.

The country's exporters shipped overseas 5.7 million tons of rice in the first ten months of this year, recording a slight increase of 5.8 percent year-on-year, said the report.

Vietnam rice exports reached 400,000 tons in October, and gathering 187 million U.S. dollars. The average price of Vietnam's exporting rice in the first ten months stood at 467 U.S dollars a ton, up 3.71 percent year-on- year.

The Philippines topped Vietnam's largest rice importers in the January-October period, accounting for 38 percent of the country's total rice export volume.

According to VFA, due to lack of wheat supply in the world market, food importing countries are trying to buy rice instead, causing a great demand for Vietnam's rice export.

Vietnam is having a good opportunity to surpass the target of exporting 6.5 million tons of rice in the year 2010, said the report.

Last year, Vietnam earned nearly 2.67 billion U.S. dollars from exporting six million tons of rice, according to the General Statistics Office of Vietnam.