

IGC ups global wheat output projection to 684 MT for 2011-12

International Grains Council (IGC) has revised upwards the world wheat production forecast for 2011-12 to 684 million tonnes, expecting higher crop in Europe, Australia and Kazakhstan.

Till last month, the London-based organization had kept the forecast at 679 million tonnes.

The wheat output forecast for the current year remains higher than the 651 MT output last year.

"The global production estimate is boosted by 5 MT to 684 million tonnes (as against 679 MT projected last month) after upward revisions for the EU, Kazakhstan and Australia," the IGC said in its latest Grains Report.

While world wheat consumption is forecast to increase at a quicker than normal pace in 2011-12, the second-largest harvest on record should ensure ample availabilities, lifting carryover stocks to their highest in a decade, it said.

According to the IGC report, the world wheat consumption has been pegged at 677 MT for this year, as against 655 MT in 2010-11.

While the forecast for human food use has been raised since last month, there are reductions for feed and industrial use, it said.

"However, both are still seen rising significantly and growth in total consumption this year is expected to be about double the ten-year average," it said.

Meanwhile, world carryover stocks are forecast to exceed 200 MT for the first time since 2001-02, including a recovery in the eight major exporters, IGC said.

As a result, world trade in wheat is expected to be higher at 132 MT in 2011-12, from 127 MT in the previous year.

"Strong demand for competitively-priced and amply available Black Sea feed and milling wheat contributes to an upward revision in projected wheat trade at over 132 MT," the IGC report said.



The Black Sea exports, especially from Russia, have captured a high proportion of demand in the first part of the season. While that country may eventually introduce measures to control shipments beyond a certain level, they are still seen setting new records, it said.

Exports by Ukraine are expected to accelerate following the recent removal of taxes, it said.

China and India are the world's top two wheat producers.

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