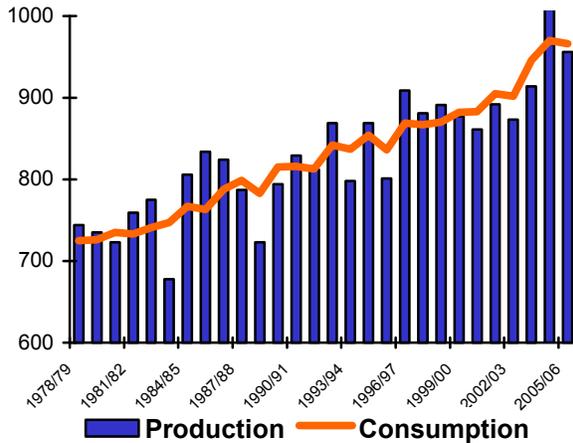
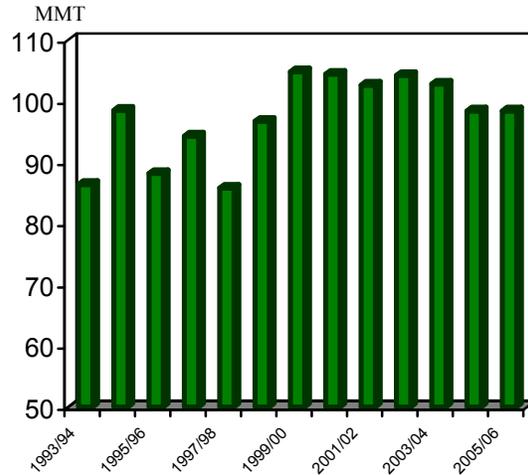


COARSE GRAINS: WORLD MARKETS AND TRADE

**Coarse Grain Production
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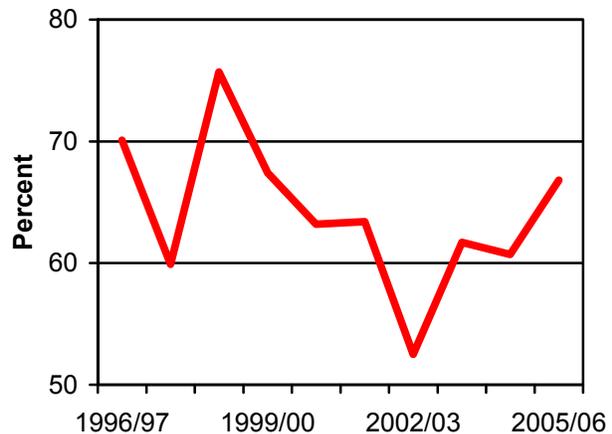
Coarse Grain Trade Unchanged



World coarse grain production in 2005/06 is forecast to drop more than 50 million tons from the current year's record, as yields return to more normal levels. However, ending stocks are projected to decline by only 12 million tons due to large carryin stocks and slightly lower consumption. Even so, the stocks-to-use ratio is forecast to drop to 16.8 percent, the second lowest in 29 years. World trade is forecast to remain flat.

Global **corn** production is forecast at 674 million tons, 34 million less than 2004/05, but still the second highest in history. Consumption is projected to rise slightly to 681 million tons. Robust growth in Brazil and China is mostly offset by drops in the EU-25, Russia, and Ukraine. World corn trade in 2005/06 is expected to be little changed due to stagnant demand in developed countries in East Asia and continued competition from feed quality wheat. U.S. exports are forecast to climb and market share to expand, due to reduced competition from China, Argentina, and Ukraine (see cover).

U.S. Corn Market Share Climbs



Global **barley** trade is projected to increase slightly, with stronger demand from Turkey and Morocco caused by smaller crop prospects. Both Canada and the EU-25 are expected to increase exports by 500,000 tons each. Canada's exports will likely recover in 2005/06 after being

constrained by poor quality this year. The EU-25 is expected to benefit from less competition from Russia and Ukraine, because of reduced production.

Global **sorghum** trade patterns are largely unchanged year to year, led by static demand from Mexico and Japan. Sorghum must compete against huge global supplies of other feed grains.

Global **oat** trade is expected to be steady, and U.S. imports unchanged. Market share of exports, however, are likely to shift as a near record crop is expected in Canada, and a sharply lower crop is forecast for Sweden and Finland.

Global **rye** trade is expected to be down from last year, with the EU-25 accounting for the lion's share as intervention stocks are exported. Industrial consumption of rye in the EU-25 will continue to climb as more ethanol plants come on line.

HIGHLIGHTS FOR 2005/06

Selected Exporters

United States corn exports are forecast up 4.5 million tons to 50 million as a result of diminished competition. **U.S. sorghum** exports are forecast unchanged at 4.5 million tons due to static demand from the two key importers. **U.S. barley** exports are forecast down 150,000 tons to 300,000 tons due to a smaller production forecast.

Argentine corn exports are down 0.5 million tons to 13.5 million based on a smaller crop forecast.

Brazil corn exports are down 300,000 tons to 1.5 million, the smallest in 6 years, as expanding domestic use limits exportable surplus.

China corn exports are forecast at 3.0 million tons, down 50 percent, as domestic consumption continues to outpace production.

Ukraine corn exports are down 700,000 tons to 1.1 million as production recedes from this year's record.

EU barley exports are forecast to rebound by 0.5 million tons to 3.3 million due to less competition from the Black Sea region.

Barley exports from **Ukraine** and **Russia** are projected to drop by a combined 400,000 tons on account of smaller crop prospects.

Canada is expected to boost **barley** exports (mostly for malting) by 0.5 million tons to 1.8 million as crop quality is expected to return to normal. **Oat** exports are forecast at a 5-year high due to larger production and less EU competition.

Another good **sorghum** crop in **Argentina** is expected to increase exports to a more normal 300,000 tons. At the same time, **Australia's** exports will be limited to 500,000 tons (down 200,000 tons) by a drop in production.

Selected Importers

Mexico corn is forecast up 400,000 tons to 5.9 million while **sorghum** imports are expected to stay level at 3.5 million tons in light of competitive U.S. corn prices.

Brazil corn imports are expected to plummet by 1.6 million tons to 400,000 as production recovers from this year's drought.

Chile corn imports are expected to increase by 300,000 tons to 1.3 million due to less production.

South Korea corn imports are expected to increase by 300,000 tons to 8.8 million. While domestic consumption is projected to soften, a drawdown in carryin stocks necessitates higher imports.

Russia corn imports are expected to double to 800,000 tons due to an expected plunge in production.

Turkey barley imports are forecast up 250,000 tons to 400,000 resulting from a drop in production.