Spring planting in the Northern Hemisphere is underway amid high commodity prices but high input costs as well. Early indications for the United States and the European Union suggest that higher prices for soybeans and other oilseeds will encourage producers to increase oilseed plantings. For wheat, increased acreage in Canada might help fill some of the global deficit in supplies. However, the outlook is less favourable for India and the United States. Due to the tightness in global stocks and the uncertainty caused by the conflict in Ukraine, price volatility is likely to remain high this year as markets will focus on weather, crop conditions of fall-planted wheat and progress for spring planting and development later this summer. Of increasing concern are export restrictions, which further exacerbate price volatility and jeopardize global supplies.
AMIS efforts to monitor export restrictions

In response to global market turmoil and supply shocks, countries have often resorted to restrictive trade policies to address food supply disruptions. The Ukraine-Russia crisis is no exception, with a number of countries having imposed export restrictions in various forms. Such measures might benefit consumers in countries imposing the restrictions, but usually come at the expense of all others, especially net food importing countries. Past experience suggests that these trade measures will put additional pressure on available food stocks, push prices up and potentially threaten food security for the poor.

In past crises, including the grain price spikes in 2007-2008 and 2010-2011 as well as the initial wave of the COVID-19 pandemic, many countries restricted the trade of food, including grains and vegetable oils. Worse, export restrictions often had a cascading effect—when one country announced restrictions, others followed suit, further exacerbating supply problems and creating a panicked atmosphere in global markets as importers sought to secure new suppliers, sending prices even higher.

Since the Ukraine war started in February, the number of countries imposing export restrictions on food has climbed from 3 to 23 (as of late April 2022). The total amount of exports affected by the restrictions represents about 17 percent of total calories traded in the world. Specifically, 18 countries implemented export bans, covering 28 separate measures and accounting for 12.5 percent of traded calories, while nine countries implemented export licensing requirements, covering 11 separate measures and accounting for over 4 percent of trade calories.

In terms of calories affected, export restrictions are particularly relevant for following five agricultural commodities: Wheat (31 percent of total calories affected), palm oil (29 percent), maize (12 percent), sunflower oil (11 percent) and soybean oil (6 percent). In terms of individual products, export restrictions affect 36 percent of wheat exports, 55 percent of palm oil exports, 17 percent of maize exports, 78 percent of sunflower oil exports, and 6 percent of soybean oil exports. The remaining 10 percent of traded calories under export restrictions include a diverse basket of commodities such as tomatoes and other vegetables, beef and poultry.

The way the global community eventually responded to the COVID-19 pandemic, at least for food products, should be an example to follow: most countries refrained from implementing bans and those implemented were relatively short-lived.

In order to monitor developments in the current crisis, a webinar was recently held by AMIS that highlighted efforts by members of the Secretariat and others to track export restrictions (see Box). In the same vein, the Secretariat will continue to promote cooperation and dialogue among counties to avoid a wave of detrimental policies like that seen in the 2007-2008 food price crisis. Food trade policy can move quickly, but it can have lasting impacts on global poverty and hunger.

Tracking Export Restrictions

At its 11th meeting in March 2022, the AMIS Rapid Response Forum voiced the need to refrain from implementing export restrictions and undertook actions to disseminate information on the negative impact they could have on international trade. Building on its mandate to "improve agricultural market information" and to "promote dialogue and responses, and international policy coordination", AMIS held a webinar on 13 April on Tracking Export Restrictions and Sanctions. The webinar featured presentations from the Organization for Economic Co-operation and Development (OECD), the World Trade Organization (WTO), the International Grain Council (IGC), the International Food Policy Research Institute (IFPRI) and the Peterson Institute for International Economics.

World supply-demand outlook

**WHEAT** production in 2021 unchanged and still on par with last season’s record, with higher outputs in Argentina, Australia, the EU, Morocco, the UK, and Ukraine offsetting declines in Canada, Iran, the USA, and the Russian Federation.

Utilization in 2021/22 set to increase, largely driven by growth in food consumption in Asia and Africa, despite a downward revision this month, mostly on feed use in India.

Trade in 2021/22 (July/June) headed for a slight increase from 2020/21 following an upward revision this month, mostly reflecting higher than expected shipments from the Russian Federation and continued firm global demand.

Stocks (ending 2022) raised on adjustments to India’s inventories and expected to rise by 4.2 percent above opening levels.

**MAIZE** 2021 production forecast at 3.9 percent above the 2020 level, marking a record. Greater outputs in China, Ukraine, and the USA outweighed a decline in Brazil’s production.

Utilization in 2021/22 unchanged and still headed for a 2.0 expansion above 2020/21, largely driven by higher feed use, especially in Brazil, Canada, and China, and industrial use in the USA.

Trade in 2021/22 (July/June) forecast is raised slightly, on larger than expected shipments from Argentina and continued robust demand in China, but still pointing to a 5.7 percent contraction from 2020/21.

Stocks (ending 2022) forecast to rise above opening levels by 5.5 percent, underpinned by larger stocks in Ukraine as a result of suspended exports.

**RICE** production in 2021 raised slightly, on somewhat higher output expectations for Asian countries, namely Bangladesh and the Philippines, as well as West African producers such as Cote d’Ivoire and Mali.

Utilization in 2021/22 still forecast at a record high, underpinned by a 1.6 percent y/y expansion in food use and an 11.9 percent rise in animal feed use.

Trade in 2021/22 (January-December) unchanged m/m, as slight upward revisions to imports by the Philippines are offset by downgrades to forecast purchases by a few West African countries, namely Mali.

Stocks (2021/22 carry-out) marginally changed m/m and still seen reaching a fresh peak, as anticipated year-to-year drawdowns in China and, to a lesser extent Indonesia, Iran and the US, are more than offset by accumulations in Bangladesh, India and Viet Nam.

**SOYBEAN** 2021/22 production about unchanged m/m, with an upward correction of Argentina’s production offset by lower forecasts for Paraguay.

Utilization in 2021/22 lowered marginally, mainly tied to a subdued demand outlook in China, confirming an exceptional contraction in global consumption from last season’s record high.

Trade in 2021/22 (Oct/Sept) trimmed on smaller import forecasts for China, while shipments were lowered for Brazil and Paraguay.

Stocks (2021/22 carry-out) virtually unchanged, with a downward revision for the US offset by higher forecasts elsewhere. Global inventories remain seen at multi-year lows.

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**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](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.
Revisions (FAO-AMIS) to 2021/22 forecasts since the previous report

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In thousand tonnes

Note

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

Crop conditions in AMIS countries

Synthesis Conditions

Crop condition map synthesizing information for all four AMIS crops as of 28 April. 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 along with 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 northern hemisphere, winter wheat conditions are mixed in Europe and the US due to climatic conditions while the continuing war in Ukraine creates additional uncertainties. Harvesting continues in India with some areas experiencing extreme heat.

**Maize**
In the southern hemisphere, harvesting continues in Brazil, Argentina, and South Africa. In the northern hemisphere, sowing is ongoing in the US, Europe, Ukraine, the Russian Federation and China.

**Rice**
Rabi rice is harvesting in India. Single-season rice is sowing in China. In Southeast Asia, harvesting is continuing for dry-season rice in the northern countries and wet-season rice in Indonesia. In the Americas, harvesting is ongoing in Brazil, while sowing continues in the US.

**Soybeans**
In the southern hemisphere, harvesting is ongoing in Argentina and Brazil with areas of reduced yields. In the northern hemisphere, sowing is beginning in the US and Ukraine.

La Niña Advisory and Outlook for a Negative Indian Ocean Dipole

The El Niño-Southern Oscillation (ENSO) is currently in the La Niña phase and is expected to remain as La Niña through at least July (73 percent chance) according to the IRI/CPC. Long-range forecasts show higher-than-50 percent chances of La Niña, and very low chances of El Niño, through the end of 2022.

If La Niña conditions occur in late 2022 it would be the third event in a row, which is highly uncommon. Another La Niña could elevate the risks of repeated dry conditions in negatively-affected regions, such as eastern East Africa, southern South America, Central and Southern Asia, and southern North America, where several rainfall seasons have been below-average since late 2020.

Negative Indian Ocean Dipole conditions are likely to develop in June and last through September or longer. Negative IOD conditions are associated with above-average rainfall in Australia and below-average rainfall in East Africa.
Crop monitor

**Conditions**

- **Exceptional**
- **Favourable**
- **Watch**
- **Poor**
- **Out-of-Season**
- **No Data**

**Drivers**

- **Wet**
- **Hot**
- **Dry**
- **Cool**
- **Extreme Event**
- **Delayed-Onset**
- **Conflict**
- **Socio-Economic**

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**Summaries by crop**

**Wheat**

In the **EU**, conditions are generally favourable, albeit with some pockets of dryness. Recent cold spells in the southern countries have slowed crop development. In the **United Kingdom**, winter wheat conditions are favourable. In **Ukraine**, the ongoing war continues to bring significant uncertainties as to the ability of the farmers to safely perform fieldwork and harvest their crops over the next few months. In the **Russian Federation**, winter wheat conditions are favourable as warm and wet weather continues. Sowing of spring wheat has begun in Volga under favourable conditions. In **Turkey**, below-average temperatures have slowed crop development. In **China**, conditions are favourable for both winter and spring wheat. In **India**, harvesting is ongoing under generally favourable conditions, however, above-average temperatures in the States of Punjab and Haryana have led to the early maturity of the crop and thus reduced final yields. In the **US**, winter wheat throughout much of the Great Plains continues to be impacted by the long-term dryness. Spring wheat sowing is off to a slow but favourable start. In **Canada**, winter wheat conditions remain mixed in the central and western Prairies while favourable in Manitoba and Ontario. In **Australia**, sowing is just beginning in Queensland and Western Australia under favourable conditions.

**Maize**

In **Brazil**, harvesting of the spring-planted crop (smaller season) is continuing with reduced yields in the main producing South region. The summer-planted crop (larger season) is developing under favourable conditions. In **Argentina**, harvesting of the early-planted crop (larger season) is continuing with reduced yields due to earlier hot and dry weather. Conditions of the late-planted crop (smaller season) remain favourable. In **South Africa**, harvesting is ongoing under favourable conditions. In **India**, harvesting of the Rabi crop is wrapping up under favourable conditions. In the **US**, sowing is progressing slower than usual due to cool and wet weather across much of the Corn Belt region. In **Mexico**, harvesting has begun for the autumn-winter crop (smaller season). There is a reduction in the total sown area compared to the five-year average. In the **EU**, sowing is ongoing under generally favourable conditions, albeit delayed in most areas due to unseasonably cool weather. In **Ukraine**, sowing is progressing under the uncertainties of war with a substantial reduction in total sown area forecasted for this season. In the **Russian Federation**, sowing has begun under favourable conditions. In **China**, the sowing of the spring-planted crop continues under favourable conditions.

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**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

Rice

In China, conditions are favourable for the sowing of single-season rice and the continued development of early-season rice. In India, harvesting of the Rabi crop is ongoing under favourable conditions. In Indonesia, harvesting of wet-season rice enters the fourth month with good yields owing to ample rainfall and sunlight during the growing season. In Viet Nam, winter-spring rice (dry-season) is in the tillering and young panicle forming stages in the north, while harvesting in the south. Sowing of summer-autumn rice (wet season rice) has begun in the Mekong River Delta under favourable conditions. In Thailand, dry-season rice is harvesting with an expected increase in yields compared to last year due to ample rainfall throughout the season. The total sown area is increased compared to last year. In the Philippines, harvesting of dry-season rice is continuing under generally favourable conditions. However, tropical storm Megi caused significant damage to the crops in the Visayas region and will result in a reduction in yields. In Brazil, harvesting is continuing under mixed conditions due to high temperatures and water deficits in the south region. In the US, sowing is ongoing under favourable conditions.

Soybeans

In Brazil, harvesting is wrapping up under poor conditions in some regions. Despite an increase in sown area compared to last season, a reduction in yields is expected due to a lack of rainfall associated with high temperatures during the reproductive stages in the South region and Mato Grosso do Sul state. In Argentina, harvesting is progressing for the early-planted crop (larger season) and beginning for the late-planted crop (smaller season) under mixed conditions. The impact of dry conditions throughout the growing season has impacted yields, particularly in Santa Fe, Entre Rios, and San Luis. The yields for the late-planted crop (smaller season) are now at risk due to frosts. In the US, sowing is off to a slow start due to cool and wet weather. In Ukraine, sowing is progressing under the uncertainties of the ongoing war.

Information on crop conditions in non-AMIS countries can be found in the GEOGLAM Early Warning Crop Monitor, published 28 April.

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 & IRRI), Japan (JAXA), Mexico (SIAP), Russian Federation (IKI), South Africa (ARC & GeoTerraImage & SANSA), Thailand (GISTDA & OAE), Ukraine (NASU-NISAU & UHMC), USA (NASA, UMD, USGS - FEWS NET, USDA (FAS, NASS)), Viet Nam (VAST & VIMHEAR). 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

Wheat

- On 14 April, the Ministry of Agriculture and Land Reclamation in Egypt approved wheat imports from India subject to pre-shipment inspection, the use of specific pesticides against fungal pests, and phytosanitary certificate requirements mandated by the plant quarantine department.

- On 24 April, the Ministry of Supply and Internal Trade in Egypt strengthened the enforcement of the regulations governing the collection, transportation, and domestic distribution of wheat, for which valid permits must be delivered by the designated competent authorities (Ministerial Resolution No. 51 of 2022).

- On 16 April, the Ministry of Agriculture in Kazakhstan introduced two temporary export quotas for (i) wheat (1 million tonnes) and (ii) wheat or wheat-rye flour (300 000 tonnes), for the period 16 April-15 June 2022 (Order No. 110).

- On 11 April, the Ukrainian state-run Agrarian Fund announced it will buy wheat from the 2022 harvest at USD 181-187 per tonne depending on milling quality.

Rice

- On 15 April, the Ministry of Industry and Trade in Vietnam issued Circular No. 06/2022/TT-BCT to establish duty-free access for an annual tariff rate quota for rice from Cambodia for 2021 and 2022. The annual tariff quota volume is 300 000 tonnes for rice. Furthermore, imports must be accompanied by a valid certificate of origin to be issued by the Cambodian Ministry of Trade or an authorized agency; and customs clearance procedures are to be conducted at designated border gates. The Circular will remain in effect until December 2022.

Biofuels

- On 12 April, the US Administration announced it will lift the sales ban of E15 gasoline from 1 June until 15 September to curb fuel price inflation. A national emergency waiver will be issued by the Environment Protection Agency (EPA). According to the US Administration, this policy will also support American agriculture and sustainable domestic energy production while generating economic opportunities, especially in rural and farm communities.

- On 12 April, the US committed more than USD 800 million to support its biofuels industry. The US Department of Agriculture will allocate USD 700 million to the new Biofuel Producer Program under the Pandemic Assistance for Producers initiative. Payments will be made to biofuels producers, who in turn will help maintain viable market outlets for agricultural producers.

- On 18 April, based on its lifecycle greenhouse gas analysis, the US EPA positioned itself to approve the Renewable Fuel Standard strategies for biofuels that are derived from canola/rapeseed oil (e.g., diesel, jet fuel, heating oil, naphtha, and liquefied petroleum gas). Public comments are solicited until 18 May.

Fertilizers

- On 8 April, as part of a broader package of economic sanctions, the EU banned the importation of fertilizers from Russia and Belarus.

- On 20 April, amid concerns over disruptions in global commodity and financial markets, the Department of Fertilizers of the Ministry of Agriculture in India increased subsidies for the kharif season, covering 3 million metric tonnes of DAP (Di-Ammonium Phosphate) and 7 million metric tonnes of urea. The annual fertilizer subsidy will amount to INR 20 million (USD 262 000) in the current fiscal year. An inter-ministerial committee recommended revision of nutrient-based subsidy rates for nitrogen, phosphorous, potassium and sulphur for kharif 2022 based on average international fertilizer prices observed in March 2022.

- On 1 April, UK postponed the scheduled entry into force of restrictions on the use of urea-based fertilizers until 2023. Moreover, despite pollution worries, the spreading of animal manure will be allowed in autumn and winter 2022. Under the Sustainable Farming Incentive, agricultural producers will also be compensated for the costs of substituting some of their fertilizer requirements and will receive direct payments to lessen their dependence on those manufactured fertilizers that are linked to the price of gas.

Across the board

Market access

- On 1 April, Australia notified the removal of the Russian Federation from the Most-Favoured-Nation status. As from 25 April, an additional tariff of 35 percent will apply on all goods from Russia, including fertilizers and crude oil.

- On 2 April, Australia and India signed an Economic Cooperation and Trade Agreement (ECTA) encompassing various market access policy dimensions for goods and services. ECTA is expected to enter into force in the next 4-5 months. India will benefit from preferential access to Australia’s market for all of its exports, including food and agricultural products. Around 96.4 percent of India’s exports by value will
enter Australia duty-free. Around 85 percent of Australia’s goods exports will benefit from duty-free treatment in India’s market and an additional 5 percent will see tariffs eliminated over a 10-year period. However, products deemed sensitive by India, such as wheat, rice, sunflower seed oil, oil cake, maize, etc., remain excluded from any tariff concessions.

On 27 April, in support of the Ukrainian economy, the EU Commission submitted a proposal to suspend import duties on all Ukrainian goods not already covered by the EU-Ukraine Deep and Comprehensive free trade area, including fruits and vegetables (subject to EU’s entry price system) and other agricultural products under tariff quota access. Pending approval by the EU Council and EU Parliament, the entire trade liberalization package, which extends to the suspension of safeguard actions and non-collection of anti-dumping duties, would remain in force for one year following its publication in the Official Journal.

On 26 April, as part of UK’s economic support to Ukraine, all import duties and tariff quotas on Ukrainian goods were eliminated under the existing bilateral trade agreement, improving market access opportunities for a range of raw and processed agricultural products, including wheat, flour, and maize. Economic support includes GBP 1 billion (USD 1.25 billion) in loan guarantees.

Climate change

On 22 April, the Agricultural and Processed Food Products Export Development Authority in India signed a Memorandum of Understanding with the National Research Development Corporation to implement the Agri Export Policy and strengthen the export value chain by disseminating technologies to promote climate-resilient agriculture, zero carbon emission farming, and residue/carbon-free food for exports. The key areas of cooperation include developing and improving farm machinery for low cost, user-friendly and energy-efficient tools for small scale farmers, promoting and supporting Agri start-ups.

On 22 April, India and the Philippines agreed to strengthen their partnership towards stronger technical cooperation to sustainably increase food production whilst helping farmers attain higher incomes. The Philippines aims to benefit from India’s leading position in rice production and exports as well as its know-how in developing and commercializing natural and biological farm inputs. India will also support initiatives to improve Philippine agriculture by implementing various science-backed projects such as satellite-based insurance systems and soil and water management.

On 25 April, to further the Asia Energy Transition Initiative, an initiative unveiled by Japan last year to help achieve sustainable economic growth and carbon neutrality in Asia, Indonesia’s state energy company, Pertamina, and Japan’s engineering company JGC Holding agreed to explore a project involving the production of renewable energy from palm oil mills in Indonesia.

On 22 April, after France and Spain had taken similar steps (see AMIS Market Monitor, 7 April 2022), another EU member State, Slovakia, decided to reward farmers for adopting low carbon farming practices. A new land-use climate fund was established to grant direct subsidies to farmers who privilege organic fertilizers, no-till and regenerative farming, or crop rotation techniques. The fund will be financed from revenues generated under the EU-wide carbon emission trading system (ETS), voluntary contributions by private companies, and fines collected due to non-compliance with established low-carbon cultivation practices. A legislative proposal to implement the fund is under preparation.

The US Administration released a Presidential Executive Order on 22 April to advance its climate and environmental agenda. The Order lays out deadlines to devise policy recommendations at state, local, tribal, and territorial levels and spur investments in science-based ecosystems restoration, carbon sequestration, forest conservation, and wildfire risk reduction, including through climate-smart and conservation strategies. In combating deforestation worldwide, precise goals are to be attained by 2030 (with particular emphasis on the Amazon, Congo Basin, and Southeast Asia). The Order underscores the importance of public private partnerships to foster the voluntary reduction or elimination of non-sustainably produced agricultural commodities in global supply chains. Options for foreign assistance will be identified to prevent deforestation globally.

Other

On 16 April, the EU announced plans to restrict the use of the pesticide sulfoxaflor following concerns over potentially adverse effects on bees. According to risk assessments conducted by the European Food Safety Authority, the application of the pesticide on spring and winter cereals may pose risks when the crop flowers.

On 22 April, the Ministry of Trade in Indonesia banned palm oil exports to safeguard the domestic availability and affordability of cooking oil, reversing the decision taken on 17 March to abolish export volume restrictions and rely on a variable export levy system instead. Up to 22 April, higher progressive rates of export levies (up to a maximum levy of USD 375 per tonne) had been applied when the reference price reached at least USD 1 050 per tonne. Such levies were applied in addition to the export tax of USD 200 per tonne and were used to subsidise bulk cooking oil sales (approx. 202 million litres per month). On 28 April, a ministerial regu-
Policy developments

On 17 April, the US Department of Agriculture (USDA) and the US Agency for International Development (USAID) approved an international food assistance package in response to the global humanitarian needs resulting from the war on Ukraine. To this effect, funding of USD 670 million will be available to purchase domestic wheat and other commodities and cover transportation costs to food insecure countries through the Commodity Credit Corporation.

Stop press

On 21 March, Egypt set fixed prices for all unsubsidized bread categories as an emergency response to soaring prices in the wake of Russia’s invasion of Ukraine. Under the Law on Protection of Competition and Prevention of Monopolistic Practices, failure to comply with the fixed price system will be subject to fines.

On 16 March, the President of Kazakhstan outlined measures to safeguard food security in the current unstable international situation. Through Decree No. 847, fuel and lubricants will be supplied at affordable prices to farmers. Support will also be available for agricultural machinery, stocks of seeds and fertilizers. To prevent shortages and food price spikes, the government will purchase agricultural products at fixed prices.

On 2 February, Turkey and Ukraine concluded a free trade agreement. Around 95 percent of Ukraine’s goods exports, including cereal crops, will enter duty-free in Turkey. In addition, tariff rate quotas or reduced-rate import duties will apply to another 1348 product items.

On 30 March, the US Department of Agriculture announced the loan benefits from the Marketing Assistance Loan Program for 2022 for wheat (USD 3.38/bushel), maize (USD 2.20/bushel), and soybeans (USD 6.20/bushel).

+ Note

Only AMIS participants are marked in bold.
Building seasonal harvest pressure, with exporters keen to at-
where prices declined on busy producer selling interest and
3 percent in April. Losses were most pronounced in Argentina,
the previous month’s record high, dropping by an average of
supply worries, the IGC GOI maize sub-Index retreated from
Although world export values remained elevated amid ongoing
sales offered some market support.
pace of Brazilian dispatches slowed markedly, but thin grower
oils, notably palm oil and soya oil. After initial solid progress, the
were contained by support from surging markets for vegetable
mand weighed more broadly. However, declines in fob prices
COVID-19-related lockdown measures on Chinese import de-
stemming from Ukraine’s continued absence from the world
market, as well as some concerns about the slow start to the
2022/23 planting season.
Rice
Despite generally subdued activity and some new crop arrivals
at Asian origins, average rice prices were mildly stronger m/m as
demand from feed producers for lower grades supported senti-
ment. Thai quotes were broadly stable, as Near East Asian de-
mand underpinned, while Indian offers softened as high freight
rates curtailed buying interest from key West African markets.
Elsewhere, Vietnamese quotes were a little firmer despite sea-
sonally rising availabilities, while currency volatility curtailed trad-
ing in Pakistan. Offers in the US ticked higher as unfavourable
conditions delayed 2022/23 planting, and as rising input costs
and prospects for a smaller crop added support.
Soybeans
Largely reflecting falls at southern hemisphere origins, aver-
age world soybean export prices retreated during April, the
IGC GOI sub-Index declining by 2 percent. While prospects
for smaller South American harvests and an associated uptick
in international demand provided support to US quotations
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Wheat
After solid gains in the prior month, average wheat export prices
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nearby resolution of the Black Sea conflict fuelled global supply
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North America, including persistent dryness in US HRW wheat
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Maize
Although world export values remained elevated amid ongoing
supply worries, the IGC GOI maize sub-Index retreated from
the previous month’s record high, dropping by an average of
3 percent in April. Losses were most pronounced in Argentina,
where prices declined on busy producer selling interest and
building seasonal harvest pressure, with exporters keen to at-
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export premiums fell on recent pickup in country movement
and softer barge freight rates. However, losses were capped
by generally firm export demand, including from China, partly
stemming from Ukraine’s continued absence from the world
market, as well as some concerns about the slow start to the
2022/23 planting season.

Rice
Despite generally subdued activity and some new crop arrivals
at Asian origins, average rice prices were mildly stronger m/m as
demand from feed producers for lower grades supported senti-
ment. Thai quotes were broadly stable, as Near East Asian de-
mand underpinned, while Indian offers softened as high freight
rates curtailed buying interest from key West African markets.
Elsewhere, Vietnamese quotes were a little firmer despite sea-
sonally rising availabilities, while currency volatility curtailed trad-
ing in Pakistan. Offers in the US ticked higher as unfavourable
conditions delayed 2022/23 planting, and as rising input costs
and prospects for a smaller crop added support.

Soybeans
Largely reflecting falls at southern hemisphere origins, aver-
age world soybean export prices retreated during April, the
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International prices

Selected export prices, currencies and indices

Daily quotations of selected export prices (USD/tonnes, 2020-2022)

<table>
<thead>
<tr>
<th>AMIS Countries</th>
<th>Currency</th>
<th>Apr 2022 Average</th>
<th>Monthly Change</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>ARS</td>
<td>113.2</td>
<td>-3.4%</td>
<td>-18.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>AUD</td>
<td>1.4</td>
<td>-0.2%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Brazil</td>
<td>BRL</td>
<td>4.7</td>
<td>4.8%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Canada</td>
<td>CAD</td>
<td>1.3</td>
<td>0.2%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>China</td>
<td>CNY</td>
<td>6.4</td>
<td>-1.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Egypt</td>
<td>EGP</td>
<td>18.4</td>
<td>-9.6%</td>
<td>-14.8%</td>
</tr>
<tr>
<td>EU</td>
<td>EUR</td>
<td>0.9</td>
<td>-1.9%</td>
<td>-9.8%</td>
</tr>
<tr>
<td>India</td>
<td>INR</td>
<td>76.2</td>
<td>0.0%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>IDR</td>
<td>14371.5</td>
<td>-0.2%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Japan</td>
<td>JPY</td>
<td>126.4</td>
<td>-6.1%</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>KZT</td>
<td>451.3</td>
<td>10.9%</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Rep. of Korea</td>
<td>KRW</td>
<td>1236.5</td>
<td>-1.3%</td>
<td>-9.6%</td>
</tr>
<tr>
<td>Mexico</td>
<td>MXN</td>
<td>20.1</td>
<td>2.3%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>NGN</td>
<td>414.7</td>
<td>0.2%</td>
<td>-8.2%</td>
</tr>
<tr>
<td>Philippines</td>
<td>PHP</td>
<td>52.0</td>
<td>0.1%</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Russian Fed.</td>
<td>RUB</td>
<td>77.5</td>
<td>32.8%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>SAR</td>
<td>3.8</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>South Africa</td>
<td>ZAR</td>
<td>15.0</td>
<td>-0.6%</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Thailand</td>
<td>THB</td>
<td>33.8</td>
<td>-1.6%</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Turkey</td>
<td>TRY</td>
<td>14.7</td>
<td>-0.7%</td>
<td>-44.5%</td>
</tr>
<tr>
<td>UK</td>
<td>GBP</td>
<td>0.8</td>
<td>-1.8%</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>UAH</td>
<td>29.4</td>
<td>0.2%</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>VND</td>
<td>22911.6</td>
<td>-0.2%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

AMIS countries’ currencies against US Dollar

FAO Food Price Index

Nominal Broad Dollar Index
Futures markets

Overall market sentiment
- The US and European markets of CME and Euronext continued the March trend of rising prices
- The rise in volumes in Chicago was supported by inflation and volatility
- Both CME and Euronext’s grain and oilseed markets displayed backwardations (a sign of low expected inventories)
- Net long positions were at record highs for financials on the CME

MONTHLY PRICE TREND

Futures markets

The US and European markets of CME and Euronext continued the March trend of rising prices, with a record high price in April for CME maize futures, exceeding USD 315 per tonne for the first time since September 2012, and a record level for Euronext wheat futures, reaching USD 352 per tonne for the new crop being delivered from September 2023. Markets clearly expect the current tensions to persist and become more structural as the price rise is spilling over far dated contracts.

Volumes & volatility
Euronext volumes decreased slightly in April for both wheat and maize along with a reduction in volatility, demonstrating a positive correlation between volatility and volumes. The decrease in volumes was partly driven by an expectation of continued rising prices causing sellers to wait closing their positions.

By contrast, volumes increased on the CME for maize and soybean compared to March. Financial investors increased their market participation as the US inflation rate reached 8.5 percent, the highest level in 40 years. While the level of volatility for all CME contracts increased, implied volatility was decreasing, a sign that markets forecast a drop in the magnitude of price fluctuations.

Forward curves
Both CME and Euronext’s grain and oilseed markets displayed backwardations, with a higher price trend compared to the previous month, reflecting low inventories of the underlying commodities. The conflict in Ukraine and unfavourable weather on the American continent pressured and increased prices for closer expiring contracts as industrial users seek to hedge their immediate operational costs and secure their supplies.

The CME contracts have been in backwardation for over a month. This is unusual in the grain and oilseed Chicago markets where futures contracts are consistently in a contango configuration. The current backwardation configuration might thus indicate that inventories are expected to be so low that buyers are ready to pay a premium to insure future availabilities.

Investment flows
Funds have held long positions in CME futures for the last two years and recent events have sent money managers’ bullish view on commodities to unprecedented levels. Their net long positions on grains and oilseeds hit a new record on 19 April, edging the previous record set in August 2012. While the commercials’ net short position didn’t change, that shows an escalating financialization (or increased share of non-commercial market participants) of the CME, which might reopen the heated debates over the impact of financial investors on price discovery.

On Euronext, as for CME, financials increased their net long positions on both wheat and maize contracts but to a much lower extent compared to Chicago. Indeed the Euronext contract is mainly driven by commercials, which display a net short position essentially for hedging purposes (79 percent of the open positions for wheat and 76 percent for maize were for hedging purposes).

<table>
<thead>
<tr>
<th>Euronext futures volumes and price evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average daily volume (1000 tonnes)</td>
</tr>
<tr>
<td>Wheat</td>
</tr>
<tr>
<td>Maize</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prices (USD/t)</th>
<th>Apr 2022</th>
<th>M/M</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>423.6</td>
<td>+2.1%</td>
<td>+55.8%</td>
</tr>
<tr>
<td>Maize</td>
<td>357.4</td>
<td>-4.5%</td>
<td>+32.6%</td>
</tr>
</tbody>
</table>

<table>
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<tr>
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<tr>
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<tr>
<td>Maize</td>
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<tr>
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<th>Apr 2022</th>
<th>M/M</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>394.6</td>
<td>-3.1%</td>
<td>+60.8%</td>
</tr>
<tr>
<td>Maize</td>
<td>307.8</td>
<td>+4.7%</td>
<td>+30.6%</td>
</tr>
<tr>
<td>Soybean</td>
<td>612.4</td>
<td>-0.4%</td>
<td>+14.8%</td>
</tr>
</tbody>
</table>

Graph of the Month
Share of financials on wheat markets CME vs Euronext

<table>
<thead>
<tr>
<th>Year</th>
<th>CBOT wheat</th>
<th>Euronext wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>54%</td>
<td>47%</td>
</tr>
<tr>
<td>2019</td>
<td>60%</td>
<td>47%</td>
</tr>
<tr>
<td>2020</td>
<td>60%</td>
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<td>47%</td>
</tr>
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<td>20%</td>
<td>47%</td>
</tr>
</tbody>
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Market indicators

Daily quotations from leading exchanges - nearby futures

Wheat
USD per tonne

Maize
USD per tonne

Rice
USD per tonne

Soybean
USD per tonne

CFTC commitments of traders
Major categories net length as percentage of open interest*

Wheat

Maize

Rice

Soybean

*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)**

EUR per tonne

**Euronext maize (EMA)**

EUR per tonne

**CBOT wheat**

USD cent per bushel

**CBOT maize**

USD cent per bushel

**CBOT rice**

USD per hundredweight

**CBOT soybean**

USD cent per bushel

Historical and implied volatilities

**Historical Volatility (30 days)**

**Implied Volatility (Daily)**

+ 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:

http://www.amis-outlook.org/amis-monitoring/indicators/

For more information about forward curves see the feature article in No. 75 February AMIS Market Monitor 2020.
Prices for most fertilizers continued their rise in April. Supply concerns and related price increases were particularly high for nitrogen fertilizers due to the large role of the Russian Federation in nitrogen fertilizer exports and supply shortages in Western Europe.

- **Natural gas** prices continued to increase in April driven by supply concerns related to the Russia-Ukraine conflict. News that the Russian Federation stopped gas supplies to Bulgaria and Poland pushed prices further towards the end of the month.

- **Urea** price variations were mixed in April - down slightly in the U.S. Gulf but up across other regions. Supply uncertainty continued with the war in the Black Sea region, but demand was low - easing prices. Downward pressure on prices was also linked to the surplus of urea fertilizer in India, which translated into low import demand.

- **Ammonia** prices were up significantly in April as prices for natural gas, a key input in ammonia production, surged. Ongoing sanctions against the Russian Federation and the country’s own export restrictions affected supply as well.

- **DAP** prices increased in April, although marginally, due to seasonal high demand and ongoing supply concerns stemming from the conflict in Ukraine.

- **Potash** prices were up in April resulting from seasonal high demand and the ongoing effects of a sharp supply reduction from Belarus and the Russian Federation.

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**Chart and tables description**

**Ammonia and urea**: Overview of nitrogen-based fertilizer prices in the US Gulf, Western Europe and Black Sea. Prices are weekly prices averaged by month.

**Potash and phosphate**: Overview of phosphate and potassium-based fertilizer prices in the US Gulf, Baltic and Vancouver. Prices are weekly prices averaged by month.

**Ammonia average and urea average**: Monthly average prices from ammonia’s US Gulf NOLA, Middle East, Black Sea and Western Europe were averaged to obtain ammonia average prices; monthly average prices from urea’s US Gulf NOLA, US Gulf Prill, Middle East Prill, Black Sea Prill and Mediterranean were averaged to obtain Urea Average prices.

**Natural gas**: Henry Hub Natural Gas Spot Price from ICE up to December 2017 and from Bloomberg (BGAP) from January 2018 onwards. Prices are intraday.

**DAP**: Diammonium Phosphat

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All prices shown are in US dollars.

Source: Own elaboration based on Bloomberg

*Estimated using available weekly data to date.
After a sizable increase in the month before, dry bulk freight rates fell moderately during April, led by a decline in Capesize earnings. Following an 11 percent monthly loss, average Baltic Dry Index (BDI) values were 11 percent lower year-on-year, albeit timecharter values in the grains and oilseeds carrying segments remained significantly higher compared to a year ago.

The bearish backdrop stemmed from worries about the potential impact of China’s fresh lockdown measures to contain the spread of COVID-19. While slowing the country’s purchases of some dry bulk commodities, the restrictions reportedly disrupted inland logistics and led to backlogs at ports and reduced vessel turnaround rates.

Support to freight rates came from the coal market, where, following an import ban on shipments from Russia, EU importers were seen switching to alternative origins, including the US, South Africa and Australia, potentially implying increased journey lengths and times.

Activity in the Capesize market was typically volatile. The Baltic sub-index fell by 24 percent on average despite brisker demand for coal shipments from Australia to Europe and recent news of a resumption of steel mill operations in China.

Little fresh demand at some origins weighed on Panamax values at times, but robust grains and oilseeds-related trading in South America and the Pacific Northwest, coupled with recent solid enquiries in Europe, helped to contain downside.

A lull in some loading areas initially pressured Supramax rates, but values edged up again thereafter amid an uptick in demand at the US Gulf and in South Asia, limiting declines in average rates to 9 percent. The Handysize market reacted to slower activity in parts of Asia, as average segment earnings slipped by 5 percent month-on-month.

Underpinned by strength in marine fuel prices, average IGC Grains and Oilseeds Freight Index (GOFI) values posted a net 3 percent monthly increase.

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 bulk, 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.
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.

For more information on AMIS Supply and Demand, please view AMIS Supply and Demand Balances Manual.