

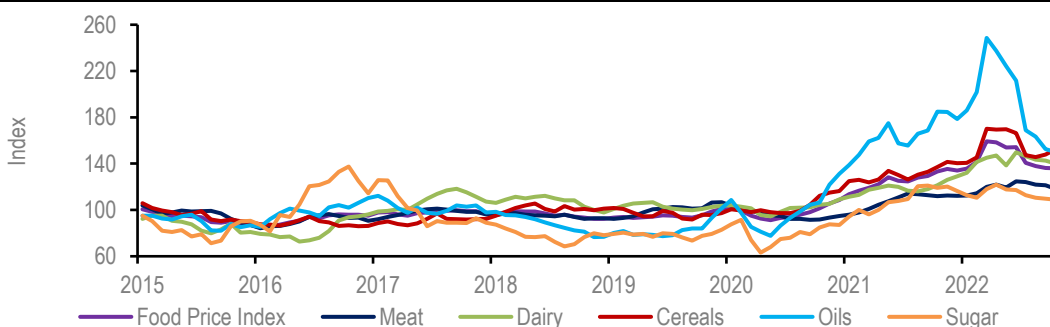
## USDA maintained a broadly unchanged view in global grains and oilseeds production forecasts for 2022/23

This past week the United States Department of Agriculture (USDA) released its monthly flagship report, the World Agricultural Supply and Demand Estimates report. This report provides insight into the production conditions of the major grains and oilseeds. While there have been some changes in production conditions in various countries, the overall estimates remain broadly unchanged from the forecasts released in October 2022. For example, the USDA forecasts 2022/23 global wheat production at 783 million tonnes, up by 0,1% from October 2022. This is mainly because of improved production conditions in Australia, Brazil and Kazakhstan, which overshadowed the decline in crop conditions in Argentina, amongst others. Notably, the current forecast is up by 0,4% from the 2021/22 global wheat harvest, supported by expected large yields in Russia, the US, Canada, Kazakhstan, China, Turkey, and the UK.

Moreover, the USDA maintained its 2022/23 global maize harvest estimate broadly unchanged from October figures, at 1,17 billion tonnes. This is down by 4% from the previous season, mainly due to an expected smaller crop in the US, Ukraine, EU, and India. 2022/23 global rice production is estimated at 504 million tonnes, marginally down by a tonne from October estimates. The current estimate is down by 2% from the 2021/22 season due to anticipated poor yields in parts of rice-producing regions of Asia.

Unlike the other crops, the 2022/23 soybeans production prospects remain positive, at 390 million tonnes. This is unchanged from October 2022 but 10% higher than the 2021/22 season. The anticipated large harvest in Brazil, Argentina, China, Paraguay, Canada, Russia, and Ukraine compensates for the expected decline in the US, India, and Uruguay. These deviations in crop expectations are a function of weather and area plantings variations. Overall, the 2022/2023 global grains and oilseeds season presents an encouraging picture of supplies. These forecasts will probably be sufficient to provide relief from the levels the grains and oilseeds prices were at in the weeks after the start of the Russia-Ukraine war. Still, one will have to keep a close eye on the South American crop conditions over the coming months as the season is still at inception, and there are growing fears of drought because of the La Niña weather event. We will also keep monitoring the impact of these developments on food prices (see Exhibit 1).

**Exhibit 1: Global Food Price Index**



Source: FAO and Agbiz Research

16 November 2022

**Wandile Sihlobo**

Chief Economist

+27 12 807 6686

wandile@agbiz.co.za

www.agbiz.co.za

**Disclaimer:**

Everything has been done to ensure the accuracy of this information, however, Agbiz takes no responsibility for any loss or damage incurred due to the usage of this information.