
COARSE GRAINS: WORLD MARKETS AND TRADE

MONTHLY HIGHLIGHTS:

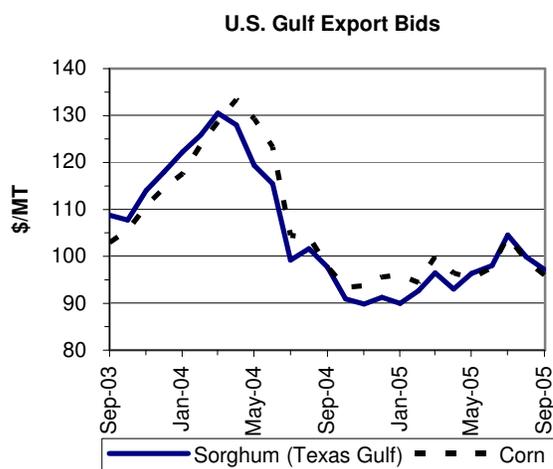
Barley: Morocco's imports are likely to continue at a rapid pace to offset lower production and relatively poor pasture conditions in 2005. In May, the government temporarily abolished the 7 percent value-added tax and the 35 percent import duty on barley through December. A similar measure was taken in 2001 and imports consequently reached 700,000 tons for the year, the second highest level in over a decade. There are already indications that purchases have been strong throughout the first half of the 2005/06 marketing year.

Sorghum: A data series for Bolivia was added this month.

PRICES:

Domestic: September export bids for #2 yellow corn averaged nearly \$96/MT, down \$3 from August. September export bids for #2 yellow sorghum (Texas Gulf) dropped about \$3 to average just over \$97 /MT.

Sorghum and corn prices remain similar and are close to those of a year ago. Harvest pressure has reduced prices.



TRADE CHANGES IN 2005/2006

Selected Exporters

- **Argentina corn** is down 300,000 tons to 13.2 million due to a reduction in acreage.
- **Brazil corn** is cut by 200,000 tons to 800,000 as rising domestic consumption reduces exportable supplies.
- **South Africa corn** is reduced 200,000 tons to 1.8 million based on a smaller crop forecast.
- **Ukraine corn** is raised 500,000 tons to 1.6 million due to larger crop prospects.
- **Turkey barley** is raised 100,000 tons to 200,000 based on recent government sales.

Selected Importers

- **Brazil corn** is raised 200,000 tons to 1.0 million because of increasing feed demand.
- **Zimbabwe corn** is up 100,000 tons to 300,000 based on a smaller crop projection.

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- **Morocco barley** is raised 200,000 tons to 600,000 because of strong demand and the temporary elimination of barley import taxes.

TRADE CHANGES IN 2004/2005

Selected Exporters

- **China corn** is raised 300,000 tons to 7.3 million based on pace to-date.
- **Canada barley** is raised 200,000 tons to 1.5 million based on continued strong sales.
- **Russia barley** is raised 300,000 tons to 1.3 million on strong sales to the Middle East and North Africa.

Selected Importers

- **South Korea corn** is up 200,000 tons to 8.5 million on the basis of shipments to-date.
- **Syria corn** is increased 200,000 tons to 1.6 million based on shipments to-date.
- **Morocco barley** is raised 100,000 tons to 500,000 with strong demand in expectation of a sharply reduced new crop.