
COARSE GRAINS: WORLD MARKETS AND TRADE

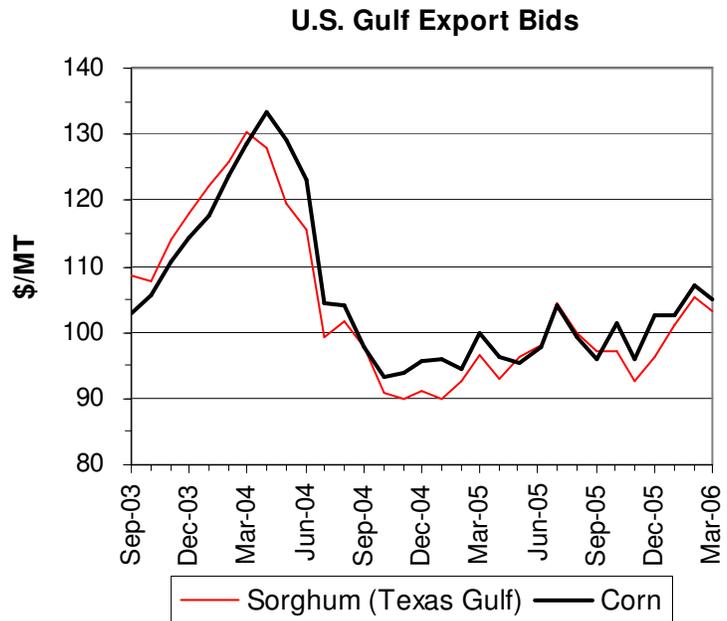
MONTHLY HIGHLIGHTS:

World corn trade is unchanged, but the United States gains 1 million tons at the expense of Argentina.

PRICES:

Domestic: March export bids for #2 yellow corn were down \$2 per ton to \$105. Bids for #2 yellow sorghum (Texas Gulf) were down the same amount to \$103 per ton.

Corn prices fell slightly during the month but continue to be supported by strong export sales and record domestic demand. In addition, the March 31 *Prospective Plantings* report was bullish because of a larger-than-expected cut in 2006 acreage. Lingering concerns over bird flu, large feed grain supplies, and renewed talk of exports from China have kept prices in check.



Sorghum prices have been supported by relatively strong sales to Mexico, by food aid business, and by the corn market.

TRADE CHANGES IN 2005/2006

Selected Exporters

- **United States corn** is up by 1.0 million tons to 50.5 million, the highest in 7 years, due to Argentina's relative uncompetitiveness. **Argentina corn** is down by 1.0 million tons to 10.0 million, the lowest in 4 years. Its current crop is forecast to be the smallest in 7 years.
- **Serbia corn** is down 200,000 tons to 800,000 because of smaller production. However, both exports and production are forecast at record levels.
- **Cambodia corn** is up by 200,000 tons (to 200,000) on the basis of reported trade to the region.

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- **United States barley** is up 100,000 tons to 400,000 because of new sales to Saudi Arabia.
 - **Australia sorghum** is down 200,000 tons to 300,000 because of slow shipments, competition from the United States and Argentina, and strong domestic feed demand.
 - **United States sorghum** is raised 300,000 tons to 4.8 million because of strong sales and shipments in March, especially to Mexico.

Selected Importers

- **Indonesia corn** is down 100,000 tons to 400,000, the lowest in 13 years, because of higher forecast production.
- **Philippines corn** is doubled to 200,000 tons based on reports of recent sales and shipments.
- **Zimbabwe corn** is more than doubled to 900,000 tons, the highest level in more than a decade, because of brisk imports from South Africa.
- **EU sorghum** is down 150,000 tons to 75,000, the lowest in 4 years, with slack demand from Spain. Imports under the duty abatement system are usually completed by April.
- **Mexico sorghum** is up 200,000 tons to 3.5 million on a surge of sales and shipments (about 350,000 tons) during March.