

PROSPECTS ON THE WORLD CEREAL MARKET

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ABSTRACT- *Cereals present a special importance in the world economy, because of their many usages: food for humans and animals, basic material for different processing industries, where final products necessary for humans are obtained (foods, drinks, starch, pastry, pharmaceutical products, etc). Cereals are cultivated all over the continents and their consumption is increasing, especially in poor countries, where they represent 60-75% (rice) from the structure of rations. With time, the global cereal market has increased significantly and the prospects have shown that in 2015, as compared with the year 1996, the world cereal trade will increase by 18% (19 million tons), while the stocks will diminish, resulting in a pressure on the cereal price. These aspects made the authors propose a presentation of the cereal market evolution during 1995-2006 (at world and EU level), as well as of the main prospects for the period 2007-2011.*

Key words: cereals, prospects, production, price, market

REZUMAT - Tendințe pe piața mondială a cerealelor. *Cerealele prezintă o deosebită importanță în economia mondială prin multiplele întrebuințări: în rațiile alimentare ale omului, în furajarea animalelor, ca materie primă pentru diferite industrii procesatoare, unde se realizează unele produse finite necesare omului (alimente, băuturi, amidon, produse de cofetărie, produse farmaceutice ș.a.). Cerealele se cultivă pe toate continentele, iar consumul de cereale pe locuitor urmează un trend ascendent, mai ales în țările sărace, unde, în structura rațiilor alimentare, cerealele (mai ales orezul) pot ocupa 60-75%. Analizată în timp, piața mondială a cerealelor s-a lărgit semnificativ, iar previziunile evidențiază faptul că, în anul 2015, comparativ cu anul 1996, comerțul mondial cu cereale va spori cu circa 18% (19 mil. tone), iar stocurile se vor reduce și vor crea o presiune asupra prețurilor. Plecând de la aceste aspecte, autorii și-au propus să prezinte evoluția pieței cerealelor (la nivel mondial și în U.E.) în perioada 1995-2006 și principalele tendințe previzionate pentru perioada 2007-2011.*

Cuvinte cheie: cereale, previziuni, producții, prețuri, piață

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INTRODUCTION

One of the most important roles in the world development is represented by main cereals growing: maize, wheat and rice (Axinte et al., 2003). The immediate effect of this aspect was the exponential growth of population, which resulted in wars, organized religion, arts, music, technology and other aspects of modern human style (Chiran et al., 2004).

In Romania, wheat trade developed very much in the VIth century B.C.; this was proved by the existence of Greek colonies founded on the Black Sea coast, which made an intense trade with the local people (Gîndu et al., 2003; Lazăr, 2003).

In the IXth century, Romania became a great wheat exporter, wheat being listed at the International Trade of Cereals from Braila; here, the established price was standard for the Western Europe (Petrache, 2003; Sima, 2001). From the second half of the IXth century until the Second World War, Romania had supplied with cereals not only the Western Europe but also Egypt, Syria and other East Mediterranean regions.

Due to their high content in dextrose, cereals have the greatest energetic value from all the vegetal foods, providing about 65% of the daily necessary of calories and 45% of proteins (Axinte et al., 2003). The importance of cereals also results from the first model of food pyramid, which appeared in USA, in 1992, putting bread, cereals and pastes at its base (Absolonne, Guggenbihl, 1998).

The forecasts for the period 2011-2015 point out the extension of cereal market, present at world level and in the European Union (inclusively Romania). The world trade will extend by about 18%, of which $\frac{2}{3}$ for animal feeding (Chiran et al., 2004; ***, 2004; ***, 2007).

MATERIALS AND METHODS

The study was based on the published data from literature and focused on the period between 1995 and 2016.

This paper presents in synthesis the most important results concerning the cereal production, trade, consumption, price and stocks worldwide, in EU and Romania, on medium term.

RESULTS AND DISCUSSION

On the average of 2000-2006, cereals were cultivated worldwide on 585.3 million hectares, of which wheat, maize and rice occupied 86.6%.

The OECD forecast pointed out that the world maize and barley production would register a significant increase (1.8% yearly), as compared with the last decades.

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FAPRI (***, 2007) forecasted that productivity was the main factor that would result in the increase of total cereal production, while the cultivated areas would grow only with 2 million hectares, during 2003 – 2011 (*Figure 1*).

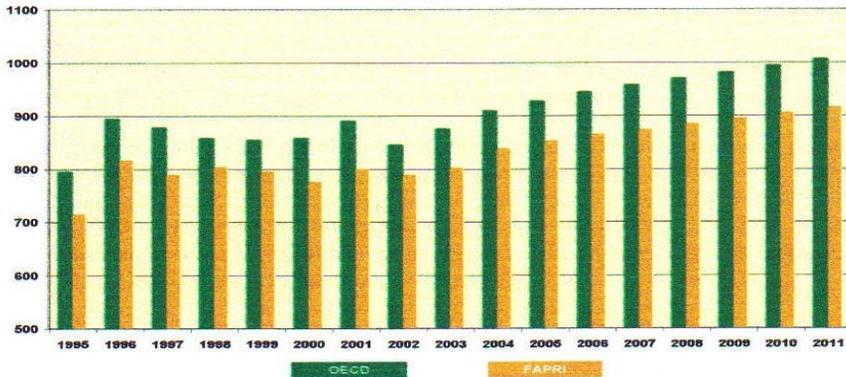


Fig. 1 – The evolution of the world cereal production in the period 1995-2006 and prospects for the year 2011 (million tons)

According to FAPRI and OECD forecasts (***, 2007), the world wheat production will significantly increase against the year 1997, with an annual rate of 1.9 %, reaching about 641 million tons in 2011, as compared with 1997 (609 million tons), under conditions in which wheat cultivated areas will register an annual increase of only 1.3 % (*Figure 2*).

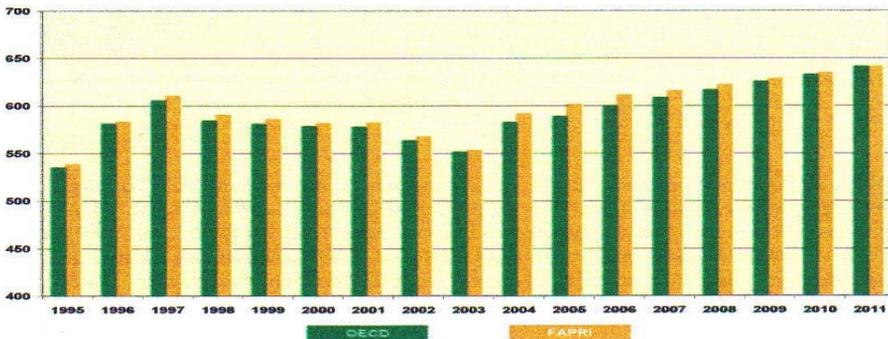


Fig. 2 – The evolution of the world wheat production in the period 1995-2006 and prospects for the year 2011 (million tons)

The world wheat exportation will register an ascending trend, so that, after a diminution in the wheat market during 1990 – 1995, the wheat demand will increase during 2004 – 2011, with 1.2%, on the average (*Figure 3*).

The world cereal trade will improve after the decline during 1999 – 2002, the highest increase (4.5 % - 5.2 % yearly) being registered in wheat (*Figure 4*).

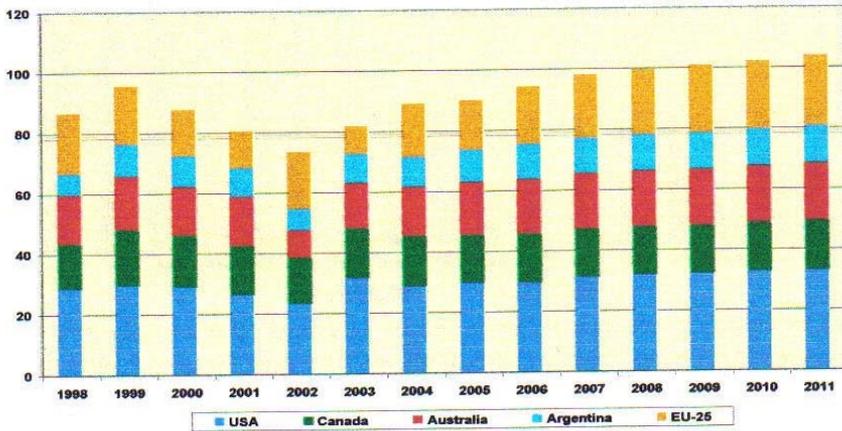


Fig. 3 – Prospects of the world wheat exportation in the main exporter countries (million tons)

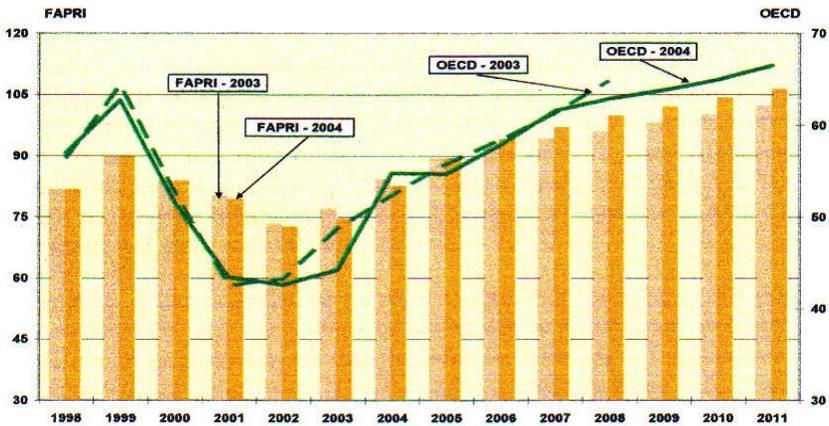


Fig. 4 - Prospects of the world wheat importation for the year 2011 (million tons)

The cereal price will remain constant the next years. According to the FAPRI and OECD prospects, the maize price will reach 107 – 114 \$/ton, in the agricultural year 2010-2011, (Lazăr, 2003; Lăcătușu, 2003).

In barley, after the sudden price diminution in the crop year 1995-1996, it will become stable in the next period and will reach 92 – 93 \$/ton (Figure 5).

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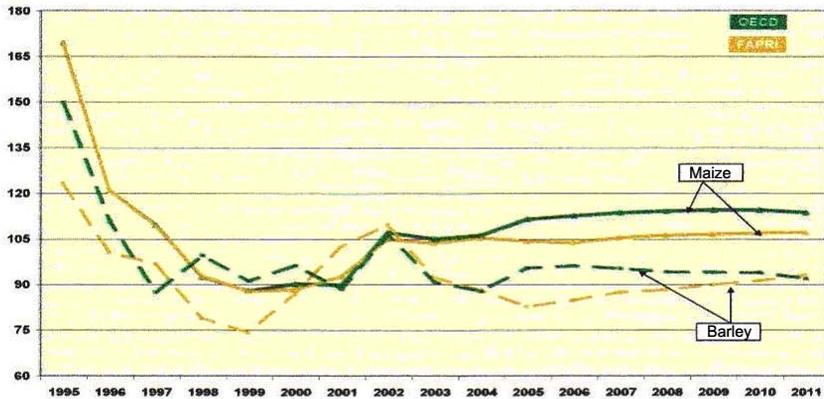


Fig. 5 - Prospects of the world price in maize and barley (\$/ton)

The world price in wheat will remain at the same high level. The price of *Triticum durum* will reach 145 – 154 \$/ton until the crop year 2010-2011 (Figure 6).

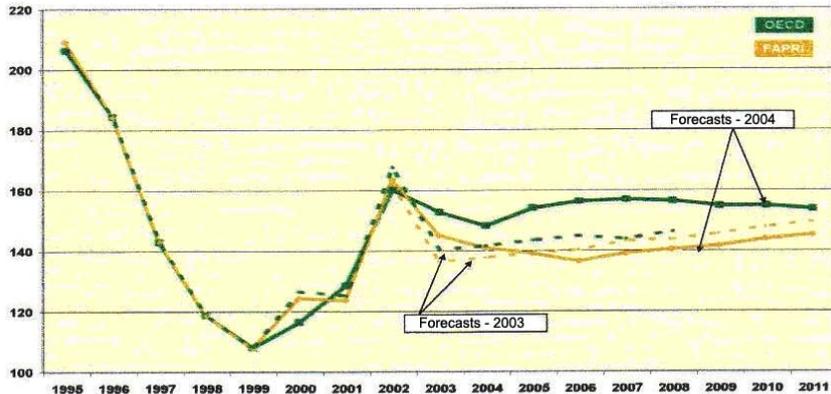


Fig. 6 – Prospects of the world price in wheat (\$/ton)

In the European Union, due to the favourable climatic conditions of the year 2004, the **total cereal production** has increased, reaching 279 million tons (Figure 7).

The **prospects of wheat market in the EU** will remain relatively favourable on medium term, the total wheat yield reaching 122.9 million tons until 2011 (Figure 8).

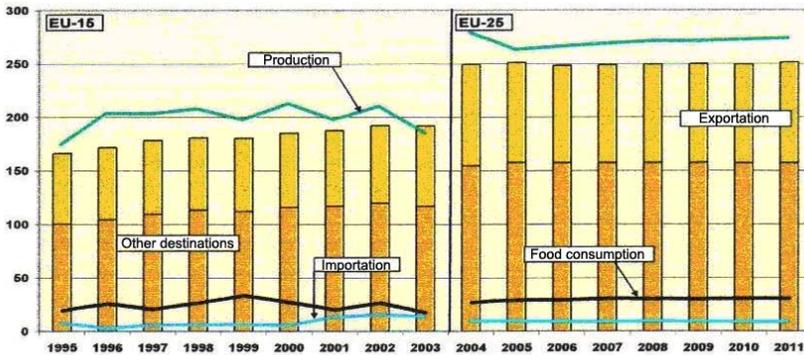


Fig. 7 – Dynamics of the cereal market in the EU (million tons)

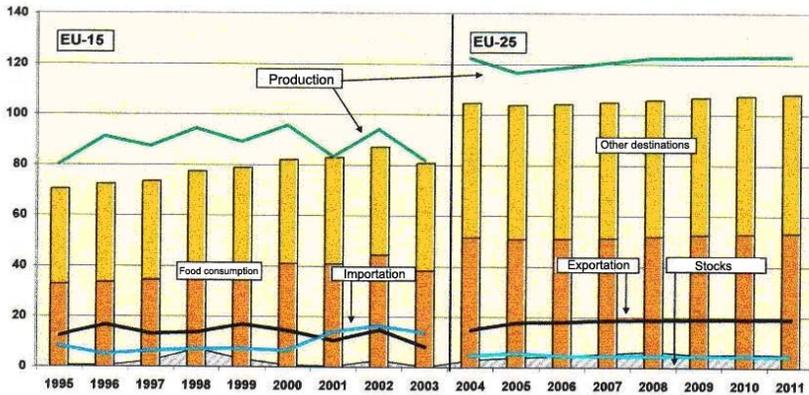


Fig. 8 – The evolution of the common wheat market in the EU during 1995-2006 and prospects for the period 2007-2011 (million tons)

The prospects for the maize market will remain positive on medium term, too. In EU-25, the total maize production will become stable at the level of 51 million tons, of which 10.5 million tons will be produced by the new member countries (Sima, 2002; ***, 2004).

The barley price will be relatively high in the next years, which makes that the total annual production be of 55-56 million tons (Lăcătușu, 2003; ***, 2000). At the same time, the barley consumption will diminish, so that in 2011, it will reach 34 million tons, determining a stock increase of 12 million tons in 2011 (Figure 9).

By the year 2011, the total rye production will register a low growth rate, which will determine an increase in exportations and a high diminution in stocks (Figure 9).

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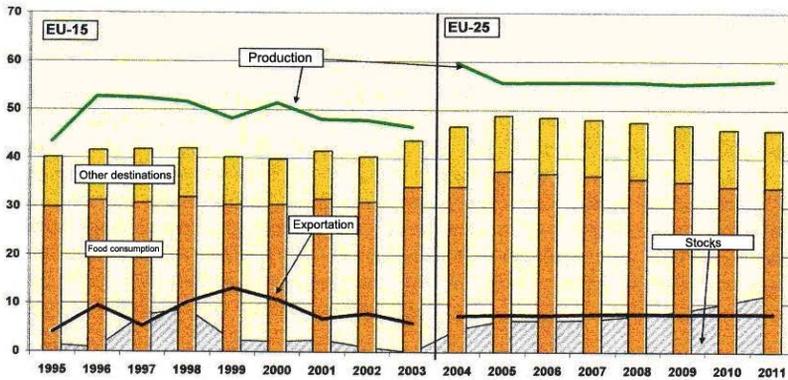


Fig. 9 – The evolution of the barley market in the EU during 1995-2006 and prospects for the period 2007- 2011 (million tons)

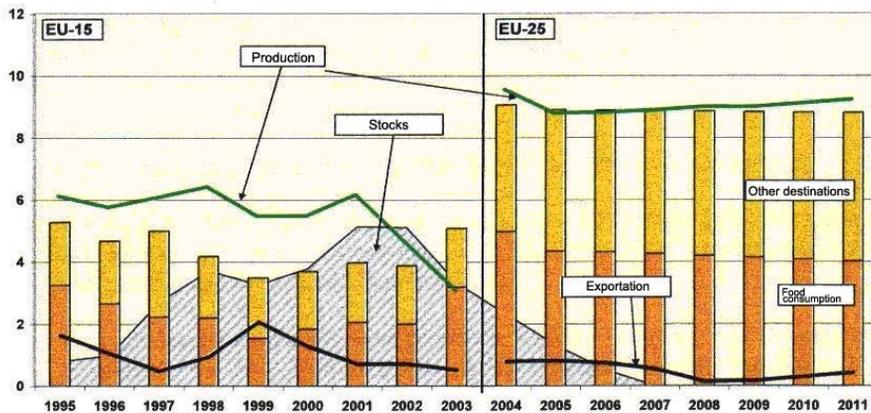


Fig. 10 – The evolution of the rye market in the EU during 1995-2006 and prospects for 2007- 2011 (million tons)

In 2007, due to Romania and Bulgaria joining the European Union, the total cereal production showed an increase of 17 million tons.

In the future, the total cereal production of Romania will increase gradually, because of the favourable conditions of production, of the access to a unique market and of the new Commune Agricultural Policy, which will determine in 2013 an increase until 25.4 million tons (Chiran et al., 2004; Constantin et al., 1997; Mursa et al., 2004; Sima, 2002).

Within this context, the cereal consumption per inhabitant in Romania will reach 312 kg (18.13 kg in barley, 109.8 kg in maize and 184.3 kg in wheat) in

2016, as compared with 1996, when the total consumption per inhabitant was of 245.75 kg (14.91 kg in barley, 62.95 kg in maize and 167.89 in wheat).

CONCLUSIONS

As compared with the year 1995, the world cereal production has registered a significant increase, which was, on the annual average, of 1.8 % in maize and barley and 1.9 % in wheat.

After the decline from the period 1990-2002, the world cereal trade knows an increase, the forecast raise being estimated between 4.5% and 5.2% every year.

In the future, the cereal price worldwide will show insignificant variations.

Due to the favourable climatic conditions of the year 2004, the total cereal production achieved by the European Union has reached 279 million tons, and the prospects for the evolution of cereal market, on medium term, will be positive.

In Romania, the total cereal production will have the first place, with an ascending trend in the future.

In the prospects of the year 2016, the cereal consumption per inhabitant in Romania will increase by 27% against the level reached in 1996. The highest rate is predicted in maize (74.4%).

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