



**FEEDBACK ON THE INTERNATIONAL GRAINS COUNCIL GRAINS  
CONFERENCE 2024**

**Report prepared by  
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## 1. Introduction

In the week of 11-12 June 2024, industry colleagues, Lerato Ramafoko (Grain SA) and Andre van der Vyver (SACOTA), had the opportunity to attend the International Grains Councils' Grains conference for 2024", in London. The theme of the conference was centred around global trade in the context of volatile markets and food security. The event provided the perfect platform for policymakers and industry leaders to engage in meaningful discussions surrounding key challenges in relation to climate change, protectionism, technological advances, as well as trade finance.

## 2. Trade and the global food systems

The current global food system faces heightened volatility and uncertainty due to geopolitical tensions and climate-induced production fluctuations, prompting countries to reassess their food security strategies. Some importers have shifted from relying solely on "just in time" procurement to incorporating "just in case" purchases in their contingency plans, aiming to mitigate supply chain disruptions. However, ensuring continuous commodity flows remains a significant challenge, necessitating a collaborative effort across sectors. Main points regarding trade and global food systems include:

- Geopolitical tensions and turmoil have profoundly disrupted global trade routes, underscoring the vulnerability of global supply chains. With the Red Sea, being responsible for 12-15% of global trade and 20% of global container shipping, this has necessitated exploration of new routes and shipping methods. Currently, the Cape of Good Hope route has absorbed some of this traffic, albeit with implications like extended transit times, increased operational costs, and capacity constraints. Developing contingency plans for alternative trade routes, such as a China-Europe railway, is imperative. Moreover, countries with robust harbours and trade routes could potentially serve as intermediary hubs for shipping, presenting opportunities amidst these challenges.
- The discussion also emphasized the adoption of innovation, particularly focusing on the relatively slow pace of technological innovation adoption in the agricultural sector. The ability of producers and stakeholders in agriculture to embrace new technologies significantly impacts their competitiveness in the grain market. Addressing unnecessary regulatory hurdles through private-public dialogue is crucial, as these regulations not only hinder the adoption of innovation but also contribute to an uneven playing field for farmers that haven't adopted innovation. Embracing innovation could potentially boost production efficiency and yield while minimizing land use, presenting opportunities for sustainable growth in agriculture.

## 3. Commodities:

- **Maize:** There has been recent shifts in global maize trade dynamics including Brazil surpassing the US as the top exporter and China emerging as a major importer. Challenges like reduced shipments from Ukraine and Argentina, alongside weather-related disruptions in Brazil and the US, underscore the urgency for sustainable infrastructure investments to meet global import demands. Smaller exporters such as Paraguay and South Africa also play an important role in supplying regional markets.
- **Wheat:** The upcoming 2024/25 wheat trade season hinges on export capabilities among major suppliers, influenced by varied production forecasts. Quality and logistics, alongside global chokepoint developments, will further shape market

dynamics. Production of Russia to be observed, however, conditions are not trending lower with late rainfall. Furthermore, Ukraine had a smaller carryover stock.

- **Pulses:** The popularity of pulses has surged due to increased awareness of their health benefits and environmental sustainability. Demand is rising in both human consumptions, driven by plant-protein trends, and in animal feed sectors, including pet food, prompting an evaluation of future consumption trends globally. Chickpeas were the pulse being discussed. United States is the biggest market of alternative protein grains in the form of chickpeas and therefore their consumption patterns need to be observed.
  - **Soybean:** Biofuel production, especially biodiesel and renewable diesel, has surged in the past decade due to mandated programs in Asia and the Americas, driving up demand for palm and soybean oils. The oil aspect of soybean processing has significantly increase. May 2022, the share of oil was at 51%; the highest it has been since 1985. Despite the US and Brazil maintaining dominance in soybean exports, domestic needs have constrained soy oil exports while bolstering soybean meal availability. There is a need to analyse recent shifts in shipment patterns and forecast future capabilities to meet global energy and food demands.
4. **South Asia Focus:** South Asia's two billion people, largely from India, Pakistan, Bangladesh, Nepal and Sri Lanka, are forming an ever-greater component of global demand for grains and oilseeds. However, while population and economic growth, as well as dietary changes, underpin steady consumption gains, interactions with world markets fluctuate due to changing crop outcomes and trade policies. Over the last decade, India's wheat exports have ranged from meagre amounts to almost 10m tons. This has led to implementation of regulations regarding domestic stocks. There is a need to develop and adopt innovation in India in the form of heat resistance wheat in the area. Rice shipments from India reached a record high during the COVID-19 pandemic, yet have recently been curtailed by trade restrictions, while Pakistan's rice exports in 2022/23 were curtailed by a flood-damaged outturn. On the import side too, South Asia is the world's largest buying region of pulses and vegetable oils, and changes to tariffs often shape purchases. Their export demands has to be closely monitored as it affects amounts of grains available in the global market.

## 5. Conclusion

In the grain trade arena, understanding current and future challenges is crucial for maintaining food security through efficient execution. Discussions spanning North and South America, Europe, East Africa, and the Asia-Pacific regions highlights critical factors such as crop production dynamics, international transportation challenges, and plant health issues. Economic factors, including persistent elevated interest rates in key economies and geopolitical conflicts disrupting trade flows, further complicate trade financing and increase costs associated with freight and insurance. Embracing digitalization presents opportunities to enhance farming efficiency, sustainability reporting, supply chain connectivity, and trade facilitation through improved credentialing and visibility.

Various presentations are available on a link for access and downloading.