

INTERNATIONAL TRADE OF SORGHUM

Cochran Training Program with Peru, Ecuador, and Venezuela
on U.S. Sorghum Exposure and Utilization

October 8, 2018

121 Kilgore Hall, NCSU

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International Trade

Day 1: Importing sorghum to Latin America

- US Small Grains Council

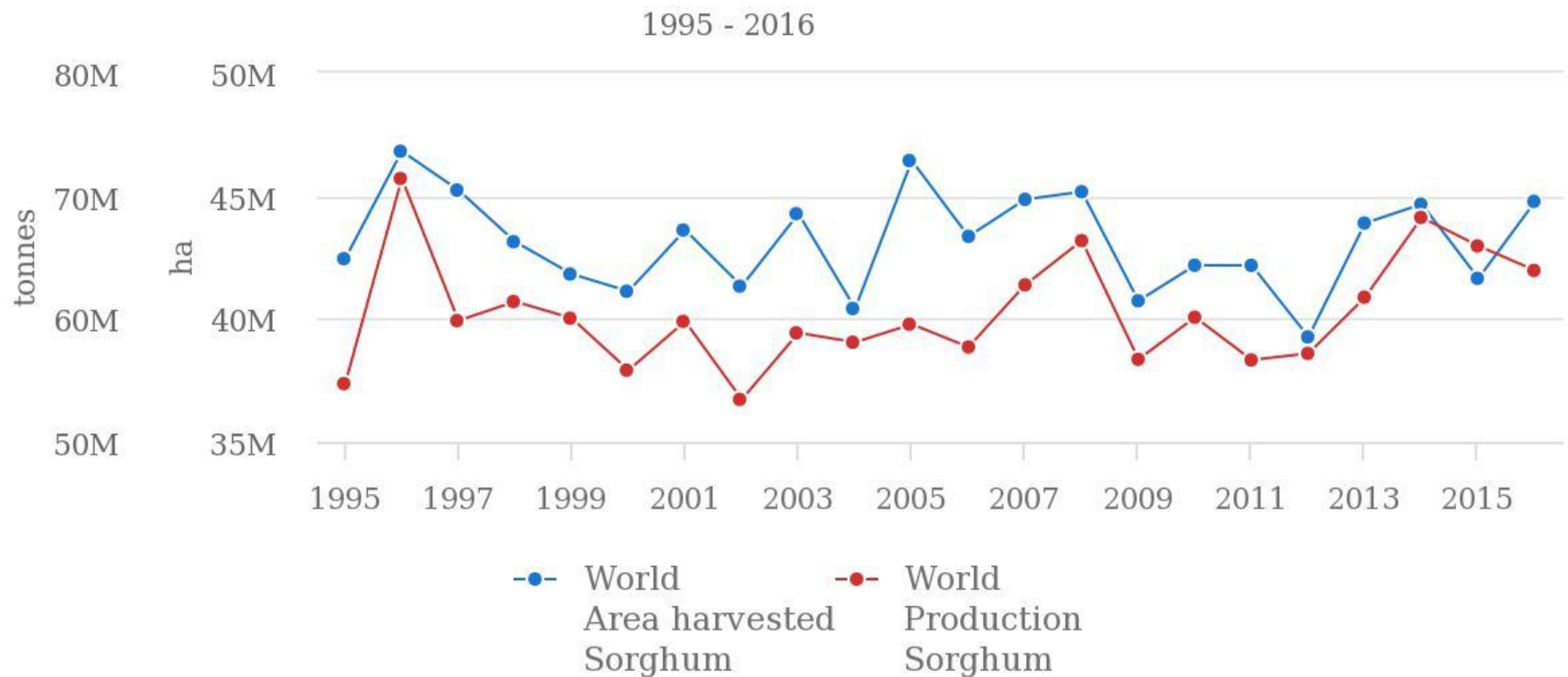
Day 13: Discussion on exporting US Sorghum to Latin America in containers

- NC Department of Agriculture & Consumer Services

Global Production of Sorghum

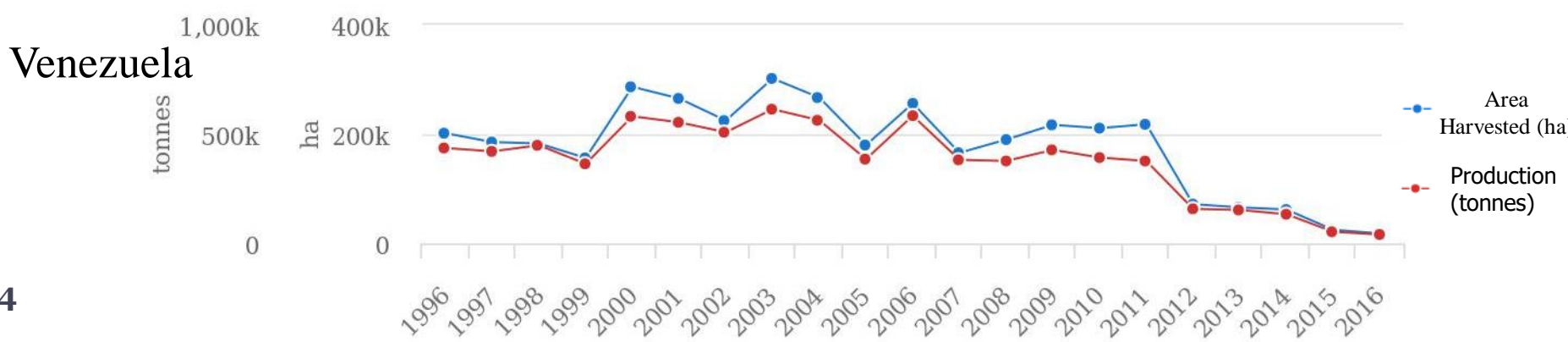
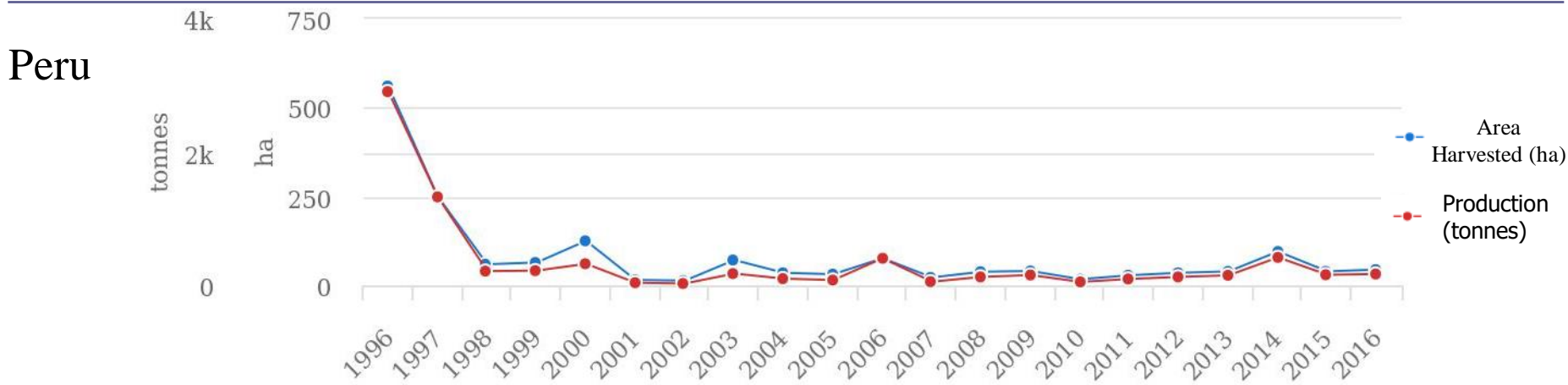
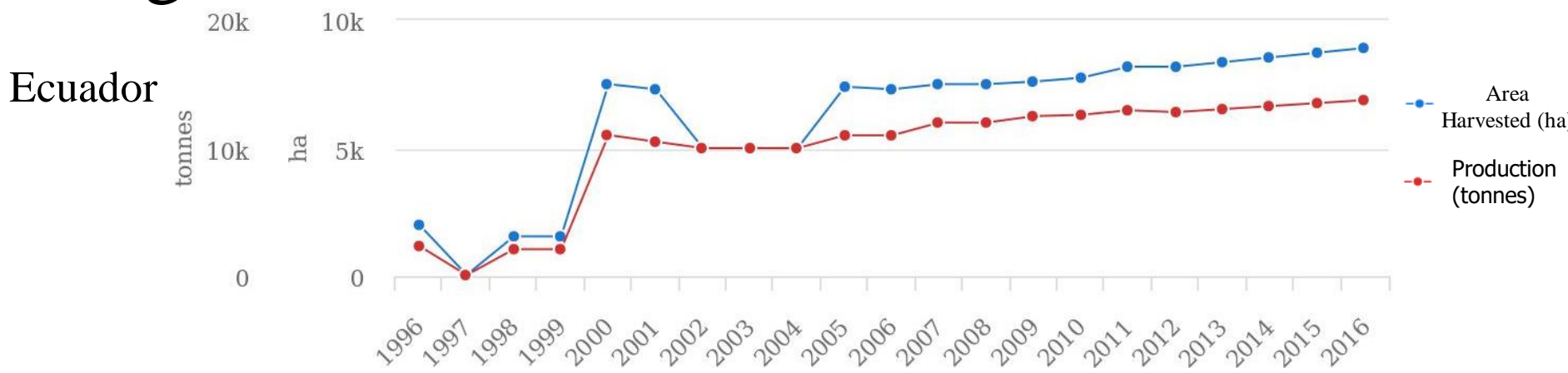
~ Production, Yield Trends over Time ~

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Source: FAOSTAT (Oct 07, 2018)

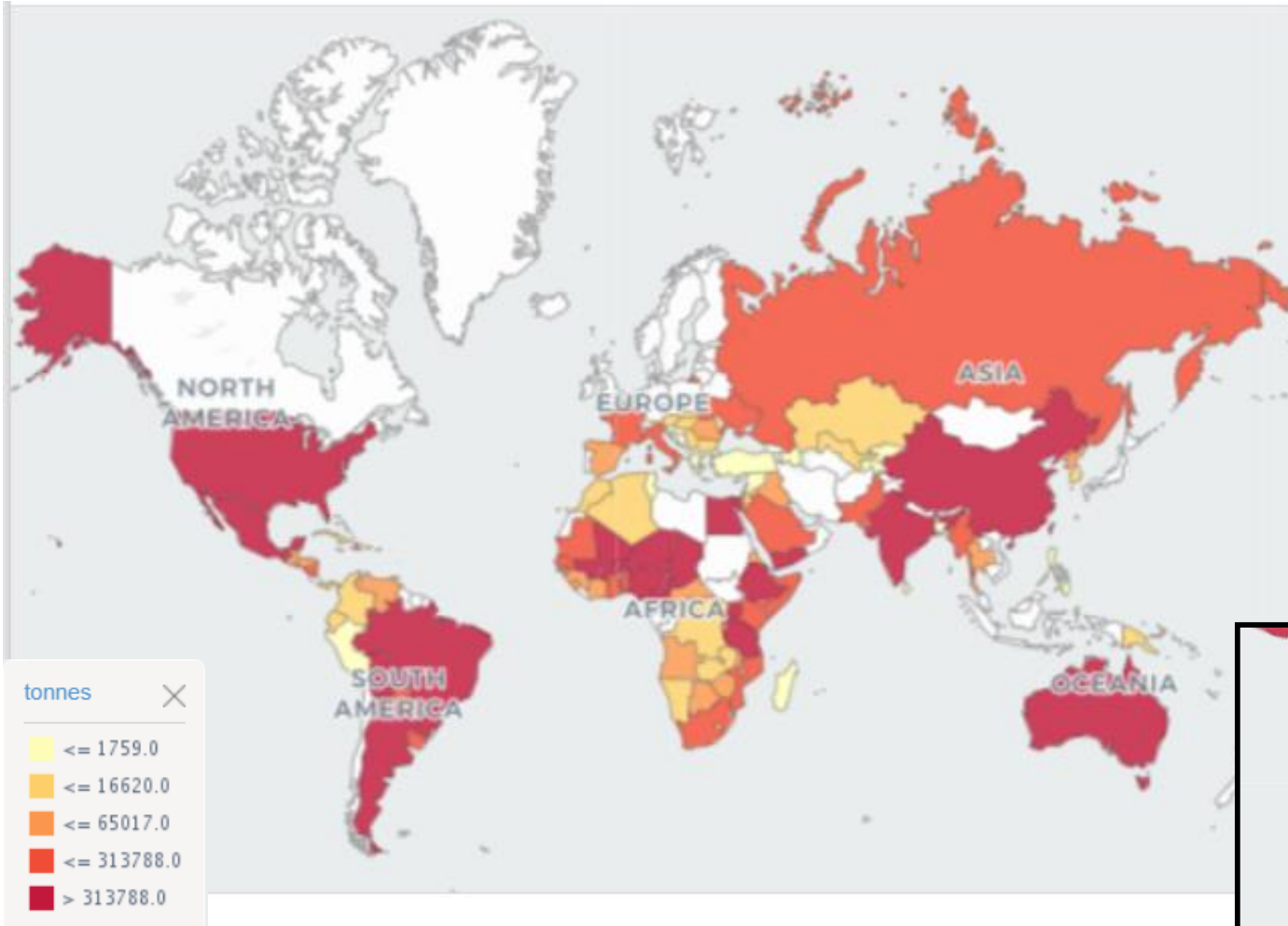
Sorghum Production, Yield Trends, 1996-2016



Global Production of Sorghum

~ Production Quantities by Country, 2016 ~

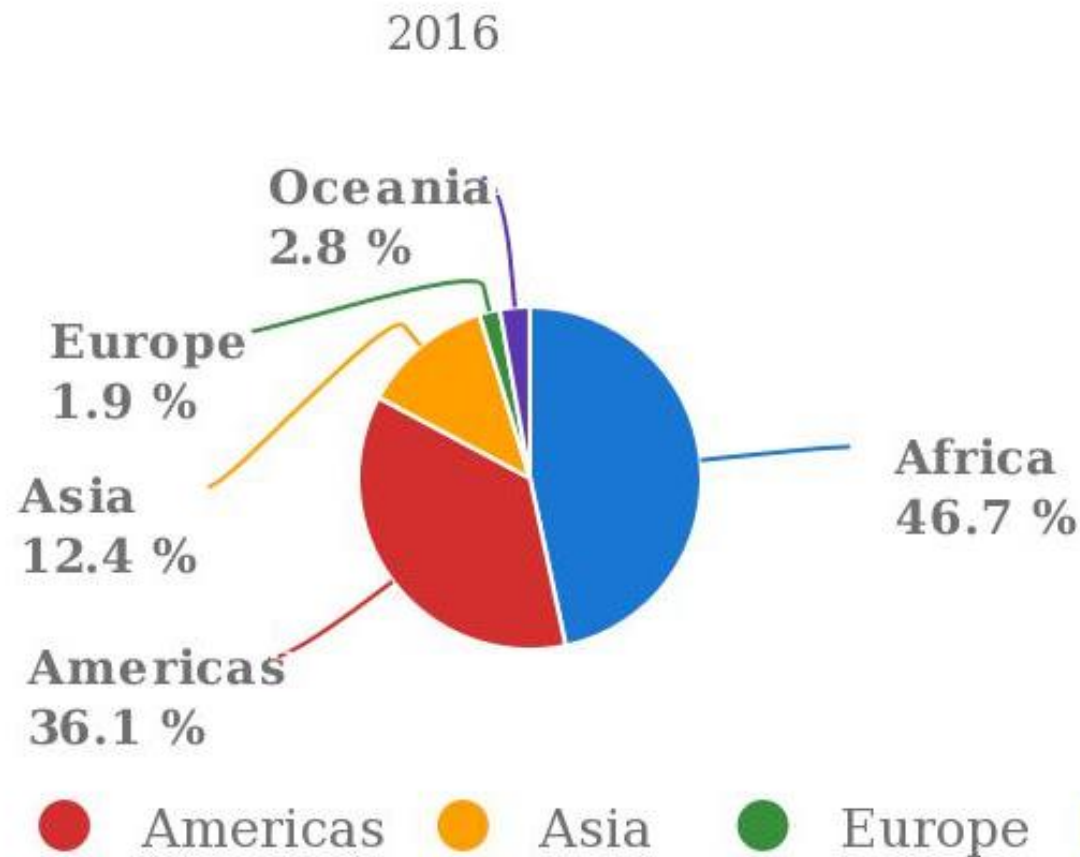
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Production
Ecuador = 9,934.9 tonnes
Peru = 342.62 tonnes
Venezuela = 378,744.1 tonnes

Global Production of Sorghum ~ Share by Region ~

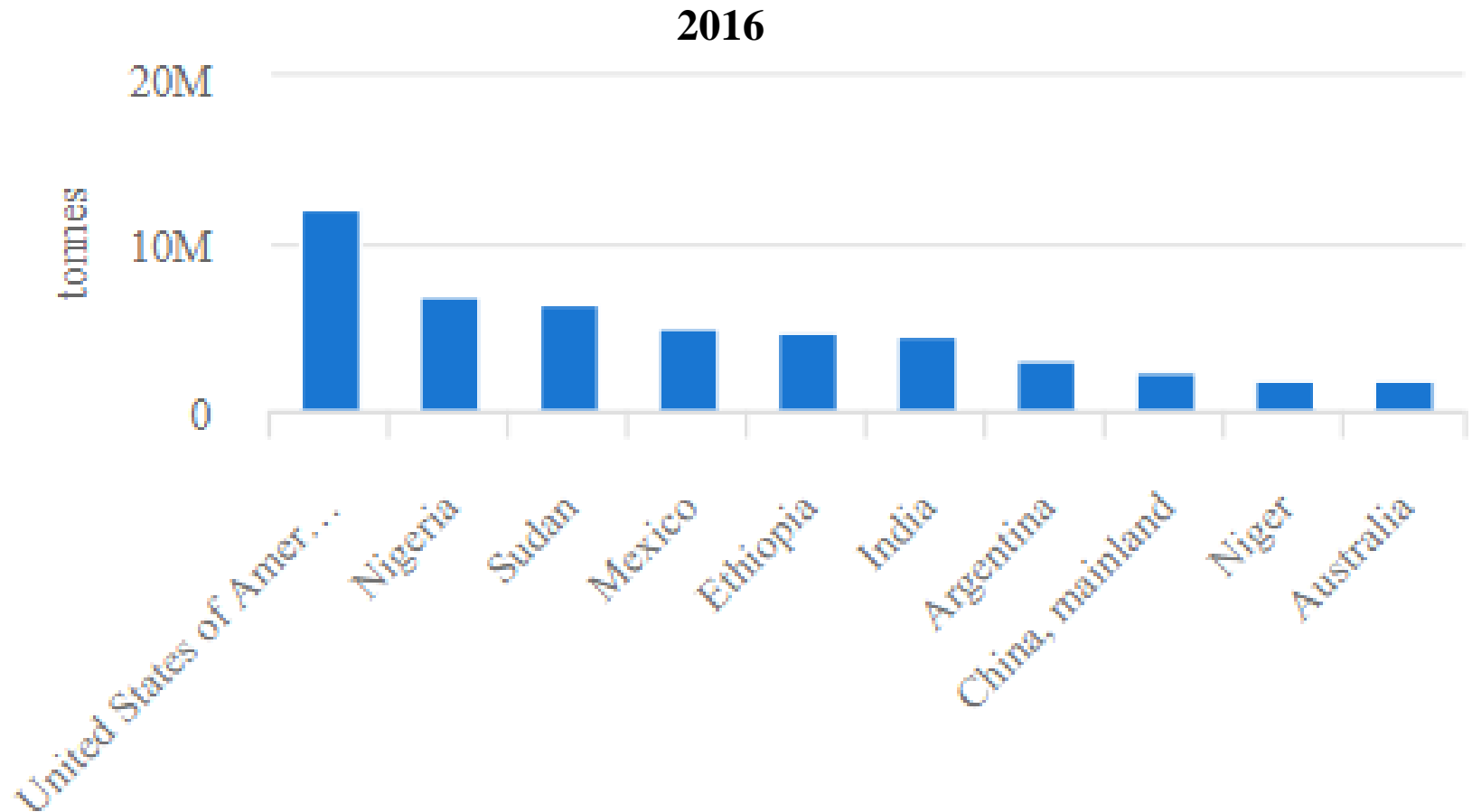
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Global Production of Sorghum

Top 10 Producers

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Global Sorghum Trade

- Outlook and Anticipated Changes
- Country Specific Sorghum Trade Patterns

Global Sorghum Outlook

Table A1 - World and U.S. coarse grain production¹ at a glance (2018/19), September 2018

Region or country	Production	Change from previous month ¹	YoY change ²	Comments
<i>Million tons</i>				
SORGHUM				
World	59.3	Small change	+1.4	
Foreign	49.7	Small change	+1.1	Higher sorghum output in Australia and lower output in Mexico are offsetting
United States	9.6	Small change	+0.3	See section on U.S. domestic output.

Source: USDA ERS – Situation Outlook and Report, FDS-18I (Sept. 14, 2018)

Events Affecting International Sorghum Markets

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1. US-China “Trade War”

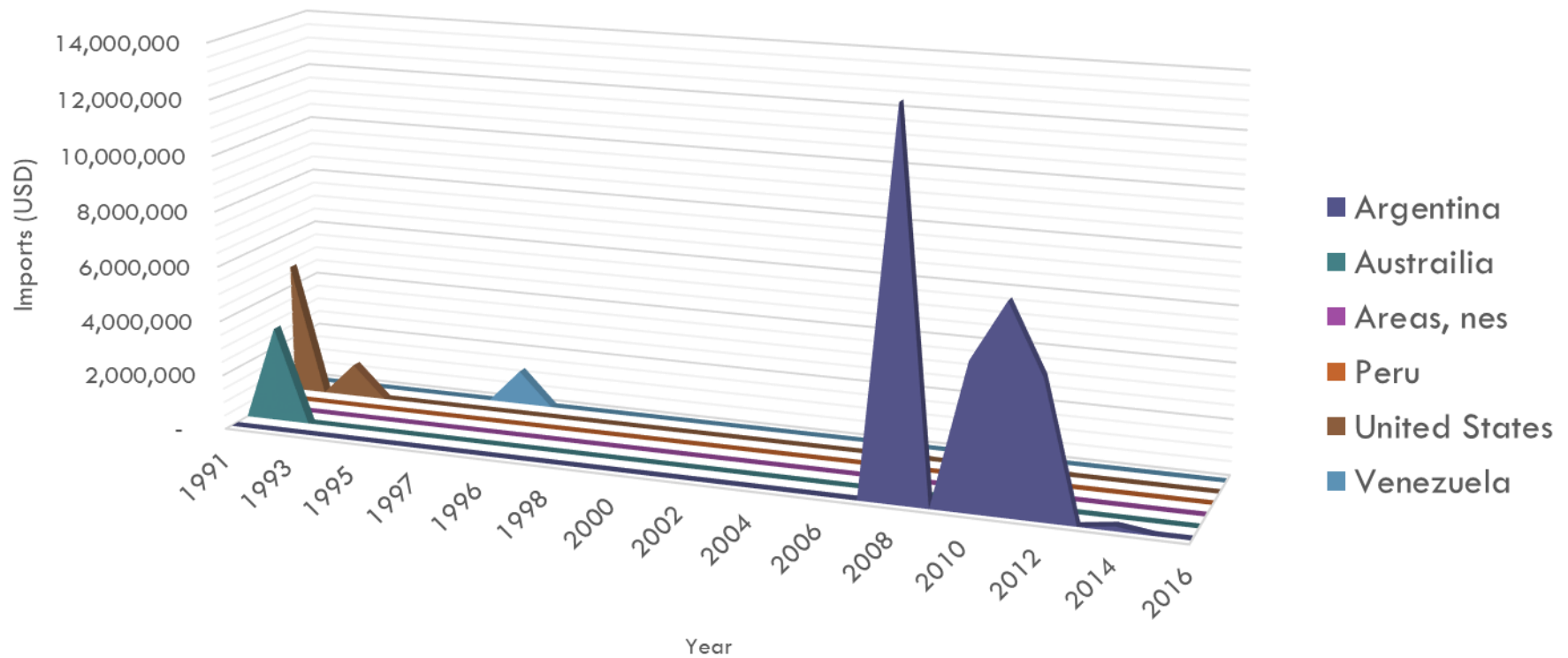
- China imposed a retaliatory 25% tariff on U.S. sorghum.
- U.S. Sorghum exports to China expected to decrease; Australia expected to increase exports to China (5-fold YoY increase)

2. Trends in livestock feed.

- Increased sorghum feed use in the E.U.
- Japan typically imports much U.S. sorghum; at moment, sorghum not needed
- Exports to Japan offset by imports to EU
- In medium-long run, Japan expected to resume imports

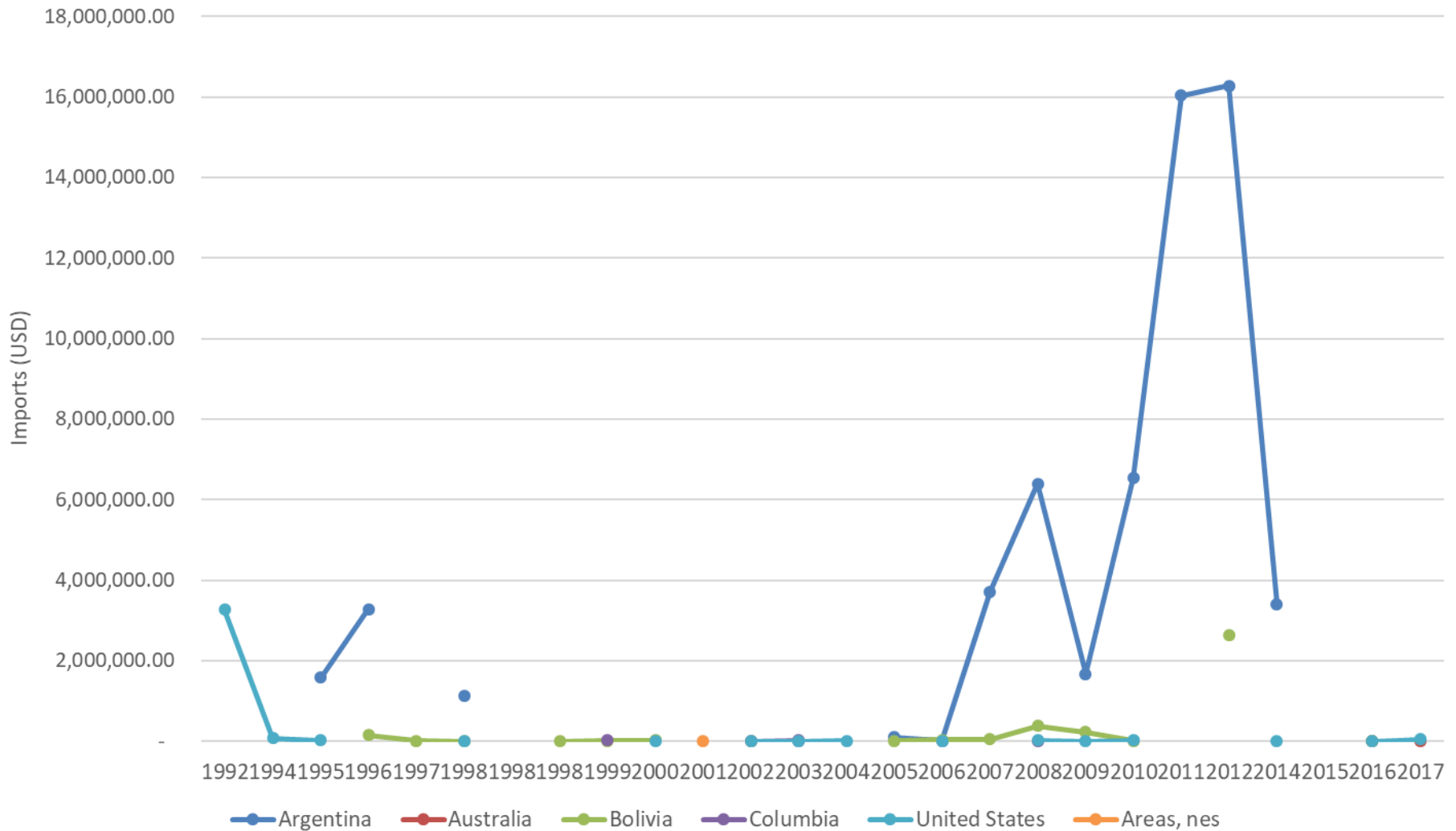
Ecuador Sorghum Imports

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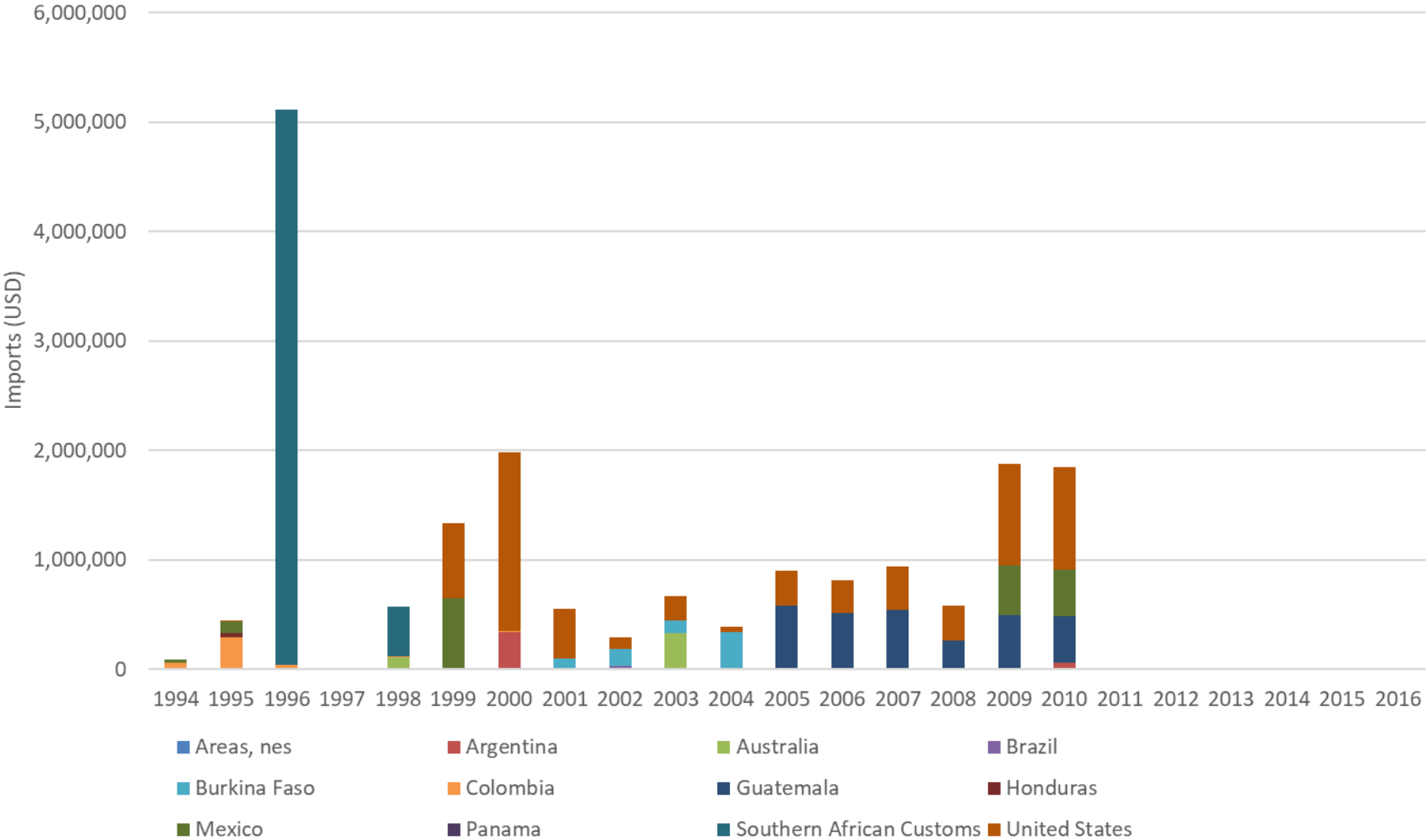


Peru Sorghum Imports

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Venezuela Sorghum Imports



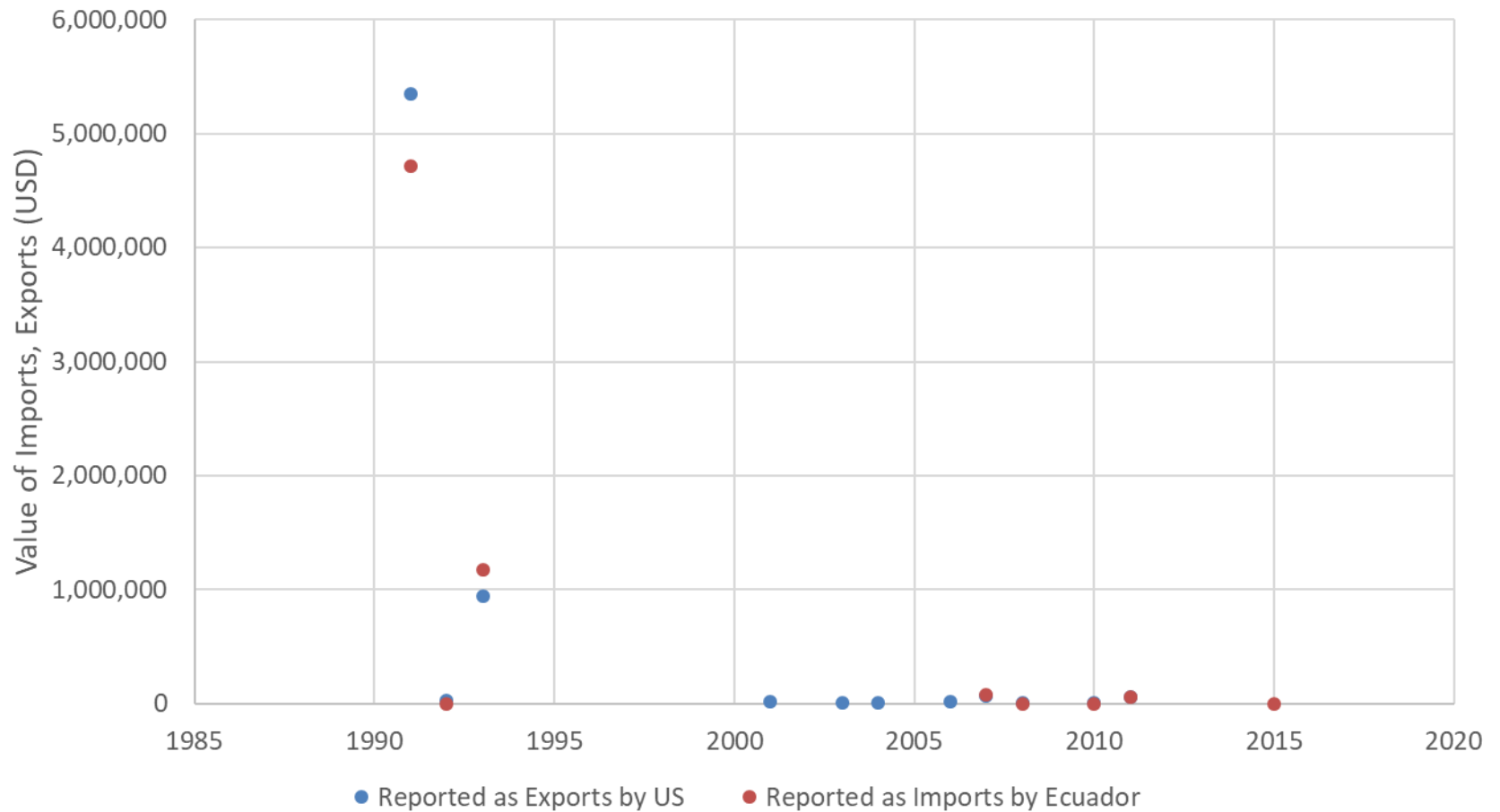
What this data does not tell Us

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- “True” Value of Trade
- Trade by Grade
- Trade of products with particular production and/or handling attributes (e.g. Organic)

Ecuador Sorghum Imports

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Sorghum Grading Requirements

Grading Factors	Grades U.S. Nos. ^{2/}			
	1	2	3	4
Minimum pound limits of				
Test weight per bushel	57.0	55.0	53.0	51.0
Maximum percent limits of				
Damaged kernels:				
Heat (part of total)	0.2	0.5	1.0	3.0
Total	2.0	5.0	10.0	15.0
Broken kernels and foreign material:				
Foreign material (part of total)	1.0	2.0	3.0	4.0
Total	3.0	6.0	8.0	10.0
Maximum count limits of				
Other material:				
Animal filth	9	9	9	9
Castor beans	1	1	1	1
Crotalaria seeds	2	2	2	2
Glass	1	1	1	1
Stones ^{2/}	7	7	7	7
Unknown foreign substance	3	3	3	3
Cocklebur	7	7	7	7
Total ^{1/}	10	10	10	10

U.S. Sample grade is sorghum that:

- (a) Does not meet the requirements for U.S. Nos. 1, 2, 3, or 4; or
- (b) Has a musty, sour or commercially objectionable foreign odor (except smut order); or
- (c) Is badly weathered, heating or distinctly low quality.

1/ Sorghum which is distinctly discolored shall not grade higher than U.S. No. 3

2/ Aggregate weight of stones must also exceed 0.2 percent of the sample weight.

3/ Include any combination of animal filth, castor beans, crotalaria seeds, glass, stones, unknown foreign substances or cocklebur.

