UK Grain and Oilseed exports

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Topics for today

UK Export Supplies

- Larger wheat and barley exportable surpluses.

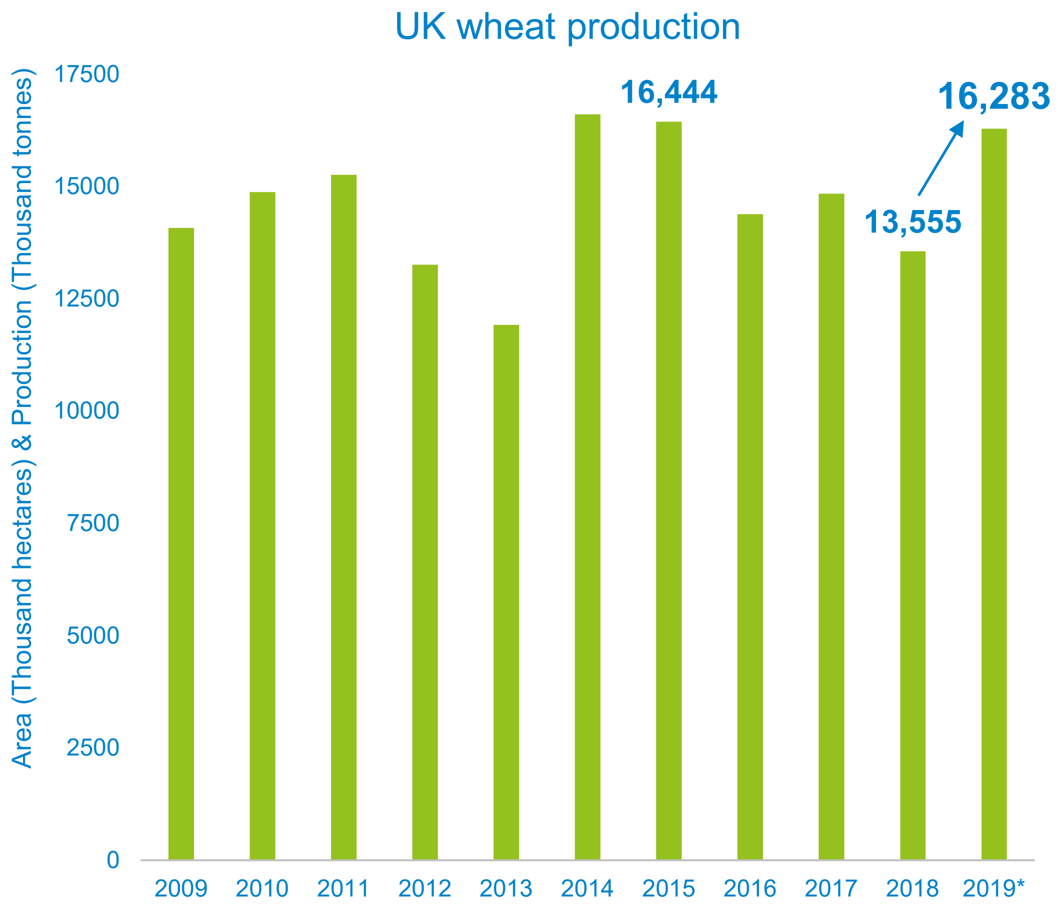
Current Trade

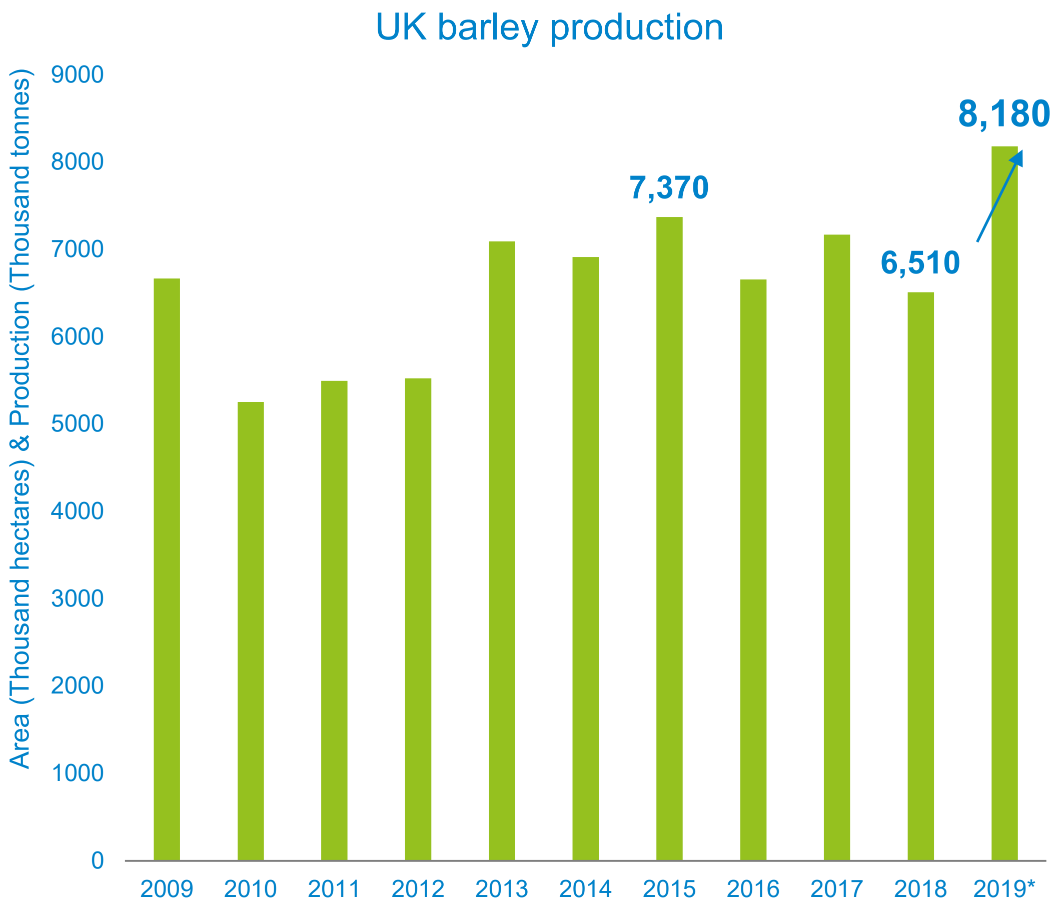
- Strong pace of early season exports due to brexit deadline

Future Markets

- Seasonal potential for feed wheat exports to East-Asia
- Malting barley & malt

2019 production

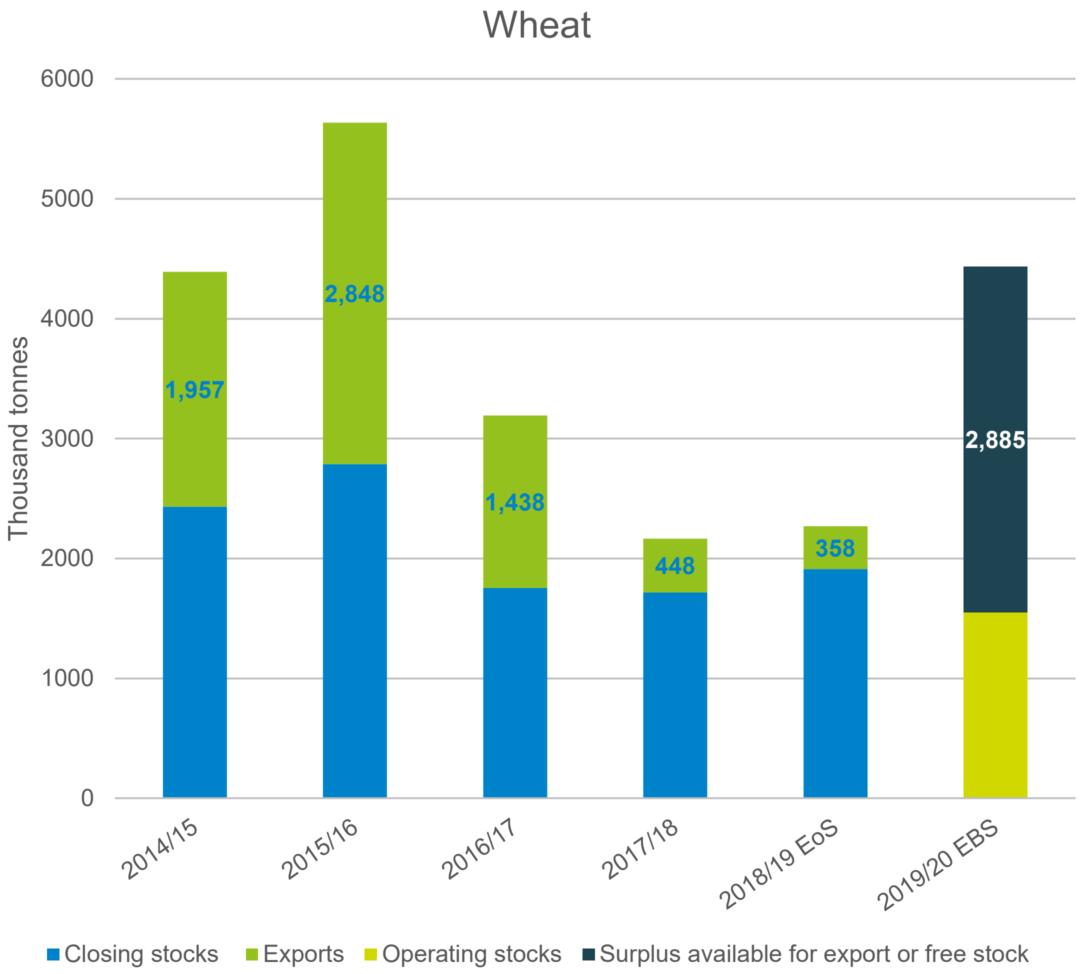


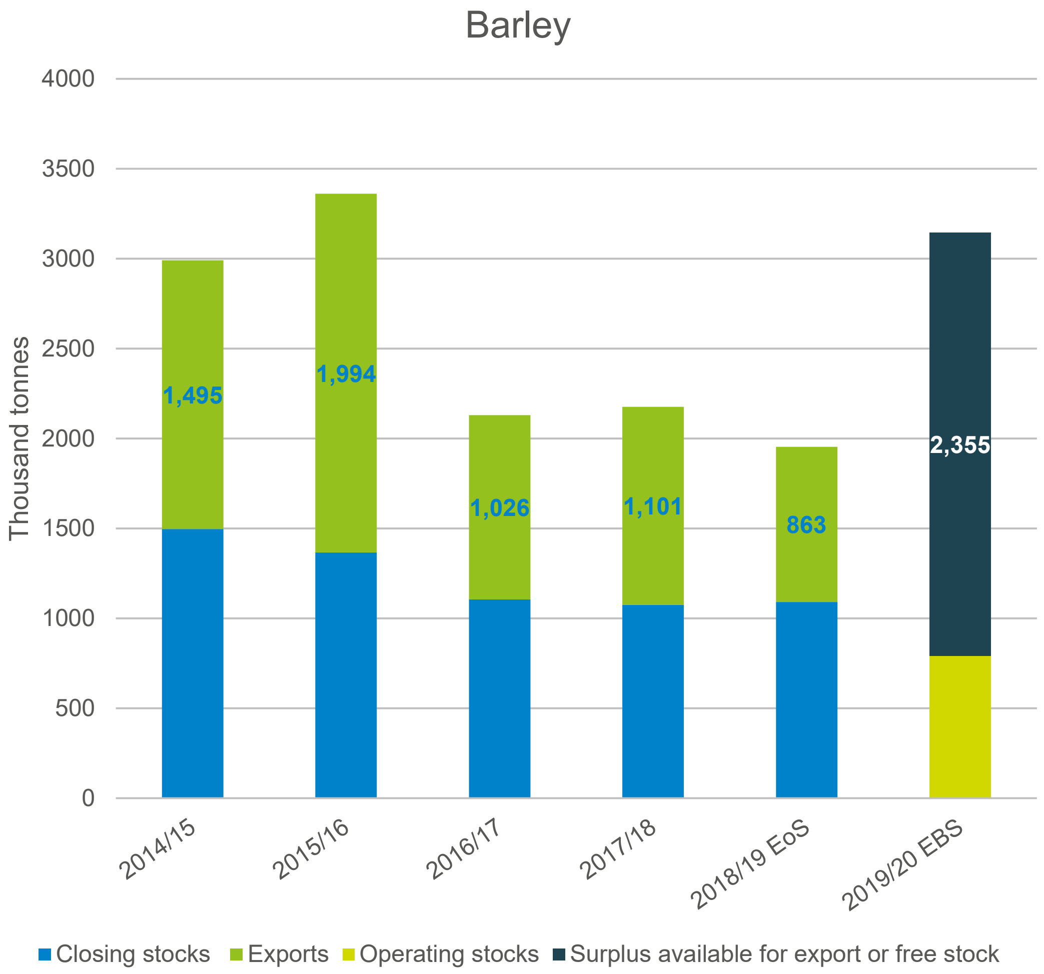


Source: Defra

**provisional*

A large wheat and barley surplus in 2019/20

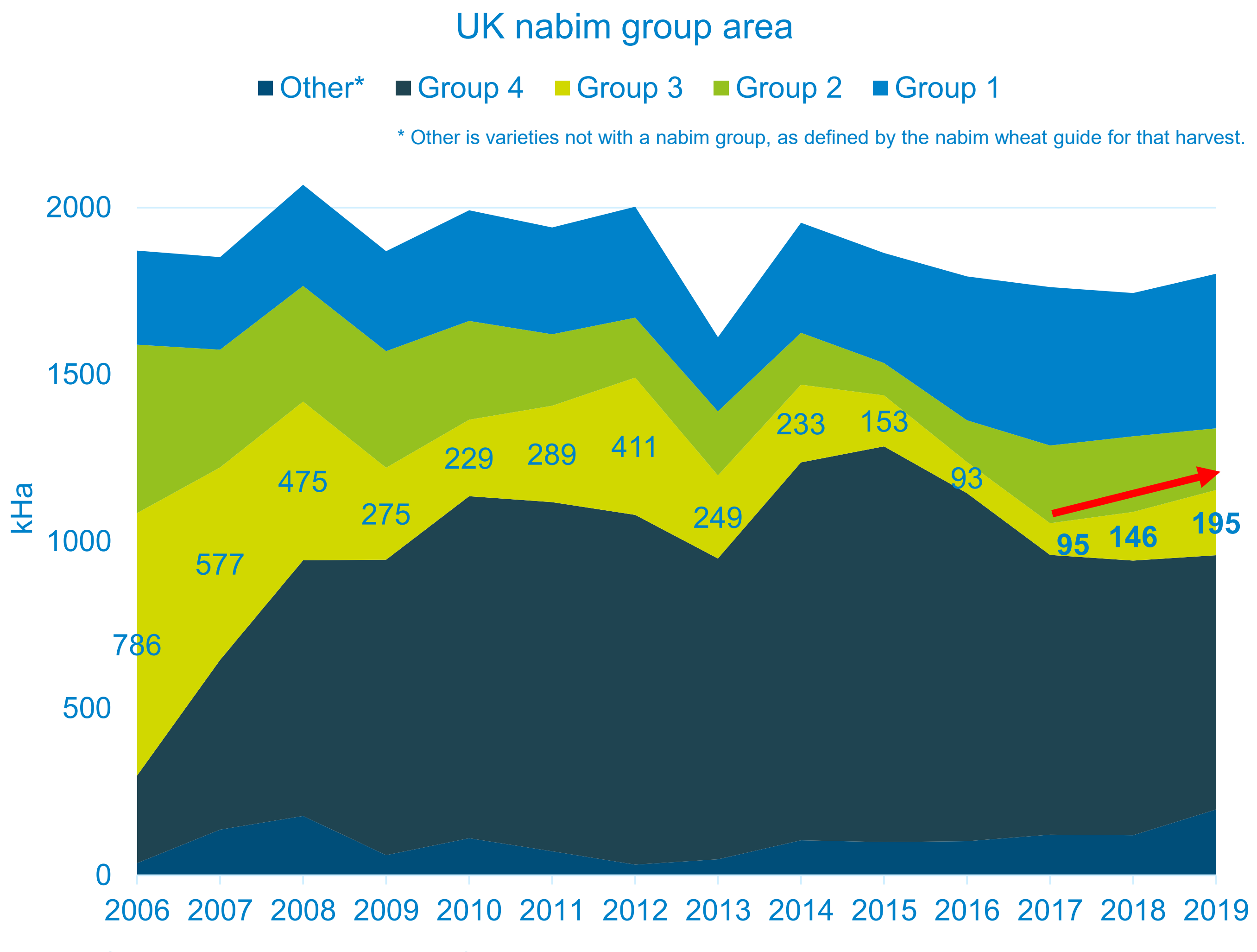




EoS: End of season *EBS: Early Balance Sheets*

Source: AHDB, Defra

Soft wheat and malting barley potential



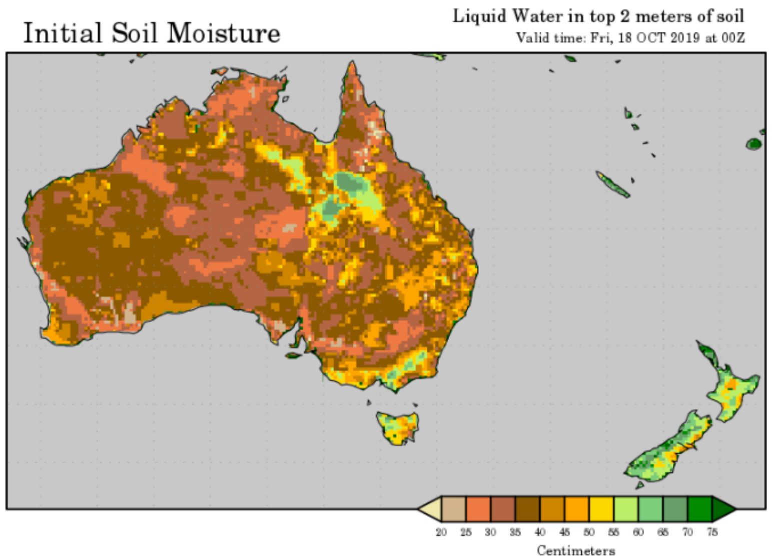
Source: AHDB Planting and Variety Survey

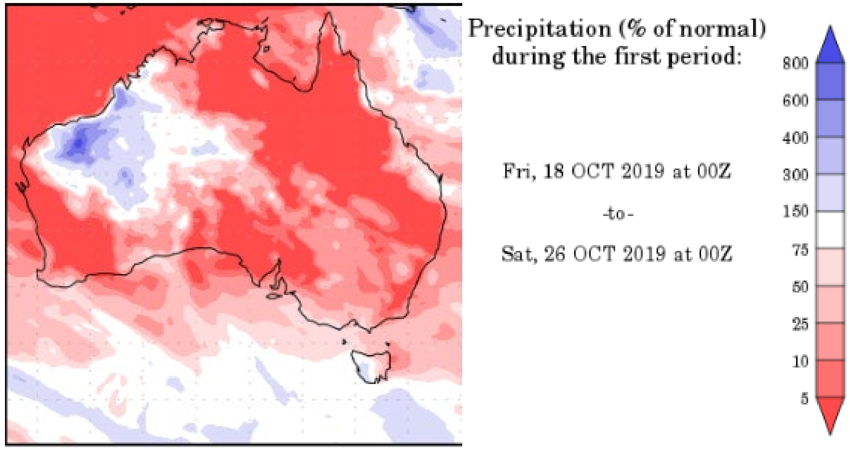
Malting Barley Varieties

56% of area

632 kha

Could lower Australian Crop open opportunities?





Opportunities:

- Trade into Vietnam, Indonesia, Philippines
- Priced Competitive
- Australian production lower

Risks:

- Black Sea price competition
- Internal logistics & ability to collate stem to fill vessels

Value Added Products are key

Malting Barley

- Barley usage in human & industrial usage estimated 35Kt higher year on year driven by improved productivity.
- Potential for large spring barley crop is winter plantings continue to be delayed.
- Barley exports continue to take great importance into 2020/21.

Malt Exports

Short-term brexit impact

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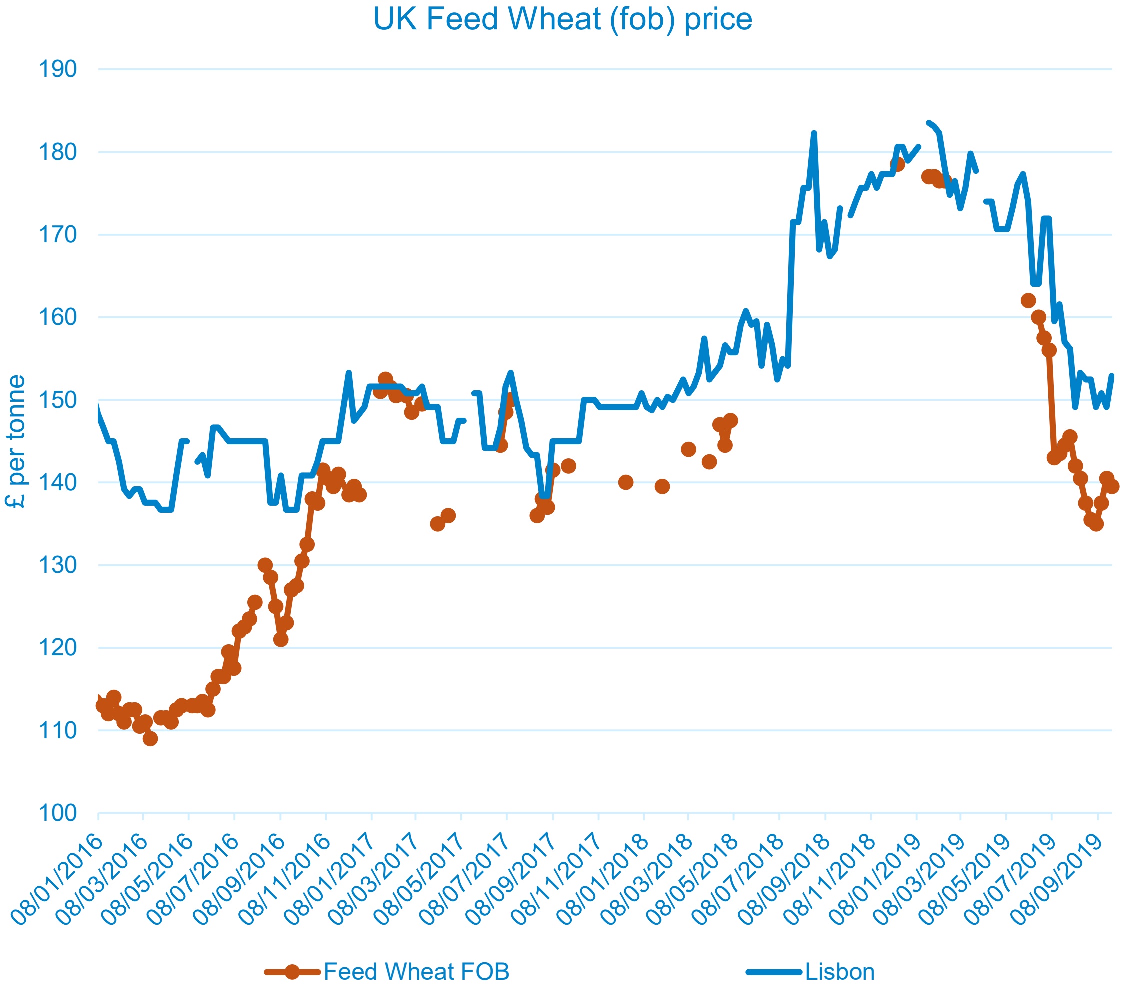
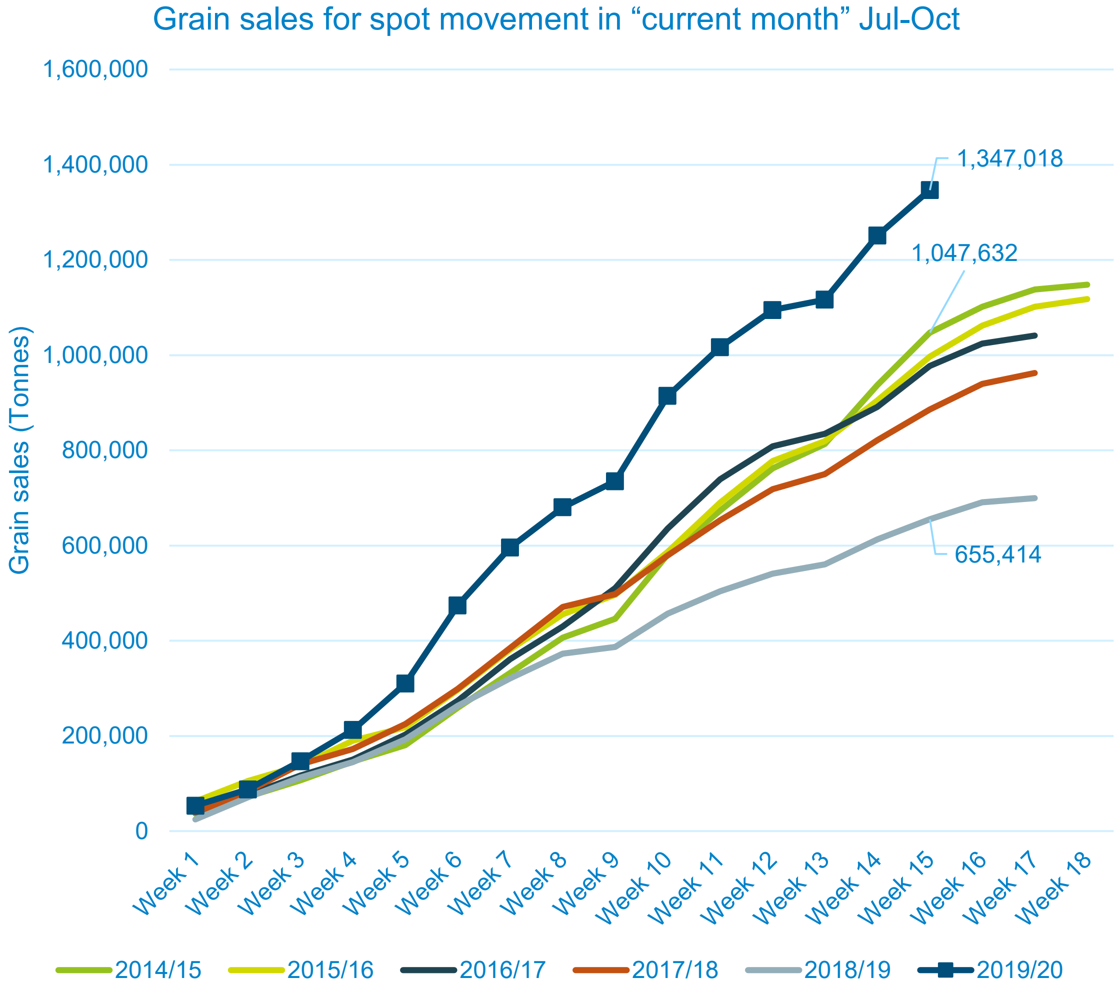
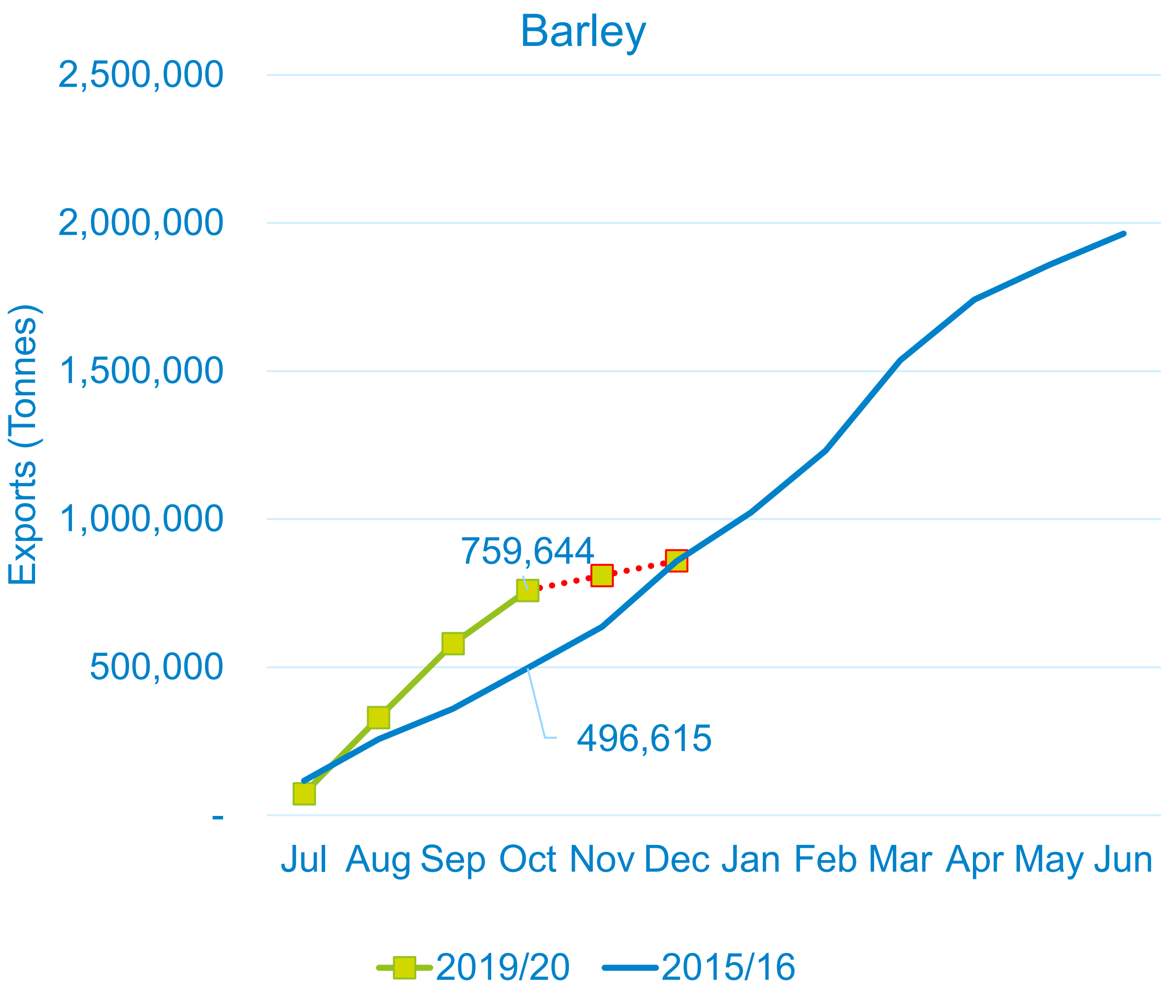
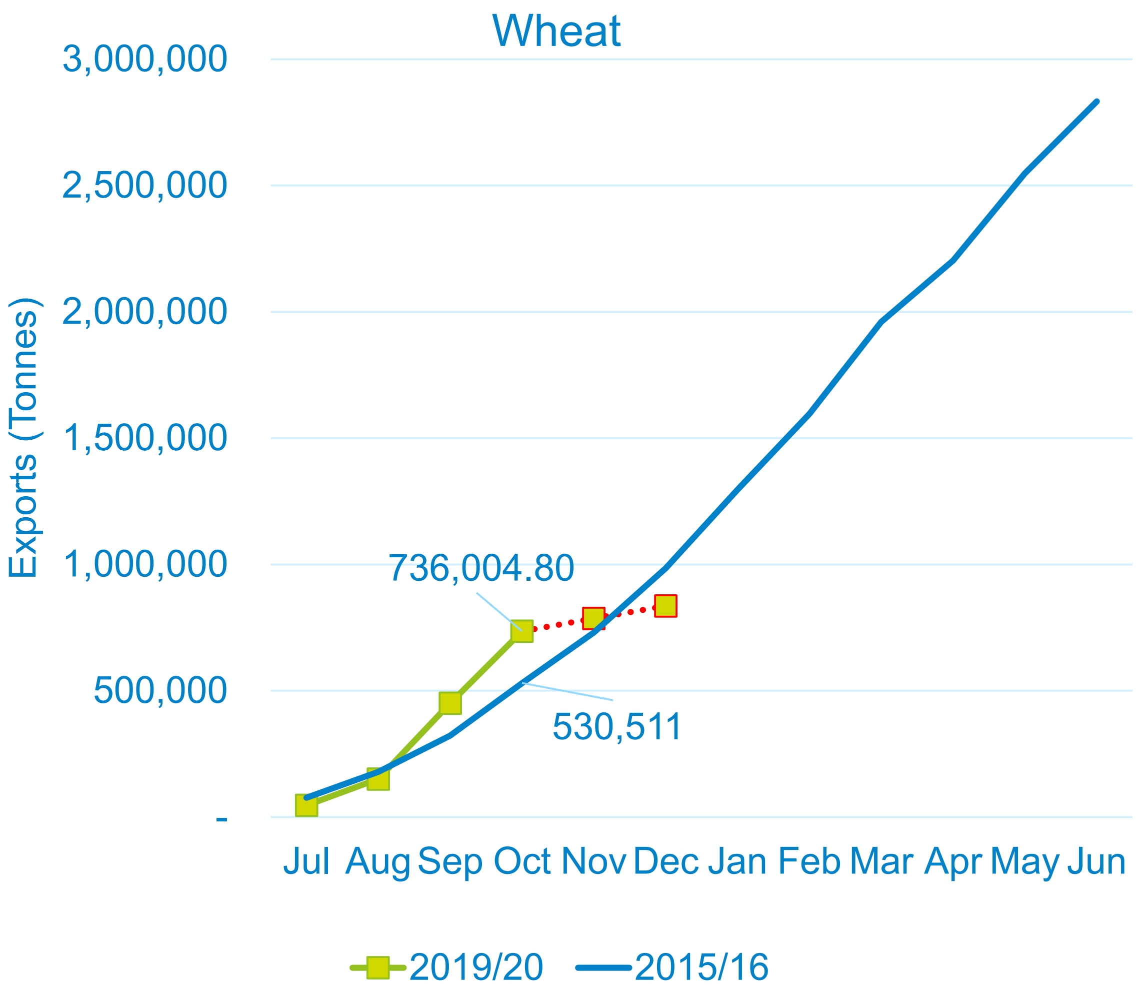
Price competitive and lots of farm grain sold…



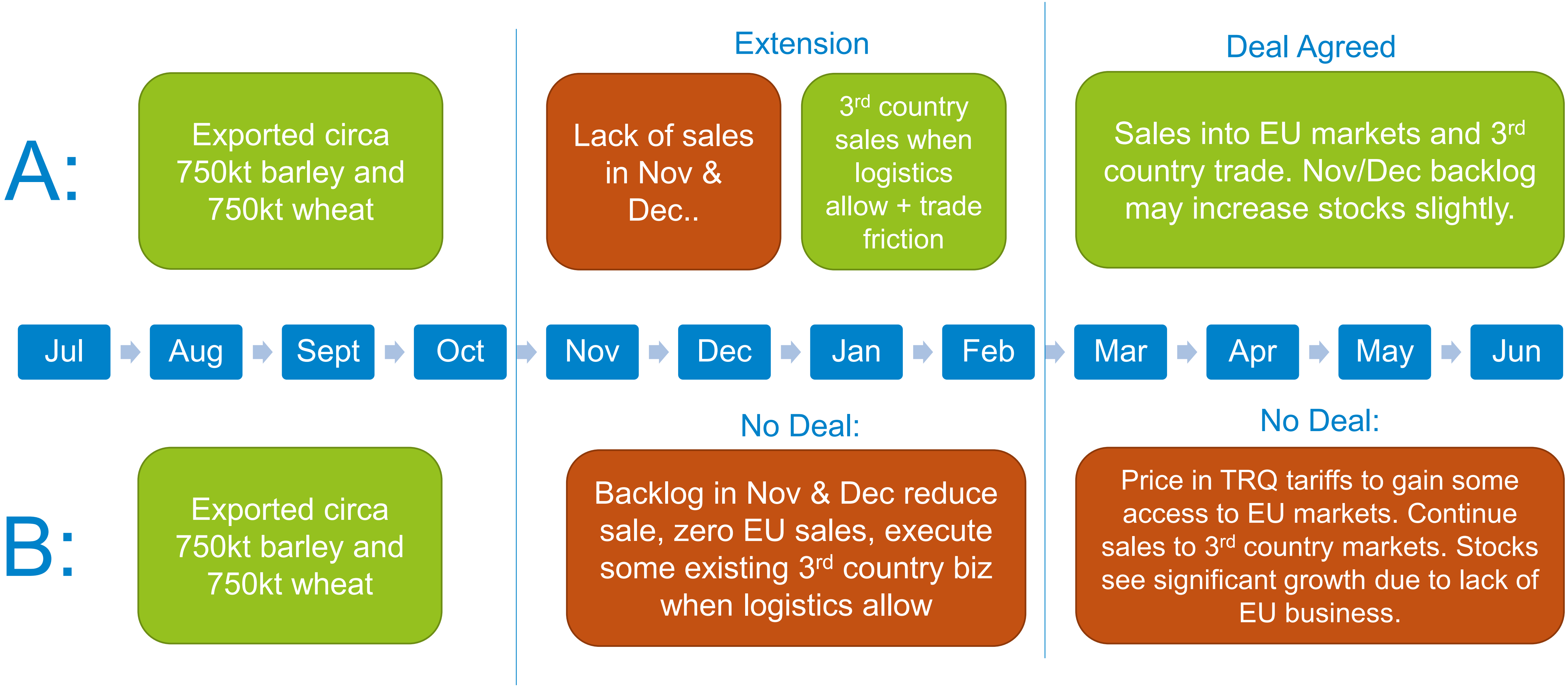


…leads to swift export progress…but slow Nov?





Export Timeline: what could happen to trade



A:

Exported circa 750kt barley and 750kt wheat

Extension

Lack of sales in Nov & Dec..

3rd country sales when logistics allow + trade friction

Deal Agreed

Sales into EU markets and 3rd country trade. Nov/Dec backlog may increase stocks slightly.

Jul ➡ Aug ➡ Sept ➡ Oct ➡ Nov ➡ Dec ➡ Jan ➡ Feb ➡ Mar ➡ Apr ➡ May ➡ Jun

B:

Exported circa 750kt barley and 750kt wheat

No Deal:

Backlog in Nov & Dec reduce sale, zero EU sales, execute some existing 3rd country biz when logistics allow

No Deal:

Price in TRQ tariffs to gain some access to EU markets. Continue sales to 3rd country markets. Stocks see significant growth due to lack of EU business.

Potential Export Capacity vs Logistics

A		Surplus for exports or free-stock	Jul-Oct Export f'cast	Dec-Jun EU exports	Dec-Jun Non-EU Exports	Balance	Operating Stock + Balance
	Barley	2.355	0.750	0.725	0.600	0.280	**1.070**
	Wheat	2.885	0.750	1.350	0.450	0.335	**1.885**

B		Surplus for exports or free-stock	Jul-Oct Export f'cast	Dec-Jun EU exports	Non-EU Dec-Jun Exports	Balance	Operating Stock + Balance
	Barley	2.355	0.750	0.145	0.800	0.660	**1.450**
	Wheat	2.885	0.750	0.450	0.750	0.935	**2.485**

Figures in million tonnes

- Challenges
  - Access and competitiveness into 3rd country markets.
  - Internal logistics & port handling capacity.
  - Farmer selling.
  - Increasing domestic stock carried into 2020/21 season; both logistic & marketing reasons.

Summary

UK Export Supplies

- Volume of grain produced in 2019 pushes prices down to be competitive in global export markets.

Current Trade

- After a fast paced start to the season, brexit has stopped trade for late-Oct and early-Nov.

Future Markets

- Exports to 3rd countries needed to move surplus.
- Value added products still key.

Thank-you

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