

UK Outlook for Cereals & Oilseeds

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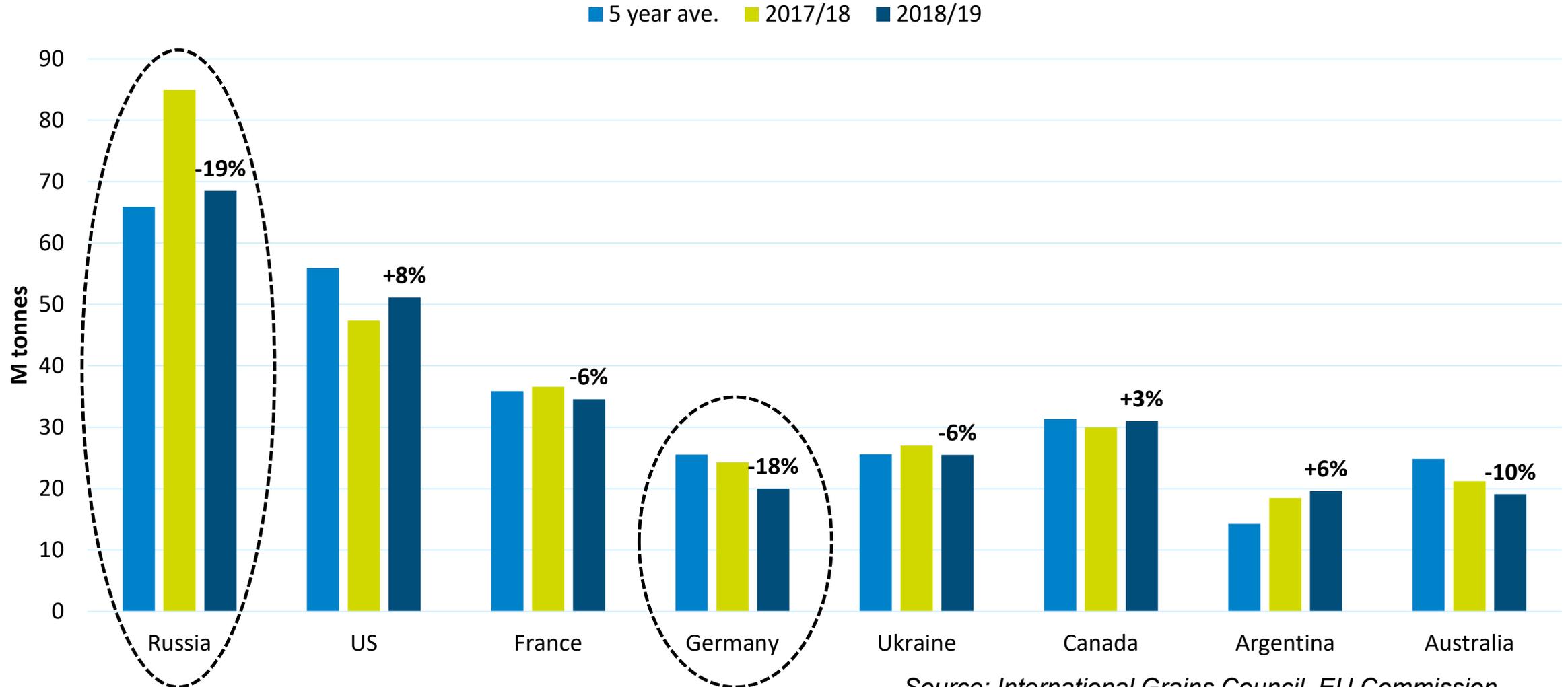
Overview

- Wheat
- Barley
- Maize
- Oilseed Rape
- Horticulture

Wheat

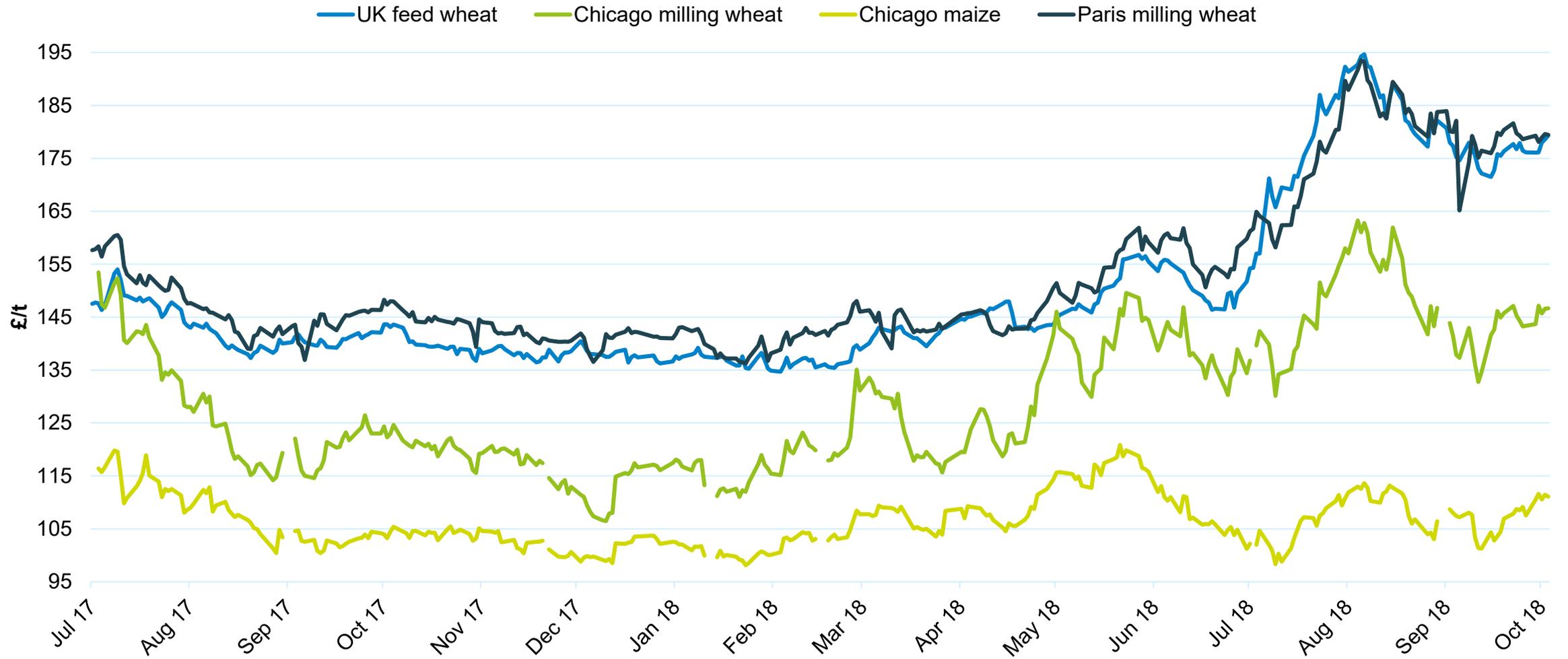


Wheat production down amongst major exporters



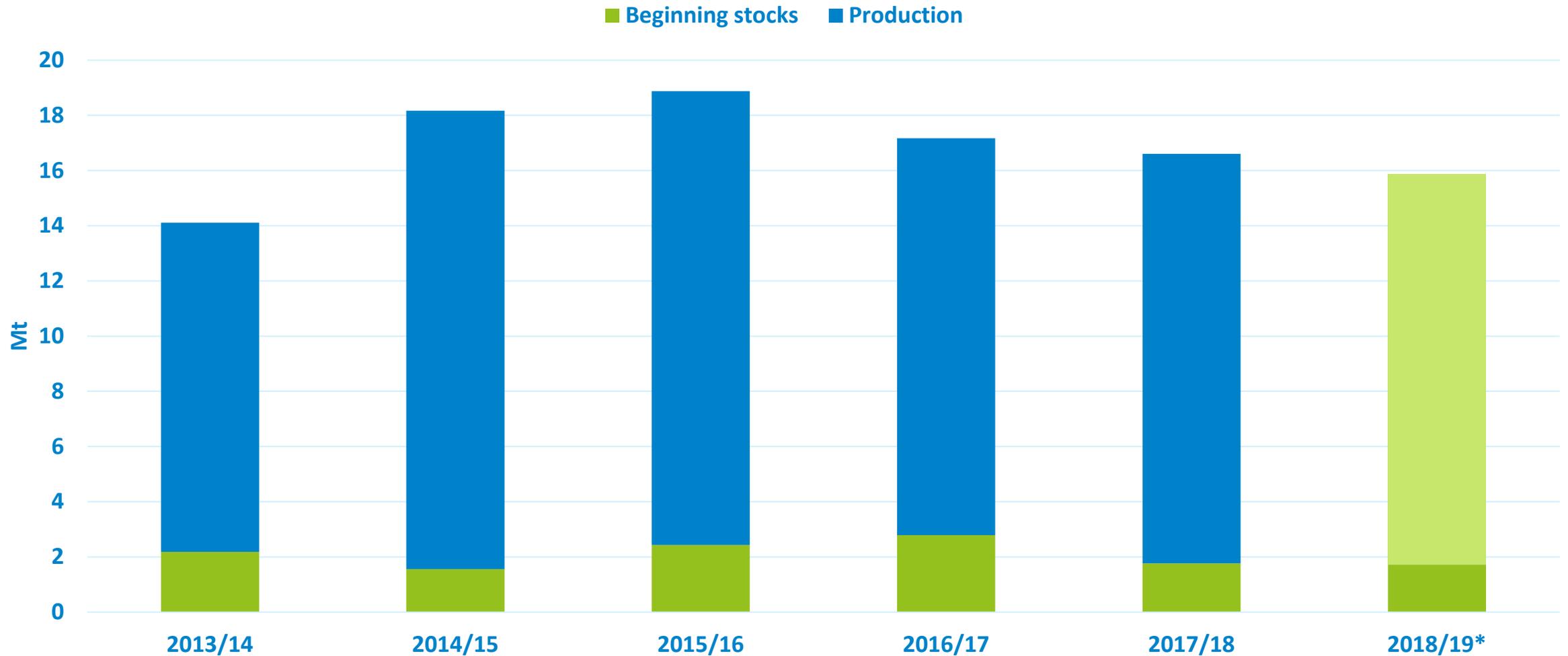
Source: International Grains Council, EU Commission

Nearby global wheat futures rise on crop issues



Source: ICE, MATIF, CBOT

UK domestic wheat supply the lowest since 2013/14

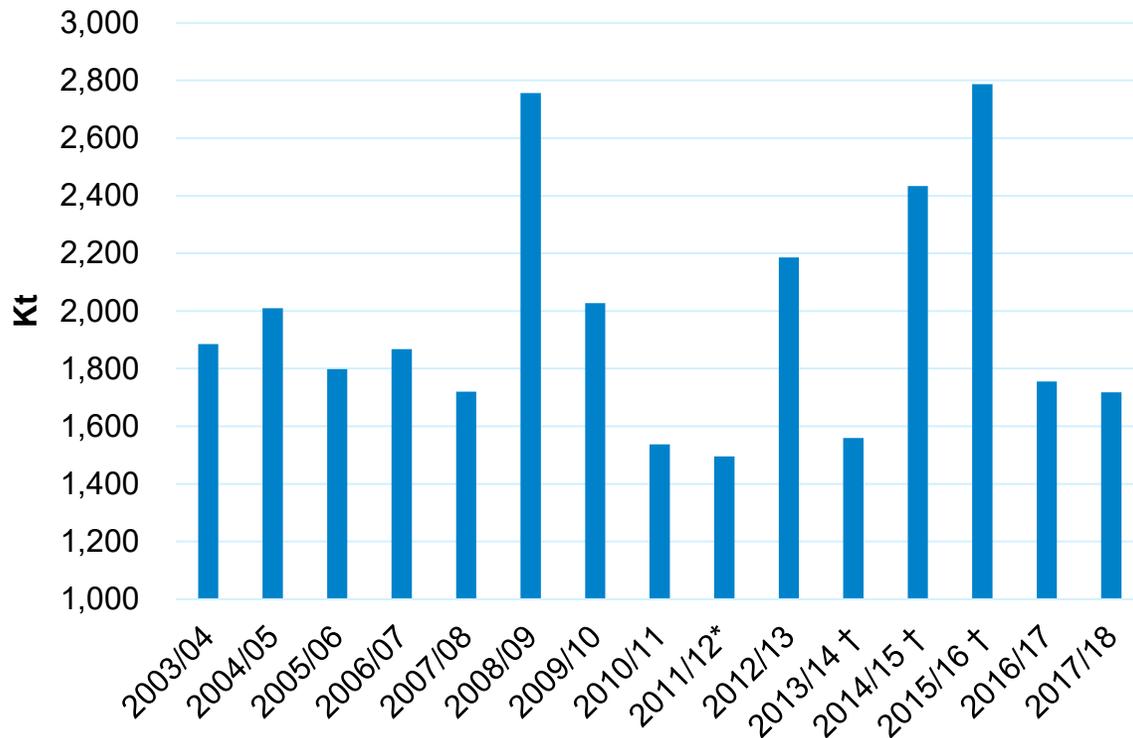


*7.85t/ha yield scenario and AHDB provisional area

Source: AHDB & Defra

A tight year ahead...

UK wheat ending stocks



*In 2011/12 the concept of estimated operating stocks and free stock was introduced for wheat and barley. More information can be found at cereals.ahdb.org.uk

† Adjusted using Defra reallocation method.

Source: AHDB/ Defra

Domestic wheat supply and demand scenarios for 2018/19

	Scenario 1 5 year Maximum consumption	Scenario 2 5 year Average consumption	Scenario 3 5 year Minimum consumption
Opening stocks ¹	1718	1718	1718
Production	14086	14086	14086
5 year average import level ²	1796	1796	1796
Total Supply	17600	17600	17600
Domestic consumption	15786	15112	14192
Domestic Balance	1814	2488	3408
Operating stock requirement ³	1600	1600	1600
Surplus available for export or free stock	214	888	1808

¹ End of Season balance sheet closing stocks

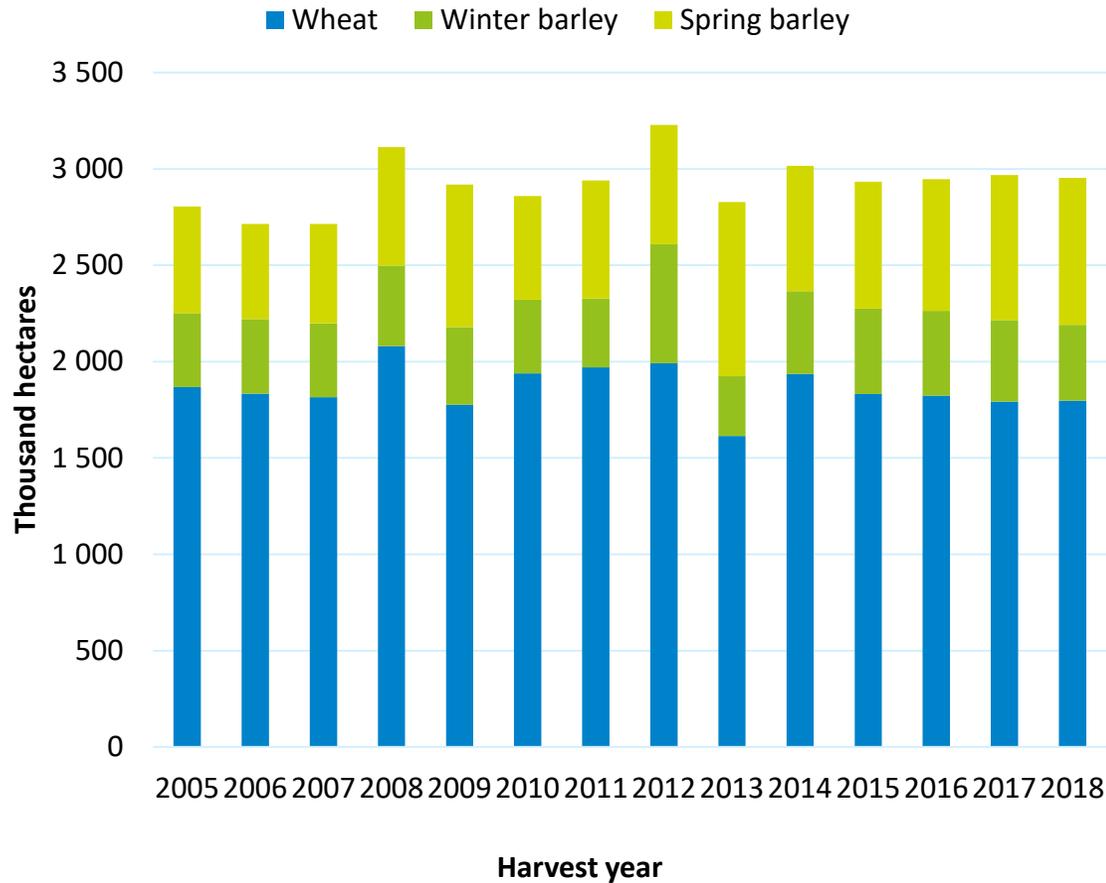
² 5 year average import level inc. durum wheat.

³ 2017/18 operating stock requirement

Wheat area up (marginally), quality area up

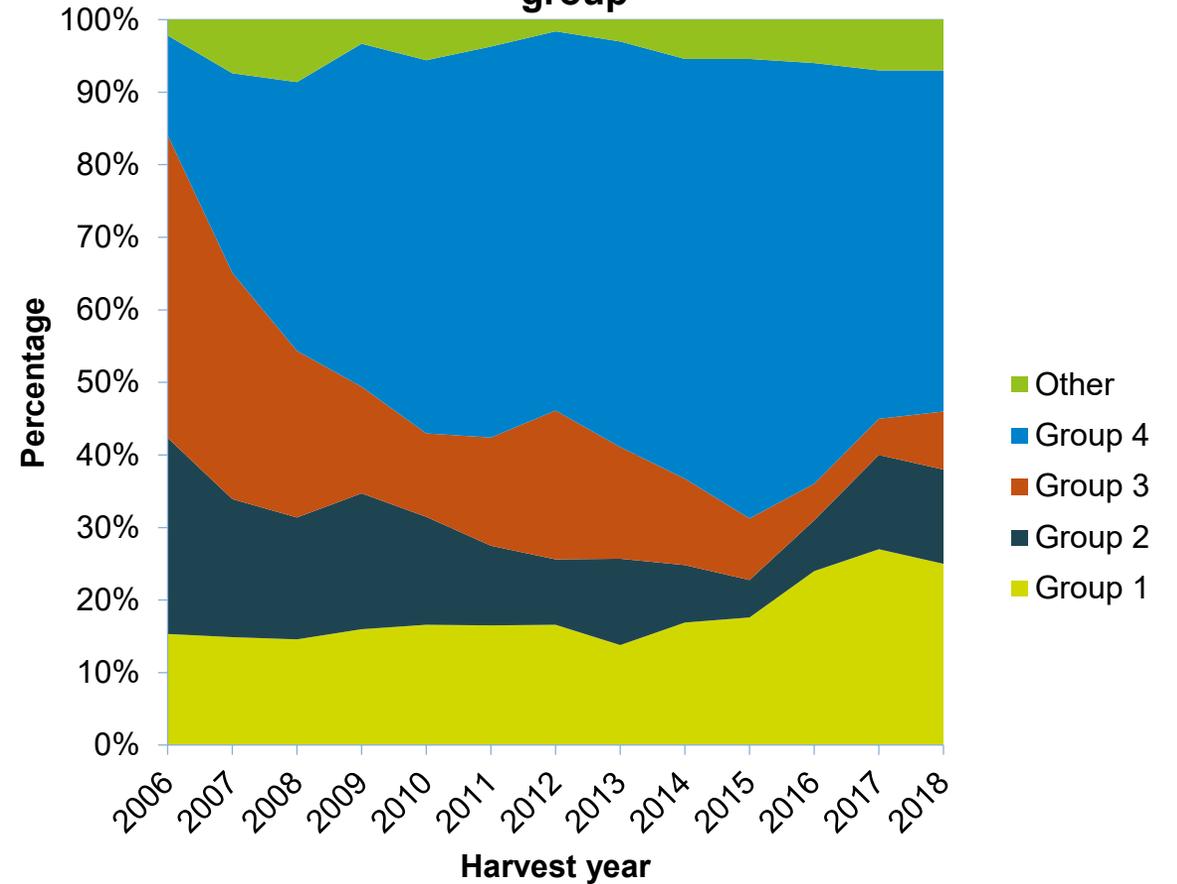


Planted area of wheat and barley in the UK



Source: Defra

Estimated proportion of GB wheat area by nabim group



Source: AHDB Planting and Variety Survey

Proportion of **nabim** Group 1&2 samples hitting a medium milling specification

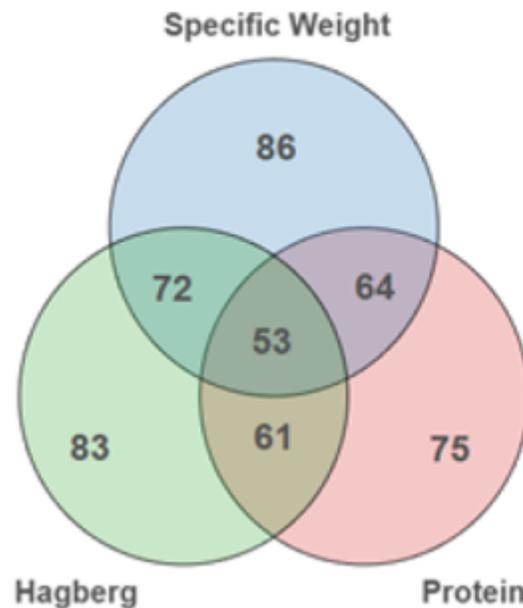


2018 Second provisional cereal quality results (GB) medium quality bread wheat

(Group 1&2, specific weight: 74kg/hl, Hagberg Falling Number:180s,
protein:12.5%)

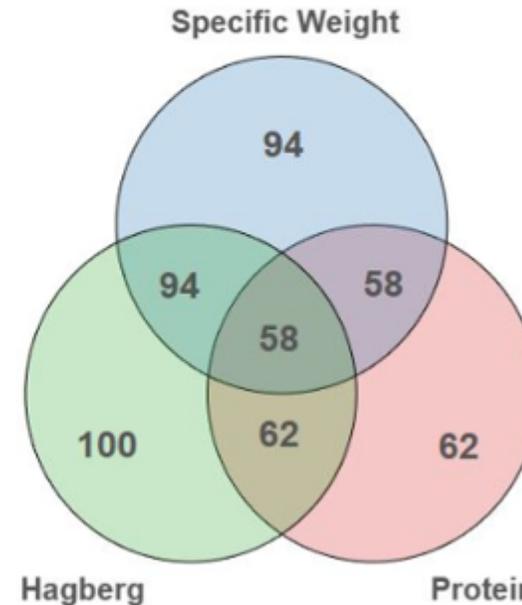


2017 Final results



Sample: 12,827

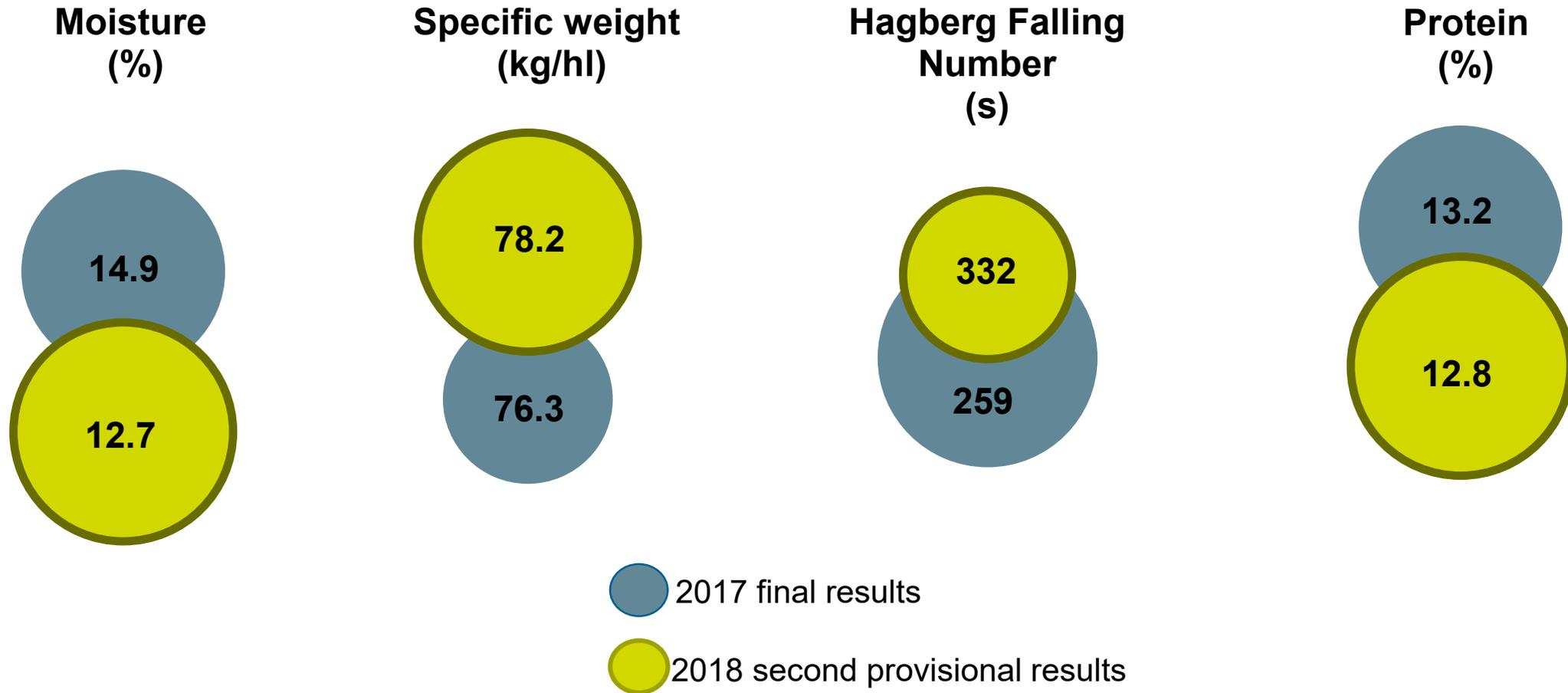
2018 Second provisional results



Sample: 10,926

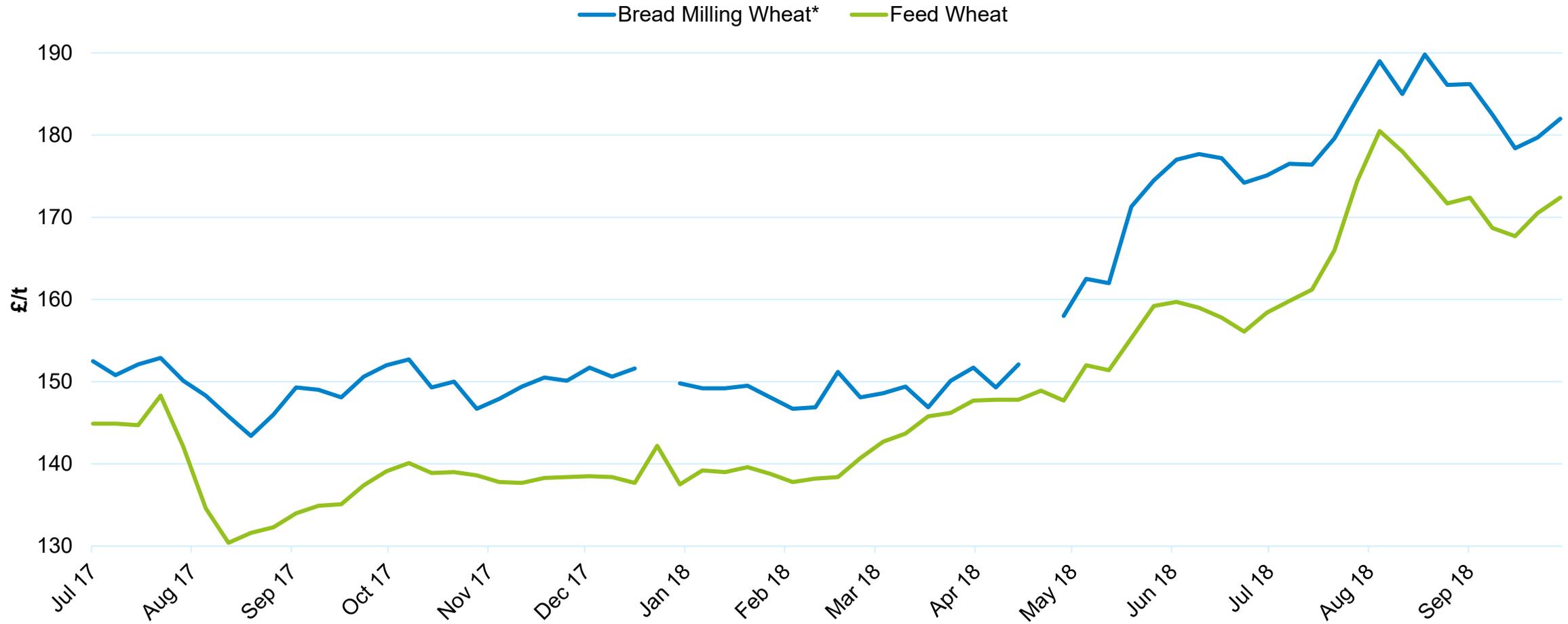
Source: AHDB

Greater variation in **nabim** Group 1&2 wheat quality



Number denotes average value, size of bubble represents variation in results i.e. bigger bubble, greater variation.

UK ex-farm wheat prices (spot)

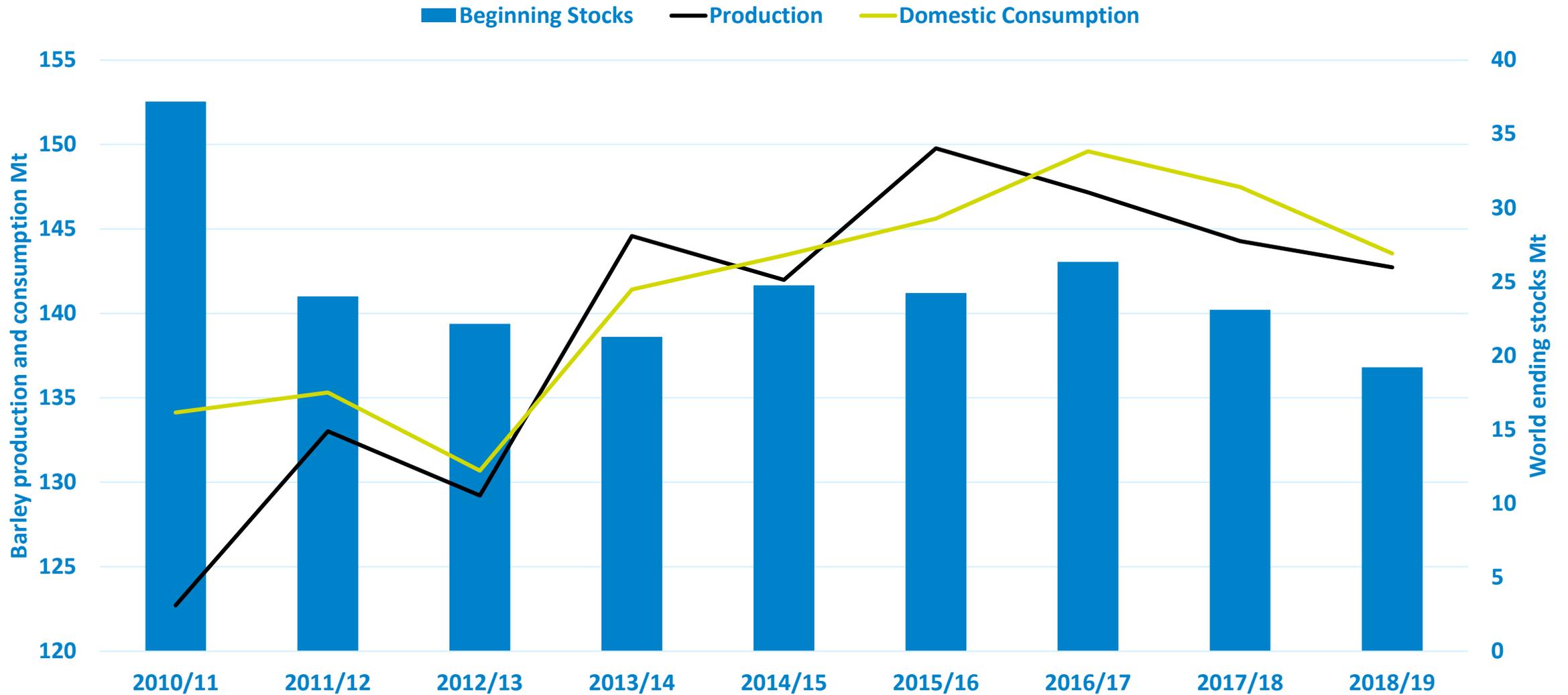


* Wheat meeting a high specification – **nabim** Group 1, Specific weight: 76kg/hl, HFN: 250s, Protein: 13.0%

Barley

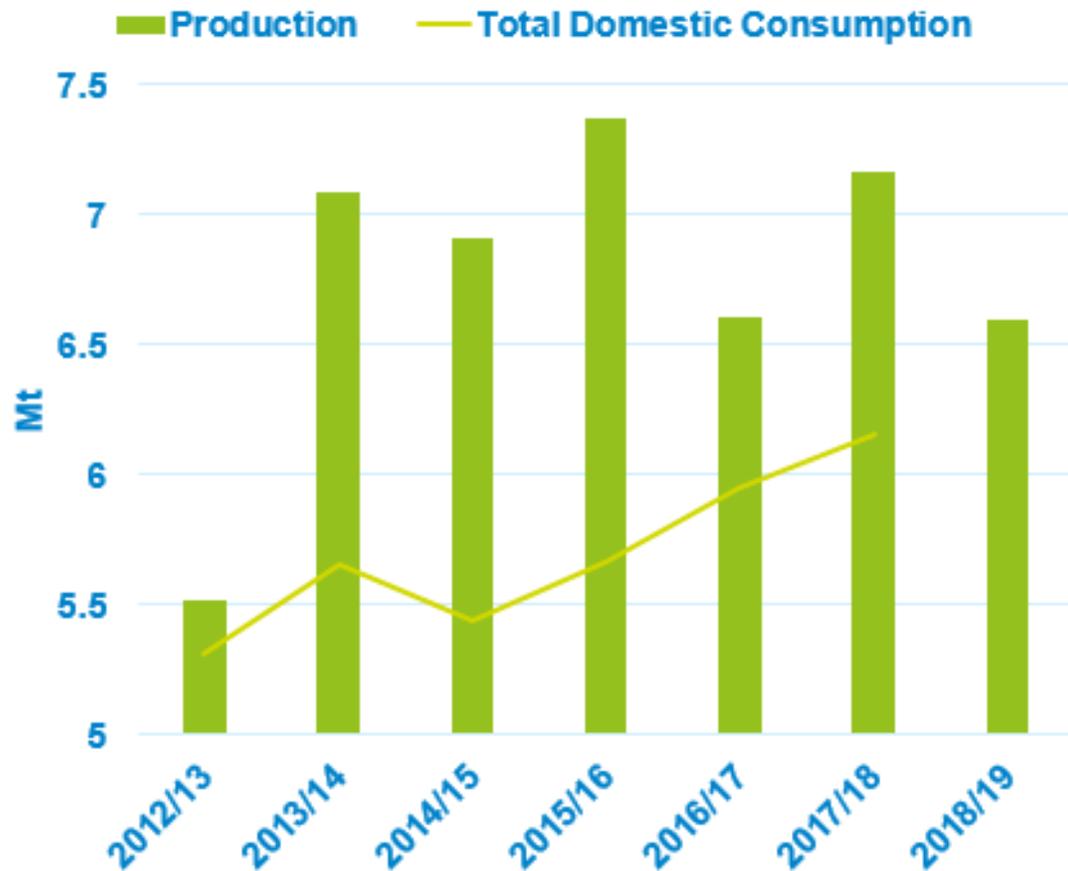


Global barley deficit again in 2018/19

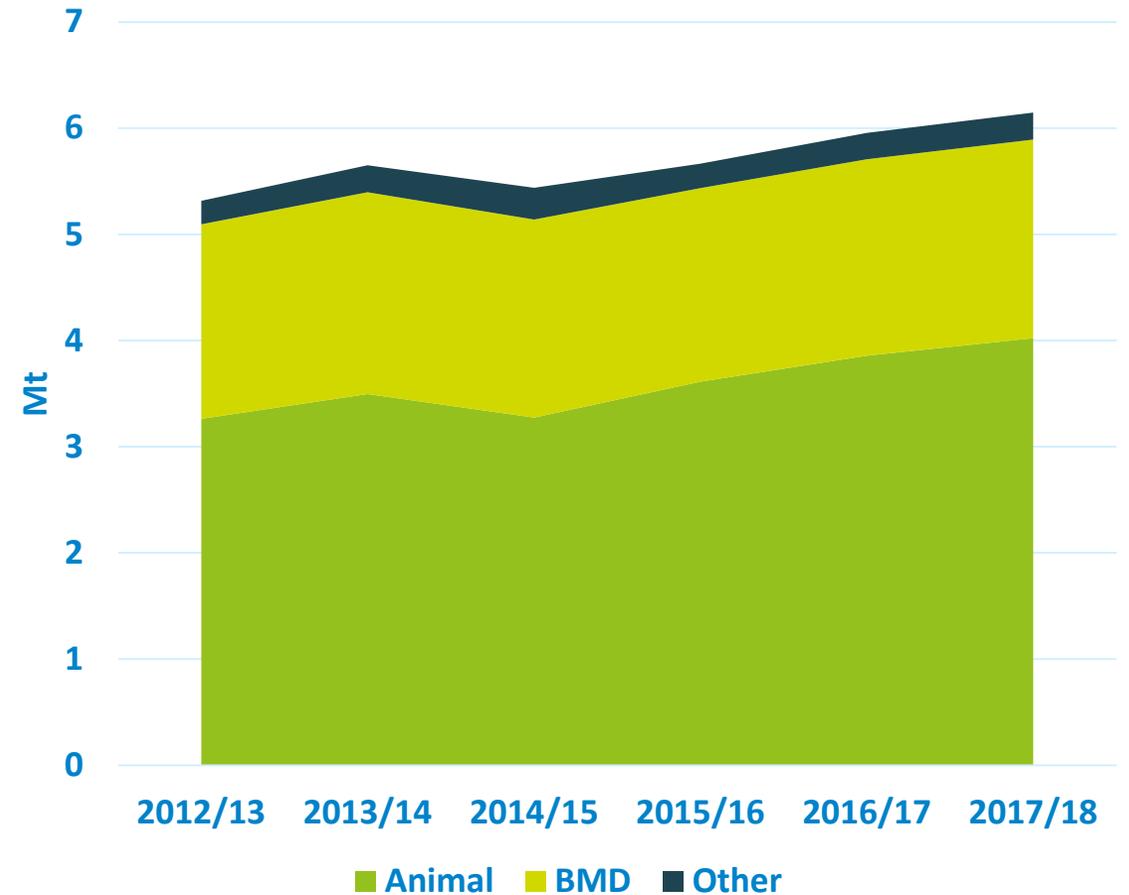


A tightening UK barley market

UK barley production



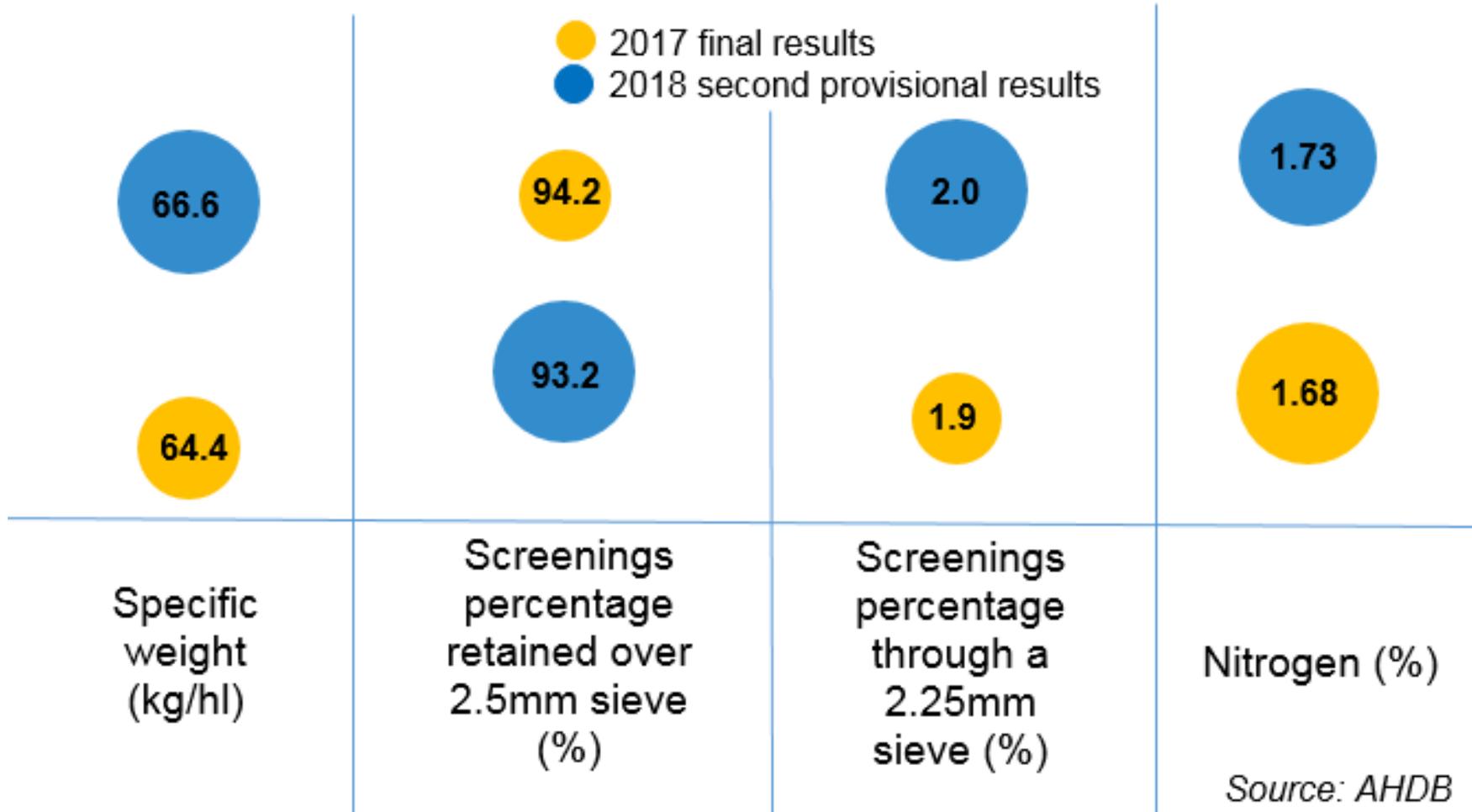
Rising UK barley consumption trend



Increased variability in GB barley crop

GB barley quality

Number denotes average value, size of bubble represents variation in results i.e. bigger bubble, greater variation



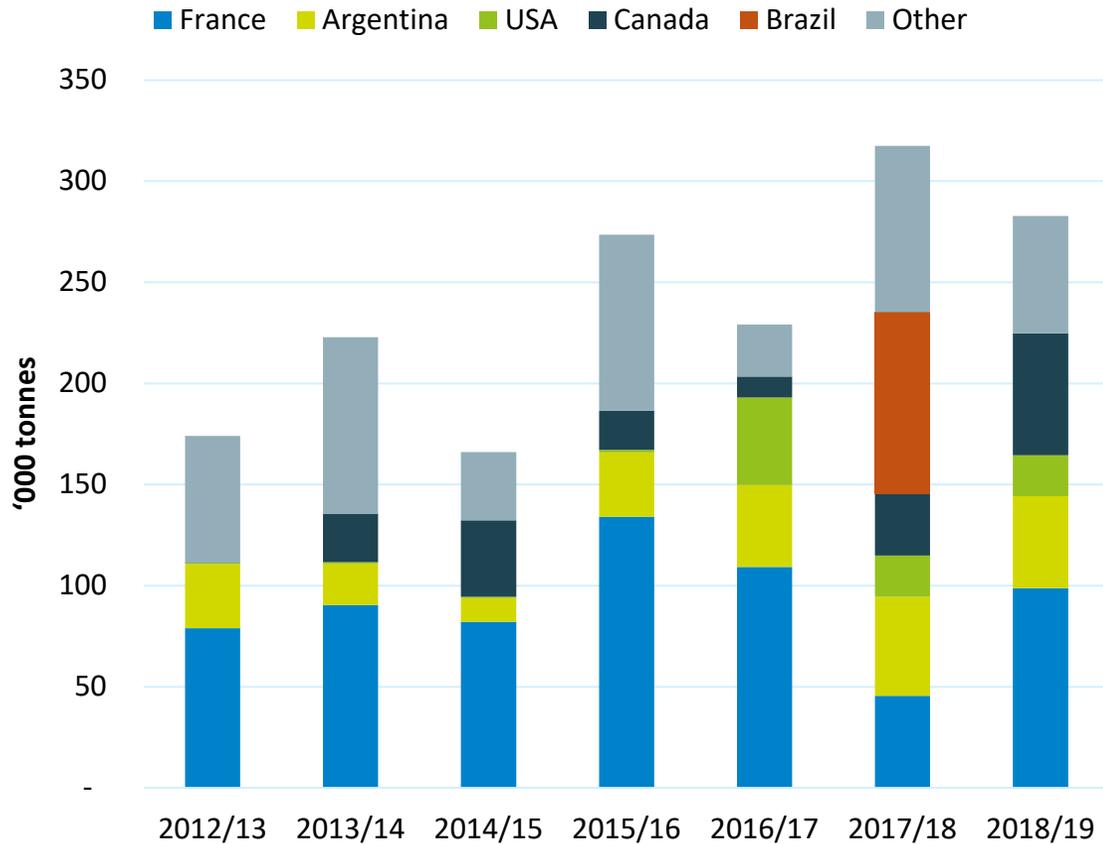
Source: AHDB

Maize



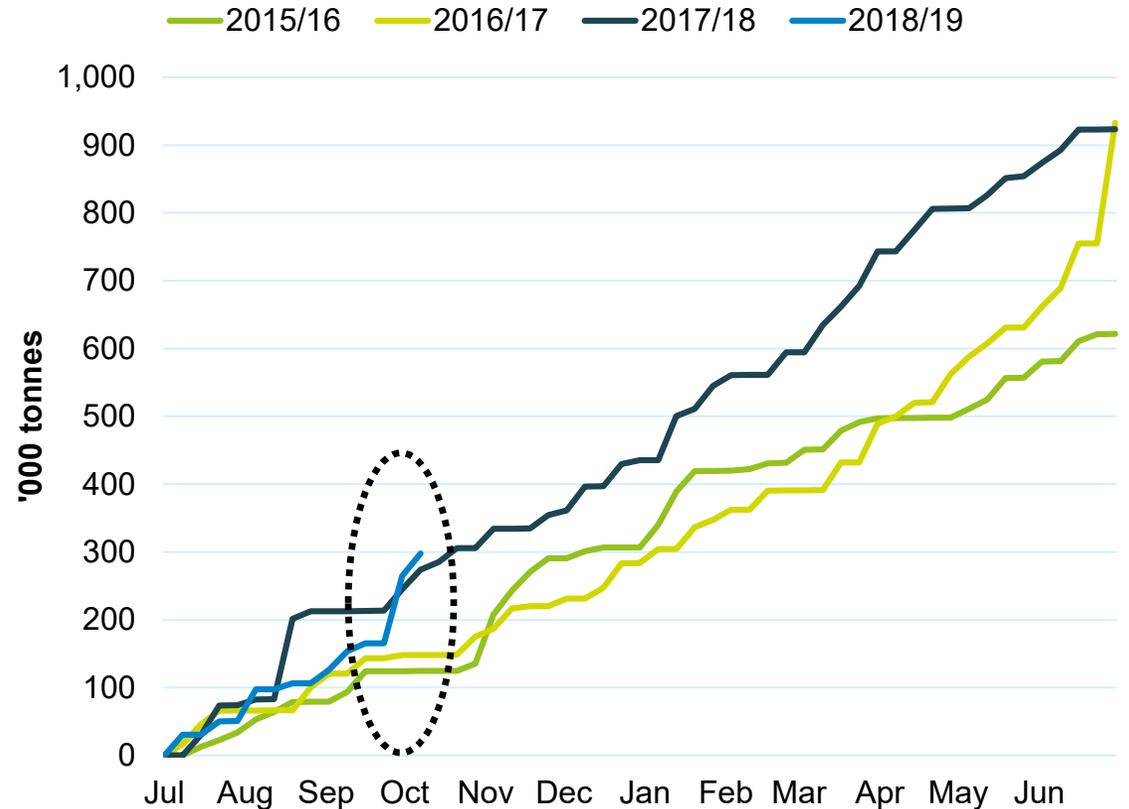
UK maize imports off to a strong start in 2018/19

UK maize imports by origin in July & August



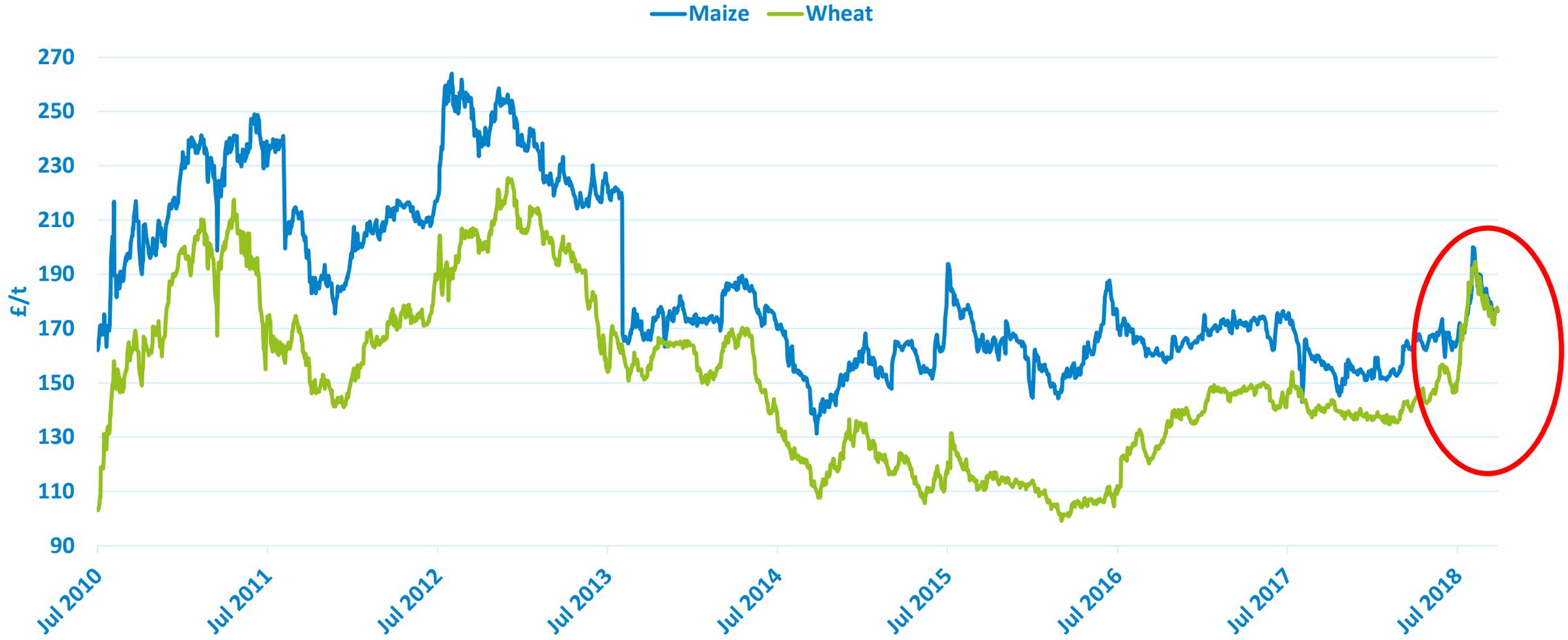
Source: HMRC

UK maize imports from non-EU countries (EU customs surveillance)



Source: EU Commission

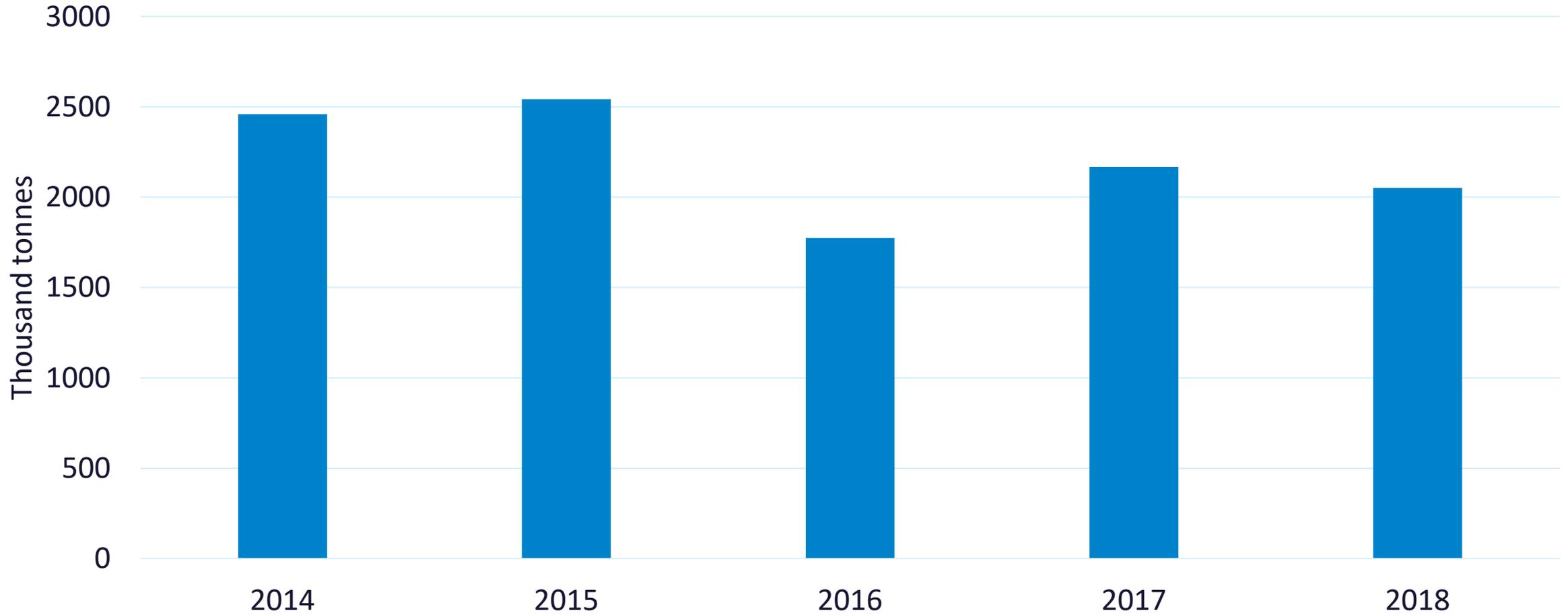
Nearby UK wheat futures and nearby Paris maize



Oilseeds

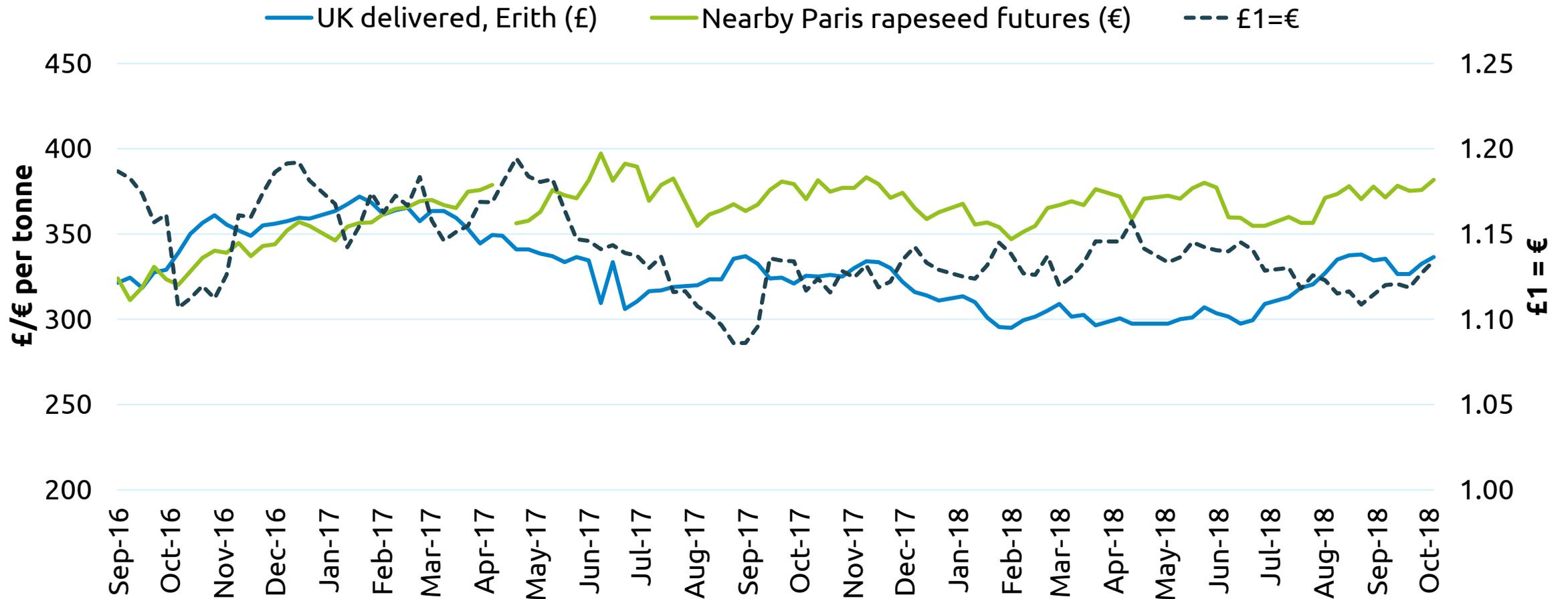


Rapeseed production back 5% this year



UK rapeseed prices supported, but no runaway rally....

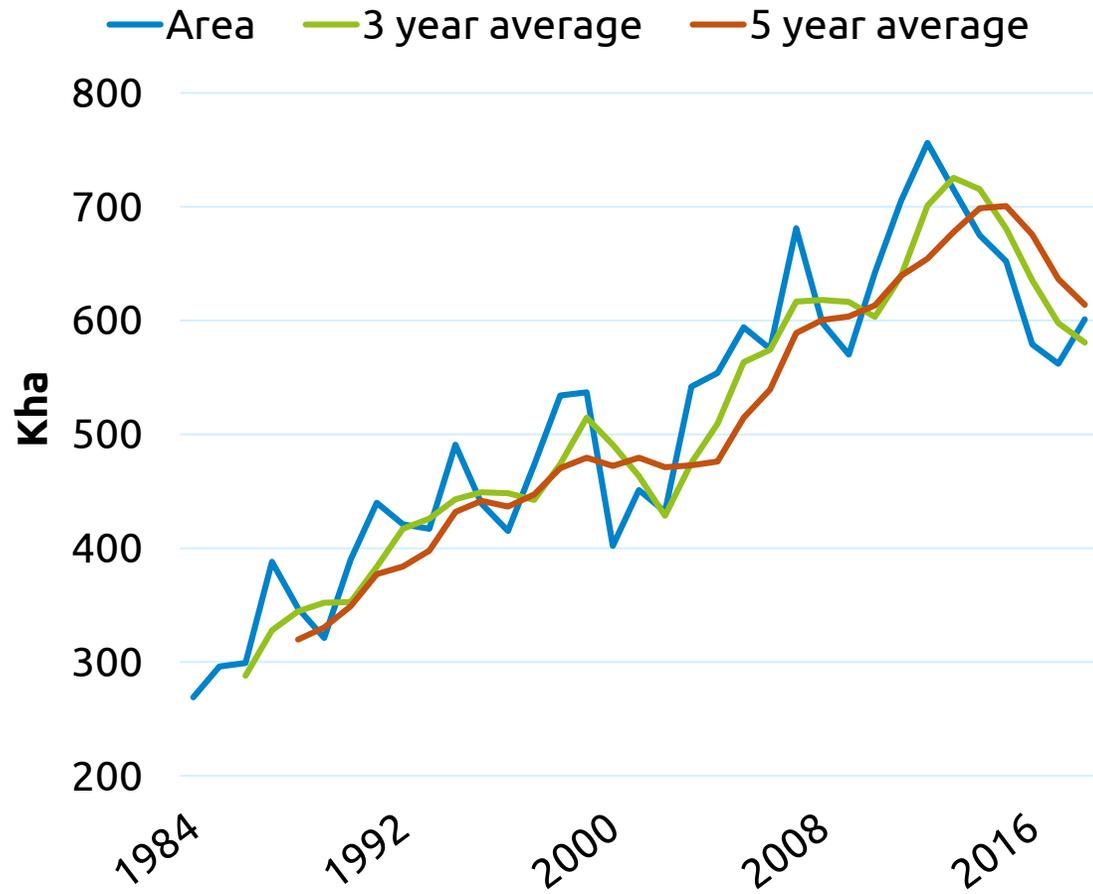
Rapeseed prices and pound/euro exchange rate



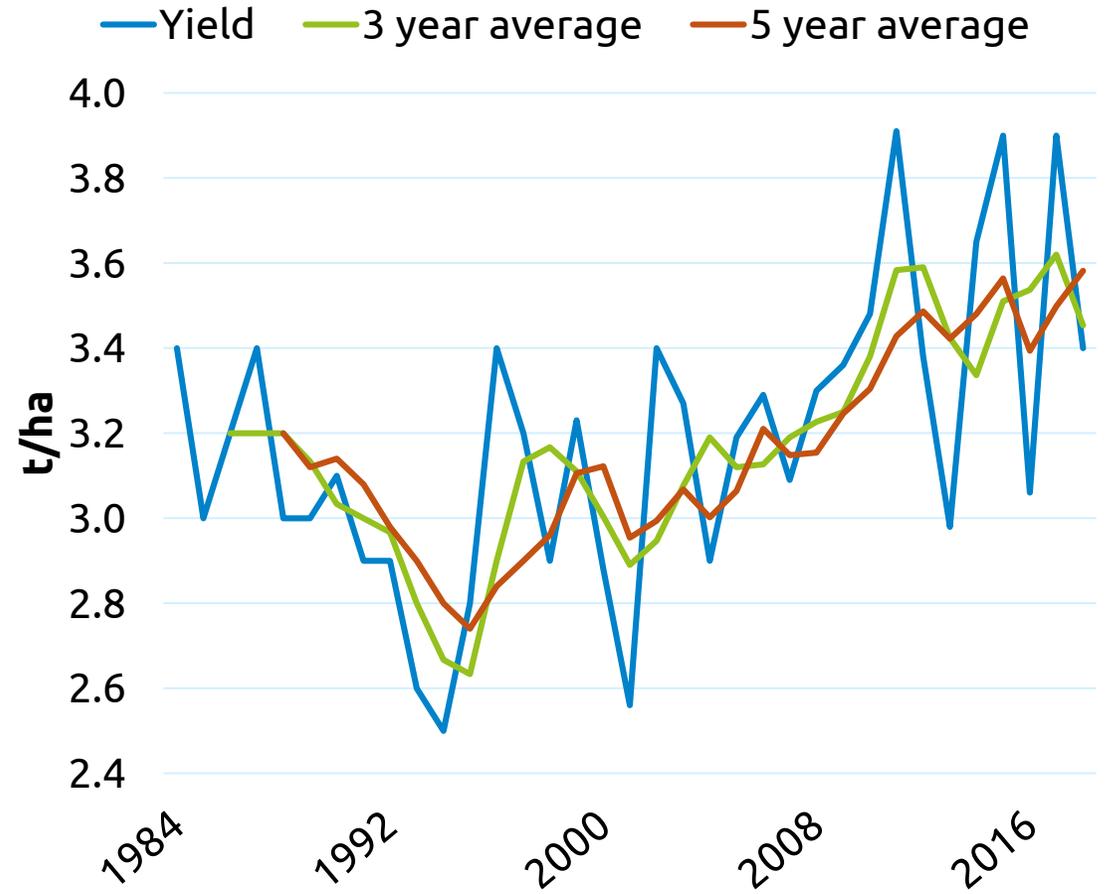
Source: AHDB, ECB

Recent downward trend in UK rapeseed area coupled with yield volatility

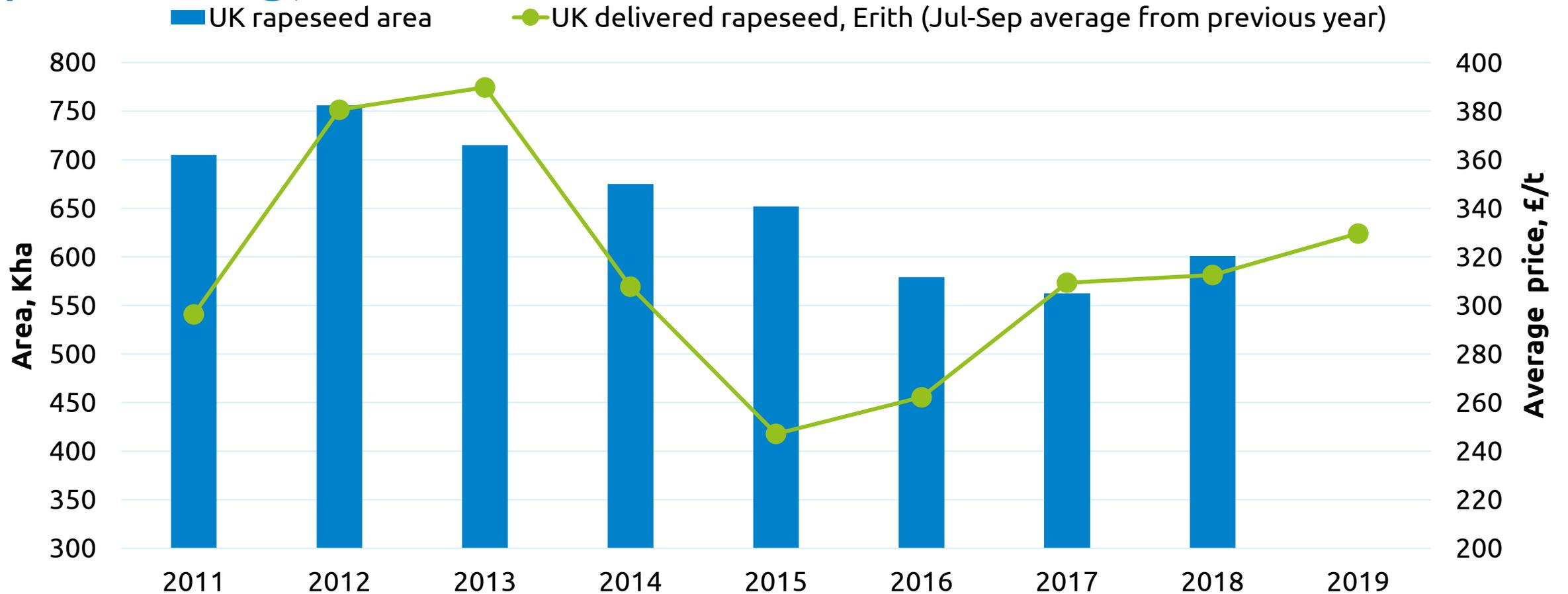
UK rapeseed area



UK rapeseed yield



Recent prices suggest increase in UK rapeseed area for harvest 2019 (flea beetle and weather permitting)



* Estimated UK area (563Kha) based on final Defra English area (523Kha), Scottish rapeseed area published by Scottish government (34Kha) and previous 5 year average of rapeseed area in Wales & N. Ireland (6Kha).

Source: Defra, AHDB

Horticulture



Major areas of concern for horticulture

Labour

- Availability
- Movement
- Wages

International trade

- With EU
- With third countries

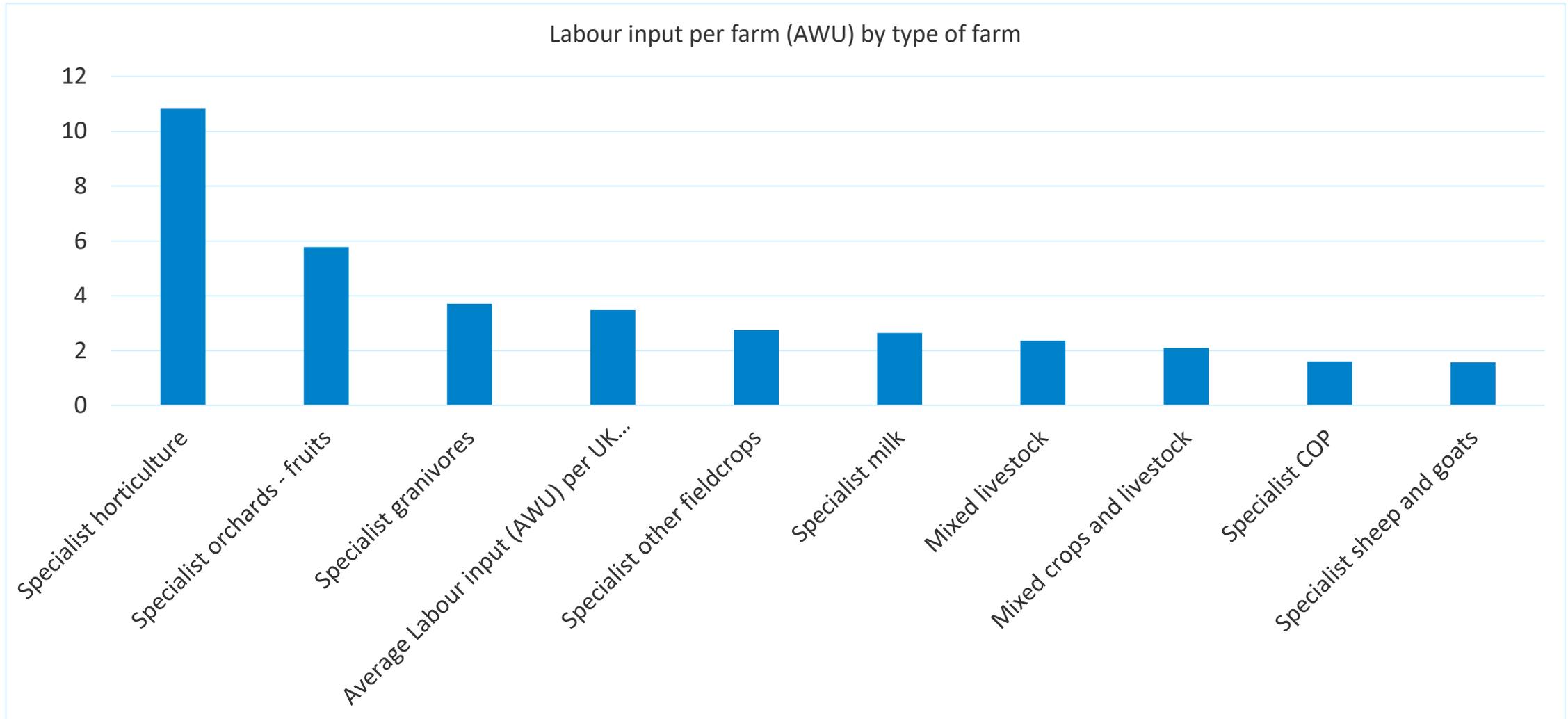
Biosecurity

- Reduced regulation?
- Replace pooled resources of EU

Regulation

- Plant protection products
- Hazard vs risk based approach
- How much divergence is allowed?

Labour key for horticulture



To conclude...

- Variability at harvest has affected crop yields, but not as much as initially feared
- UK likely to remain in net import position for wheat in 2018/19
- Weather and pest concerns may impact planted area for 2018/19
- Historically high domestic feed barley price
- Closing of maize/wheat price ratio – influencing inclusion rates for animal feed
- Soyabean supply glut putting a ceiling on a runaway rally for rapeseed prices
- Although we only have certainty until March 2019....

A vibrant landscape of rolling green hills under a sunset sky. The sun is low on the horizon, creating a bright sunburst effect and casting a warm glow over the scene. The sky is filled with soft, colorful clouds in shades of orange, yellow, and blue. The foreground is dominated by lush green grass, and the background shows rolling hills and a distant horizon. The overall mood is peaceful and inspiring.

**‘Inspiring our farmers, growers
and industry to succeed in a
rapidly changing world’**

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