Supply & Demand

28 September 2015

CEREALS & OILSEEDS

Summary of Revisions

The tables below provide the Defra estimates of UK cereals supply and demand in the 2014/15 (July-June) season. Official trade and usage data for the full 2014/15 season is now available and is included in the tables below.

Please note that Defra have completed a review into how it uses survey estimates to achieve consistent cereals balance sheet estimates. This has resulted in the introduction of a method of allocating identified residuals across the balance sheet as and when required. To read more on the outcome of Defra's review and the implications for the UK cereals balance sheets, click here to read a special MI Prospects article. Further detailed information on Defra's approach can be found by clicking here to view the associated methodology paper.

The Defra reliability scores method has been applied retrospectively to the 2013/14 wheat and maize balance sheets in order to resolve discrepancies identified and this has resulted in updated opening stocks figures for these commodities in 2014/15. The method has also been applied to the 2014/15 wheat final balance sheet to apportion an additional residual identified after the 2013/14 adjustments are taken into account.

The main revisions from May's forecasts and comparisons with the 2013/14 season are summarised below.

Final 2014/15 Defra UK Cereals Supply and Demand

Wheat

- **Reallocation** – Defra's reliability scores method was retrospectively applied to the 2013/14 wheat balance sheet to apportion an identified residual of 431Kt. Therefore 2014/15 wheat opening stocks of 1,559Mt differ from those previously published in the May forecast (1.959Mt). The reliability scores method has also been applied to the 2014/15 final balance sheet to apportion an identified residual of 539Kt.

- **Trade** – Full season wheat imports totalled 1.643Mt, 174Kt higher than May's forecast, but 548Kt lower than the amount imported in 2013/14. Exports totalled 1.939Mt, 226Kt lower than May's forecast but 1.505Mt higher year-on-year.

- **Availability** – Total available supplies are 19.652Mt, 382Kt lower than May's forecast, due to the revised opening stocks figure and lower imports. Compared with 2013/14, total available supplies are 21% higher.

- **Usage** – At 15.287Mt, total usage is 486Kt higher than May's forecast and 8% higher year-on-year. Growth in animal feed demand was the main driver behind higher overall consumption this season.

- **Closing Stocks** – End of season stocks are set at 2.426Mt, 642Kt lower than May's forecast but 56% higher year-on-year. The Defra stock survey revealed an annual increase in stocks held on farm in England and Wales and stocks held by UK ports, co-ops and merchants as at the end of June 2015.

Barley

- **Trade –** HMRC reported full season barley imports at 126Kt, 31Kt higher than May's forecast and 26% higher than the amount imported in 2013/14. Exports were 1.495Mt, 35Kt more than May's forecast and 29% higher, year-on-year.

- **Availability –** Due to the change in imports, total supplies are 8.416Mt, 31Kt higher than May's forecast. Compared with 2013/14, total available supplies are 227Kt higher.

- **Usage –** At 5.464Mt, total demand is 82Kt lower than May's forecast and 3% lower year-on-year. The main driver behind lower overall consumption in 2014/15 was a 5% reduction in animal feed demand.

- **Closing Stocks –** Stocks at the end of June 2015 were 1.457Mt, 78Kt higher than May's forecast and 6% higher year-on-year. The Defra stocks survey showed that larger stocks were held by UK ports, merchants and co-ops in June 2015 compared with a year earlier.

Oats

- **Trade –** HMRC reported full season oat imports at 33Kt, 3Kt higher than May's forecast but 28% lower than in 2013/14. Exports were 77Kt, 8Kt lower than May's forecast but 114% higher year-on-year.

- **Availability –** Compared with May's forecast, total availability is 4Kt higher at 1.020Mt, but 6% lower than 2013/14.

- **Usage –** Total consumption, at 838Kt, is 32Kt higher compared with May's forecast, but 4% lower year-on-year.

- **Closing Stocks –** Closing stocks of 105Kt are 20Kt lower than forecasts made in May and 37% lower compared with a year earlier. As at end June 2015, the Defra stocks survey revealed an annual decrease in stocks held by UK ports, merchants and co-ops and lower stocks held on farm in England and Wales.

Maize

- **Reallocation –** Defra's reliability scores method was retrospectively applied to the 2013/14 maize balance sheet to apportion an identified residual of 238Kt. Therefore 2014/15 maize opening stocks, at 259Kt, are 218Kt lower than those reported in May's forecast (477Kt).

- **Trade –** HMRC reported full season maize imports at 1.856Mt, 131Kt higher than May's forecast, but 478Kt less than the amount imported in 2013/14.

- **Availability –** Total availability, at 2.115Mt, is 87Kt lower than May's forecast and 17% lower compared with 2013/14.

- **Usage –** Human and industrial demand is 16Kt lower than in May and 17% lower year-on-year. Whilst animal feed consumption is 41Kt higher than May's forecast, it is 18% lower than in 2013/14.

- **Closing Stocks –** Closing stocks are 114Kt lower than May's forecast, but are 19% higher year-on-year. Defra's stocks survey showed a 47% increase in stocks held as at June 2015, compared with a year earlier

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Appendix I

DEFRA ANNUAL UK CEREAL SUPPLY AND DEMAND ESTIMATES (a)

Estimates made in September

000 tonnes

Defra have now completed a review of how it uses survey estimates to achieve consistent cereals balance sheet estimates. The outcome of the review was the introduction of the reliability scores method used to allocate identified residuals across the balance sheet as and when required. The allocation method has been applied retrospectively to the wheat and maize balance sheets for 2013/14 and to the wheat balance sheet for 2014/15. Cereals balance sheets are published by AHDB Cereals and Oilseeds on behalf of Defra at http://cereals.ahdb.org.uk/markets/supply-and-demand.aspx.

(JULY - JUNE YEARS)

Links connect to relevant Defra/AHDB data pages

		WHEAT							BARLEY						
		2009/10 2013/14 average	**2012/13 estimate**	**2013/14 estimate****	**2014/15 May-15†**	**2014/15 Sep-15**	**Absolute change May-15**	**% change on 13/14**	**2009/10 2013/14 average**	**2012/13 estimate**	**2013/14 estimate**	**2014/15 May-15**	**2014/15 Sep-15**	**Absolute change May-15**	**% change on 13/14**
(1)	Opening Stocks	2,000	1,495	2,186	1,959	1,559	-400	-29%	1,122	940	997	1,379	1,379	0	38%
(2)	Production	13,856	13,261	11,808	16,606	16,450	-156	39%	6,006	5,522	7,092	6,911	6,911	0	-3%
(3)	Imports	1,659	2,956	2,191	1,469	1,643	174	-25%	140	235	100	95	126	31	26%
(4)	**Total Availability**	**17,516**	**17,712**	**16,186**	**20,034**	**19,652**	**-382**	**21%**	**7,268**	**6,697**	**8,189**	**8,385**	**8,416**	**31**	**3%**
(5)	Human and Industrial Consumption	7,185	7,572	7,461	7,753	7,820	67	5%	1,795	1,844	1,960	1,979	1,948	-31	-1%
(5a)	(of which home grown)	6,001	5,723	5,913	6,535	6,616	81	12%	n/a	n/a	n/a	n/a	n/a	*	*
(6)	Usage as Animal Feed (b)	6,443	6,847	6,372	6,675	7,084	409	11%	3,294	3,263	3,495	3,370	3,319	-51	-5%
(6a)	(of which home grown)	6,002	6,064	5,635	6,375	6,781	406	20%	n/a	n/a	n/a	n/a	n/a	*	*
(6b)	(of which Compounders)	3,433	3,592	3,384	3,592	3,640	48	8%	984	1,020	1,169	1,071	1,077	6	-8%
(6c)	(of which Integrated Poultry Units)	1,532	1,505	1,394	1,418	1,433	15	3%	75	70	86	48	48	0	-44%
(7)	Seed	296	304	293	290	293	3	0%	162	182	162	162	162	0	0%
(8)	Other	70	66	66	83	91	8	38%	30	28	35	35	35	0	0%
(9)	**Total Domestic Consumption**	**13,995**	**14,789**	**14,192**	**14,801**	**15,287**	**486**	**8%**	**5,281**	**5,317**	**5,652**	**5,546**	**5,464**	**-82**	**-3%**
(10)	**Balance (4) - (9)**	**3,521**	**2,923**	**1,994**	**5,233**	**4,365**	**-868**	**119%**	**1,987**	**1,380**	**2,537**	**2,839**	**2,952**	**113**	**16%**
(11)	Exports (c)	1,760	737	434	2,165	1,939	-226	346%	830	384	1,158	1,460	1,495	35	29%
(12)	Intervention Stocks (c)	-	-	-	-	-	0	*	31	-	-	-	-	*	*
(13)	**Commercial End-Season Stocks (c)**	**1,761**	**2,186**	**1,559**	**3,068**	**2,426**	**-642**	**56%**	**1,157**	**997**	**1,379**	**1,379**	**1,457**	**78**	**6%**
(14)	(of which Estimated Operating stock requirement) (d)	1,401	1,450	1,450	1,500	1,500	0	3%	707	713	713	750	750	0	5%
(15)	(of which free stock) (e)	360	736	109	1,568	926	-642	747%	419	284	666	629	707	78	6%
(16)	Surplus available for either export or free stock (10)-(12)-(14)	2,119	1,473	544	3,733	**2,865**	-868	427%	1,249	667	1,824	2,089	**2,202**	113	21%

		MAIZE							OATS						
		2009/10 2013/14 average	**2012/13 estimate**	**2013/14 estimate****	**2014/15 May-15†**	**2014/15 Sep-15**	**Absolute change May-15**	**% change on 13/14**	**2009/10 2013/14 average**	**2012/13 estimate**	**2013/14 estimate**	**2014/15 May-15**	**2014/15 Sep-15**	**Absolute change May-15**	**% change on 13/14**
(1)	Opening Stocks	128	149	216	477	259	-218	20%	79	63	69	166	167	1	140%
(2)	Production	-	-	-	-	-	0	*	727	627	964	820	820	0	-15%
(3)	Imports	1,391	1,693	2,334	1,725	1,856	131	-20%	49	109	46	30	33	3	-28%
(4)	**Total Availability**	**1,519**	**1,842**	**2,550**	**2,202**	**2,115**	**-87**	**-17%**	**855**	**799**	**1,079**	**1,016**	**1,020**	**4**	**-6%**
(5)	Human and Industrial Consumption	482	522	679	582	566	-16	-17%	472	491	508	490	490	0	-4%
(5a)	(of which home grown)	-	-	-	-	-	*	*	425	375	465	460	452	-8	-3%
(6)	Usage as Animal Feed	803	1,036	1,398	1,103	1,144	41	-18%	235	198	345	293	325	32	-6%
(6a)	(of which home grown)	-	-	-	-	-	*	*	235	198	345	293	325	32	-6%
(7)	Seed	-	-	-	-	-	*	*	19	25	19	19	19	0	0%
(8)	Other (f)	4	4	5	4	4	0	-24%	4	3	5	4	4	0	-20%
(9)	**Total Domestic Consumption**	**1,289**	**1,562**	**2,083**	**1,689**	**1,714**	**25**	**-18%**	**729**	**717**	**877**	**806**	**838**	**32**	**-4%**
(10)	**Balance (4) - (9)**	**230**	**280**	**467**	**513**	**401**	**-112**	**-14%**	**125**	**82**	**202**	**210**	**182**	**-28**	**-10%**
(11)	Exportable surplus	70	64	208	90	92	2	-56%	34	13	36	85	77	-8	114%
(12)	**Commercial End-Season Stocks**	**159**	**216**	**259**	**423**	**309**	**-114**	**19%**	**91**	**69**	**166**	**125**	**105**	**-20**	**-37%**

(a) These are revised during the year. Figures rounded to the nearest 1000 tonnes

(b) Animal feed usage has been split by sector. Note, other users are only included in the total.

(c) Split of exports, intervention and total commercial end-season stocks only published for historical seasons

(d) Estimated Operating Stocks Requirement is a calculated estimate of the minimum tonnage that users of grain require to get through to a point at which new crop can be utilised

(e) Free stock is the stock available after both exports and estimated operating stock requirements have been fulfilled

(f) 2014/15 new format: Maize demand in "Other food use" has been added to the H&I total for maize. This was previously included in the "Other" category

** Percentage change not meaningful*

*** The 2013/14 balance sheets for wheat and maize have been adjusted retrospectively as per Defra's reliability allocation method*

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† The May forecasts for wheat and maize in 2014/15 are pre-adjusted figures, therefore all balance sheet elements do not line up exactly with the final estimates made in September

		OTHER CEREALS *(g)*						
		2009/10 2013/14 average	**2012/13 estimate**	**2013/14 estimate**	**2014/15 May-15**	**2014/15 Sep-15**	**Absolute change May-15**	**% change on 13/14**
(1)	Opening Stocks	5	5	5	5	5	0	0%
(2)	Production	119	105	107	131	131	0	22%
(3)	Imports	2	7	3	3	1	-2	-67%
(4)	**Total Availability**	**126**	**117**	**115**	**139**	**137**	**-2**	**19%**
(5+6)	H&I and Animal Feed	117	109	107	131	129	-2	21%
(5a+6a)	(of which home grown)	114	102	104	128	128	0	23%
(7)	Seed	3	3	3	3	3	0	0%
(8)	Other	-	-	-	-	-	*	*
(9)	**Total Domestic Consumption**	**120**	**112**	**110**	**134**	**132**	**-2**	**20%**
(10)	**Balance (4) - (9)**	**6**	**5**	**5**	**5**	**5**	**0**	**0%**
(11)	Exportable surplus	1	0	0	0	0	0	0%
(12)	Intervention Stocks	0	0	0	0	0	0	0%
(13)	**Commercial End-Season Stocks**	**5**	**5**	**5**	**5**	**5**	**0**	**0%**

		TOTAL CEREALS						
		2009/10 2013/14 average	**2012/13 estimate**	**2013/14 estimate****	**2014/15 May-15†**	**2014/15 Sep-15**	**Absolute change May-15**	**% change on 13/14**
(1)	Opening Stocks	3,334	2,652	3,473	3,986	3,369	-617	-3%
(2)	Production	20,707	19,515	19,971	24,468	24,312	-156	22%
(3)	Imports	3,243	5,000	4,675	3,322	3,659	337	-22%
(4)	**Total Availability**	**27,283**	**27,167**	**28,119**	**31,776**	**31,340**	**-436**	**11%**
(5)	H&I (wheat, barley, maize, oats) (g)	9,934	10,429	10,608	10,804	10,824	20	2%
(6)	Animal Feed (wheat, barley, maize oats) (g)	10,776	11,344	11,611	11,441	11,872	431	2%
(5a +6a)	Other cereals (H&I and Animal Feed)	117	109	107	131	129	-2	21%
(7)	Seed	480	514	477	474	477	3	0%
(8)	Other	108	101	111	126	134	8	21%
(9)	**Total Domestic Consumption**	**21,415**	**22,497**	**22,914**	**22,976**	**23,435**	**459**	**2%**
(10)	**Balance (4) - (9)**	**5,868**	**4,670**	**5,205**	**8,800**	**7,905**	**-895**	**52%**
(11)	Exports	2,696	1,198	1,837	3,800	3,603	-197	96%
(12)	Intervention Stocks	31	-	-	-	-	*	*
(13)	**Commercial End-Season Stocks**	**3,173**	**3,473**	**3,368**	**5,000**	**4,302**	**-698**	**28%**
(14)	Estimated Operating stock requirement (wheat & barley only)	2,108	2,163	2,163	2,250	2,250	0	4%
(15)	Free stock for wheat and barley	779	1,020	775	2,197	1,633	-564	111%
(16)	Surplus available for either export or free stock (all)	3,730	2,507	3,042	6,550	5,655	-895	86%

(g) Includes mainly rye, triticale, mixed grain and sorghum **Source: DEFRA**

*** The 2013/14 balance sheets for wheat and maize have been adjusted retrospectively as per Defra's reliability allocation method*

† The May forecasts for wheat and maize in 2014/15 are pre-adjusted figures, therefore all balance sheet elements do not line up exactly with the final estimates made in September

APPENDIX II

CUMULATIVE MONTHLY STATISTICS
Usage of Cereals by Processors,
External Trade and Stocks

Situation as at end of June 2015 **Thousand tonnes**

				2009/10 to 2013/14 Average	2008/09 52 weeks	2009/10 53 weeks	2010/11 52 weeks	2011/12 52 weeks	2012/13 52 weeks	2013/14 52 weeks	2014/15 52 weeks	% Change 2014/15 on 2013/14	Actual Change 2014/15 on 2013/14
WHEAT													
(1) Usage	Human and	-Flour Millers	*-imported*	*1149*	*1202*	*1055*	*767*	*688*	*1794*	*1439*	*1171*	*-19%*	*-268*
(2)	Industrial		*-home-grown*	*5166*	*4894*	*5135*	*5685*	*5267*	*4787*	*4957*	*5640*	*14%*	*683*
(3)	Processors		-Total	*6315*	*6096*	*6190*	*6451*	*5955*	*6581*	*6396*	*6811*	*6%*	*415*
(4)		-Distillers		*671*	*580*	*527*	*531*	*662*	*818*	*815*	*762*	*-7%*	*-54*
(5)		-Others		*158*	*117*	*120*	*159*	*157*	*174*	*181*	*175*	*-3%*	*-6*
(6)	Animal Feed Processors (a)			*2915*	*2841*	*2797*	*2739*	*3079*	*3085*	*2875*	*3092*	*8%*	*217*
(7)	Poultry Integrated Units			*1529*	*1496*	*1540*	*1614*	*1606*	*1505*	*1381*	*1420*	*3%*	*39*
(8) Imports	From July (b)			*1663*	*1304*	*1240*	*1000*	*907*	*2956*	*2210*	*1654*	*-25%*	*-556*
(9) Exports	From July (b)			*1758*	*3524*	*2427*	*2654*	*2545*	*734*	*431*	*1924*	*346%*	*1493*
(14)	Intervention	-Actual		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*	*0*
(15)		-Projected		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*	*0*
BARLEY													
(1) Usage	Maltsters/Distillers		*-imported*	-	-	-	-	-	-	-	-	-	-
(2)			*-home-grown*	-	-	-	-	-	-	-	-	-	-
(3)			-Total	*1775*	*1743*	*1592*	*1730*	*1818*	*1832*	*1902*	*1892*	*0%*	*-9*
(4)	Animal Feed Processors (a)			*859*	*692*	*863*	*854*	*650*	*880*	*1047*	*945*	*-10%*	*-103*
(5)	Poultry Integrated Units			*75*	*80*	*94*	*69*	*57*	*70*	*86*	*47*	*-46%*	*-39*
(6) Imports	From July (b)			*141*	*142*	*86*	*125*	*156*	*237*	*100*	*126*	*26%*	*26*
(7) Exports	From July (b)			*833*	*812*	*1034*	*772*	*804*	*395*	*1158*	*1495*	*29%*	*337*
(11)	Intervention	-Actual		*35*	*0*	*62*	*106*	*5*	*0*	*0*	*0*	*	*0*
(12)		-Projected		*37*	*0*	*140*	*40*	*5*	*0*	*0*	*0*	*	*0*
MAIZE													
(1) Usage	Human and Industrial			*302*	*267*	*252*	*295*	*278*	*308*	*375*	*456*	*22%*	*81*
(2)	Animal Feed Processors (a)			*186*	*119*	*114*	*109*	*108*	*238*	*360*	*280*	*-22%*	*-80*
(3) Imports	From July (b)			*1401*	*952*	*898*	*1041*	*985*	*1687*	*2394*	*1853*	*-23%*	*-542*
(4) Exports	From July (b)			*68*	*14*	*15*	*34*	*30*	*60*	*203*	*92*	*-55%*	*-111*
OATS													
(1) Usage	Human and Industrial Processors			*450*	*317*	*317*	*460*	*474*	*492*	*508*	*490*	*-4%*	*-18*
(2)	Animal Feed Processors (a)			*87*	*61*	*89*	*91*	*59*	*78*	*118*	*92*	*-22%*	*-26*
(3) Exports	From July (b)			*34*	*86*	*50*	*53*	*16*	*13*	*36*	*77*	*113%*	*41*

n/a - Not Available/Applicable (a) Great Britain only. (b) HM Customs/Intrastat

* Percentage changes not meaningful.

There were 53 weeks in the Statistical year 2010. In order to incorporate the change January 2010 was increased to a 5 week period compared to 4 weeks in 2009.
Note: This Appendix reflects the position as at 10 September 2015. The figures above may differ slightly from the most recent published data.

Survey data for GB Compounders and Cereals Usage by Millers, Brewers and Maltsters can be found using the following link:
https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/about/statistics