Supply & Demand

1 March 2018

AHDB CEREALS & OILSEEDS

Introduction

This release covers the second official estimates of UK cereal supply and demand for 2017/18 (Appendix 1).

Comparisons

The second official estimates for 2017/18 are compared in this note with 2016/17 and the first estimates for 2017/18.The Defra reliability scores method has been applied to the 2016/17 balance sheets for wheat and barley to apportion residuals identified after the full season official statistics were taken into account, click here to read more about the Defra reallocation method. Unallocated 2016/17 end of season balance sheets are also available with a stated residual for wheat and barley – click here.

Wheat

- **Availability –** Total available supplies of wheat for 2017/18 have been revised down by 426Kt from November's forecast to 18.104Mt. Following the publication of the final results of Defra's Cereal and Oilseed Rape Production Survey on 21 December, estimated production for harvest 2017 has been revised down. Final wheat output is now estimated at 14.837Mt, 326Kt lower than the provisional figure.

- **Imports –** UK wheat imports for 2017/18 are forecast at 1.500Mt, 100Kt lower than November's estimate and 20% lower than 2016/17.

- **Usage –** At 15.371Mt, total domestic consumption of wheat is 511Kt lower than November's forecast and 416Kt (-3%) down on year earlier levels. Human and Industrial (H&I) consumption of wheat is forecast at 7.625Mt, 507Kt less than that estimated in November and 6% lower year on year. At 7.394Mt, wheat demand for animal feed production is relatively (-2Kt) unchanged from November's forecast and is 85Kt (1%) higher than 2016/17. A temporary reduction in UK bioethanol capacity is assumed in these estimates.

- **Balance –** The balance of availability and domestic consumption in 2017/18 is estimated at 2.733Mt. While this is 85Kt more than that forecast in November, the balance is 481Kt (-15%) less than 2016/17. After taking into account the operating stock requirement of 1.600Mt, the surplus available for export or free stock is 1.133Mt. Exports of wheat from July – December 2017 have totalled 272Kt.

Barley

- **Availability –** Total barley availability is estimated at 8.410Mt, 211Kt lower than that forecast in November, but 3% higher than 2016/17. Defra's final production estimate of UK barley production is 191Kt lower than the provisional at 7.169Mt.

- **Imports –** UK barley imports in 2017/18 are forecast at 120Kt, 20Kt lower than that estimated in November and 24% less than 2016/17.

- **Usage –** At 6.204Mt, total domestic consumption of wheat is 66Kt more than November's forecast and 4% higher than year earlier levels. H&I usage of barley is forecast at 1.911Kt, 33Kt up on November's forecast and 2% higher than 2016/17. Season to date (Jul-Jan) barley usage by brewers, maltsters and distillers is 3.4% higher year on year. At 4.068Mt, barley demand for animal feed production in 2017/18 is 35Kt higher than that forecast in November and 212Kt (5%) more than 2016/17. Season to date (Jul-Jan) barley inclusion in GB animal feed production (including IPU) is 27% higher than the same period in 2016/17.

- **Balance –** The balance of availability and domestic consumption is estimated at 2.206Mt, 277Kt less than that forecast in November but 1% up on year earlier levels. Taking into account the operating stock requirement of 770Kt and UK barley exports to the end of December (665Kt), the surplus available for exports until end-June or for free stock equates to 771Kt.

Maize

- **Availability –** At 2.321Mt, total availability of maize in 2017/18 is 101Kt more than November's estimate and 5% (114Kt) higher year on year. The increase on previous forecasts is driven by a rise in forecast imports.

- **Imports –** UK imports of maize in 2017/18 are forecast at 2.050Mt, 101Kt higher than previous forecasts and relatively unchanged compared with 2016/17.

- **Usage –** Total domestic consumption of maize in 2017/18 is forecast at 1.925Mt, 85Kt higher than November's estimates and 166Kt (9%) up on year earlier levels. H&I usage of maize in 2017/18 is forecast at 654Kt, 84Kt higher than that forecast in November and 15% up on year earlier levels. Demand for maize in animal feed production is relatively unchanged on the November estimate but is forecast to be 7% higher in 2017/18 compared to 2016/17.

- **Balance** – The balance of availability and demand of maize is 397Kt, 11% lower than in 2016/17. Full season maize exports have been revised up from the previous forecast by 17Kt, to 156Kt, taking account of the pace of exports to end-December, which totalled 81.2Kt.

Oats

- **Availability –** At 1.023Kt, total availability of oats is 53Kt lower than November's estimate but 6% higher than 2016/17. Defra's final production estimate was 58Kt lower than the provisional forecast but 7% up on year earlier levels.

- **Imports –** UK imports of oats in 2017/18 are forecast at 38Kt, 5Kt higher than previous estimates but 28% lower than 2016/17.

- **Usage –** Estimated total domestic consumption is expected to be 13Kt lower than November's forecast, but 6% higher year on year. H&I demand for oats in 2017/18 is forecast at 540Kt, 15Kt higher than previous estimates and 4% up on 2016/17. Demand for oats for animal feed is 27Kt less than November but 9% up on year earlier levels at 313Kt.

- **Balance –** At 140Kt, the balance of oats availability and demand is 40Kt lower than previous forecasts but 7% higher on the year. Forecast exports have been adjusted downwards by 30Kt from November's estimate, to 35Kt, taking account of the export pace to end-December, of 19.6Kt.

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Appendix I

ANNUAL UK CEREAL SUPPLY AND DEMAND ESTIMATES (a)

Estimates made in March

000 tonnes

In 2015, Defra reviewed 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. Cereals balance sheets are published by AHDB Cereals & Oilseeds at http://cereals.ahdb.org.uk/markets/supply-and-demand.aspx.

(JULY - JUNE YEARS)

Links connect to relevant Defra/AHDB data pages

		WHEAT							BARLEY						
		2012/13 2016/17 average	**2015/16 estimate****	**2016/17 estimate****	**2017/18 Nov-17**	**2017/18 Mar-18**	**Absolute change Nov-17**	**% change on 16/17**	**2012/13 2016/17 average**	**2015/16 estimate**	**2016/17 estimate****	**2017/18 Nov-17**	**2017/18 Mar-18**	**Absolute change Nov-17**	**% change on 16/17**
(1)	Opening Stocks	2,092	2,434	2,787	1,767	1,767	-	-37%	1,236	1,497	1,367	1,121	1,121	-	-18%
(2)	Production	14,457	16,506	14,347	15,163	14,837	- 326	3%	6,700	7,370	6,607	7,360	7,169	- 191	9%
(3)	Imports	2,038	1,509	1,866	1,600	1,500	- 100	-20%	158	159	158	140	120	- 20	-24%
(4)	**Total Availability**	**18,588**	**20,449**	**19,000**	**18,530**	**18,104**	- 426	-5%	**8,095**	**9,026**	**8,132**	**8,621**	**8,410**	- 211	3%
(5)	Human and Industrial Consumption (b)	7,669	7,360	8,120	8,132	7,625	- 507	-6%	1,892	1,833	1,874	1,878	1,911	33	2%
(5a)	(of which home grown)	6,374	6,416	7,178	7,181	6,709	- 472	-7%	n/a	n/a	n/a	n/a	n/a	*	*
(6)	Usage as Animal Feed (c)	6,923	7,094	7,308	7,396	7,394	- 2	1%	3,501	3,613	3,856	4,033	4,068	35	5%
(6a)	(of which home grown)	6,194	6,444	6,436	6,803	6,801	- 2	6%	n/a	n/a	n/a	n/a	n/a	*	*
(6b)	(of which Compounders)	3,701	3,845	4,052	4,194	4,162	- 32	3%	1,104	1,108	1,144	1,305	1,346	41	18%
(6c)	(of which Integrated Poultry Units)	1,350	1,210	1,213	1,211	1,241	30	2%	61	49	53	69	64	- 5	21%
(7)	Seed (d)	290	281	284	278	278	-	-2%	178	182	188	190	189	- 1	1%
(8)	Other	75	79	74	76	74	- 2	0%	34	37	36	37	36	- 1	0%
(9)	**Total Domestic Consumption**	**14,956**	**14,814**	**15,786**	**15,882**	**15,371**	- 511	-3%	**5,605**	**5,665**	**5,954**	**6,138**	**6,204**	66	4%
(10)	**Balance (4) - (9)**	**3,631**	**5,635**	**3,214**	**2,648**	**2,733**	85	-15%	**2,490**	**3,361**	**2,178**	**2,483**	**2,206**	- 277	1%
(11)	Exports (e)	1,485	2,848	1,447	-	-	-	-	1,217	1,994	1,056	-	-	-	-
(12)	Intervention Stocks (e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(13)	**Commercial End-Season Stocks (e)**	**2,147**	**2,787**	**1,767**	**-**	**-**	-	-	**1,272**	**1,367**	**1,121**	**-**	**-**	**-**	**-**
(14)	(of which Estimated Operating stock requirement) (f)	1,500	1,500	1,600	1,600	1,600	-	0%	739	760	760	770	770	0	1%
(15)	(of which free stock) (g)	647	1,287	167	-	-	-	*	533	607	361	-	-	-	*
(16)	Surplus available for either export or free stock (10)-(12)-(14)	**2,131**	**4,135**	**1,614**	**1,048**	**1,133**	85	-30%	**1,750**	**2,601**	**1,418**	**1,713**	**1,436**	- 277	1%
(17)	Residual (10)-(11)-(13)														

		MAIZE							OATS						
		2012/13 2016/17 average	**2015/16 estimate****	**2016/17 estimate**	**2017/18 Nov-17**	**2017/18 Mar-18**	**Absolute change Nov-17**	**% change on 16/17**	**2012/13 2016/17 average**	**2015/16 estimate**	**2016/17 estimate**	**2017/18 Nov-17**	**2017/18 Mar-18**	**Absolute change Nov-17**	**% change on 16/17**
(1)	Opening Stocks	216	309	148	271	271	-	83%	100	107	93	110	110	-	18%
(2)	Production	-	-	-	-	-	*	*	805	799	816	933	875	- 58	7%
(3)	Imports	1,937	1,742	2,059	1,949	2,050	101	0%	57	39	53	33	38	5	-28%
(4)	**Total Availability**	**2,153**	**2,051**	**2,207**	**2,220**	**2,321**	101	5%	**962**	**945**	**962**	**1,076**	**1,023**	- 53	6%
(5)	Human and Industrial Consumption	538	465	569	570	654	84	15%	507	525	521	525	540	15	4%
(5a)	(of which home grown)	-	-	-	-	-	*	*	449	499	455	495	505	10	11%
(6)	Usage as Animal Feed	1,215	1,310	1,186	1,266	1,267	1	7%	279	239	286	340	313	- 27	9%
(6a)	(of which home grown)	-	-	-	-	-	-	-	279	239	286	340	313	- 27	9%
(7)	Seed	-	-	-	-	-	-	-	20	19	20	26	26	-	30%
(8)	Other (h)	27	9	4	4	4	-	0%	4	4	4	5	4	- 1	0%
(9)	**Total Domestic Consumption**	**1,780**	**1,784**	**1,759**	**1,840**	**1,925**	85	9%	**810**	**787**	**831**	**896**	**883**	- 13	6%
(10)	**Balance (4) - (9)**	**373**	**267**	**448**	**380**	**397**	17	-11%	**151**	**158**	**131**	**180**	**140**	- 40	7%
(11)	Exportable surplus	132	120	177	139	156	17	-12%	42	65	21	65	35	- 30	67%
(12)	**Commercial End-Season Stocks**	**241**	**148**	**271**	**241**	**241**	-	-11%	**109**	**93**	**110**	**115**	**105**	- 10	-5%

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

(b) Defra updated the registry for the UK flour millers survey in spring 2016, the wheat H&I usage has been adjusted to take account of this change.

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

(d) Seed numbers have been updated based on a number of assumptions, calculated for the purposes of the balance sheet only

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

(f) 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

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

(h) 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

*** These balance sheets have been adjusted as per Defra's reliability allocation method*

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		OTHER CEREALS *(i)*						
		2012/13 2016/17 average	**2015/16 estimate**	**2016/17 estimate**	**2017/18 Nov-17**	**2017/18 Mar-18**	**Absolute change Nov-17**	**% change on 16/17**
(1)	Opening Stocks	5	5	5	5	5	-	0%
(2)	Production	115	121	110	105	119	14	8%
(3)	Imports	3	3	3	3	3	0	0%
(4)	**Total Availability**	**123**	**129**	**118**	**113**	**127**	14	8%
(5+6)	H&I and Animal Feed	115	121	110	105	119	14	8%
(5a+6a)	(of which home grown)	112	118	107	102	116	14	8%
(7)	Seed	3	3	3	3	3	0	0%
(8)	Other	-	-	-	-	-	-	-
(9)	**Total Domestic Consumption**	**118**	**124**	**113**	**108**	**122**	14	8%
(10)	**Balance (4) - (9)**	**5**	**5**	**5**	**5**	**5**	0	0%
(11)	Exportable surplus	-	-	-	-	-	-	-
(12)	Intervention Stocks	-	-	-	-	-	-	-
(13)	**Commercial End-Season Stocks**	**5**	**5**	**5**	**5**	**5**	-	0%

		TOTAL CEREALS						
		2012/13 2016/17 average	**2015/16 estimate****	**2016/17 estimate****	**2017/18 Nov-17**	**2017/18 Mar-18**	**Absolute change Nov-17**	**% change on 16/17**
(1)	Opening Stocks	3,649	4,352	4,400	3,274	3,274	-	-26%
(2)	Production	22,078	24,796	21,880	23,561	22,999	- 561	5%
(3)	Imports	4,193	3,452	4,139	3,725	3,711	- 13	-10%
(4)	**Total Availability**	**29,920**	**32,600**	**30,419**	**30,560**	**29,985**	- 575	-1%
(5)	H&I (wheat, barley, maize, oats) (h)	10,606	10,183	11,084	11,105	10,730	- 375	-3%
(6)	Animal Feed (wheat, barley, maize oats) (h)	11,917	12,256	12,636	13,035	13,042	7	3%
(5a +6a)	Other cereals (H&I and Animal Feed)	115	121	110	105	119	14	8%
(7)	Seed	492	485	495	497	496	- 1	0%
(8)	Other	140	129	118	122	118	- 4	0%
(9)	**Total Domestic Consumption**	**23,271**	**23,174**	**24,443**	**24,864**	**24,504**	- 359	0%
(10)	**Balance (4) - (9)**	**6,650**	**9,426**	**5,976**	**5,696**	**5,480**	- 215	-8%
(11)	Exports	2,876	5,027	2,701	-	-	-	-
(12)	Intervention Stocks	-	-	-	-	-	-	-
(13)	**Commercial End-Season Stocks**	**3,773**	**4,400**	**3,274**	-	-	-	-
(14)	Estimated Operating stock requirement (wheat & barley only)	2,239	2,260	2,360	2,370	2,370	-	0%
(15)	Free stock for wheat and barley	1,179	1,894	528	-	-	-	-
(16)	Surplus available for either export or free stock (all)	**4,410**	**7,167**	**3,616**	**3,326**	**3,111**	- 215	-14%
(17)	Residual (10)-(11)-(13) (i)							

(i) Includes mainly rye, triticale, mixed grain and sorghum

Source: DEFRA, AHDB

*** These balance sheets have been adjusted as per Defra's reliability allocation method*

APPENDIX II

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

Situation as at end of December 2017 | **Thousand tonnes**

					2012/13 to 2016/17 Average	2010/11 26 weeks	2011/12 26 weeks	2012/13 26 weeks	2013/14 26 weeks	2014/15 26 weeks	2015/16 53 weeks	2016/17 26 weeks	2017/18 26 weeks	% Change 2017/18 on 2016/17	Actual Change 2017/18 on 2016/17
WHEAT															
(1)	Usage	Human and	-Flour Millers	*-imported*	*629*	*421*	*349*	*651*	*904*	*656*	*485*	*447*	*462*	*3%*	*15*
(2)		Industrial		*-home-grown*	*2788*	*2889*	*2633*	*2682*	*2331*	*2908*	*2827*	*3191*	*3045*	*-5%*	*-145*
(3)		Processors		-Total	*3416*	*3310*	*2982*	*3332*	*3235*	*3564*	*3313*	*3638*	*3508*	*-4%*	*-130*
(4)			-Distillers		*382*	*240*	*300*	*387*	*430*	*392*	*323*	*379*	*424*	*12%*	*45*
(5)			-Others		*86*	*81*	*78*	*80*	*93*	*88*	*90*	*81*	*82*	*1%*	*1*
(6)		Animal Feed Processors (a)			*1595*	*1419*	*1495*	*1536*	*1512*	*1534*	*1634*	*1759*	*1792*	*2%*	*33*
(7)		Poultry Integrated Units			*685*	*806*	*796*	*785*	*714*	*706*	*612*	*606*	*618*	*2%*	*12*
(8)	Imports	From July (b)			*1069*	*560*	*461*	*1337*	*1345*	*959*	*863*	*840*	*857*	*2%*	*17*
(9)	Exports	From July (b)			*748*	*1920*	*1554*	*512*	*226*	*938*	*992*	*1070*	*272*	*-75%*	*-798*
(14)		Intervention	-Actual		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*	*0*
(15)			-Projected		*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*	*0*
BARLEY															
(1)	Usage	Maltsters/Distillers		*-imported*	-	-	-	-	-	-	-	-	-	-	-
(2)				*-home-grown*	-	-	-	-	-	-	-	-	-	-	-
(3)				-Total	*923*	*825*	*883*	*902*	*939*	*962*	*901*	*911*	*937*	*3%*	*26*
(4)		Animal Feed Processors (a)			*476*	*439*	*343*	*442*	*493*	*492*	*496*	*457*	*592*	*29%*	*134*
(5)		Poultry Integrated Units			*31*	*34*	*35*	*36*	*39*	*27*	*25*	*26*	*33*	*25%*	*7*
(6)	Imports	From July (b)			*66*	*79*	*83*	*89*	*46*	*47*	*92*	*59*	*58*	*-2%*	*-1*
(7)	Exports	From July (b)			*675*	*495*	*523*	*309*	*777*	*750*	*869*	*672*	*665*	*-1%*	*-7*
(11)		Intervention	-Actual		*0*	*150*	*5*	*0*	*0*	*0*	*0*	*0*	*0*	*	*0*
(12)			-Projected		*0*	*130*	*5*	*0*	*0*	*0*	*0*	*0*	*0*	*	*0*
MAIZE															
(1)	Usage	Human and Industrial			*194*	*145*	*142*	*149*	*177*	*279*	*169*	*199*	*245*	*23%*	*46*
(2)		Animal Feed Processors (a)			*129*	*53*	*52*	*93*	*141*	*142*	*139*	*130*	*151*	*17%*	*22*
(3)	Imports	From July (b)			*957*	*546*	*466*	*760*	*1127*	*938*	*968*	*890*	*1056*	*19%*	*166*
OATS															
(1)	Usage	Human and Industrial Processors			*248*	*223*	*235*	*235*	*250*	*241*	*262*	*256*	*274*	*7%*	*18*
(2)		Animal Feed Processors (a)			*36*	*52*	*31*	*36*	*49*	*48*	*28*	*20*	*27*	*31%*	*6*
(3)	Exports	From July (b)			*22*	*40*	*11*	*6*	*10*	*40*	*44*	*15*	*20*	*34%*	*5*

n/a - Not Available/Applicable (a) Great Britain only. (b) HMRC

* 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.
There were 53 weeks in the Statistical year 2016. In order to incorporate the change April 2016 was increased to a 5 week period compared to 4 weeks in 2015.
Note: This Appendix reflects the position as at 30 December 2017. The figures above may differ slightly from the most recent published data.

Source: Defra , HMRC, AHDB