

# UK Cereals Supply & Demand Forecast

Cross Sector Working Group

January 2022



Accurate, timely and  
independent data you can trust



## The small print

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# Discussion points

- Animal feed usage
  - Compounders
  - IPU
- Millers usage
  - Total flour production
  - Other flour production
  - BMD – barley usage
- Trade

# Introduction notes

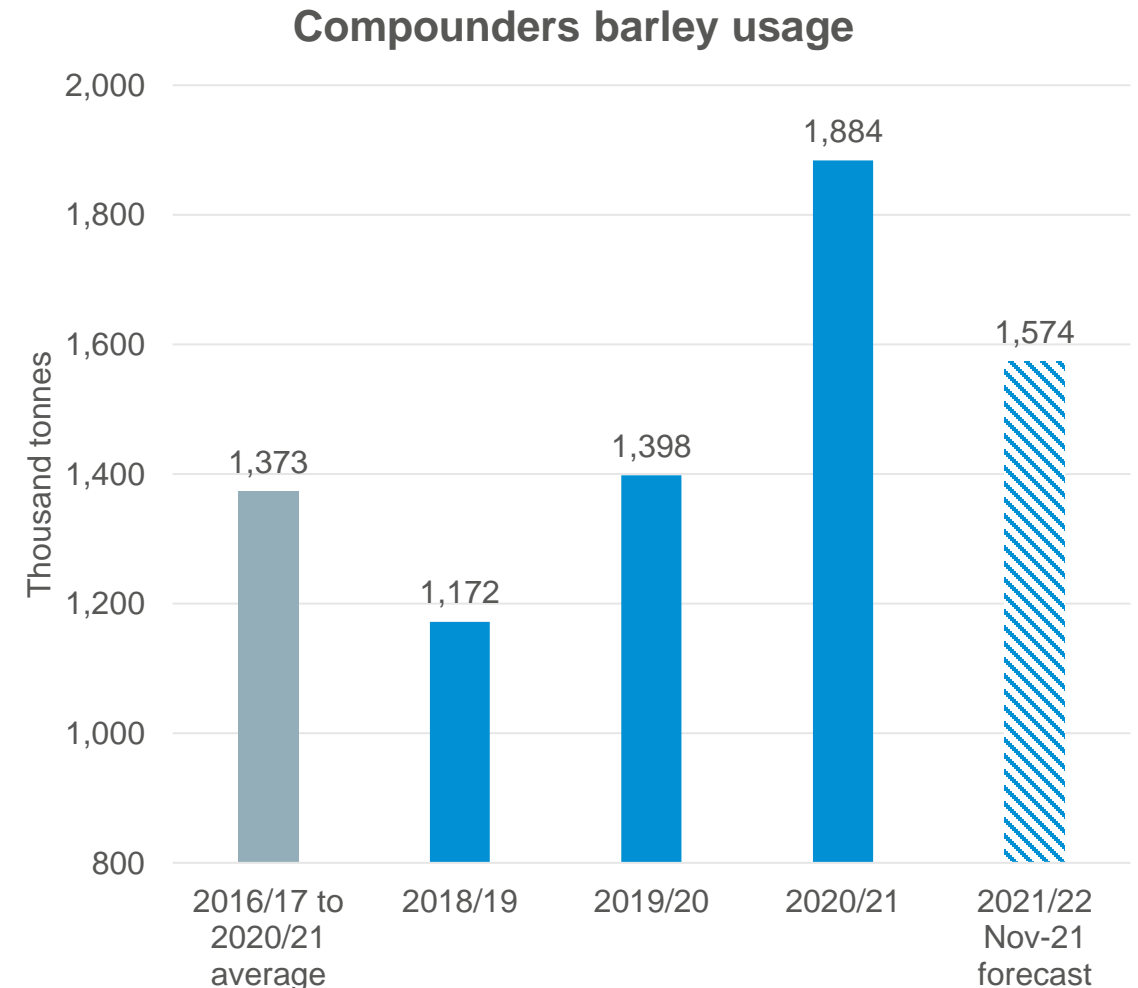
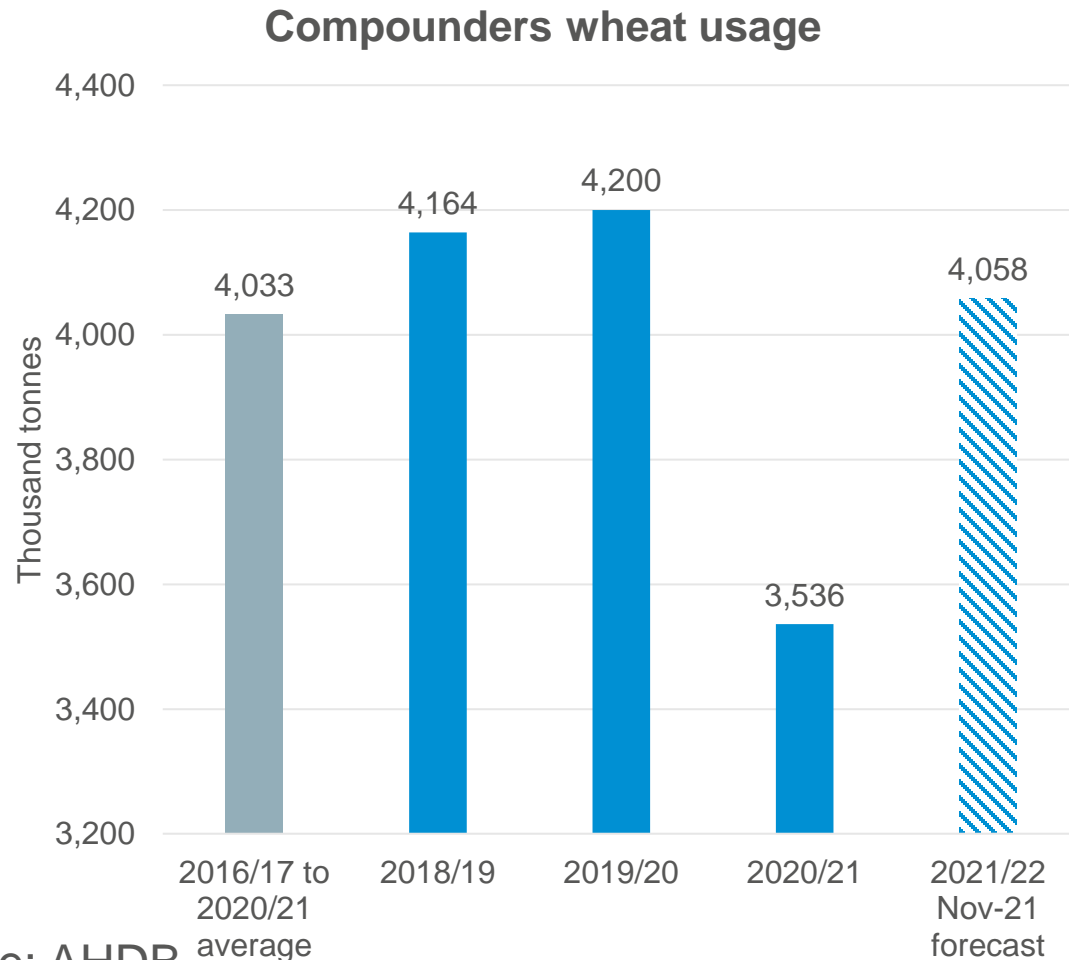
- Most slides compare 2020/21 and Jul-Nov 2021/22
- Axis are in thousand tonnes (Kt), unless stated otherwise.
- Text comparisons, unless stated, are compared with the same period last season
- September, December, March and June are 5-week months, hence the data spike for these months.
- Projections have been included for as many areas as possible. Though data availability may limit some forecasts.
- Marketing year runs July to June (e.g., 2021/22 season runs 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022).

# Animal feed cereal usage

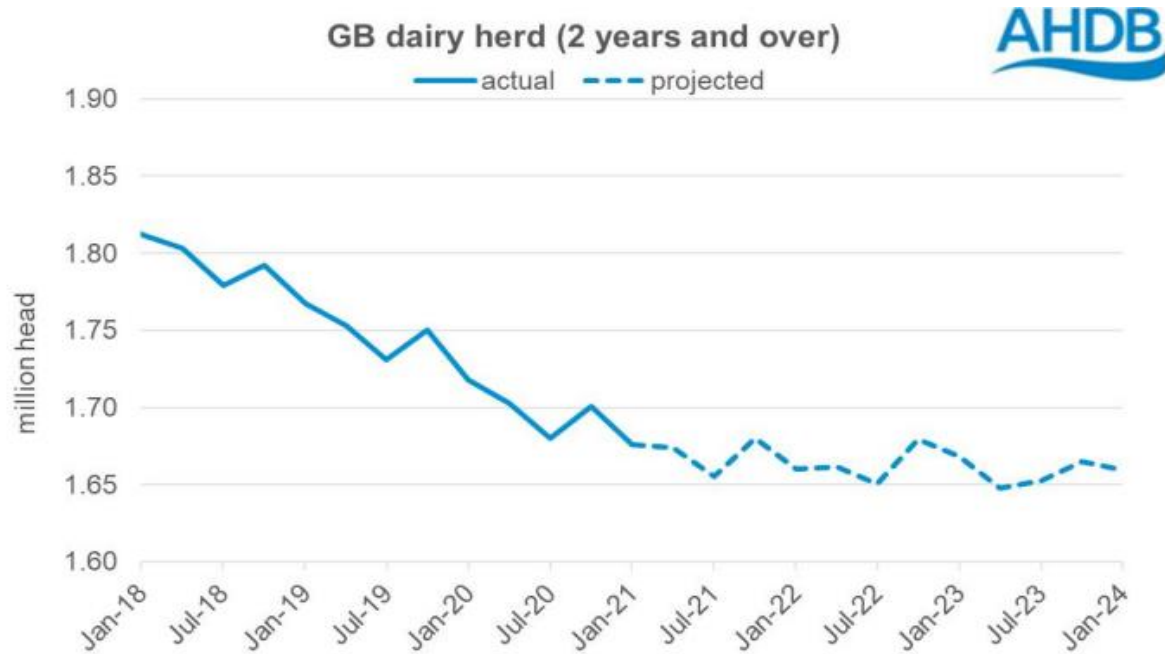


# Compounder cereals usage forecast

- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in November?



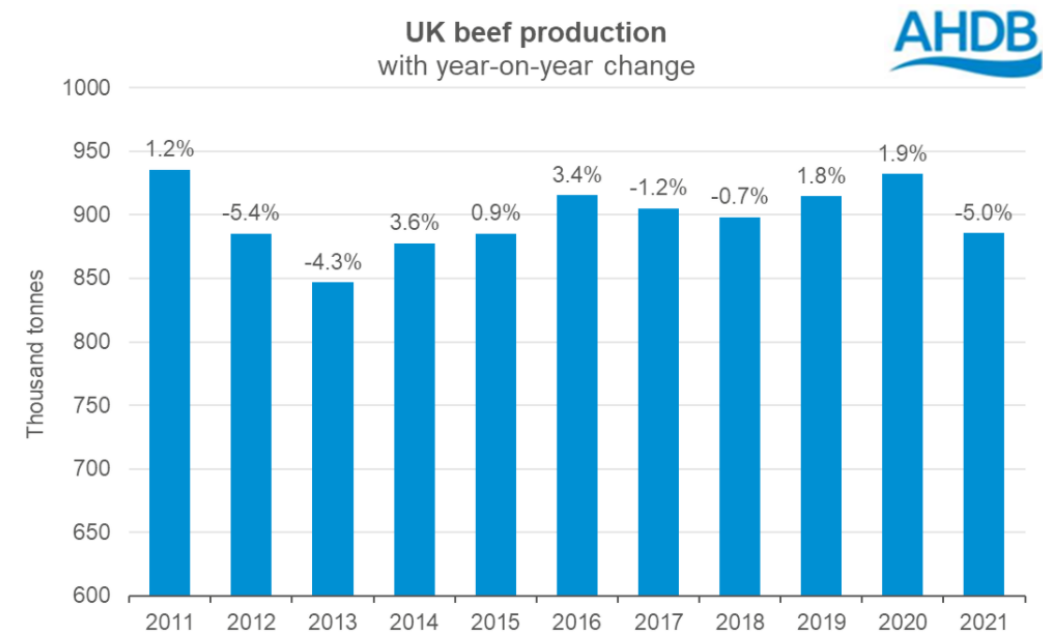
# Compound feed – Total cattle & calf



Source: BCMS, AHDB

- AHDB projection based on predicted youngstock numbers (from insemination data) and 3 year average retention rates
- Forecast for milking herd to be around 1.64m by Jul 2022 - down 0.8% year on year.
- Herd decline expected to flatten off due to higher youngstock numbers.

Source: AHDB

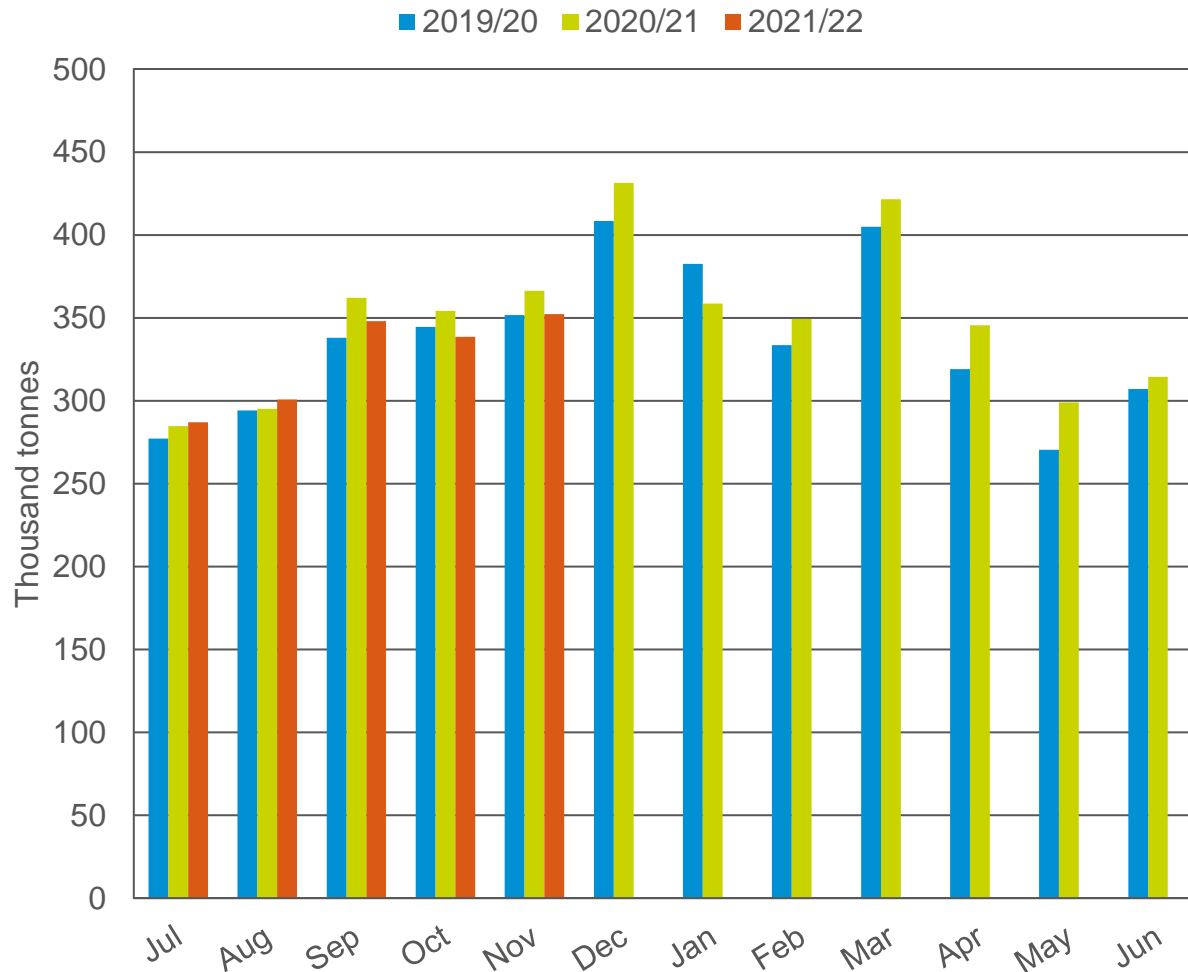


Source: Defra

- UK beef production was forecasted down 5.0% year-on-year.
- Looking ahead to 2022, higher numbers of younger animals are expected to contribute to production growth.

# Compound feed – Total cattle & calf

Total cattle and calf compound feed production

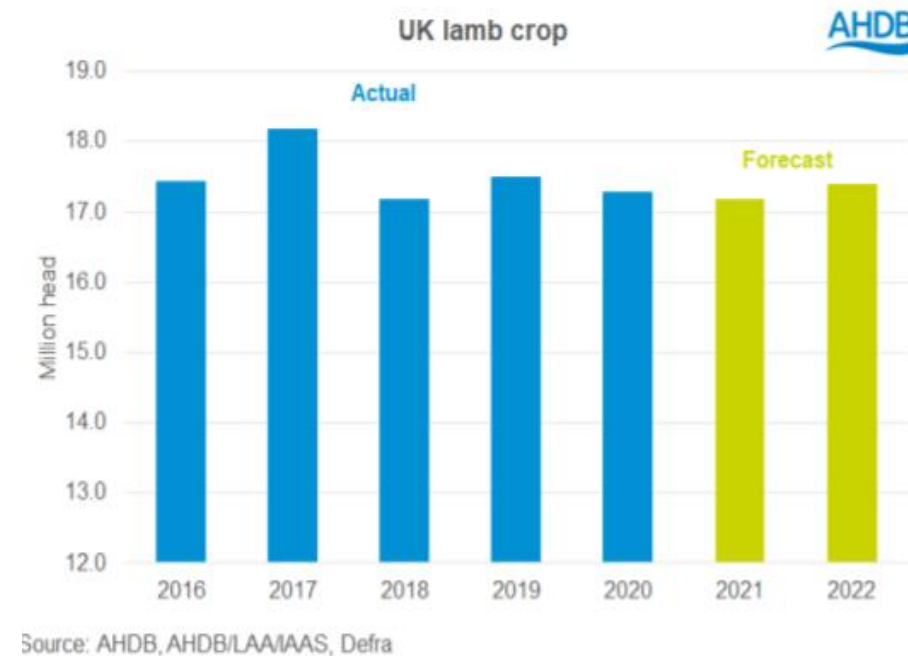
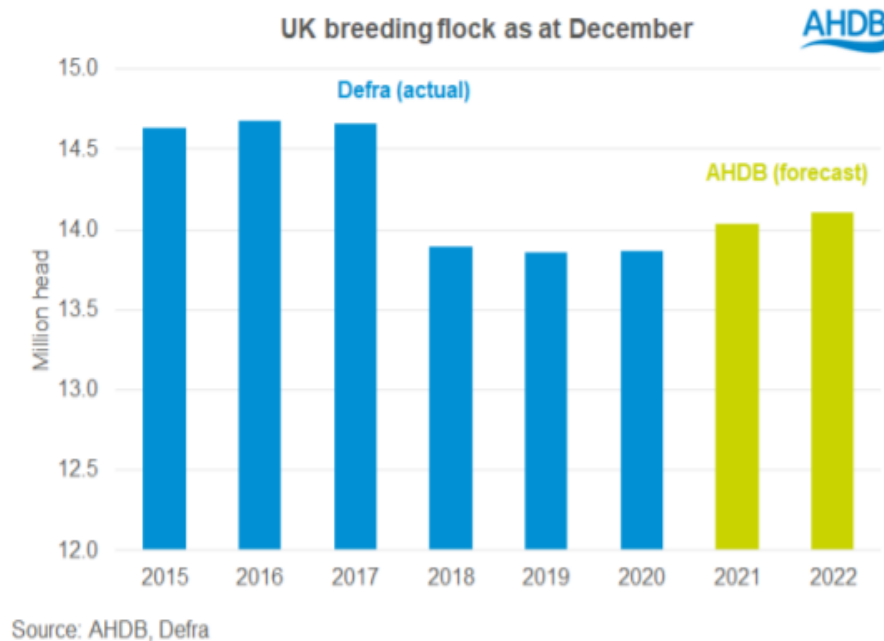


July – November 2021/22

- Cattle & calf compound feed is down 2% from this point last season. Will this continue?



# Compound feed - Sheep

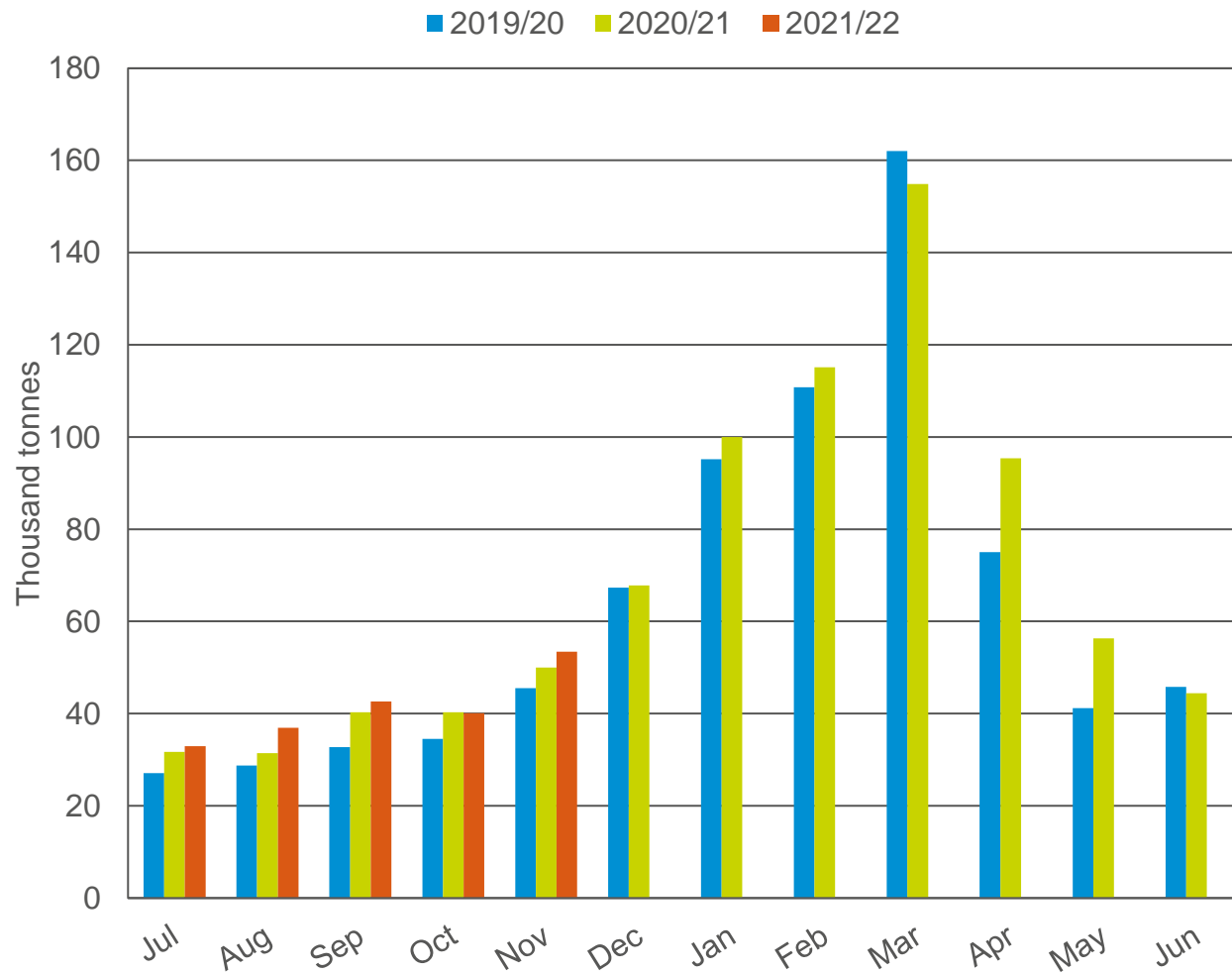


## July – November 2021/22

- Compound sheep feed production is up 6% from this point last season.
- AHDB forecast flock rise just over 1% at December 2021.
- The total number of lambs in the UK as at 1 June 2021 was 16.4 million head, a 0.6% decline year-on-year.

# Compound feed - Sheep

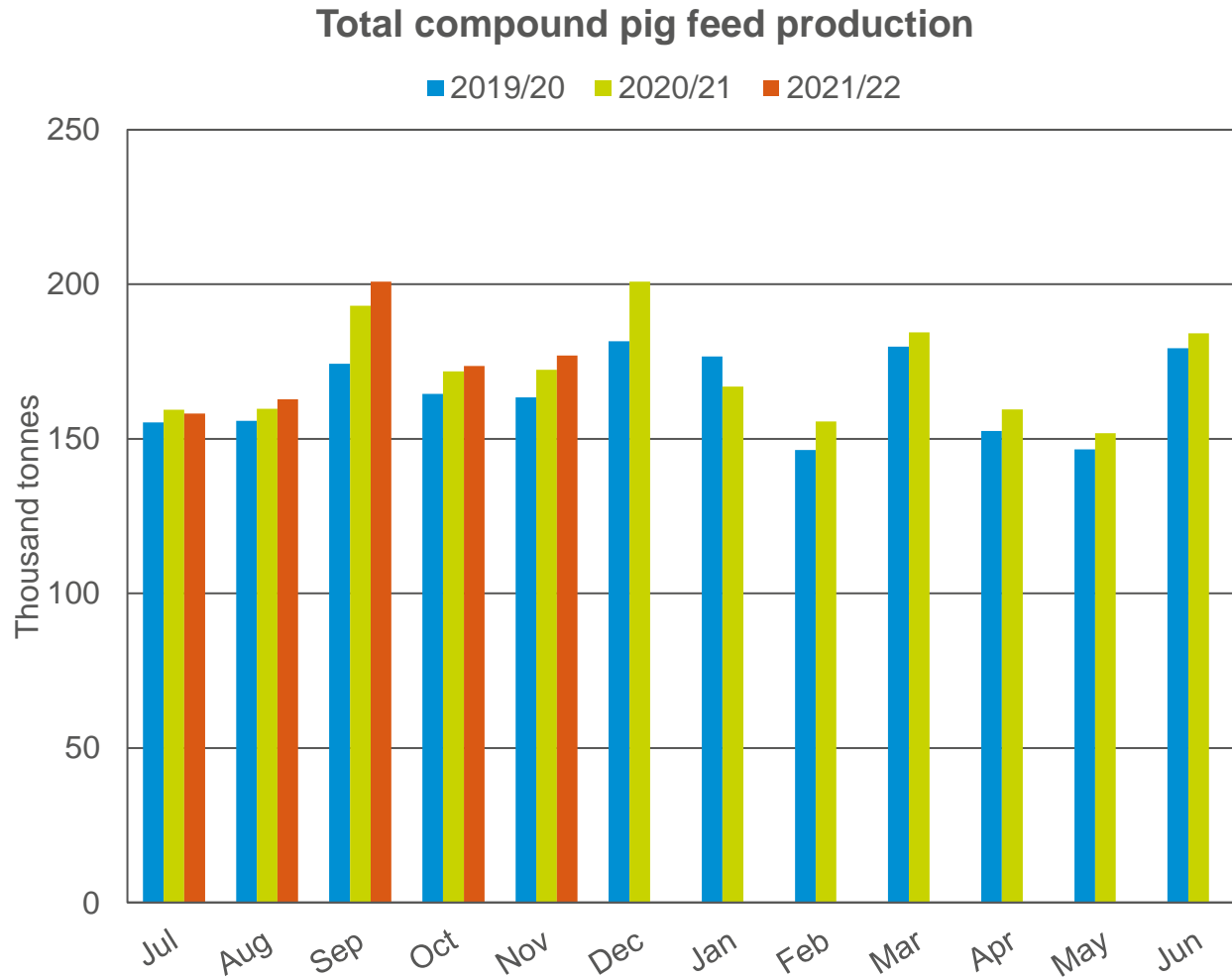
Total sheep compound feed production



## July – November 2021/22

- Compound sheep feed production is up 6% from this point last season. Will this continue?
- AHDB forecast flock rise just over 1% at December 2021.

# Compound feed - Pigs



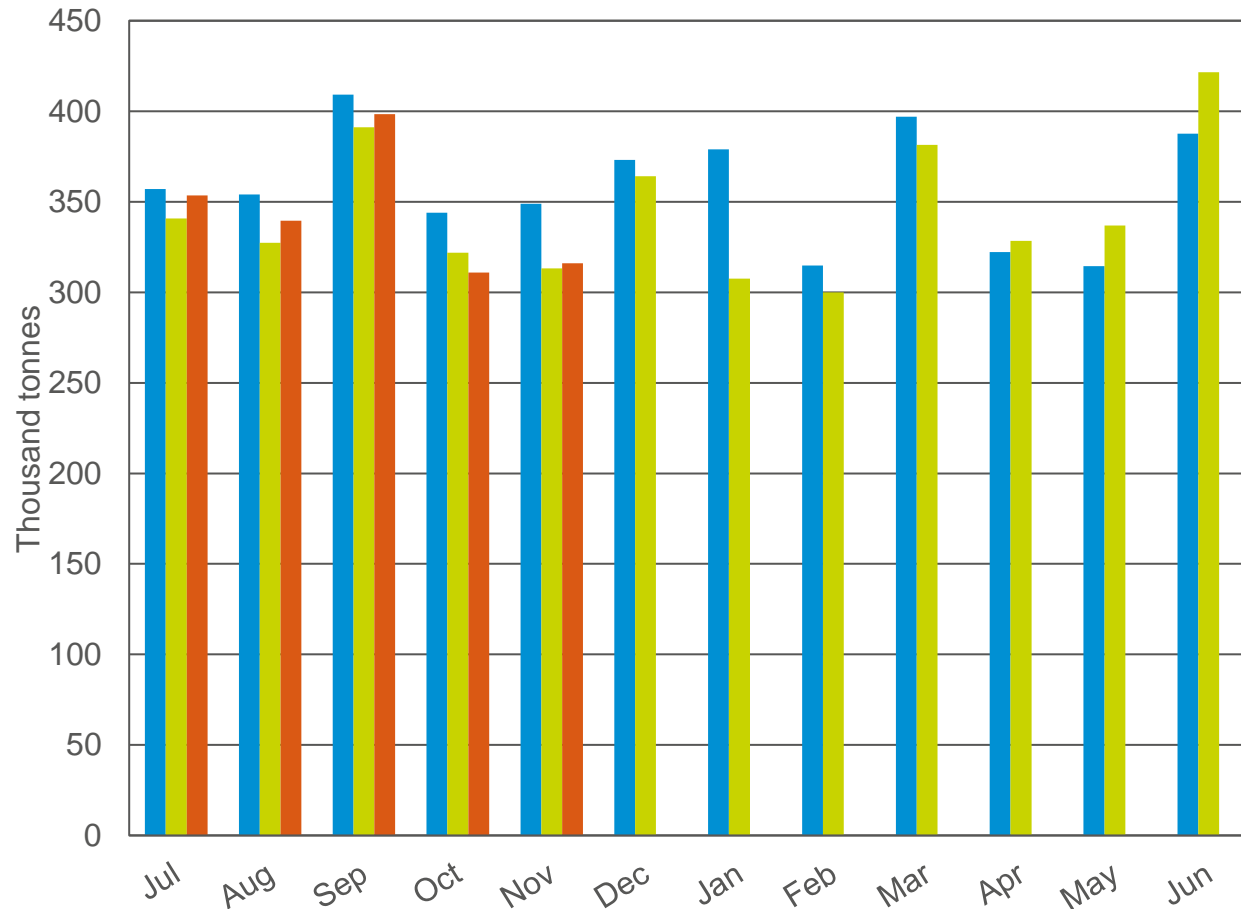
## July – November 2021/22

- So far this season, pig feed production is up 2% from last season.
- The last five months saw production higher than last season (2020/21).

# Compound feed - Poultry

Total poultry compound feed production

■ 2019/20 ■ 2020/21 ■ 2021/22

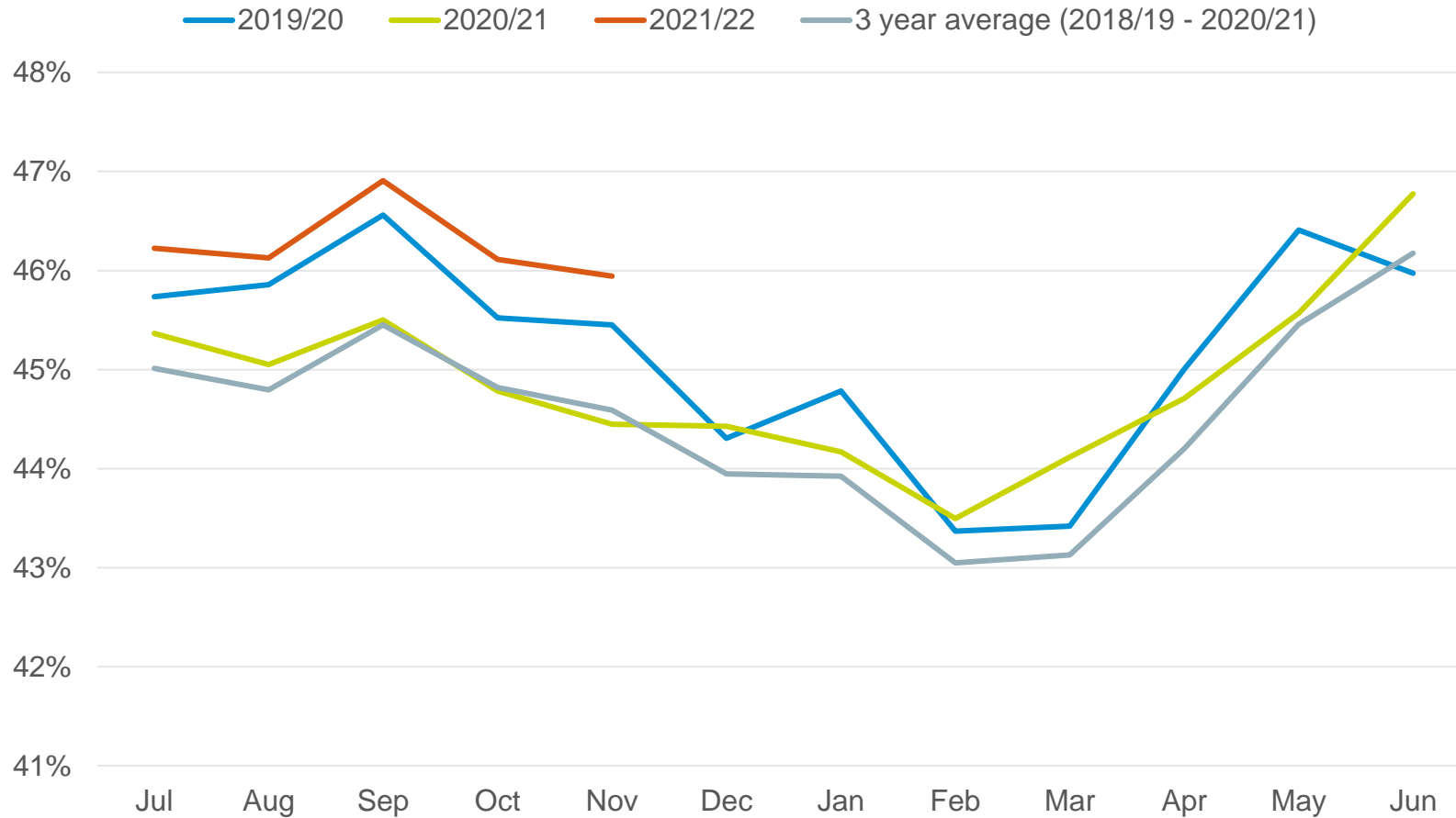


## July – November 2021/22

- So far this season, poultry compound feed production is up 1.4% from this point last season.

# Cereal Inclusion Rate – GB Compounders\*

**Cereal Inclusion % for compounders**

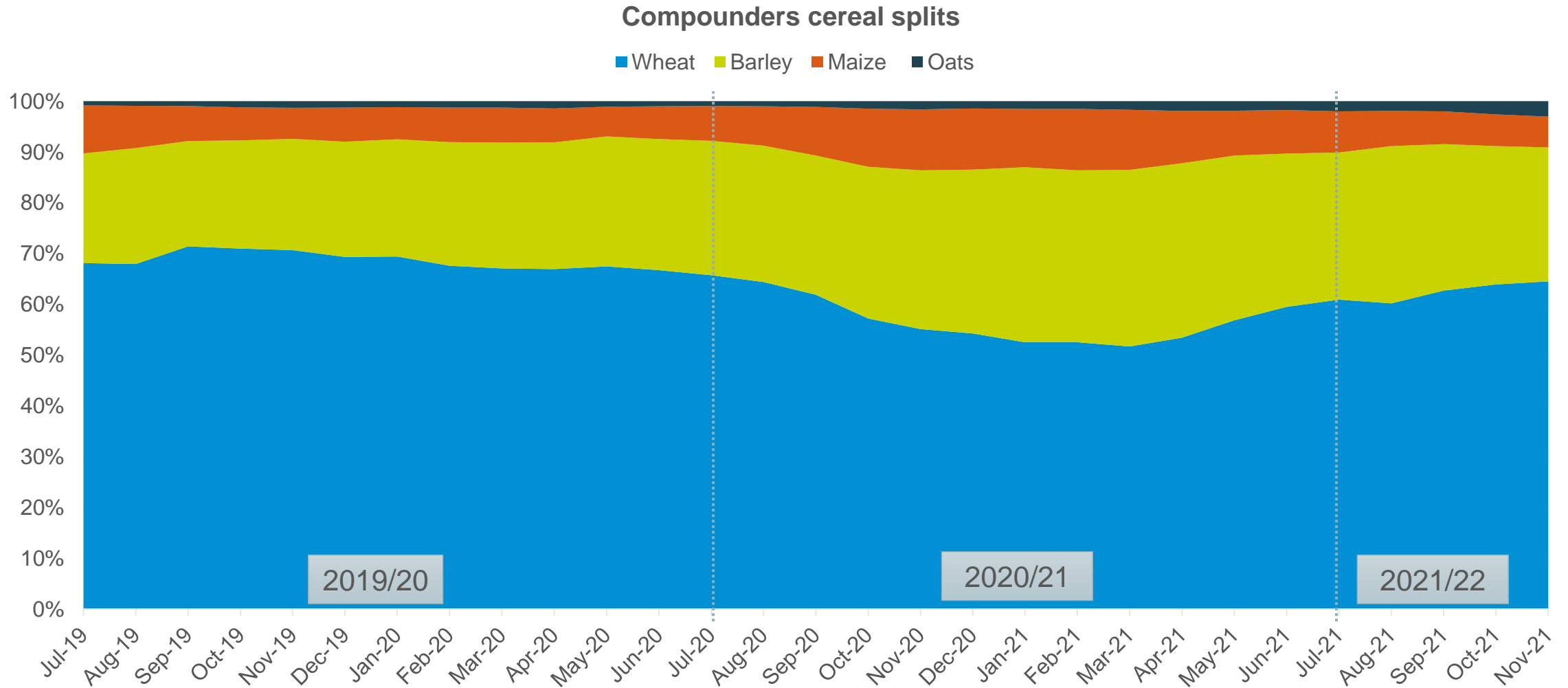


\* The graph shows the cereal (wheat, barley, maize and oats) inclusion, as a percentage of all raw materials used to produce GB compound animal feed.

- The 2021/22 season has seen high cereal inclusion as a % of raw materials. Is this set to continue?

# Compounders cereal splits

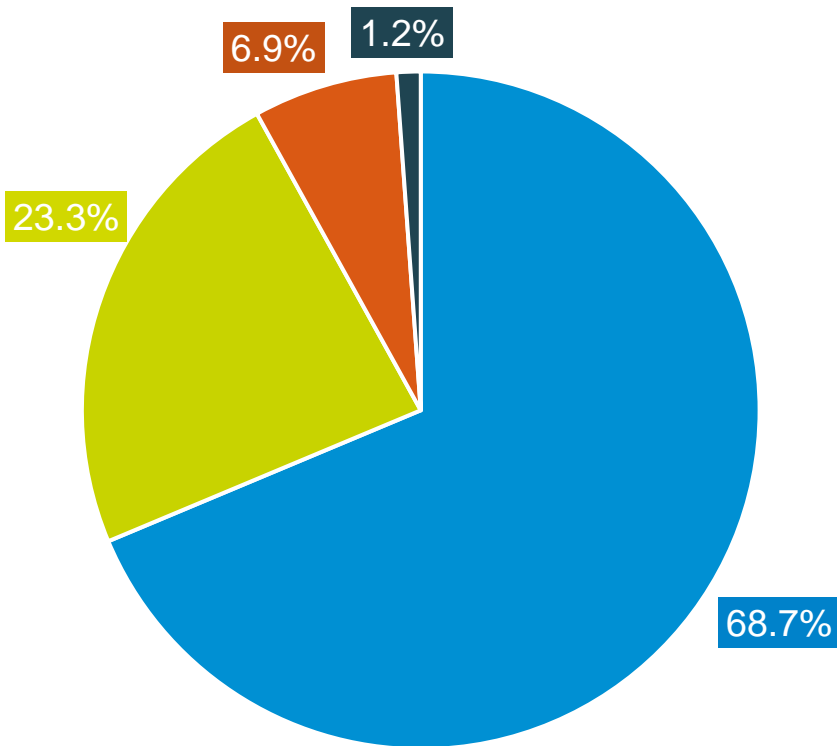
*\*Note this is a % of total cereals included.*



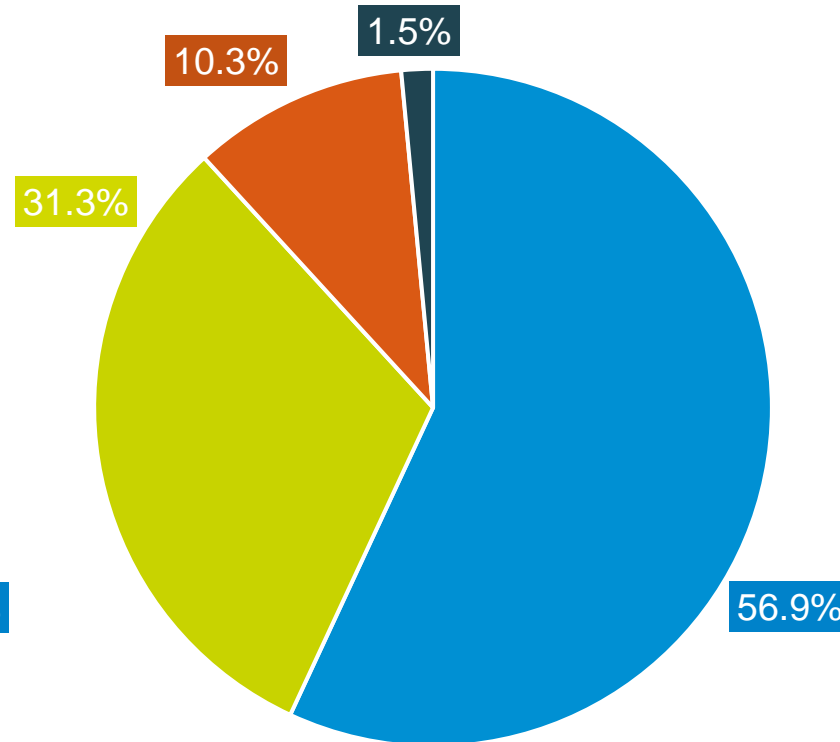
# Compounders total cereal splits

*\*Note this is a % of total cereals included.*

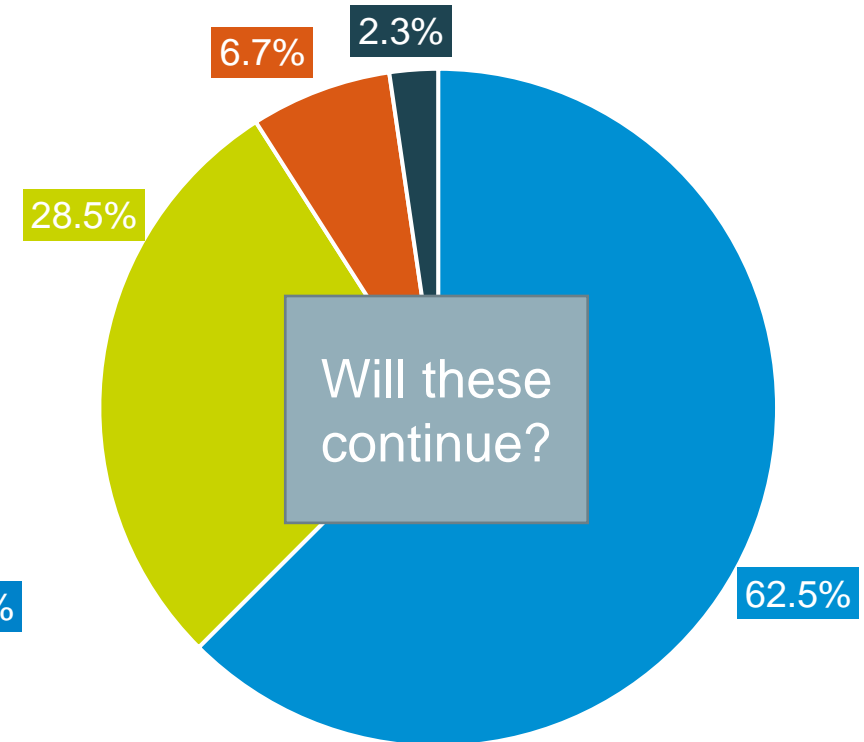
2019/20



2020/21



2021/22 (Jul-Nov)



■ Wheat ■ Barley ■ Maize ■ Oats

■ Wheat ■ Barley ■ Maize ■ Oats

■ Wheat ■ Barley ■ Maize ■ Oats

# Compounder cereals usage forecast

- Are we still happy with these 2021/22 projections published in November?

Compounders wheat usage  
forecast (Nov-21) at

**4,058Kt**

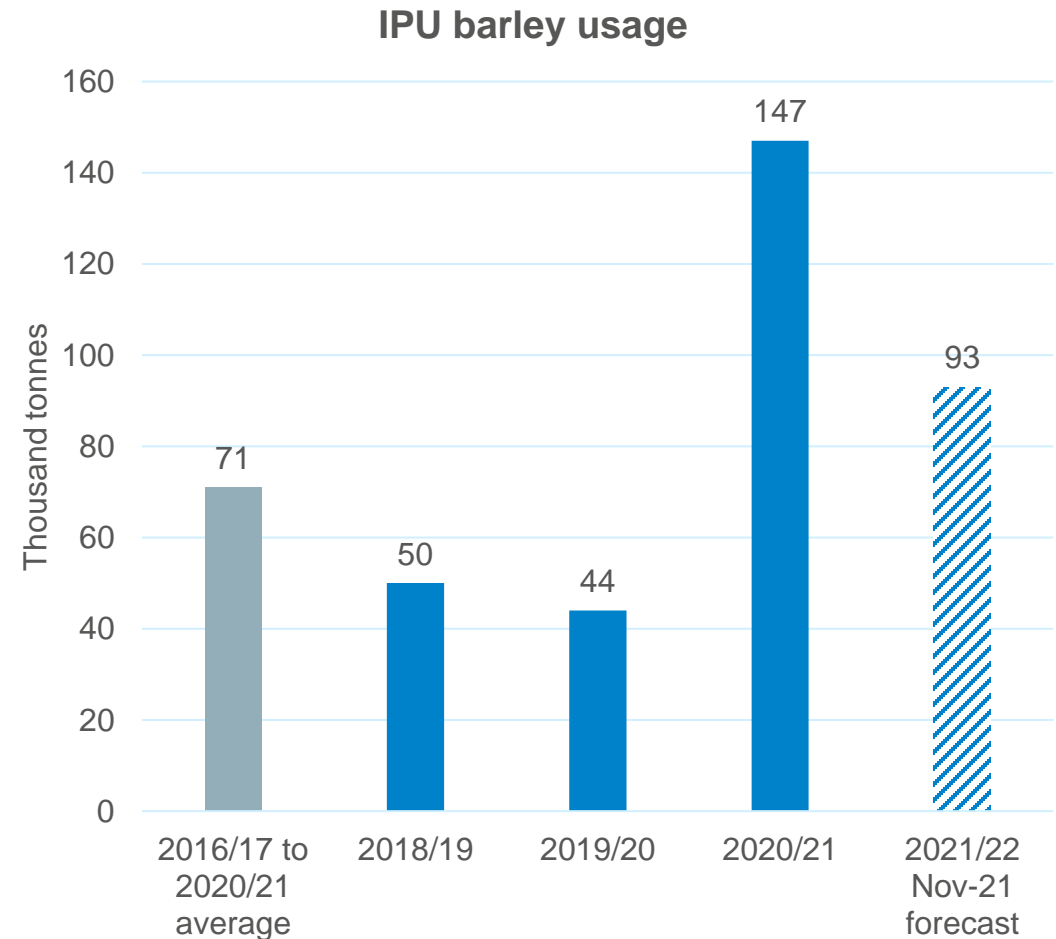
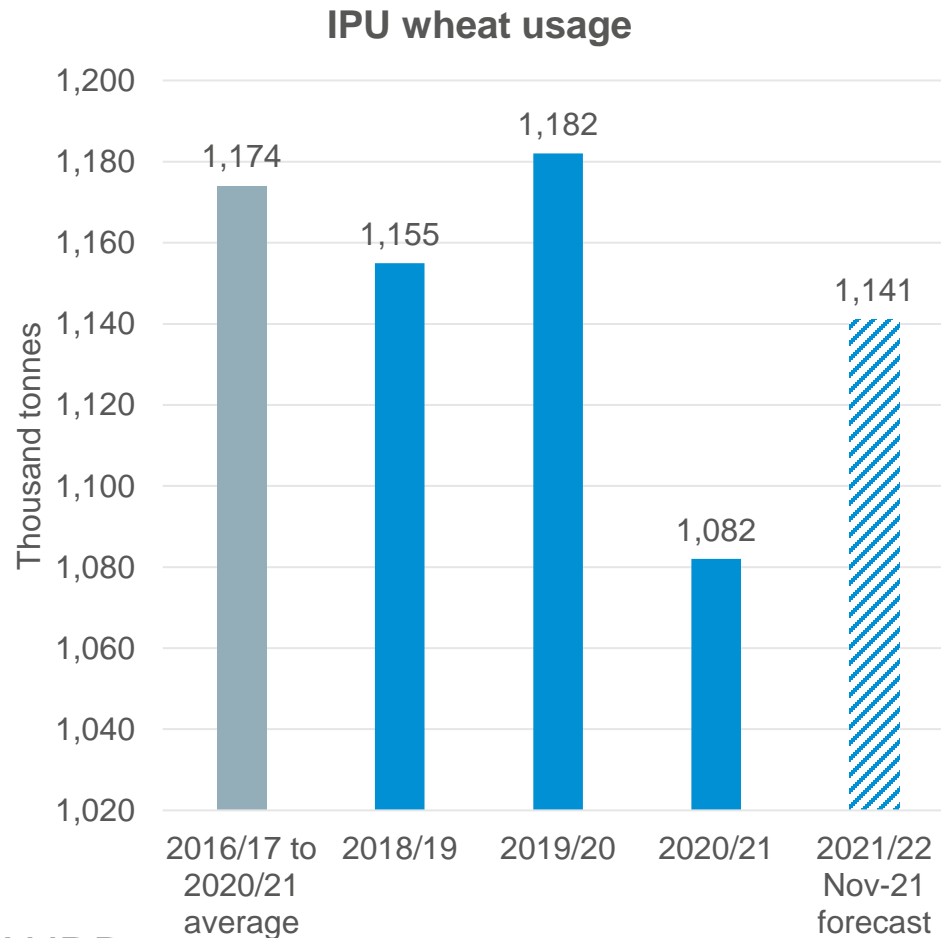
Compounders barley usage  
forecast (Nov-21) at

**1,574Kt**



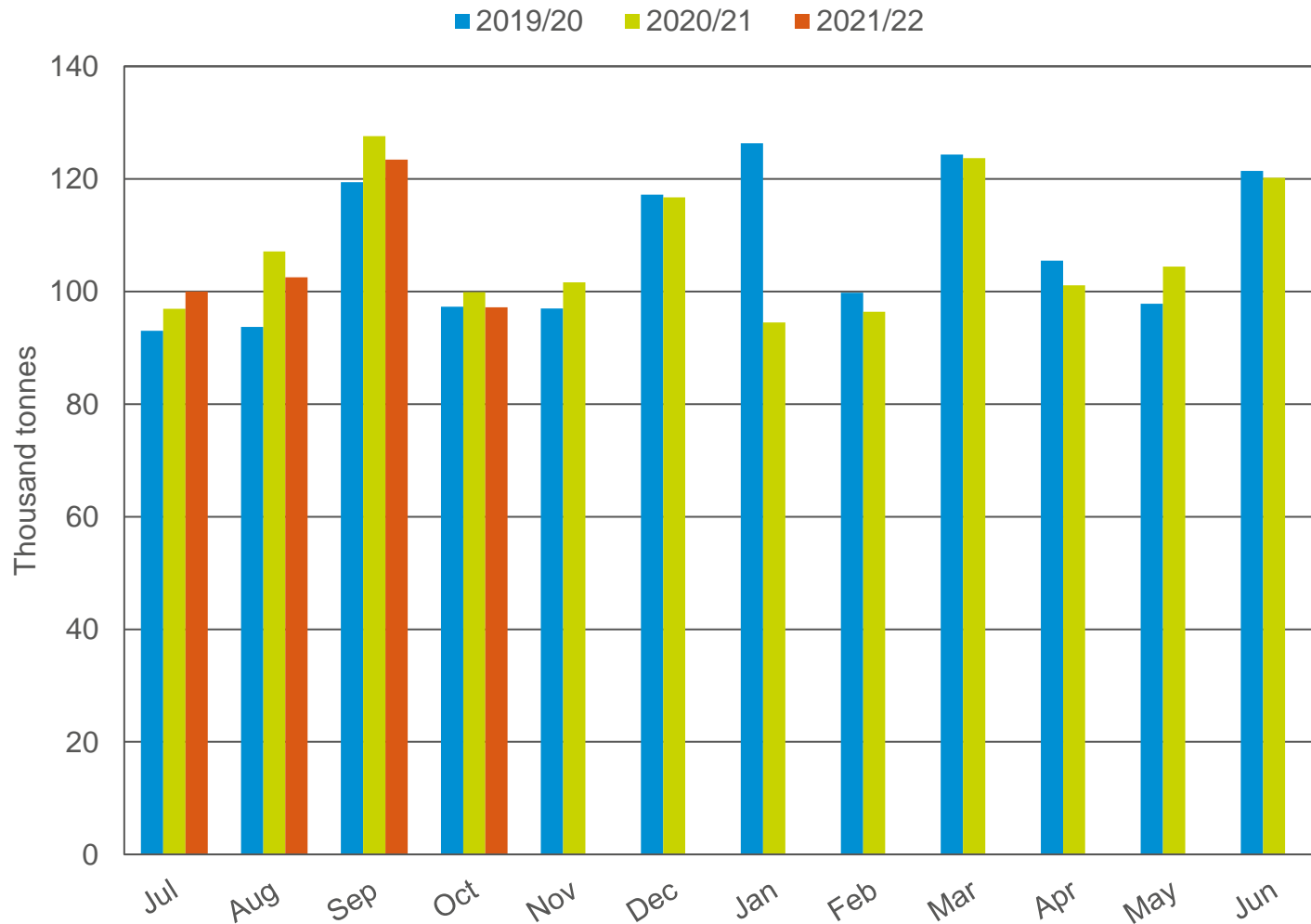
# IPU cereals usage forecast

- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in November?



# IPU – total cereals used

*\*Note data only up to October due to lack of data in November.*

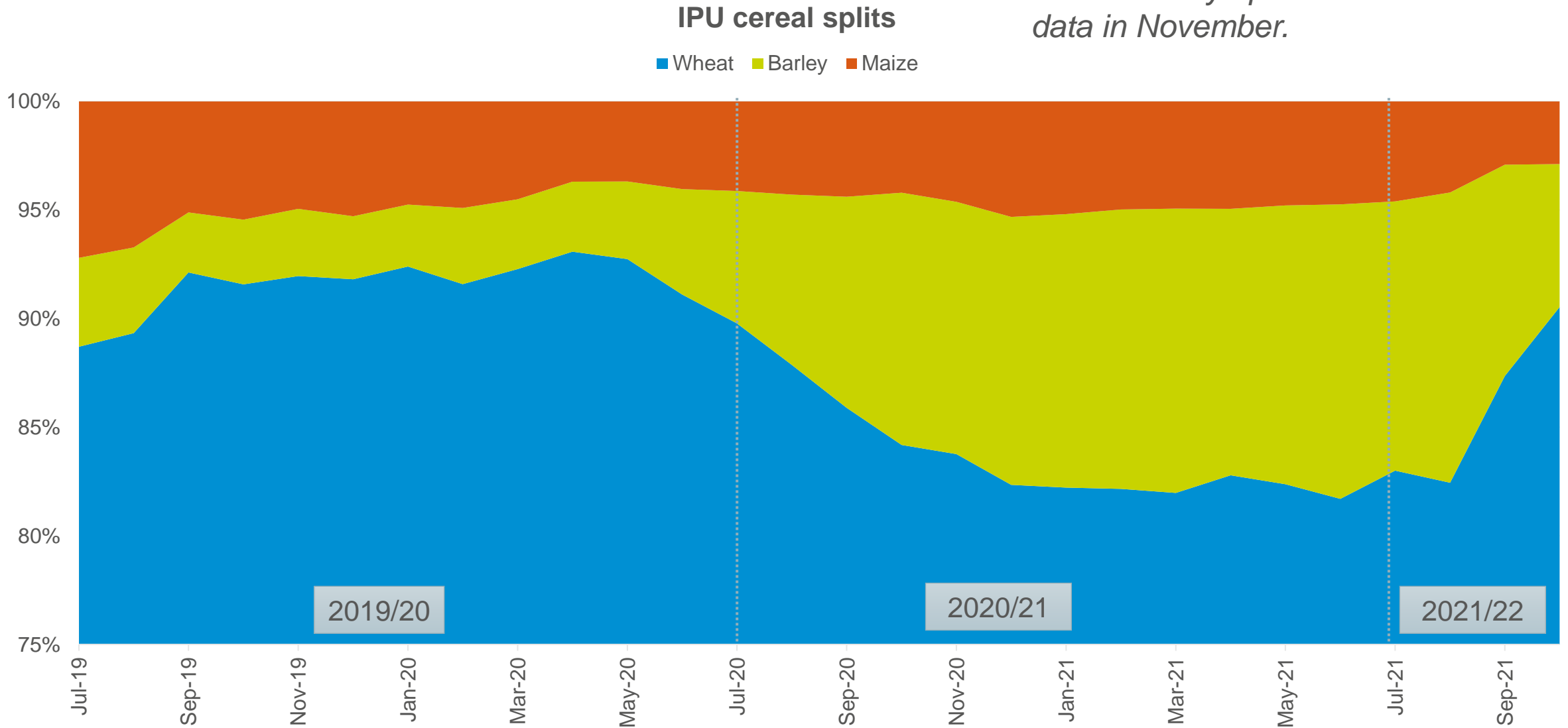


## July – October 2021/22

- So far this season, total cereals used in IPU is down 2% from the same point last season.
- Do you expect this to continue?

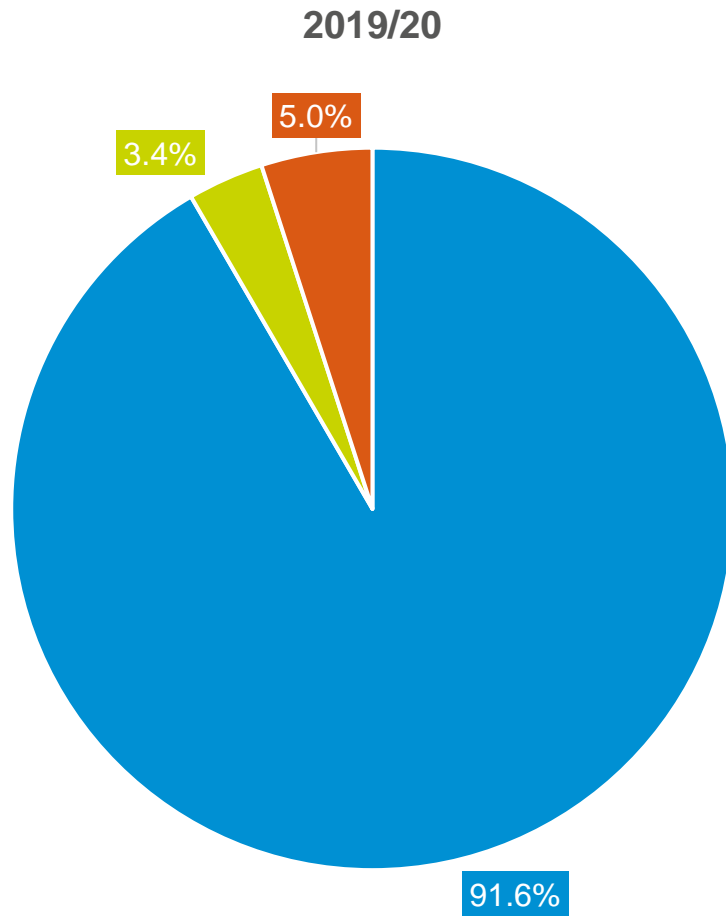
# IPU Cereal Splits

*\*Note this is a % of raw materials included and data only up to October due to lack of data in November.*

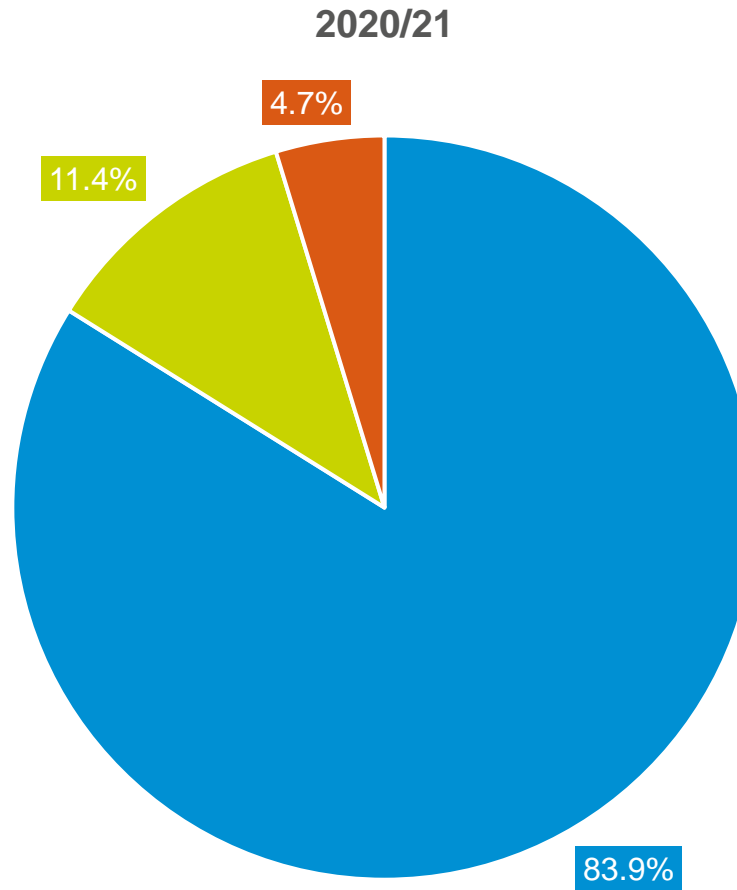


# IPU Cereal Splits

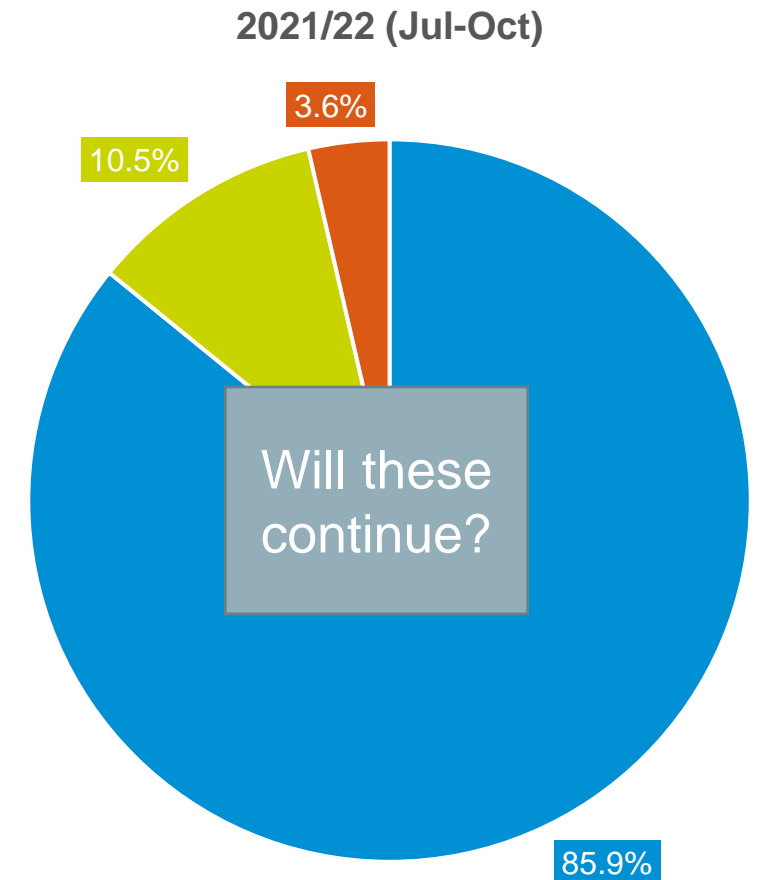
*\*Note this is a % of raw materials included and data only up to October due to lack of data in November.*



■ Wheat ■ Barley ■ Maize



■ Wheat ■ Barley ■ Maize



■ Wheat ■ Barley ■ Maize

# IPU cereals usage forecast

- Are we still happy with these 2021/22 projections published in November?

IPU wheat usage forecast  
(Nov-21) at

**1,141Kt**

IPU barley usage forecast  
(Nov-21) at

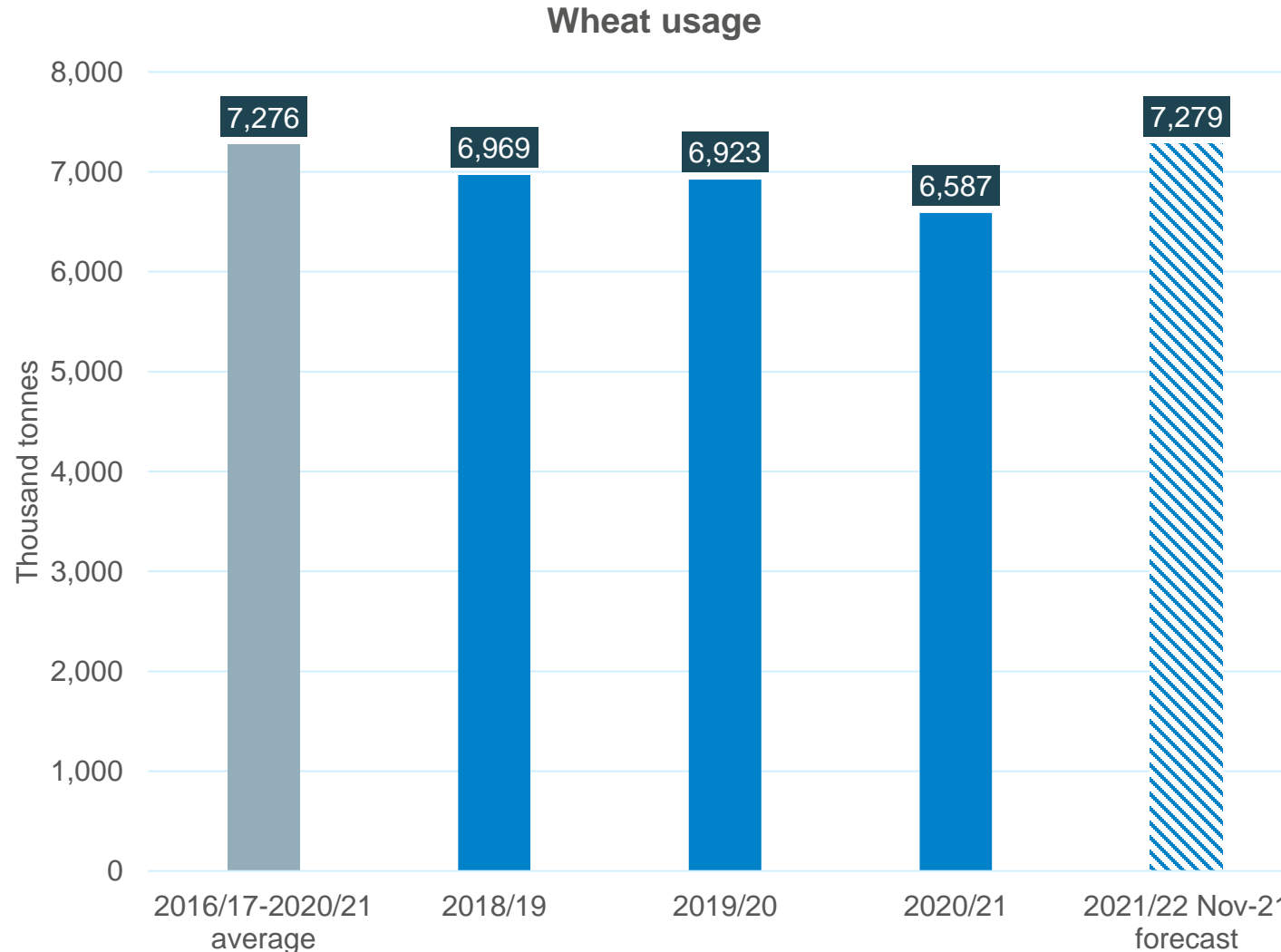
**93Kt**

# Millers usage

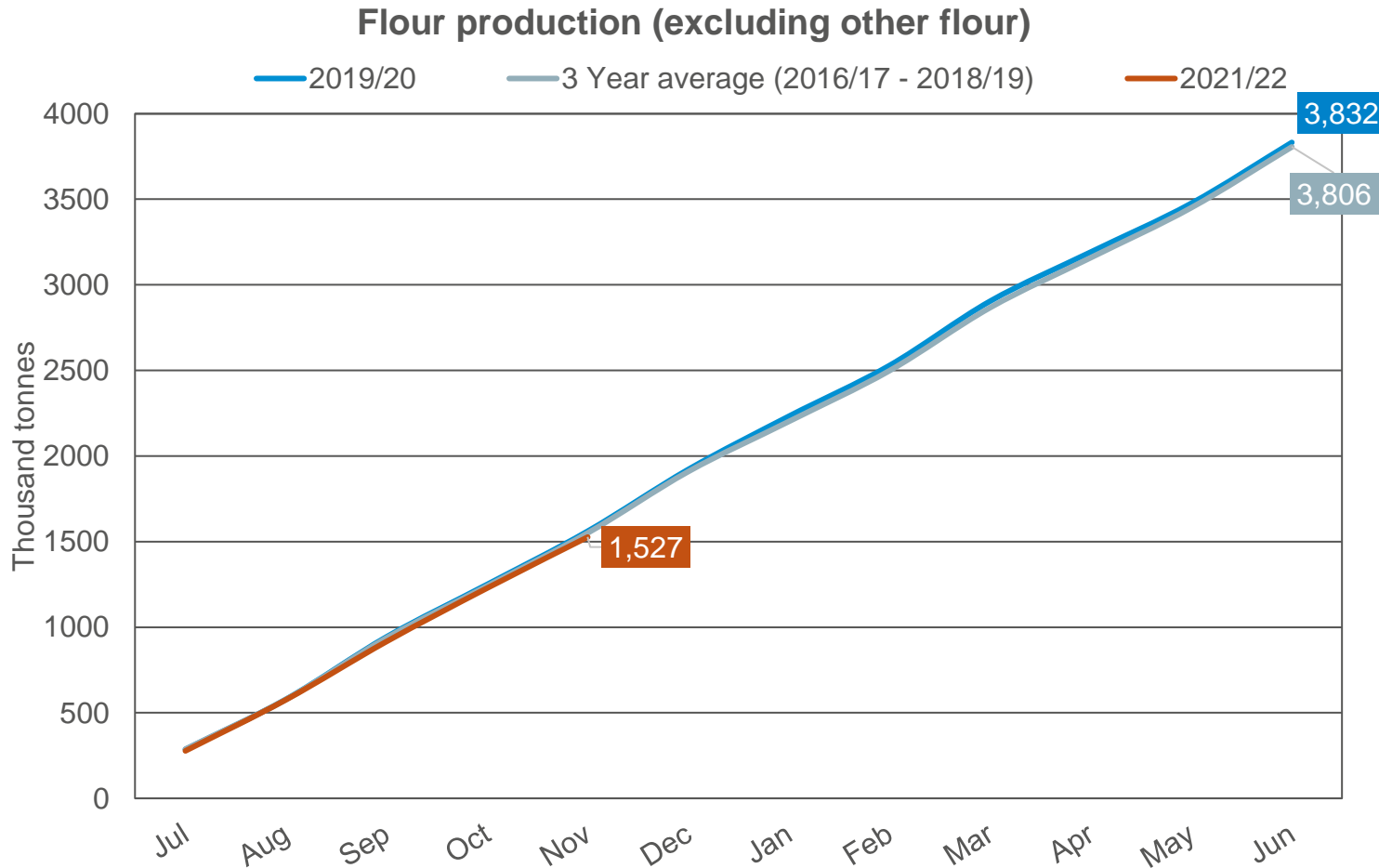
*Note: The 3 year average used within this section includes 2017/18, 2018/19 and 2019/20 due to a lack of data available in 2020/21 for other flour usage.*

# Overall H&I – wheat usage forecast

- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in November?



# Cumulative flour production (exc. 'other flour')



\* No data available for Jan-May 2021 therefore 2020/21 season has not been included in this graph.

- Comparison not used to 2020/21 as no data available for Jan-May 2021 other flour.

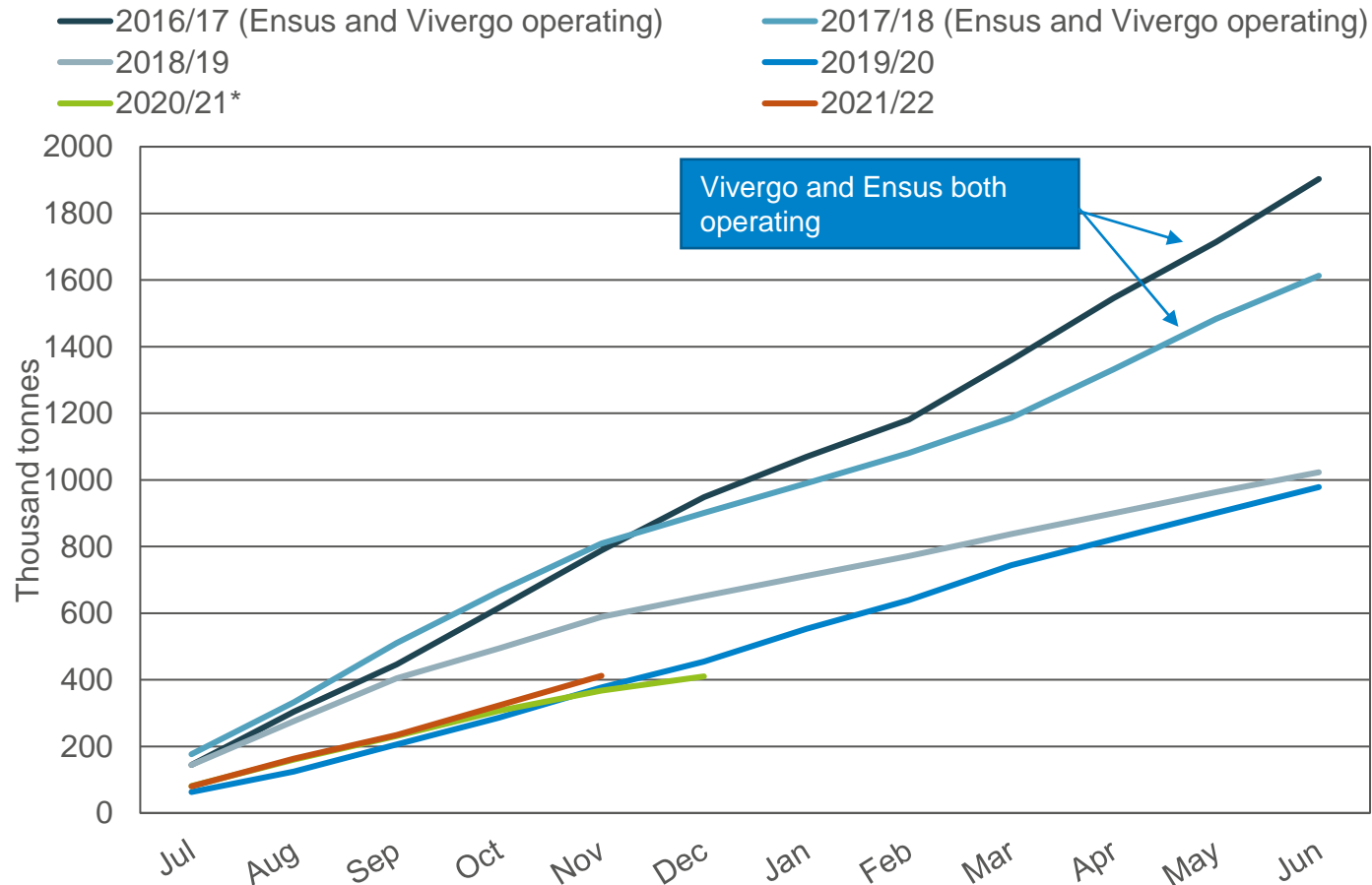
## July – November 2021/22

- Production for the first five months of the season is running 2.2% behind 2019/20 to same date, and 1.6% behind the 3-year average.



# Cumulative other flour production (inc. Bioethanol and starch) AHDB

**Other flour production (Inc. bioethanol and starch)**



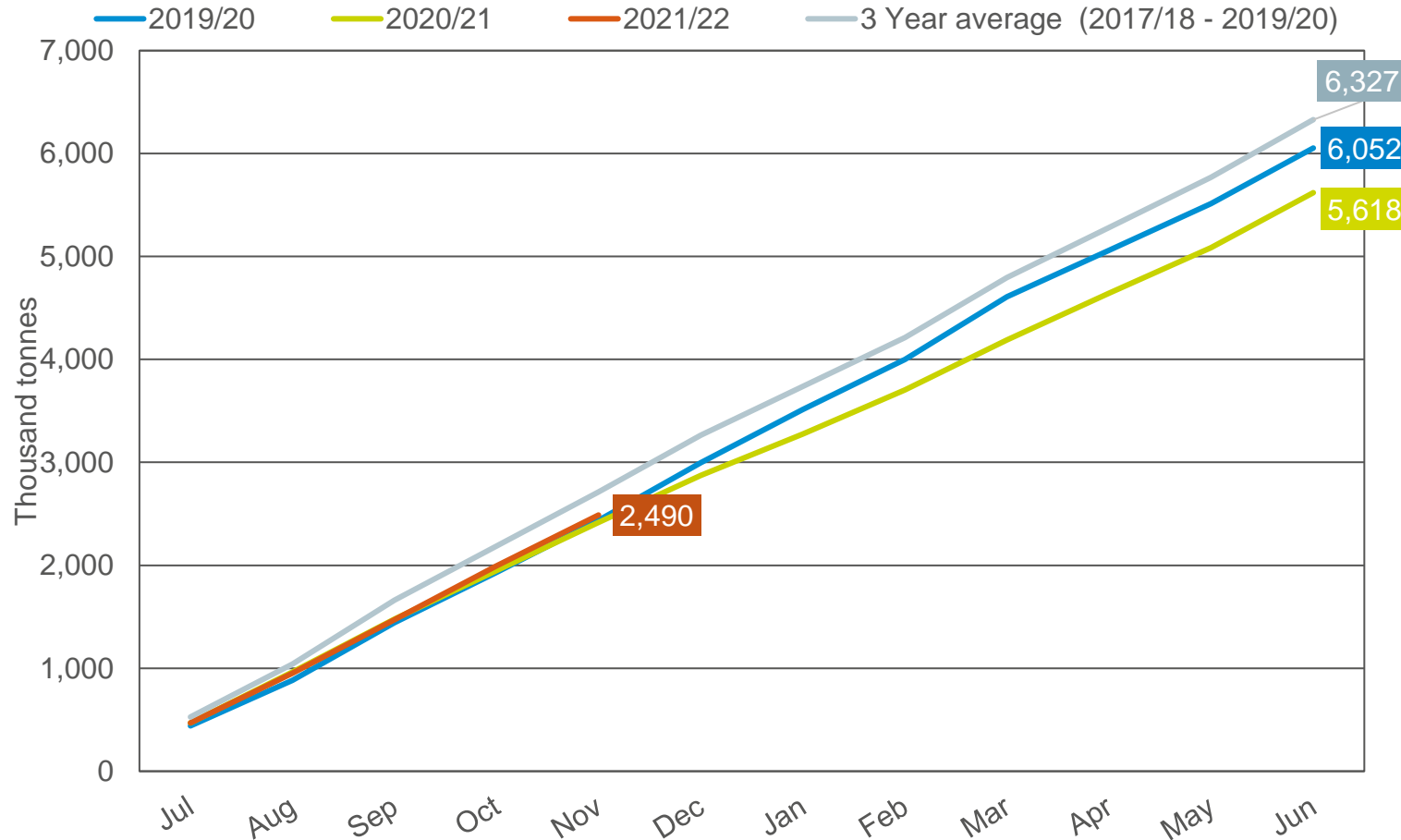
\* No data available for Jan-May 2021

July – November 2021/22

- Other flour production pace just ahead of 2019/20 and 2020/21.

# Cumulative wheat use by millers (inc. Bioethanol & Starch)

Total wheat milled (inc bioethanol & starch)

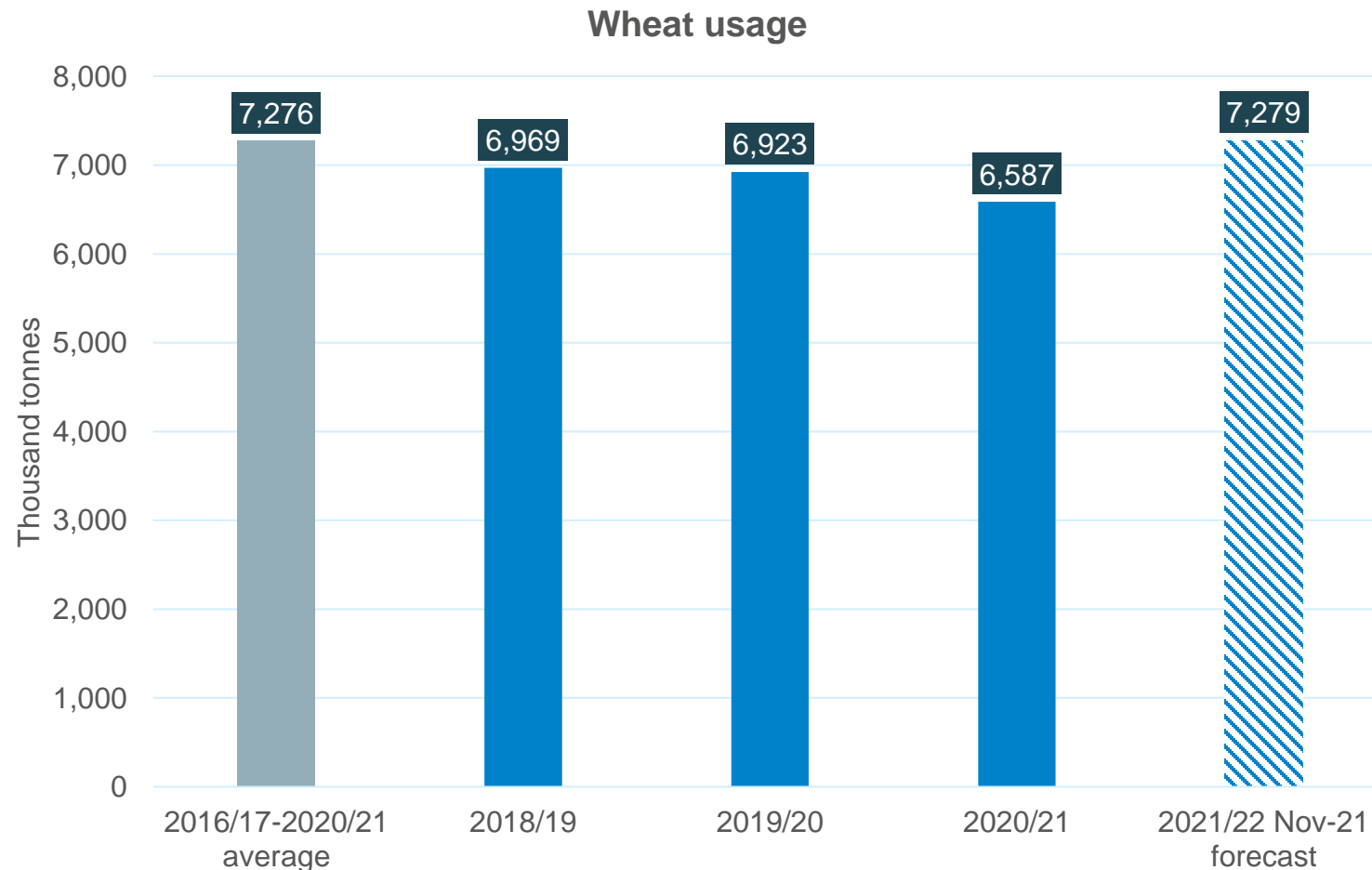


July – November 2021/22

- Season to date wheat usage is ahead of last season by 3% but behind the 3-year average by 8%.

# Overall H&I – wheat usage forecast

- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in November?

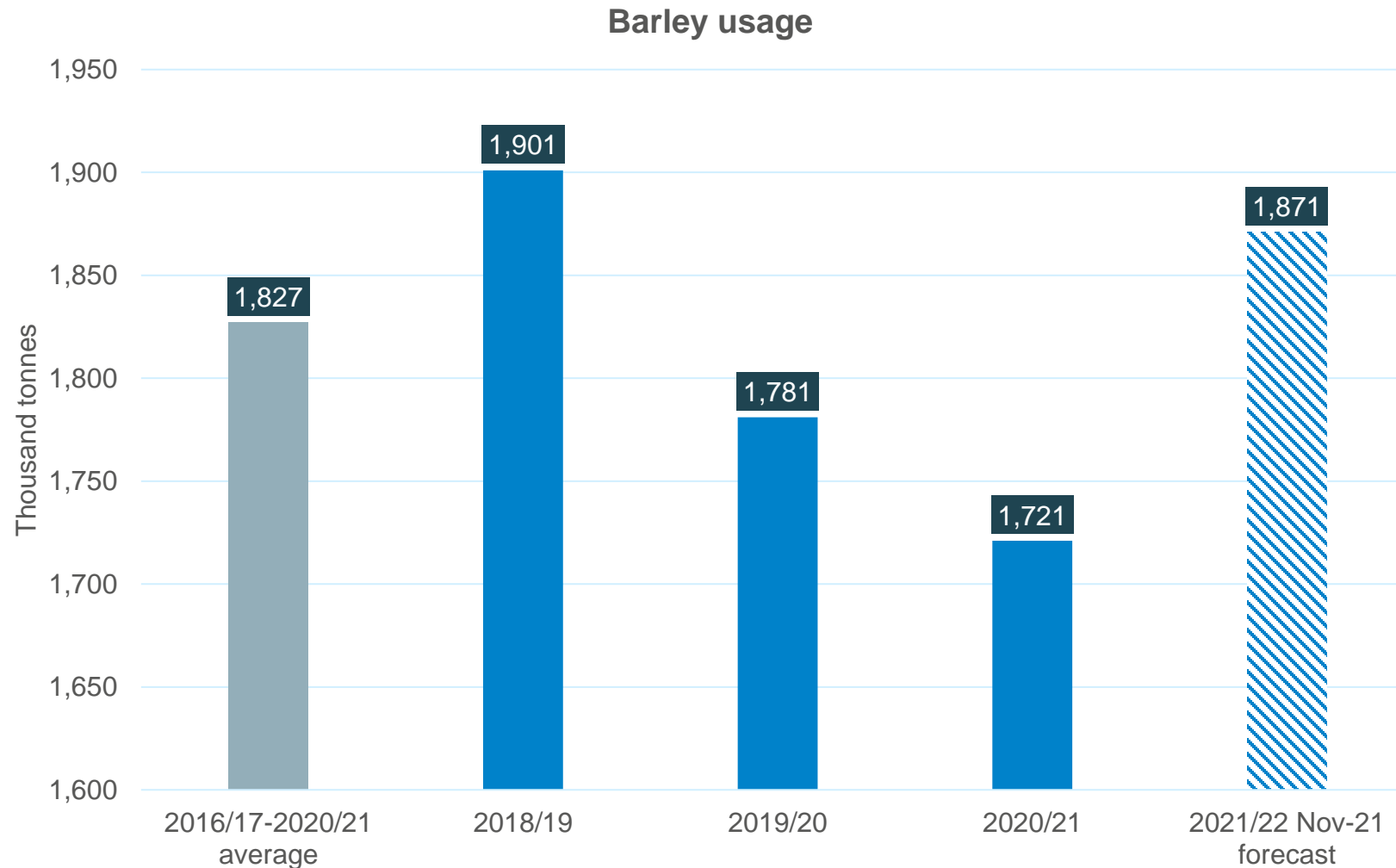


## Reasons

- Increased bioethanol and starch usage

# Overall H&I – barley usage forecast

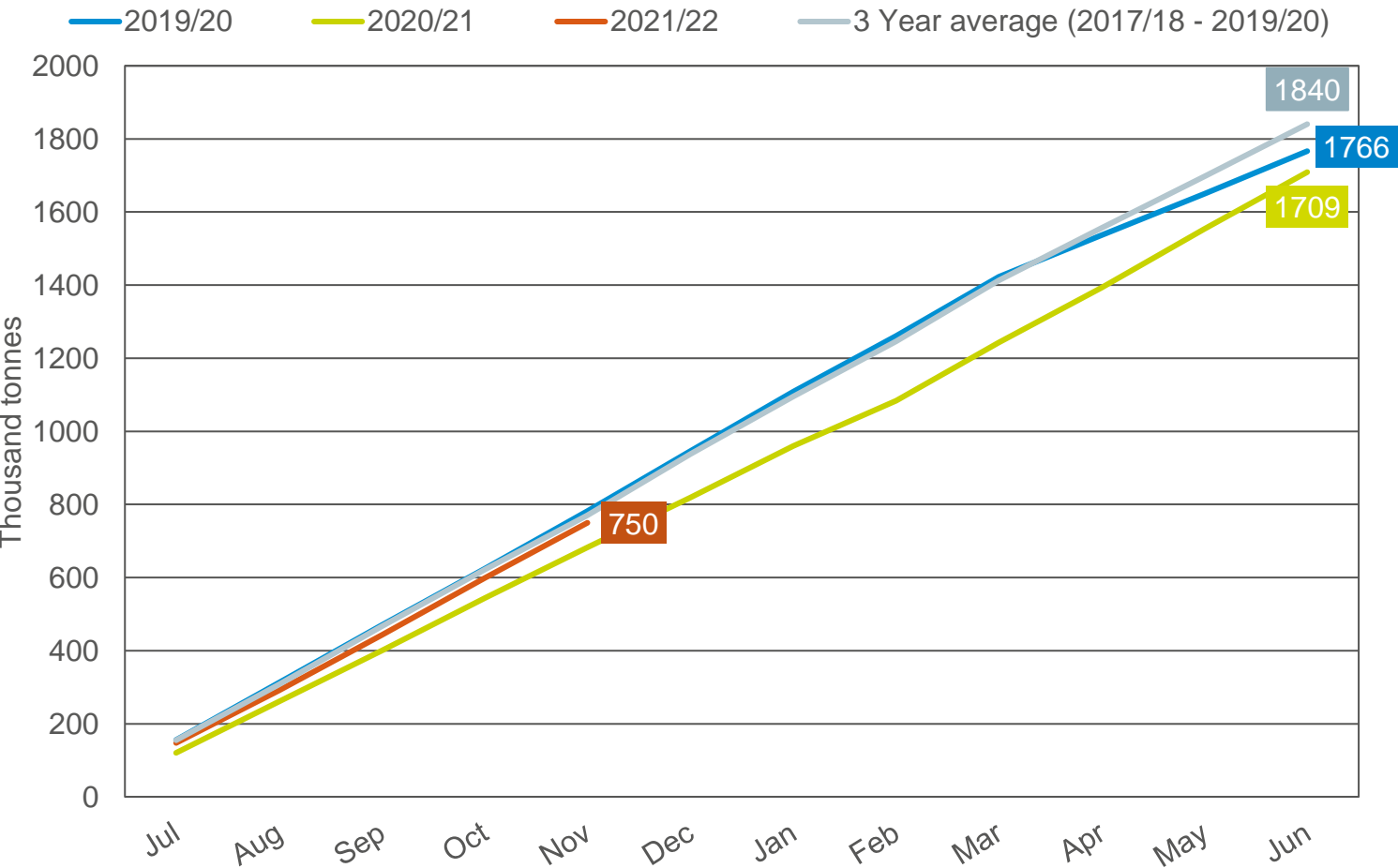
- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in November?



# Cumulative barley usage by brewers, maltsters & distillers



Barley usage by Brewers, Maltsters and Distillers

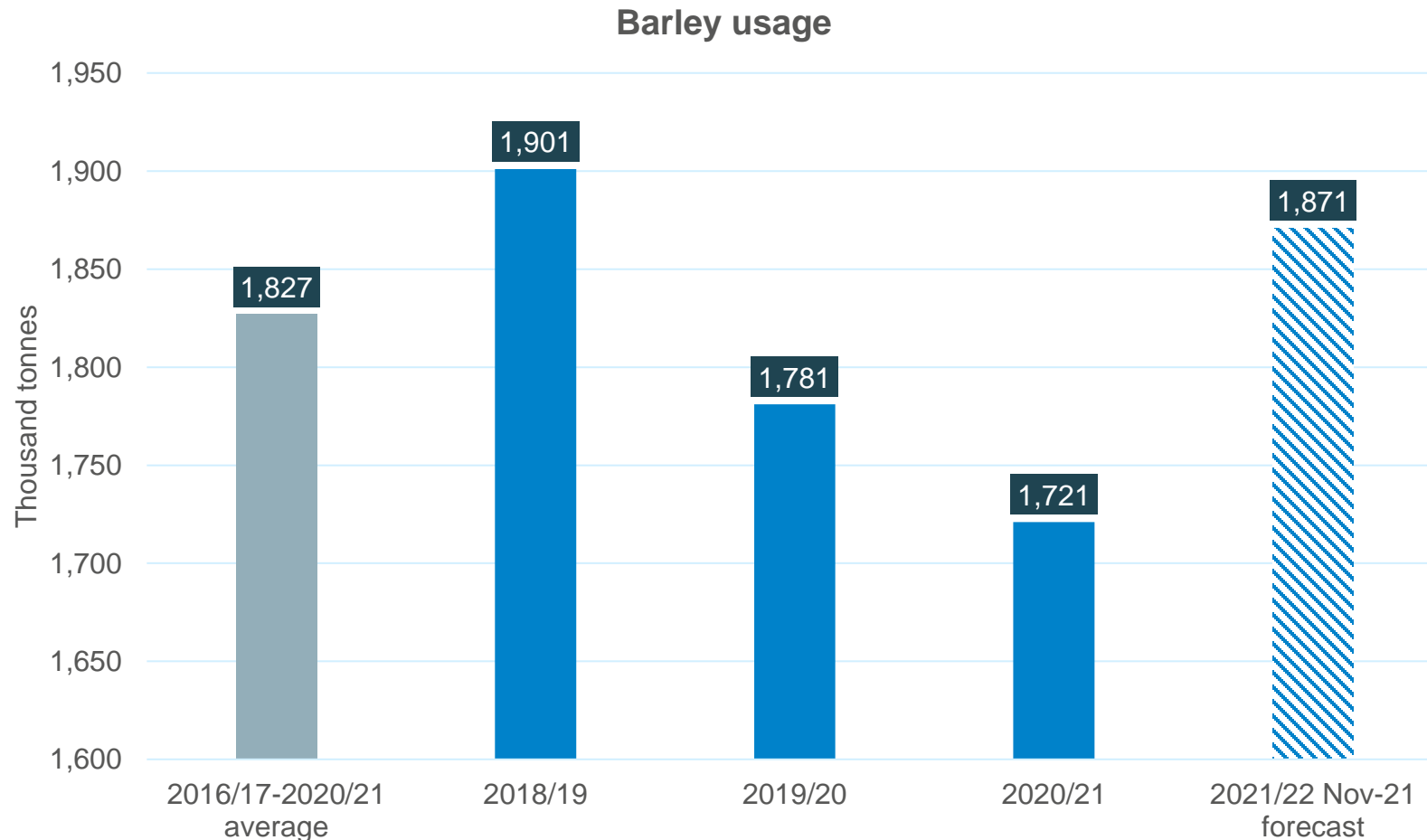


July – November 2021/22

- Season-to-date barley usage is 10% higher than 2020/21. But behind the 3-year average by 3%.

# Overall H&I – barley usage forecast

- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in November?

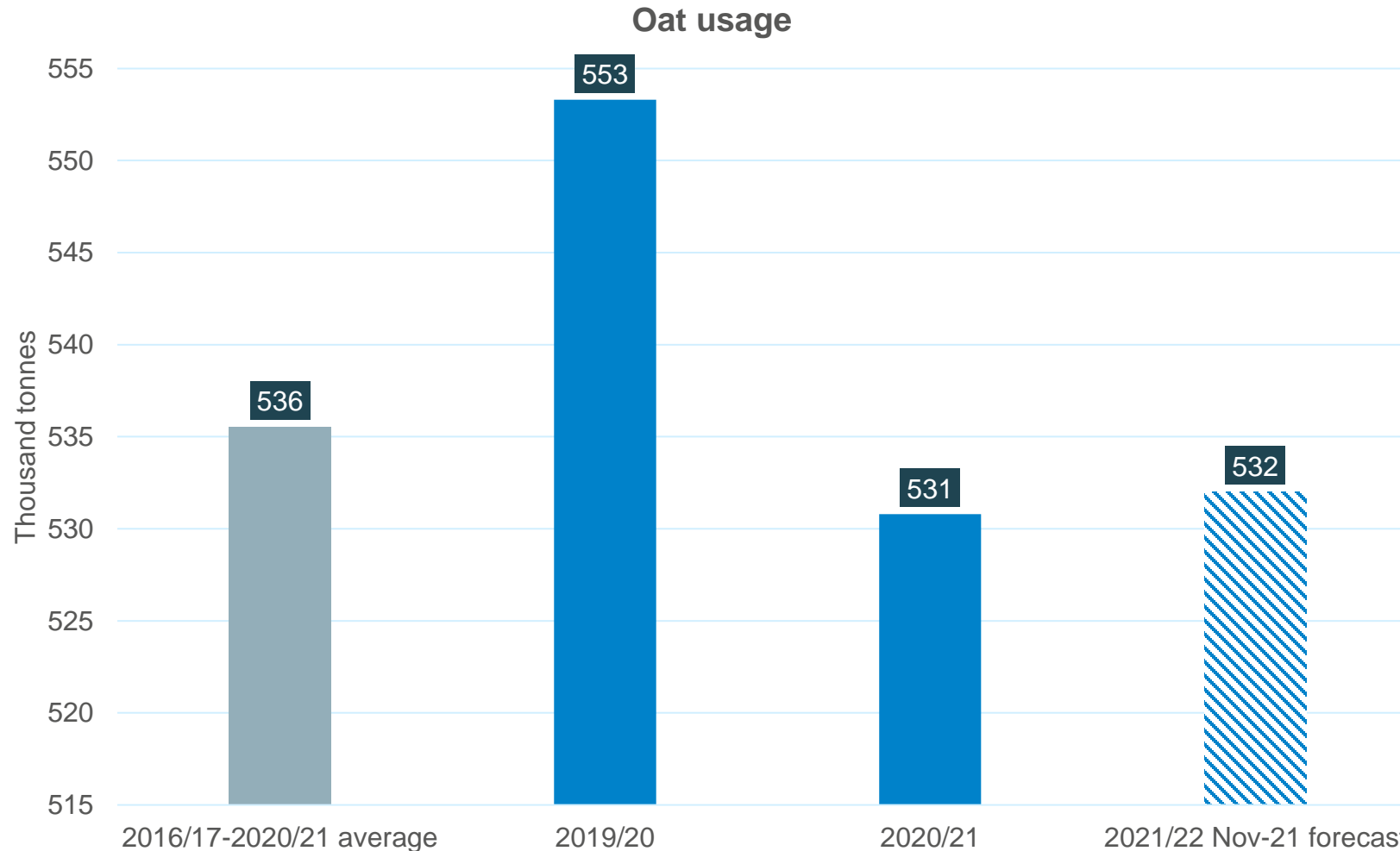


## Reasons

- Nearer to pre-pandemic levels

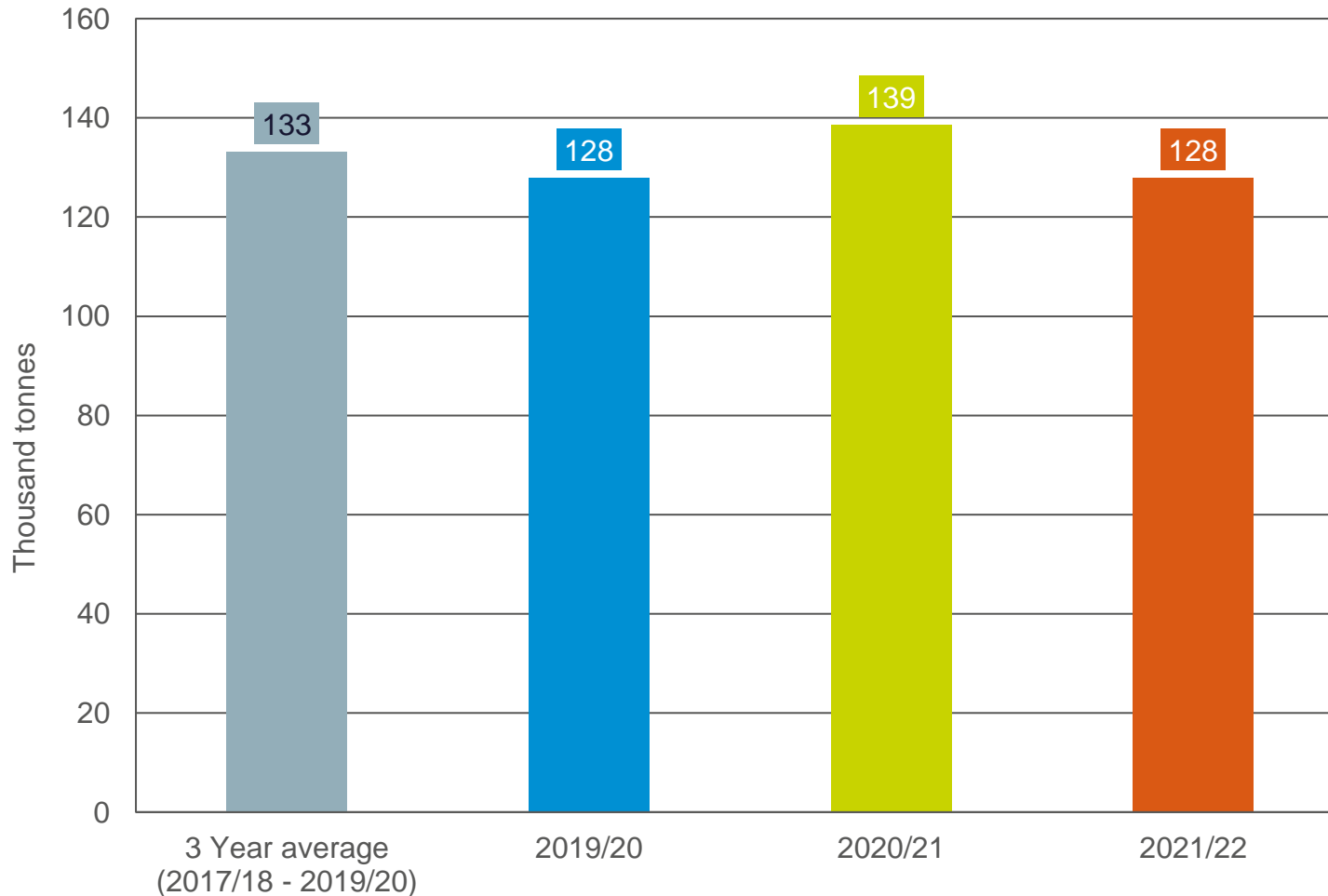
# Overall H&I – oat usage forecast

- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in November?



# Oats

Oats milled first quarter (Jul-Sept)

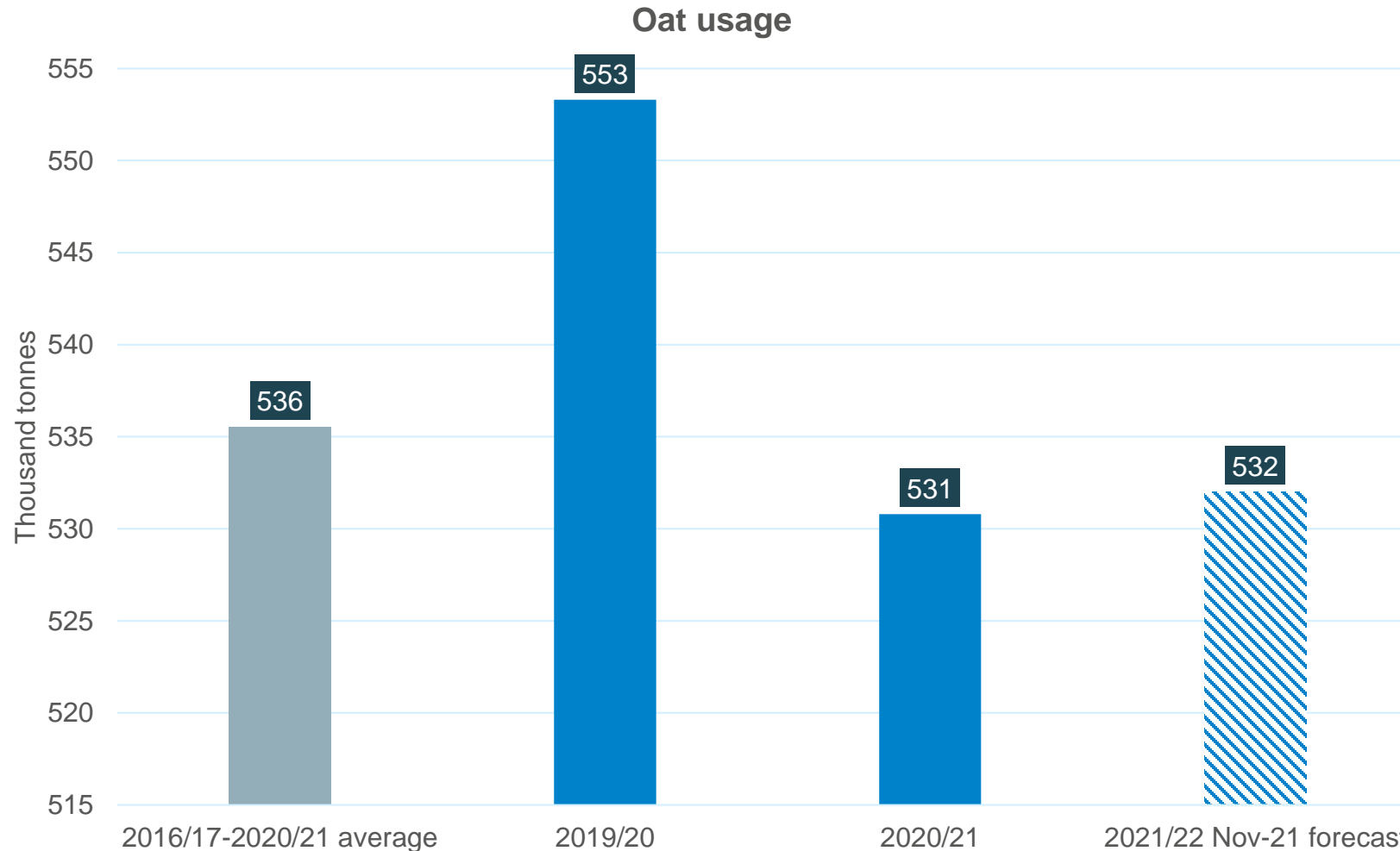


- Oats milled for Q1 down 8% from 2020/21 and 4% from 3-year average.
- Defra production figure was thought to be too high. Do we still believe this?
- Thoughts on ending stocks considering the production number?



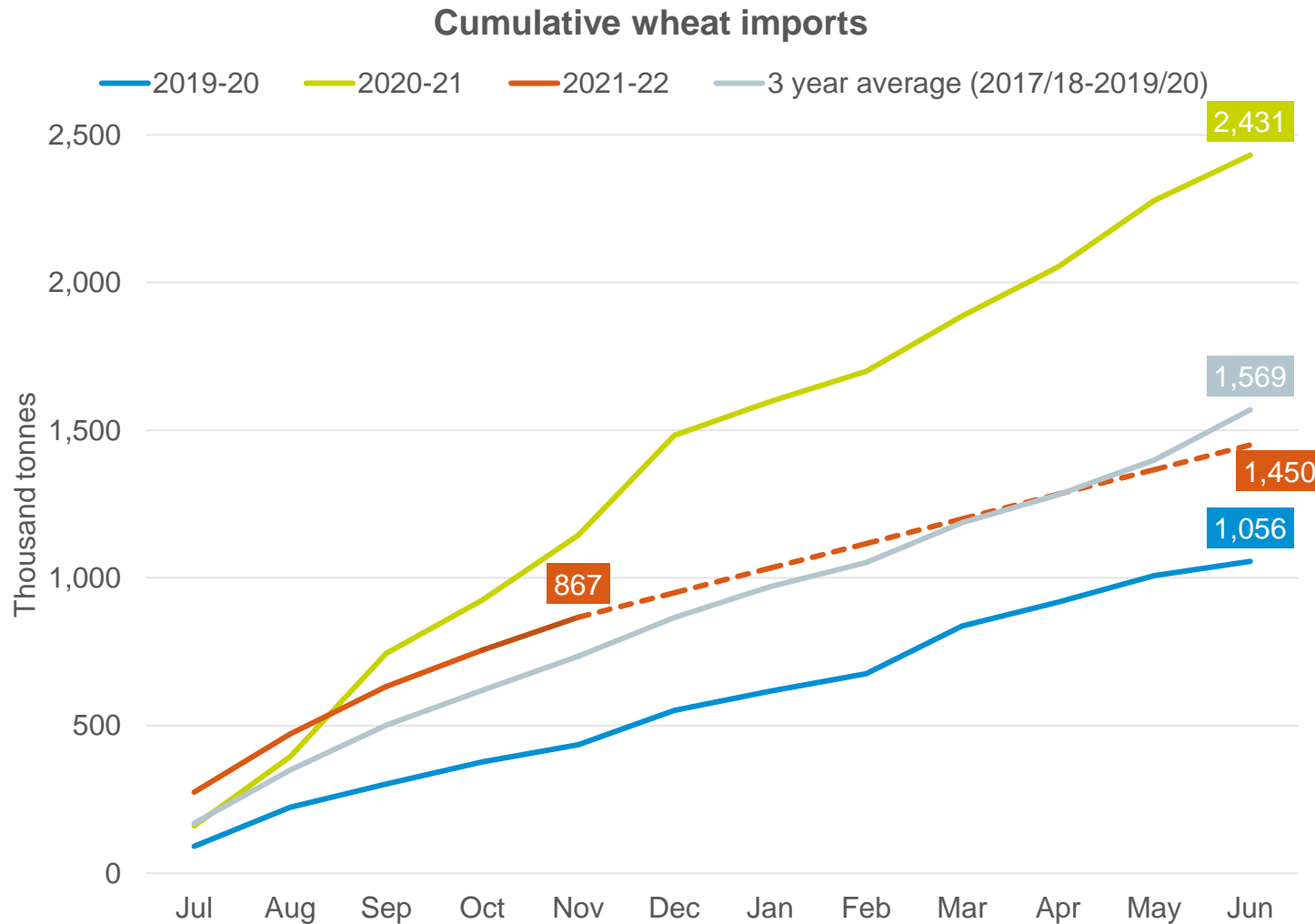
# Overall H&I – oat usage forecast

- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in November?



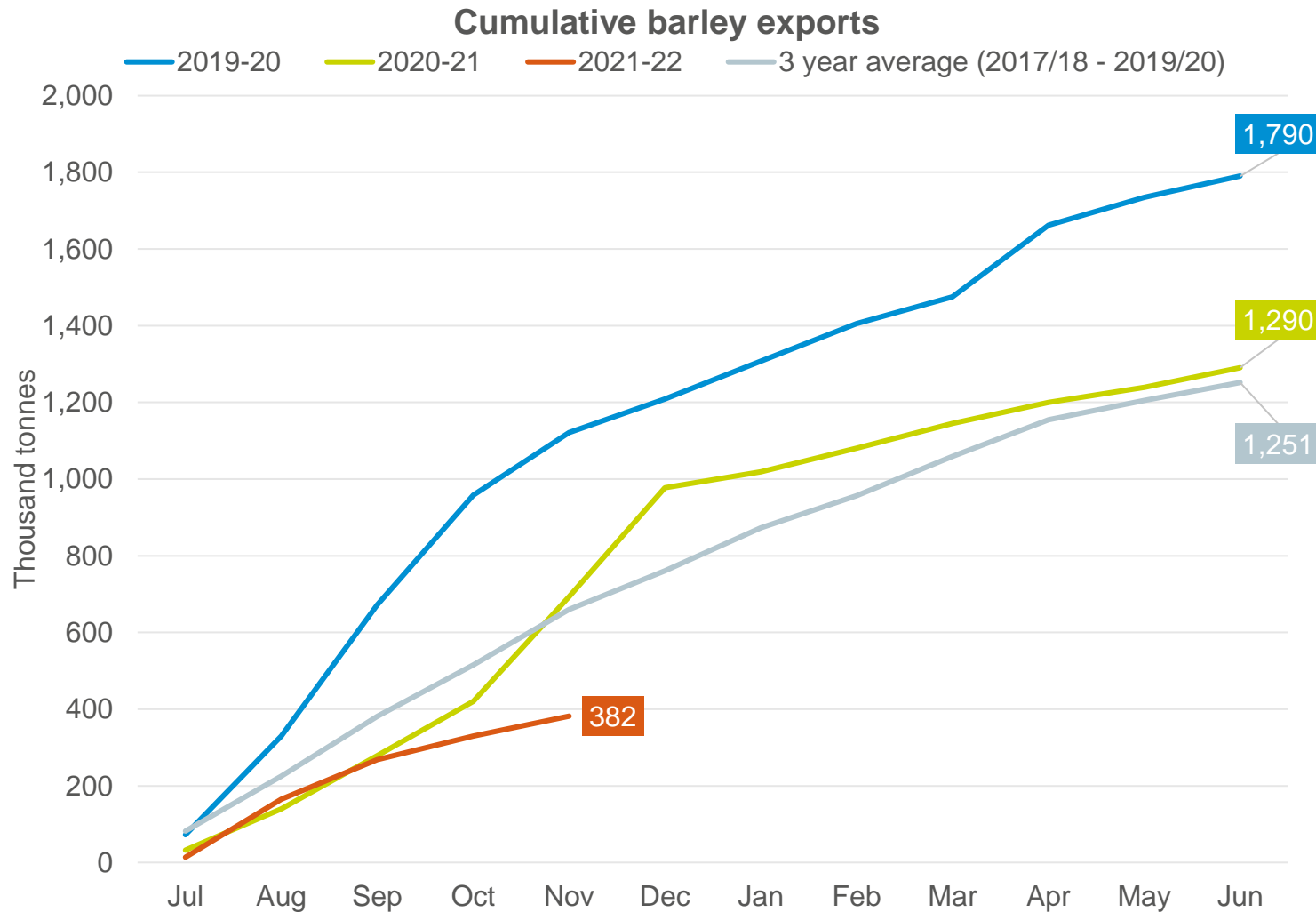
# Trade forecasts

# Wheat import pace



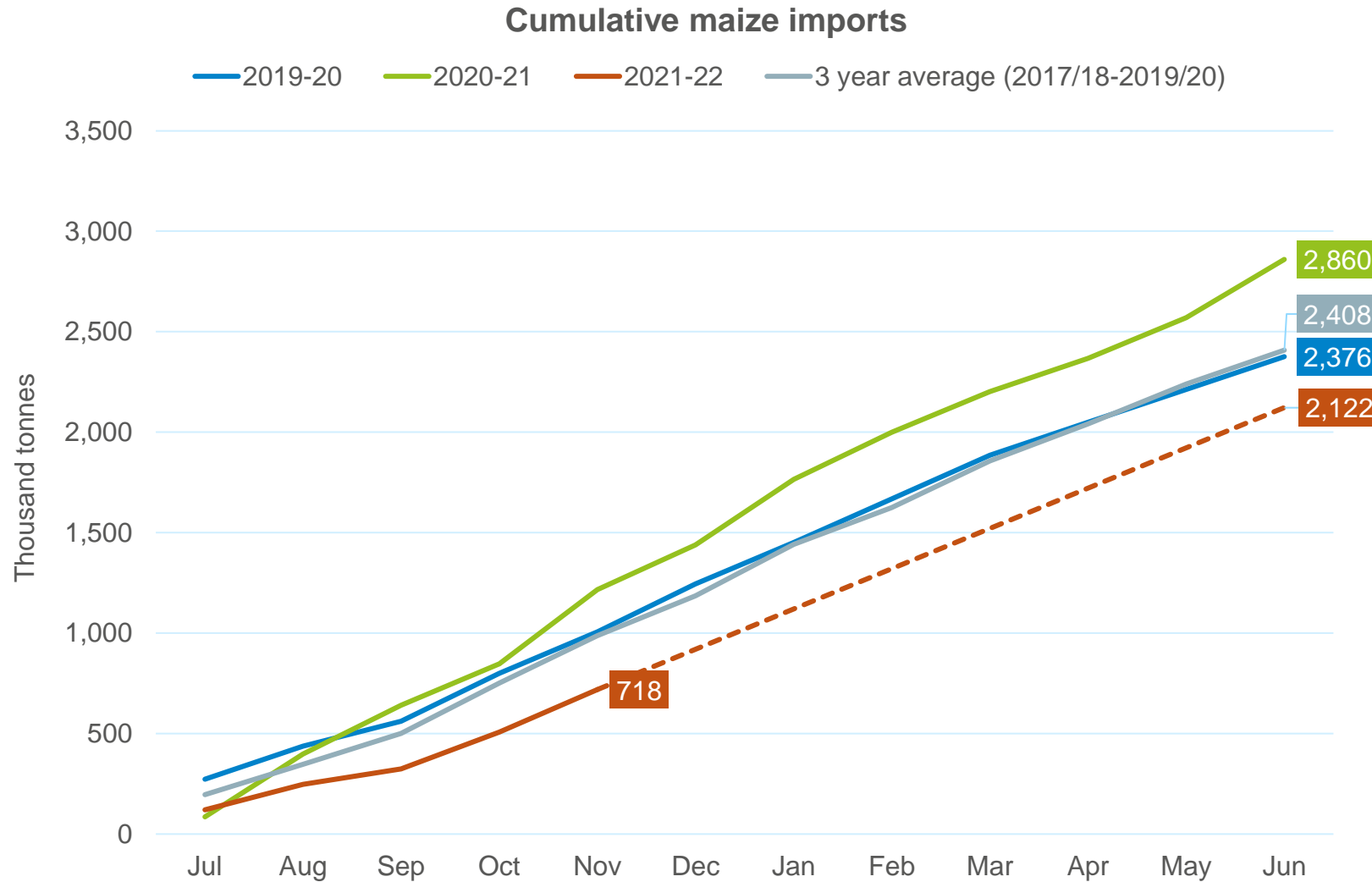
- Import pace started to slow in September/November. Is this set to continue?
- 1.45Mt is the current full season (2021/22) forecast.

# Barley export pace



- October export pace started to slow from 2020/21. Year-on-year exports are down 22%.

# Maize import pace



- Season to date (July - November) for 2021/22 is down 41% from last season and down 27% from the 3 year average.
- 2.12Mt is the current full season 2021/22 forecast for maize imports.

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The [latest pig prices](#), and industry essential [trade data](#), are the cornerstones of the Pork market website pages. There is also the [latest analysis and insight](#) to provide you with a clear and impartial view.



Our [trade and policy](#) resources focus on the future changes in domestic policy and trading relationships to help farmers and growers explore how these will affect their business. There is also a dedicated [Consumer and Retail Insight](#) team who look at the needs of the modern consumer as well as their attitudes towards cooking, buying and eating food.



A vibrant landscape of a green field at sunset. A path leads from the foreground towards the horizon where the sun is setting, creating a warm glow. The sky is filled with colorful clouds. The text is overlaid in the center of the image.

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