UK Cereals Supply & Demand Forecast

Cross Sector Working Group

May 2022

CEREALS & OILSEEDS

Accurate, timely and independent data you can trust

The small print

While AHDB seeks to ensure that the information contained within this presentation is accurate at the time of printing, no warranty is given in respect of the information and data provided. You are responsible for how you use the information. To the maximum extent permitted by law, AHDB accepts no liability for loss, damage or injury howsoever caused or suffered (including that caused by negligence) directly or indirectly in relation to the information or data provided in this publication.

All intellectual property rights in the information and data in this presentation belong to or are licensed by AHDB. You are authorised to use such information for your internal business purposes only and you must **not** provide this information to any other third parties, including further publication of the information, or for commercial gain in any way whatsoever without the prior written permission of AHDB for each third party disclosure, publication or commercial arrangement. For more information, please see our Terms of Use and Privacy Notice or contact the Director of Corporate Affairs at info@ahdb.org.uk

Discussion points

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

Introduction notes

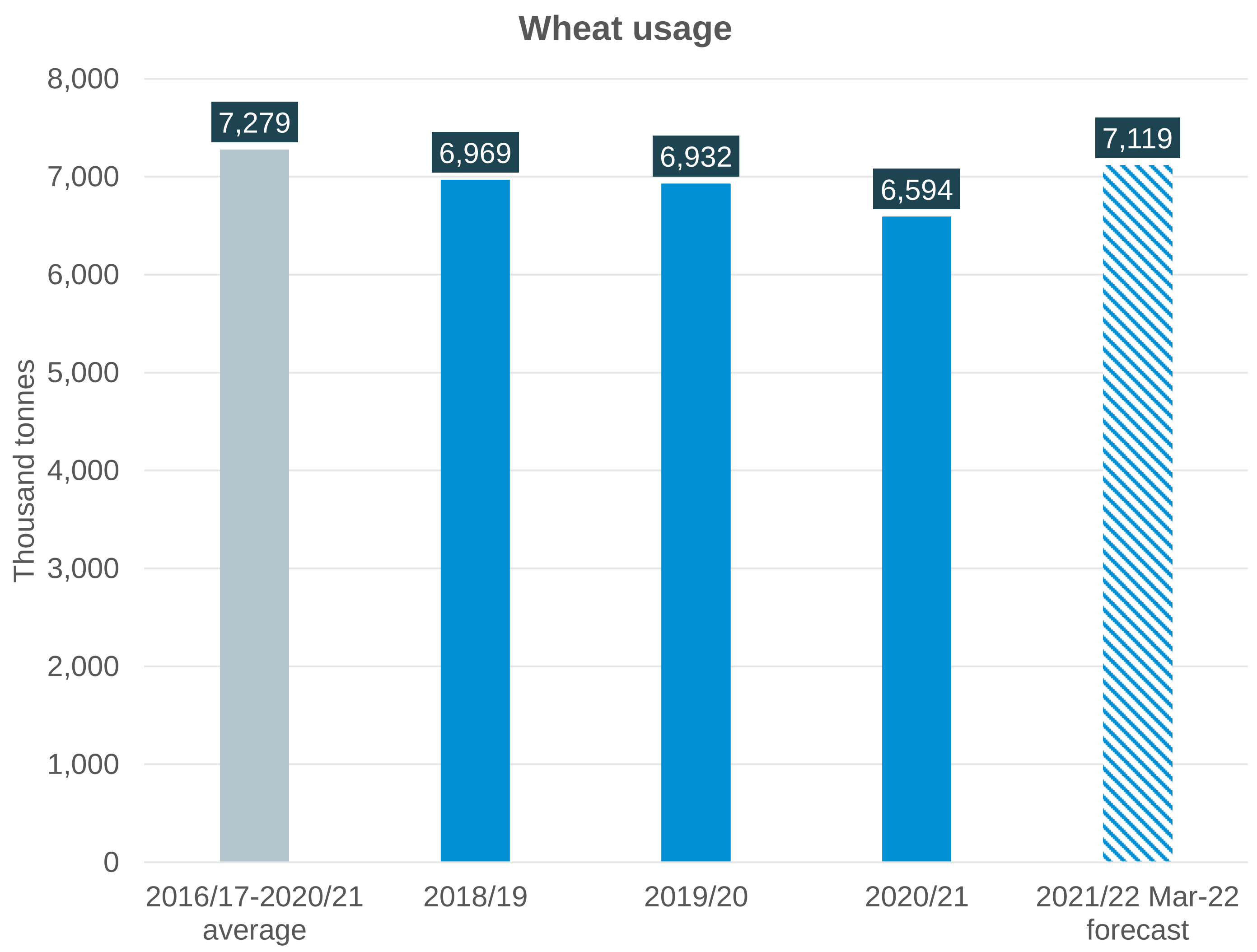
- Most slides compare 2020/21 and Jul-Mar 2021/22
- Axis are in thousand tonnes (Kt), unless stated otherwise.
- Text comparisons, unless stated, are compared with the same period last season
- September, December, March and June are 5-week months, hence the data spike for these months.
- Projections 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 1st July 2021 to 30th June 2022).

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.

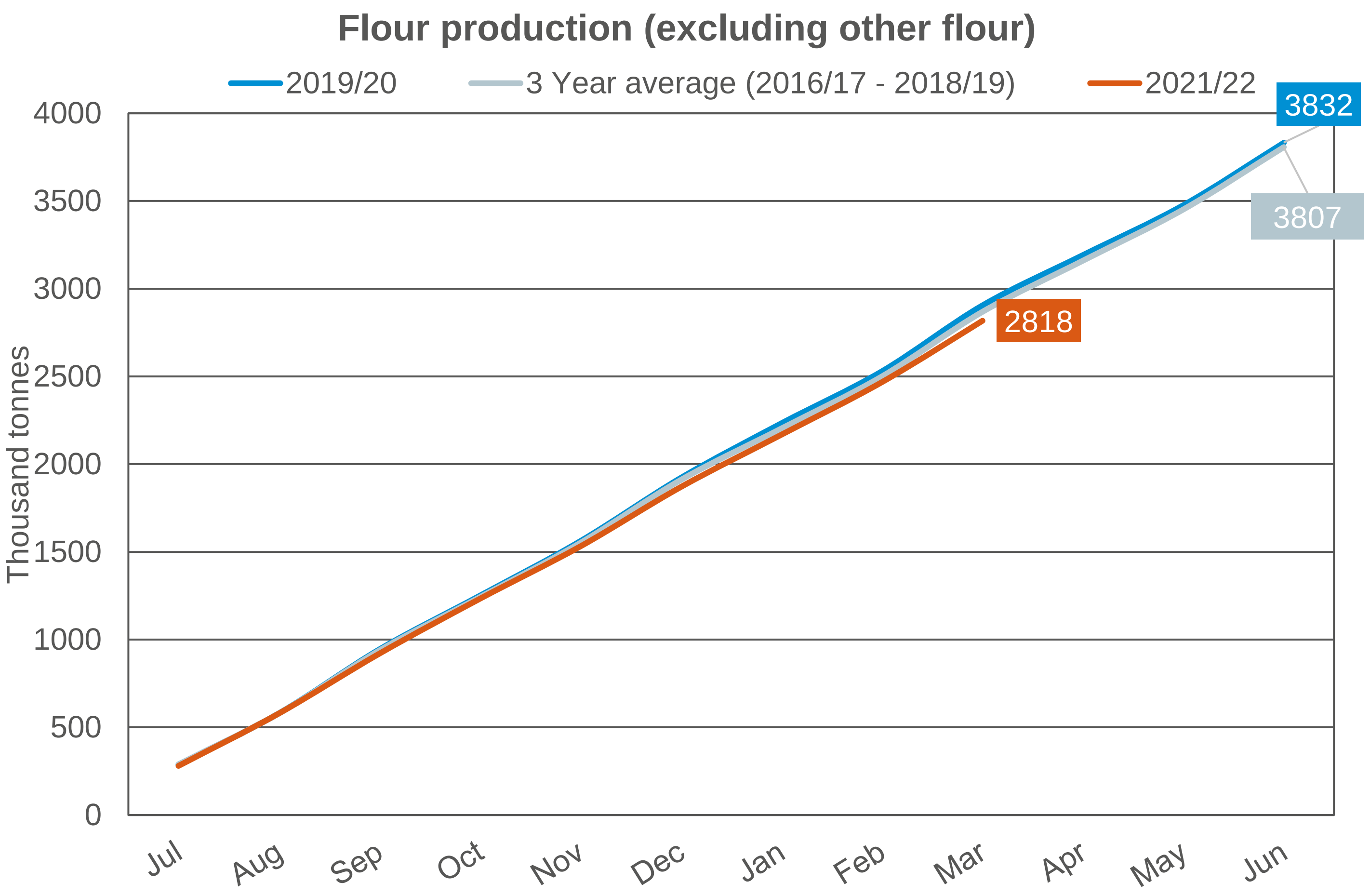
Overall H&I – wheat usage forecast

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



Source: AHDB

Cumulative flour production (exc. ‘other flour’)



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

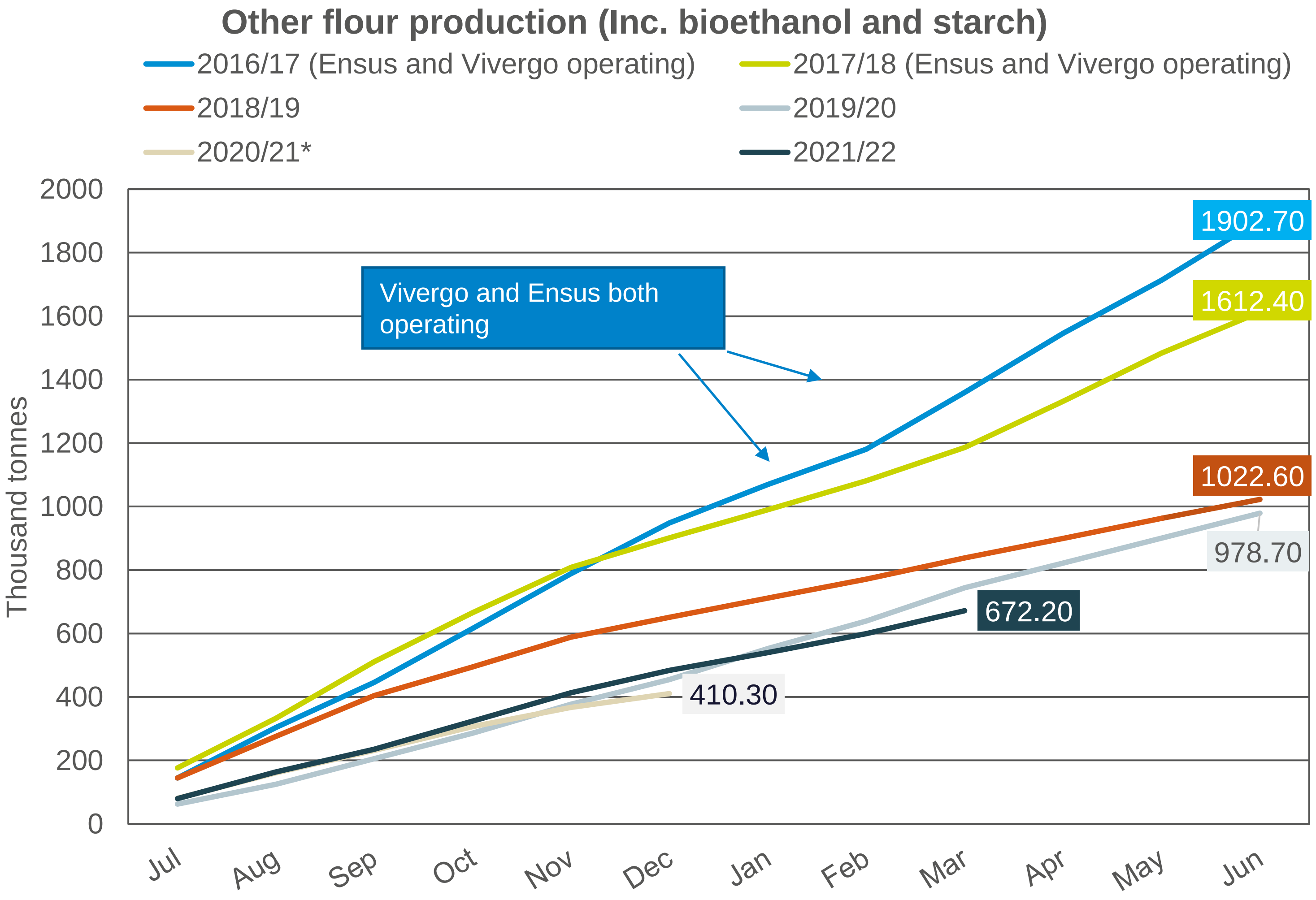
- Comparison not used to 2020/21 as no data available for Jan-May 2021 other flour.

July – March 2021/22

- Production for the first nine months of the season is running 3.0% behind 2019/20 to same date, and 1.7% behind the 3-year average.

Source: AHDB

Cumulative other flour production (inc. Bioethanol and starch)



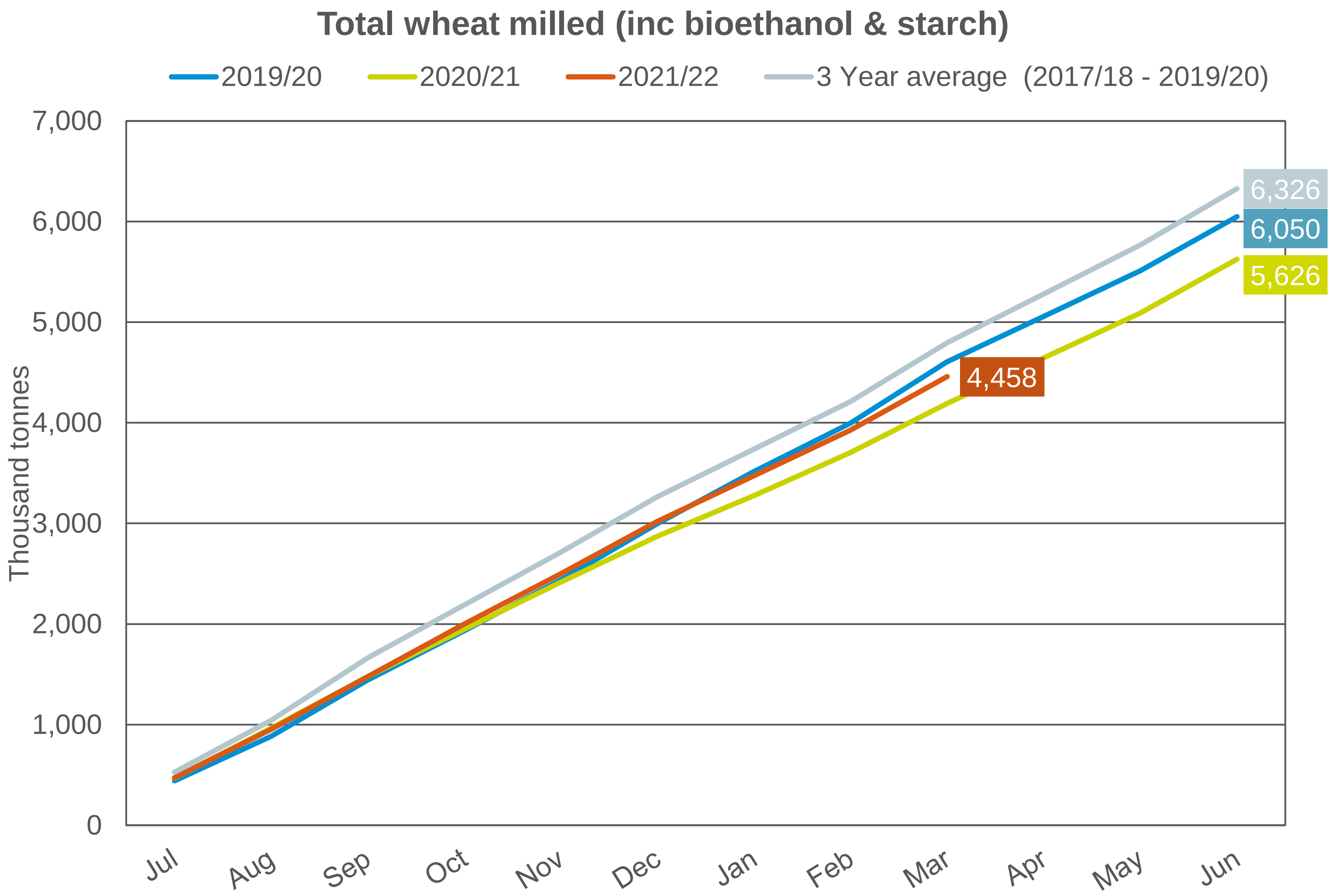
** No data available for Jan-May 2021*

Source: AHDB

July – March 2021/22

- Other flour production pace falling 9.7% lower than 2019/20.

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



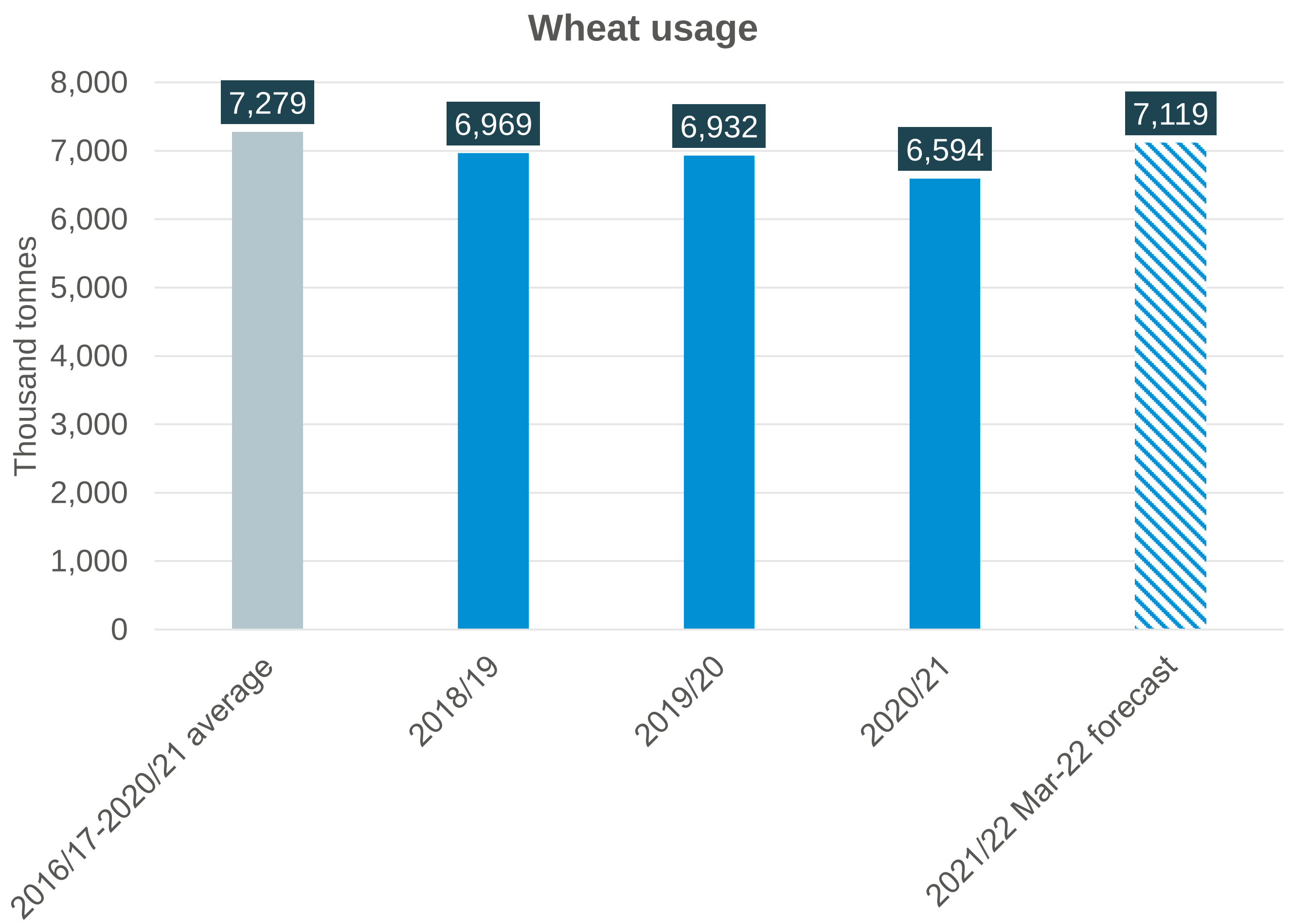
July – March 2021/22

- Season to date wheat usage is ahead of last season by 6% but behind the 3-year average by 7%.

Source: AHDB

Overall H&I – wheat usage forecast

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



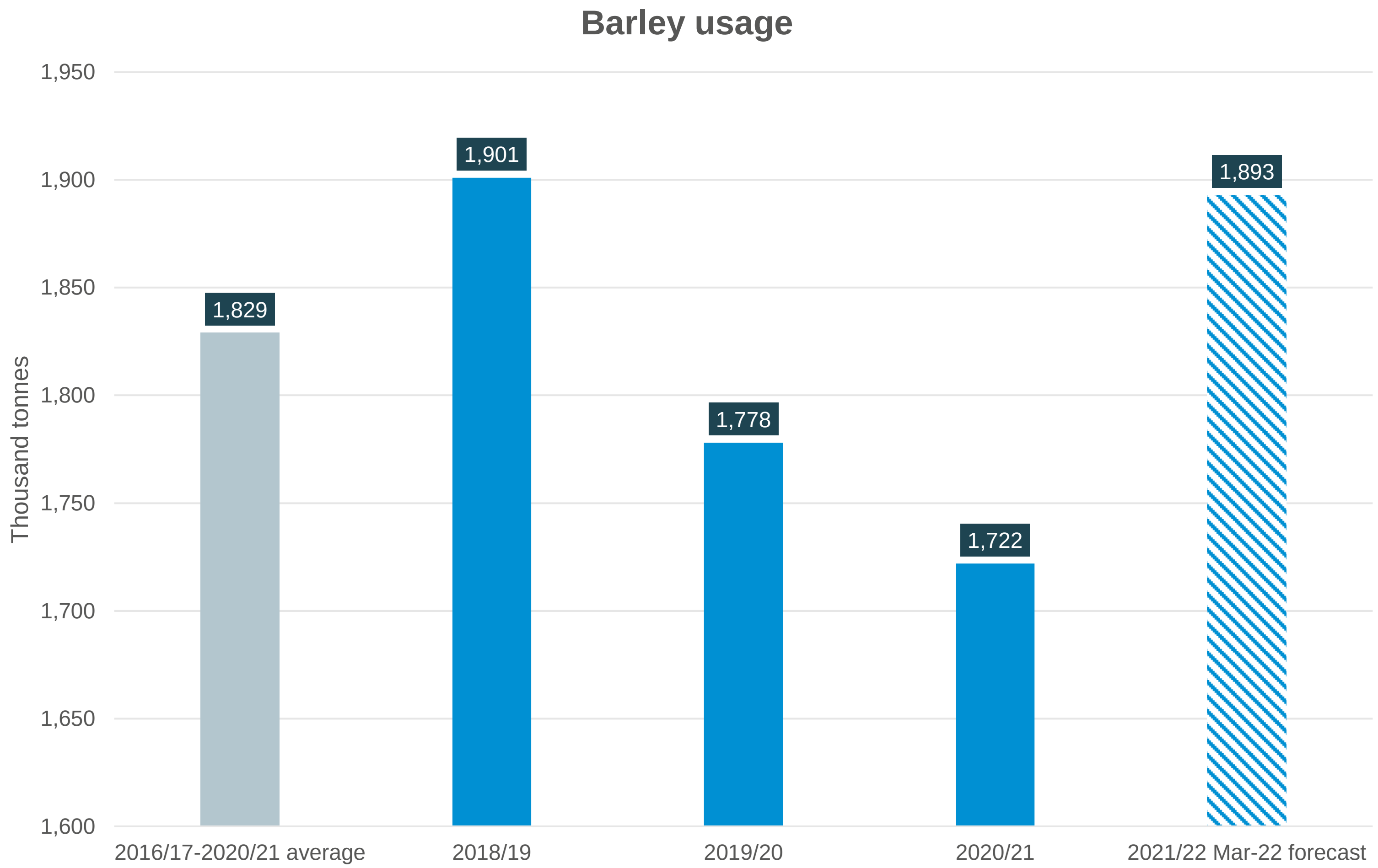
Reasons

- Increased bioethanol and starch usage

Source: AHDB

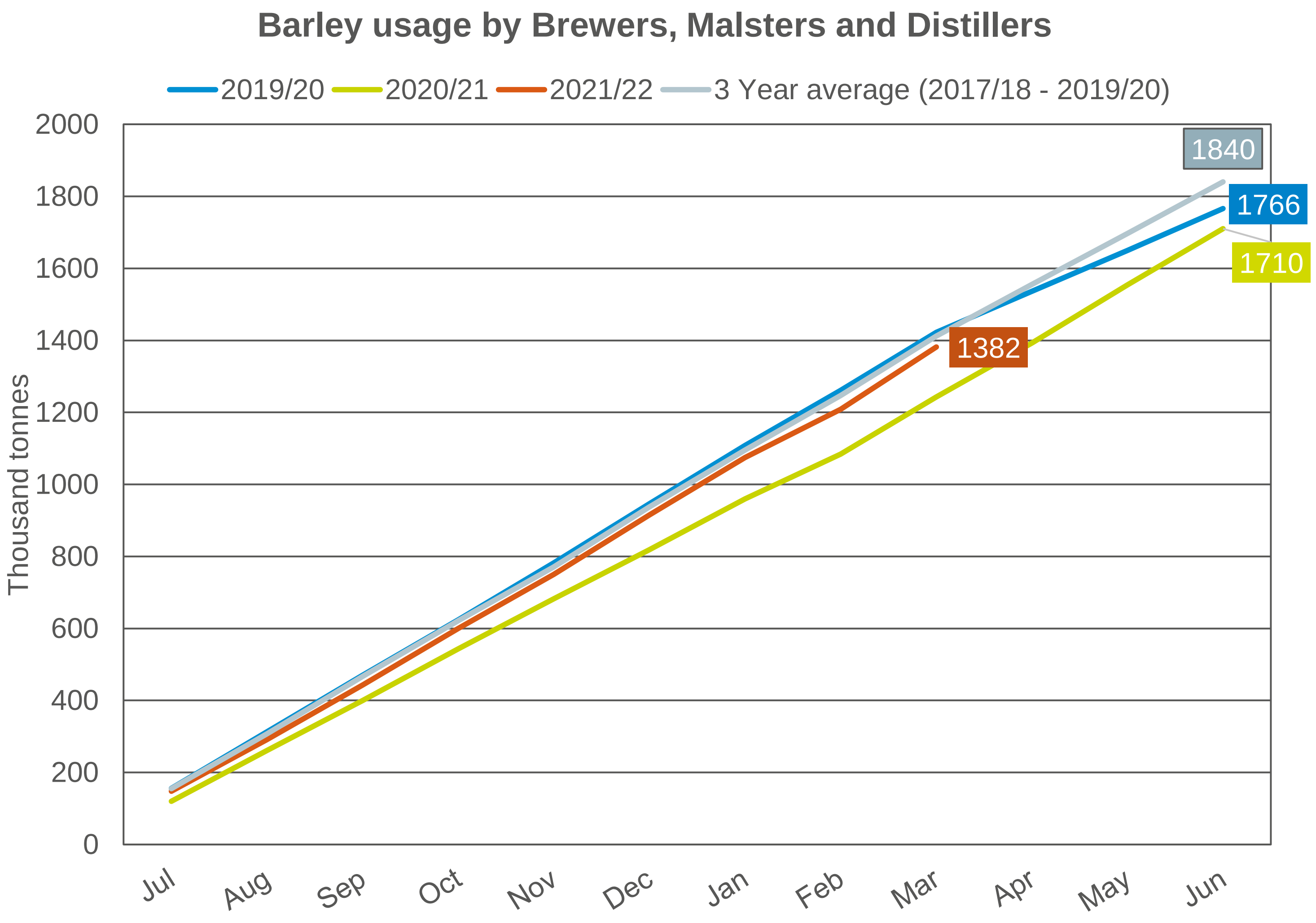
Overall H&I – barley usage forecast

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



Source: AHDB

Cumulative barley usage by brewers, maltsters & distillers



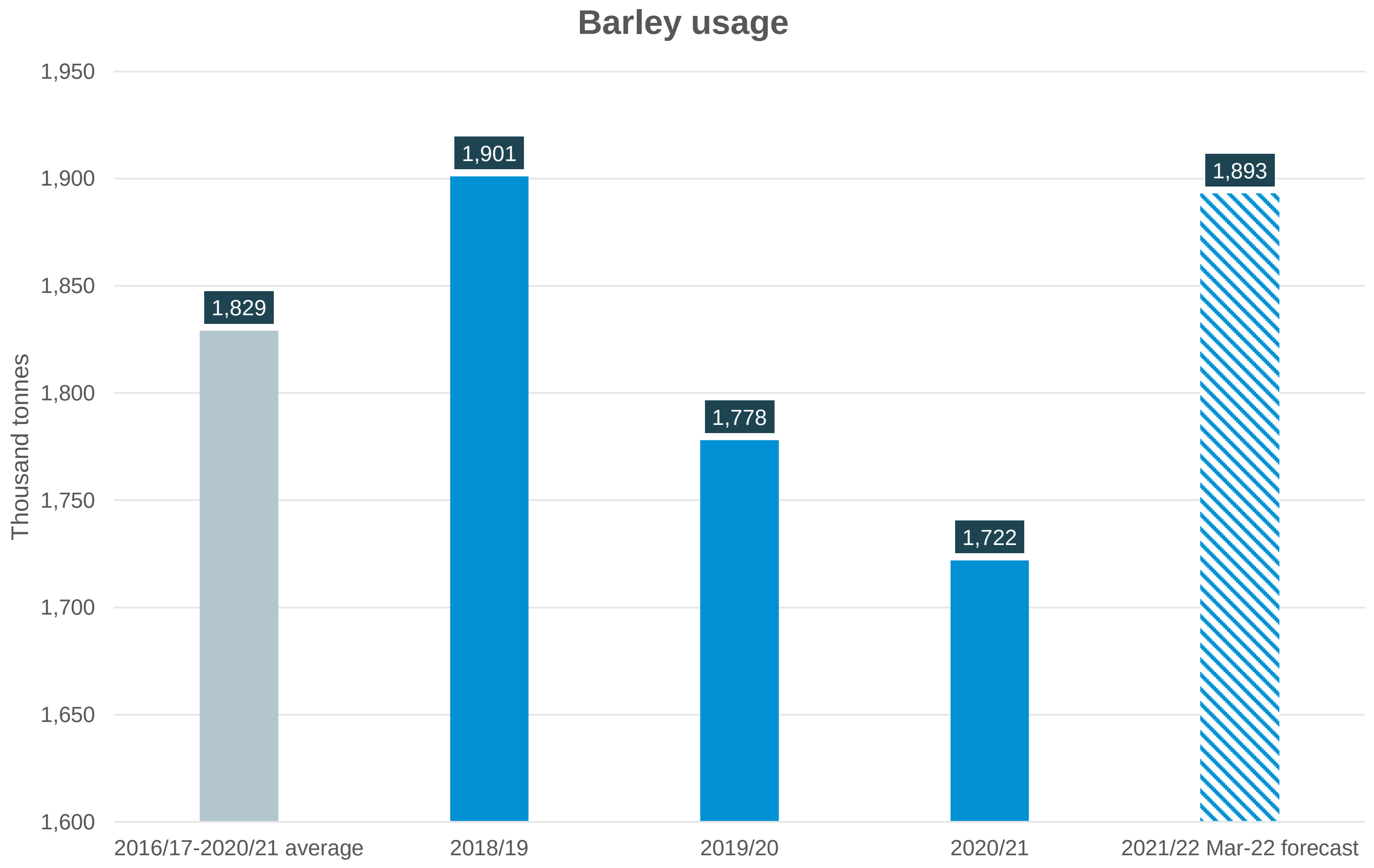
July – March 2021/22

- Season-to-date barley usage is 11% higher than 2020/21. But behind the 3-year average by 2%.

Source: AHDB

Overall H&I – barley usage forecast

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



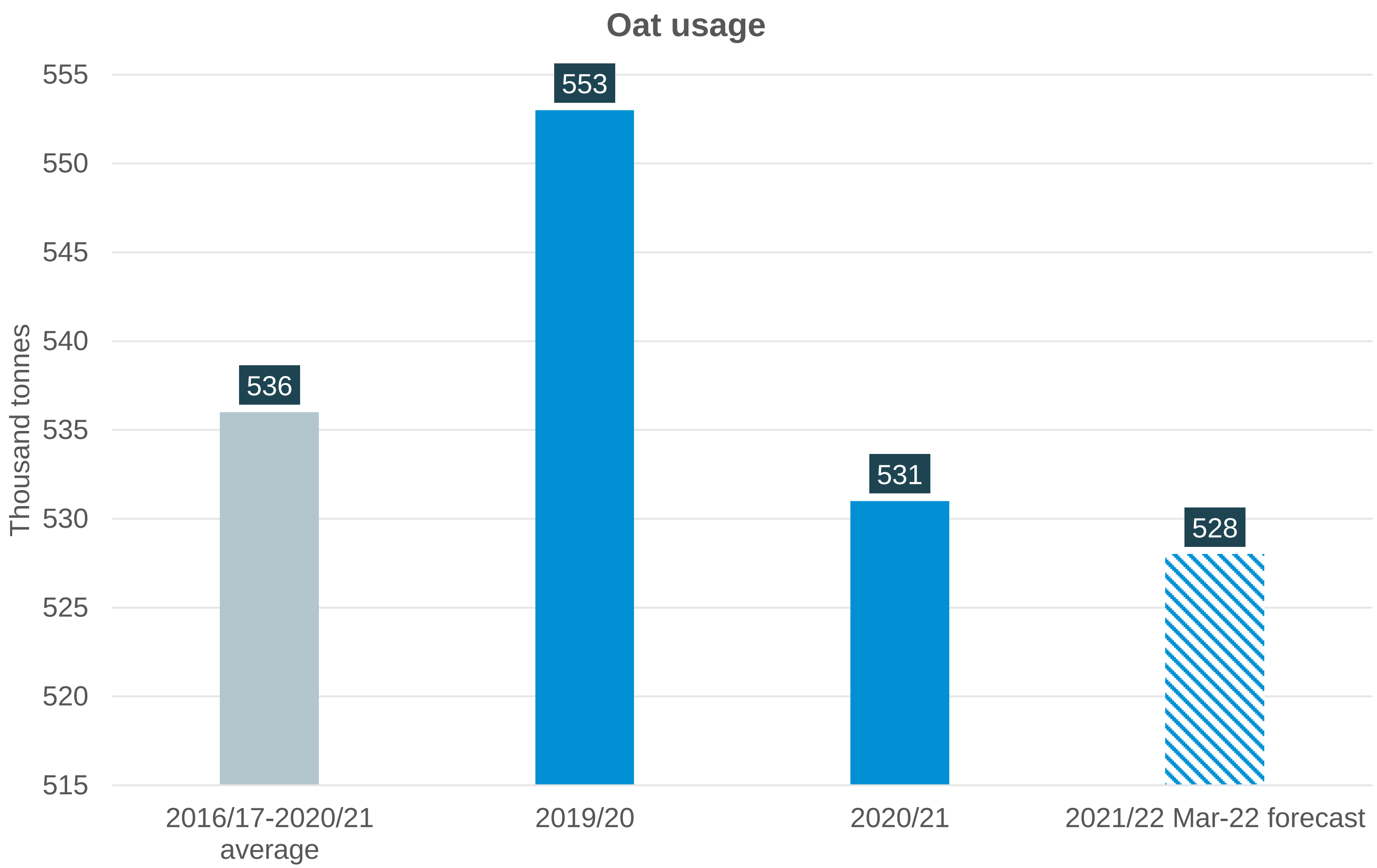
Reasons

- Nearer to pre-pandemic levels

Source: AHDB

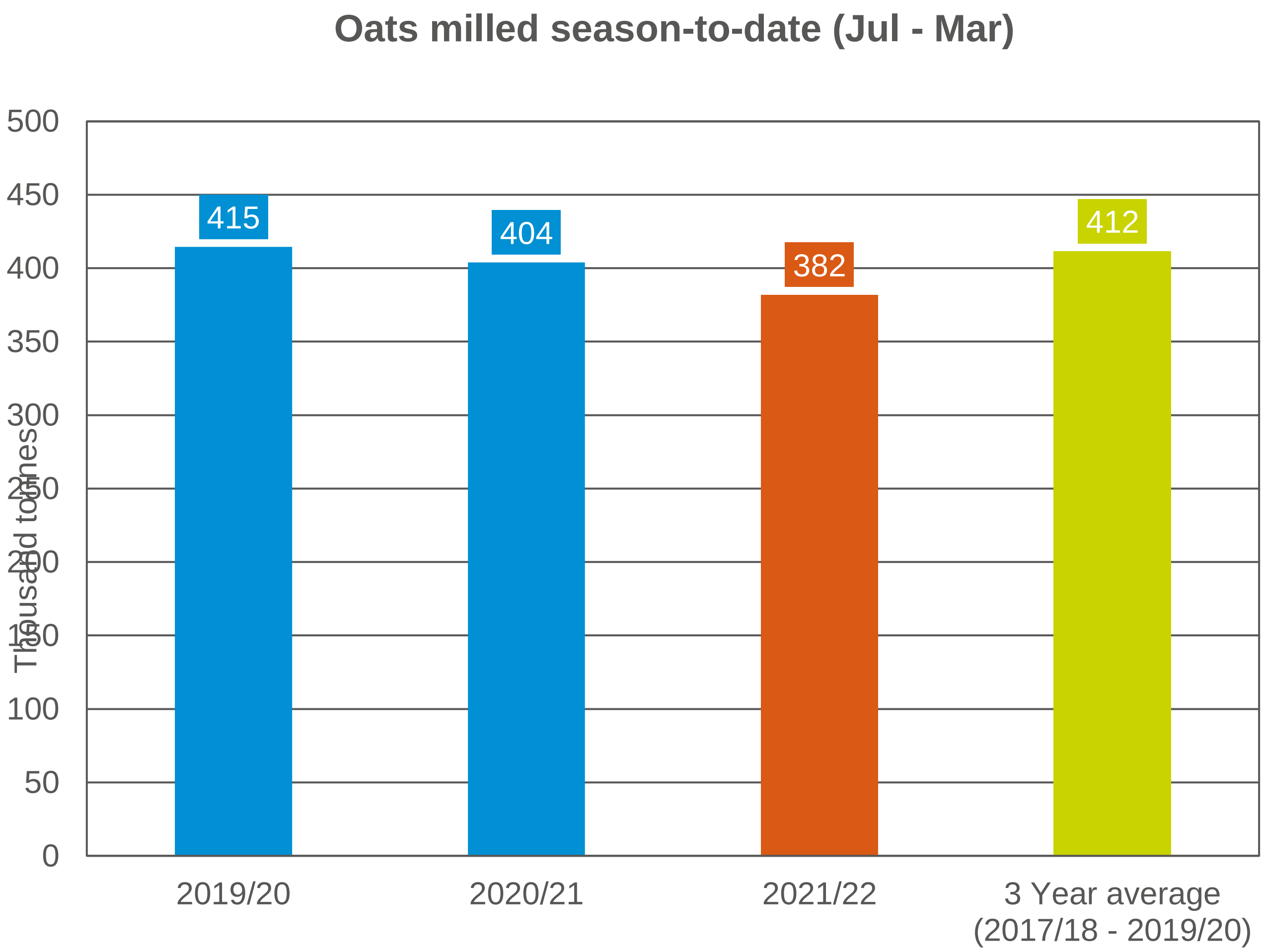
Overall H&I – oat usage forecast

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



Source: AHDB

Oats

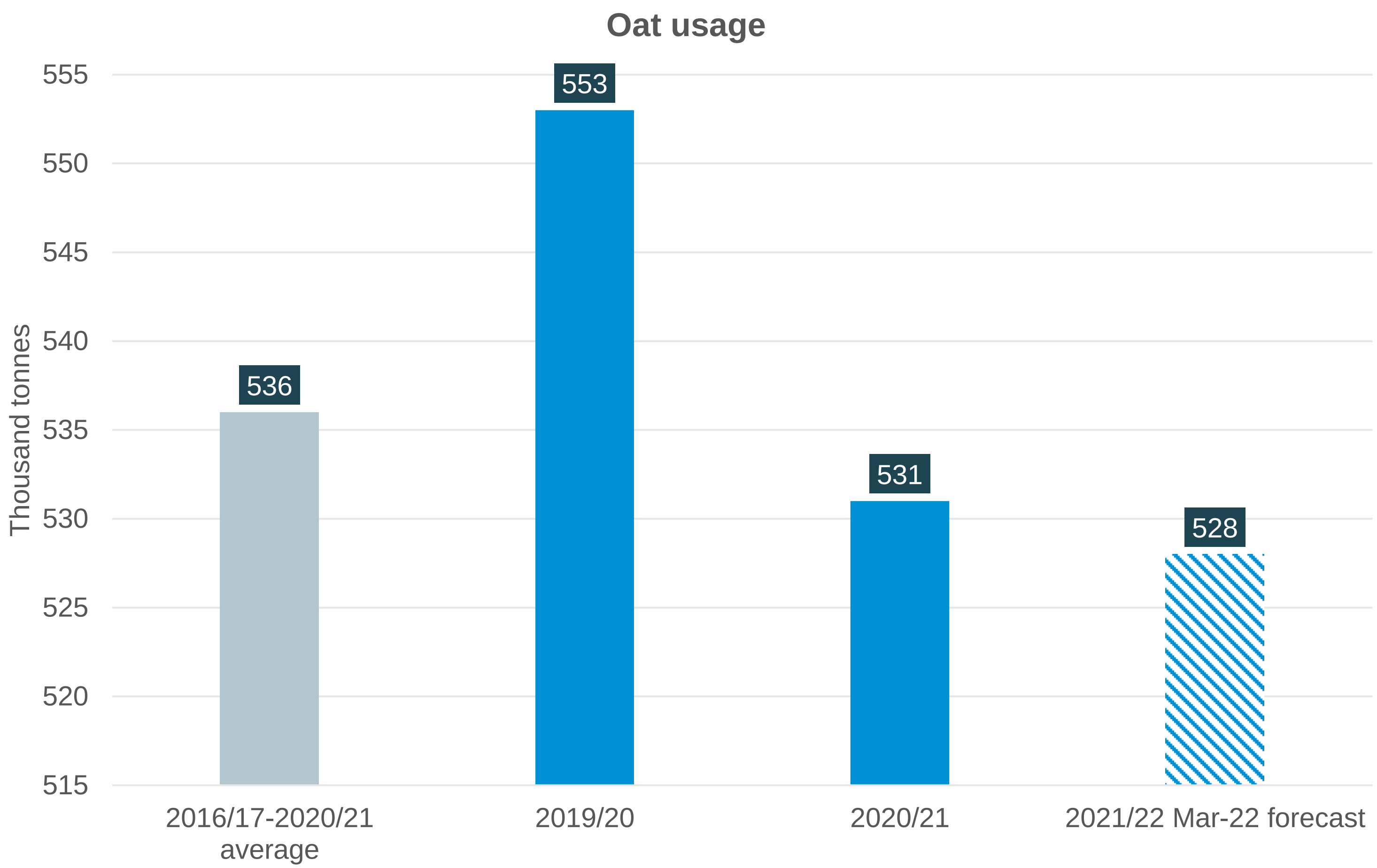


- Oats milled for Q3 up 3% from 2020/21 and down 4% from 3-year average.
- Season-to-date, we are down 5.4% from last year.
- Defra production figure was thought to be too high. Do we still believe this?
- Thoughts on ending stocks considering the production number?

Source: AHDB

Overall H&I – oat usage forecast

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



Source: AHDB

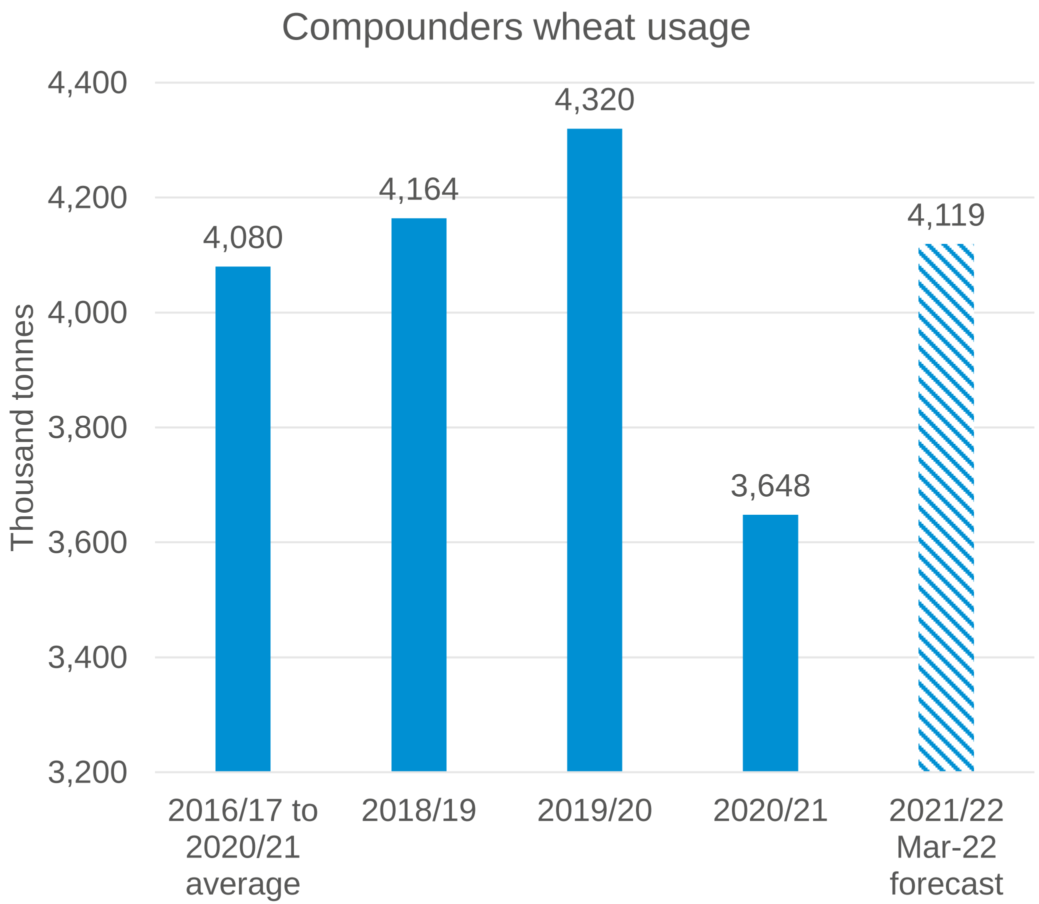
Animal feed cereal usage

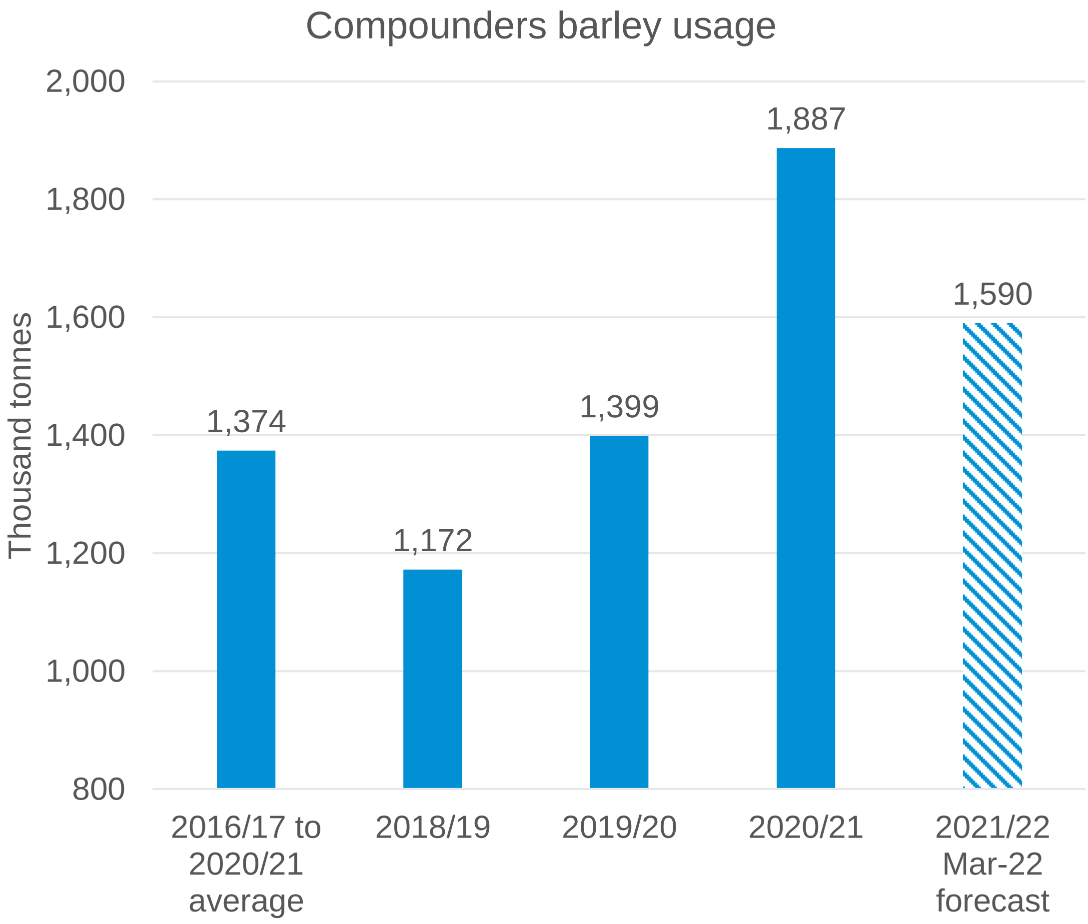
AHDB

CEREALS & OILSEEDS

Compounder cereals usage forecast

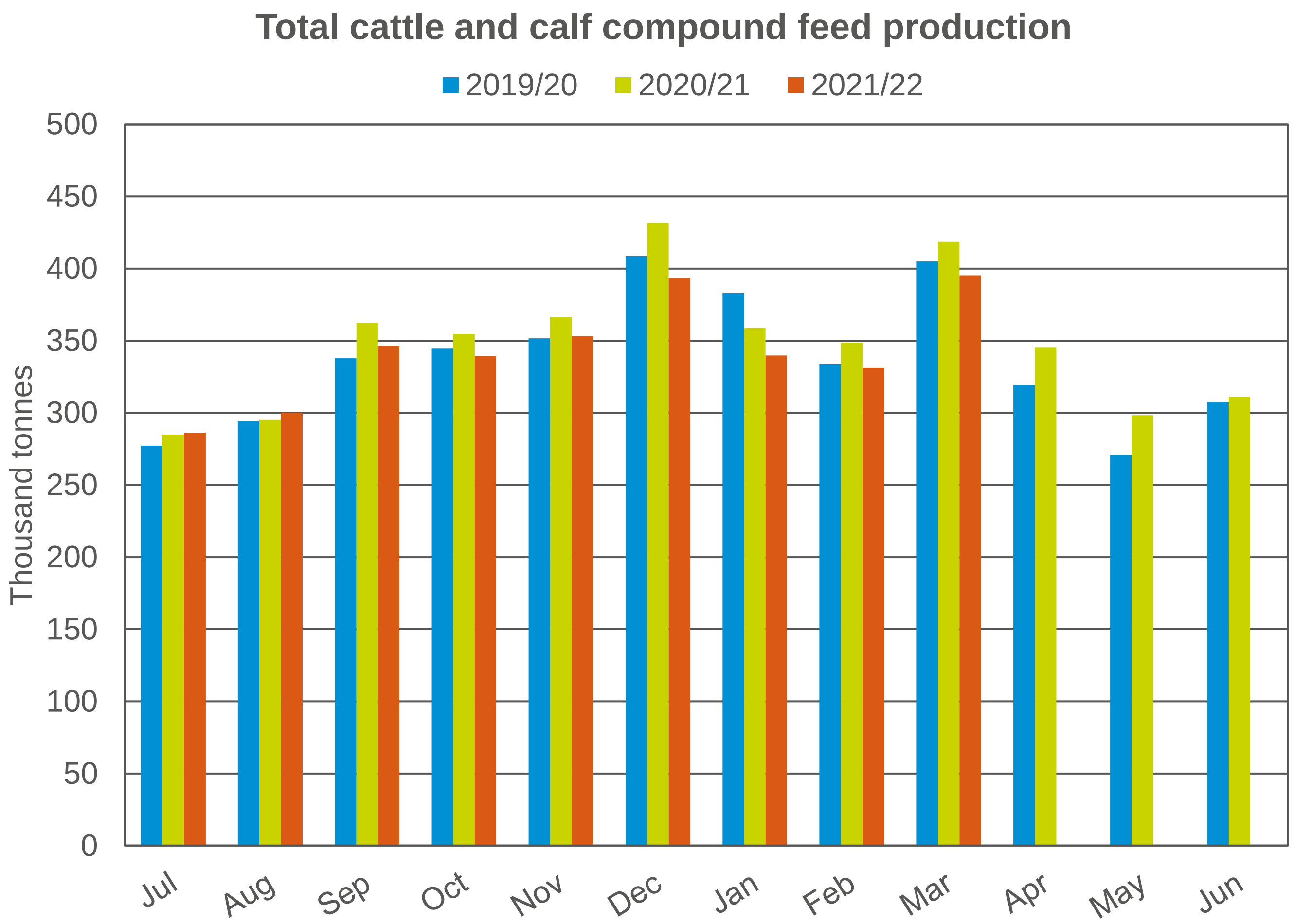
- Published usage in the supply and demand balance sheets. Thoughts on the 2021/22 projection published in March?





Source: AHDB

Compound feed – Total cattle & calf

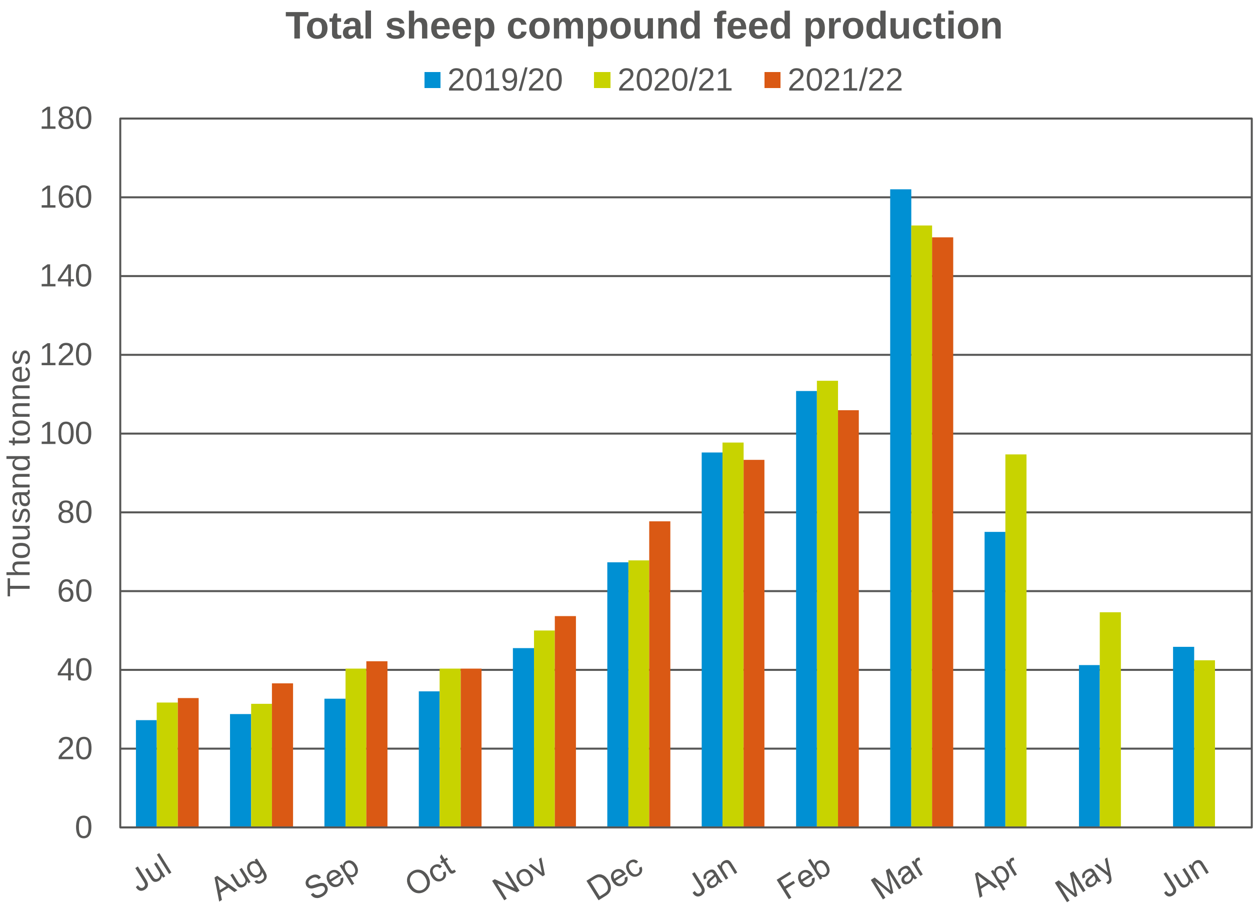


July – March 2021/22

Cattle & calf compound feed is down 4% from this point last season. Will this continue?

Source: AHDB

Compound feed - Sheep

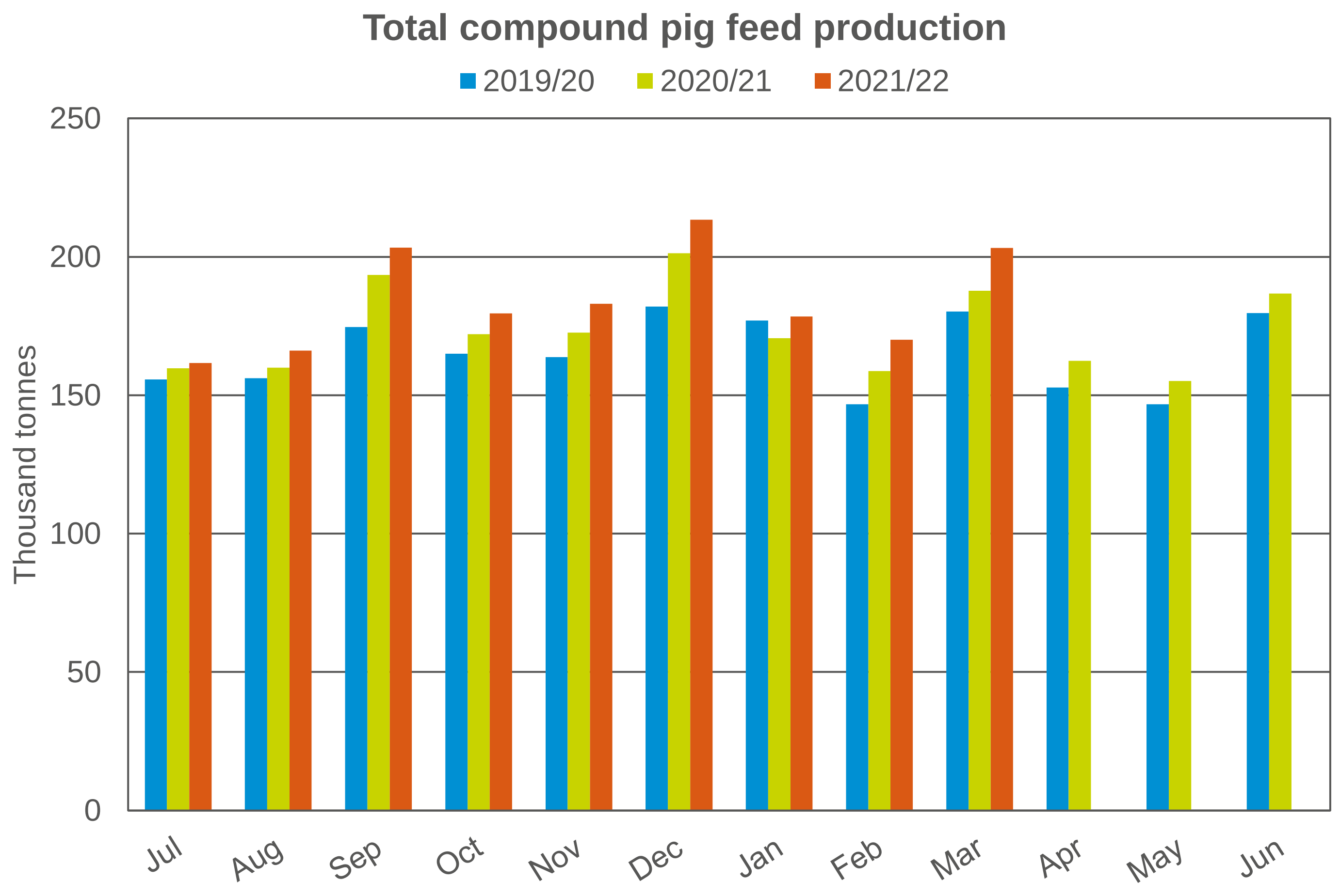


July – March 2021/22

- Compound sheep feed production is up 1.1% season to date from this point last year.
- Yet production in March is down 2% from the same month last season. This is down to a reduction in ewe feed, despite an increase in compound for finishing.

Source: AHDB

Compound feed - Pigs

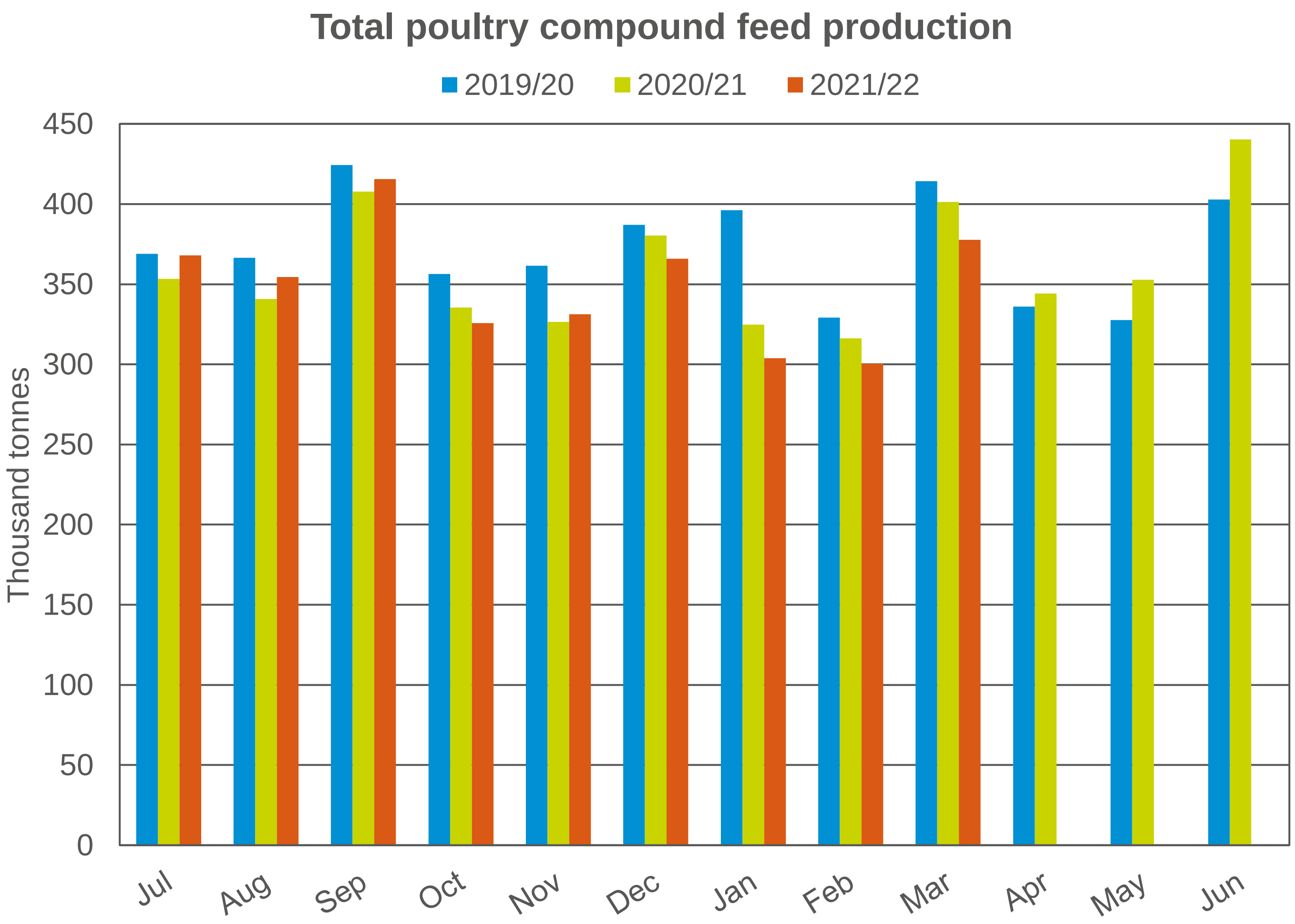


July – March 2021/22

- So far this season, pig feed production is up 5% from last season.
- March figures alone were up 8% down to higher finishing compounds production and despite lower growing and breeding compounds production.

Source: AHDB

Compound feed - Poultry

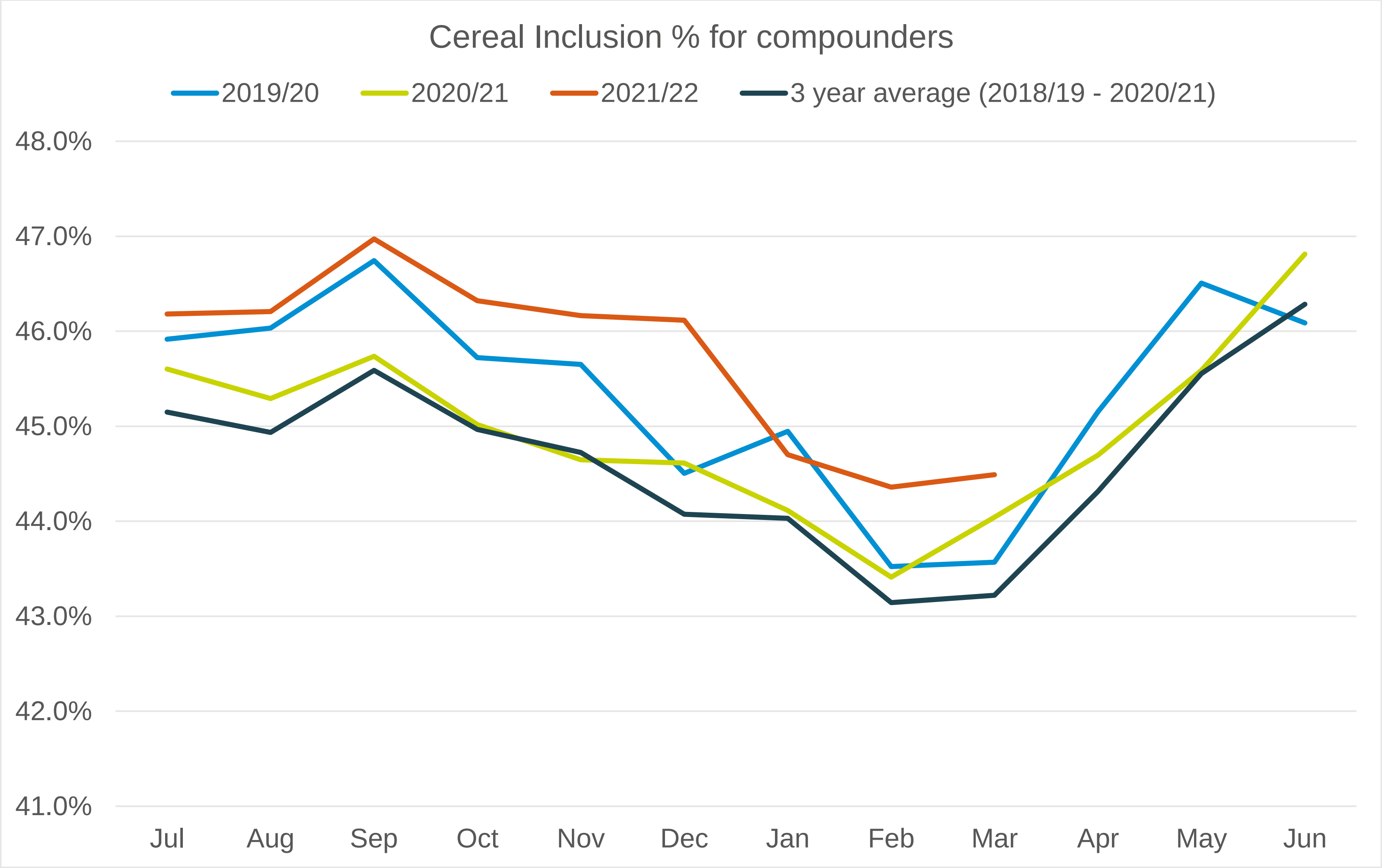


July – March 2021/22

- Total production season to date is down 1.4% from same point in the previous season.

Source: AHDB

Cereal Inclusion Rate – GB Compounders*



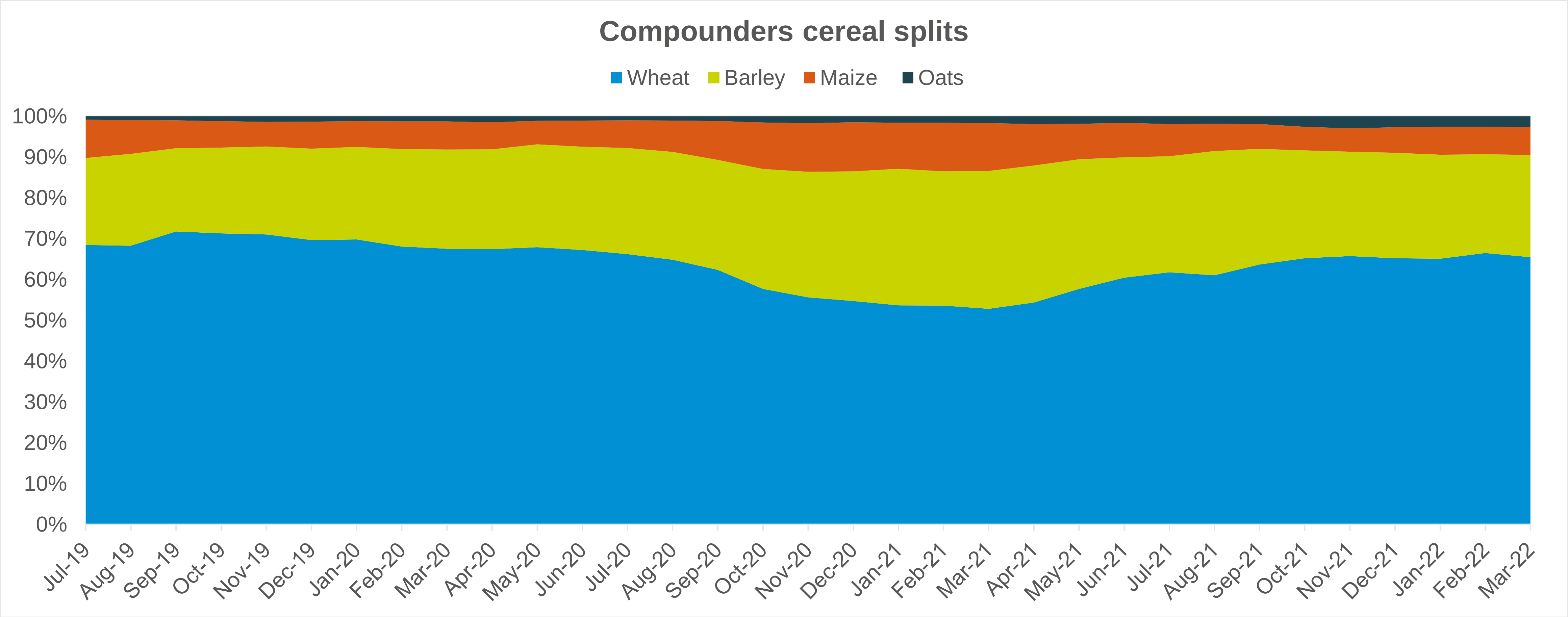
** The graph shows the cereal (wheat, barley, maize and oats) inclusion, as a percentage of all raw materials used to produce GB compound animal feed.*

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

Source: AHDB

Compounders cereal splits

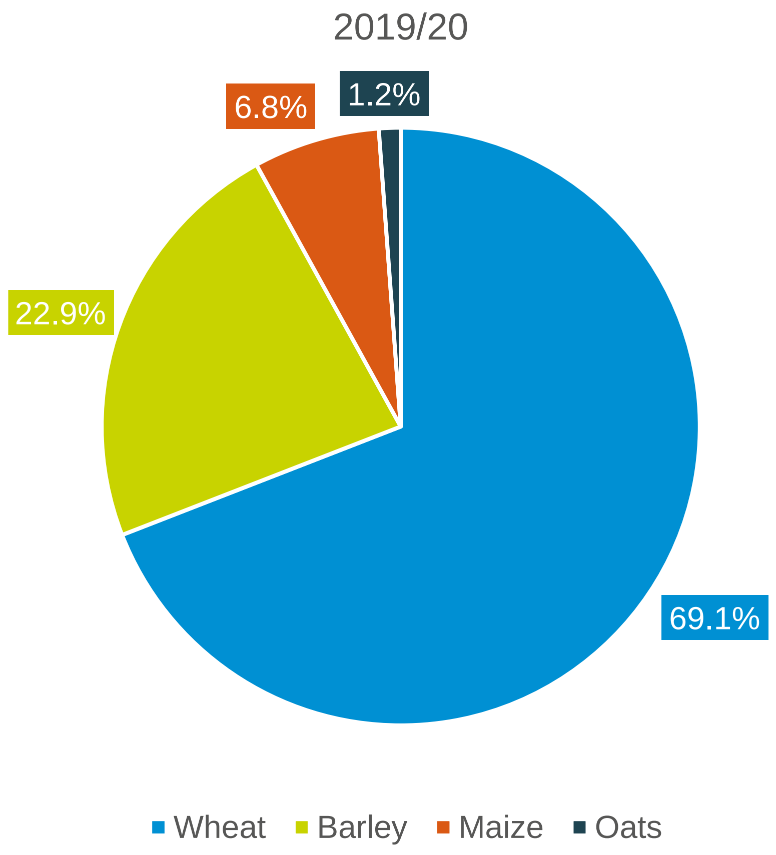
**Note this is a % of total cereals included.*

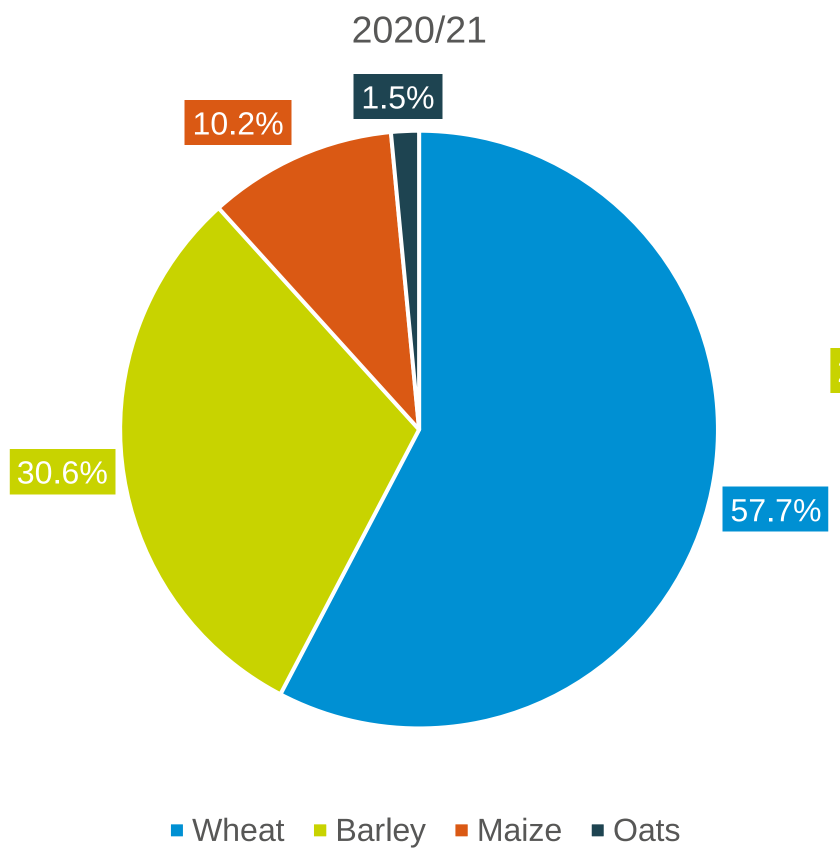


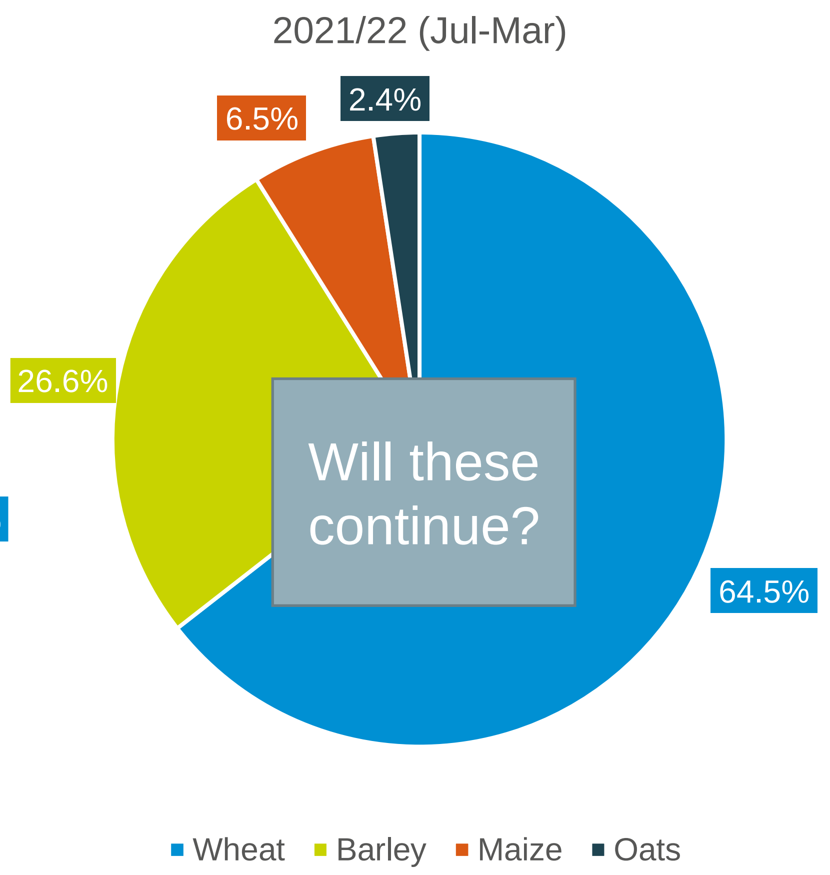
Source: AHDB

Compounders total cereal splits

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







Source: AHDB

Compounder cereals usage forecast

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

Compounders wheat usage forecast (Mar-22) at

4,119Kt

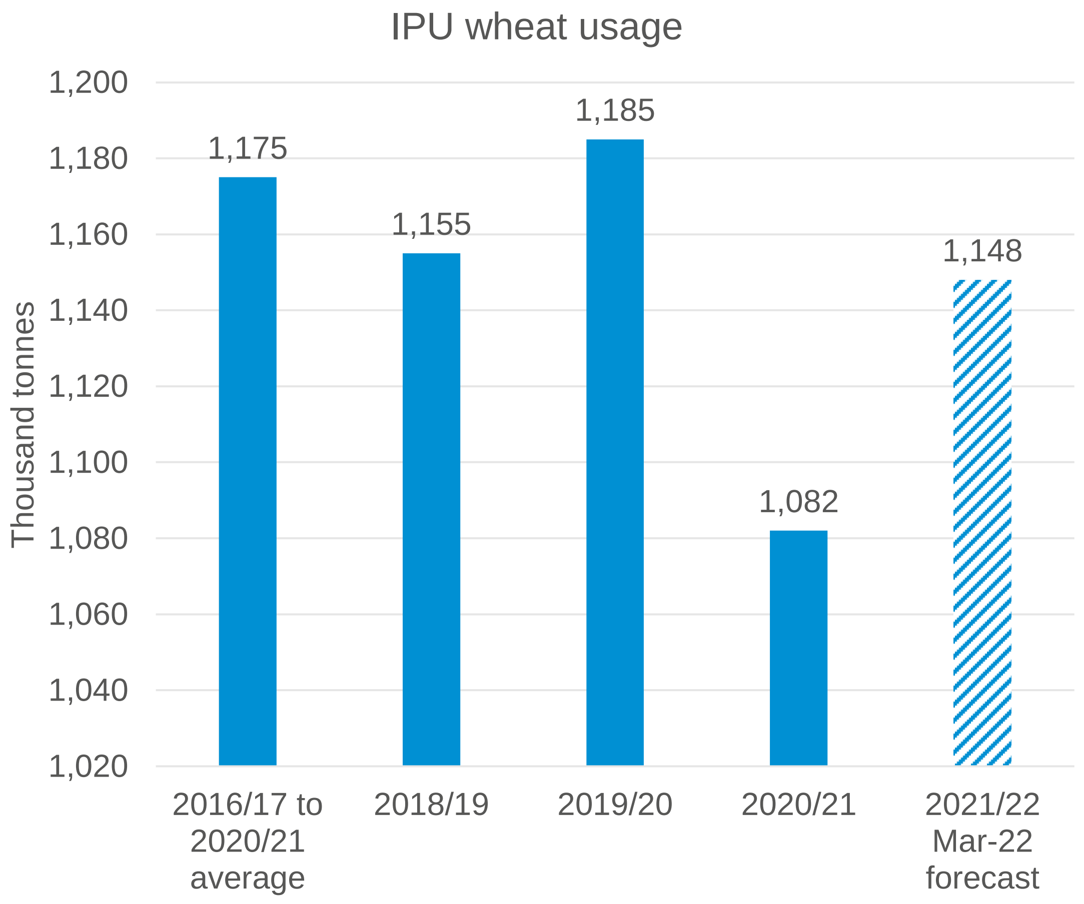
Compounders barley usage forecast (Mar-22) at

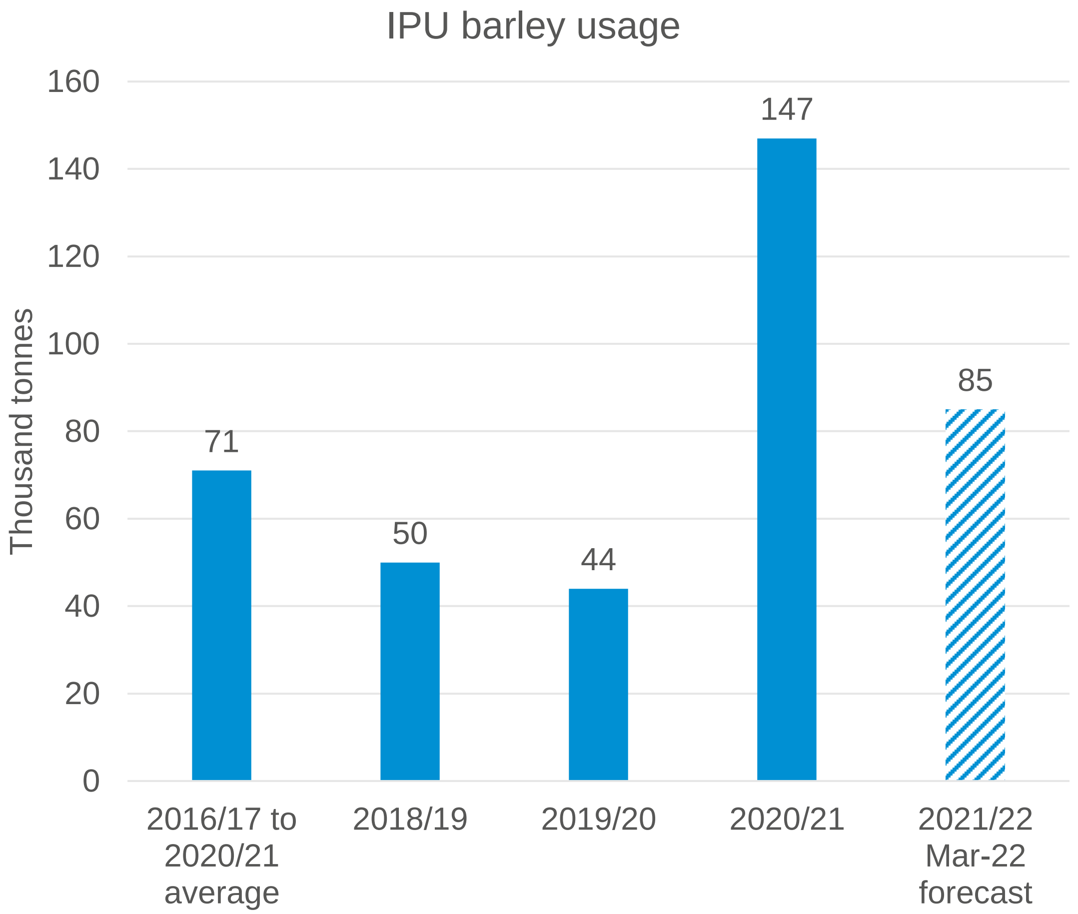
1,590Kt

Source: AHDB

IPU cereals usage forecast

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

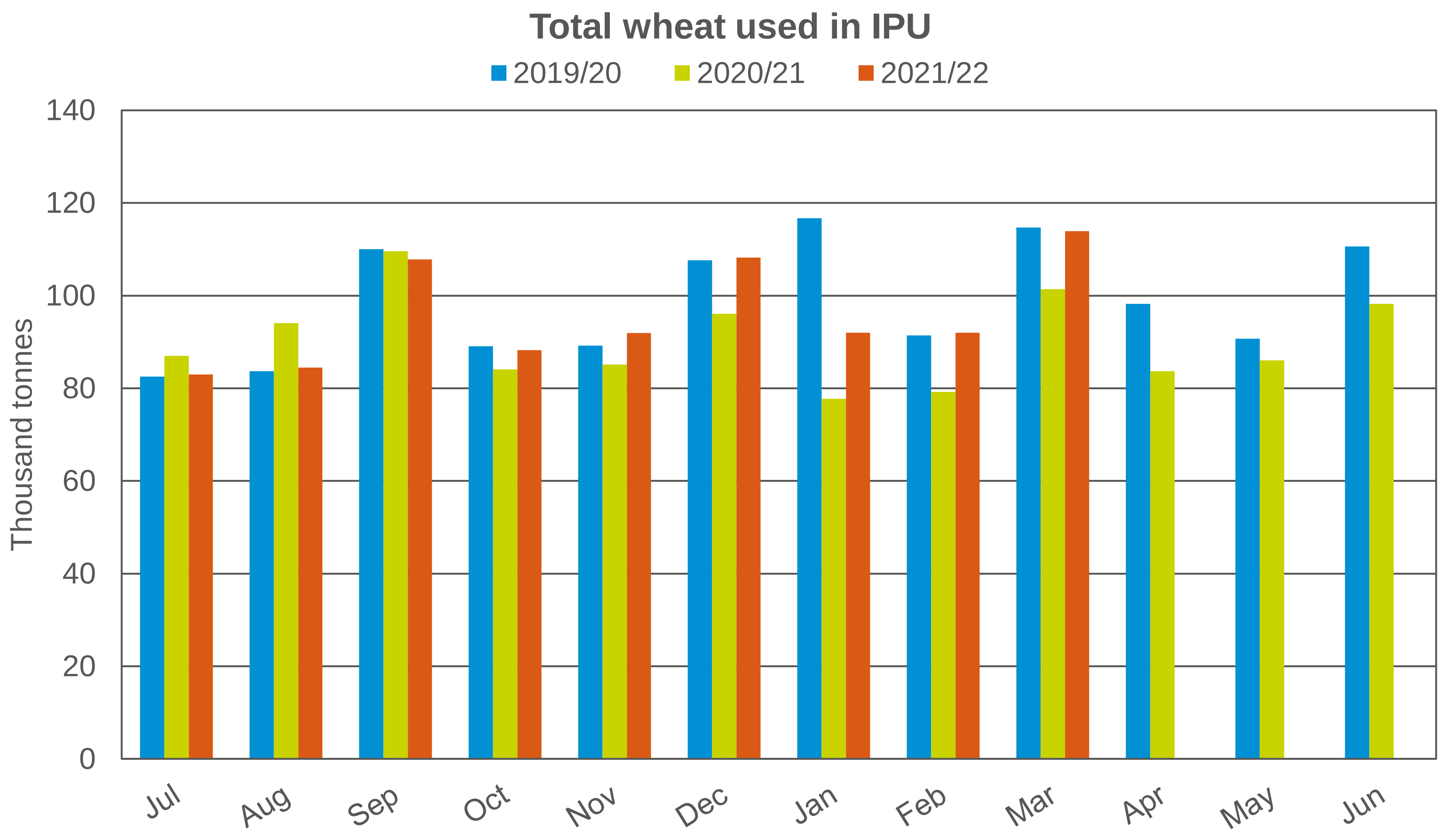




Source: AHDB

IPU – total wheat used

**Note data only up to October due to lack of data Nov-March.*



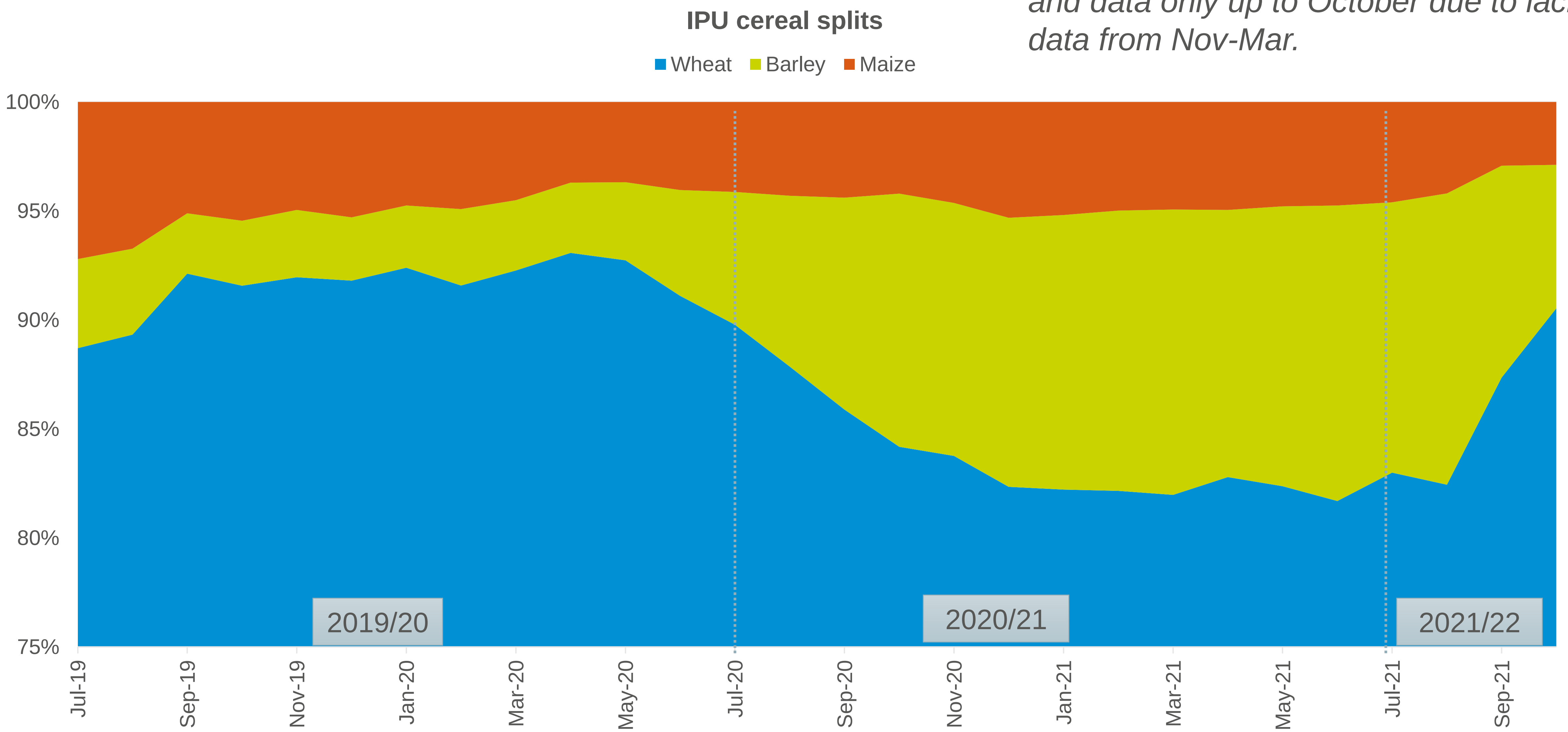
July – March 2021/22

- So far this season, total wheat used in IPU is up 6% from the same point last season.
- Barley is down 33% season-to-date.
- Do you expect this to continue?

Source: AHDB

IPU Cereal Splits

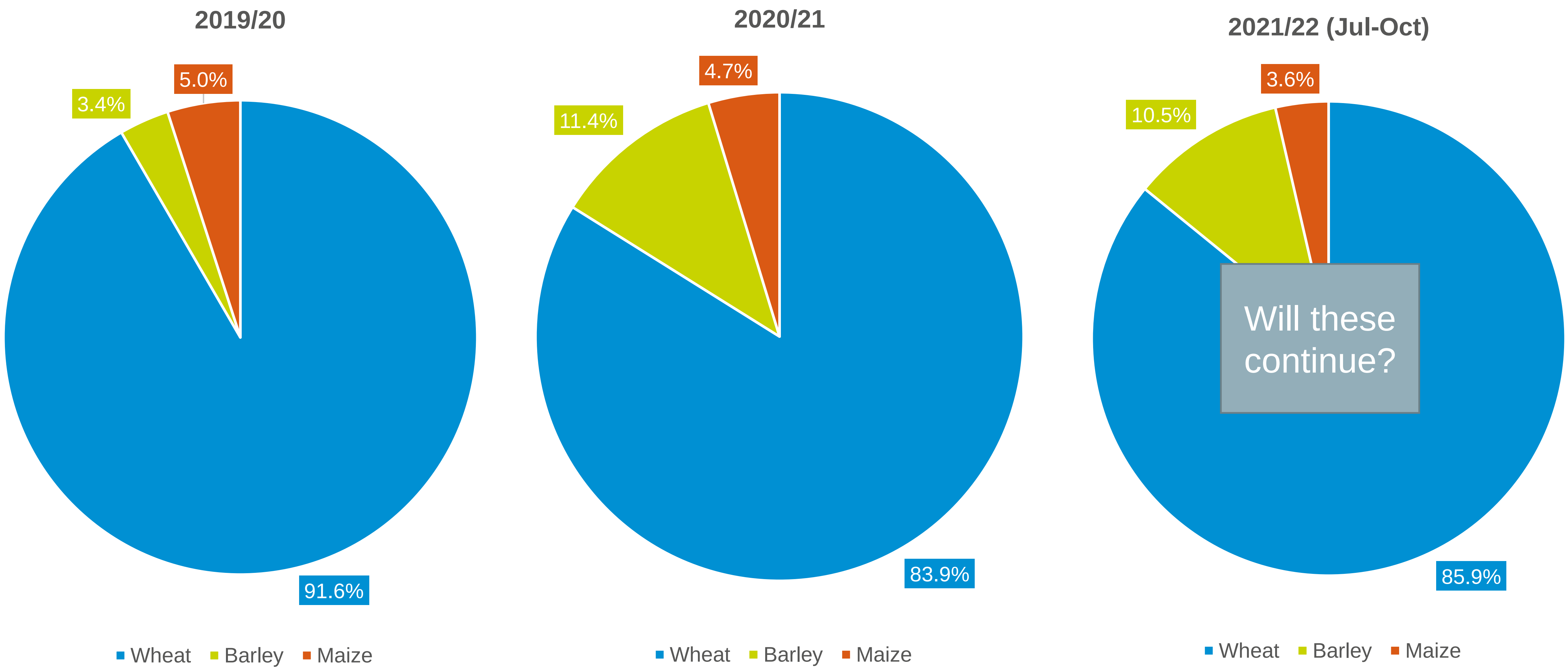
**Note this is a % of raw materials included and data only up to October due to lack of data from Nov-Mar.*



Source: AHDB

IPU Cereal Splits

**Note this is a % of raw materials included and data only up to October due to lack of data from Nov-Mar.*



Source: AHDB

IPU cereals usage forecast

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

IPU wheat usage forecast (Mar-22) at

1,148Kt

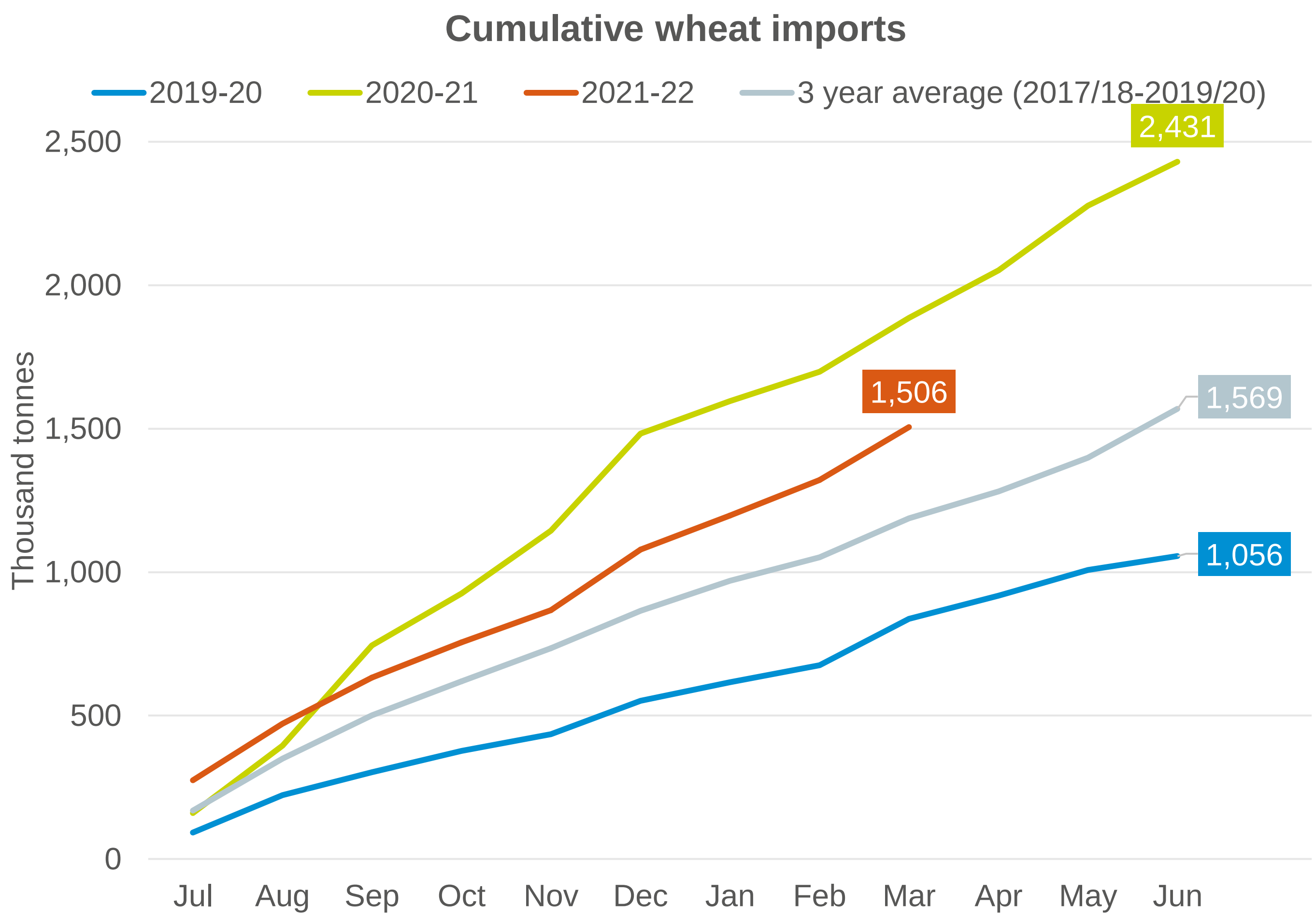
IPU barley usage forecast (Mar-22) at

85Kt

Source: AHDB

Trade forecasts

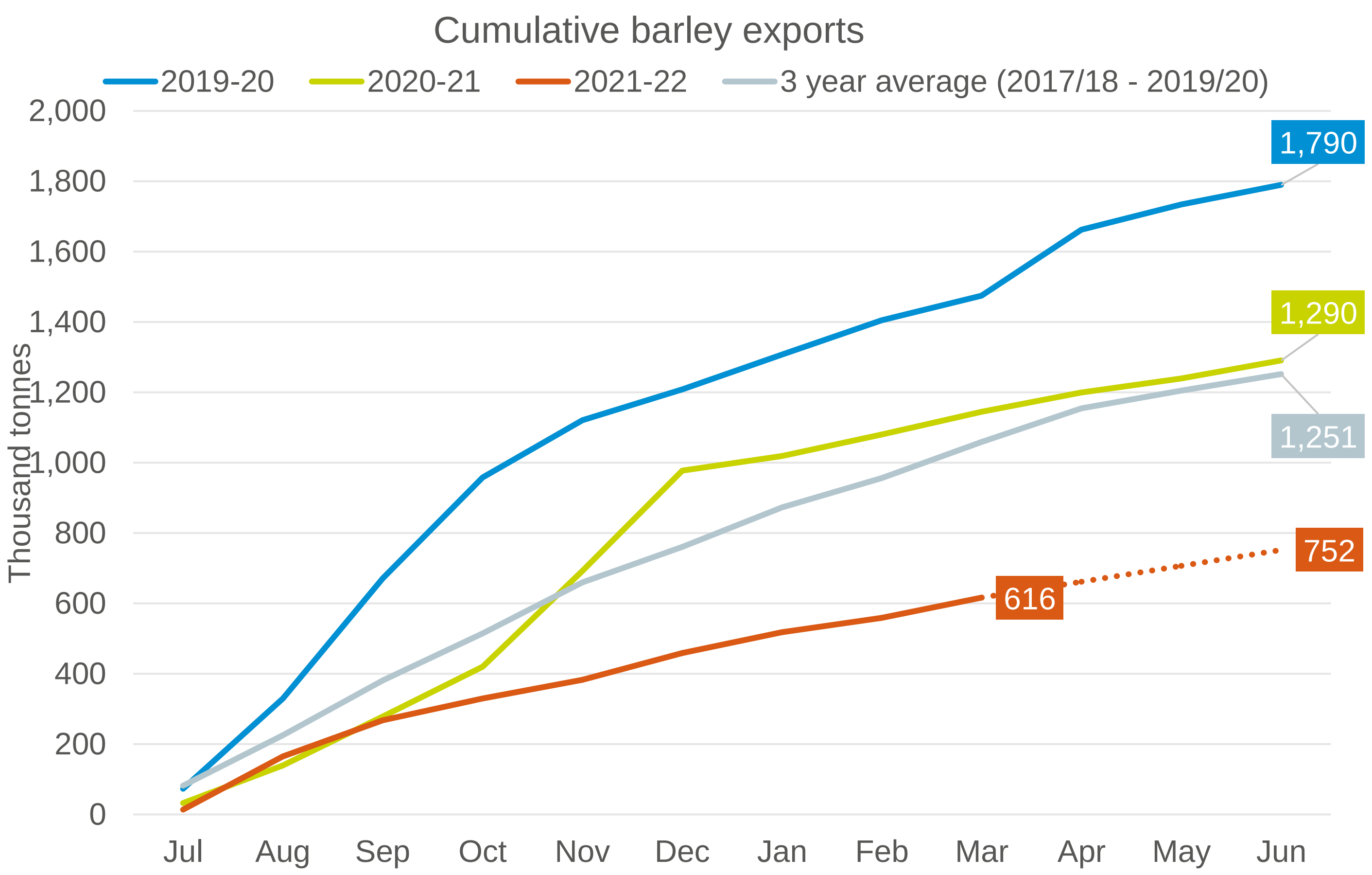
Wheat import pace



- Import pace started ramping up. Is this set to continue?

Source: HMRC, AHDB

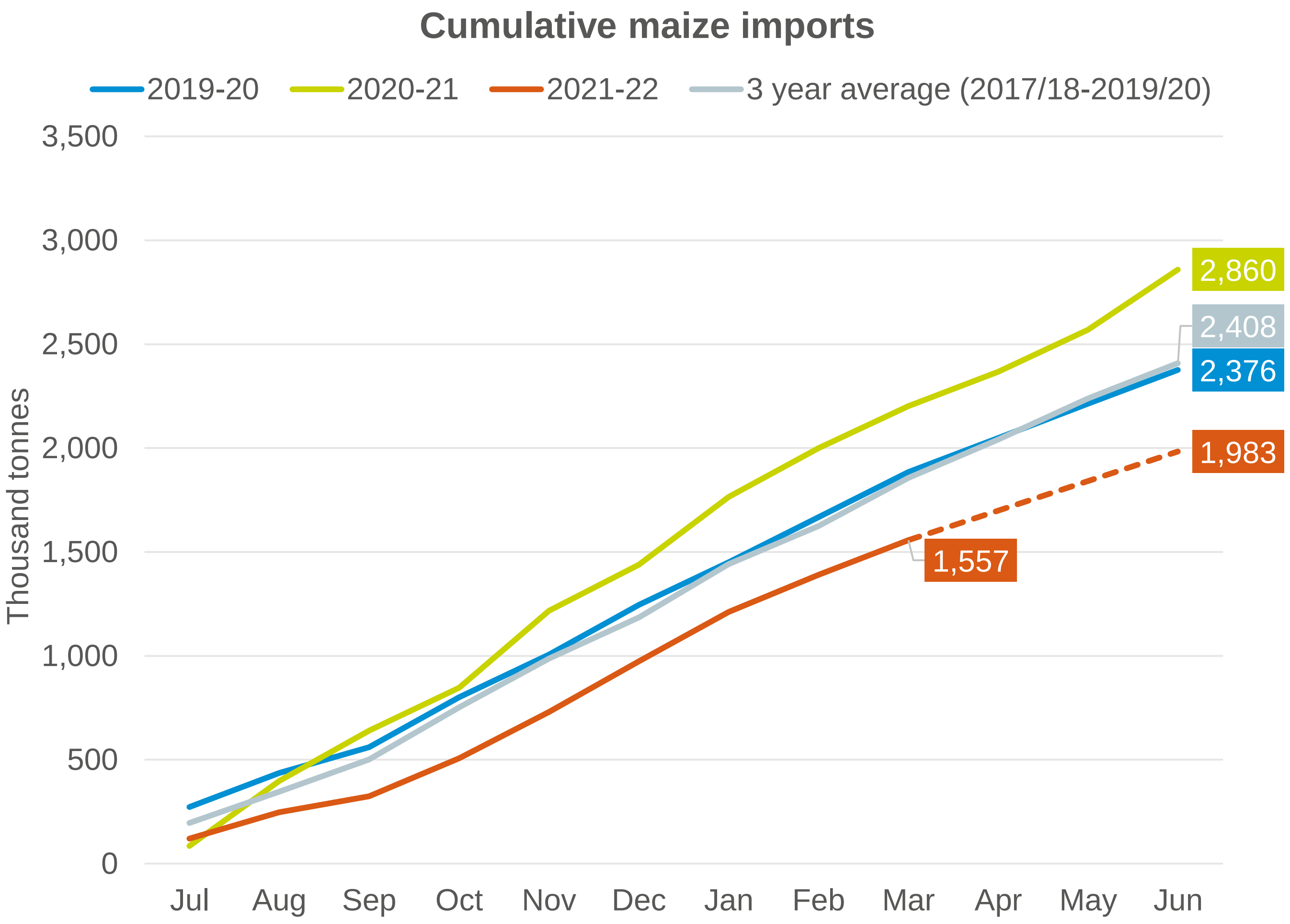
Barley export pace



- Export pace is down 46% year-on-year

Source: HMRC, AHDB

Maize import pace



- Season to date (July - March) for 2021/22 is down 29% from last season and down 16% from the 3 year average.
- 1.98Mt is the current full season 2021/22 forecast for maize imports.

Source: HMRC, AHDB

Where to find AHDB market information

Click on each logo or highlighted text to go straight to the AHDB websites. Email mi@ahdb.org.uk with any subscription requests.

BEEF & LAMB

For the latest market news and up-to-date price reports, head to the Beef and Lamb market pages. Or subscribe to Cattle and Sheep Weekly for the best info straight to your inbox.

CEREALS & OILSEEDS

The website has a wealth of resources available from our markets homepage including a daily update on grain markets. The supply and demand section is a key resource for the market whilst the latest surveys detail planting and variety trends.

DAIRY

The Dairy markets homepage will signpost you to the industry data, analysis and insights from the dairy sector to help inform your business decisions. Our industry experts will guide you through the market movements and provide a clear, impartial view on what it all means.

PORK

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.

AHDB

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.


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