

20 October 2022

INTRODUCTION

The tables below show the 2022/23 AHDB Early Balance Sheet estimates of wheat and barley. These estimates provide the first look of wheat and barley supply and demand for the season.

Despite higher usage of wheat forecast this season, a bigger 2022 crop has led to a large surplus likely increasing exports for the 2022/23 season. For barley, lacklustre demand from the animal feed sector and higher production, is expected to lead to a larger surplus, but the balance sheet remains relatively tight in a historical context.

WHEAT

In 2022/23, **total availability of wheat is estimated at 18.735Mt, 1.337Mt higher than in 2021/22**, driven by a rise in production and opening stocks, outweighing a fall in imports. **At 15.664Mt, UK wheat production* is estimated to be 1.676Mt higher year on year**, driven largely by higher-than-average yields. With a larger domestic crop this year, and imports being less price competitive, **full season imports are forecast to be down 769Kt on the year at 1.225Mt. Opening stocks are estimated at 1.846Mt, 429Kt more than 2021/22 levels** and in line with the previous five-year average.

At 15.224Mt, total domestic consumption of wheat in 2022/23 is estimated to be 514Kt higher than 2021/22 levels, mainly due to increased usage by human and industrial (H&I) sectors.

H&I consumption of wheat is estimated to increase by 7% on the year to 7.579Mt, driven by increased bioethanol and starch usage. With Vivergo Fuels coming back on-line earlier this year, it is assumed that both bioethanol plants will remain in operation in 2022/23. Furthermore, with domestic wheat pricing more competitively than maize, it is expected that a higher proportion of wheat will be used in bioethanol production this season. As ever, bioethanol usage remains a key watch point and will be monitored throughout the season. Wheat usage in starch production is also expected to be higher this season, driven by increases in capacity.

Usage of wheat by flour millers is expected to decline slightly this year, as a result of the current 'cost of living crisis' impacting the use of flour in some premium and alternative products. This season's crop is recording good specific weights and Hagberg Falling Numbers, but lower than average protein levels, due to the hot/dry conditions over the spring/summer, according to the [AHDB Cereal Quality Survey](#). With imports not pricing competitively and relatively good quality domestic crop, UK flour millers are expected to use a slightly higher proportion of home-grown wheat this season. However, millers will still require a certain amount of high protein imported wheat.

Wheat usage in animal feed this season is expected to increase by 38Kt on the year to 7.287Mt. While animal feed production is expected to decrease on the year, driven largely by the pig and poultry sectors, the proportion of wheat in rations is expected to be higher. This is due to higher domestic availability this season, as well as other feed grains, such as maize, pricing less competitively into rations. The amount of wheat fed on farm this season is forecast to be down slightly due to the relative price, with growers able to yield more by selling grain rather than feeding it to livestock. With the continued rise in input costs for livestock and poultry producers, animal feed usage will be monitored closely this season.

The balance of supply and demand is estimated at 3.511Mt in 2022/23, 823Kt higher than levels recorded last season. The larger balance is due to a bigger increase in supply outweighing the rise in demand. Taking into account an operating stock requirement of 1.500Mt (unchanged from 2021/22), this leaves a **surplus available for either export or free stock of 2.011Mt, 1.154Mt higher than last season.**

BARLEY

In 2022/23, total availability of barley is estimated at 8.229Mt, 120Kt more than last season, with higher production outweighing smaller opening stocks. UK barley production* is provisionally estimated at 7.190Mt, 229Kt higher than year earlier levels. While the area planted to barley for harvest 2022 is expected to be lower than in 2021, higher than average yields have led to the increase in output. **At 964Kt, opening stocks are 94Kt down year-on-year** and the lowest level in 10 years.

At 6.154Mt, domestic consumption of barley in 2022/23 is 155Kt lower than 2021/22 levels, due to a fall in usage in feed, outweighing a rise in demand from the brewing, malting, and distilling (BMD) sector.

H&I usage of barley in 2022/23 is estimated at 1.923Mt, 40Kt up on the year. Usage by the BMD sector is forecast to be up on the year, with demand expected to remain robust, despite the rise in cost of living. Furthermore, there is expected to be increased distilling capacity in Scotland in operation this season.

Usage of barley in animal feed is forecast to decline on the year by 196Kt to 4.031Mt. At the start of last season, barley was included in feed rations at a high rate which was a knock-on effect from 2020/21, when the barley supply was plentiful, but availability of wheat was tight. With a larger supply of wheat coming to the market from harvest 2021, barley inclusions decreased, and wheat inclusions increased at its expense throughout the rest of 2021/22. This trend is expected to continue this season, due to the higher domestic supply of wheat.

The barley balance is forecast at 2.075Mt, up 276Kt from last season, but is slightly below the previous five-year average. At 800Kt the operating stock requirement remains unchanged on the year, which leaves a surplus available for export or free stock of 1.275Mt, 347Kt higher than in 2021/22.

NOTES

This document provides commentary on the annual AHDB Early Balance Sheets for UK wheat and barley, for the 2022/23 marketing season. These balance sheets are designed to provide the industry with information on the UK supply and demand position ahead of the first official UK Cereals Supply and Demand Estimates, due to be published on 22 November 2022. Comparisons are with both official survey figures and the 2020/21 end-season supply and demand estimates. As always, caution should be taken when examining these figures at such an early stage of the season.

*Defra were unable to publish provisional UK cereal and oilseed production estimates for 2022, due to reduced data availability from UK regions. Defra published provisional estimates for England only. AHDB have consulted with industry and Defra to produce production estimates for Wales, Scotland, and Northern Ireland. These have been combined with the provisional Defra England production figures to produce UK wheat and barley production estimates for the AHDB Early Balance Sheets. Production for previous seasons is based on the results from the [Defra Cereals and Oilseed Rape Production survey](#).

AHDB EARLY CEREAL SUPPLY AND DEMAND BALANCE SHEETS 2022/23

July to June crop years

Thousand tonnes

	Wheat					Barley				
	2020/21	2021/22	2022/23	Change on 2021/22	% Change on 2021/22	2020/21	2021/22	2022/23	Change on 2021/22	% Change on 2021/22
Opening Stocks	2,438	1,416	1,846	429	30%	1,357	1,058	964	-94	-9%
Production	9,658	13,988	15,664	1,676	12%	8,117	6,961	7,190	229	3%
Imports	2,431	1,994	1,225	-769	-39%	89	89	75	-14	-16%
Availability	14,527	17,398	18,735	1,337	8%	9,562	8,108	8,229	120	1%
Human and Industrial Consumption	6,594	7,112	7,579	467	7%	1,722	1,883	1,923	40	2%
<i>of which home grown</i>	5,108	6,011	6,707	696	12%	n/a	n/a	n/a	n/a	n/a
Animal Feed Consumption	6,115	7,248	7,287	38	1%	5,312	4,227	4,031	-196	-5%
Seed	278	280	280	-	-	185	164	164	-	-
Other	48	70	78	8	11%	41	35	36	1	3%
Domestic Consumption	13,035	14,710	15,224	514	3%	7,260	6,309	6,154	-155	-2%
Balance	1,492	2,688	3,511	823	31%	2,302	1,799	2,075	276	15%
Exports ²	209	511		*	*	1,290	764		*	*
Intervention Stocks ²	-	-	-	-	-	-	-	-	-	-
Commercial End-Season Stocks ²	1,416	1,846		*	*	1,058	964		*	*
<i>of which Estimated Operating Stocks Requirement ³</i>	1,500	1,500	1,500	0	0%	780	800	800	0	0%
<i>of which Free Stocks ⁴</i>		346		*	*	278	164		*	*
Surplus available for either export or free stock		857	2,011	1,154	135%	1,568	928	1,275	347	37%
2020/21 operating stock deficit **	-84									
Residual	-134	331				-46	71			

Source: AHDB, Defra

These balance sheets have been produced by AHDB. The balance sheets should be viewed in conjunction with the official UK Cereals Supply and Demand Balance Sheets. The first official 2022/23 balance sheets are due to be released on 22 November 2022.

These are revised during the year. Figures rounded to the nearest 1000 tonnes. Due to rounding, totals may not agree with the sum of the individual items.

1. Forecast using best information available as at 20 October 2022

2. Split of exports, intervention and total commercial end-season stocks only published for historical seasons

3. This 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

Estimated Operating Stocks Requirement calculated as shown

[here](#)

4. Free Stocks are those available after exports and operating stocks have been fulfilled; these will be estimated later in the season when stocks survey data is available

** Due to the highly unusual nature of the 2020/21 seasons hugely reduced wheat production figure, an extra line is included in the balance sheet to show the operating stock deficit

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