

17 October 2023

## INTRODUCTION

The tables below show the 2023/24 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.

**This season (2023/24), despite larger wheat opening stocks, a smaller crop and stronger domestic demand has led to a tighter looking wheat balance sheet than last season. For barley, despite a slightly smaller availability this season, further cuts to animal feed usage sees the barley balance slightly larger, boosting the potential for continued exports this season.**

## WHEAT

This season, **total wheat availability is estimated at 17.358 Mt. This is down 1.316 Mt on the year**, driven by a 10% decline in UK wheat production. Availability is expected to sit more in line with 2021/22. **UK wheat production\* is estimated to be 1.485 Mt lower year on year, at 14.055 Mt.** This is driven by a yearly fall in planted area and yields. While this season's milling crop is thought to be reasonably functional, a minimal level of imports is still expected, leaving **full season imports relatively unchanged on the year, forecast at 1.350 Mt. Opening stocks are estimated at 1.953 Mt, 165 Kt more than 2022/23 levels** and slightly higher than the previous five-year average.

**Total domestic consumption of wheat in 2023/24 is estimated 534 Kt greater than 2022/23 levels, at 15.124 Mt**, due to increases expected for both human and industrial (H&I), and animal feed consumption.

**At 7.668 Mt, H&I wheat consumption is estimated to increase 5% on the year. This is largely due to increased usage expected in bioethanol and starch production** after a strong start to the season, as well as **increased demand forecast from the brewing, malting and distilling sector.** It is assumed both bioethanol plants will remain in operation in 2023/24, with Vivergo Fuels parent company Associated British Foods reporting reduced losses for Vivergo at the end of the last financial year. Total cereals demand for bioethanol usage is forecast stronger this season, though wheat usage may feel restricted by tighter domestic wheat availability, quiet domestic markets and premiums growing for feed wheat delivered into Yorkshire currently. As ever, bioethanol usage remains a key watch point and will be monitored throughout the season. Current forecasts assume the resolution to the renewable energy directive (RED II) requirements following the UK's exit from the EU. The wheat S&D could evolve significantly through the season if we see any changes to the RED II status of domestically produced grain.

**Wheat usage by flour millers is expected to be up slightly this year.** The current 'cost of living crisis' is impacting the use of flour in some premium products, pulling back the flour demand outlook slightly. However, due to **lower extraction rates expected this season, total wheat demand is up marginally** from 2022/23. Reports from industry suggest this season's crop is variable but reasonably functional. Despite imports not pricing competitively everywhere across the UK currently, a variable and smaller domestic crop means UK flour millers are still expected to use a similar proportion of imported wheat this season compared to last.

**Wheat usage in animal feed this season is expected to increase by 210 Kt on the year to 7.119 Mt.** While animal feed production is expected to remain lacklustre, and relatively unchanged on the year, cereal inclusion and the proportion of wheat in rations relative to other cereals is expected to be higher. This is due to wheat pricing more competitively than barley this season, though an anticipated small rise in maize usage later in the season limits further increases. The amount of wheat fed on farm this season is forecast to be lower slightly year on year, with a tighter availability. Input costs are expected to fall for livestock and poultry producers, though as it stands, significant demand rebounds are unlikely but will remain closely monitored.

**The balance of supply and demand is estimated at 2.234 Mt for the 2023/24 season, down 1.850 Mt from levels recorded last year.** The smaller balance is due to the reduction in supply outweighing the rise in demand. Taking into account an operating stock requirement of 1.500 Mt (unchanged from 2022/23), this leaves a **surplus available for either export or free stock of 734 Kt, down 1.304 Mt on the year.**

## BARLEY

**Total availability of barley is estimated at 8.336 Mt this season (2023/24), down 101 Kt from last season,** with a smaller crop outweighing a rise in opening stocks. Despite an estimated increase in UK barley area this season, below average yields see **UK barley production\* provisionally estimated at 6.981 Mt, down 404 Kt on a year earlier levels. At 1.268 Mt, opening stocks are 305 Kt higher year-on-year,** and above the previous five-year average.

**Domestic consumption of barley in 2023/24 is estimated 120 Kt lower than 2022/23 levels, at 6.021 Mt.** This is due to a fall in usage in animal feed, outweighing a slight rise in demand from the brewing, malting, and distilling (BMD) sector.

**For this season, H&I barley usage is estimated at 1.991 Mt, up 11 Kt on the year from last season's high.** Despite expectations that the cost-of-living crisis will hit brewing demand, usage by the BMD sector is forecast to be up on the year, with demand for distilling expected to remain robust from increased capacity coming online last season. If realised, this H&I usage would be the new highest since the 1990s.

**Usage of barley in animal feed is forecast to decline on the year by 129 Kt, to 3.814 Mt.** As mentioned previously, wheat and maize are expected to price more competitively than barley this season, meaning barley inclusions in feed rations have been reduced.

**The barley balance is forecast at 2.316 Mt, up 19 Kt from last season, and above the previous five-year average.** At 800 Kt the operating stock requirement remains unchanged on the year, which leaves a surplus available for export or free stock of 1.516 Mt, down 88 Kt from the 2022/23 season.

## NOTES

This document provides commentary on the annual AHDB Early Balance Sheets for UK wheat and barley, for the 2023/24 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 28 November 2023. Comparisons are with both official survey figures and the 2022/23 end-season supply and demand estimates. As always, caution should be taken when examining these figures at such an early stage of the season.

\*Provisional UK cereal and oilseed production estimates for 2023, due to reduced data availability from UK regions. Official provisional estimates are for England and Scotland only. Following Defra's methodology from when a UK provisional figure was last released in 2021, the AHDB have assumed no change for Wales and Northern Ireland area and production figures from 2022. These have been combined with the provisional England and Scotland 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 2023/24

July to June crop years

Thousand tonnes

	Wheat					Barley				
	2021/22	2022/23	2023/24	Change on 2022/23	% Change on 2022/23	2021/22	2022/23	2023/24	Change on 2022/23	% Change on 2022/23
Opening Stocks	1,413	1,788	1,953	165	9%	1,058	964	1,268	305	32%
Production	13,988	15,540	14,055	-1,485	-10%	6,961	7,385	6,981	-404	-5%
Imports	1,994	1,346	1,350	4	0%	89	88	87	-1	-1%
<b>Availability</b>	<b>17,394</b>	<b>18,674</b>	<b>17,358</b>	<b>-1,316</b>	<b>-7%</b>	<b>8,108</b>	<b>8,437</b>	<b>8,336</b>	<b>-101</b>	<b>-1%</b>
Human and Industrial Consumption	7,156	7,336	7,668	332	5%	1,885	1,980	1,991	11	1%
<i>of which home grown</i>	6,056	6,419	6,670	251	4%	n/a	n/a	n/a	n/a	n/a
Animal Feed Consumption	7,242	6,909	7,119	210	3%	4,228	3,943	3,814	-129	-3%
Seed	280	267	267	-	-	178	181	181	-	-
Other	70	78	70	-8	-10%	35	37	35	-2	-5%
<b>Domestic Consumption</b>	<b>14,748</b>	<b>14,590</b>	<b>15,124</b>	<b>534</b>	<b>4%</b>	<b>6,326</b>	<b>6,140</b>	<b>6,021</b>	<b>-120</b>	<b>-2%</b>
<b>Balance</b>	<b>2,646</b>	<b>4,084</b>	<b>2,234</b>	<b>-1,850</b>	<b>-45%</b>	<b>1,782</b>	<b>2,297</b>	<b>2,316</b>	<b>19</b>	<b>1%</b>
Exports <sup>2</sup>	511	1,586		*	*	764	1,123		*	*
Intervention Stocks <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
<b>Commercial End-Season Stocks <sup>2</sup></b>	<b>1,788</b>	<b>1,953</b>		*	*	<b>964</b>	<b>1,280</b>		*	*
<i>of which Estimated Operating Stocks Requirement <sup>3</sup></i>	1,500	1,500	1,500	0	0%	800	800	800	0	0%
<i>of which Free Stocks <sup>4</sup></i>		453		*	*	164	480		*	*
<b>Surplus available for either export or free stock</b>	<b>799</b>	<b>2,038</b>	<b>734</b>	<b>-1,304</b>	<b>-64%</b>	<b>928</b>	<b>1,603</b>	<b>1,516</b>	<b>-88</b>	<b>-5%</b>
Residual	347	546				54	-106			

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 2023/24 balance sheets are due to be released on 28 November 2023.

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 17 October 2023

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

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