AHDB cereal exports ***target market report***

Portugal

Harvest

Portugal's low domestic production is due to its terrain, which is not suited to wheat and barley production. For the 2021/22 season, wheat production is forecast at around 50,000 tonnes and barley at approximately 40,000 tonnes. By contrast, it produces a large maize crop, which totals approximately 750,000 tonnes each year.

Looking ahead to the 2022/23 season, wheat and barley production are predicted to remain unchanged.

Given that Portugal is reliant on imports for almost all its bread and biscuit needs, imports have remained steady at approximately 1 million tonnes per annum.

Import requirements

France continues to remain an important supplier to the Portuguese market for common bread wheat, accounting for 80 per cent of millers' needs. Bulgaria has been competing hard for the Portuguese bread market and has become its second largest supplier of wheat over the past two seasons. However, the Portuguese milling industry prefers to pay more for French wheat, because France has been a consistent and reliable supplier of common bread wheat to Portugal for many years.

The UK has traditionally been a steady supplier of **uks** biscuit grade wheat. Millers in Portugal value the extensibility of **uks** wheat and appreciate its long L value. Its low P/L value and excellent elasticity − which cannot easily be sourced from other origins − makes it ideal for many types of biscuits. As such, its competitive advantage over other origins continues to be pivotal in Portugal. However, given the high premiums for **uks** wheat so far this season, Portuguese millers have been sourcing biscuit wheat from Spain to serve their needs and using improvers to obtain the desired result.
Spanish biscuit wheat has been entering the Portuguese market by road. Feedback indicated that it was less risky to import small quantities of biscuit wheat by truck from Spain than to import a large quantity from the UK by ship. Millers reported that the global pandemic has caused drastic changes in Portuguese consumer habits, which have become less predictable. Importing from Spain and France by lorry is therefore preferred because it enables millers to purchase smaller quantities of wheat.

AHDB

The top three cereal-importing groups are based in Porto. Between them they share approximately 80% of the market:

- Cerealis Internacional
- Moagem Ceres
- Acembex

Others based in the Lisbon area together share approximately 15–20% of the market.

Actual common bread wheat specifications demanded by millers
Spec. weight – 77 kg/hl min; Hagberg Falling Number – min 250 seconds; W – 200–250; Protein – 11% min; P/L 0.8 max

Actual biscuit wheat specifications demanded by millers
Spec. weight – 76 kg/hl min; Hagberg Falling Number – min 225 seconds; W – 100 min; Protein – 10.5–11.5%; P/L 0.3 max; L 110 min

Animal feed market

There is a significant feed milling industry in Portugal. Feed mills are located all over the country. Annual cereal consumption by Portuguese feed millers is 2.6−2.7 million tonnes.

Industrial feed production

As at Feb 2022 Units = million tonnes	2021/22	2022/23 (forecast)
Pigs	1.0	1.0
Poultry	1.7	1.7
Cattle	1.0	1.0
Total	3.7	3.7

Source: Stratégie Grains

Consumption of wheat, barley and maize in industrial and on-farm animal feeds

As at Feb 2022 Units = million tonnes	2021/22	2022/23 (forecast)
Maize	2.3	2.3
Barley	0.3	0.2
Wheat	0.1	0.1
Total	2.7	2.6

Source: Stratégie Grains

Consumer trends

Bread

- Bread remains an important diet staple, baguettes and ciabatta are replacing traditional Portuguese rolls
- Traditional hot meals at lunchtime being replaced by sandwiches
- Supermarkets selling breads are now more popular than artisan bakeries
- High consumption of baguettes and ciabattas in main cities such as Porto and Lisbon

Biscuits

- Slight increase in biscuits and breakfast cereal consumption
- Women and children are the main consumers

Competitors in the market

Wheat

As at Feb 2022 Units = thousand tonnes	2021/22		2022/23 (forecast)
France	562	**France**	586
Bulgaria	167	**Bulgaria**	136
Germany	65	**Germany**	40
UK	59	**Spain**	36
Lithuania	34	**Latvia**	36
Latvia	30	**Sweden**	32
Spain	28	**Lithuania**	26
Denmark	26	**Denmark**	23
Sweden	17	**Poland**	14
Poland	7	**UK**	13

Source: Stratégie Grains

Barley

As at Feb 2022 Units = thousand tonnes	2021/22		2022/23 (forecast)
UK	160	**UK**	155
Spain	95	**Spain**	100
France	33	**France**	36
Germany	6	**Sweden**	13

Source: Stratégie Grains

Supply and demand

As at Feb 2022 Units = thousand tonnes	2021/22 Wheat	2021/22 Barley	2022/23 Wheat (forecast)	2022/23 Barley (forecast)
Beginning stocks	38	7	75	2
Production	67	57	61	44
Imports	1,013	301	974	310
Total supply	1,119	364	1,111	355
Exports	11	2	8	2
Feed domestic consumption	126	267	114	246
FSI consumption	892	86	901	93
Domestic consumption	1,033	361	1,030	347
Ending stocks	75	2	73	6

Source: Stratégie Grains