

● Nematicide training to the fore at BP2015 event

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€ weakness helps exports

WINTER weather is now becoming more evident, with frosts forecast for this weekend.

Last weekend, we had the wettest day in the Borders for 13 months, when 20mm of rain fell, but nothing compared to more than 250mm in some western areas of the country. In a three-day period, we also went from 17°C down to 3°C – so the mild autumn appears to be at an end.

Once again, surface water is lying on winter-sown crops and more rain is forecast. There is still the odd field of beans to cut around the country – and that could be a faint hope – but, generally, most people have got their landwork all completed.

The latest USDA report showed EU wheat production up 2m tonnes to 157.3m tonnes and opening stocks were also revised upwards, which did nothing to support feed wheat prices.

However, the report reduced US exports to their lowest level since 1971 due to a lack of competitiveness against cheaper sources, such as EU and Black Sea stocks.

As a result, estimates of wheat ending stocks were increased by 1.4m tonnes to 24.8m tonnes and

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this resulted in Chicago wheat futures dropping again and taking total losses since November 4 to £9.65 per tonne.

With the weakness of the euro against the dollar, this helps the EU wheat export campaign.

In the latest Egyptian tender from the state grain buyer, GASC, bought 60,000 tonnes of French wheat alongside 60,000 tonnes of Russian wheat. This is a positive step for EU exports as, so far in 2015/16, Russia and Ukraine have dominated GASC tenders.

Before the latest tender, total purchases from GASC included 59% of Russian wheat and 15% Ukrainian wheat. Only 6% of the total proportion was French wheat and the proportion split is now likely to see a larger share for the EU.

The euro has weakened further once again and the current weakness of the euro has meant that EU commodities have become more competitive against other exporters in dollar priced markets.

If the value of the euro continues to fall, it could help further boost the EU wheat export campaign,

as euro priced commodities could become more competitive against top exporters including Russia, Ukraine and the US.

UK wheat prices continue to trade in a narrow range established in recent weeks. UK wheat exports will be around 900,000 by the end of December and will leave over 2.2m tonnes to export between January and May, 2016.

November, 2015, feed wheat futures were down £2.25 last week to £112.55 and November, 2016, new crop futures were down £2.65 to £126.35.

UK ex-farm bread milling wheat was down £1.40 to £118.40 and feed wheat was up 40 pence to £107.10. Feed barley ex farm was up 10 pence to £98.40 and oilseed rape delivered Erith was down £5.50 to £263.50 and oilseed rape futures were down £10 on the week as well.

French soft wheat closing stocks could be more than double last year's figure and the highest since 1999/2000. Unsold wheat stocks stand at 2.57m tonnes and if this total ends up as carry-over stock this would result in a total of 5.2m tonnes and, again, the highest total

since 1999/2000.

The USDA estimate for global maize production has increased to 344.3m tonnes and closing stocks have increased by 24m tonnes to 211.9m tonnes largely due to an upward revision in the 2015/16 opening stocks driven by increases for China.

Chinese buyers have put their purchases of US distillers grains with soluble (DDGS) on hold following record imports. China is the largest importer of DDGS, a buy-product of maize ethanol which can be used in animal feed.

In September, imports were 933,500 tonnes, up 73% year-on-year. Chinese maize prices have declined, with a 20% reduction in price over the past month and this may lower barley and sorghum imports into China as well.

Chinese imports of maize could also face a cut as the country is expected to harvest a record crop in 2015/16.

It is planning to cut its domestic maize area by around 20% by 2020 as its stockpiles continue to grow. By the first half of next year, there could be enough maize stocks to

cover more than a year's worth of consumption and farmers are being encouraged to grow soyabeans instead of maize.

UK barley can now be exported to China following intense work by AHDB to get the necessary protocols in place for exports to take place as France did previously with 1.87m tonnes of barley exports to China.

Barley malting premiums remain low due to the large tonnage of quality samples available, but if the established UK export market can follow last year's example when the exporters recorded the highest level of UK exports to non-EU countries since 2000/01, then there is hope for more exports to follow.

This season also recorded the highest level of total barley exports since before the millennium, and the UK has now had three consecutive years of around 7m tonnes of barley production and this makes exports to China that more important and necessary.

Recent export trade to Saudi Arabia, the world's biggest feed barley buyer by far, has come from Australia as its harvest gets underway and this shows that the EU has to remain competitive all season to ship the exportable surplus.