

● Soil sampling pays ● The Gleaner

Crops appearing hungry and needing fed

THERE were some early signs of spring weather in the Borders with sun and temperatures up as far as 13°C but now we have descended back into fog and drizzle which will not help the land to dry.

There have been some early forays onto lighter land fields with fertiliser but very little sowing has been done to date. Winter sown crops are beginning to look hungry and need some heat and feeding to green them up again.

Feed wheat futures were up 85 pence on the week to £103.50 for May 2016 old crop and new crop futures for November 2016 were up £140 to £116.90. UK average ex-farm bread milling wheat was up £1.20 to £108.70 and feed wheat was up 20 pence to £100.40. Feed barley was down £1.20 to £95.80 and oilseed rape delivered Erith was up £2.50 to £266.

As can be seen from these figures there is very little movement in prices which is due to increasing stock levels and not enough demand following another year of high production.

Yields for this coming harvest should be less than the exceptional levels of 2015 given the excessive rainfall in December and January, but as a counter balance, the market is already shaping up for a much larger carryover into next season.

The latest USDA report indicated that world wheat production is expected to be down by 3.4m tonnes

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due to smaller crops in India and Australia because of the EL Nino weather event.

UK wheat exports in January reached the highest monthly level since December 2011 which brings the season to date wheat exports up to 1.3m tonnes which is 21% ahead of the pace achieved at the same time last season.

The boost in wheat exports is due to sterling weakening against the euro since the start of the year, making UK wheat relatively more competitive in euro priced markets.

To avoid increasing the wheat surplus further from last season, the UK will have to export 350,000 tonnes of wheat every month for the rest of the season.

The last time that the UK achieved five months of consecutive exports around 350,000 tonnes was from September to January 2008/09.

The European Central Bank, this week cut interest rates in the Eurozone and increased the quantitative easing programme from €60bn to €80bn. The euro fell sharply on this news and the pound equated to over €1.30.

When it was announced that rates would not be cut any further, the euro suddenly strengthened and the pound equated to €1.27 which had the effect of helping UK oilseed rape

prices.

UK feed barley exports continue and opportunities to make new sales still exist but domestic demand into compound mills continues to fall as other commodities replace barley in the ration.

Some export demand for old crop malting barley exists but only for specific varieties.

The US export pace still lags behind last year's pace and with the US now half way through their maize marketing season, 69% of the full season forecast has now been committed, compared to 76% at this time last year.

Imports of maize into the EU could be subject to duties for the first time since November 2014 if international prices weaken further or the euro falls against the US dollar.

Once a pre-determined tonnage has been imported into the EU, imports of maize are then subject to a variable duty which is currently set at zero.

The 2015/16 end season stock forecasts for both soft wheat and maize were increased by the EU commission as a result of increased production estimates. EU wheat stocks were put at 150.8m tonnes and up 6.2m tonnes year-on-year.

Global palm oil production is expected to fall in 2016 due to the impact of EL Nino, which

has reduced rainfall in key producers Indonesia and Malaysia and would be the first fall year-on-year since 1998.

Lower palm oil output could well result in increased demand for competing vegetable oils, including soy oil or rapeseed oil and with China soyabean imports 6% higher than in the year previously this will help demand for other vegetable oils.

Combined sunflower seed plantings in Ukraine and Russia are expected to reach a new record of 13.1m tonnes in 2016/17.

This is based on the assumption that sunflower seed will be a top spring planting priority in both countries due to attractive prices and relatively low production costs.

If planting prospects for sunflower seed in the Ukraine are realised, it will overtake wheat as the largest single crop area in Ukraine for 2016/17.

In Russia, although the soyabean area is expected to rise this year, sunflower seed is still expected to win the fight for oilseed acreage, partly due to a surplus crush capacity in the country.

The lower rapeseed area in both countries follows the situation across the EU, with relatively tight rapeseed balances expected in the season ahead.