

Weather remains the only plus point

THE GLEANER

WITH DRY sunny, but windy weather continuing and only 5mm of rain to date in March in the Borders, spring bean and barley sowing continues into good seed beds.

But, that's the good news. As has been the case for quite some time the slide in wheat prices since early January has continued, demand remains low and not helped by a large tonnage of unsold wheat still stored on farm waiting for a hopeful price rise.

For July, 2015, old crop feed wheat, the futures price dropped 70p to £119.55 and for November, 2015, dropped 85p to £125.90 – which is a carry of £6.35 but is not enough to help old crop sales after harvest 2015.

Globally, wheat production is now forecast for 2015/16 to be 720m tonnes, which would be a drop of 1% due to lower production in Europe and Russia.

Reducing the European surplus continues, but not dramatically. Soft wheat export licences now total 21.3m tonnes, compared to 20.8m tonnes last year at this time – but maize imports currently stand at 8.9m tonnes and were 6.1m tonnes last year at this date.

The euro has fallen to an 11½-year low against the dollar at £1 equating to \$1.09 and US wheat prices have had to move lower in order to try and become more competitive on the world market.

This has had a knock-on effect on European and UK wheat futures, but the decline has been capped by the fact that a weaker euro makes EU exports more attractive and should stimulate greater demand.

With US accumulated wheat exports down 27% year on year, we could see a further reduction in the contract price as US wheat needs to realign to regain competitiveness.

The Russian spring planting programme is now getting underway and forecasters are expecting 31m ha to be planted. In the past

12 months, food inflation in Russia is at its highest since 1999 at 23% but they are now more optimistic about the state of winter sown crops and the estimated winter wheat area for 2015/16 harvest is expected to be the second largest in the history of Russia.

One announcement recently which could help cereal and oilseed prices, is that China is making \$24.7bn available for stockpiling cereals, oilseed and edible oils in 2015 – an increase of a third on 2014 levels.

The 2015 UK harvest is going to be reliant on spring planted cereals as the winter planted area is down by 5% for wheat, winter barley, oats and oilseed rape.

The area of winter wheat is down by 7% and oats by 23%. UK ex farm feed wheat was down £1.70 to £115, compared to feed barley that was down £2.50 to £110 and bread milling wheat, which was down £2.10 to £156.10.

There has been little change in old crop feed barley markets, with rising sterling and £1 now equating to £1.40. There is still a need to export more UK barley and, as spring approaches and grass starts to grow, less barley will be required for livestock rations.

Oilseed rape markets have been quiet this past week as OSR delivered Erith dropped £3.50 to £258.50. US soyabean prices had picked up on the back of Brazilian lorry drivers going on strike, preventing stocks reaching the ports for export, but prices fell again as the strikers claims weakened.

There are, however, some issues with weather in Argentina where flooding in northern regions and drier weather in the pampas growing belt could result in soyabean output being revised lower from the current estimate of 57m tonnes.

The UK oilseed planted area is forecast down by 1% from last year and European planting is forecast down by 8-10%, so this could be better news for new crop rapeseed prices.

24-hour charity ploughing



A CHARITY marathon plough has been a huge success. Ian's 781 every two hours so the tractors could keep going for 24 hours. used for the bulk of the challenge, which took place at Meikle of weekend, with some sponsorship still to come in – making it

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