What will the El Nino effect be?

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El Nino weather may yet influence harvest prices

THE GLEANER

A MIX of weather continues to be the order of the day for arable farmers and probably the worst bit is the cool conditions, with frost still happening occasionally at night.

I'd say that cereal growth is now looking to be about one week behind normal and late sown peas are catching up with the early sown peas that have not progressed due to the cold conditions.

The weather, however, may be a bigger issue away from these shores. Following the latest USDA report that was 'bearish', and kept futures pegged back, there is a more than even chance that there will be an El Nino weather pattern later this year.

This will be the first such one since 2010 and these unpredictable weather patterns usually cause problems around the world during the summer months and carry through to February, 2016.

El Nino generally produces drought conditions in Eastern Australia and Aussie cereal yields in some extreme El Nino years, such as in 2006, have been around half their 2014 level. This year, Australia is initially forecast to account for 4% of world wheat production and 6% of world barley output.

So, if Australia's barley yield only achieves the 2006 level, then world barley stocks to use ratio could fall dramatically, implying a substantial tightening of world markets. With UK feed barley typically less than £10 below feed wheat, markets have favoured those who have barley to sell.

If world barley supplies are tightened further relative to wheat, a result of El Nino could lead to another season favouring barley in the UK.

As the world waits and watches what El Nino will do, this creates volatility in the market place and earlier this week US Chicago wheat futures increased in one day by £9.36 per tonne. This was as a result of the previous week's rainfall in the US as well as a weakening dollar.

UK feed wheat futures also felt support from the wet weather with prices up £4.50 from the previous week and the highest since the May 4. Earlier this week, July, 2015, old crop feed wheat futures rose by £3.25 because of weather issues in the US and elsewhere.

Some crops in the US southern plains are close to harvesting and heavy rain could significantly impact on quality and delay the start of harvest of the hard red winter wheat harvest, which could yet affect grain fill as well.

There was also confirmation of the impact of crop damage from untimely rains in India where they estimate wheat production this year at 90.8m tonnes – down from 95.9m tonnes last year. The Indian Met Office forecast that 2015 monsoon rains will be 93% of normal, so will cause problems for them as well.

Politics is another factor that can affect markets and the announcement that Russia has ended its export tariffs with immediate effect, instead as originally announced to finish at the end of June, could see an additional 1.2m tonnes of Russian wheat exports – which will weight heavy on export markets.

The Food and Agriculture organisation forecast 2015/16 global cereal use at over 2.5bn tonnes for the first time ever – an annual increase of 35m tonnes and this figure is 500m tonnes higher than 10 years ago. The USDA forecast 2015/16 global wheat crop at 719m tonnes, compared to 726m tonnes in 2014/15 with usage at 717m tonnes – which is up 2m tonnes from last year and global end stocks up 2m tonnes to 203m tonnes.

UK wheat exports from last July to March this year total 1.58m tonnes, compared to 350,000 for the same period last year. Our imports have hit 1.27m tonnes, well down an last year's 1.68m tonnes and maize imports are also down from 1.92m tonnes last year to 1.46m tonnes.

Domestic barley exports for the same period hit 1.15m tonnes, the highest total at this time for 15 years, but only time will tell if the remainder of the surplus can be exported in the next three months – Scotland has exported around 200,000 tonnes of barley to date.

Recent rain in Europe means there are no issues with the new malting barley crop and malting premiums could come under pressure, especially with a higher than average carryover stocks.

All systems go for tattie planting

FIMM POTATOES' team put all systems 'are go' into planting the variety of Hermes potatoes, near Dunning, Perthshire, last wee Ref:RH130515104 Photograph by Rob Haining

Maximise wheat yields – or don't bother growing it!

"GROW wheat for maximum yield or don't bother" – so argued George Green who farms at Little Pitinnan, near Inverurie, in Aberdeenshire.

He grows 40ha each of winter wheat, winter barley and oilseed rape and 80ha of spring barley, combining farming with work as an independent agronomist. He added: "If you grow wheat, then you have to go full out for maximum yield or you shouldn't be trying to grow it. Don't 'half' grow it, because it will never pay."

This year he is growing mostly Viscount, with 7ha of Riband. He said, "The wheat is all looking well, definitely much better than it was this time last year. Although Riband has been around for more than 25 years, I have found it thrives in difficult seasons and on difficult sites, consistently performing well. However, it does need looking after."

His wheat all received a spray at T0, which was 0.4l/ha epoxiconazole and 1l/ha chlorothalonil. It is at GS 31 and will receive the T1 spray as soon as conditions allow. Eyespot is a concern for him, but not a major one.

"Last year, septoria was absolutely horrendous, so that is my main focus. This year, I will be applying half rate Chord (boscalid + epoxiconazole) and a third rate Adexar (epoxiconazole + fluxapyroxad) to improve protection against septoria. I also add in chlorothalonil, as its multi-site activity helps to protect against resistance.

The split of his fungicide spend between T1 and T2 is now 60%:40% and he aims to have an interval of three weeks between sprays. He is planning to use a three-quarter rate of Adexar at T2 on Viscount, with chlorothalonil added into the spray on the Riband. Again, this is to keep septoria at bay, as rust is not really an issue on his farm.

BASF trial results from Balkello Farm, in Angus, last year compared margin over fungicide input costs for a range of three-spray programmes in winter wheat. Myriad, a soft Group 4 wheat was treated with the variable sprays at T1 followed by T2 and a standard treatment for T3. All produced increased yields and increased margin over fungicide costs compared with untreated plots.

The largest margin was when 1.0 1/ha Adexar and 1.0l/ha Bravo (chlorothalonil) were used in a mix at T1, followed by the same at T2, with the Adexar increased to 1.5l/ha. This gave a yield of 11.72t/ha and a margin over cost of £394/ha.

Happier than you look!

IT MIGHT not seem like it to you – but Scotland's arable farmers are the happiest in the country along with their counterparts in the North of England.

The results of a survey commissioned by BASF, found that arable farmers in England, Scotland and Wales were generally happy and confident about the coming three months – with 65% feeling that the time was right to invest in major farm purchases.

The survey conducted over the telephone by an independent market research company found that 70% of farmers with more than 100ha of arable land were relatively content about the current status of their farms and farming activity.

Farmers in Scotland and the North of England were recorded as the happiest, with 82% saying they were pleased with how their farms were faring. Of the northern farmers, 77% said the time was right to invest in high-value items like machinery, precision technology and farm storage, this compared with only 40% confidence for Welsh farmers, 66% for farmers in southern England and 45% in the Midlands.

Dudley Kitching, BASF's agronomy manager ing Scotland, commented: "What is interesting is the high levels of confidence in Scotland – farmers north of the Border rank second in the happiness stakes, but were top when it came to big-ticket investment, with 78% of respondents citing that now is the right time to do it."

The survey also probed confidence in farm finances over the next three months – 80% of Welsh farmers were confident, compared with 55% in northern England, 39% in Scotland, 35% in the Midlands and just 29% in southern England.