Feed Market Outlook

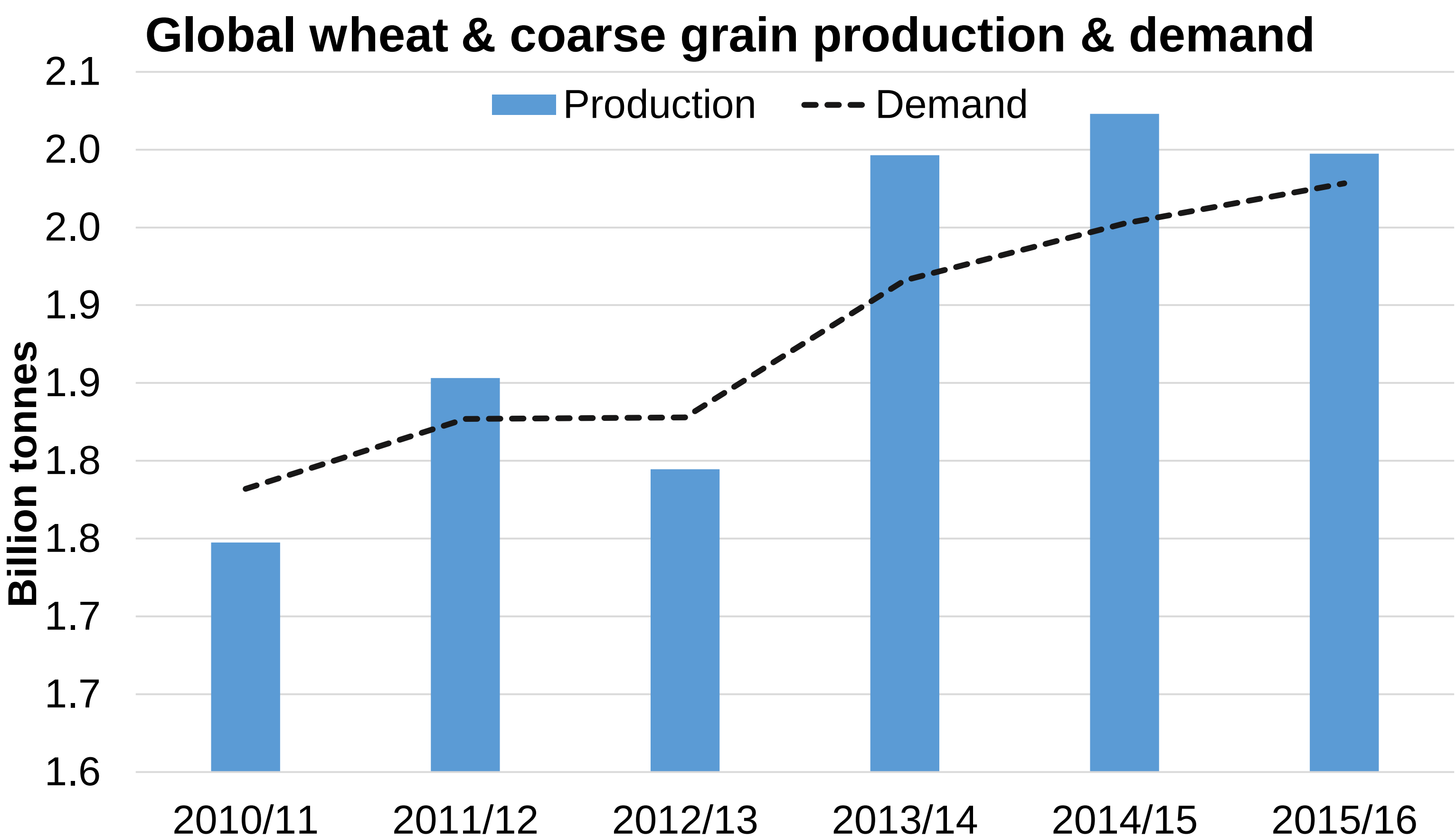
Brenda Mullan, Acting Senior Analyst,
AHDB

Overview

- Global market overview
- UK market
- Looking ahead
- Keep in touch

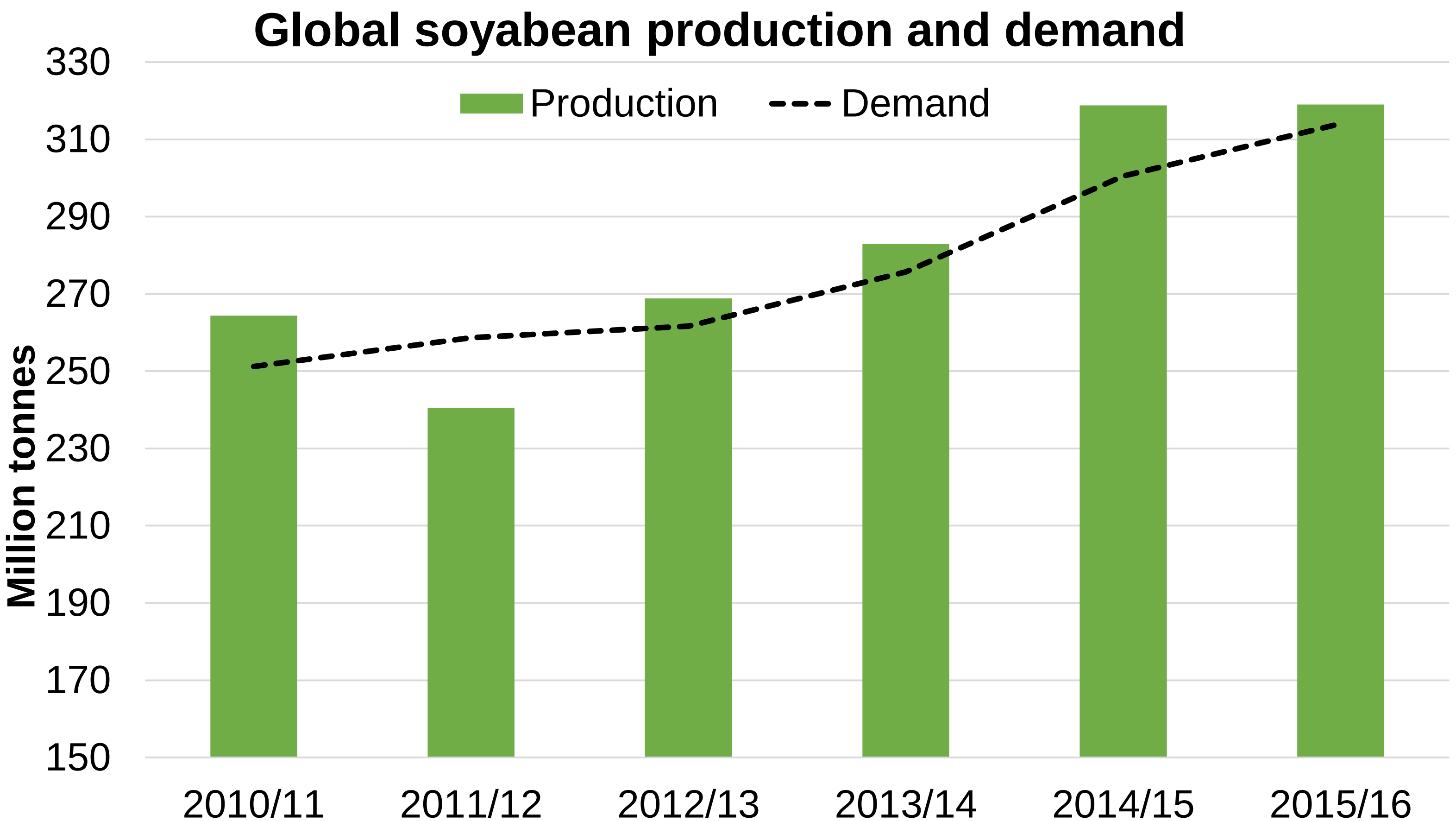
Global market overview

Global supplies - *three consecutive years of grain surplus*



Source: USDA

Global supplies – *year after year of record soyabean production*



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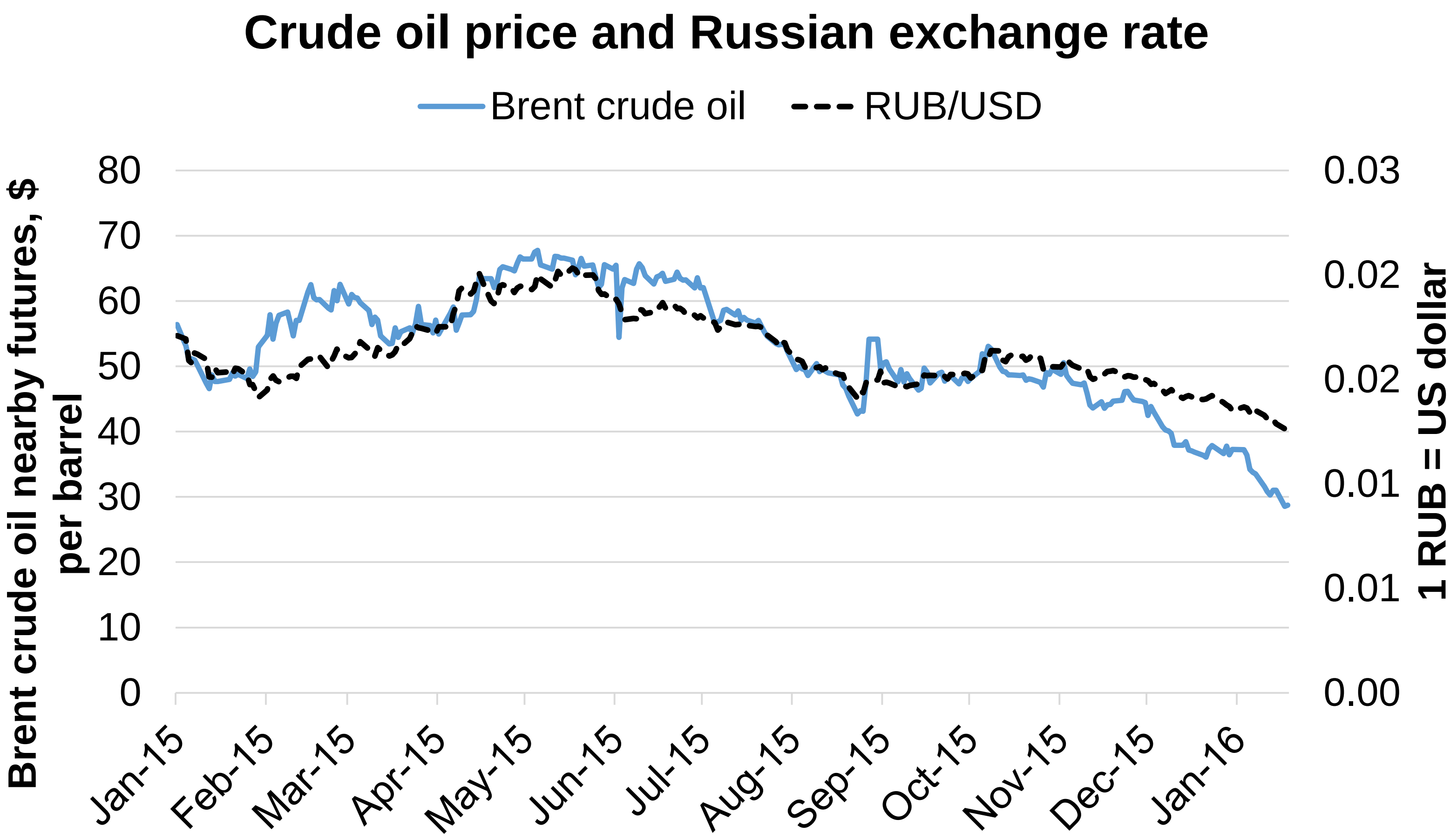
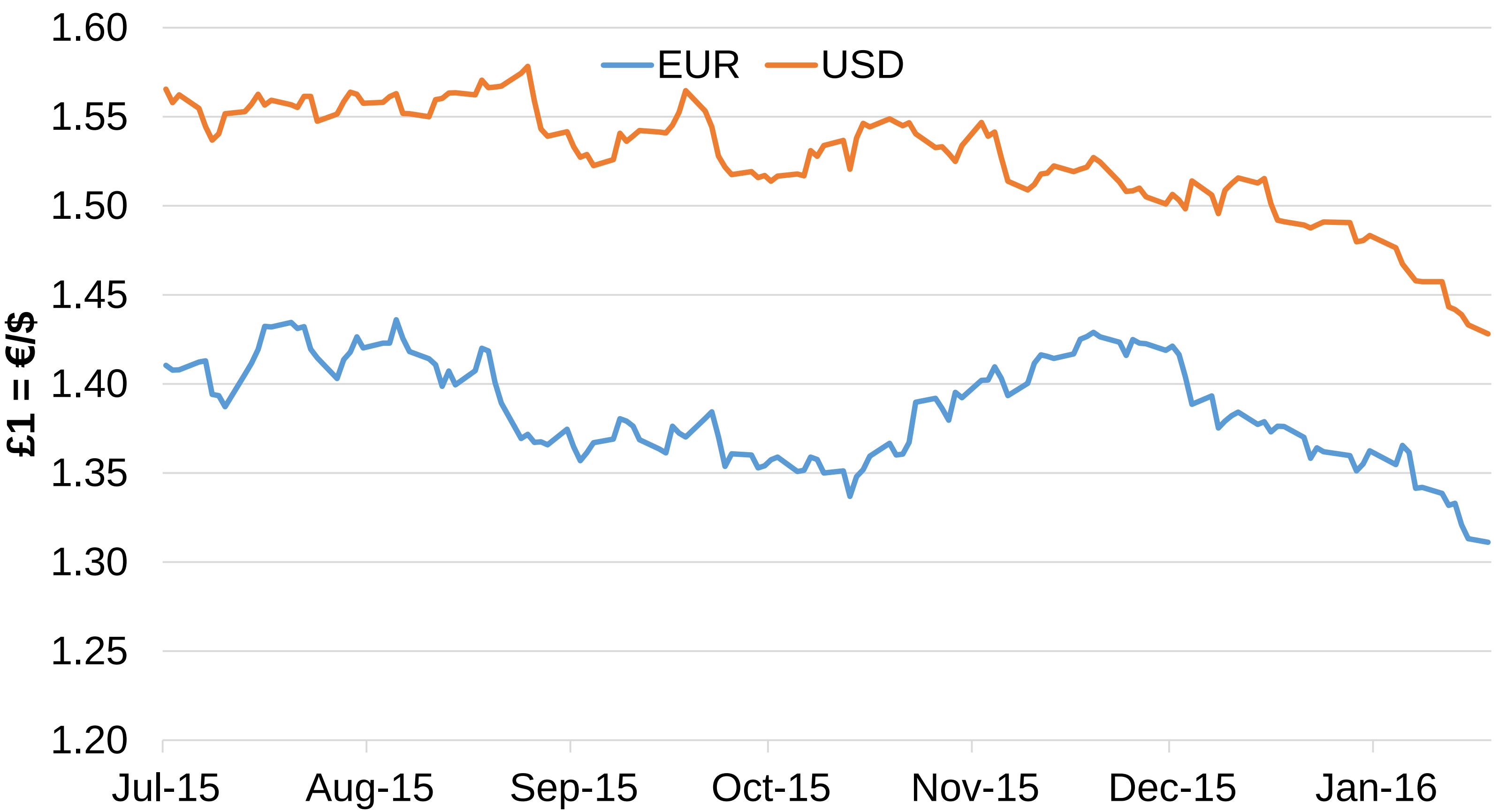
Source: USDA

Crude pressure and demand worries…



Source: AHDB

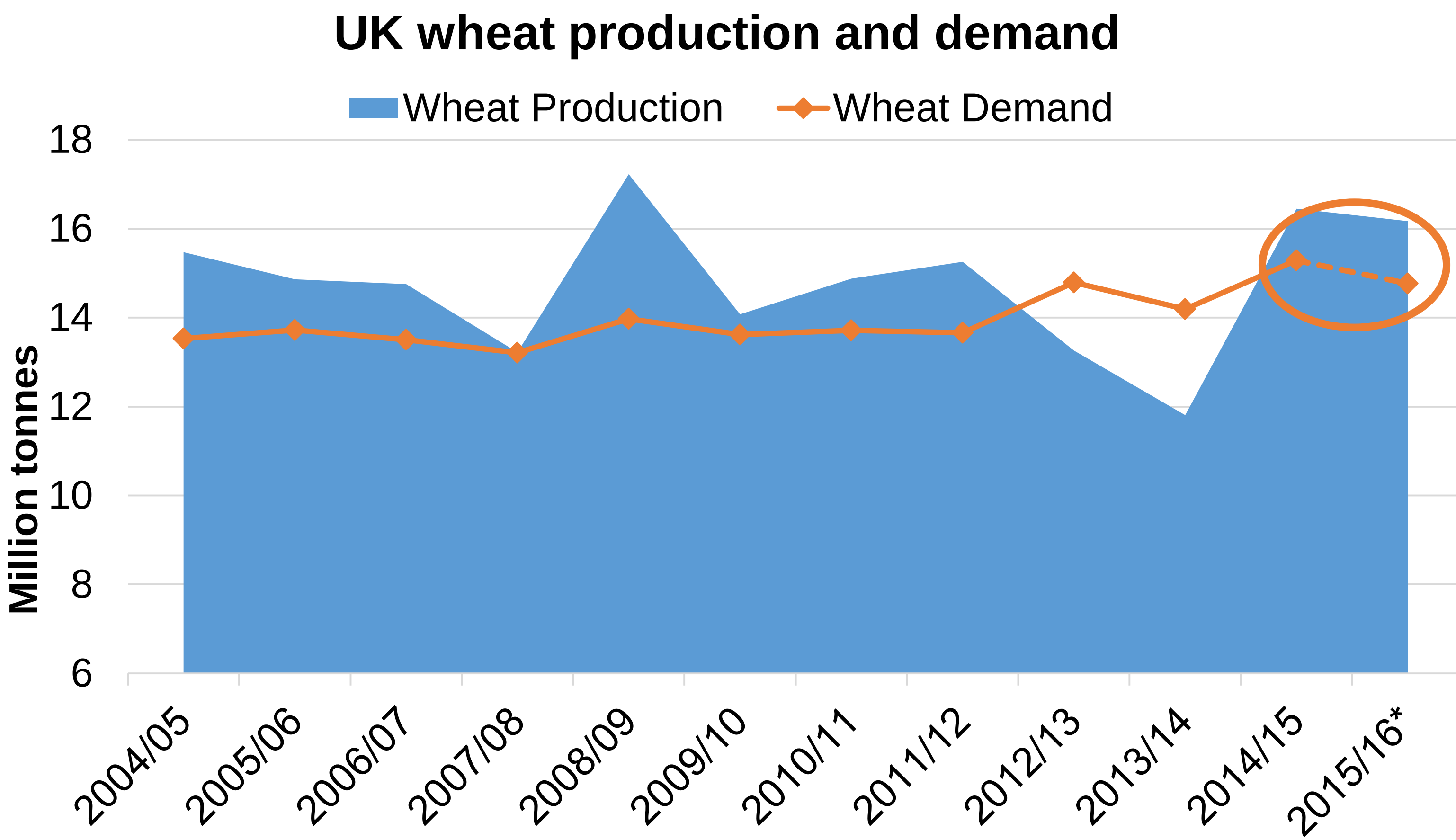
Currencies changing export competitiveness



Source: ECB

UK market overview

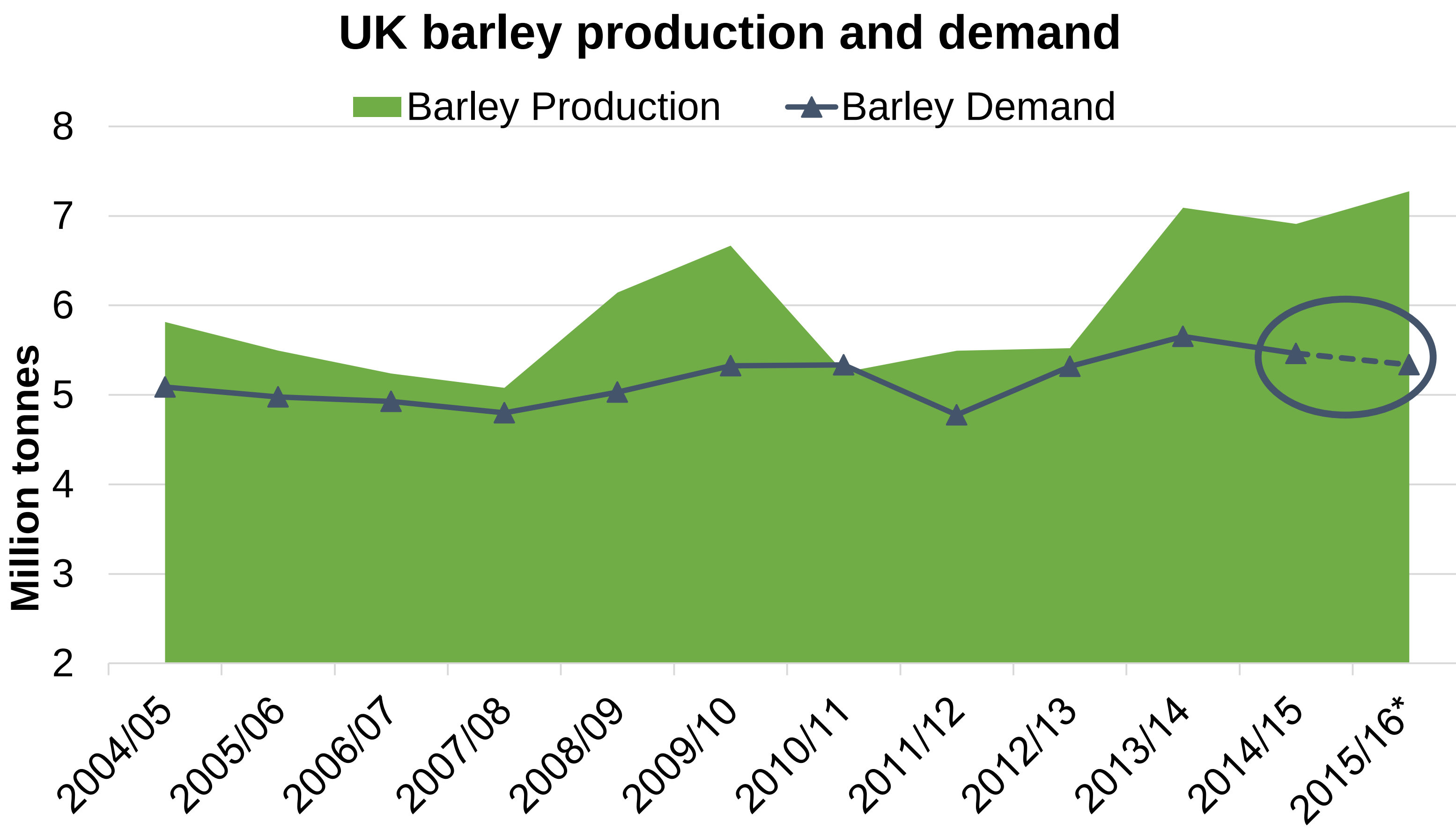
UK wheat – *2nd year of +16Mt but demand in decline*



**Defra forecast*

Source: AHDB/Defra

UK barley – *builds on UK grain availabilities*



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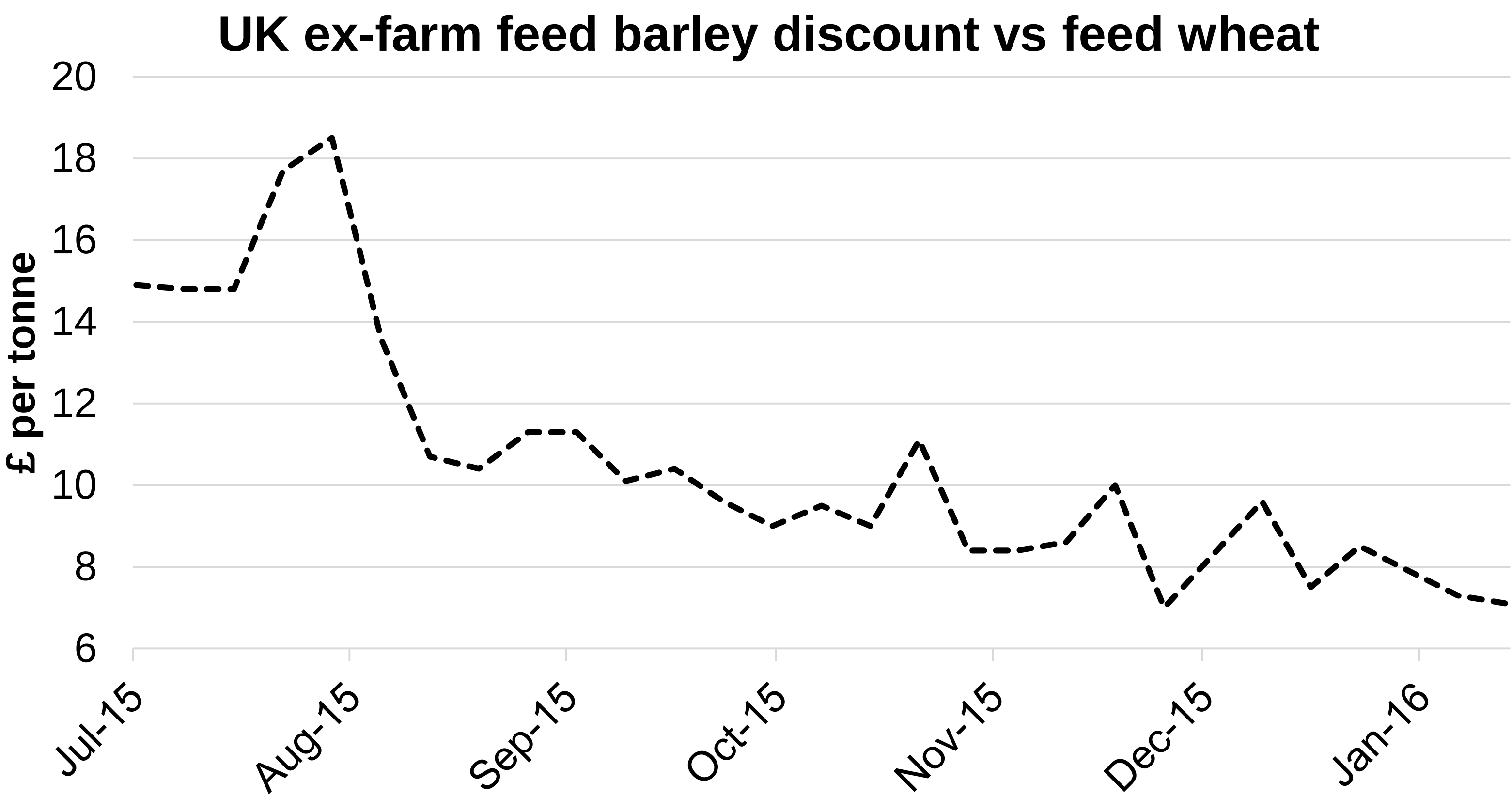
**Defra forecast*

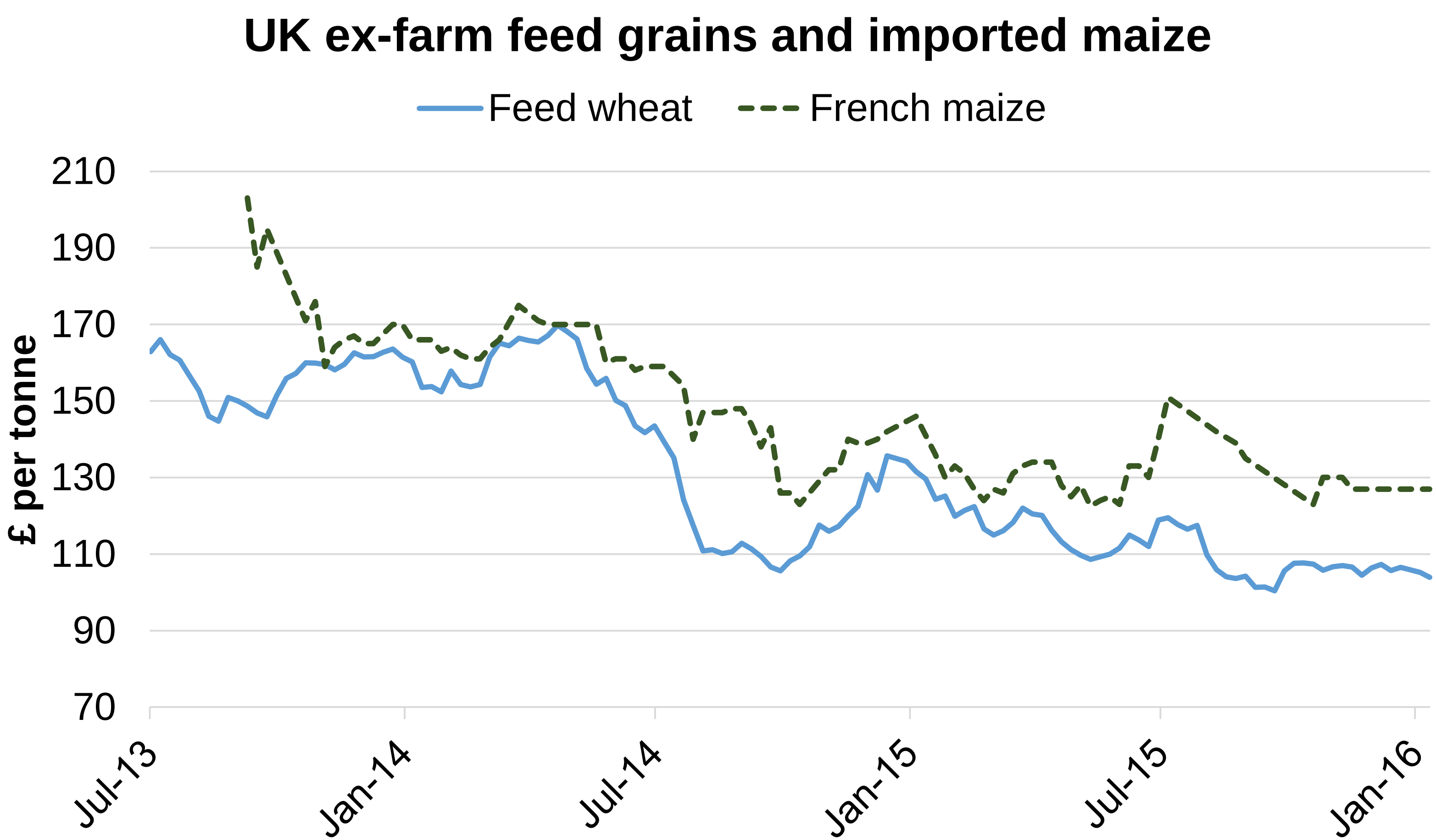
Source: AHDB/Defra

Feed grain prices - *barley discount narrowing*



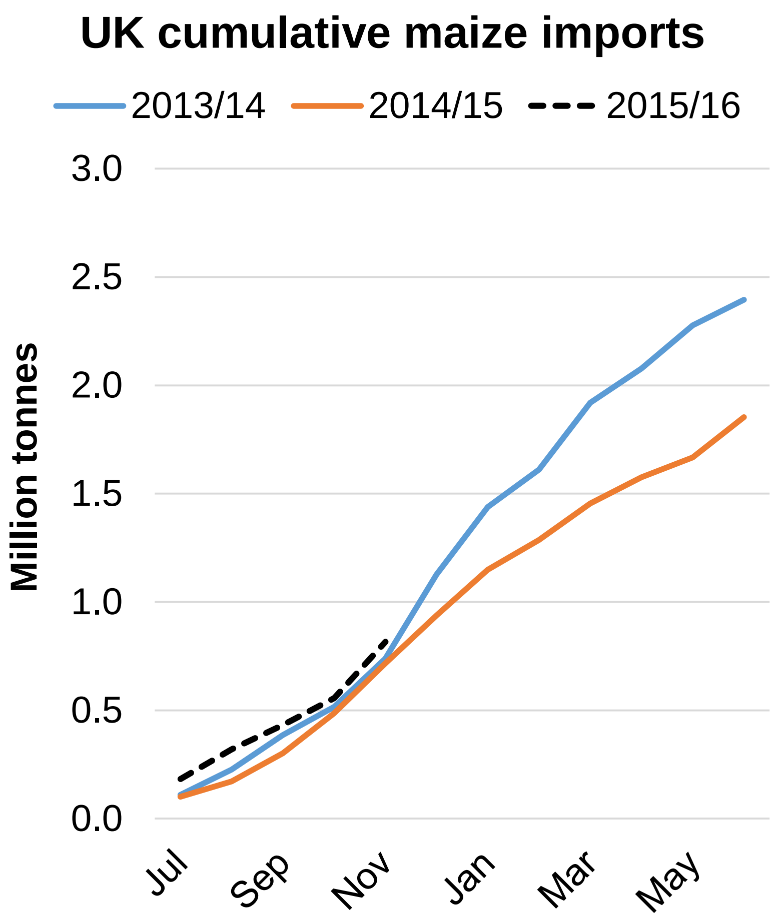
Source: AHDB

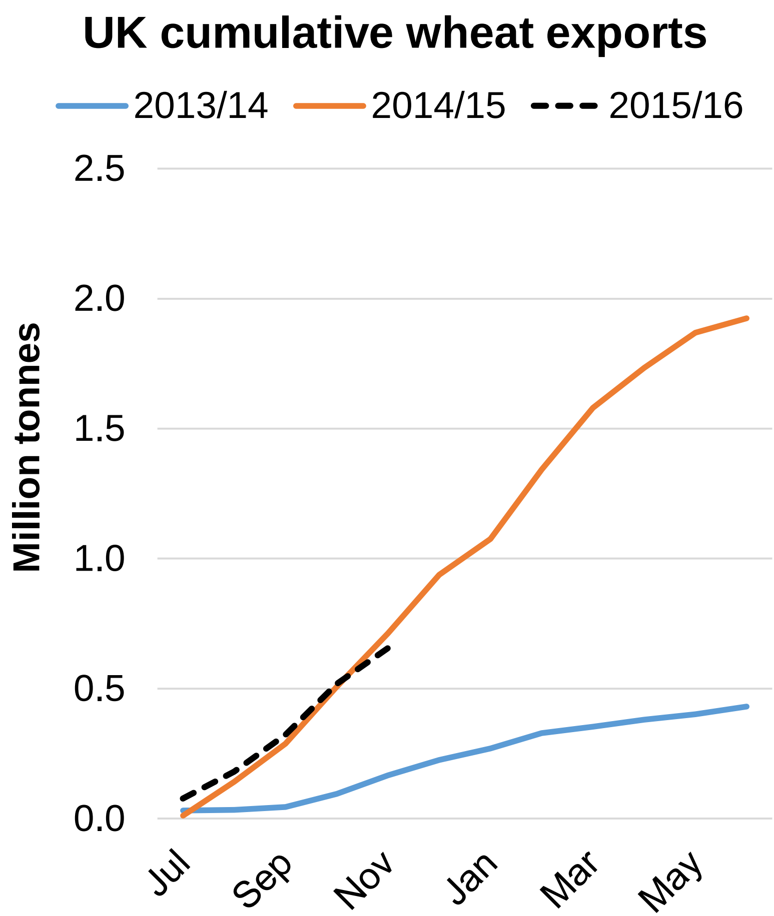
Maize competing?



Source: AHDB

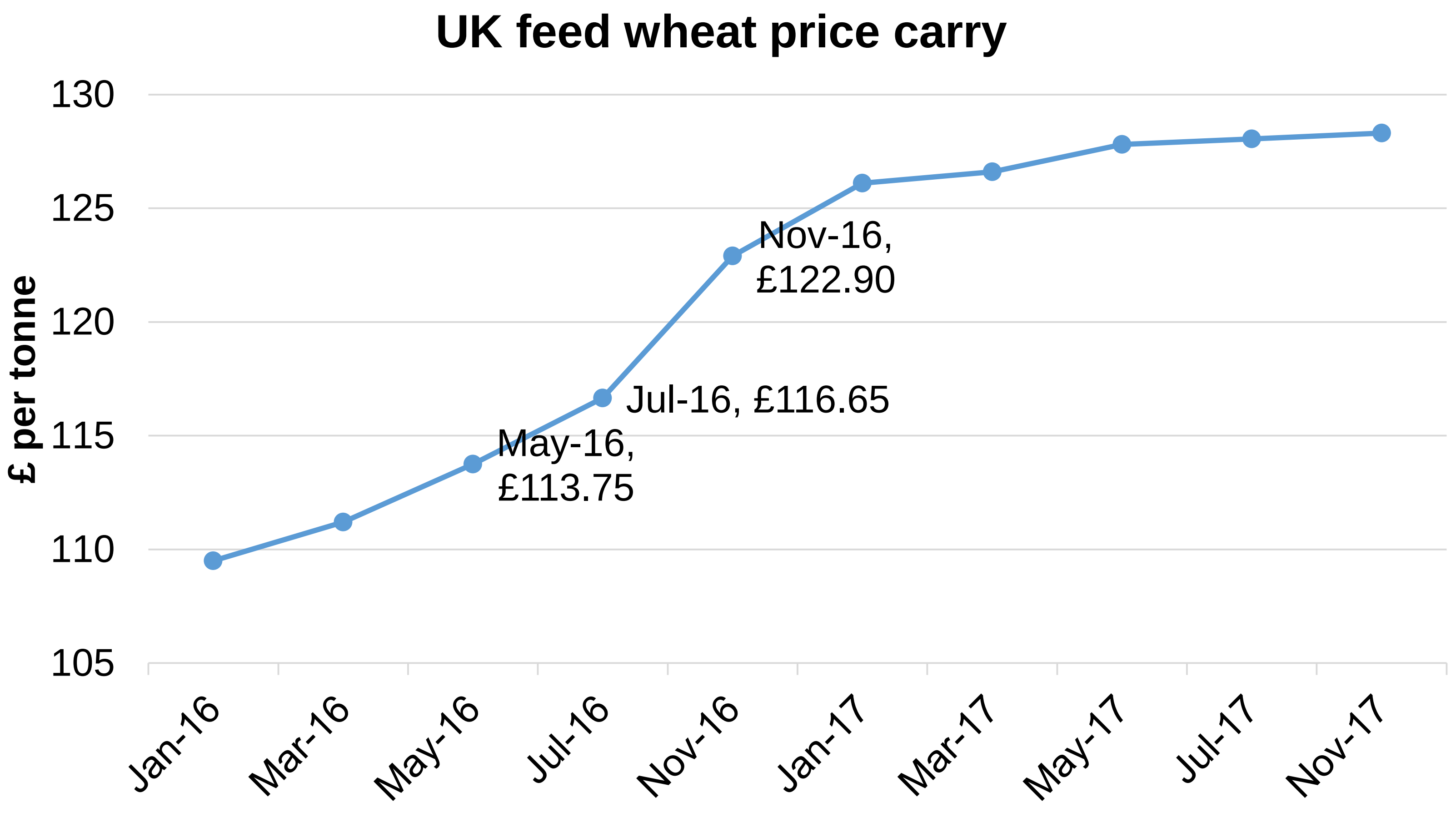
But plenty still coming in…





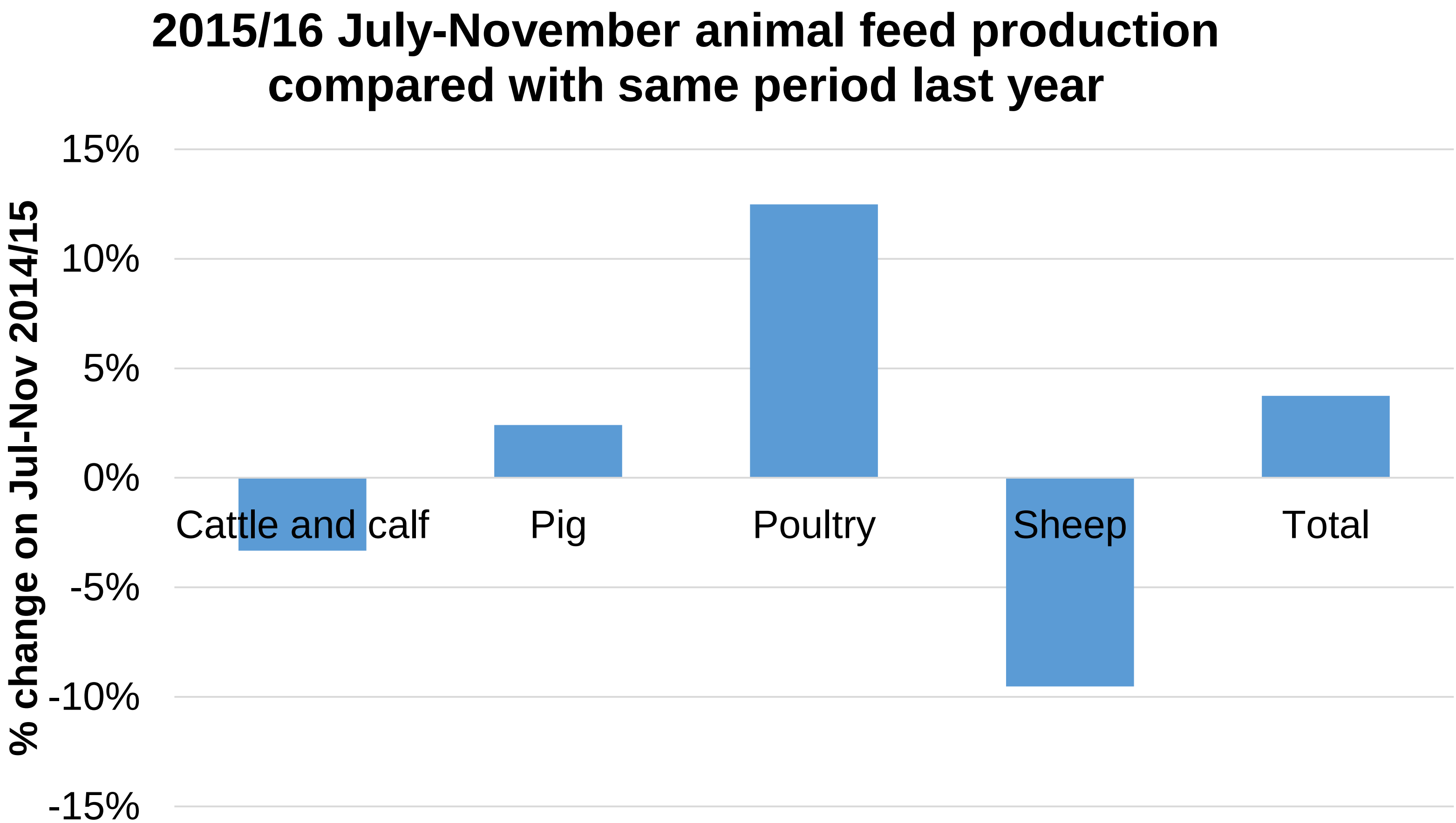
Source: HMRC

Carry - *reflects export pace and encourages farmers to store*



Source: AHDB

Animal feed production – *pigs and poultry driving demand*



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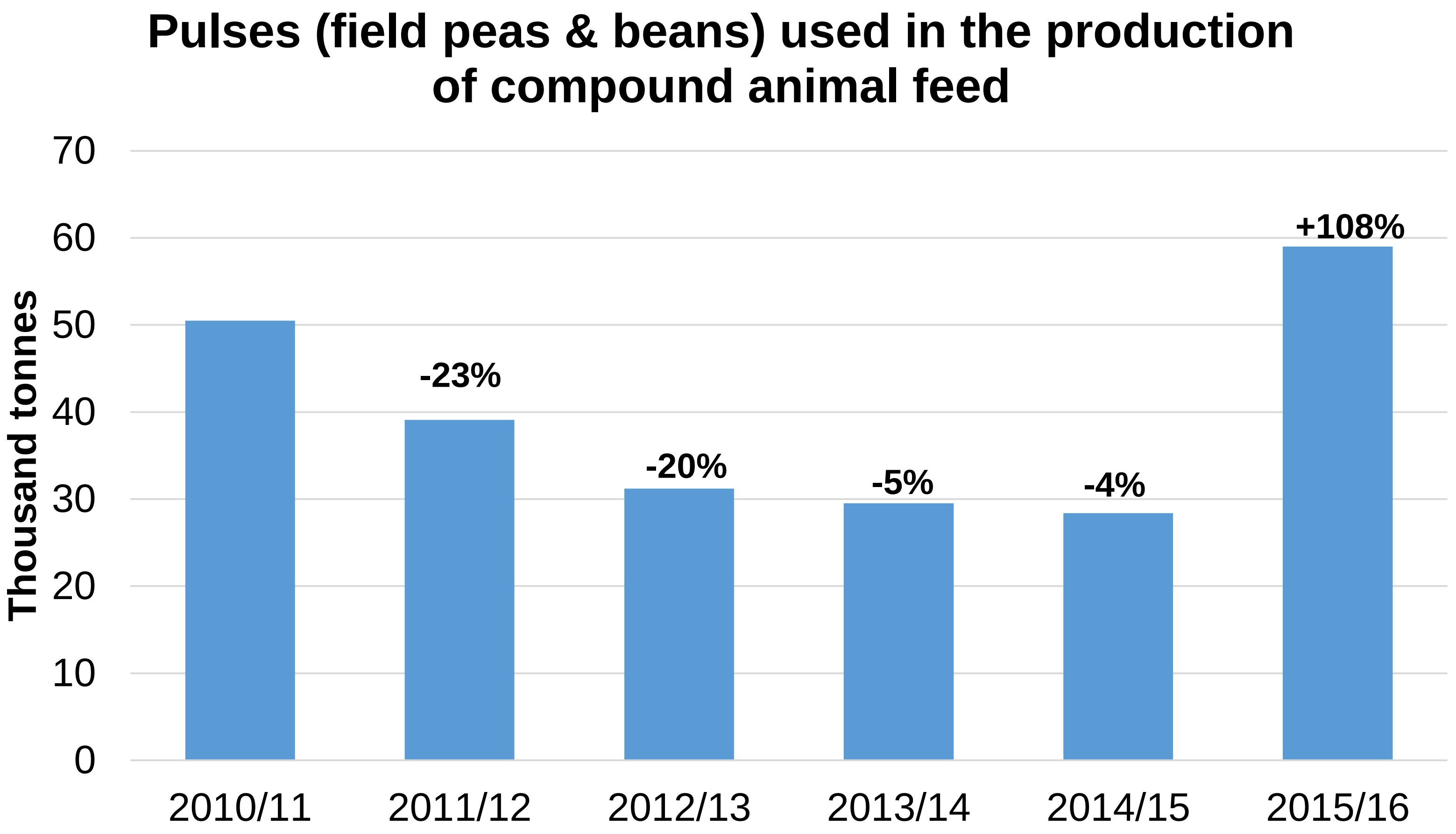
Source: Defra

Pulse inclusion more than doubles



Source: Defra

Looking ahead

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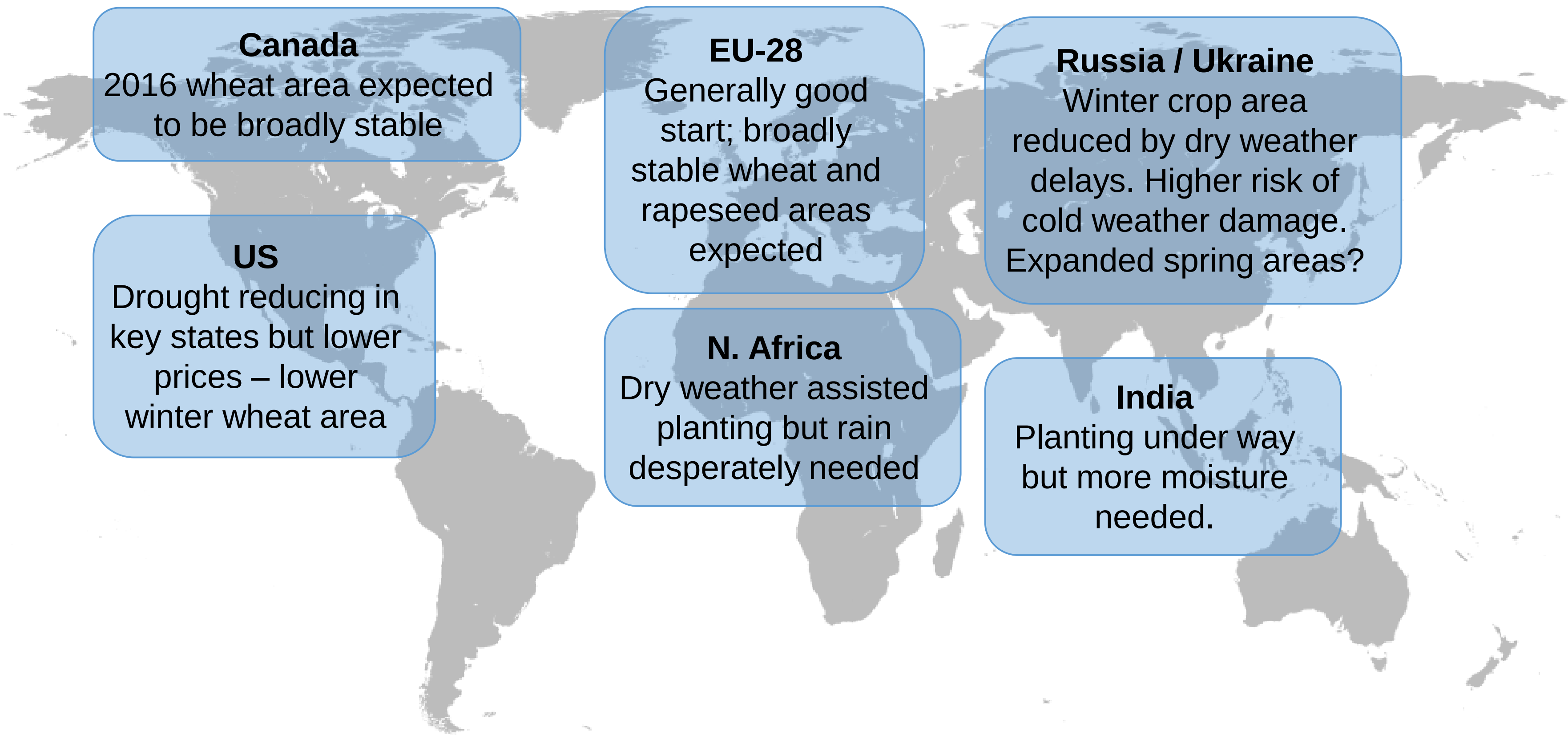
Source: Defra

UK planting intentions - *wheat steady, barley still gaining and looking for alternative break crops*

Early Bird Survey for harvest 2016		
Wheat	1.83Mha	Static
W. Barley	424Kha	-4%
S. Barley	727Kha	+10%
Oats	148Kha	+13%
OSR	565Kha	-14%
Pulses	242Kha	+15%

Source: Met Office, The Andersons Centre (intentions as at early November)

World winter crop areas for 2016/17 and crop conditions



Canada
2016 wheat area expected to be broadly stable

US
Drought reducing in key states but lower prices – lower winter wheat area

EU-28
Generally good start; broadly stable wheat and rapeseed areas expected

N. Africa
Dry weather assisted planting but rain desperately needed

Russia / Ukraine
Winter crop area reduced by dry weather delays. Higher risk of cold weather damage. Expanded spring areas?

India
Planting under way but more moisture needed.

Summary

- High global stocks – bumps in the road but not enough to change downward trend
- Currencies and crude impacting export competitiveness and demand potential
- Pig and poultry driving animal feed demand – but could low pig prices jeopardise growth?
- Little information at present to suggest feed prices on the rise

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MI Prospects

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13 January 2016 / Vol 18 Issue 13

In this issue...

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Analyst's Insight: It's becoming cheaper to feed cars than humans

Ripples from the Chinese stock market (broadly linked to economic concerns) have had a widespread impact on commodity prices, especially oil.

Forward sellers manage the market better in our 2015 pricing strategies update

With only 6 months left of a 21 month marketing period, we take a look at how the five example pricing strategies are faring, as we progress towards the second half of the 2015/16 season.

Market analysis as it happens - coming up on cereals.ahdb.org.uk/markets*

14 January - Breakfast trends

19 January - Global rapeseed trade flows

21 January - US winter wheat seedings and conditions

21 January - The basics of basis

**subject to change*

Market Report

AHDB CEREALS & OILSEEDS

1 February 2016 / Vol 10 Issue 30

Summary of the week

Bullish	Further suggestions that India may have increased wheat import requirements in 2016/17; Speculation over Russian production cuts supports crude oil prices
Neutral	Confusion over Egyptian wheat specification; Look out for December usage data released Thursday
Bearish	EU soft wheat stocks still set to rise despite higher demand; Soyabean shipment destined for 2015/16 delivery to China was cancelled

Contents

Grain Market Daily

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2 February 2016

Today's headlines...

Winter wheat ratings improved in key US growing region

US winter wheat conditions show improvements in the key growing regions.

Old and new crop futures hit new lows

A lack of serious new crop concerns, along the weight of old crop stocks pushed both old and new crop futures contracts on both sides of the channel to new lows yesterday.

Click here to read more on these on the AHDB Cereals & Oilseeds Markets website.

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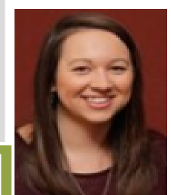
What's ahead for our livestock sectors? AHDB Outlook Conference 2016

Find out what's in store for the pig, dairy, beef and sheep sectors, important consumers of UK grain, at the AHDB Outlook Conference 2016. The event will take place on Tuesday 9 February at One Great George Street, Westminster, London, and also includes the latest outlook for grain markets from our own Brenda Mullan. Click here for more information and to book.

Grain Market Daily

2 February 2016



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Winter wheat ratings improved in key US growing region

The latest conditions ratings reports released by the USDA showed improvements for Kansas winter wheat at the end of January, with 55% of the crop in good to excellent condition. Not only is this an increase from the 54% which was recorded in the previous month, but much higher than this time last year when only 46% of the crop fell into this category.

In line with this, improvements were recorded in Illinois, with 65% of winter wheat in good or excellent condition, up from 58% in December. However, not all states saw an increase in ratings, with Oklahoma down to 74%. This may have fallen from 77%

Thank you

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