

WHEAT

- **Vivergo pulls forward maintenance closure**

This week, Vivergo Fuels announced they will be bringing forward and extending their annual maintenance shutdown, with work to commence before the end of November. Based in East Yorkshire, Vivergo is one of Europe's largest ethanol producers and typically processes around 800,000 tonnes of UK feed wheat each year.

However, a recent slump in bioethanol prices has affected the market and amidst political uncertainty in the bioethanol industry, the company has decided to begin maintenance. Although no official indication has been given for a re-opening date, previous maintenance closures have lasted six to eight weeks so it seems unlikely we will see an intake until 2018. We await further information and will keep all suppliers informed as and when we can.

- **Export data weighs on UK prices**

Futures and physical feed wheat prices weakened this week, in part due to the Vivergo announcement but also following fresh export data released by the AHDB. The September results confirmed a significant slow-down in UK shipments with a cumulative total of 147,000 tonnes exported – a mere 22% of the volume exported by the same point last year. Given the similar crop size year on year, the question remains as to when we might begin to see large wheat volumes trading in the UK.

- **Milling wheat update**

The bulk of UK millers are largely covered until the new year but there is still some uncertainty around their appetite to buy forward positions. Cover levels for summer months remain lower than at this stage last year, but there's no indication the consumers will buck their recent trend of only covering spot positions. The supply base of good quality Domestic Group 1s remains intact, so it is unlikely that any outside influences will directly impact this market in the short-term. Meanwhile, Group 2 and low grade milling varieties continue to play second fiddle with grists dropping these grades where they can.

BARLEY

- **Good demand for feed barley**

There is good domestic demand for feed barley currently, with barley trading at narrow discounts to feed wheat, and therefore looking like a good sell.

The pace of UK barley exports is keeping pace with last season. Figures released this week show that during the first three months of the campaign, the UK exported 342,014 tonnes of barley, which is only slightly behind this time last year.

- **Large EU crop puts premiums under pressure for 2018**

Malting barley premiums continue to hold, with strong demand for low nitrogen barley in all positions. Looking forward to 2018, premiums have come under pressure this week due to an anticipated larger EU crop, with an increased area forecast in Scandinavia.

OILSEED RAPE

- **South American soya crop prospects improving**

Global oilseeds markets have been under selling pressure this week following last week's neutral/bearish USDA report for soyabbeans. CBOT soyabbeans were weaker for most of the week, as US exports slowed following delays discharging vessels in China due to GM certification issues. Improving weather conditions in Brazil have also led to an improvement in soya crop planting and growing conditions. Latest forecasts for the Brazilian crop are 107.5 MnT, up 1 MnT from a month earlier but well below last year's record 114 MnT.

- **Weaker UK currency gave UK OSR price support**

European rapeseed prices followed CBOT lower with MATIF futures having lost around 12 euros in the week. The stronger euro against the US dollar contributed to these declines but UK farm values were supported by a weaker pound versus euro and were virtually unchanged over the week.

PULSES

- **Human-consumption bean values under pressure**

With quality beans becoming harder to source and shipment delays on existing cargos, human consumption bean values are certainly under pressure with little or no buying interest in the spot position. Given this lack of demand and a better appreciation of quality issues, feed bean values are also coming under pressure.

- **Ethanol wheat plant closure increases interest**

We have seen a little more buying interest from feed compounders in the North following the announcement of the temporary closure of the ethanol wheat plant near Hull, but this is unlikely to halt the slide in feed bean values.

- **Crop feed bean values remain strong**

New crop feed bean values are holding up well with levels approaching £160/tn ex farm in some areas and the Frontier bean pool is now open for marketing new crop beans.

FERTILISER

- **Phosphates market moves**

This week the market chatter has all been around phosphates (DAP/TSP) and the knock on effects to products with the higher inclusion of P, such as 0.24.24/0.20.30. Earlier in the week the sulphuric acid market firmed, pushing phosphates higher. Sulphuric acid is used in the production of phosphate fertilisers and in this process calcium phosphate, Ca₃(PO₄)₂, (found in phosphate rock and which

cannot be used by plants because of its insolubility in groundwater) is converted to forms that will dissolve in water thus it available to plants. All UK producers withdrew terms during the week and pushed DAP/TSP up by approximately £30/mt. Speak to your local Frontier contact for more info.

- **CF Fertilisers/Yara**

A quieter week on nitrates as the market adjusts to the recent rises. CF talk is of further offer withdrawals next week and a higher Jan price on Nitram. Yara is already higher than CF for Dec/Jan with Extran. CF's compound range will also be withdrawn due to the phosphate issue. Again, speak to your local Frontier contact regarding compound and nitrate deals.

- **Urea**

Some corrections in the world urea market this week has seen some business concluded at lower numbers than last week, but this has had very little effect on the UK market. Time is running out on granular urea for this season in the UK. Offers here are very limited due to low stocks and very little appetite to buy a 25,000t cargo at these much higher numbers, with customers seemingly happy to wait till next spring.

- **MOP**

Potash prices are being dragged higher on the back of other market factors, but nothing like the rate of increase of phosphate. Keep a close eye on this one.