

WHEAT

- **Record world wheat harvest**

UK wheat prices have eased this week but the key November futures contract remains within the £135-£145/t range that we have seen for most of 2017. There was a six week spell in late June and through all of July when prices spiked outside of this range but a succession of global crop reports from the big agencies, including USDA, FAO and IGC, have recently reassured markets that, despite some local difficulties, the world is going to be well supplied with grain during the 2017/18 campaign. Recent reports on the Russian harvest point to an additional 7.5mmt of production over last year's record wheat crop, which will give it a new record of 80.0mmt. Overall we are on course for the biggest world wheat harvest ever.

- **Weather affected UK harvest**

The UK wheat harvest is struggling on through variable weather. Combines are rolling well in the South East but further north and west progress is much slower. There are now concerns that UK wheat quality could be variable, but with a smaller exportable surplus this year and an abundance of Group 1 and 2 varieties in the ground, the impact on prices should be limited.

- **Lower wheat plantings confirmed**

There were few surprises contained within DEFRA's Provisional Crop Areas report released on Thursday this week. It only covered English farms with the Scottish data not available until October. Wheat plantings showed a 2.5% reduction, in line with the 3% drop predicted in last month's AHDB Planting Survey. We are likely a couple of weeks away from being able to sensibly estimate yields.

BARLEY

- **UK weather continues to interrupt spring barley harvest**

As spring barley harvest spreads northwards the catchy weather continues to delay progress in many areas. As a result, another week has gone by and there is still significant uncertainty on the size or quality of the UK spring malting barley crop. There is no real pattern to overall quality except for higher nitrogen in the South East and West Midlands. Many growers have been left perplexed as to how a good looking crop has produced grain with such a high nitrogen. Once again it highlights how the spring malting crop can be at the total mercy of the weather over the short growing season.

- **Malting barley market digesting mixed quality news**

With such mixed quality and still a reasonable proportion of the UK spring crop still in the field, the market still has a significant amount of uncertainty about it. Sales maltsters will take some time to assess what is and is not available from the UK crop and talk to brewer customers about what will be acceptable in the brewery. As a result the market has been slow to evolve and lacks direction.

- **Feed barley remains in good demand**

With feed barley still at a good discount to wheat, although not as big as we have seen recently, demand into compound mills remains steady with spot buyers evident in many areas. The underlying demand for export feed barley has given support to prices in the last couple of weeks even as the value of feed wheat has fallen. With so much uncertainty around the malting market at the moment, growers also appear reluctant to release high nitrogen springs as feed at this stage.

OILSEED RAPE

- **UK OSR harvest close to finishing**

The last of the UK OSR harvest is currently being finished off in the north and Scotland. Despite the unsettled weather there is currently less than 10% of the Scottish area to harvest, with yields well above last year's historic lows (3.31t/ha) and looking likely to be close to the record yields (4.2t/ha) of two years ago. With yields higher generally across the UK it's expected that the 2017 crop will be over 2.0mmt, well up from last year's 1.75mmt.

- **US and Canadian crops key to the future**

The market has been flat this week with the focus now on soybean crops in the US and Canadian canola production. CBOT soybeans have firmed in the last few days as weather for the next week is forecast for warmer and drier weather returning to the US and Canada. This can have a significant impact on the market with estimates for the canola crop at 18mmt, whereas the USDA forecast 20mmt. In the US, next week's crop tours will be closely followed to give some direction on soybean production.

PULSES

- **Variable quality peas**

There's been little improvement in pea quality this week with large blue varieties in particular suffering from this unsettled spell of weather. Many samples are bleached and unsuitable for the micronising market and consequently many bulks have been downgraded to feed, leading to a wide range of prices depending on quality. Please contact your local Frontier farm trader to arrange sample collection.

- **Early harvested bean yields above average but quality mixed**

The bean harvest has made some progress this week with an increasing number of winter beans harvested in the south and also a few spring beans cut. Whilst it's too early to make any judgements it would appear that yields are above average and quality is variable. Volumes traded have been limited as the trade assesses the suitability of the UK crop for premium human consumption markets.

FERTILISER

- **A quiet week**

Another week of inclement weather has led to a drop in fertiliser enquiries. DAP is still flowing for OSR establishment but the markets are otherwise quiet. There are a few short term supply issues on DAP as a consequence of the Bunn/Origin deal but otherwise most products are available. The Bunn/Origin deal has meant no movements from the Bunn sites this week as Origin stock checks and reconciles order books. Hopefully by Monday this will be resolved and we can continue with despatches to farm. We await the new business structure and ideas on pricing from each site.

- **P and K**

Talk continues around rising levels given the currency issues, but farm gate values are not moving due to low interest from farm. Given the wet harvest, nutrients will have been washed lower in the soil profile and bigger yields means higher removal of P and K. If you have any space in sheds, consider talking to us about some cover on MOP/TSP.

- **Granular urea**

Granular urea has continued to firm this week. Most offers are for immediate shipment but even Q4 has traded firmer. As the market has started to move, short position covering from some European shippers hasn't helped. Low stocks in North Africa due to production issues should soon be resolved and this should keep a lid on urea prices.

- **Ammonium nitrate**

CF and Yara are mirroring imported ammonium nitrate values currently so will keep an eye on Litan and Pulan levels. Imported AN offers are low as the producers can make greater margins selling in local markets than shipping into the UK.