



Weekly Grain Bulletin

27th July 2018

Wheat

Fundamentals:

- The IGC cut 16mmt from their global wheat forecasts to 721mmt (758mmt in 2017/18)
- Strategie Grains decreased their EU soft wheat production figure to 132.4mmt (141.8mmt in 2017/18)
- Unfavourable warm weather continues to tighten the S&D's in key exporting countries
- UK wheat yields are down from 10%-15% and large variances in proteins

Outlook: London futures started the week strong, Nov-18 reached a high of £190.00 on Wednesday (£14 up on the week) before easing off. Ongoing warm weather in key wheat growing areas remains the main driver of lower production figures. This week saw further reductions. The IGC cut Global production to 721mmt, down by 16mmt on the previous estimate in early July. Total grains consumption is forecast to only drop marginally leaving the prospect of the lowest World stock levels since 2014/15. Rumours of a Russian wheat export ban on Wednesday helped to fuel the rise in futures, but this has since been quelled. Nov-18 London futures continue to trade at a premium to CBOT and MATIF Dec-18 due to the fact that we will require an estimated 2mmt of wheat imports to the UK. The UK wheat harvest is well underway with reports of some reasonable crops with decent bushel weights, but also some very poor yields. In general about 10% down on last year. The persistent warm weather has condensed harvest and there is significant pressure on harvest logistics.



Market View



Market View

Oilseed Rape

Fundamentals:

- US soybean crop ratings 70% good/excellent (69% last week, 57% last year)
- Soybean prices benefit from proposed US farmer support package and positive EU trade talks
- EU rapeseed crop forecasts continue to drift lower
- EU rape oil premium over palm oil reaches November 17 highs
- UK rapeseed yields approx. 10% lower than last year

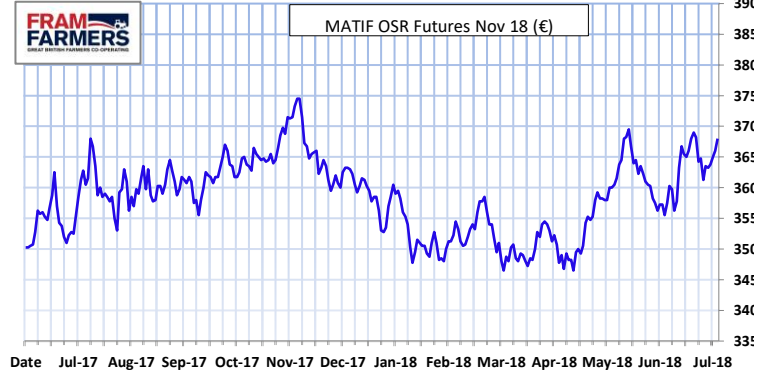
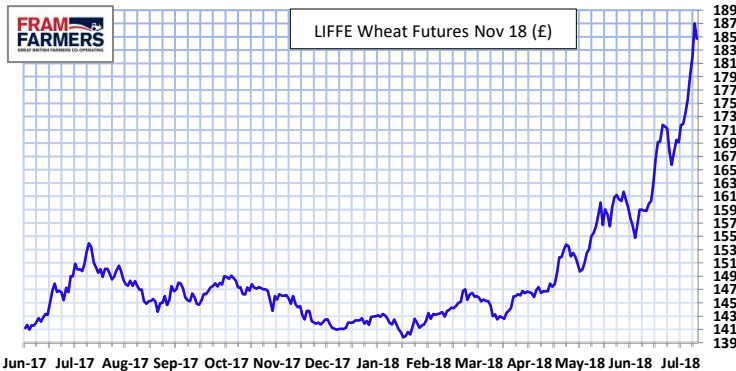
Outlook: US soybean prices continued their recovery this week as the USDA announced a \$12 billion financial assistance program to aid farmers impacted by the recent trade war and following positive trade talks between President Trump and EU Commission chief Jean-Claude Juncker. US soybean crop conditions remain favourable with the ratings the 2nd highest they have been at this stage of the season in the last 20 years. EU rapeseed crop estimates continue to be tweaked lower due to lower estimates in France and Northern Europe. Following its recent rally, EU rape oil is now looking expensive versus other oils but biodiesel demand remains strong. In the UK, rapeseed yield reports are mixed but indications suggest 10% lower than last year but domestic prices have failed to match the fireworks seen in the wheat market as the focus remains on harvest execution.

£1 = €1.1251

£1 = \$1.3108

Feed Wheat Ex Farm	Aug 18	Nov 18	May 19	Nov 19	Weekly Change Nov 18
East Anglia	£165.00	£175.00	£182.00	£163.00	↑ £7.00
South East	£164.00	£174.00	£181.00	£162.00	
North West	£176.00	£184.00	£189.00	£171.00	
Feed Barley Ex Farm	Aug 18	Nov 18	May 19	Nov 19	Weekly change Nov 18
East Anglia	£147.00	£161.00	£168.00	£147.00	↑ £7.00
South East	£146.00	£160.00	£167.00	£146.00	
North West	£154.00	£169.00	£175.00	£156.00	
OSR Ex Farm	Aug 18	Nov 18	May 19	Nov 19	Weekly change Nov 18
East Anglia	£303.00	£319.00	£325.00	£305.00	↑ £4.00
South East	£304.00	£320.00	£326.00	£306.00	
North West	£305.00	£321.00	£327.00	£307.00	

Please note all prices are to be used as indications only. Markets are particularly volatile please ring the office for up-to-date pricing.



Further points: Prices are extremely volatile and are changing on a daily basis, please phone for up-to-date prices. Please login into your member profile for daily market commentary.

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