

Grain Markets

- another season of extremes

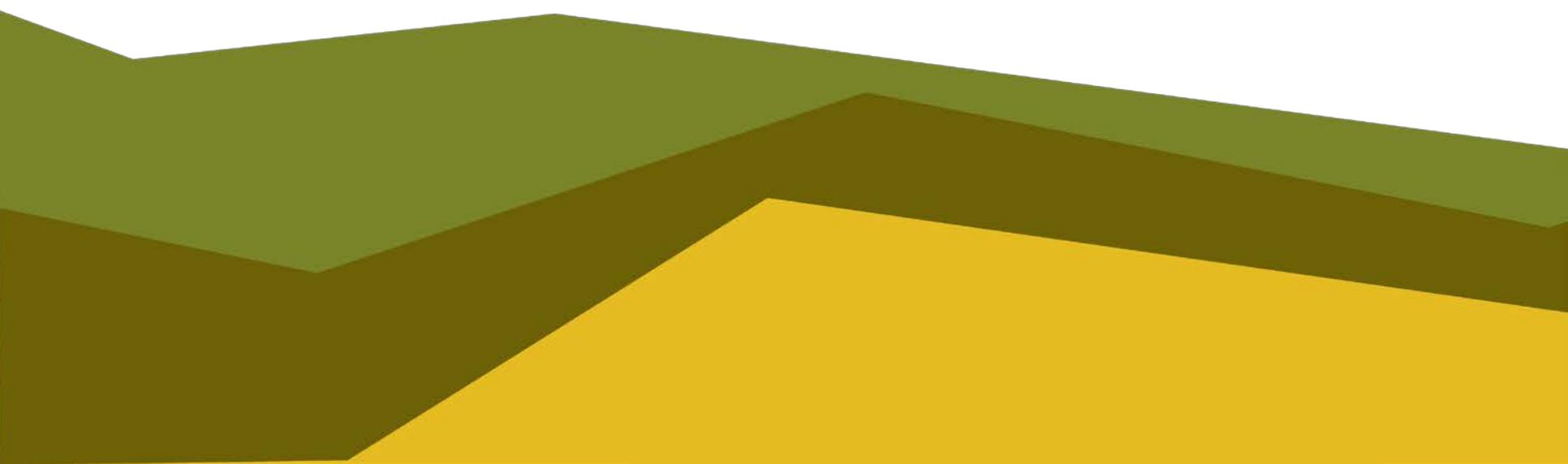
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Volatile markets continue

Nearby UK wheat futures



UK grain perspective



UK wheat S & D – *low production, high imports, uncertain demand*



M tonnes	2010/11	2011/12	2012/13 f'cast
Opening stock	2.027	1.537	1.495
Yield (t/ha)	7.7	7.7	6.68
Production	14.876	15.257	13.310
Imports	1.001	0.908	1.700
Total availability	17.906	17.702	16.505
Domestic demand	13.714	13.662	14.305
<i>H&I</i>	7.201	6.800	7.688
<i>Feed</i>	6.144	6.491	6.255
S&D balance	4.192	4.040	2.200
Exports	2.655	2.545	
Closing stock	1.537	1.495	

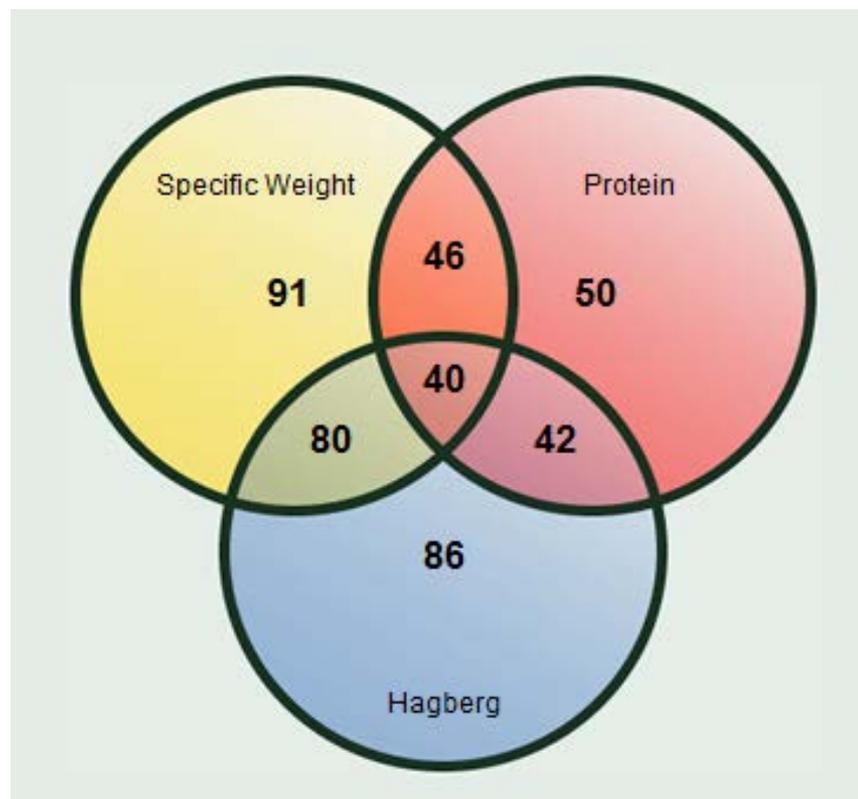
GB quality: High quality bread wheat

- Group 1, 76Kg/hl, 250s, 13%



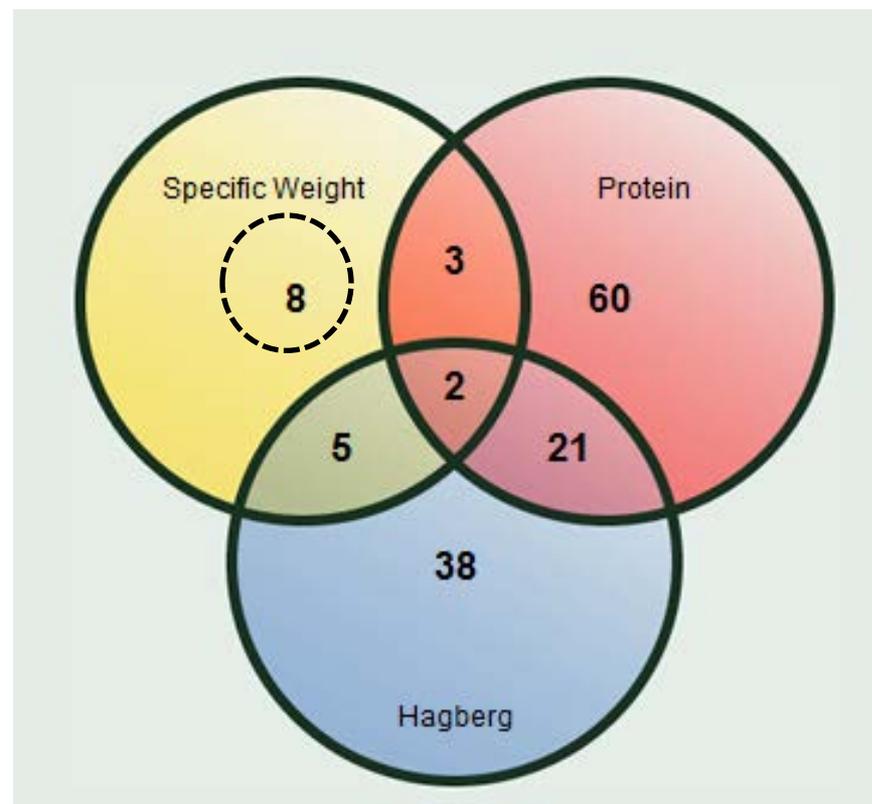
2011 final

% samples meeting spec

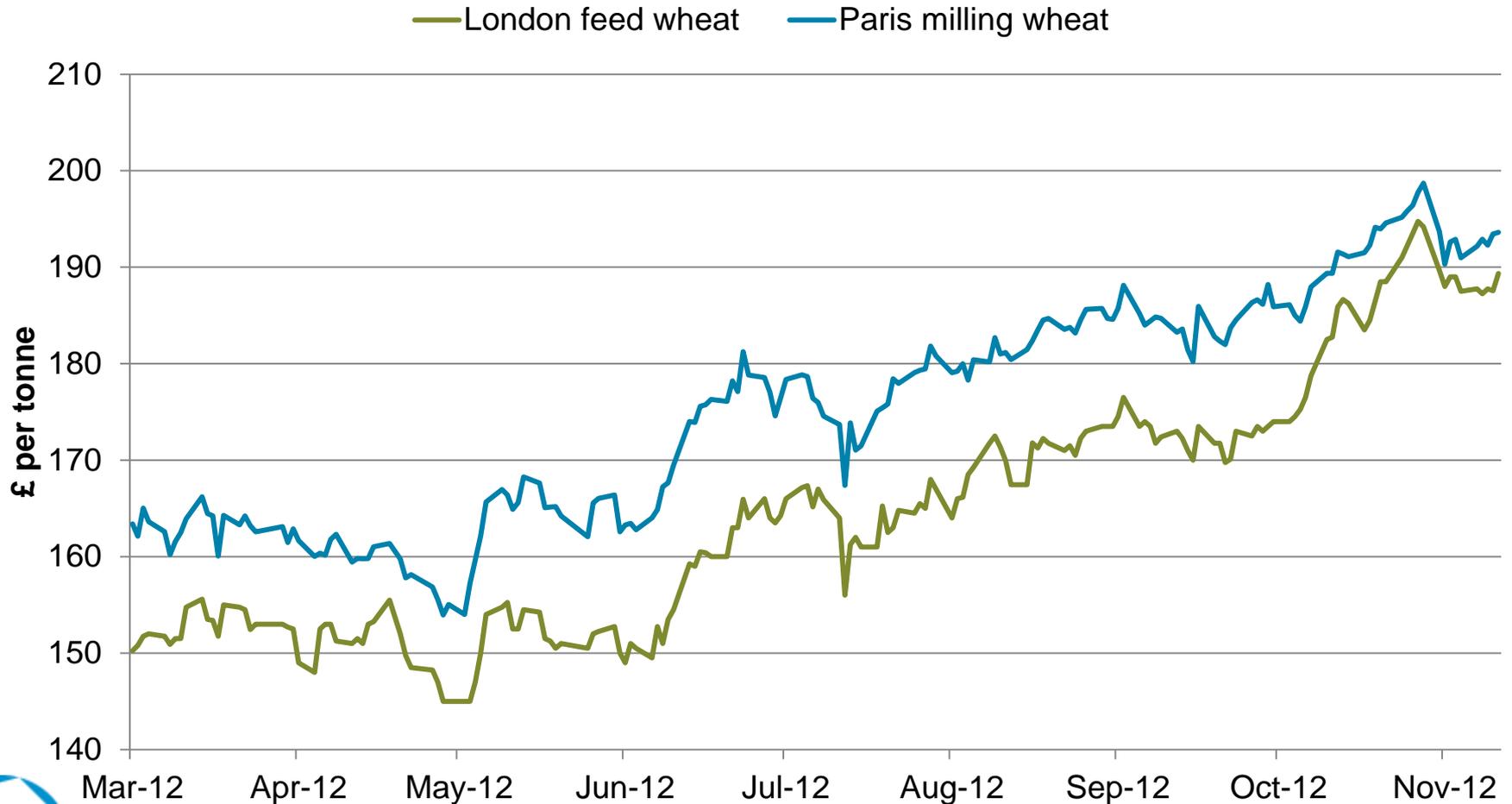


2012 provisional (10 Oct)

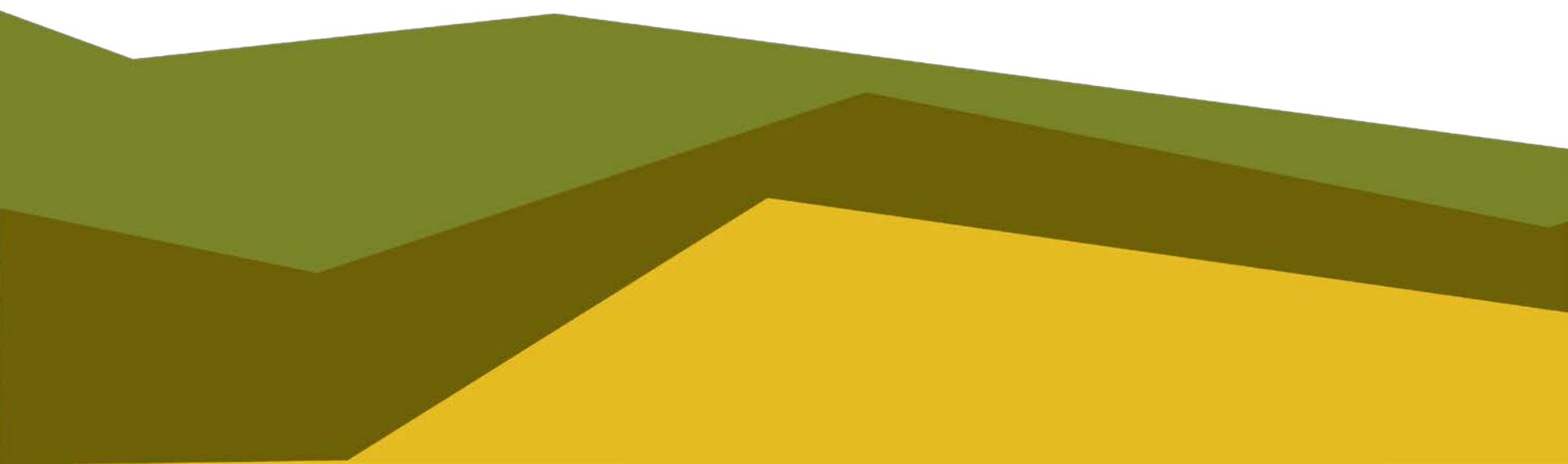
% samples meeting spec



November 2013 futures prices

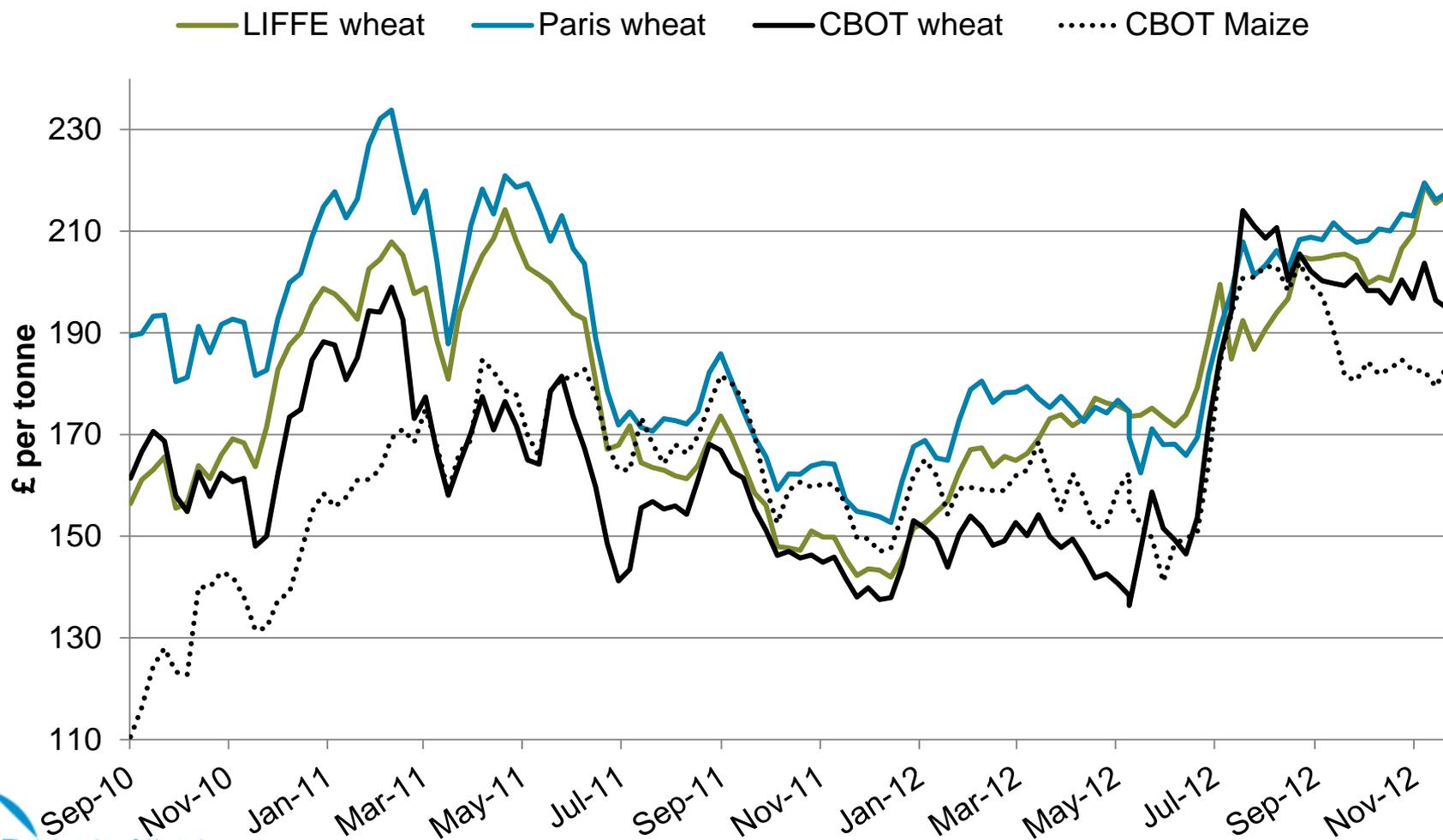


Global grain perspective

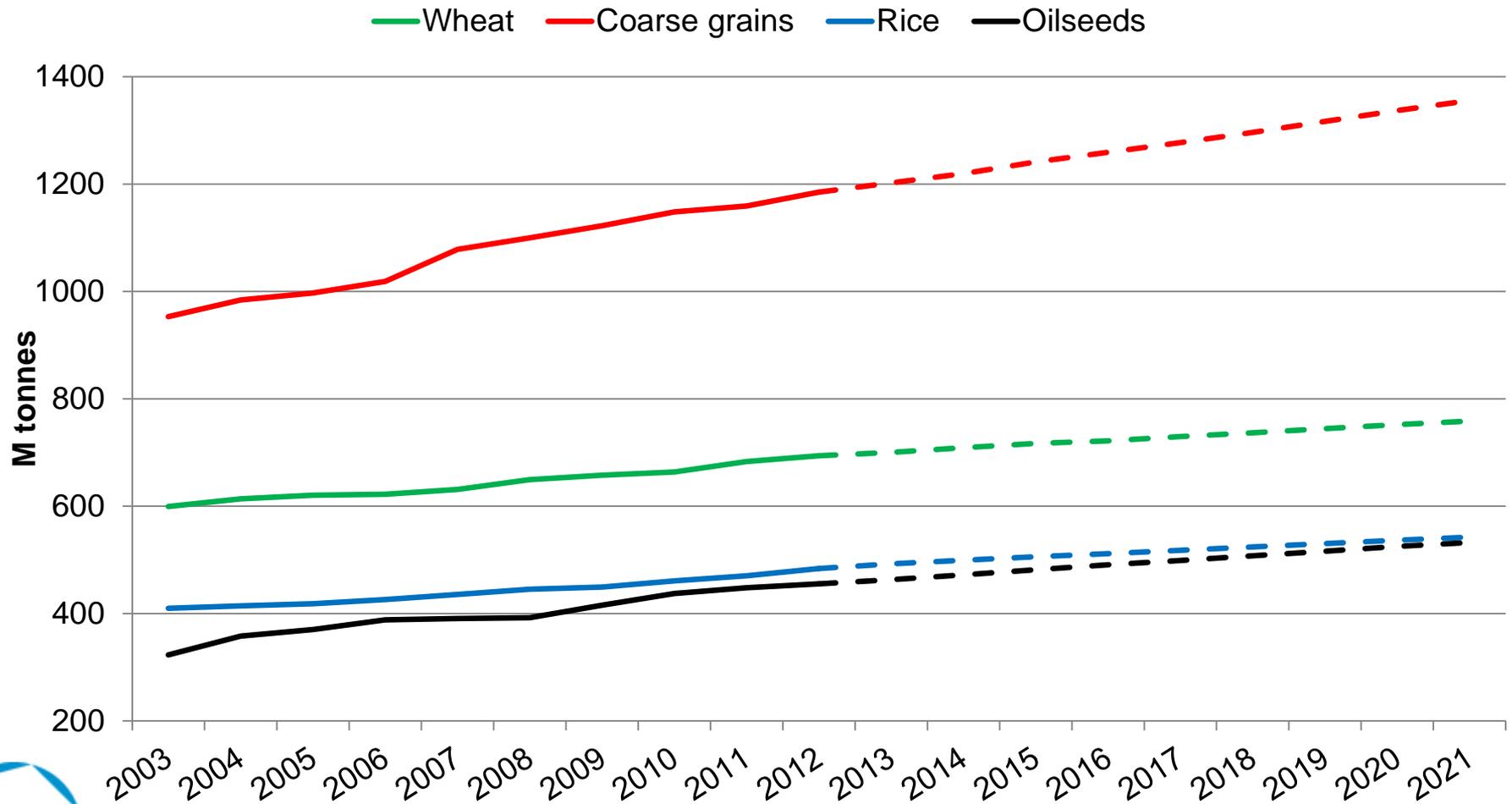


International grain futures (nearby)

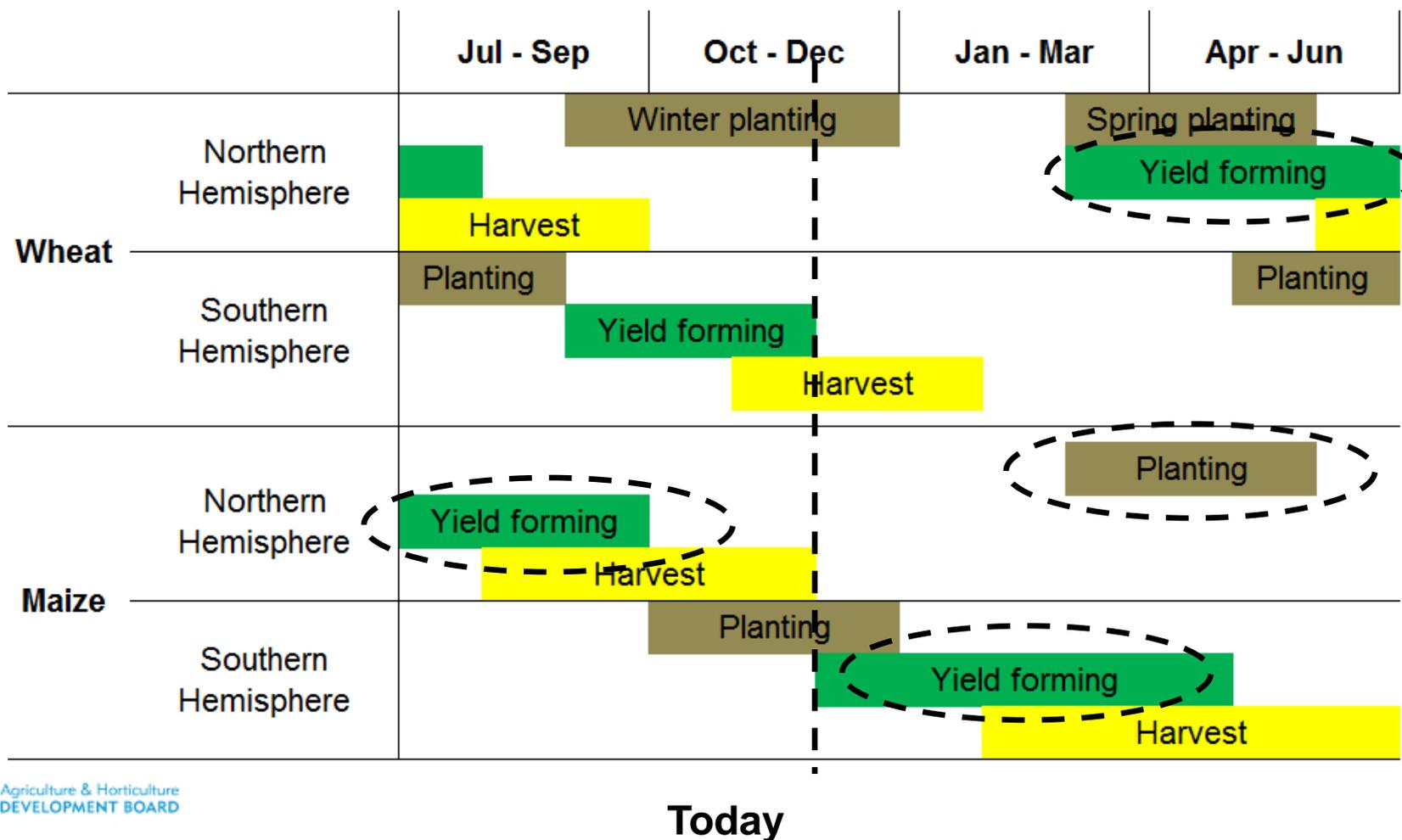
- relationships are changing



OECD consumption forecasts - *the long term driver*

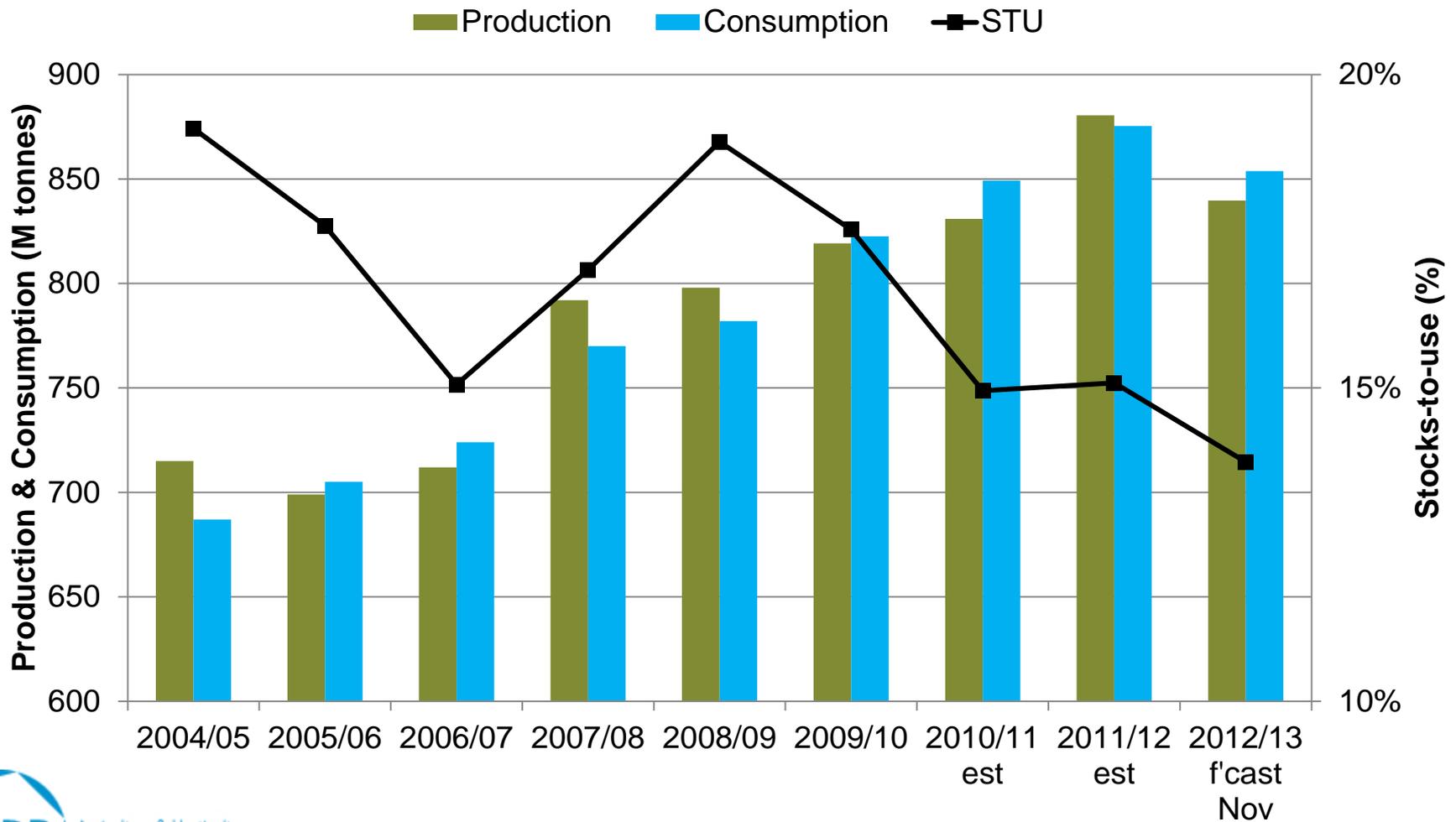


Global crop cycles - Grains



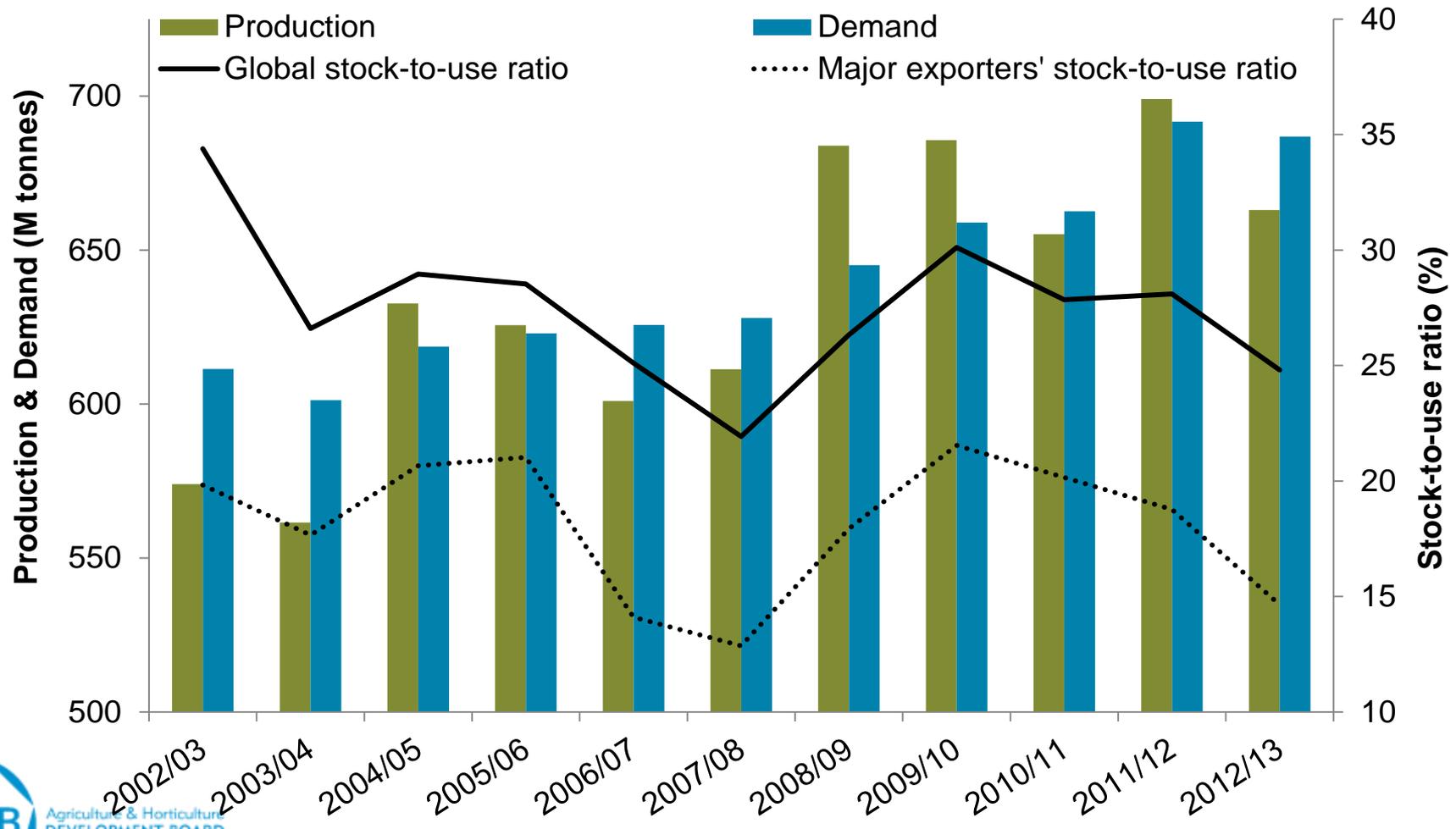
Global maize supply and demand

- high prices now impacting demand



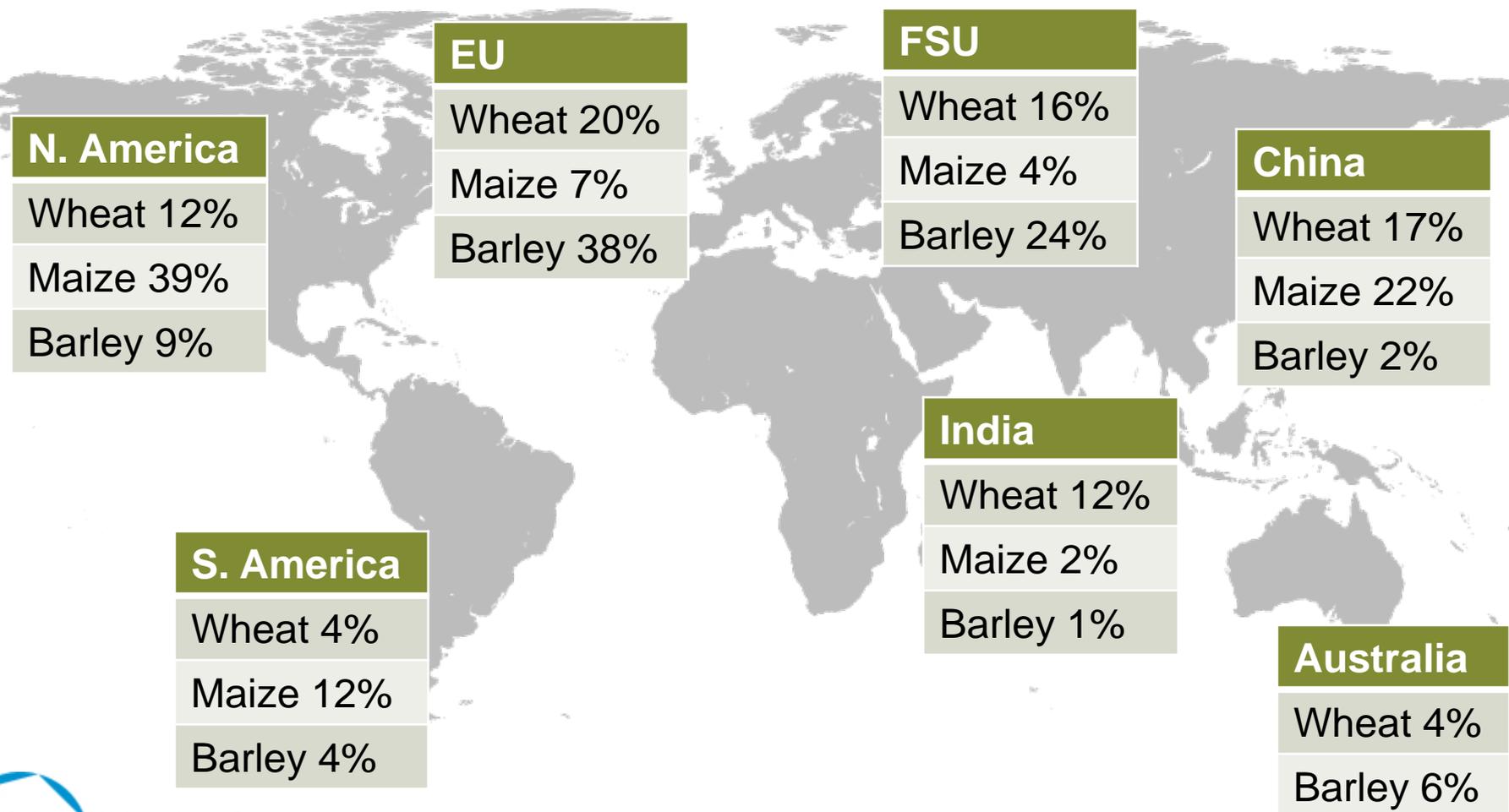
World wheat supply and demand

- stock erosion expected in 2012/13



Grains – share of production (2011)

- wheat 696Mt, maize 878Mt, barley 134Mt



What you need to know about grains



This is the third consecutive season of major weather issues

Feed grain stocks are too low to fill the void in 2012/13, so demand has to be rationed – via high prices

Wheat is developing its own issues

Fresh S.American / Australian supplies late 2012 – early 2013

The biggest risk to the price is more ‘normal’ global growing conditions in 2013 – the big unknown

Thank you

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