# Changes in Wheat production & utilisation

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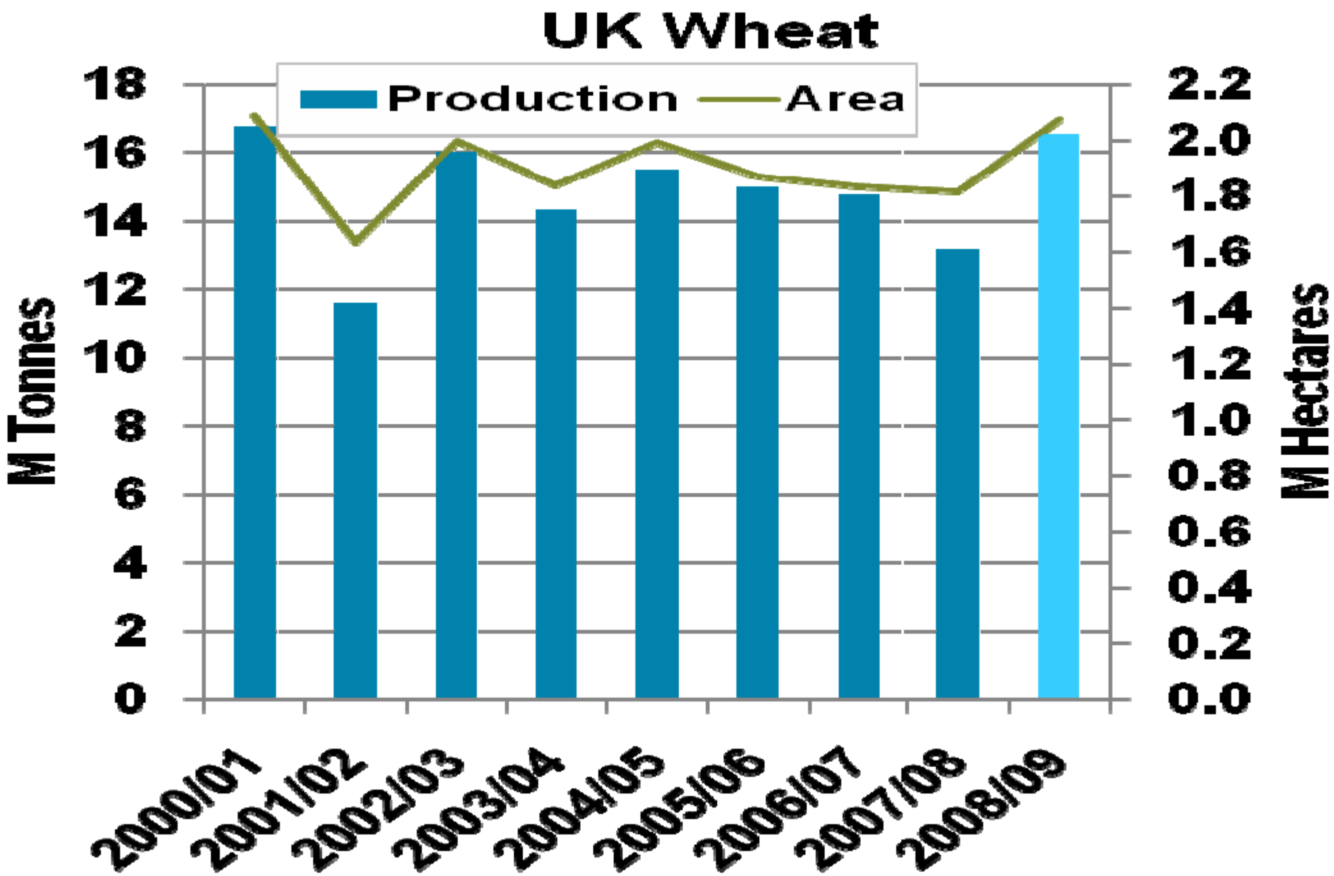
# Agenda

The past – production

The future – consumption

What we need to prosper

# Recent changes in production



# Why so little change?

- Agronomic
  - Rotations
  - Weed/disease control
  - Fixed costs
  - New developments

# Political influence

- IACS, CDP, production support

- Decoupled support
  - 1st year - uncertainty
  - 2nd year – high prices
  - 3rd year – low prices

- Returns from the market
  - Volatile
  - Need profitablity
  - Food security
  - Commodity pricing

# UK wheat balance sheet
## *- larger exportable surplus and higher wheat use*

| | 2006/07 | 2007/08 | 2008/09[1] |
|---|---|---|---|
| **Prod.** | 14.7 Mt | 13.2 Mt | 17.46Mt |
| **Demand** | 13.5 Mt | 13.2 Mt | 14–14.5 Mt |
| *of which Feed* | 6.8 Mt | 6.1 Mt | 6.8 -7Mt |
| *H&I* | 6.4 Mt | 6.8 Mt | 7–7.3Mt |
| **Exports** | 2.1 Mt | 1.5 Mt | 3–3.5 Mt |

*1) DEFRA/HGCA estimate. NFU 17.56Mt*

**But quality is an issue this season!**

*Sources: Defra, HGCA*

# Human & Industrial Use

- H & I use 2008 7.0m tonnes

- Milling - 5.5m tonnes
  - Plus 1.0 m tonnes imports
- Current starch – 1.25m tonnes
  - April 2009 – 1.0m tonnes
  - April 2010 – 1.0m tonnes
- H & I use 2010 9.0m tonnes

# Wheat exports and demand

| | |
|---|---|
| Exports 2008/009 | 3.5 m tonnes |

Demand:-

| | |
|---|---|
| Spain | 4.6m |
| Portugal | 1.4m |
| Italy | 4.6m |
| Morocco | 3.4m |
| Tunisia | 1.8m |
| Total | 15.8m tonnes |

# What do we need to prosper?

- To fulfill possible markets
  - New reliable milling wheats
  - Improved baking qualities
  - Export criteria
  - Starch contents
  - Disease resistance
  - GM?!

# What problems lie ahead

- RB 209 – Nitrogen levels
- Pesticide registration
- Pesticide perceptions
- GM?
- Carbon footprint

# The Future

- Utilisation matched nearer production
- Greater food security
- R & D to move us all forward
- Profitability in the arable sector