



# MI Prospects



## Putting 2012 into context

The run up to the 2012 harvest has been one of the most uncertain in recent years. The late development of many crops and delayed harvest means that there is still much to play for in terms of yield and quality.

This is a special edition of Prospects which takes the long view of this year's harvest. For many of the crops it is too early for reliable estimates of production, but given the concerns around growing conditions, it may be useful to put 2012 into a historical context.

Further information is available on the UK harvest on 31 August when the AHDB/HGCA Cereal Quality Survey is released.

### 2001 and 2007 weather patterns

When considering other poor growing years, two spring to mind. In 2001, winter crops got off to a bad start due to the problematic autumn of 2000, which was followed by a hot June. The 2007 harvest year was similar to 2012 in respect of weather patterns with a distinct lack of sunshine during the critical grain filling period.

Using historic yield information, it is possible to identify some possible production scenarios. There is, of course, the possibility that final 2012 production levels may fall outside this range, especially for crops with limited harvest information. However, it does provide a useful reference point for 2012 against other challenging growing seasons.

In this context, AHDB Market Intelligence has taken the opportunity to run further analysis of this year's Planting Survey results incorporating all responses received to date. The updated analysis can be found by [clicking here](#). As with any survey estimate these results should be read with statistical variation and confidence levels in mind.

### Additional data updates

Full season usage and trade data is now available for 2011/12, which will be important for the final balance sheet estimates. This is particularly pertinent in 2012 as it will help establish stock carry-over into the new season.

In 2011/12, wheat experienced strong feed demand with that for barley noticeably lower. The success story for barley was the strengthening demand from the malting sector, especially for the distilling supply chain.

For 2012/13, feed demand for barley could see a revival. Large discounts to feed wheat, re-emerging biofuel demand for wheat and weakening malting premiums are all supportive of additional feed barley usage.

### Harvest Toolkit

With harvest delays and potential quality issues, the supply chain needs to remain alert to contractual commitments, the scale of fallbacks and rejection thresholds. HGCA has re-issued their online Harvest Toolkit available on the [www.hgca.com](http://www.hgca.com) homepage. This Toolkit contains the Cereal Sellers' Checklist, the HGCA Grain Sampling Guide, information on mycotoxins and grain storage.

### Jack Watts and Charlotte Garbutt

#### Grain Outlook Conference 16 October

AHDB's Jack Watts will be joined by international Eurozone economics expert Megan Greene, Mike O'Dea from risk management consultants FC Stone and Matthew Collins, Professor in Climate Change, University of Exeter. Places can be reserved [here](#).

## In this issue...

### Wheat

Regional variability in yield and quality is creating uncertainty for the UK wheat market.

### Barley

The critical Scottish barley crop is eagerly awaited to determine the size and quality of UK supply.

### Oats

Early indications are that the GB oat crop could be larger than last season.

### Oilseed Rape

The 2012 UK OSR crop is unlikely to beat last year's record but could still be sizeable, although oil content appears to be lower.

# Wheat

*The delayed 2012 wheat harvest is on par with that of 2008. Both yield and quality remain uncertain until more of the crop is harvested and sampled. Quality concerns could mean that higher than usual imports are required.*

Lloyd Dixon & Jack Watts, Market Specialist team  
02476 478862, [lloyd.dixon@ahdb.org.uk](mailto:lloyd.dixon@ahdb.org.uk)

## Full season usage and trade data

In 2011/12, wheat use by **GB retail feed compounders** was 11% higher than 2010/11, slightly above 3Mt. This was largely at the expense of barley, which was uncompetitive into feed rations for most of the season.

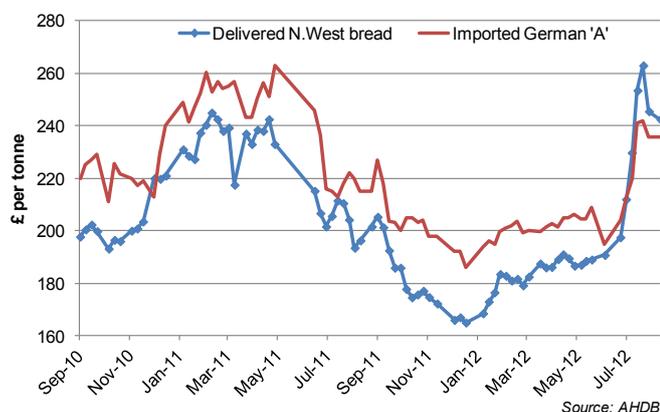
**Millers' usage**, which includes that of starch and bioethanol producers was 5.98Mt, 509Kt below the previous season due to little wheat being used by ethanol producers. A recent announcement from **Ensus**, is likely to mean a return of wheat based ethanol production in the 2012/13 season. This extra demand could change the regional dynamic of the UK wheat market with more feed wheat drawn into the North East, while farmers in the South find it more economical to focus on local and export markets.

**Distillers' usage** was seen to be 622Kt, 17% up year-on-year, reflecting strong overseas demand for whisky.

Recent HMR&C data shows that the **UK exported 2.39Mt of wheat** in the 2011/12 season. This compares to Defra's forecast in the May supply and demand estimates of 2.45Mt. Main destinations were Spain, Portugal, the Netherlands and the USA with these 4 countries accounting for just under three quarters of UK wheat exports.

Due to the good quality of the 2011 crop, domestic prices remained well below imported German 'A' wheat values (13% protein, 250 hagberg); these are shown in Figure 1. However, in the lead up to the 2012 harvest, domestic prices have rallied to import parity, due to the thin old crop stocks, new crop delays and concerns over quality.

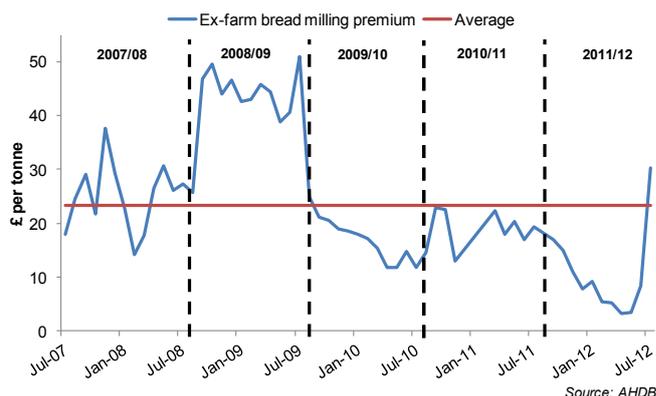
**Figure 1 Imported and Domestic Bread Wheat Prices**



## New crop prospects

Over the coming season **milling wheat premiums** are likely to be much stronger than in 2011/12, as the 2012 crop cannot be expected to deliver the 'vintage' quality of the 2011 harvest.. Figure 2 shows the long term evolution of ex-farm bread milling premiums in the UK. Premiums have rallied quickly through July and into August again on tight old crop supplies and emerging new crop concerns.

**Figure 2 UK ex-farm Bread Milling Premiums**



Based on anecdotal evidence from early harvest results, specific weights appear to be lower than in recent years. The latest ADAS report notes figures of between 50kg/hl to 78kg/hl from the first 25% of the wheat area, with an average of 67kg/hl. The average UK yield to date is estimated at 7.1-7.5t/ha. These are very provisional figures, and should be read with caution. Through the harvest, weekly harvest reports from ADAS (published every Thursday at [www.hgca.com/markets](http://www.hgca.com/markets)) will provide further insight.

With limited crop harvested and very variable yields, production estimates need to be treated with caution. Figure 3 sets out **production scenarios** based on historic yields and information from the updated AHDB/HGCA 2012 Planting Survey. Over the 12 year period examined, average yields showed a 17% spread between the highest and lowest, and a deviation of at most 9% from the average.

The 2007 yield figure has been included as, similar to this season, June/July were wet and dull. 2012 has seen the wettest April to August period since 1975, with double the average rainfall received across the UK. In the August Strategie Grains report, UK wheat production has been revised downwards from 15.35Mt to 14.32Mt.

# Wheat

**Figure 3 GB Wheat Production Scenarios for 2012 (M tonnes)**

GB Yield (t/Ha)	GB 2012 area (Thousand Ha)		
	Bottom of Range*	Estimate	Top of Range*
	1,970	2,011	2,051
2000-2011 low (2001)	7.08	13.96	14.53
2007	7.23	14.25	14.83
2007-2011 five year average	7.77	15.32	15.94
2000-2011 high (2008)	8.28	16.32	16.99

\*Based on Confidence Interval (95%) Source: Defra, AHDB

## What if there is a quality problem?

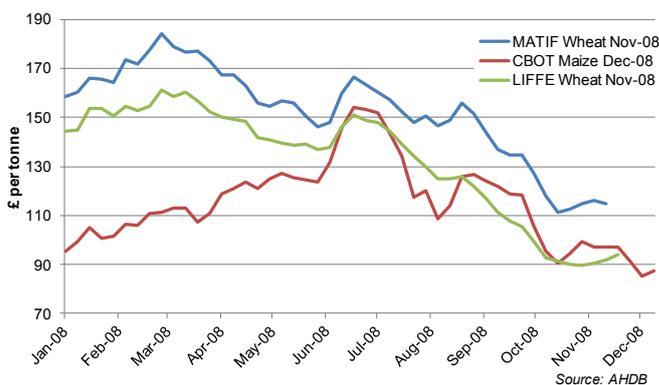
It cannot be stressed enough that given the early stages of the harvest, **the quality of the UK crop cannot yet be significantly downgraded**. However, if the quality of the UK crop is not sufficient to meet processor needs, then imports may well increase. Historical data since 1992/93 through to 2011/12 shows that season imports have ranged from 0.79Mt through to 1.8Mt. The highest figure was seen in 1993/94. In 2008/09, which was a very poor quality season, imports totalled 1.30Mt.

Typically in a poor quality season, a higher proportion of the UK crop is classified as feed wheat. Depending on the international market this can have an impact on UK feed wheat prices. The 2008 crop was a record large crop of 17.2Mt, which resulted in a large exportable surplus dominated by feed wheat. Demand for this surplus wasn't met by Europe (which also had a large crop), so UK feed wheat prices had to decouple from the EU (Paris) market and re-align with the world feed grain market (Chicago maize).

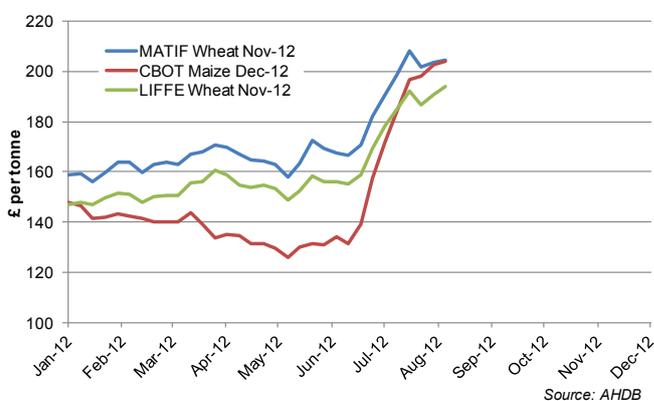
Figures 4a and 4b show international price relationships in 2008 and 2012. In 2008, UK feed wheat traded at the usual discount to Paris wheat (circa £10/t) until harvest, but during September moved to a £30/t discount - aligning with maize to stimulate exports.

In 2012, due to the US drought, maize supplies are expected to remain thin. This has elevated the maize market, closing the price spread with wheat. This means that if the UK has to export more feed wheat then aggressive discounting, as seen in 2008, is unlikely to be needed. Also the size of the 2012 crop is highly unlikely to be of 2008 magnitude, meaning a smaller exportable surplus.

**Figure 4a 2008 Price Movements**



**Figure 4b 2012 Price Movements**



## Closing comments

Based on early samples from the 2012 wheat harvest, it appears yield will underperform with quality below 2011 levels.

If the UK cannot produce enough high quality grain additional imports maybe required to make up the deficit. With tightness in the maize market and other global weather events, aggressive discounting is unlikely to be required, as seen in 2008.

## Key Points

- Uncertainty over yield and production levels.
- High maize price remains supportive to feed wheat price.
- Questionable quality seen in early harvest samples, although no major concern yet.
- Production of UK fuel ethanol to restart.
- Milling premiums for the 2012/13 season will be higher than 2011/12

# Barley

**Against the global trend, EU-27 barley production is expected to increase in 2012, led by a rebound in French production. The implication for the UK is low malting premiums, but the market awaits the critical Scottish crop.**

Sara Maslowski & Jack Watts, Market Specialist team  
02476 478760, [jack.watts@ahdb.org.uk](mailto:jack.watts@ahdb.org.uk)

## Global Market

In its July Report, the International Grains Council (IGC), estimated the world barley crop at 131.1Mt; down from 134.4Mt in 2011/12; the lowest since 2010/11 (122.6Mt); and 12% below the 149.7Mt produced in 2009/10. Projected increases in production in **EU-27, Canada, Argentina and Australia** are more than offset by declines in **Russia, Ukraine, Iran and Morocco**.

With availability expected to be limited, there is little scope for barley to provide any relief to the global maize market via demand substitution. In fact, **barley demand is expected to reduce** in 2012/13 by almost 5Mt to 130.9Mt, which is largely attributed to lower feed use.

IGC forecast global ending stocks to remain stable at 27.6Mt (27.4Mt in 2011/12). However, at 21% stocks-to-use, the world is far from having an abundance of barley.

## European market

The EU-27 crop expected to be almost 1Mt higher than 2011 at 52.6Mt. France is the big driver, with production forecast by the IGC to reach 11Mt, up 2.1Mt on 2011 and the largest crop since 2009.

The **French** winter barley harvest is almost complete with good yields and quality reported in the majority of regions. According to FranceAgriMer the average yield could exceed the 2004 record of 7.02t/ha, with a production of 6.9Mt (6.3Mt in 2011). There is only a small amount of the spring barley area in the north still to harvest, with production expected to reach over 4.5Mt (2.5Mt in 2011).

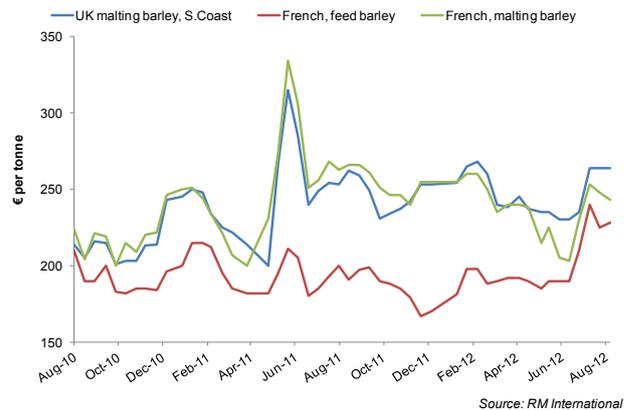
Similarly, the **Danish** crop is also forecast higher in 2012 with IGC estimating a crop of 3.9Mt, up from 3.3Mt in 2011.

2012/13 may provide export opportunities to **Spain** with the country's crop forecast at just 5.6Mt by IGC, down 2.7Mt on 2011.

With the key EU exporters of France and Denmark expecting noticeably bigger barley crops, **export competition into key European markets is likely to be high**. Compounding this further is Germany, a key importer, which is expecting a larger crop and so a possible reduction in imports.

The prospect of tough export competition has already eroded European malting premiums as depicted in Figure 1. With high feed grain prices and narrow malting premiums, it is not inconceivable to expect some quality barley in Europe to be sold as feed.

**Figure 1 UK and French Barley Export Prices**



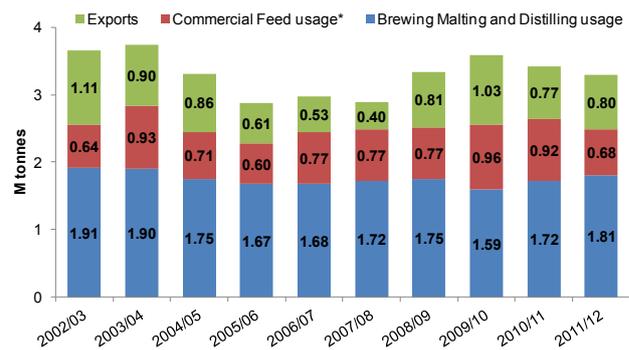
Source: RM International

## UK situation

The prospect of good supplies in mainland Europe is keeping UK malting premiums low. For the week ending 16 August, ex-farm malting barley premiums over feed were less than £9/t, according to AHDB/HGCA Corn Returns. This has resulted in malting barley prices below that of feed wheat. If this persists, then it would very likely harm the economic competitiveness of malting barley in some UK rotations.

**Full season usage data** is now available for 2011/12. UK barley usage by brewers, distillers and maltsters was the highest since 2003/04 at 1.809Mt (Figure 2). The driver behind this is nothing new – growing demand from the **distilling** sector in Scotland. Commercial feed use of barley however was at its lowest level since 2005/06. This was largely driven by barley's uncompetitive pricing into feed rations for most of the 2011/12 season.

**Figure 2 Domestic Barley Usage and Exports**



\* includes raw material GB retail feed and IPU raw materials

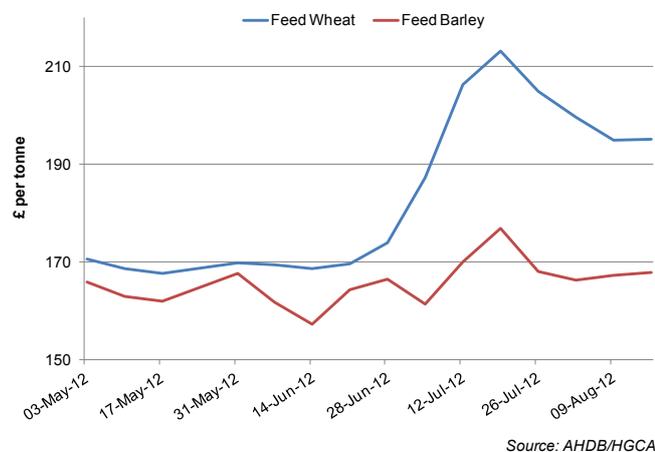
Source: Defra/HMRC

Figure 3 shows the progression of spot UK ex-farm feed wheat and barley prices. Through May and into early June, pricing between the two feed grains was closely matched – a characteristic of the 2011/12 season. As the spot market entered into July, the spread widened noticeably, possibly as a result of new crop feed barley being available and a delayed wheat harvest.

This may well mean that feed producers used more barley and less wheat through July and into August. It is not yet clear if this relationship will continue and will be determined by the conclusion of wheat and spring barley harvests.

# Barley

**Figure 3 UK Spot Feed Wheat and Barley Prices (ex-farm)**



The winter barley harvest is nearing completion. ADAS reported that 95% of GB area had been cleared by 21 August. Yields are slightly better than average at 6.3-6.6t/ha, but variation is much greater than normal. There is also great variation in quality. Anecdotally, specific weight seems to be the main issue and its impact on screening levels. Winter barley specific weights appear to be a big issue in Scotland, with much of the crop seen below 60Kg/hl. With much of the crop in Scotland destined for the feed sector it still presents a big challenge to the supply chain and changes to ration formulation may be required.

Figure 4a sets out **production scenarios** based on historic yields and information from the updated AHDB/HGCA 2012 Planting Survey.

**Figure 4a GB Winter Barley Production Scenarios for 2012 (M tonnes)**

		GB 2012 area (Thousand Ha)		
		Bottom of Range*	Estimate	Top of Range*
GB Yield (t/Ha)		351	363	375
2000-2011 low (2001)	5.80	2.04	2.11	2.18
2007	6.10	2.14	2.21	2.29
2007-2011 five year average	6.34	2.23	2.30	2.38
2000-2011 high (2008)	6.70	2.35	2.43	2.51

\*Based on Confidence Interval (95%) Source: Defra

Limited information is available on the **spring barley harvest** given the lateness of the harvest. ADAS estimated that around 15% of the GB area had been cut by 21 August, with yields ranging from 4.5-7.5t/ha. Typically, almost 50% of the crop should be harvested by this stage. Both yields and quality are seen as highly variable with the best crops seen in East Anglia.

With almost half the GB spring barley area, **Scotland is critical to the GB supply**. It is always dangerous to speculate on the size and quality of the Scottish crop pre-harvest, given the climatic conditions. High disease pressure is certainly an issue this season as well as the lack of sunshine, which has impacted specific weights in the winter crop.

Figure 4b sets out **production scenarios** based on historic yields and information from the updated AHDB/HGCA 2012 Planting Survey.

The first results of the 2012 Cereal Quality Survey will provide insight into provisional barley quality and will be available on 31 August at [www.hgca.com/markets](http://www.hgca.com/markets).

**Figure 4b GB Spring Barley Production Scenarios for 2012 (M tonnes)**

		GB 2012 area (Thousand Ha)		
		Bottom of Range*	Estimate	Top of Range*
GB Yield (t/Ha)		592	607	622
2000-2011 low (2002)	4.92	2.91	2.99	3.06
2007	5.33	3.16	3.24	3.32
2007-2011 five year average	5.39	3.19	3.27	3.35
2000-2011 high (2003)	5.69	3.37	3.45	3.54

\*Based on Confidence Interval (95%) Source: Defra, AHDB

## Closing comments

The rebound in malting barley availability in continental Europe is putting real downward pressure on UK malting premiums. However, absolute prices are supported by the ongoing tightness in the global feed grain market. This period of lower premiums comes when UK quality is still uncertain. This could have two impacts: Maltable barley being sold as feed and reductions in future malting barley areas.

English winter malting barley has so far shown to be relatively resilient to the difficult growing season. However, the future of winter malting barley is uncertain as processors focus more on spring barley. For the distilling and export markets, spring varieties are a must, but for the brewing and food malt markets winter varieties mustn't be forgotten because they can enable end users to manage the risk of poor quality more effectively.

## Key Points

- The world barley crop expected to be lower in 2012/13
- Stocks expected to remain stable, but certainly not abundant
- A rebound in French and Danish spring barley production expected to keep malting premiums low
- As a result, quality malting barley could end up being sold as feed
- The UK market waits for the Scottish crop before drawing firm conclusions

# Oats

**With the oat harvest underway early indications are that the GB oat crop could be larger than last season. Larger crops are also forecast for the largest exporters in the EU - Sweden and Finland - although harvest is still a couple of weeks away and quality uncertain.**

**Helen Plant, Market Specialist team**  
02476478759 [helen.plant@ahdb.org.uk](mailto:helen.plant@ahdb.org.uk)

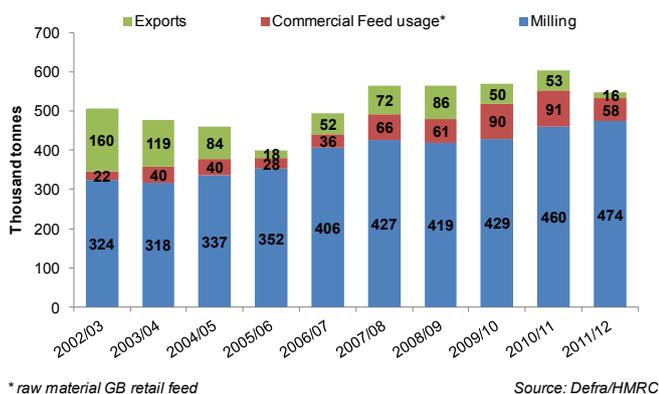
## Full season usage and trade data

Defra report that the volume of oats milled in the UK totalled 473.7Kt in 2011/12, 2.9% more than 2010/11 and a third consecutive increase. The additional usage is supported by greater demand for both domestic and exported oat products. Oat usage by GB retail feed compounders in 2011/12 was 58Kt, 36% less than the previous season reflecting the uncompetitive prices relative to wheat.

Last season, according to HMR&C, the UK imported a total of 57.3Kt of oats in response to lower domestic availability, the highest level since 2007/08. The largest volumes of oats were imported from **Ireland** (22.9Kt), **Finland** (20.6Kt) and **Sweden** (10.0Kt). Exports totalled 16.2Kt, which is the lowest level since at least 1992/93. As a result, the UK was a net-importer for the first time in 6 years. Trade levels in 2012/13 will depend not only on the size of the domestic crop compared to demand but also availability in the rest of Europe.

Europe remains the main trading partners for the UK as imports into the EU are subject to a tariff of Eur89/t. As a result, non-EU prices would need to be at a substantial discount to EU levels to attract imports. Total EU-27 oat production is forecast at 8.02Mt, an increase of 2.7% on last year, however there are significant differences between Member States.

**Figure 1 Domestic Oat Usage and Exports**



## New crop prospects

The GB oat harvest is under way with ADAS estimating that about 15% of the crop area had been harvested by 21 August. Most progress has been made in the South East and South West but good weather over the weekend is likely to have assisted progress elsewhere. With around 17Kha estimated to have been harvested at the time of writing, it is difficult to gain an accurate indication of quality and early yields have been variable.

The updated AHDB/HGCA planting survey estimates the GB area at 111Kha (+/- 9Kha), which is 5% higher than last season and partially reverses the declines seen over past three years. When these are compared to the 12 year high yield, 12 year low and a five year average, this gives a range of production scenarios. These are shown in Figure 2.

**Figure 2 GB Oat Production Scenarios for 2012 (Thousand tonnes)**

	GB 2012 area (Thousand Ha)		
	Bottom of Range*	Estimate	Top of Range*
<b>GB Yield (t/Ha)</b>	102	111	120
2000-2011 low (2007)	5.47	559	607
2007-2011 five year average	5.64	576	626
2000-2011 high (2003)	6.17	631	739

\*Based on Confidence Interval (95%) Source: Defra, AHDB

Last year, 600Kt of oats were produced in GB with a further 12.6Kt produced in Northern Ireland to give a UK total of 613Kt. The area/yield ranges suggest that crop is likely to be larger than 2011 with 7 out of the nine scenarios suggesting an increase in production.

**Figure 3 Oat production in selected EU-27 countries**

M tonnes	10/11	11/12 (est)	12/13 (f'cast)	11/12 - '12/13 % change
Finland	0.81	1.04	1.14	9.6%
Germany	0.60	0.63	0.67	6.3%
Sweden	0.56	0.69	0.91	31.9%
Spain	1.02	1.08	0.67	-38.0%
<b>Total EU-27</b>	<b>7.37</b>	<b>7.81</b>	<b>8.02</b>	<b>2.7%</b>

Sources: Spanish, Finnish and Swedish Ag Ministries, IGC

## European crops

### Finland

Cool and wet weather was prevalent in major oat exporter Finland from planting until early July. This has slowed crop development with most crops around 2 weeks behind average, although there is some variation due to a range in planting dates. Warmer, drier conditions benefited crops in late July. Despite further rain in the last

# Oats

couple of weeks, crop potential is described as good and yields are forecast in line with the five year average of 3.34t/ha. Harvest is expected to begin in early September. Favourable weather needs to continue to maintain this outlook, as the risk of negative quality or yields impacts increases with later harvests.

Currently the Ministry of Agriculture forecast production at 1.13Mt in 2012. If realised this would be 9% larger than last year and the largest crop since 2008, when 1.21Mt were harvested. The increase comes as the result of an 11% increase to the planted area to 358kha due to strong prices at planting.

## Sweden

In the EU's other major exporter, Sweden, the oat crop is also expected to increase to the highest level since 2004. Assuming average weather conditions through August, the crop is estimated at 0.91Mt by the Agriculture Ministry. This follows a 10% increase in area to 200kha, and a new record average yield of 4.52t/ha (3.94t/ha 2011). Despite a warm and dry start to the spring season in March and a 'normal' April, conditions were wet and cool through June - crop development is behind average as a result. With harvest still a couple of weeks away, there remains a risk to quality.

## Germany

Germany has one of the largest oat milling industries in Europe, alongside the UK. The 2012 crop is generally expected to be larger than 2011, although there are some discrepancies over the size of the increase. The International Grains Council (IGC) currently forecast the crop 6.3% larger at 0.67Mt but some analysts have suggested the increase could be larger. The higher output is due to a combination of a larger planted area, stimulated by strong oat prices, and better yields, following good moisture availability in some regions. Harvest is underway in Germany and so far quality is generally described as satisfactory with specific weights around 50-52kg/hl.

## Spain

Harvest is now complete in Spain and the Ministry of Agriculture (MAGRAMA) estimate the oat crop at 665kt. This is 38% smaller than last year and the smallest crop since 2005. The area was 9% smaller, following the large 2011 crop, and yields also fell significantly due to drought. In 2011/12, the largest crop since 2008 allowed larger than usual exports, including 3.2Kt to the UK. In contrast, this year's drought affected crop it is unlikely to provide an exportable surplus and higher than usual imports are expected.

## North America

Canada supplies a large proportion of US demand with most Canadian exports consumed by the US equine markets. In recent years, US equine demand has declined, partially due to the unfavourable price relationship of oats with maize. However, since early

July oats have been trading at a discount to maize prices of around \$50/t compared with \$20-\$30/t last season. Consequently, this may see some oats finding their way back into equine feed rations by displacing maize.

Exports from the EU are not subject to tariffs and consequently when the price relationship allows, there have been exports to the US.

On 20 August, Finnish oats for export on a FOB basis (Free on Board) were quoted at \$235/t (approx. £150/t), whereas oats transported to Portland in the US on a CIF (Cost including freight) basis were quoted at \$290/t (approx. £184 /t). This price relationship indicates that EU oat exports to the US are likely to be viable at current price levels.

## Concluding comments

Although crops in the EU are generally looking larger than last season, the big unknown for 2012/13 remains quality. Harvest is underway in Germany and the UK and this will provide some clarity but it will be early September before harvest in Scandinavia starts.

UK ex-farm milling oats averaged £184.70/t in the week ending 16 August, priced between the average for feed wheat of £195.20/t and feed barley at £167.90/t. Barley prices are likely to be a limiting factor for downside oat price risk as this will indicate the competitiveness of oats into feed rations. On the upside, Scandinavian prices will be the main factor due to the potential availability of imports (quality allowing).

## Key Points

- UK milling demand reached 0.47Mt in 2011/12
- UK crop potentially larger than 2011 but early yields variable
- Larger crops forecast for Finland and Sweden
- Quality remains the 'big unknown'

# Oilseed Rape

**Production scenarios show that the 2012 oilseed rape crop will struggle to beat the 2011 record. However, a sizeable crop and exportable surplus are still possible given the larger planted area and five year average yields.**

Charlotte Garbutt, Market Specialists team  
02476 478764 [charlotte.garbutt@ahdb.org.uk](mailto:charlotte.garbutt@ahdb.org.uk)

## Full Season Usage and Trade data

UK oilseed rape (OSR) production was a record 2.758Mt in 2011, following record average yields of 3.9t/ha according to Defra. The majority of UK production is crushed to produce oil and meal for UK consumption with a proportion of each exported, primarily to the EU.

Defra full season usage data shows that GB retail feed compounders used 50.7Kt of whole oilseeds and 696.5Kt of rapemeal/cake in 2011/12. Compared with 2010/11, whole oilseeds usage was down 10% but rapemeal/cake usage was up 3%.

Latest HMR&C data provides rapeseed, meal and oil exports for the 2011/12 season (see Figure 1). Rapeseed exports were higher in 2011/12 than 2010/11 due to the larger 2011 harvest; the Netherlands and Germany were the main destinations. However, it is worth noting that the HMR&C figure for rapeseed exports of 1.03Mt is on the high side of some industry opinion. Meal and oil exports were both lower than in 2010/11 with more exported unprocessed as seed rather than crushed in the UK.

The rape oil and meal trade figures are converted into approximate oilseed equivalents using the assumption that the ratio of oil to meal in oilseed rape is 44:56. This analysis shows that the equivalent of 1.3Mt of oilseed rape was exported in 2010/11, compared with 1.4Mt in 2012/13. Imports declined to an approximate oilseed equivalent of 0.6Mt from 0.7Mt in 2010/11.

**Figure 1 UK OSR trade data**

'000tonnes	Exports		Imports	
	2010/11	2011/12	2010/11	2011/12
Rapeseed	435	1032	149	47
Rapemeal	113	29	156	181
Rape oil	286	159	104	88
Approximate Seed equivalent	1287	1446	663	570

Source: Defra, HMRC

## New Crop Prospects

With more than 90% of the UK winter oilseed rape crop harvested by 21 August, yield information is now feeding through. Damage has been caused by lodging and storm damage in some areas and harvest progress is similar to later years such as 2008 and 2009.

The range of reported yields is 2.5-5.2t/ha with the average thought to be around 3.4-3.6t/ha. This is poorer than last year's record but is in line with the five year average (3.4t/ha). From a quality perspective, the 2012 harvest has shown some small seeds and lower oil contents (38%-45%) compared with the good crop seen in 2011. This is likely to impact oil bonus payments.

Figure 2 sets out production scenarios based on historic yields and information from the updated AHDB/HGCA 2012 Planting Survey. Over the 12 year period examined, 2001 showed the poorest yields and as discussed above, 2011 the best. The 2007 yield figure has been included as it was similar to this season. If the 2012 crop realises the five year average yield, this would give a GB crop size of 2.46-2.61Mt.

**Figure 2 GB OSR Production Scenarios for 2012**

Million Tonnes	GB 2012 area (Thousand Ha)	Bottom of Range*	Estimate	Top of Range*
		GB Yield (t/ha)	715	737
2000-2011 low (2001)	2.57	1.84	1.89	1.95
2007	3.10	2.22	2.28	2.35
2007-2011 five year average	3.44	2.46	2.54	2.61
2000-2011 high (2011)	3.91	2.79	2.88	2.97

\*Based on Confidence Interval (95%) Source: Defra, AHDB

## Closing Comments

Based on the information currently available, it would appear that a record GB OSR harvest is not on the cards for 2012 but the additional planted area means a sizeable crop is still possible. With the EU as a whole forecast to be in deficit of rapeseed for 2012/13 (see Prospects Vol 5 Issue 3), the UK exportable surplus should be able to find solid demand for crushing in mainland Europe.