

Summary of the week

	Bullish	Prospects from IGC, UkrAgroConsult & trade analysts suggest a drop for global, US & Ukrainian wheat & maize output in 2015; EU rapeseed output estimated to decline by 10% in 2015/16, despite favourable outlook for yields
	Neutral	Early harvest reports from South America suggest that higher yields for Argentine soyabeans will offset any crops lost to previous flood damage
	Bearish	Coceral revised total EU grains production estimates higher in latest forecast; Stocks of Indonesian palm oil are expected to reach record highs in 2015/16



Grain

New crop prospects have come into focus this week, as projections released by the International Grains Council (IGC) (26 March) revealed a **drop for both global wheat and maize production** in 2015. Global wheat output is expected to fall by 1.4% to 709Mt, while a larger decline is forecast for maize, seen at 941Mt, a 4.9% reduction in comparison to 2014/15, [read more here](#).

UkrAgroConsult have forecast that wheat and maize harvests in Ukraine are likely to decline this year after unfavourable weather during autumn planting, and a smaller crop area year on year. **Wheat production is forecast at 20.6Mt**, down 1.9Mt year on year, and the **maize output forecast is currently at 23Mt**, down 2.9Mt on last year.

Latest estimates from the EU Commission (30 March) see forecasts revised down for soft wheat stocks at the end of the 2015/16, due to higher consumption by animal feed makers. The EU Commission pegged EU soft wheat ending stocks at 16.2Mt, down from 18.7Mt seen early March. 2015/16 EU soft wheat exports remained unchanged at 27.1Mt, down from a record 31Mt estimated to be exported this season. Furthermore, **March estimates from Coceral pegged total EU grains production at 302.5Mt in 2015**. Total EU production for 2014 was revised to 323.6Mt, up slightly from 323.3Mt seen in the December estimates.



Oilseeds

Early results from the **Argentine soyabean harvest**, which commenced last week, revealed that **average yields of 4.5t/ha have been achieved** (compared with USDA estimates of 2.8t/ha). It is expected that higher yields will compensate for damage caused by flooding ([read more here](#)). Although a useful indication, early results should be treated with caution, as only 3.9% of the planted area has been harvested at this point, and yields could vary as harvest progresses. However, as weather prospects look good for the crop, [sentiments are currently remaining bearish](#).

Stocks of Indonesian palm oil are expected to reach record highs in 2015/16, according to the USDA bureau in Jakarta. It is anticipated that inventories will increase by 63% in 2015/16, compared with 2014/15, equating to 3.6Mt in stocks. Increases in domestic consumption and exports are unlikely to keep up with the pace of palm oil output in the country, which is expected to reach a record 35Mt next year. Increased stocks of palm oil have the potential to affect wider oilseed prices, including rapeseed, due to the link with vegetable oil demand for biodiesel production.

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Latest Market Video

AHDB/HGCA's Jack Watts and Brenda Mullan give the latest update on the cereals and oilseeds markets - [click here to view](#).

Recently on

www.hgca.com/markets

[ADAS Arable Crop Report](#) (March 2015)

Friday's GMD: [Stocks remain comfortable despite lower maize output](#)

Thursday's GMD: [Argentina on track for record harvest](#)

Wednesday's GMD: [Early indicators positive for French wheat crop](#)

Tuesday's GMD: [China moving away from self-sufficiency goals?](#)

Recent Prospects articles

[Oilseed markets tracking South American and EU developments](#) (26 March)

[Addressing the scars of 2012](#) (24 March)

The appetite to plant soyabeans in Canada, rather than the traditional crops of wheat and canola appears to be on the up, with **Canadian farmers set to sow 2.3Mha of soyabeans this year**, up 4% on 2014. Monsanto Co report that bigger relative returns than canola and shorter season varieties are driving the increases to the potential planted area.

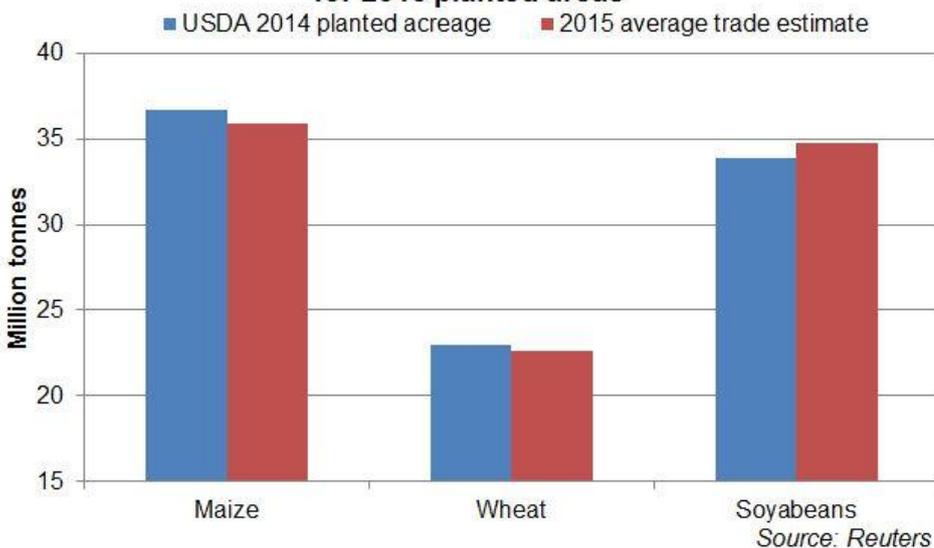
US wheat and maize areas expected to fall

A poll of industry analysts have provided their estimates on the size of US planted crop areas for the 2015 harvest. These were provided in advance of the release by the USDA on prospective plantings tomorrow afternoon.

The graph below shows the average trade estimates for maize, soyabeans and wheat against the 2014 planted acreage. Trade estimates suggest lower areas planted to maize and wheat, compared with last year's area, while the soyabean area is expected to increase.

The results provide the first indication of the potential size of all crop areas for 2015/16, and as such, provide early sentiments as to the potential trend in market prices for the forthcoming season. Keep an eye on www.hgca.com/markets tomorrow afternoon for our update on the findings of the USDA planting report and quarterly grain stocks update.

2014 US planted areas and average trade poll estimates for 2015 planted areas



Price Summary

Chicago wheat futures (May-15) fell by \$7.26/t between Wednesday (25 March) and Thursday's (26 March) close, the largest daily drop since 24 December 2014 ([read more here](#)). This was a result of weather prospects improving in the US, which were previously providing support for the market. Prices closed at \$183.42/t on Thursday, although increased slightly to close at \$186.55/t on Friday. May-15 UK feed wheat futures followed a similar trend and closed at £121.55/t on Friday, down £2.55/t week on week.

Paris May-15 rapeseed prices closed at €363.75/t on Friday, down €7.50/t on the week. May-15 Chicago soyabean futures prices also closed lower at \$355.37/t, down \$2.39/t week on week.

For full prices, see the latest [Market Data Publication](#).
For historic prices, see the [New Market Data Centre](#).

News in brief

SovEcon, one of Russia's leading agricultural consultancies reported that Russia is unlikely to extend its wheat export tax past June-15. Lower inflation rates and large crop prospects for harvest 2014 are increasing hopes for the tax to be dropped, although the final decision will be made in June.

The latest UK cereals supply and demand estimates, released last week, saw total cereals usage in animal feed increased by 80Kt on January's estimates. However, at 11.19Mt for the full season, this is still lower than demand in 2013/14.

Reports of pest damage to the UK rapeseed crop have been identified in ADAS's latest Arable Crop report, click on the link to read more.

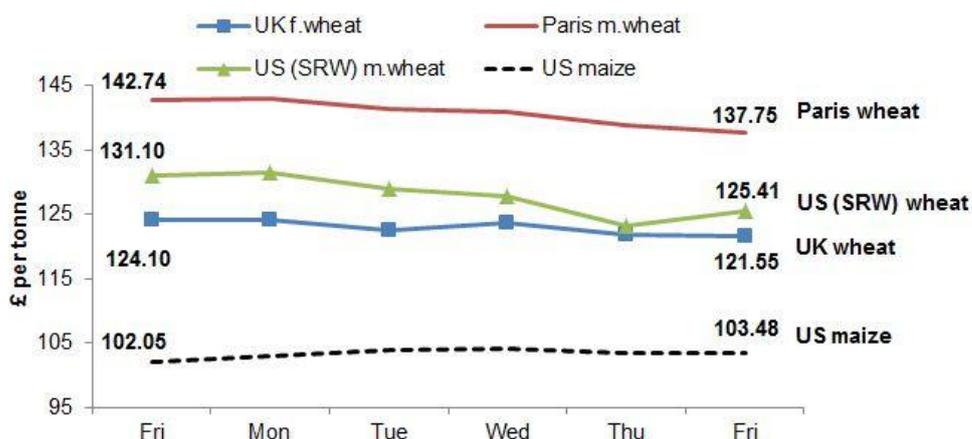
A favourable outlook for European rapeseed yields is not enough to offset lower production forecasts due to a reduction of 3% in the estimated planted area. Current estimates anticipate a decline of 10% to EU-28 rapeseed output in 2015/16, compared with 2014/15. (Strategie Grains)

The Canadian Wheat Board (CWB) have forecast that the 2015 global wheat crop will fall 3% year on year. Early forecasts from CWB estimate that global wheat production will reach 703.4Mt, below last year's record, although remaining above the current five year average.

Port workers at Rosario, Argentina's grain hub are planning a one day strike on Tuesday (31 March). Port workers want the minimum level of wages earned before taxation increased. However, due to the strikes short duration, it is unlikely to have a substantial impact wheat and maize shipments.

CME group is yet to confirm the launch of a new European Union wheat contract. The futures exchange had been planning to launch its EU wheat contract by the end of April, although reports now say that the decision to launch the contract, will be subject to decisions on final details (Reuters).

International Futures



Oilseed futures: May-15 (£/t)			New crop Nov-15 futures (£/t)		
	Fri-27-Mar	Fri-Fri Change		Fri-27-Mar	Fri-Fri Change
Chicago soyabeans	238.90	- 1.96	UK feed wheat	130.30	- 2.70
Paris rapeseed	265.46	- 3.88	Paris rapeseed	259.81	- 1.55

Delivered prices (as at Thursday)

Delivery specification	N. West bread wheat	E. Anglia feed wheat	Yorkshire feed wheat	Central Scotland feed wheat	Erith Oilseed Rape
Month	May 15	May 15	May 15	May 15	May 15
Price	£171.50	£124.00	£131.00	£131.00	£269.00
Change	n/c	-£1.00	n/c	n/c	-£0.50

Ex farm prices (weekly average corn returns for w/e 26 March)

Specification	Bread milling wheat	Feed Wheat	Feed barley
Month	Mar 15	Mar 15	Mar 15
Price	---	£122.00	£113.00
Change	---	+£3.70	+£2.30

Currencies (as at Friday's close)

£1 = €1.3702	£1 = \$1.4875	Eur 1 = \$1.0856
down	up	up

In a statement issued by the Canadian transport and agricultural minister, it was revealed that **mandatory minimum shipments for Canadian railways will not be renewed when they expire on Saturday (4 April)**. Minimum shipments were set a year ago to ensure the record 2013 harvest got to market.

It is anticipated that **Indonesia will follow Malaysia's lead by reintroducing a levy on palm oil exports**, which could also build on higher stocks in the country (see oilseeds section). Malaysia will be levying a duty of 4.5% on palm oil exports next month, the decision by the Indonesian Prime Minister is expected this week.

Out this week

Tuesday: UK export prices (AHDB/HGCA); US quarterly grain stocks (USDA); US planting intentions for harvest 2015 (USDA); Prospects: Reflections on UK winter plantings

Thursday: Cereal supply and demand estimates (FAO); Prospects: UK crop update (ADAS)

Friday: UK delivered cereal and rapeseed prices (AHDB/HGCA)

Also keep an eye on the HGCA Markets website from Tuesday to Friday at 12.30pm for the Grain Market Daily, or [click here to subscribe](#).

[Read more about upcoming data and information releases here.](#)

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