



MI Prospects



Bulls, Bears and STAGs

Grain markets are starting to shift their focus from the largely bearish nature of the old crop, to the uncertainties of the new crop. It is widely accepted that on a global, EU and UK level, stocks of grain carried over into the new marketing season will be higher year on year. Although this will provide a cushion for grain supplies, there will clearly still be a large dependence on the 2015 harvest. As a result, we find ourselves entering back into a weather market – as usual for this time of year.

Although, there are a **couple of factors that multiply the uncertainty for the new crop**, over and above weather. **Firstly is politics**, particularly in the Black Sea region, and whether there will be any fundamental impact on supply and demand from the changing situation, or, if it will just drive market sentiment.

Also there is currency to consider – will the dollar stay strong, will the euro stay weak, and will the pound continue to be caught in the middle? This is important as it helps, in part, drive the export competitiveness of different countries and thus, impact where wheat stocks accumulate. As a result of the weaker euro, the EU is expected to be the world's largest exporter of wheat this season, with some early suggestions that it will stay in the top spot in 2015/16.

It's fair to say that 2014/15 (so far) has been a season for the bears, with those holding a more bullish bias holding out for a more supportive season in 2015/16. Who 'wins', only time will tell, but all the talk of being a bull or a bear brings me back to some fundamental market analysis training – **why not be a STAG?**

So what is STAG?

Stop: With fast moving markets and other management time pressures, it can be too easy to go with the flow and follow the herd. It is often worth taking time to consider decisions, rather than making a poorly thought out knee-jerk reaction.

Think: Ask yourself, what you are trying to achieve both in terms of grain marketing and broader business objectives.

Analyse: Where is the market, what is your market view, and do you have evidence to support it or are you letting your natural inclination to be a bear or a bull cloud your judgement? Build relationships with multiple buyers to help inform your view. Put things in perspective e.g. *'what does that £10/t price rally that everyone is talking about really mean in the grand scheme of things?'*

Go: Put a plan into action and have plan B and C in place, just in case the market doesn't reach that target price for instance. Don't be afraid to revise plans in response to changing conditions – these can often be the most valuable as they help prevent you being turned into a forced seller.

Arguably, without STAG many default to becoming an ostrich! Markets are about to be hit with a wealth of information over the coming weeks – make use of www.hgca.com/markets, one of the many resources available for you to STAG.

Jack Watts

In this issue...

South American maize exports set to fall this season

Lower maize production in Argentina and Brazil points to a decline in exports this season. Wheat output in both countries is seen higher. However, quality issues in Brazil mean further reliance on imports, which are likely to be satisfied by Argentine supplies at the expense of the US.

Addressing the scars of 2012

2012 is a year that has remained in the memory of many UK arable farmers. The UK wheat yield fell by 14% in comparison to the previous year, an extreme low that had not been seen since 1988.

Oilseed markets tracking South American and EU developments

Since the completion of the 2014/15 northern hemisphere oilseed harvests, market focus has drifted somewhat in anticipation of the first indications of the South American soyabean crop.

Reflections on UK winter plantings

Winter planting survey results point towards increased reliance on spring cropping for harvest 2015, particularly evident for wheat.

South American maize exports set to fall this season

Lower maize production in Argentina and Brazil points to a decline in exports this season. Wheat output in both countries is seen higher. However, quality issues in Brazil mean further reliance on imports, which are likely to be satisfied by Argentine supplies at the expense of the US.

Sarah Nightingale, External contributor
19 March 2015

Introduction

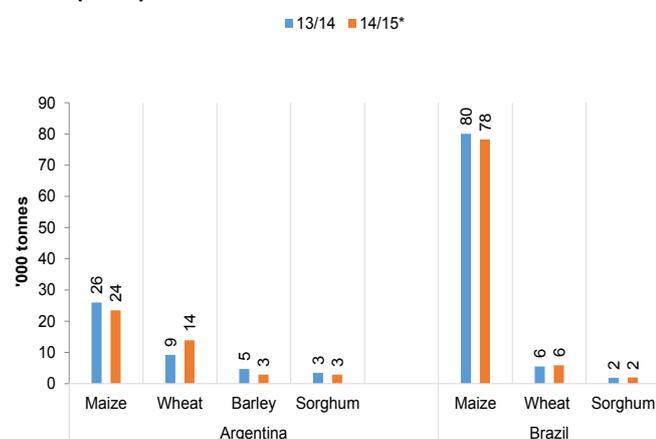
Argentina and Brazil are currently harvesting their summer crops, with maize becoming available for export in competition with the northern hemisphere producers. This article reviews the outlook for production of the main cereal crops in both countries for 2014/15 and discusses the potential impact on international trade. An update on the South American soyabean harvest will be published on 26 [March](#).

Argentina

Maize area is reduced by 13%

The latest USDA forecast estimates **Argentine maize production** at 23.5Mt, **9.6% lower year on year** (Figure 1). The Argentine Ministry has not yet published an official forecast for maize production in 2014/15, but their figures show a 13.1% reduction in sown area to 5.3Mha, and the latest report suggests higher yields this year. All sowings were completed by 5 March.

Figure 1 Production of main cereals in Argentina and Brazil ('000t)



* Forecast

Sources: SIIA, CONAB & USDA

The USDA reported that approximately 10% of the early-sown maize (which accounts for 45% of the total crop) had been harvested by 10 March with fairly good yields. Some maize crops in Buenos Aires province (which has the second largest sown area) and La Pampa are reported to be stressed due to lack of moisture, while parts of Cordoba (which has the largest sown area) and Santa Fe are suffering from excessive rainfall.

The majority of the crops across the country are reported to be in “good” or “very good” condition. However, in specific parts of the provinces mentioned above, crop condition has been compromised by either

excessive or inadequate moisture during the growing season.

Wheat production up 51%

The Argentine wheat harvest was completed on 15 January. Final yields were lower than initially expected, and much of this is attributed to the high temperatures experienced during October/November in some areas, which affected grain filling. The Ministry reports that total sown area was up 44.1% to 5.3Mha for the 2014/15 wheat harvest, while production increased by 51.1% to 13.9Mt.

As a result, **exports are seen to increase considerably, from 2.2Mt last season to 6.5Mt in 2014/15**, with a significant proportion of this tonnage expected to go to Brazil. The final amount actually exported will depend on the quantity of wheat export authorisations by the government. So far, only 3.5Mt of wheat have been authorised for export. This restriction to exports has led to low prices on the domestic market and further government intervention in recent weeks has aimed to ensure authorised exporters pay appropriate prices to producers that are in line with the international market and reflect grain quality.

Barley production down 38%

The Argentine barley crop was affected by poor weather in the main producing province of Buenos Aires, and sown area was reduced by 20.6% to 1Mha. Production is seen down 38.3% to 2.9Mt, however, the **Argentine Ministry forecasts barley exports remaining at a similar level to last year (2.8Mt) with a drawdown in stock levels**. Data from the International Grains Council (IGC) shows that a total of 500Kt of barley were exported between July and December 2014, just under 80% of which was destined for other South American countries (principally Brazil).

Brazil

Maize crop seen 2% lower in 2014/15

CONAB, the Brazilian government’s crop supply agency, forecasts maize production at 78.2Mt, which is 2.3% lower than last season (Figure 1) and due to a decline in sowings. **Farmers switched from first crop maize to soyabeans in many areas** due to forecast better returns from soyabeans. Some reports suggest that problems related to a loss in pest resistance of certain GMO maize cultivars in Brazil also resulted in the move to soyabean cultivation.

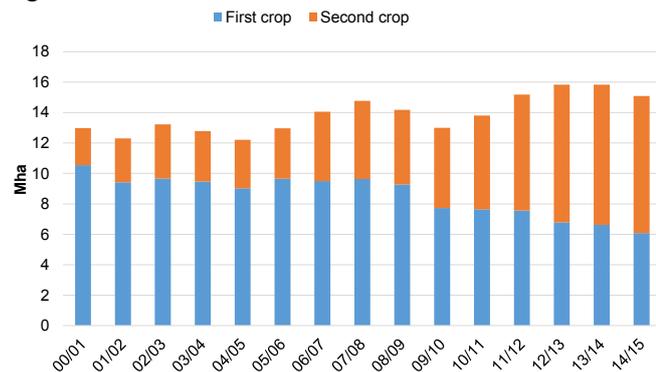
Second crop sowings, which have been increasing annually since 2008/09, are **also lower due to a late soyabean harvest this year**. In the centre-west and southern regions farmers have been trying to harvest as much of their record soyabean area as possible in order to sow a second crop of maize within the recommended “window” for such sowings. However, the soyabean harvest is behind schedule compared to other years and

South American maize exports set to fall this season

the truckers' strike over fuel taxes in February resulted in further delays to the harvest and consequent sowings of the second crop maize.

Overall, the reduction in area sown to maize is put at 4.7%, which includes an 8.2% reduction in first crop maize area and a 2.2% reduction in second crop maize area (Figure 2). Of the 78.2Mt total production forecast, first crop maize accounts for 29.7Mt (38%) and second crop maize accounts for 48.5Mt (62%).

Figure 2 Area sown to maize in Brazil



Source: CONAB

The first crop is currently being harvested in the important producing regions of the centre-west and south. Rio Grande do Sul is expected to overtake Minas Gerais as the principal producer of first crop maize this season on reports of very good yields, in part attributed to increasing use of high yielding hybrid varieties.

There are some concerns about continuing rains this month in southern states such as Santa Catarina where the harvest is in full swing, as a wet harvest increases the risk of fungal attack. Currently, the weather outlook for the second crop is favourable, and yields are seen higher than last year. The main area for concern is the north-east of the country which remains very dry.

Larger wheat crop but poor quality

The Brazilian wheat harvest was completed in December 2014. CONAB put total wheat production at 5.9Mt, up from 5.5Mt last year. A series of weather events adversely affected the important producing state of Rio Grande do Sul, where yields were reduced by 58% compared to last year.

Parana is the largest producing state for 2014/15, accounting for 3.7Mt. Following the severe weather, **there are some quality problems with this year's wheat crop**, with DON being reported as too high for Brazilian millers in a large proportion of the crop.

Nevertheless, Brazilian wheat has found export markets this season. According to the Brazilian Wheat Industry Association, ABITRIGO, just over 1Mt were exported (87% of which originated in Rio Grande do Sul) in January and February this year, with destinations including Saudi Arabia, Bangladesh, South Korea, Philippines, Thailand and Vietnam.

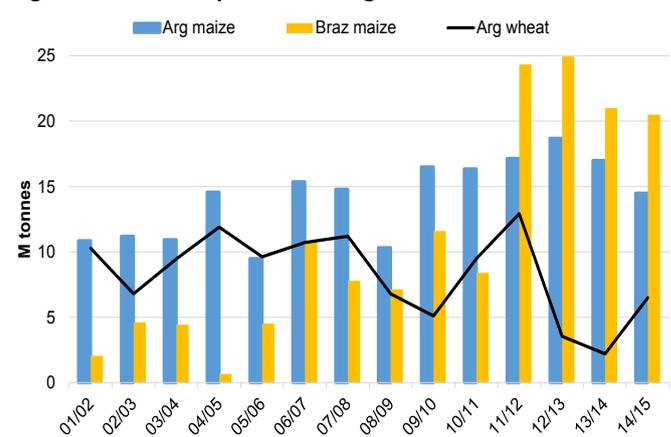
A total of 742Kt of wheat was imported in the first two months of the year, of which 657Kt were from Argentina, which is expected to supply the bulk of Brazil's wheat import requirements this season. CONAB currently forecasts total imports for the season at 6.6Mt, which is similar to the amount imported in 2013/14.

The Brazilian wheat situation echoes that of the UK and demonstrates the complexity of the wheat market. Essentially a country can produce a crop of wheat but is dependent on trade to match the right wheat with the right market.

Closing comments

With **Argentina poised to return as Brazil's main wheat supplier this season**, this means that Brazil will be less reliant on US wheat. The 10% tariff on non-Mercosur (South America's Common Market) wheat has been re-imposed by Brazil. As a result, **South American wheat has freight and tariff advantages over US wheat**. US export sales show that by 5 March this year wheat exports to Brazil totalled 1.5Mt, which is significantly lower than the 3.7Mt exported by the same time last season.

Figure 3 Cereal exports from Argentina and Brazil



Source: USDA

Lower production of maize in Argentina and Brazil is expected to lead to a reduction in exports from these countries in 2014/15 (Figure 3). The current government in Argentina has controlled the markets for wheat and maize and imposed high export taxes. A change of administration towards the end of this year is widely expected to lead to a loosening of the current export restrictions and a more liberalised market for Argentina.

Key Points

- Smaller sown areas, but higher yields for maize in Argentina and Brazil
- Increased wheat production in both countries
- Argentine supplies expected to account for bulk of Brazilian wheat imports in 2014/15

Addressing the scars of 2012

2012 is a year that has remained in the memory of many UK arable farmers. The UK wheat yield fell by 14% in comparison to the previous year, an extreme low that had not been seen since 1988. The low yields appear to have since influenced attitudes towards the marketing of wheat in the UK, which in reality is a country with some of the most stable yields in the world.

Anna Lockwood, Market Specialists team
Anna.lockwood@ahdb.org.uk, 02476 478698

24 March 2015

Introduction

The low yields of 2012 left farmers with less grain to sell in the post-harvest period. Although spot prices increased considerably this was of little comfort to those that sold forward with lower yields equating to lower revenues. It is this factor that has anecdotally turned many farmers away from considering pre-harvest grain pricing – is this an overreaction?

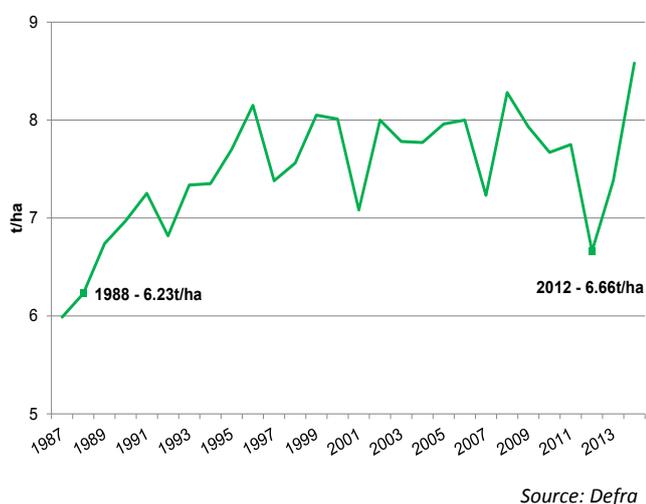
UK wheat yields are some of the most reliable year on year, when looked at in comparison to non-EU countries. **The low yields that were experienced in 2012 were an extreme** in the general yield trend, and this context must be remembered when marketing grain.

This piece of analysis compares the level of UK yield stability in comparison to key growing regions of the world, and in turn puts the low yields of 2012 into some context. **It is important that for an individual farm business its own historical yield trends are analysed to provide an individual picture of yield stability.**

Extremes

Poor UK weather in 2012 resulted in a dramatic decline in UK wheat yields. The average UK wheat yield fell to 6.66t/ha, down 1.09t/ha year on year and the lowest yield since 1988.

Figure 1 Historical UK wheat yields

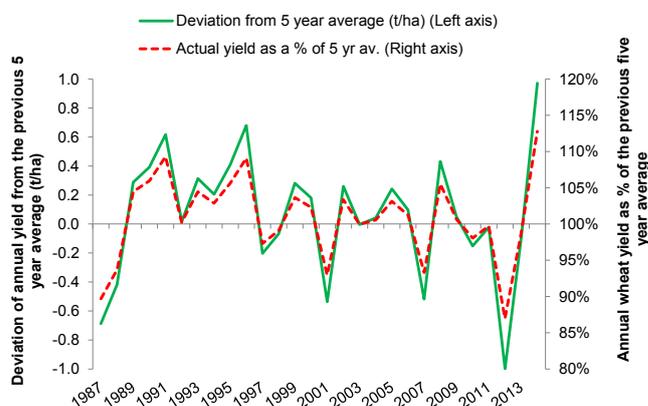


Relative stability

Figure 2 looks at the annual UK wheat yield in terms of:

- How it deviates from the previous five year average on a tonnes per hectare basis
- As a percentage of the previous five year average.

Figure 2 UK wheat yield deviation from the five year trend



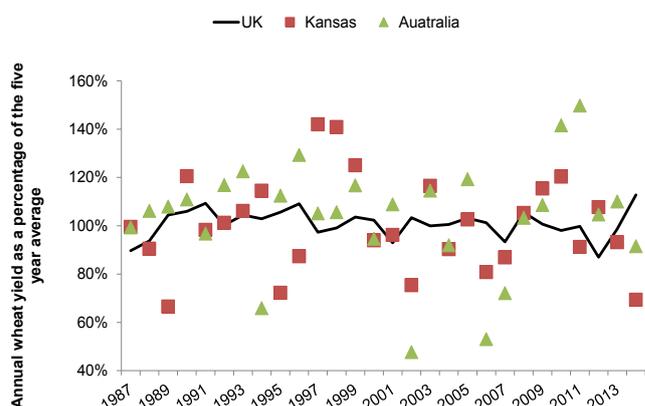
Typical yield deviations from the previous five year average for UK wheat are within +/- 0.6t/ha. As noted earlier, the extreme of 2012 fell outside of this range by falling by 1t/ha against the five year average.

If we consider the yield as a percentage of the five year average we see that it is very unusual to see an annual yield fall below 90% of the previous five year average. **In the extreme year of 2012, the UK yield was 87% of the previous five year average.**

Although not directly comparable to more recent times – because yield trends have changed – **many will be wondering about 1976.** For this historical extreme year, the annual yield fell to 86% of the previous five year average. Keep this in mind as we head into the next section.

The next step is to identify just how stable UK yields are in the relative sense of the global market. Figure 3 looks at the annual UK yield as a percentage of the previous five year average and compares it to those for Kansas and Australia.

Figure 3 Annual wheat yields as a percentage of the previous five year average



Addressing the scars of 2012

Figure 3 clearly shows just how stable UK yields are relative to Kansas and Australia. The differences can largely be attributed to climate with the influence of the Jet Stream cushioning the UK from cold weather and drought extremes. This also, in general terms, means that the UK doesn't suffer significant crop area losses. For areas like Kansas and Australia, variable weather not only causes volatile yields but can also lead to crop abandonment. From a production perspective this may in fact lead to further variation beyond that depicted in Figure 3.

With relative yield stability comes a competitive advantage – predictability.

Yield predictability as a competitive advantage

With so many uncertainties facing arable businesses, anything that can assist budgeting and forecasting is very valuable. With relatively predictable yields, cost budgeting becomes more valuable than for global competitors. Also, this relative stability should give confidence to operate in the forward market when desired. It is this final point that the events of 2012 probably had the biggest lasting impact by **shattering people's confidence in pre-harvest marketing.**

Closing comments

On a global stage, UK farmers have a competitive advantage of relatively predictable yields. This can help provide certainty for budgets and marketing plans.

The events of 2012, led to many UK farmers to lose 'faith' in this relative yield stability and, for some, opt for more of a post-harvest grain marketing approach going forward.

The upshot is that 2012 has possibly created a perception that yield risks are high and have to be managed by limiting pre-harvest grain marketing. The reality is though that this approach has exposed business to a far more likely risk – falling prices. It is arguable that the events of 2012, not only impacted arable business performance in 2012, but also 2014 with the psychology towards yield stability driving an avoidance of forward marketing regardless of market signals.

Key Points

- UK wheat yields are relatively stable on the global scene
- 2012 was an extreme, which has potentially damaged confidence in yield stability and so forward marketing
- This has exposed farmers to a more likely and eventual risk—low prices for the 2014 crop

Oilseed markets tracking South American and EU developments

Since the completion of the 2014/15 northern hemisphere oilseed harvests, market focus has drifted somewhat in anticipation of the first indications of the South American soyabean crop. In addition, prospects of a smaller rapeseed area in 2015 have supported EU prices.

Brenda Mullan, Market Specialist team
brenda.mullan@ahdb.org.uk, 02476 478862,
 26 March 2015

This article, primarily looks into what's been happening with oilseeds globally and in the UK since our last oilseeds update in January. ([click here to read previous update](#)).

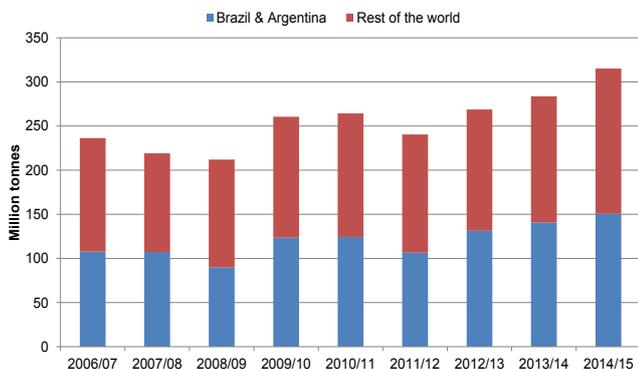
Record forecasts for South American crop outweighs weather risks and logistical issues

The South American soyabean crop is forecast to reach record levels this season with the USDA currently forecasting the combined soyabean output in Argentina and Brazil at almost 10Mt more than 2013/14, also a record crop year. Despite these encouraging forecasts, things have not gone completely smoothly for both growing and harvest progress so far this season.

In general, weather conditions in Brazil have been favourable throughout the crop cycle. However, rains during February were not enough to offset the effects of earlier drought in some soyabean growing regions. This led Conab, Brazil's national supply company, to downgrade earlier forecasts to 93.3Mt, although that is still a record production figure. Furthermore, risks of delays to harvest progress hit the headlines during February and March as truck drivers staged a strike against high fuel prices. This again threatened exports, just as the country's soyabean crop was becoming available.

In Argentina, heavy rainfall in northern growing regions caused flooding across soyabean fields, increasing the risk of disease ([read more here](#)). Nevertheless, subsequent hot and dry weather led to a recovery. The Buenos Aires Grain Exchange put the impact of the flooding into context, stating that it had potentially only resulted in losses equating to 1% of the total planted area ([read more here](#)).

Figure 1 Brazil & Argentina soyabean production compared with the rest of the world



Source: USDA

So, while there have been some concerns that the current output forecasts could be jeopardised, these have not been enough to bring them below record levels. Nonetheless, as

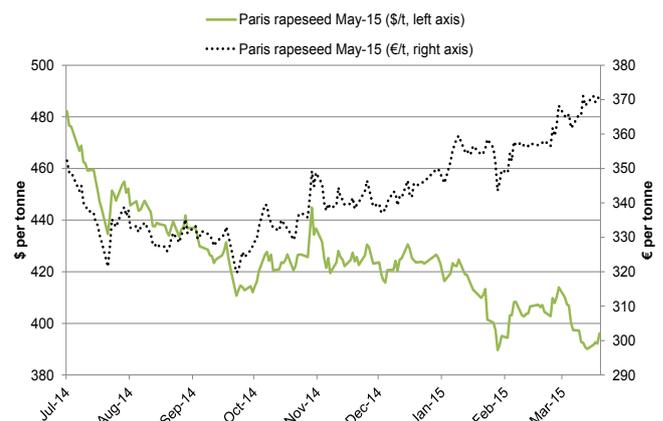
the oilseeds markets have been undergoing a period of relative quiet, these events stirred the market. This is partly because of the importance that South America has on the worldwide supply of soyabeans, as shown below. Combined with a still strong supply of US soyabeans ([and export demand dwindling](#)), the outlook is for further bearishness.

EU rapeseed prices supported by prospects of lower area in 2015/16

In the EU, attention has now turned to the prospects for the 2015/16 rapeseed crop. Early projections from Strategie Grains indicate a smaller area for harvest 2015 (down 3%) compared with 2014. This suggests tighter supplies of rapeseed in the EU next season compared with the current situation, which has added support to European futures prices in combination with a weaker euro over recent weeks.

May-15 Paris rapeseed futures have increased by 7% since the start of January, recently reaching levels not seen since April 2014. However, when these prices are converted into dollars, the price trend is actually downwards; whilst converting them into sterling produces a more stable trend. This shows the impact currency changes have had recently.

Figure 2 May-15 Paris rapeseed futures prices



Source: AHDB/HGCA

Domestically, it could be suggested that the area planted to oilseed rape for harvest 2015 could be something similar to 2014. Current estimates of a [slight reduction in England and Wales](#) and a [slight increase in Scotland](#), means that changes to areas for different regions could roughly balance each other out. More clarity will be revealed when we find out the planted areas for spring oilseed rape; keep an eye out for the AHDB/HGCA Spring Planting and Variety Survey which will reveal more.

Concluding comments

With currency having as big an impact on the direction of prices as actual market fundamentals of late, the oilseed complex could be described as being in a period of stagnation, waiting on the news of South America. Early indications have provided a level of confirmation for the record production forecasts, and with it bearishness for global oilseed prices.

As well as waiting for the final outcome of the South American harvest, markets will also be conscious of imminent US prospective plantings data from the USDA due on 31 March.

Reflections on UK winter plantings

Winter planting survey results point towards increased reliance on spring cropping for harvest 2015, particularly evident for wheat. However, higher carry-over stocks should provide some cushion to any potential decline in production. Winter barley and oilseed rape areas have remained strong, while the final oat area remains uncertain.

Helen Plant, Market Specialists team
helen.plant@ahdb.org.uk, 02476 478759
 31 March 2015

Introduction

The 2014 AHDB/HGCA winter planting survey was made possible by the 2,152 farm businesses across England and Wales that took the time to provide us with their data, and we would like to express our gratitude to them.

This article looks at plantings so far (as at 1 December) for harvest 2015 across the UK. It uses the AHDB/HGCA winter planting survey ([view here](#)), plus equivalent surveys by the Scottish Government ([available here](#)) and DARD in Northern Ireland ([available here](#)).

Interpreting the English and Welsh results

The AHDB/HGCA winter planting survey compares the area in England and Wales as at 1 June (2014 harvest area) and the area as at 1 December (plantings so far for the 2015 harvest). This method enables robust winter area results to be produced by AHDB/HGCA.

When Defra conducted the December planting survey, additional work was carried out during the subsequent (and much larger) June survey. This work prevented a build up of error between the surveys and enabled the results of the December surveys to be compared. This work since not been conducted since Defra discontinued the December survey and AHDB/HGCA commenced its winter planting survey in 2011. In response to this, and the wet autumn of 2012, the current method was adopted for the 2013 survey.

Consequently, the results from the 2013 and 2014 winter planting surveys in England and Wales are only really comparable to the preceding or following June.

UK cropped areas

The areas planted by 1 December 2014 (for harvest 2015) are shown in Figure 1. To enable consistent comparisons across the UK, the changes shown are to the total areas harvested in 2014. It is important to remember that the 2014 harvest area figures (except for winter barley) include late winter and spring planted crops – the areas as at 1 December 2014 do not.

Greater reliance on spring wheat

The area planted to wheat across the UK as at 1 December 2014 is estimated at 1.8Mha. If no late winter or spring wheat planting occurs, the 2015 harvest area would be 137Kha or 7% smaller than the total area for harvest 2014.

Figure 1 UK cropped areas

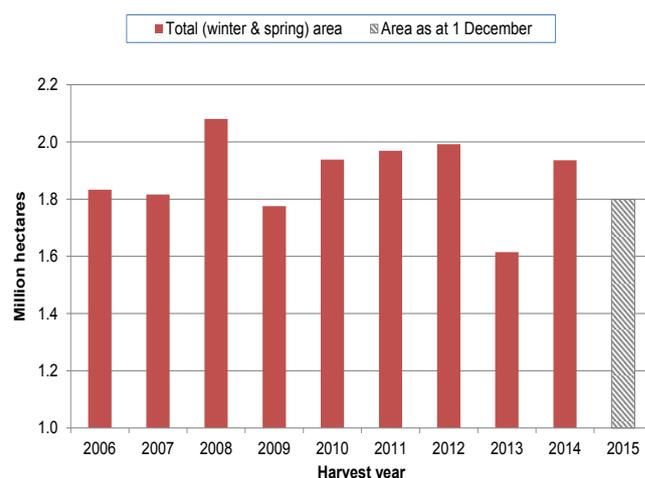
	000 hectares	2014 Harvest Area	Area as at 1 December 2014	% change 1 Dec '14 vs hvst '14
Wheat	England	1,797	1,664	-7%
	Wales	21	22	2%
	Scotland	109	105	-4%
	Northern Ireland	8	8	-5%
	UK total	1,936	1,799	-7%
Winter barley	England	363	366	1%
	Wales	7	6	-9%
	Scotland	53	55	5%
	Northern Ireland	7	7	7%
	UK total	429	434	1%
Oilseed rape	England	632	627	-1%
	Wales	5	6	10%
	GB total *	674	669	-1%
Oats	England	105	81	-23%
	Wales	5	4	-26%
	Scotland	25	8	-69%
	Northern Ireland	2	1	-33%
	UK total	137	94	-31%

* this data is not included in the survey in Northern Ireland

Source: AHDB/HGCA, Defra, Scottish Government, DARD NI

However, late winter, and spring plantings are gaining more attention due to their potential contribution to black-grass control, and so are likely to become more important to the total wheat area. Exactly how much spring cropping occurs will remain uncertain for several months, but it is certain that **an elevated level of spring planting will be needed for the 2015 UK wheat area to match 2014 levels.**

Figure 2 UK wheat area



Sources: Defra, AHDB/HGCA, Scottish Gov't & DARD NI

If spring planting doesn't take the total wheat area above harvest 2014 levels, and closer to average yields are achieved, production is likely to decline in 2015. Nonetheless, it is too early to judge the exact size of the 2015 UK crop as it depends on both the final area and final yields.

Reflections on UK winter plantings

A third large barley area?

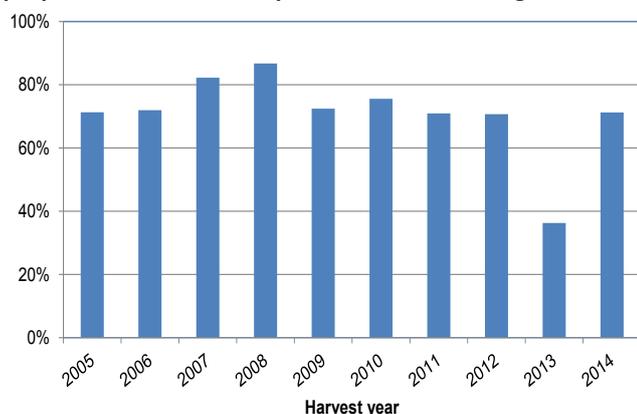
The area planted to winter barley in the UK is the largest since 2003, and slightly above last season's high level. In 2014, the large winter barley area was followed by a historically large spring barley area, which combined with high yields, gave a second consecutive year of high barley production. Higher winter barley plantings can be partly attributed to new, higher yielding feed varieties, as well as a desire to spread the harvest workload and support the entry of subsequent oilseed rape crops.

However, it is too early to call whether 2015 will provide a third large barley area as spring cropping is key to the total. Nonetheless, initial suggestions from the [Early Bird Survey](#), supported by the reduced level of winter cropping in England, point to another large spring barley area. If a relatively strong spring barley area does occur, this would raise the prospect of a third consecutive large barley crop – dependent on final yields.

Oat area far from clear

At first glance, planting data would seem to point to some bullish potential for the UK oat market after two years of large areas and large crops. **An estimated 94Kha were planted to oats across the UK by 1 December**, 31% less than the total area of oats (winter and spring) harvested in 2014. However, the reality is that **the final oat area for harvest 2015 is far from clear**.

Figure 3 Estimated UK oat area as at 1 December as a proportion of the area reported in the following June



Sources: Defra, Welsh Assembly, Scottish Government, DARD NI, AHDB/HGCA

N.B. Area as at 1 Dec in England & Wales is from Defra & Welsh Assembly up to harvest 2011, and AHDB/HGCA for harvest 2012 onwards

Winter plantings are only part of the picture – illustrated by Figure 3. While it is not possible to draw further conclusions about the level of spring plantings from this data as the winter planting surveys are superseded by the much larger June surveys, Figure 3 shows the importance of spring oats to the total UK oat area. This is especially true in northern England and Scotland. As a result we only know part of the picture, and similar to barley, have to wait to assess the potential size of 2015 oat crop.

Oilseed rape staying strong

Winter oilseed rape plantings are indicated at 669Kha, just 1% below the total oilseed rape area harvested in 2014. While this may be slightly higher than some early expectations, it may well reflect the large areas of winter barley harvested in 2013 – an ideal preceding crop for oilseed rape. It is worth noting that if no spring planting occurs, this area would be nearly 90Kha below the 2012 record.

There is some uncertainty regarding the final oilseed rape area, as spring crops are not yet accounted for. Although, excluding 2012, spring rapeseed has accounted for a small proportion of the total area, there may be some benefit from the increased interest in spring cropping this season. On the flip side, during the survey a small number of farms indicated that the viability of some fields would need to be assessed come spring following pest damage.

The decline in winter GB rapeseed plantings is less than those reported in many parts of Europe. If yields and production follow a similar pattern, this may present an export opportunity for UK rapeseed, subject to prices and currency movements.

Concluding comments

The results of winter planting surveys across the UK point to a shift in cropping patterns, and spring cropping will be important to the final UK areas. However, even if the final areas are lower, this could be partially offset by potential historically strong cereal stocks – [get the latest UK supply and demand estimates here](#).

For wheat, an elevated level of spring planting will be needed for the 2015 UK wheat area to match 2014 levels. A strong Scottish area also means that, subject to final yields, regional differences in wheat prices are likely to remain reduced in the season ahead.

A large winter barley area sets up the potential for a third large barley area given the land available for spring cropping. Spring planting will also be crucial to the final oat area, particularly given that historically large stocks may be carried into 2015/16.

While changes between crops are evident, subject to spring planting and final yields, the UK seems likely to need to remain active in export markets next season.

Key Points

- Greater reliance on spring wheat planting indicated for harvest 2015
- Highest winter barley area since 2003 – will we see another large barley crop?
- Oilseed rape area remaining strong but off highs
- Total UK oat area still far from clear