



# CROP UPDATE

11<sup>th</sup> March 2014



# CROP UPDATE

**W/C 3<sup>rd</sup> March 2014 cont....**

## **WHEAT**

### **Bullish ▲**

- Farmers in the Ukraine are faced with further setbacks with severe drought hitting eastern and central Ukraine.
- The middle of the week showed a slight dip in prices for Nov 14 but soon rose again mainly of the back of the drought report in Crimea.
- US corn exports rise as a consequence of the Ukraine crisis and the declining Brazilian crops.
- The 2<sup>nd</sup> biggest exporter of corn, Brazil, is forecast to have as much as 5 inches of rain next week in some areas, which could cause delay in plantings equaling lower yields. This could also damage up to 15% of their soybean crop. Other areas of Brazil are suffering from drought.

### **Bearish ▼**

- Farmers took advantage of the near perfect conditions in September/October period and as a consequence have increased the winter wheat area by over 20% according to Origin Enterprises. Even higher than the HGCA's first forecast at the beginning of the week. This rise is at no surprise when comparing to the weather conditions at the same point the year before when the ground was saturated and lead to a drop in the wheat crop for 2013.
- The Federal Government has stepped in to help farmers clear the back log of grain in Canada after a mixture of a bumper crop and heavy snow has left them with large amounts still to be shipped. The railway companies have now been given a minimum shipment quota to move per week with penalties if they fail to meet them.

### **Neutral ◆**

- The weather conditions across the Southern Plains of America are beginning to warm up with little rain, but temperatures are still below normal along the Eastern Corn Belt.
- Some criticism in the market on whether the saturated soils in the UK will increase susceptibility to disease and pests problems for winter grains.
- The latest USDA report out this week showed little change to the global wheat ending stocks.



# CROP UPDATE

## BARLEY

### **Bullish** ▲

- Again this week the Malting and feed barley prices for new crop follow the wheat in reaction to the crisis in the Ukraine.

### **Bearish** ▼

- Farmers across the UK and Europe on lighter less saturated soils are taking advantage of the favorable weather conditions which are set to stay for the next week or more to drill their Spring Barley.
- Winter Barley crops are also benefitting from the warmer dryer conditions.

### **Neutral** ◆

- Little to no interest in the market for old crop barley.

## Summary

There has been some bearish news for all grain markets, but this has had little affect against the crisis in Ukraine. March 16<sup>th</sup> will see a vote by the Crimean region of Ukraine on whether they want to join Russia. How this will affect the market is anyone's guess.

The wait for the USDA report yesterday caused prices to drop slightly in anticipation but there minimal change to the global grain stocks. The more important news will be in the report at the end of this month which will give clearer figures on the areas drilled.



# CROP UPDATE

