



Muntons

PASSIONATE ABOUT MALT SINCE 1921



Crop Report

*Compiled by the
Stowmarket Grain Team*

April 2021



Introduction

We're pleased to see that spring barley planting is now complete and farmers are now planting other spring crops such as sugar beet and maize. This is a positive sign, as this reflects a normal planting season. The dry weather has been key to allow the machinery to get on the land and for drilling to be completed. That said, as experienced last year-long periods of dry and wet weather are not conducive to crop development.

UK Malting Barley

Now that good progress has been made on farm and we know that the Spring Barley Crop has been planted, the focus now turns to crop development. Winter Barley crops are now well established due to the length of time that they have been planted, with the last month of dry weather there is very little moisture in the top layer of the soil so these plants will be putting roots down to reach the moisture lower down. Now, this is no bad thing because in theory this should give the plant the best chance of growing successfully.

As for the spring barley, the snap of chilly nights and frosty mornings in mid-April, have not been very supportive of seed germination and plant development. Ideal weather would be warm with showers to just keep topping up the moisture, just like you would water your pot plants outside your back door when the weather is warm and dry. These low temperatures hold the crop development back. However, with a high-pressure weather system currently in position and no sign of rain the spring barley crop will continue to develop slowly until there is enough moisture in the top layer of the soil to allow the crop to develop properly.

The picture on the right is a spring barley field in South Norfolk drilled on 31 March. As you can see, there are few green shoots and the soil is dry and cloddy due to how quickly the soil has dried out. A cloddy surface like this makes it harder for spray applications to reach the surface area of the soil to kill weeds and liquid nitrogen to reach the plant.

Due to the warm days and cold nights, this crop is behind where you would expect to see it and on the cusp of being desperate for rain, it is certainly a long way away from where we were in February.

Farmers and merchants continue to be reluctant sellers of both 2020 and 2021 crop. It feels like most maltsters are just about finished purchasing the 2020 crop. If there was anyone left with a big position to cover, it would be unlikely that any substantial lots of barley would be available to buy. In terms of the 2021 crop, farmers' attention is now on the weather forecast and crop development. While the weather forecast remains dry, there is going to be continued reluctance to sell, as nobody will want to risk overselling or achieving a particular nitrogen specification.



Spring barley field in South Norfolk drilled on 31 March.

UK Wheat

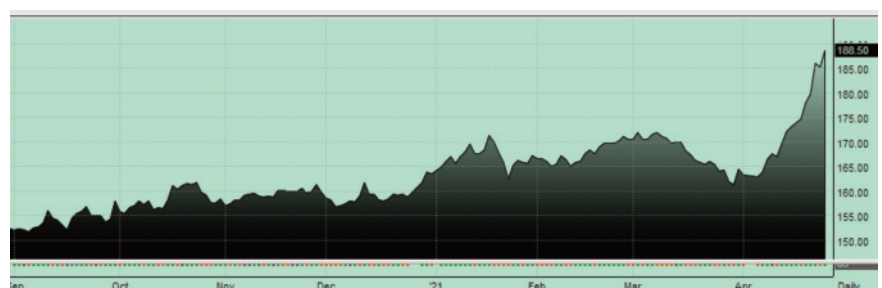
Like the barley crops, winter wheat crops will put their roots down to get to any available moisture in the soil. The picture on the right shows a winter wheat plant (19/04/21) with the long roots extending further than the clod of soil that the plant was pulled up with. The picture also shows a slight discolouration in the leaves of the plant, highlighting the stress of the current weather conditions.

There has been more spring wheat planted this year, compared to the average, which similarly to the spring barley is almost desperate for rain now. The picture below illustrates how dry it is now, with the ground cracking.

Despite the completion of planting in the UK, the LIFFE wheat futures market has gone from strength to strength with the feed wheat futures price for November 2021 at £188.50/t (26.04.21). With the current dry weather in the UK and the low stocks of 2020 crop going into the 2021 crop, there does not feel any downside in the market today. As you will see from the November 21 wheat futures graph, prices

have risen considerably throughout April, which is also supported by the global grains situation discussed below.

Similarly to barley, farmers and merchants are not sellers of new crop wheat today, with weather concerns and all the problems faced with the 2020 crop, this spell of dry weather will only deter sellers. Reflecting on last year's harvest, although prices were strong with the yields being so poor, many farms will have had a knock financially which could damage some agricultural businesses in the UK if history repeats itself in 2021. Two years of hardship will certainly make farmers look at alternatives, trying to remove risk from their supply chain while also supporting their businesses for the future with changing farm payment schemes.



Global Perspective

Here, we look at the weather on an international scale, which looks to be resulting in bullish market sentiment.

France

French crop conditions have fallen 4% this week down to 88% of spring crops being rated good to excellent because of the recent frosts. While the score is still much better than this time last year, the dry weather forecast for the next 10 days is causing concerns.

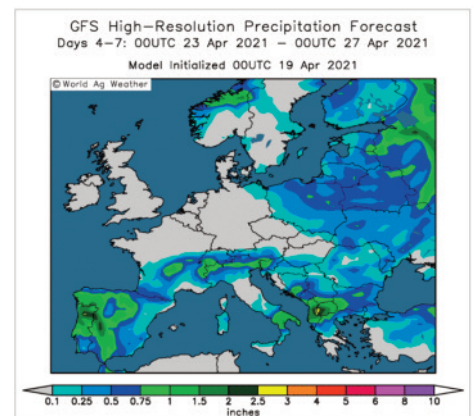
US & Brazil

Dry weather in the US is causing concerns for the maize and wheat crops that are being planted, especially with the low stocks from the 2020 crop. Further down in Brazil, the dry weather pattern continues in the grain filling stage of development of the Safrinha maize crop (second maize crop).

Russia

Spring planting is progressing at a normal pace and currently, the Russian Government has imposed a tax on wheat exports which is not helping the global supply of 2020 crop wheat.

In short, the global grain markets are being described as a weather market. These uncertain weather conditions combined with a low three-year stock position have skyrocketed prices. This is also being supported by fund managers driving market prices higher.



Conclusion

To conclude, it seems like we are seeing two extreme weather patterns developing in the UK: a long period of wet and cold conditions by a long period of warm and dry conditions. Warm sunny days and cold nights are holding back crop development. Spring crops are now on the cusp of being desperate for rain, with none forecast this week. Winter crops are trying to grow rapidly but being held back by lack of rainfall. As of today (30.04.21) no harm is being made to the crop, but if we do not see any rainfall over the next week then we will start to see damage to the crops. Like last year when we saw the late uptake of solid nitrogen application, the longer we go on seeing no rain is causing concerns about another higher grain nitrogen year.

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