



# Muntions

PASSIONATE ABOUT MALT SINCE 1921



# Crop Report

*Compiled by the  
Stowmarket Grain Team*

May 2021





## Introduction

What a difference four weeks can make! In our last report, we talked about our farmers in the UK facing an unseasonably dry spell mixed with frosty nights. This all changed following the May Day Bank Holiday weekend. True to form, the May bank holiday saw the first showers of rain in the UK, which then continued through the first week of May. While this is positive news for crops in the UK because the rain prevents any potential drought damage, other areas of the globe are yet to receive the same rainfall, and this affects the global grains prices.

## UK Malting Barley



The wintry nights and lack of rainfall had held winter barley crops back in April and the 40-50mm of rain received during the first week of May in East Anglia was much needed. Due to slow development, the nitrogen that was sitting on top of the soil should now be washed in and predominantly taken up by the plant rather than the barley ear, which will put the nitrogen straight into the grain. The winter barley crops that are slightly ahead of development for the 2021 season, are now starting to ear.

Spring's barley crops have thickened up over the last month and the pictures below illustrate just what a change in the weather

can do to a crop. Both pictures were taken a month apart and in the same spring barley field in South Norfolk. We took the first photo on 19th April and we can see how the green shoots were sparse and the soil was dry and cloddy.

We took the second photo on 11th May and the plants look lush, thick and are almost covering the rows, with the soil now being a rich dark colour because of the amount of moisture in the soil and the plant looks healthy and established.

Since October, the weather has driven the UK grains marketplace. This weather market has caused an enormous amount of volatility as shown in the wheat futures

graph below. While the grain markets remain unstable, it is unlikely that merchants and maltsters will cover barley without backing it off against a farm purchase or customer commitment. So, until the farmer engages, it is still very difficult to get any 2021 crop offers. The rain has given confidence in the 2021 crop and reduced previous fears about crop damage and failure. Depending on farmers' views of the markets and confidence in their nitrogen levels will dictate how much barley they offer pre-harvest. After the problems with nitrogen in the 2020 crop, offers of max 1.65 barley are likely to be infrequent.



*Spring barley field in South Norfolk drilled on 19th April*



*The same barley field photographed on 11th May*



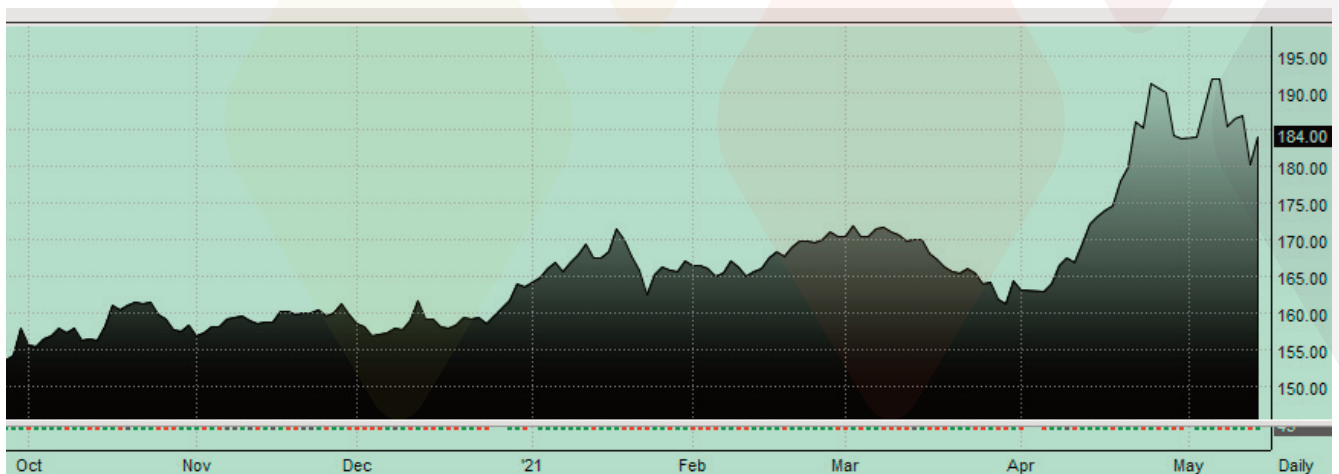
## UK Wheat

Like the barley crops, the warm, wet weather in the first week of May promoted development with wheat crops almost doubling and are now standing approximately knee height rather than ankle height. With strong established roots because of the dry conditions in April, the wheat crops should be well established to push through the growth stages now.



The UK LIFFE wheat futures market has certainly reacted to favourable weather, although volatility remains as the global weather markets and fund managers continue to influence the November 2021 futures prices.

Similarly to barley, farmers and merchants remain reluctant to sell wheat because of the instability of the commodity markets at the moment.





## Global Perspective

Over the last six weeks, the focus has predominantly been on the global weather situation and the maps below show the precipitation forecast at the end of April (left) and the precipitation analysis for the first week of May (right). The difference in Europe is remarkable, as crops have had some good rainfall now and will continue to develop rapidly.

### France

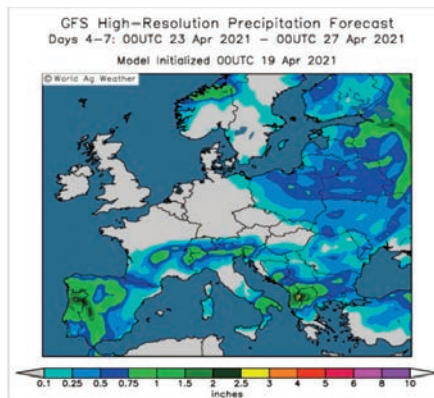
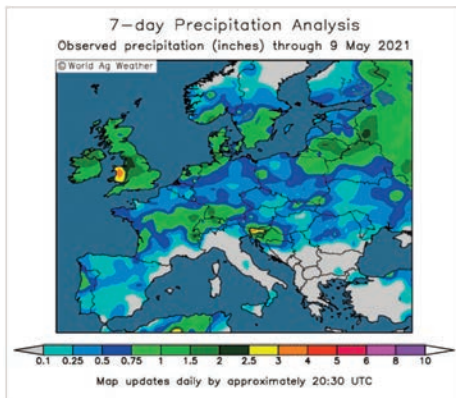
- ◆ French crops have benefitted from recent rainfall, just like the UK crops. Similarly, to the UK Liffe market, the French Matif market has seen similar declines.
- ◆ Chinese demand for feed barley from countries like France remains.

### US & Brazil

- ◆ Persistent dryness across many parts of Brazil has led to corn crop estimates being reduced again, this keeps pressure on global feed markets.
- ◆ Chinese demand for US corn continues to be strong.
- ◆ Ethanol demand for corn is picking up as the US economy rebounds.
- ◆ Investment funds have squared their positions up, which leave an opportunity for funds to re-enter and further affect the market.

### Russia

- ◆ Spring planting is progressing at a normal pace and now the Russian Government has imposed a tax on wheat exports. This is proving to be detrimental to the global supply of 2020 crop wheat.



## Conclusion

To conclude, the much-needed change in the UK weather has eased the drought concerns. Global supply and demand for feed grains are maintaining pressure within the marketplace, especially with low stocks of feed grains going into the 2021 crop. Despite the change in the weather for the better, farmers and merchants are still not sellers today because of the volatility in the marketplace. When the market is as volatile as it has been, farmers become more reluctant to sell as they don't want to miss out on a higher market price.

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