

**Executive Grain Market Summary**

**3-7Aug 2020**

**Currency / Oil:**

**LIFFE Wheat:**

	Close	Change on week		Close	Change on week	
£/\$	1.31	+0.01		Nov 20	£165.55	-£2.85
£/€	1.11	+0.01		May 21	£168.75	-£2.50
Nymex Oil	\$41.95	+\$0.68		Nov 21	£149.75	-£2.70

**Wheat Futures Market Comparisons:**

	Cbot/Liffe		Matif/Liffe		Cbot/Liffe (Corn/Wheat)	
	Nov 20*	Nov 21*	Nov 20*	Nov 21*	Nov 20*	Nov 21*
Closing differential	<b>-£21</b>	<b>+£2</b>	<b>-£2</b>	<b>+£16</b>	<b>-£66</b>	<b>-£41</b>
Change on week	<b>-£7</b>	<b>-£4</b>	<b>-£1</b>	<b>u/c</b>	<b>+£1</b>	<b>+£2</b>

Note:

1. Cbot/Liffe Nov\* and Matif/Liffe Nov \* compares Cbot and Matif Dec with Liffe Nov
2. Relevant forward exchange rates are used to convert to Sterling equivalents
3. **Prices are based on Thursday pm market closes. Nymex oil = front month position.**
4. All figures are approximate and intended solely to illustrate trends

**UK Update:**

- AHDB report full 2019/20 season (Jul-Jun) wheat use in commercial animal feed at 4.84m (up 1.9% yoy); barley 1.29m (+22.6%); maize 0.43m (-34.0%)
- AHDB report full 2019/20 season wheat use by millers (including starch and ethanol) at 6.06m (-0.4% yoy) including home grown 5.30m (+5.2%) and imported 0.76m (-27.3%)
- AHDB report full 2019/20 season barley use by brewers at 1.77m (-6.4% yoy) including a 29% drop in Jun20; oat use by millers 0.55m (-0.1%)
- AHDB forecast 2020/1 season UK maize imports exceeding 3.0m (vs 2.2m in 2019/20)

**EU Update:**

- EU-28 2020/1 season wheat exports total 0.64m (vs 1.20m last ytd); barley exports 0.25m (vs 0.64m); maize imports 1.01m (vs 2.13m)
- French Farm Min cut 2020 soft wheat crop forecast to 29.7m (vs 31.3m previous forecast; 39.6m in 2019), barley 11.3m (12.3m; 13.7m), osr 3.3m (3.4m; 3.5m) maize 14.4m (13m in 19)
- At 3 Aug Agr-Mer rated the French maize crop at 74% good/excellent (vs 77% last week; 60% last ytd) with hot, dry conditions trimming yield prospects
- Agri-Mer forecast French third country soft wheat exports at 7.8m (vs 13.6m in 2019/20)
- German Stats Office forecast 2020 wheat crop at 20.2m (vs 23.1m in 2019) from an area of 2.8m ha (vs 3.1m)
- Romanian Ag-Min estimates 2020 wheat crop at 5.5-5.6m (vs 9.6m in 2019)...due to drought.
- Strategie Grains raised their 2020 EU-28 osr crop to 16.8m (vs 16.5m previous forecast; 17.1m in 2019)

**Global Update:**

- Pro-Agro increased their 2020 Ukrainian wheat crop forecast to 26.6m (vs 26.1m previous forecast; 28.3m in 2019) and maize to a record 38.9m (vs 38.5m; 35.9m)
- Russian winter wheat yields keep improving with IKAR increasing their 2020 wheat crop forecast to 79.5m (vs 78m previous forecast; 74.4m in 2019) with barley at 20.0m (20.5m in 2019), maize 14.3m (vs 14.3m)
- Egypt bought 120k Russian wheat @ \$226.30 cif for 11-20 Sep and 290k Russian/Ukrainian @ \$226.80 for 21-30 Sep shipment on 180 payment terms (~\$2 cheaper than last week).
- US 2020 maize crop rating stable at 72% good/excellent (vs 72% last week; 57% last ytd) with StoneX putting the 2020 crop at 389m (vs 381m USDA forecast; 347m in 2019)
- Good rainfall across Australia prompting talk of a 30m+ 2020 wheat crop (vs 15.2m in 2019)
- Farmlink crop tour forecasts 2020 Canadian all wheat crop at a record 38.9m (vs 32.3m in 2019), barley 11.1m (vs 10.4m), oats 5.6m (vs 4.2m), osr 20.2m (vs 18.6m)...previous wheat record was 37.6m in 2013.
- ENSO measurements suggest a weak/moderate La-Nina system could develop as early as Sep20...one to follow.
- Dry conditions persisting across NW Argentina with less than 30% of normal July rainfall recorded and the national crop rated 24% good/excellent (vs 45% last ytd)

**Comment:**

The bears in control this week with bumper crop forecasts in Canada and Australia outweighing further cuts across the EU...La Nina development worth watching.