

Facts

January 2015

January 2015 Grain Market Overview – Ex Farm Prices (£/t)

	Fd Wheat	Class 1	Class 2	Fd Barley	OSR	Mill Oats	Beans
Jan '15	122	Fd + £46	Fd + £44	120	264		205-10
F/M '15	123			122	265	112	206
A/M/J	125			125	266		210
Harvest '15	125			115	255		170-75
O/N/D '15	132			120	260		
O/N/D '16	140?						

Wheat

Strengthening sterling against the dollar after a 17 month low and weakening demand has seen ex-farm prices fall this week to £122/t Jan and £125/t for May. There has been very little activity this week, with few buyers or sellers, but markets were volatile at the start of the month, which was influenced by geo-politics rather than supply and demand.

Soft group 3 wheat is unchanged at £3-5/t premium, very few buyers so no change in premium. Large difference on specification required between buyers. Hard group 4 wheat is offering £2-4/t premium.

Milling premiums unchanged at £46/t over feed for full spec protein samples. Fallbacks are £1-1.15/t per 1% protein to 12.5%, £2/t to 12%. DEFRA information has confirmed that UK millers have increased the proportion of home grown wheat purchased at the expense of imported.

Harvest 2015 feed wheat is £125/t and November £132/t ex farm, falling back £5/t since the start of January.

Feed Barley

Feed barley up £4/t, at £120/t spot ex-farm; carry at £1/month. £122/t if situated near Tilbury as prices firmer as boats are in and seeking supplies in a tight market.

Malting Barley

Winter malting barley unchanged at £125/t ex farm for January, with small carry. Spring malting barley £140/t ex farm for January, but there is a lack of sellers, most trade export to Germany and Canada. Quality continues to be a problem, germination and bugs. Harvest 2015, feed barley unchanged at £115/t ex farm and £120/t for Nov.

Winter malting barley is down to £128/t ex farm for harvest 2015. Spring malting barley is unchanged at £140/t for harvest 2015 plus £10/t O/N/D. HGCA estimates 5-8% larger area to be planted in spring 2015 due to failed OSR and new CAP 3 crop rules.

Oilseeds

Price rise into January at £264/t ex farm, little carry to May, margins will reduce as crude oil prices drop. Harvest 2015 is up £5/t to £255/t ex farm and £260/t for Nov 2015.

Beans

The January 2015 feed bean price is now £205-10/t ex-farm as feed demand is high. Harvest 2015 prices are around £170/t ex farm or £35/t above the feed wheat price.

Farm

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Potatoes

The market remained static for another month in December and the average price dropped to £112/t before peaking at £118/t and ending up at £114/t, 20% below the average one year ago. The free buy average price despite an increased market share remained very low, from a starting point of £84/t it dropped to £79/t before returning to the starting price.

Variety	Price/tonne	Prices ↑ / ↓ / -
King Edward (Grade 1)	£80 - £120	↓
Desiree (Grade 1)	£80 - £120	↓
Maris Piper (Grade 1)	£70 - £150	↓
Estima (Grade 1)	£55 - £85	↓

Beef

Cattle prices improved in the run up to Xmas as the previous months over supply filtered through. Average Steer prices improved by 15p/kg to peak at 201p/kg lw before dropping back to 189p/kg lw, which was 14p/kg below the average a year earlier. 1.

The average heifer price reacted very much the same, improving by 14p/kg in the early part of the month, peaking at 211p/kg before dropping back to 204 p/kg, 4p/kg below the previous year's price.

Lamb

The average finished lamb price was very similar to the beef price, starting at 175p/kg lw peaking at 192p/kg before closing at 184 p/kg, 5p above the previous December's price.

Pig

The average All Pig Price (APP) although affected by Xmas, opening at 150.6 p/kg before finishing at 148.2p/kg.

Dairy

The DEFRA average milk price for October (published in December) was weaker, falling by 1.10 to 29.71, 3.91ppl below the average price of one year ago, positioned 10th in the EU28 rankings. Milk quota peaked at 0.35ppl before reducing to 0.26ppl. In late December clean 4% butterfat trading at 0.32ppl. Dairy cow prices remained static closing at £1,161/hd, well below the December 2013 price of £1,572.



SPS and BPS Update

Recent ruling by DEFRA states that farmers with a minimum of 89 acres (36 hectares) will qualify as an 'active farmer' definition. 'Non-agricultural activities', defined as railway services, waterworks, airports, permanent sport and recreational grounds and real estate services, can still qualify provided there are 89 acres of eligible land and payments under the Single Payment Scheme or the Basic Payment Scheme comprise at least 5% of the non-agricultural receipts and total agricultural receipts are at least 40% of total receipts of the business.

DEFRA has published new cross compliance guidance for 2015 in England including hedgerows and stone walls being covered under GAEC 7a; new rules for the protection of stone banks and earth banks; a 'no trimming' season for hedges and trees

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will last from March 1st to August 31st. Derogations for OSR growers will be available.

Robin Turney Ltd are in the process of registering clients with the RPA for the new Basic Payment Scheme. If you require assistance with the registration process or have general queries relating to BPS and/or Greening please contact Robin Turney on 01789 488041



Industry News

The European Commission has awarded England £12 million towards tackling Bovine TB with further £13 million being shared by Wales and Northern Ireland.

Total Income from farming in the UK rose to £6.63 billion in 2013/14, an increase of 15%, Livestock sales increased by 8.4% to £14.24 billion including an increase of £504 million of milk sales. Crop sales rose by 4.9% to £9.39 billion.

The Tenants Farmers Association has launched a campaign entitled "FBT+10: Too short for too long" with the aim of more than doubling the average term of farm business tenancies.

The WORLD apple & Pear Association has claimed that global production of apples will reach 90 million tonnes by 2020 compared to 78 million tonnes today as a result of improved yields in China.

A report compiled by ADAS on behalf of AHDB, the British Beet Research Organisation and the Processors and Growers Research Organisation has estimated that crop losses caused by proposed European Legislation to tighten pesticide regulations and the definition of endocrine disruptors could range from £905 million to £3 billion annually.

Arla Foods on-account milk price has been reduced by 2.03ppl taking a standard litre down to 24.81ppl. First Milk has reduced its manufacturing pool price by 1.1ppl to 22.9ppl and its liquid pool price by 1.0ppl to 21.7ppl.

With effect from January 1st 2015, sheep born on a holding must be tagged within 6-9 months of birth or prior to leaving the holding if earlier; breeding animals must be tagged twice, one of which must be electronic; animals to slaughter can have a single slaughter tag, but for slaughter lambs the tag must be electronic if the animal is under a year old; individual tag numbers for animals identified before 2010 must be reported on movement documents unless they move directly to slaughter.

BPEX has reported that the number of pigs weaned per sow in 2013 in the UK rose by 4% while in Europe the increase was 3%. Costs of production rose by 4% in the UK but by 6% in mainland Europe.

The restrictions put in place in Yorkshire following the outbreak of Avian Flu in November 2014 have now been lifted.

Countryside Famers is to sell its livestock feed and forage business to ForFarmers, its arable products business to Hutchinsons and its crop marketing business to Openfield. The total sale is expected to generate £18.5 million.

IPL, the purchasing arm of ASDA, is in negotiations to buy Fenmarc's and QV Foods potato packing businesses.

Aberdeen Grain Storage is to end its grain marketing partnership with Openfield and has appointed Frontier instead.

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Farm Facts

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Our Services

- Farm Business Appraisals
- Budgeting and Cash Flow Planning
- Contract Farming Agreements
- Farm Business Tenancies
- Grazing Licences
- Landlord and Tenant Matters
- Single/Basic Payment Scheme Administration
- Cross Compliance Administration
- Planning Applications
- Project Management
- Producer Organisation Management
- Grant applications
- Environmental Scheme Administration

If you seek advice on any of the above matters, please contact us on 01789 488041.

A new supply agreement has been reached between Openfield and Baird's Malt on behalf of Angus Cereals Members.

In a joint venture with a dairy co-operative, Coca Cola is to launch "Fairlife" in the US, a dairy drink containing 50% more protein and 30% less sugar than regular milk.

Thomas Ridley Foodservice, based in Suffolk, has purchased Elveden Food Hub.

Currency and Oil

£:\$, down 1.508 (66.26p)

£: Euro, up 1.208 (78.07p)

Brent Crude Oil down - \$45 barrel

January Input Pricing

Product	Price
Red Diesel	41.85p/ltr
White Diesel	88.5p/ltr
UK 34.5% AN	£280/t
Granular Urea 46%	£285/t
TSP	£307/t
MOP	£263/t
DAP	£383/t
Pulan	£258/t
26N 33SO3	£253/t
0/26/26	£293/t



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