



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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**GAIN Report Number:** GM7023

## Germany

### Grain and Feed

### Grain Prices Rising

### 2007

**Approved by:**

Bobby Richey Jr.  
U.S. Embassy

**Prepared by:**

Dietmar Achilles

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**Report Highlights:**

Prices in German grain markets are reflecting world market developments. In particular crop problems in the Black Sea Region and Russia seem to have significant impact on German farmers' marketing decisions. Old crop markets are generally empty and farmers are speculation on further rising prices. German farmers are expecting a normal size crop of about 44.7 million tons despite the March/April drought.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Berlin [GM1]  
[GM]

## Price Developments in German Grain Markets

The German Price Reporting Agency for Agricultural Commodities ZMP reports very low business volume in the grain markets. The old crop market is almost empty. Feed grains are currently primarily sourced from intervention stocks, which will be almost depleted by the end of the marketing year. In reaction to reports of drought problems in the Black Sea Region and Russia German farmers are speculating on significantly rising prices for new crop grains.

The German grain harvest is about to start in the second half of June, about one week earlier than normal. Farmers are expecting a normal size crop of about 44.7 million tons. This compares to 43.5 million tons in 2006. Both crop years were influenced by extreme drought periods, June/July drought in 2006 and March/April drought in 2007.

### German Grain Crop Forecast

	2006			2007		
	Area 1000 ha	Yield MT/ha	Production 1,000 MT	Area 1000 ha	Yield MT/ha	Production 1,000 MT
<b>Winter Wheat</b>	3,058	7.24	22,128	2,997	7.60	22,779
<b>Spring Wheat</b>	44	5.38	238	36	5.80	209
<b>Durums</b>	12	5.14	62	12	5.89	70
<b>All Wheat</b>	3,115	7.20	22,428	3,045	7.57	23,058
<b>Rye</b>	539	4.91	2,644	650	5.00	3,250
<b>Winter Barley</b>	1,483	6.37	9,451	1,476	6.20	9,151
<b>Spring Barley</b>	542	4.64	2,516	500	4.80	2,400
<b>All Barley</b>	2,025	5.91	11,967	1,976	5.85	11,551
<b>Oats</b>	184	4.52	830	182	4.80	873
<b>Spring Mixed</b>	25	4.10	102	25	4.40	111
<b>Winter Mixed</b>	9	5.11	47	9	5.60	52
<b>Triticale</b>	405	5.53	2,237	373	6.00	2,236
<b>All</b>	439	5.44	2,385	407	5.89	2,400
<b>Corn</b>	401	8.03	3,220	400	8.80	3,520
<b>Grand Total</b>	<b>6,702</b>	<b>6.49</b>	<b>43,475</b>	<b>6,660</b>	<b>6.70</b>	<b>44,651</b>

Source: German Statistics Office and FAS Germany Forecast

The Hanover Commodities Exchange reports a steep price increase for the wheat September contract since the end of April. The September contract has already passed the 170 Euro/ton line at the exchange in Hamburg on June 12. However, this price increase is not yet reflected in the spot markets. Spot prices for wheat at various regional exchanges fluctuated between 152 and 157 Euros/MT during the past six weeks according to ZMP reports. Currently market volume is rather limited since the markets are said to be empty. With regard to international price developments for grains farmers also hesitate to conclude contracts for new crop grains. According to ZMP offer prices for new crop wheat range between 135 and 150 Euros/MT. Highest prices are offered in near port locations. Farmers who do not need to sell seem to be waiting for higher prices.

Hanover Commodity Exchange – RMX Charts/ Quotes for Wheat

Six-Months Chart - Wheat



Contract Code:	WU07
Last Trading Day:	2007-08-31
Last Update:	2007-06-12 10:47:11
Last Price:	167.9
Open:	167.9
High:	167.9
Low:	167.9
Previous Day Close:	165
Bid:	
Bid Volume:	
Ask:	169.5
Ask Volume:	40
Trend:	↗
Close:	
Open Interest:	
Traded Volume:	1

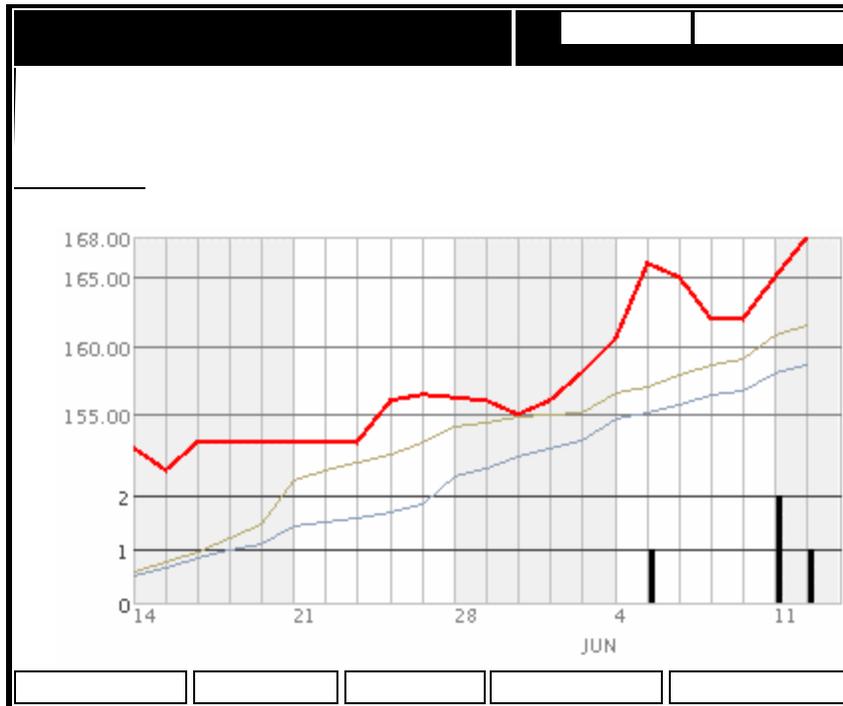
**Info-Box**

Moving Average:

- 20 days
- 30 days

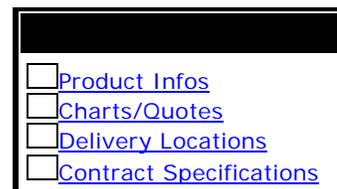
All data delayed for at least 15 minutes.

One-Month Chart - Wheat



## Contract Specifications

Specifications	Description
Unit of Trading	50 metric tonnes
Contract Standard	Milling wheat of EU-origin, cost basis fca/fob, freely tradable within the EU area, sound and of merchantable quality and meeting the following specifications:  Protein: min. 11% Moisture: max. 15% Hagberg: min. 220 seconds Specific weight: min 76 kg/hl Impurities: max. 2%
Quotation	Euro per metric tonne
Tick (Size and Value)	Euro 0.1 (Value: Euro 5)
Price Fluctuation Limit	fixed by the exchange, actually there is no price fluctuation limit
Ticker Symbol	W
Delivery month	actual: September (U), November (X), January (F), March (H) and May (K)
Last Trading Day	The last trading day of a contract is the exchange day before the first exchange day of the delivery months.
Delivery	Physical delivery
Delivery Locations	Possible points of delivery are: - Hamburg - Rostock - river Main - Mittellandkanal (between Magdeburg und Minden including its side canals (Stichkanäle) - river Mosel (between Metz and Frouard) - river Rhein (between Krefeld and Worms)
Trading Hours	10:05 am - 06:30 pm
Initial Margin	Euro 360,- per contract on Clearing House Level. The General Clearer will normally add an surplus.
Trading Fees	Euro 2,- per Halfturn  During the period 14.05. - 30.09.2007 the trading fees of the exchange will be suspended.
as of:	11. May 2007



## Current news

04.06.2007  
[Clearing House changes Margin Rates](#)

11.05.2007  
[New Wheat Future Maturities and Trading Hours](#)

30.04.2007  
[Blocking of the maturities Sept 2007 and Dec 2007 in the wheat future](#)

Source for the charts: Warenterminboerse Hannover – RMX - [http://www.wtb-hannover.de/content/maerkte/charts/charts.php?b24&en&produkt=3&bild=WU07&type=\\_LI N&zeit=monat](http://www.wtb-hannover.de/content/maerkte/charts/charts.php?b24&en&produkt=3&bild=WU07&type=_LI N&zeit=monat)