Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Voluntary Report - public distribution

Date: 07/01/99

GAIN Report #UK9032

United Kingdom

Grain and Feed

Update on the UK Wheat and Barley Situation

1999

Approved by: Michael L. Conlon

Drafted by: Michael L. Conlon

Report Highlights: Production of wheat and barley should decline in 1999/00 because of the increase in set-aside and the poor weather conditions during planting. The UK continues to import a significant amount of North American milling wheat because of low quality European milling wheat.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
London [UK1], UK

WHEAT

PSD Table						
Country	United Kingdom					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Harvested	2036	2036	2100	2045	2050	1920
Beginning Stocks	2791	1952	2591	1434	2391	1766
Production	15050	15018	15500	15465	15000	14500
TOTAL Mkt. Yr. Imports	1300	1300	1000	1116	1000	1000
Jul-Jun Imports	1300	1300	1000	1116	1000	1000
Jul-Jun Import U.S.	150	127	140	155	140	140
TOTAL SUPPLY	19141	18270	19091	18015	18391	17266
TOTAL Mkt. Yr. Exports	4200	4028	4500	3275	3000	3000
Jul-Jun Exports	4200	4028	4500	3275	3000	3000
Feed Dom. Consumption	6550	5966	6500	6220	6150	6150
TOTAL Dom. Consumption	12350	12808	12200	12974	13050	13050
Ending Stocks	2591	1434	2391	1766	2055	1216
TOTAL DISTRIBUTION	19141	18270	19091	18015	18105	17266

PRODUCTION

We lowered UK wheat production for 1999/00 to 14.5 MMT. The Post is forecasting production to fall six percent in 1999/00 because of poor planting conditions and the increase in set-aside to 10 percent. For example, production will be down by as much as 20 percent in Scotland because of poor weather conditions during planting.

TRADE AND CONSUMPTION

We increased our import estimate to 1.116 MMT for 1998/99 to correspond to the official government estimate. UK millers have imported a significant amount of high quality North American wheat thus far in 1998/99. For example, from July through April, imports from the United States have increased from 93,000 MT for 1997/98 to 140,000 MT for 1998/99. The reason behind this increase is the lower quality European crop and the gradual lowering of import tariffs.

Feed use consumption should increase in 1998/99 over 1997/98 to around 6.22 MMT because the price of feed wheat has been attractive compared to barley. However, feed use consumption should fall slightly in 1999/00 because of a decline in the pig industry, a major consumer of feed wheat.

BARLEY

PSD Table						
Country	United Kingdom					
Commodity	Barley				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		07/1997		07/1998		07/1999
Area Harvested	1328	1359	1270	1255	1120	1167
Beginning Stocks	1013	1032	1893	2095	1668	1649
Production	7850	7828	6600	6630	6000	6000
TOTAL Mkt. Yr. Imports	130	162	125	140	150	140
Oct-Sep Imports	130	162	125	140	150	140
Oct-Sep Import U.S.	0	18	0	20	34	20
TOTAL SUPPLY	8993	9022	8618	8865	7818	7789
TOTAL Mkt. Yr. Exports	1400	1291	1200	1926	1600	1600
Oct-Sep Exports	1400	1291	1200	1926	1600	1600
Feed Dom. Consumption	3400	3356	3450	3119	3150	3150
TOTAL Dom. Consumption	5700	5636	5750	5290	5390	5390
Ending Stocks	1893	2095	1668	1649	1248	799
TOTAL DISTRIBUTION	8993	9022	8618	8865	8238	7789

TRADE

We are increasing our barley export estimate for 1998/99 to 1.926 MMT to reflect official government numbers. Most export barley is coming out of intervention stocks. The main markets should continue to be Spain, Portugal and Italy in the EU and Algeria, Norway and Saudi Arabia outside the EU. Exports should continue to be robust into 1999 as UK barley remains price competitive in the world market.