

The Andersons Centre – Latest News Update

November 2008

UK Harvest Results and Prospects for 2009

The large size of the 2008 UK harvest has been confirmed by DEFRA's provisional Cereal Production Survey. A record wheat crop of 17.458 million tonnes was harvested – this is almost a third higher than last year. This is thanks to an increased planted area, and also a record yield – averaging 8.4 tonnes per Ha. The 17.458 million tonne figure was slightly higher than many trade estimates which had output at around 17 million tonnes. The NFU estimate was even higher however, at 17.56 million tonnes. The final result may prove to be lower than these initial estimates, and certainly in many areas the quality of the crop is very poor and some may not even be fit for feeding to livestock.

The full UK figures are summarised in the table below, along with the output figures from the Cereals Survey Results;

UK ARABLE AREAS AND CROP PRODUCTION

AREA – '000 Ha	2004	2005	2006	2007	2008 (prov)	Change 07-08
WHEAT	1,990	1,867	1,833	1,830	2,075	+13%
<i>Production ('000 tonnes)</i>	15,468	14,683	14,735	13,221	17,458	+32%
BARLEY	1,007	938	881	898	1,036	+15%
<i>Production ('000 tonnes)</i>	5,799	5,495	5,239	5,079	6,242	+23%
OATS	108	91	121	129	131	+1%
<i>Production ('000 tonnes)</i>	626	532	728	712	752	+6%
OTHER CEREALS	25	23	25	27	25	-8%
TOTAL CEREALS	3,130	2,920	2,861	2,884	3,269	+13%
OILSEED RAPE[Ⓞ]	554	594	576	681	600	-12%
<i>Production ('000 tonnes)</i>	1,607	1,898	1,890	2,108	1,979	-6%
SUGAR BEET	154	148	130	125	119	-6%
POTATOES	148	137	140	140	145	+4%
PROTEIN CROPS	242	239	231	161	146	-9%
MAIZE	118	131	137	146	153	+5%
FALLOW AND SET- ASIDE [Ⓜ]	532	624	587	617	199	-68%

Source: DEFRA [Ⓞ] including set-aside crops [Ⓜ] excluding set-aside cropped with OSR

Looking ahead the movement in costs and prices currently means that most producers are faced with costs of production above current prices for harvest 2009. Despite this, Andersons do not foresee much change in planting patterns for harvest 2009. Winter wheat planting is likely to be trimmed a bit and the fallow area is likely to rise. The autumn planting window for oilseed

rape was washed-out in many parts and this may contribute to a rise in winter barley areas, with a significant fall in the OSR area. With oilseed prices falling even more dramatically than cereals, there may not be much spring oilseed planting to make up the shortfall. Those looking for a spring crop may well go for spring barley, but reducing malting premiums may well see the overall area of this crop fall in 2009. We think there may be a slight revival in proteins due to good bean yields in 2008, and the low fertiliser requirements of the crop. Of course this is all speculation, with the first indications of what has actually happened being the results of the December Survey.

The ANDERSONS Centre

Old Bell House
2 Nottingham Street
Melton Mowbray
Leicestershire
LE13 1NW

01664 503 200

enquiries@theandersonscentre.co.uk

www.theandersonscentre.co.uk