

Baltic Sea Wheat Update 2015



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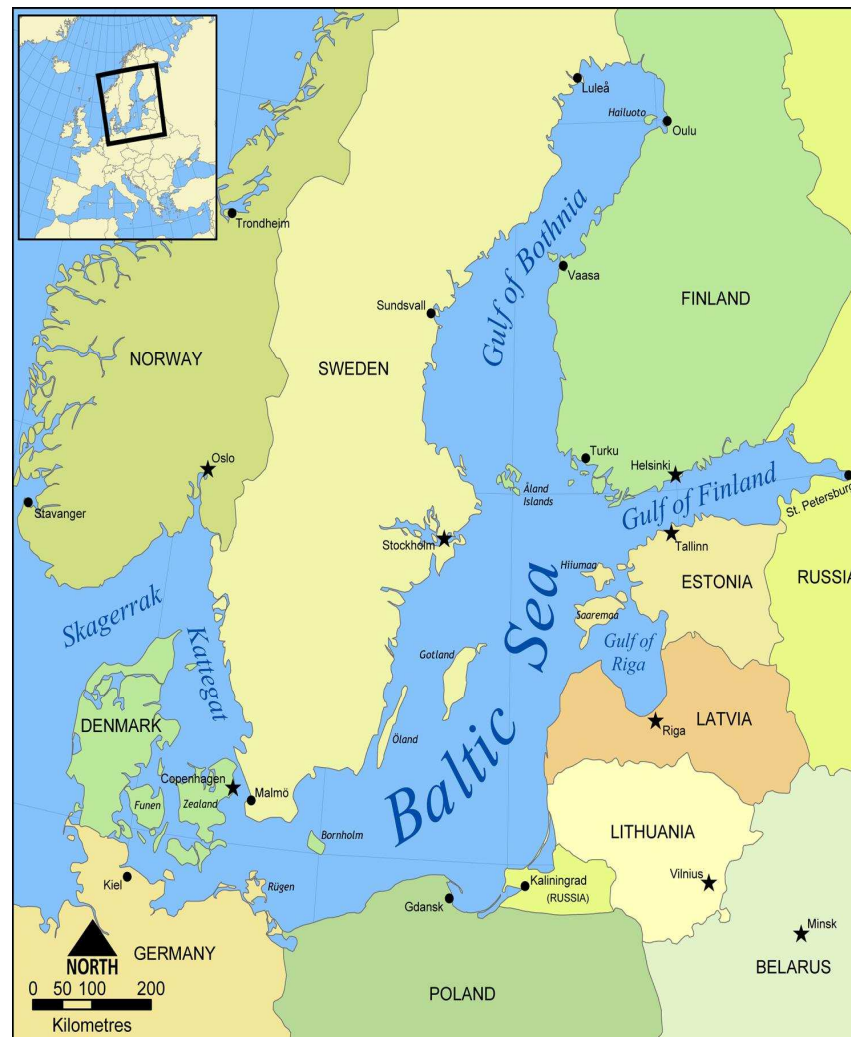
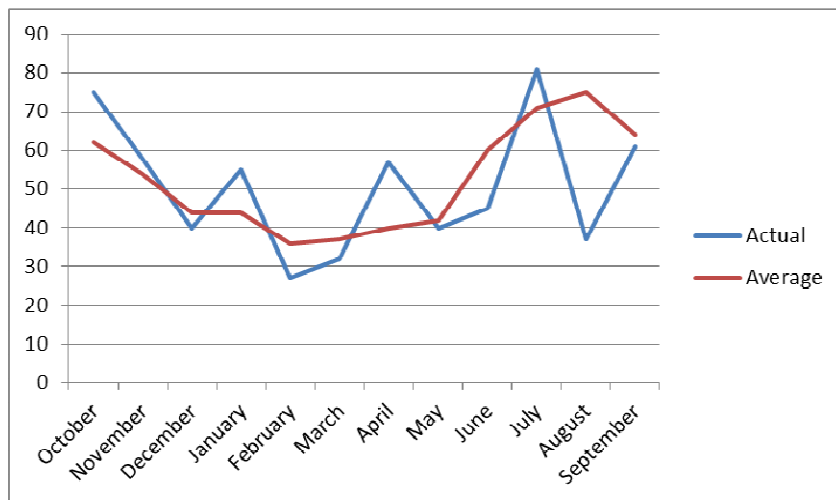
Overview

- Growing season 2015
- Wheat harvest by country
- Quality
- Exports
- Russian Grain through the Baltic Sea

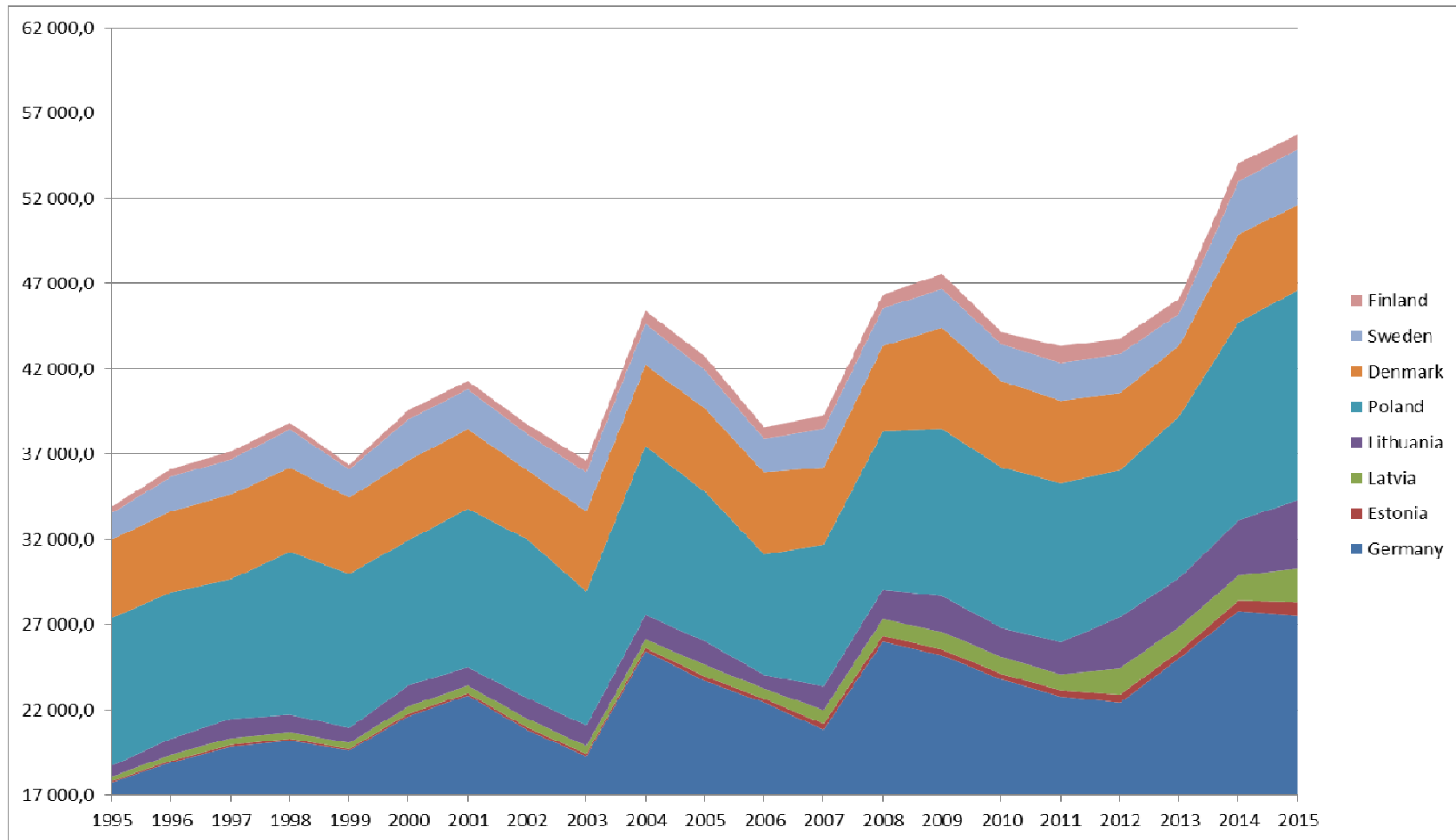
2014 Growing Season Overview

- Very favourable winter conditions, mild temperatures November - April.
- No winterkill.
- Cool May, June, July. Hot August & September.
- 95% of annual rainfall in the last 12 months.

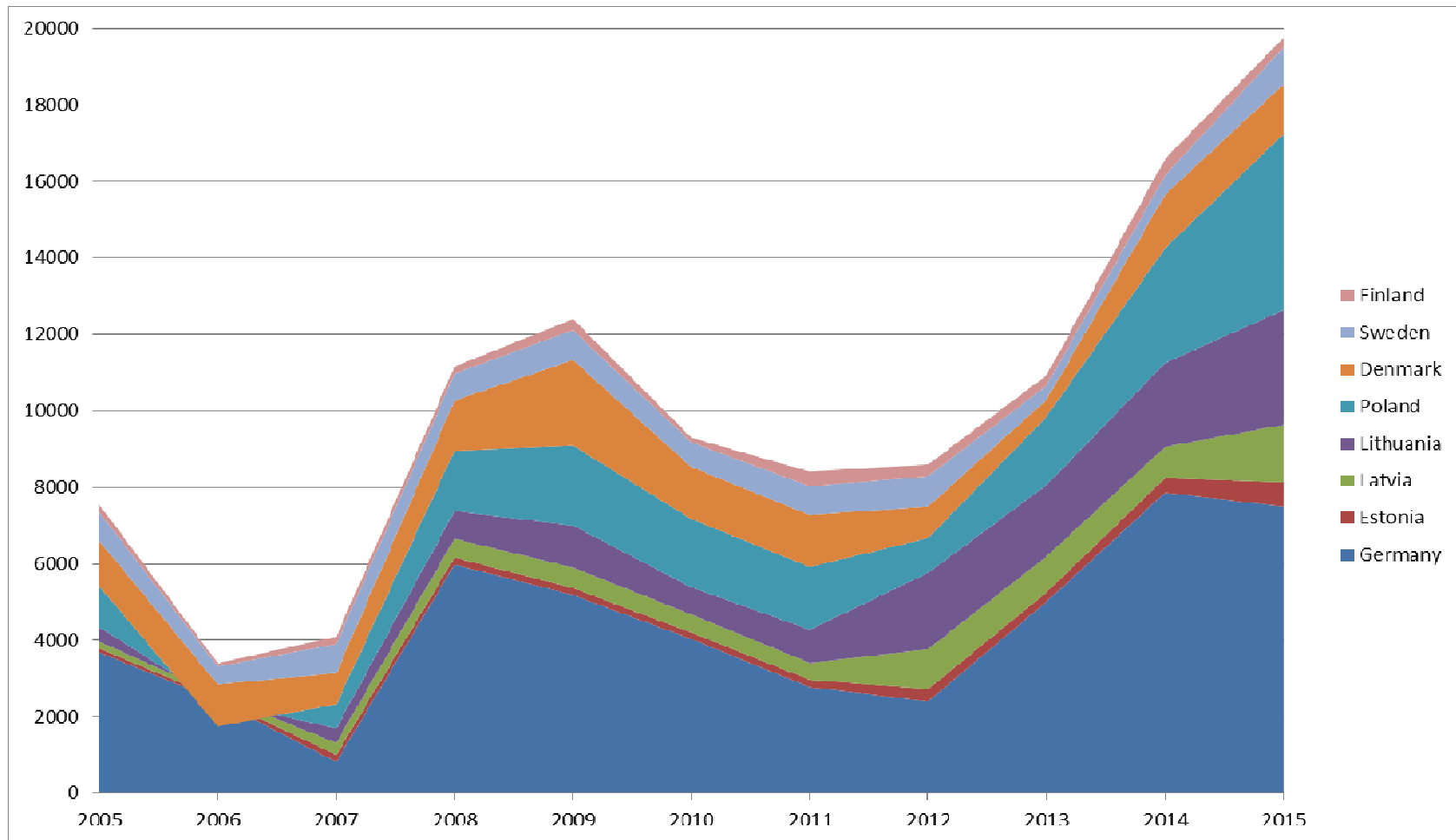
Percipitation 2015



Wheat harvest – Baltic Sea

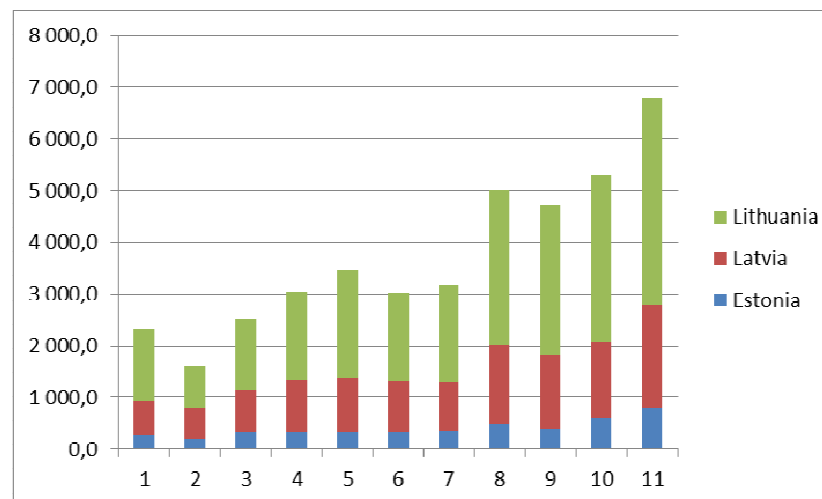


Wheat Exportable Surplus – Baltic Sea



Wheat Harvest – The Baltic States

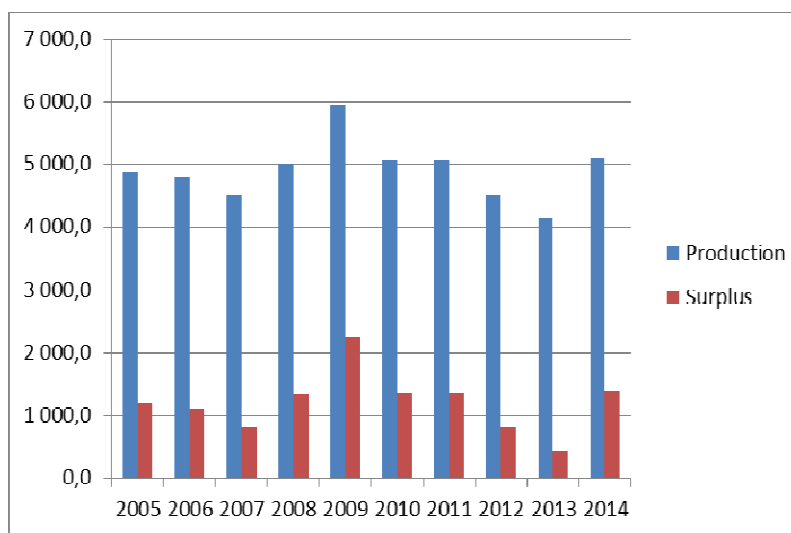
- The Baltic wheat crop reached another all-time record of 6.8 million tonnes with exportable surplus of over 5 million tonnes.
- Baltics had a very favourable sowing season, mild winter, plenty of precipitation in May-June and a hot and warm August.
- Due to very high yield-per-hectare, proteins are abt 1% lower than normal.
- Breakdown of the quality of the exportable surplus:
 - 25% - <12,0%
 - 60% - 12.0% – 14.0%
 - 15% - 14.0%+



- Due to lower-than-average proteins we have seen competition between the Baltic and French market over North African destinations.

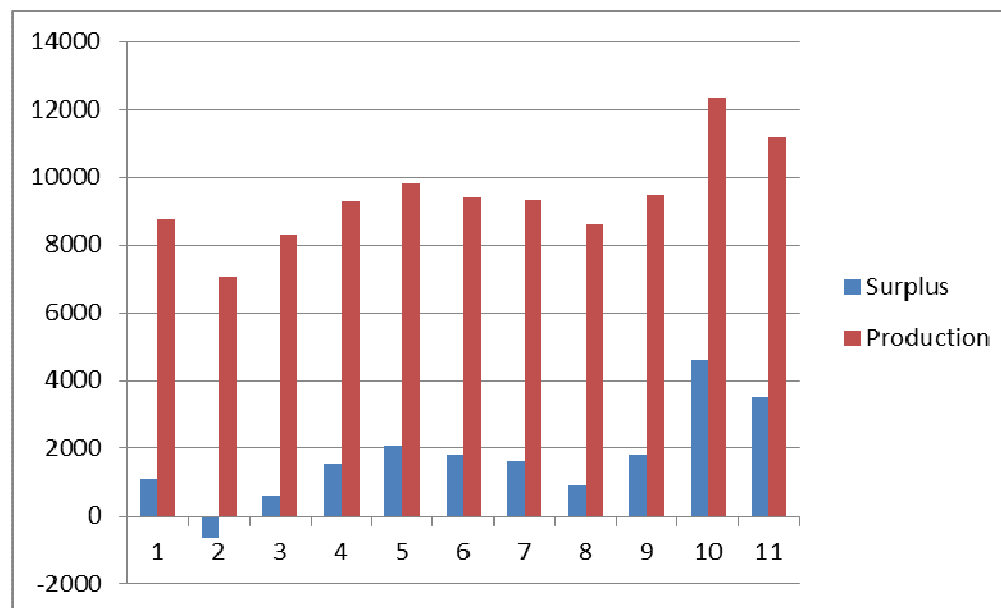
Wheat Harvest – Denmark

- Danish wheat crop reached 4.9 million tonnes, giving 1,3 million tonnes exportable surplus.
- Quality breakdown of exportable surplus:
 - 80% - <9% protein
 - 10% - min 9% protein
 - 10% - min 9,5+% protein
- As of 2016 Denmark about to lift restrictions of nitrogen usage on 70% of land bringing Danish wheat back to North African markets as of next crop.



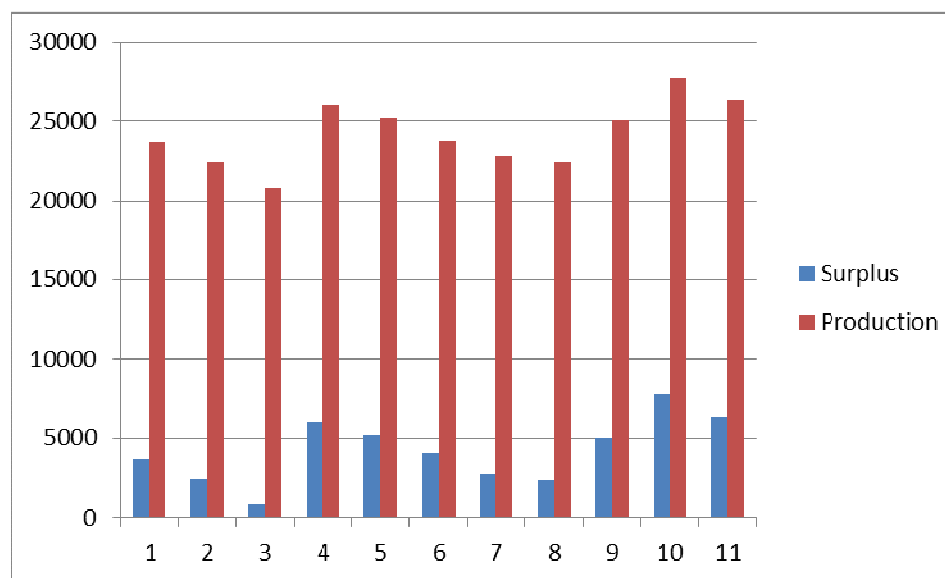
Wheat Harvest – Poland

- Polish wheat crop is down from 12.3 mio tn to 11.2 mio tn.
- Exportable surplus of wheat – 3,5 mio tn.
- Although wheat crop is 10% less than last year, it is still 2nd best in history.
- Quality breakdown of exports:
 - 50% - 12,5% protein
 - 20% - 11,5% protein
 - 30% - 14,0% protein



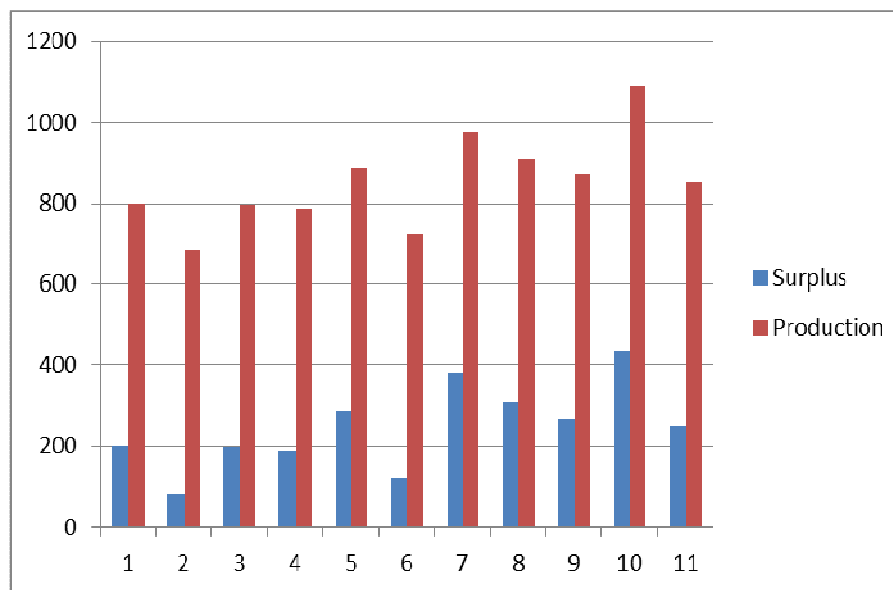
Wheat Harvest – Germany

- Like in Poland, crop size in Germany is down to 26,2 mio tn from 27,7 mio tn last year which is still 2nd best in Germany.
- Exportable surplus of wheat – ca 5,5 million mt – enough demand?
- Protein levels running 0,5% above last year – a historical average.
- Quality breakdown of exports:
 - 10% - <12,0% protein
 - 70% - 12,0% – 13,0% protein
 - 20% - 13,0+% protein
- By the end of 2015 German exports will reach 1 mio tn – busy 2nd half of the season?



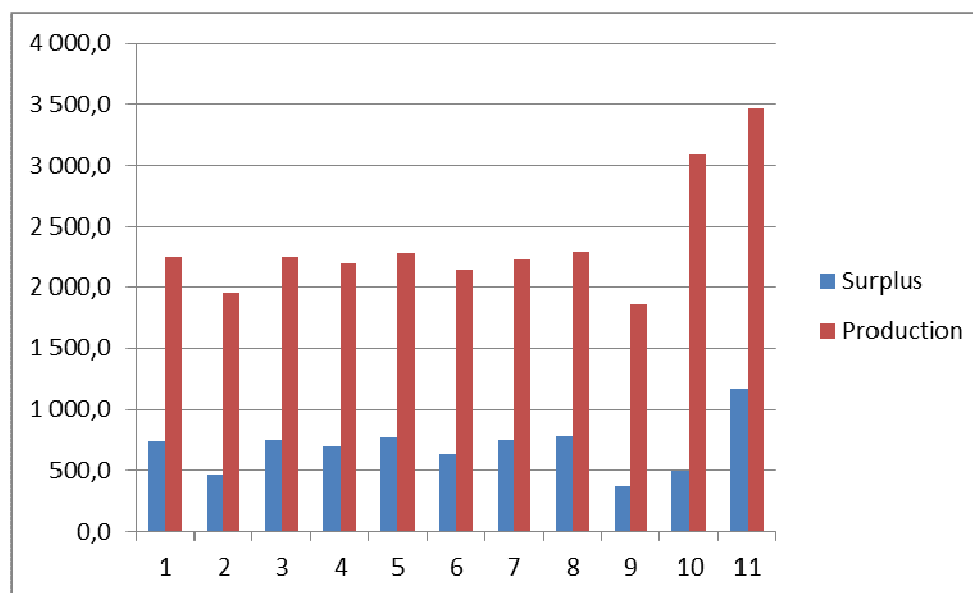
Wheat Harvest – Finland

- Wheat crop was down to 750 Kmt from 1050 Kmt due to very late sowing and harvesting seasons.
- Harvesting was only completed in mid-October.
- Exportable surplus down to 250 Kmt and is majority feed wheat.
- Destination market mostly Spain.



Wheat Harvest – Sweden

- Sweden enjoyed favourable growing season like the rest of the Baltic Sea area.
- Wheat crop reached 3.45 mio tonnes with exportable surplus of ca 1,2 mio tn.
- Proteins running slightly below last year from 10,0% to 11,0%.
- Winter wheat area is down 10% from last year



Russian Grain Through the Baltic Sea

- Russian exports/imports through Latvia are increasing yearly.
- In crop year 14/15, 2,3 million mt of Russian grains, oilseeds and proteins were shipped through the Baltic Sea.
- In the current season about 1 mio tonnes has been traded.
- Very fast growing product group is corn representing about half of the above volume.
- For any Russian grain area except the South the „Northern corridor“ calculates.



Conclusions

- Baltic Sea area harvested a new record wheat crop in 2015 – 55 million tonnes.
- Out of this, 19,5 million tonnes is for exports.
- There is 8 million tonnes of 12,5% protein wheat for sale in the Baltic Sea – where is the market?
- Farmers still holding 25 – 75% of the crop depending on the country.
- Farms are consolidating, technology is improving, growing area is increasing and yield-per-hectare trend is still positive.
- Wheat export volumes in the Baltic Sea will increase further.

Baltic Sea Wheat Update 2015



Thank you