



# Greppa Marknaden

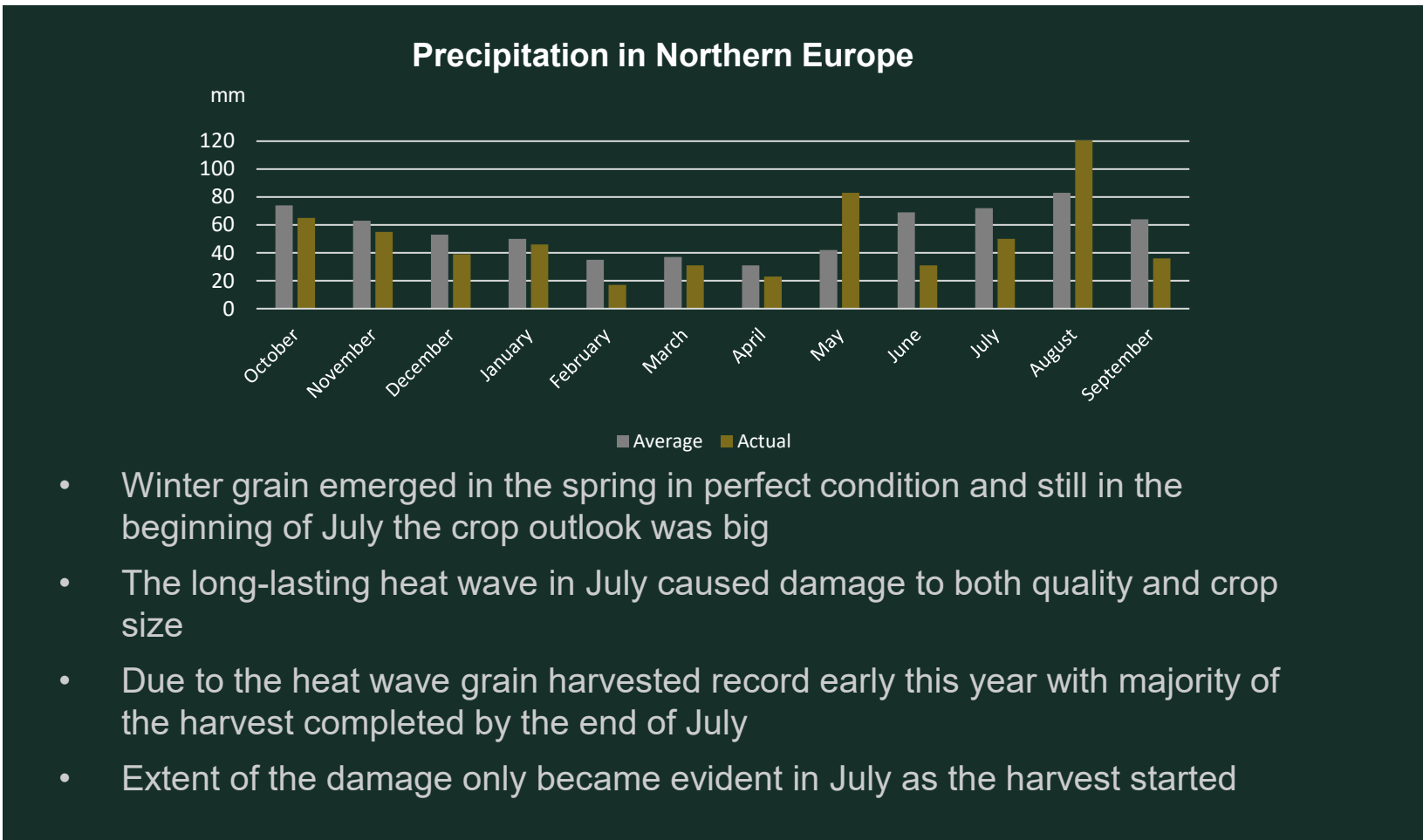
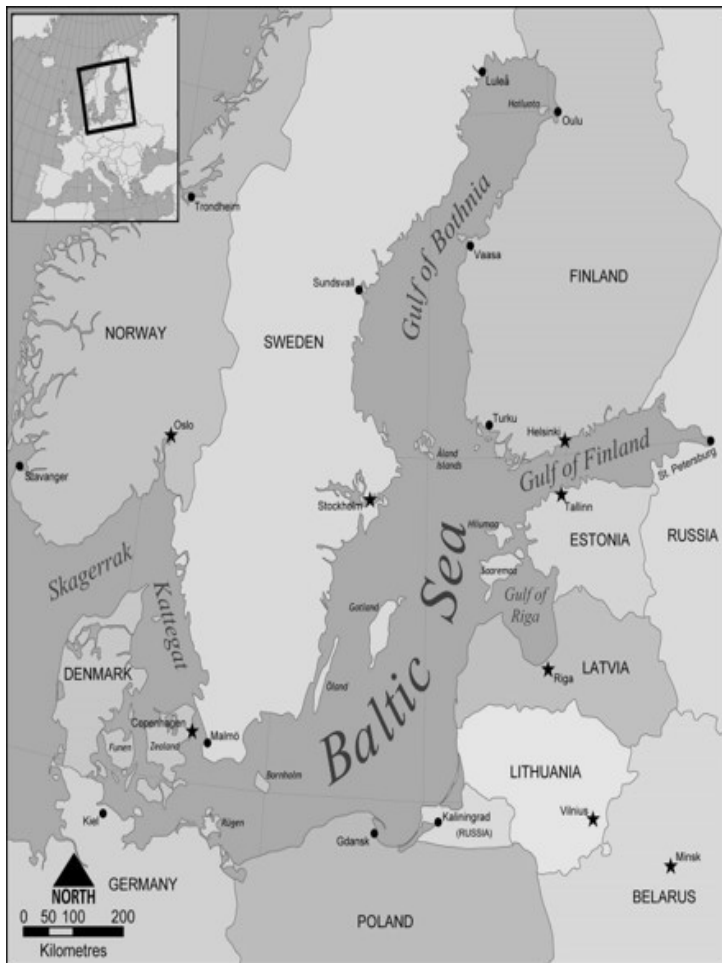
Indrek Aigro, Copenhagen Merchants

27 oktober, 2021

# Overview – Late Disappointment in Crop Size

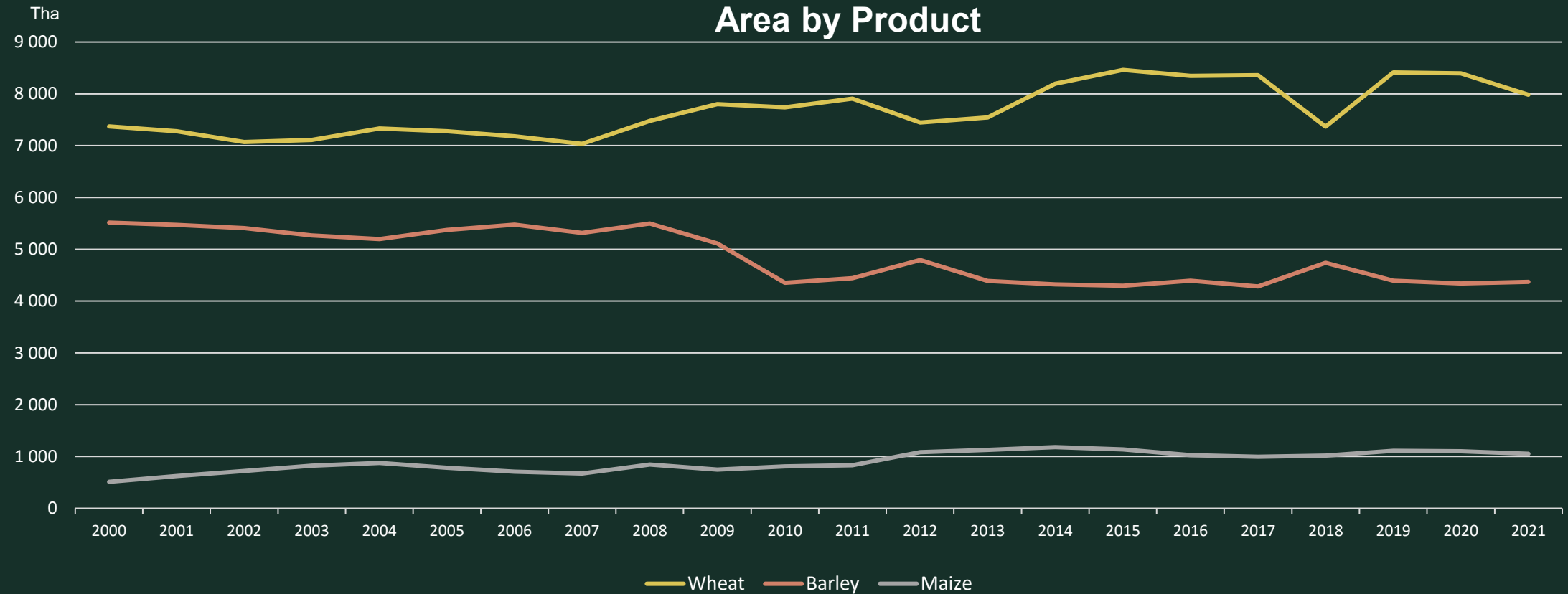
- **Growing season 2020/2021** – Promising start got hindered by the long-lasting heat wave
- **Planted areas** – Record winter areas due to early '20 harvest and favourable sowing season
- **Wheat harvest by country** – 15-20% crop loss at late stage
- **Quality** – Low test weights, heterogeneous quality
- **Exports** – Exportable surplus down by 30%

# 2020/2021 Growing Season Overview



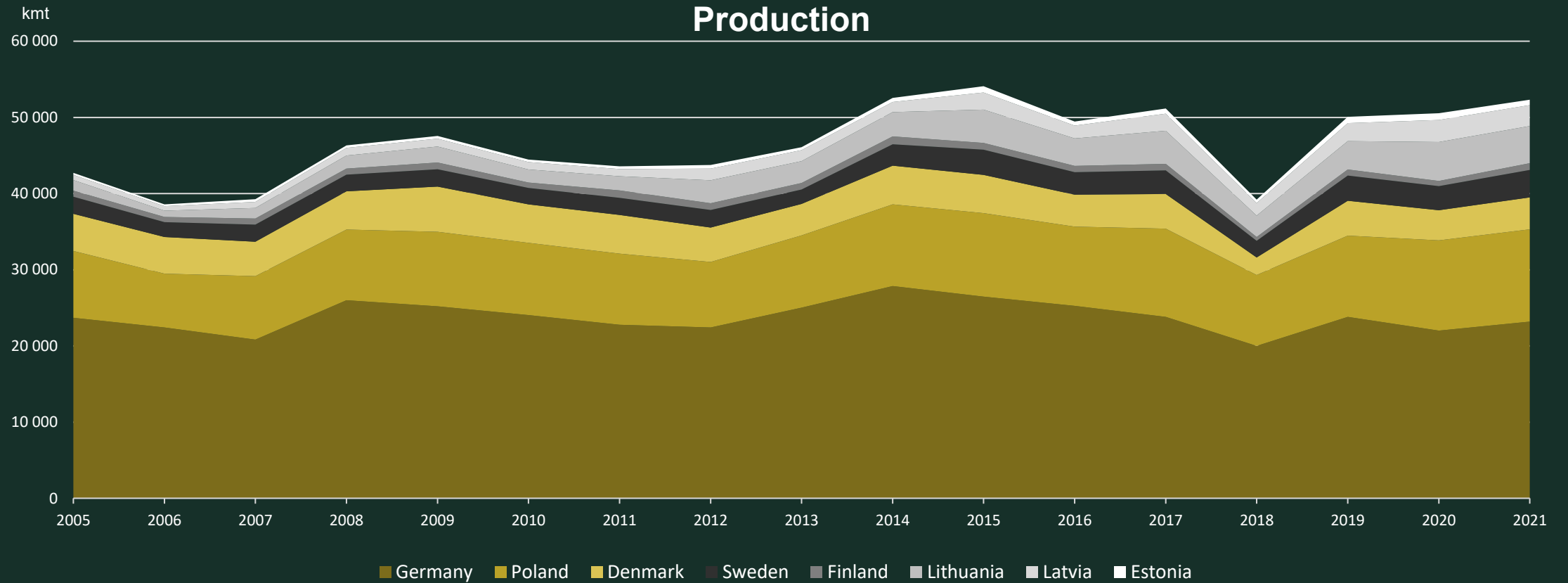
# Sowing Areas of Main Products

## Baltic Sea Countries



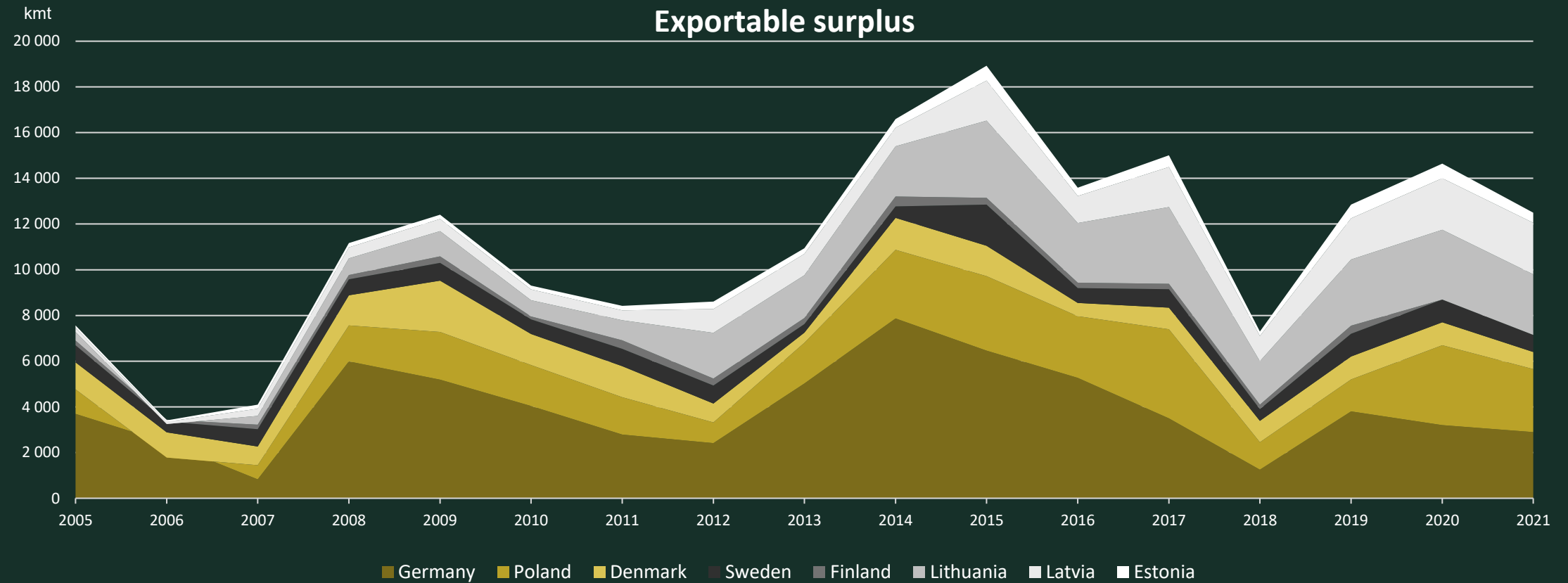
# Wheat Harvest

## Baltic Sea Countries



# Wheat Exportable Surplus

## Baltic Sea Countries



# Wheat Harvest

## Germany

- German wheat crop in **2021** was **23.2 Mmt tn** vs **22.0 mio tn** in **2020**.
- The crop had a good start but suffered heat damage through July which reduced the crop size
- As a result, protein level was 0,5 - 1% higher than average, test weight shows 1 kg/hl lower levels
- Main export destinations: Algeria, Iran, Saudi Arabia

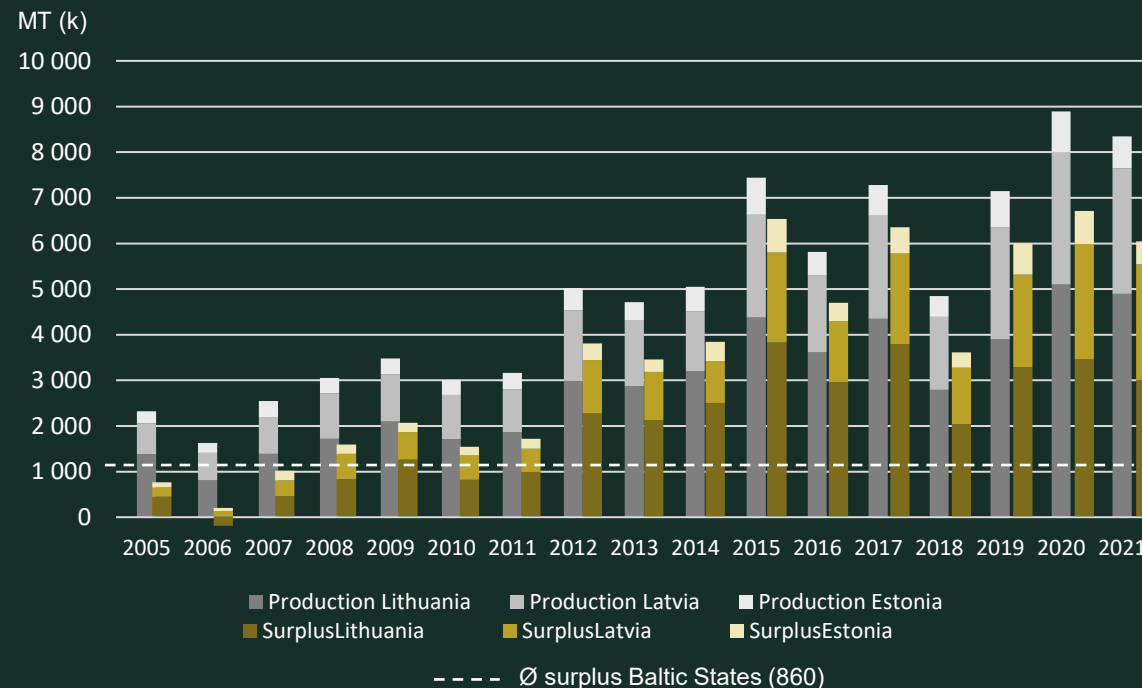


About **50%** of the exportable surplus has been sold

# Wheat Harvest

## Baltic States

- A very promising start of the crop was ruined by hot and dry weather in July creating serious test weight problems (minus 2kg/hl)
- Protein levels almost record high with the whole crop being above 13.5%
- About 15% of the yield potential was lost.
- Main destinations: Nigeria, SAR, South-East Africa, Spain
- Appx 80% of the export sales have been done.



### Almost All Baltic

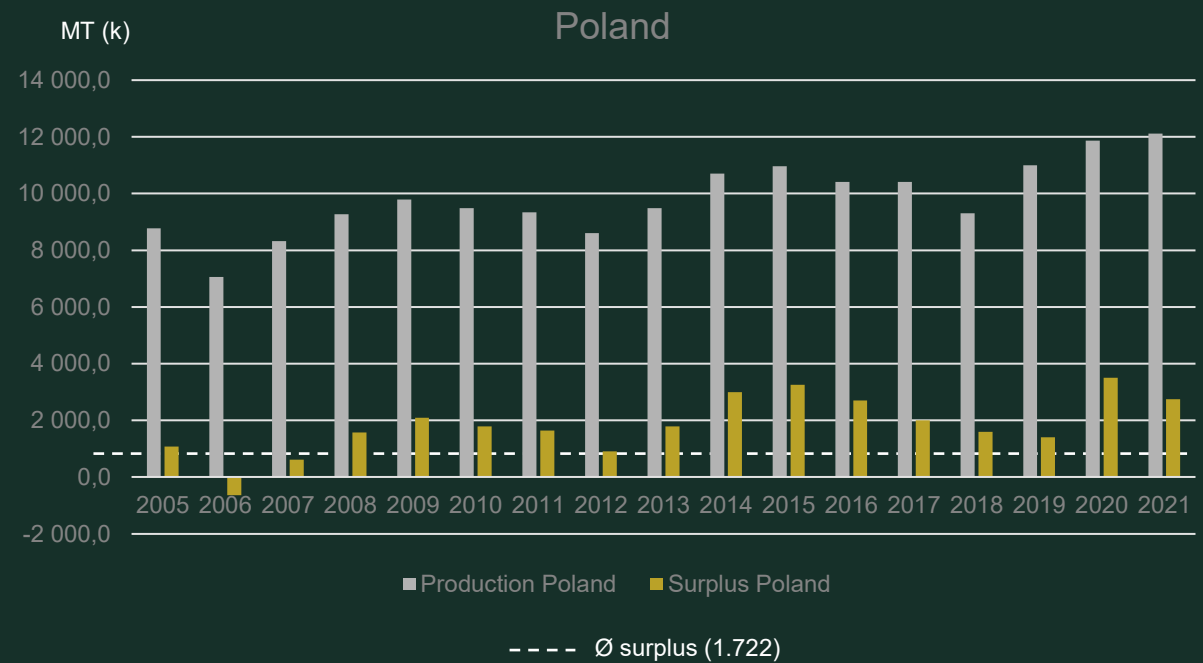
### wheat is over 13.5%

### 80% of surplus is committed



# Wheat Harvest Poland

- Crops suffered similar damage as in Germany/Baltics
- Less than half of the surplus is committed
- Due to challenges with phytosanitary certificates and African millers' preferences the main destination for Polish wheat is Saudi Arabia and Algeria
- Exportable surplus is down from last year, but it is still a top 5 year for Poland.



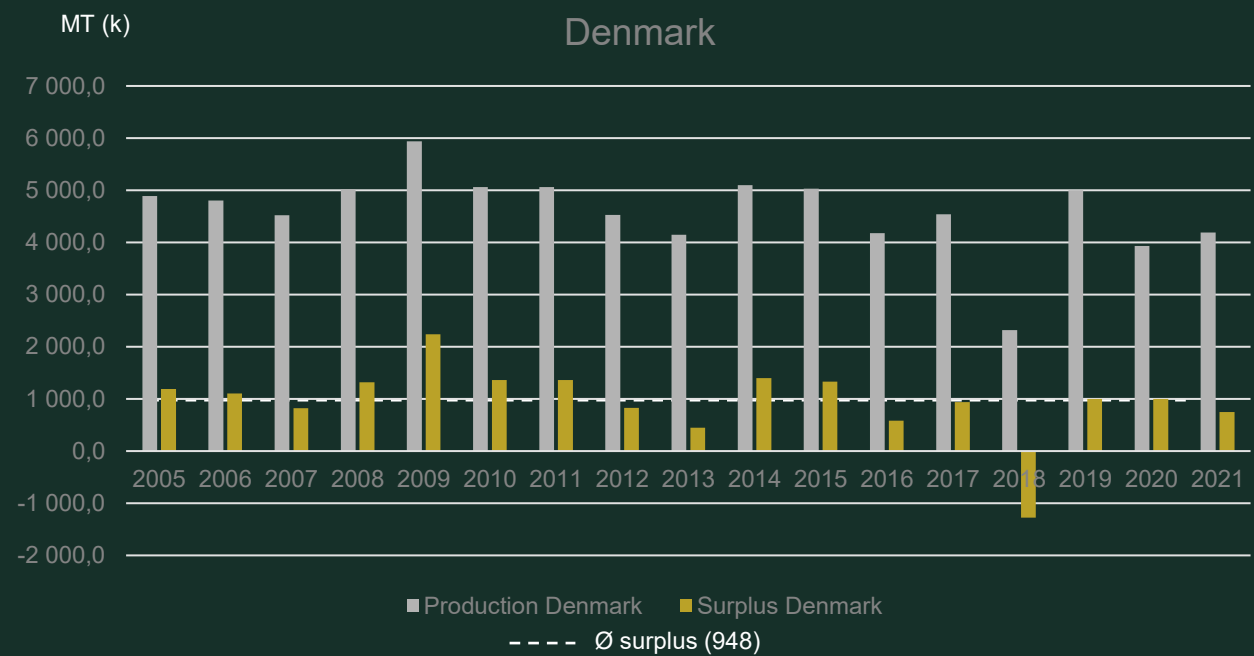
Polish wheat  
harvest totalled  
**12 Mmt**

**2.7 Mmt**  
exportable  
surplus in Poland

# Wheat Harvest

## Denmark

- Danish wheat crop was **4.1 Mmt** vs **3.9 Mmt** last year – still one of the lowest crops in 15 years
- Danish protein levels are up 1% exceeding 10.5% but still not enough for the North African destinations
- Main destinations: Ireland, Spain for feed consumption



**Record** protein levels but not enough for main milling wheat markets

# A Tectonic Shift



- Baltic wheat has taken the market from the US in Nigeria, second most important destination being SAR
- German and Polish wheats works well as a replacement for French wheat in Algeria
- As Polish wheat struggles to find love in Sub-Saharan Africa and complicated phyto issues it is selling mainly to Saudi Arabia with a significant discount to Latvian/Lithuanian origins
- German wheat the only one in the Baltic Sea able to go to Iran, trading with a strong premium
- Black Sea 12.5% is competing strongly in Saudi and gaining market share – is Algeria next?

# Conclusion

- Another year of sudden and unexpected weather issues reducing a high-potential crop by 1/5th
- Big challenges with test weights – in over 2.5 Mmt of sales test weight had to be renegotiated – a painful process
- Very high protein palette which sellers have not been able to market for full value
- Changing main flows – Nigeria and South Africa have replaced historical flows to Saudi Arabia and Iran
- Very high levels already for crop '22 incentivizing farmers to increase production further



**Tak!**  
**Thanks!**