



The Barley Forecast

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The continued hot weather across the UK has given optimal harvesting conditions for the UK's cereal combining. Winter barley quality has been reasonable so far with good nitrogen levels and decent grain size on most varieties. With the Winter barley harvest in England near-on complete, attention now turns to the combining of Spring barley. Only about 15% of UK malt industry's cover comes from Winter barley so the quality of the Springs naturally tend to generate a lot more interest from the brewers and distillers.

Some earlier drilled Spring barley and barley on lighter land has been combined already but the majority of the crop is yet to be cut. Given the extremely wet Spring time, a lot of the crop was drilled late this year into April and even May. How the crop will have stood up to this shorter growing season, coupled with the high temperatures we are seeing at the moment remains to be seen but it is likely there will be a yield deficit on the crop and some areas will likely see higher nitrogen levels and screenings.

Across Europe, France and Germany are progressing into their Spring barley harvest, with Scandinavia not too far behind. Although high temperatures over the past few weeks has been common across the main European barley growing regions, Scandinavia has been particularly hit with the dry conditions and how the Danish Spring barley comes off will be a key market driver given the surplus typically supplied into the continental maltsters.

The markets this week have been very firm, with the benchmark London Wheat Futures hitting new highs on the back of downbeat European and Global crop prospects. As a consequence of this and crop prospects mentioned above, malting barley values have remained firm as well. It is likely that the grower base will be reluctant to sell more volume until Spring barley quality is known over the next week or so.

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