

Supply & Demand

1 March 2018



Introduction

This release covers the second official estimates of UK cereal supply and demand for 2017/18 (Appendix 1).

Comparisons

The second official estimates for 2017/18 are compared in this note with 2016/17 and the [first estimates for 2017/18](#). The Defra reliability scores method has been applied to the 2016/17 balance sheets for wheat and barley to apportion residuals identified after the full season official statistics were taken into account, [click here to read more about the Defra reallocation method](#). Unallocated 2016/17 end of season balance sheets are also available with a stated residual for wheat and barley – [click here](#).

Wheat

- **Availability** – Total available supplies of wheat for 2017/18 have been revised down by 426Kt from November's forecast to 18.104Mt. Following the publication of the final results of [Defra's Cereal and Oilseed Rape Production Survey](#) on 21 December, estimated production for harvest 2017 has been revised down. Final wheat output is now estimated at 14.837Mt, 326Kt lower than the provisional figure.
- **Imports** – UK wheat imports for 2017/18 are forecast at 1.500Mt, 100Kt lower than November's estimate and 20% lower than 2016/17.
- **Usage** – At 15.371Mt, total domestic consumption of wheat is 511Kt lower than November's forecast and 416Kt (-3%) down on year earlier levels. Human and Industrial (H&I) consumption of wheat is forecast at 7.625Mt, 507Kt less than that estimated in November and 6% lower year on year. At 7.394Mt, wheat demand for animal feed production is relatively (-2Kt) unchanged from November's forecast and is 85Kt (1%) higher than 2016/17. A temporary reduction in UK bioethanol capacity is assumed in these estimates.
- **Balance** – The balance of availability and domestic consumption in 2017/18 is estimated at 2.733Mt. While this is 85Kt more than that forecast in November, the balance is 481Kt (-15%) less than 2016/17. After taking into account the operating stock requirement of 1.600Mt, the surplus available for export or free stock is 1.133Mt. Exports of wheat from July – December 2017 have totalled 272Kt.

Barley

- **Availability** – Total barley availability is estimated at 8.410Mt, 211Kt lower than that forecast in November, but 3% higher than 2016/17. Defra's final production estimate of UK barley production is 191Kt lower than the provisional at 7.169Mt.
- **Imports** – UK barley imports in 2017/18 are forecast at 120Kt, 20Kt lower than that estimated in November and 24% less than 2016/17.
- **Usage** – At 6.204Mt, total domestic consumption of wheat is 66Kt more than November's forecast and 4% higher than year earlier levels. H&I usage of barley is forecast at 1.911Kt, 33Kt up on November's forecast and 2% higher than 2016/17. Season to date (Jul-Jan) barley usage by brewers, maltsters and distillers is 3.4% higher year on year. At 4.068Mt, barley demand for animal feed production in 2017/18 is 35Kt higher than that forecast in November and 212Kt (5%) more than 2016/17. Season to date (Jul-Jan) barley inclusion in GB animal feed production (including IPU) is 27% higher than the same period in 2016/17.

- **Balance** – The balance of availability and domestic consumption is estimated at 2.206Mt, 277Kt less than that forecast in November but 1% up on year earlier levels. Taking into account the operating stock requirement of 770Kt and UK barley exports to the end of December (665Kt), the surplus available for exports until end-June or for free stock equates to 771Kt.

Maize

- **Availability** – At 2.321Mt, total availability of maize in 2017/18 is 101Kt more than November's estimate and 5% (114Kt) higher year on year. The increase on previous forecasts is driven by a rise in forecast imports.
- **Imports** – UK imports of maize in 2017/18 are forecast at 2.050Mt, 101Kt higher than previous forecasts and relatively unchanged compared with 2016/17.
- **Usage** – Total domestic consumption of maize in 2017/18 is forecast at 1.925Mt, 85Kt higher than November's estimates and 166Kt (9%) up on year earlier levels. H&I usage of maize in 2017/18 is forecast at 654Kt, 84Kt higher than that forecast in November and 15% up on year earlier levels. Demand for maize in animal feed production is relatively unchanged on the November estimate but is forecast to be 7% higher in 2017/18 compared to 2016/17.
- **Balance** – The balance of availability and demand of maize is 397Kt, 11% lower than in 2016/17. Full season maize exports have been revised up from the previous forecast by 17Kt, to 156Kt, taking account of the pace of exports to end-December, which totalled 81.2Kt.

Oats

- **Availability** – At 1.023Kt, total availability of oats is 53Kt lower than November's estimate but 6% higher than 2016/17. Defra's final production estimate was 58Kt lower than the provisional forecast but 7% up on year earlier levels.
- **Imports** – UK imports of oats in 2017/18 are forecast at 38Kt, 5Kt higher than previous estimates but 28% lower than 2016/17.
- **Usage** – Estimated total domestic consumption is expected to be 13Kt lower than November's forecast, but 6% higher year on year. H&I demand for oats in 2017/18 is forecast at 540Kt, 15Kt higher than previous estimates and 4% up on 2016/17. Demand for oats for animal feed is 27Kt less than November but 9% up on year earlier levels at 313Kt.
- **Balance** – At 140Kt, the balance of oats availability and demand is 40Kt lower than previous forecasts but 7% higher on the year. Forecast exports have been adjusted downwards by 30Kt from November's estimate, to 35Kt, taking account of the export pace to end-December, of 19.6Kt.

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ANNUAL UK CEREAL SUPPLY AND DEMAND ESTIMATES (a)

Estimates made in March

000 tonnes

In 2015, Defra reviewed how it uses survey estimates to achieve consistent cereals balance sheet estimates. The outcome of the review was the introduction of the reliability scores method used to allocate identified residuals across the balance sheet as and when required. Cereals balance sheets are published by AHDB Cereals & Oilseeds at <http://cereals.ahdb.org.uk/markets/supply-and-demand.aspx>.

(JULY - JUNE YEARS)

Links connect to relevant Defra/AHDB data pages

	WHEAT							BARLEY						
	2012/13 2016/17 average	2015/16 estimate**	2016/17 estimate**	2017/18 Nov-17	2017/18 Mar-18	Absolute change Nov-17	% change on 16/17	2012/13 2016/17 average	2015/16 estimate	2016/17 estimate**	2017/18 Nov-17	2017/18 Mar-18	Absolute change Nov-17	% change on 16/17
(1) Opening Stocks	2,092	2,434	2,787	1,767	1,767	-	-37%	1,236	1,497	1,367	1,121	1,121	-	-18%
(2) Production	14,457	16,506	14,347	15,163	14,837	-	326	6,700	7,370	6,607	7,360	7,169	-	191
(3) Imports	2,038	1,509	1,866	1,600	1,500	-	100	158	159	158	140	120	-	20
(4) Total Availability	18,588	20,449	19,000	18,530	18,104	-	426	8,095	9,026	8,132	8,621	8,410	-	211
(5) Human and Industrial Consumption (b)	7,669	7,360	8,120	8,132	7,625	-	507	1,892	1,833	1,874	1,878	1,911	33	2%
(5a) (of which home grown)	6,374	6,416	7,178	7,181	6,709	-	472	n/a	n/a	n/a	n/a	n/a	*	*
(6) Usage as Animal Feed (c)	6,923	7,094	7,308	7,396	7,394	-	2	3,501	3,613	3,856	4,033	4,068	35	5%
(6a) (of which home grown)	6,194	6,444	6,436	6,803	6,801	-	2	n/a	n/a	n/a	n/a	n/a	*	*
(6b) (of which Compounders)	3,701	3,845	4,052	4,194	4,162	-	32	1,104	1,108	1,144	1,305	1,346	41	18%
(6c) (of which Integrated Poultry Units)	1,350	1,210	1,213	1,211	1,241	30	2%	61	49	53	69	64	-	5
(7) Seed (d)	290	281	284	278	278	-	-2%	178	182	188	190	189	-	1
(8) Other	75	79	74	76	74	-	2	34	37	36	37	36	-	1
(9) Total Domestic Consumption	14,956	14,814	15,786	15,882	15,371	-	511	5,605	5,665	5,954	6,138	6,204	66	4%
(10) Balance (4) - (9)	3,631	5,635	3,214	2,648	2,733	85	-15%	2,490	3,361	2,178	2,483	2,206	-	277
(11) Exports (e)	1,485	2,848	1,447	-	-	-	-	1,217	1,994	1,056	-	-	-	-
(12) Intervention Stocks (e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(13) Commercial End-Season Stocks (e)	2,147	2,787	1,767	-	-	-	-	1,272	1,367	1,121	-	-	-	-
(14) (of which Estimated Operating stock requirement) (f)	1,500	1,500	1,600	1,600	1,600	-	0%	739	760	760	770	770	0	1%
(15) (of which free stock) (g)	647	1,287	167	-	-	-	*	533	607	361	-	-	-	*
(16) Surplus available for either export or free stock (10)-(12)-(14)	2,131	4,135	1,614	1,048	1,133	85	-30%	1,750	2,601	1,418	1,713	1,436	-	277
(17) Residual (10)-(11)-(13)														

	MAIZE							OATS						
	2012/13 2016/17 average	2015/16 estimate**	2016/17 estimate	2017/18 Nov-17	2017/18 Mar-18	Absolute change Nov-17	% change on 16/17	2012/13 2016/17 average	2015/16 estimate	2016/17 estimate	2017/18 Nov-17	2017/18 Mar-18	Absolute change Nov-17	% change on 16/17
(1) Opening Stocks	216	309	148	271	271	-	83%	100	107	93	110	110	-	18%
(2) Production	-	-	-	-	-	*	*	805	799	816	933	875	-	58
(3) Imports	1,937	1,742	2,059	1,949	2,050	101	0%	57	39	53	33	38	5	-28%
(4) Total Availability	2,153	2,051	2,207	2,220	2,321	101	5%	962	945	962	1,076	1,023	-	53
(5) Human and Industrial Consumption	538	465	569	570	654	84	15%	507	525	521	525	540	15	4%
(5a) (of which home grown)	-	-	-	-	-	*	*	449	499	455	495	505	10	11%
(6) Usage as Animal Feed	1,215	1,310	1,186	1,266	1,267	1	7%	279	239	286	340	313	-	27
(6a) (of which home grown)	-	-	-	-	-	-	-	279	239	286	340	313	-	27
(7) Seed	-	-	-	-	-	-	-	20	19	20	26	26	-	30%
(8) Other (h)	27	9	4	4	4	-	0%	4	4	4	5	4	-	1
(9) Total Domestic Consumption	1,780	1,784	1,759	1,840	1,925	85	9%	810	787	831	896	883	-	13
(10) Balance (4) - (9)	373	267	448	380	397	17	-11%	151	158	131	180	140	-	40
(11) Exportable surplus	132	120	177	139	156	17	-12%	42	65	21	65	35	-	30
(12) Commercial End-Season Stocks	241	148	271	241	241	-	-11%	109	93	110	115	105	-	10

(a) These are revised during the year. Figures rounded to the nearest 1000 tonnes

(b) Defra updated the registry for the UK flour millers survey in spring 2016, the wheat H&I usage has been adjusted to take account of this change.

(c) Animal feed usage has been split by sector. Note, other users are only included in the total.

(d) Seed numbers have been updated based on a number of assumptions, calculated for the purposes of the balance sheet only

(e) Split of exports, intervention and total commercial end-season stocks only published for historical seasons

(f) Estimated Operating Stocks Requirement is a calculated estimate of the minimum tonnage that users of grain require to get through to a point at which new crop can be utilised

(g) Free stock is the stock available after both exports and estimated operating stock requirements have been fulfilled

(h) 2014/15 new format: Maize demand in "Other food use" has been added to the H&I total for maize. This was previously included in the "Other" category

** These balance sheets have been adjusted as per Defra's reliability allocation method

		OTHER CEREALS (i)						
		2012/13 2016/17 average	2015/16 estimate	2016/17 estimate	2017/18 Nov-17	2017/18 Mar-18	Absolute change Nov-17	% change on 16/17
(1)	Opening Stocks	5	5	5	5	5	-	0%
(2)	Production	115	121	110	105	119	14	8%
(3)	Imports	3	3	3	3	3	0	0%
(4)	Total Availability	123	129	118	113	127	14	8%
(5+6)	H&I and Animal Feed	115	121	110	105	119	14	8%
(5a+6a)	(of which home grown)	112	118	107	102	116	14	8%
(7)	Seed	3	3	3	3	3	0	0%
(8)	Other	-	-	-	-	-	-	-
(9)	Total Domestic Consumption	118	124	113	108	122	14	8%
(10)	Balance (4) - (9)	5	5	5	5	5	0	0%
(11)	Exportable surplus	-	-	-	-	-	-	-
(12)	Intervention Stocks	-	-	-	-	-	-	-
(13)	Commercial End-Season Stocks	5	5	5	5	5	-	0%

		TOTAL CEREALS						
		2012/13 2016/17 average	2015/16 estimate**	2016/17 estimate**	2017/18 Nov-17	2017/18 Mar-18	Absolute change Nov-17	% change on 16/17
(1)	Opening Stocks	3,649	4,352	4,400	3,274	3,274	-	-26%
(2)	Production	22,078	24,796	21,880	23,561	22,999	- 561	5%
(3)	Imports	4,193	3,452	4,139	3,725	3,711	- 13	-10%
(4)	Total Availability	29,920	32,600	30,419	30,560	29,985	- 575	-1%
(5)	H&I (wheat, barley, maize, oats) (h)	10,606	10,183	11,084	11,105	10,730	- 375	-3%
(6)	Animal Feed (wheat, barley, maize oats) (h)	11,917	12,256	12,636	13,035	13,042	7	3%
(5a +6a)	Other cereals (H&I and Animal Feed)	115	121	110	105	119	14	8%
(7)	Seed	492	485	495	497	496	- 1	0%
(8)	Other	140	129	118	122	118	- 4	0%
(9)	Total Domestic Consumption	23,271	23,174	24,443	24,864	24,504	- 359	0%
(10)	Balance (4) - (9)	6,650	9,426	5,976	5,696	5,480	- 215	-8%
(11)	Exports	2,876	5,027	2,701	-	-	-	-
(12)	Intervention Stocks	-	-	-	-	-	-	-
(13)	Commercial End-Season Stocks	3,773	4,400	3,274	-	-	-	-
(14)	Estimated Operating stock requirement (wheat & barley only)	2,239	2,260	2,360	2,370	2,370	-	0%
(15)	Free stock for wheat and barley	1,179	1,894	528	-	-	-	-
(16)	Surplus available for either export or free stock (all)	4,410	7,167	3,616	3,326	3,111	- 215	-14%
(17)	Residual (10)-(11)-(13) (i)							

(i) Includes mainly rye, triticale, mixed grain and sorghum

Source: DEFRA, AHDB

** These balance sheets have been adjusted as per Defra's reliability allocation method

CUMULATIVE MONTHLY STATISTICS
Usage of Cereals by Processors,
External Trade and Stocks

Situation as at end of December 2017

Thousand tonnes

				2012/13 to 2016/17 Average	2010/11 26 weeks	2011/12 26 weeks	2012/13 26 weeks	2013/14 26 weeks	2014/15 26 weeks	2015/16 53 weeks	2016/17 26 weeks	2017/18 26 weeks	% Change 2017/18 on 2016/17	Actual Change 2017/18 on 2016/17
WHEAT														
(1)	Usage	Human and	-Flour Millers	629	421	349	651	904	656	485	447	462	3%	15
(2)		Industrial	-home-grown	2788	2889	2633	2682	2331	2908	2827	3191	3045	-5%	-145
(3)		Processors	-Total	3416	3310	2982	3332	3235	3564	3313	3638	3508	-4%	-130
(4)			-Distillers	382	240	300	387	430	392	323	379	424	12%	45
(5)			-Others	86	81	78	80	93	88	90	81	82	1%	1
(6)		Animal Feed Processors (a)		1595	1419	1495	1536	1512	1534	1634	1759	1792	2%	33
(7)		Poultry Integrated Units		685	806	796	785	714	706	612	606	618	2%	12
(8)	Imports	From July (b)		1069	560	461	1337	1345	959	863	840	857	2%	17
(9)	Exports	From July (b)		748	1920	1554	512	226	938	992	1070	272	-75%	-798
(14)		Intervention	-Actual	0	0	0	0	0	0	0	0	0	*	0
(15)			-Projected	0	0	0	0	0	0	0	0	0	*	0
BARLEY														
(1)	Usage	Maltsters/Distillers	-imported	-	-	-	-	-	-	-	-	-	-	-
(2)			-home-grown	-	-	-	-	-	-	-	-	-	-	-
(3)			-Total	923	825	883	902	939	962	901	911	937	3%	26
(4)		Animal Feed Processors (a)		476	439	343	442	493	492	496	457	592	29%	134
(5)		Poultry Integrated Units		31	34	35	36	39	27	25	26	33	25%	7
(6)	Imports	From July (b)		66	79	83	89	46	47	92	59	58	-2%	-1
(7)	Exports	From July (b)		675	495	523	309	777	750	869	672	665	-1%	-7
(11)		Intervention	-Actual	0	150	5	0	0	0	0	0	0	*	0
(12)			-Projected	0	130	5	0	0	0	0	0	0	*	0
MAIZE														
(1)	Usage	Human and Industrial		194	145	142	149	177	279	169	199	245	23%	46
(2)		Animal Feed Processors (a)		129	53	52	93	141	142	139	130	151	17%	22
(3)	Imports	From July (b)		957	546	466	760	1127	938	968	890	1056	19%	166
OATS														
(1)	Usage	Human and Industrial Processors		248	223	235	235	250	241	262	256	274	7%	18
(2)		Animal Feed Processors (a)		36	52	31	36	49	48	28	20	27	31%	6
(3)	Exports	From July (b)		22	40	11	6	10	40	44	15	20	34%	5

n/a - Not Available/Applicable

(a) Great Britain only.

(b) HMRC

* Percentage changes not meaningful.

There were 53 weeks in the Statistical year 2010. In order to incorporate the change January 2010 was increased to a 5 week period compared to 4 weeks in 2009.

There were 53 weeks in the Statistical year 2016. In order to incorporate the change April 2016 was increased to a 5 week period compared to 4 weeks in 2015.

Note: This Appendix reflects the position as at 30 December 2017. The figures above may differ slightly from the most recent published data.