

Voluntary Report – Voluntary - Public Distribution

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Report Name: Grain Situation and Outlook Update

Country: United Kingdom

Post: London

Report Category: Grain and Feed

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Report Highlights:

Five months into MY2024/25 the situation and outlook for the UK grain sector is starting to become clearer. Significant wheat opening stocks have partly offset concern surrounding the second smallest wheat harvest since MY1999/2000, but even the current momentum in imports means the wheat balance is looking tight. While the larger barley and oats crops will meet some of the shortfall in feed grain supply, continued high demand for imports of corn for feed, including limited volumes from the United States, is forecast to continue.

Executive Summary

Provisional harvest data for the United Kingdom is normally published in late November but at the time of writing this data is only available for England and Scotland. The UK's Agricultural & Horticultural Development Board (AHDB) has used last year's harvest numbers for Wales and Northern Ireland in their forecasts. While market commentators disagree on the final size of the UK wheat harvest, all are in agreement that it is around 3million metric tons (MMT) down year-on-year and one of the smallest crops recorded in recent times. In contrast, there is more certainty on the UK barley harvest which is forecast to have risen nearly 250,000 MT year-on-year, albeit with a reduced yield on a larger harvested area. Oats is the UK success story for MY2024/25 with the harvest forecast at 1 MMT, in the main due to an increased harvested area rather than any increase in yield on MY2023/24. Five months into MY2024/25, the consequences of these shifts in production and the situation and outlook for the UK grain sector is starting to become clearer.

Total feed grain consumption is forecast to decline 350,000 MT in MY2024/25, mainly due to reduced grain fed on farm. Demand from compounders, which rose in MY2023/24 is forecast to continue to rise in MY2024/25, with this demand being met by a combination of sustained imports of mainly corn, and domestic grains. The latter is in tight supply due to the significantly smaller wheat crop. Improved prices for milk, beef, and lamb are supporting demand from those sectors, more than offsetting continued lower demand from the hog sector, which continues to face cost of production challenges. Demand from the Integrated Poultry Unit sector is also firm, the increased price of food following the cost-of living crisis having supported demand for more affordable chicken meat over other meats. While the spectre of Highly Pathogenic Avian Influenza remains an ongoing concern for the sector, and this Winter's first cases have now been confirmed, producer biosecurity has so far limited the impact on commercial operations.

Food, Seed & Industrial (FSI) Usage is also forecast to decline over 200,000 MT in MY2024/25, the main driver being reduced demand from the bioethanol sector. The UK has two production facilities, one which solely uses wheat and the other a combination of wheat and corn, and neither are now expected to run at full capacity due to reduced margins and availability of grain. Demand from the brewing, malting, and distilling sector is also forecast to fall, in part due to reduced consumer demand.

For wheat, of most interest in MY2024/25 is the very tight supply situation and the timely and significant increase in carryover stocks from MY2023/24, up nearly 1 MMT year-on-year. With wheat production currently forecast to reach 10.95 MMT, down over 3MMT year-on-year due to a reduced harvested area and very variable yields, this extra buffer is forecast to almost all but be depleted in MY2024/25. This is despite imports being forecast to increase over 150,000 MT on the already significant 3.15 MMT in MY2023/24, following a very strong start in the first few months which is expected to slow as the season progresses. Usage of wheat in feed is expected to be most significantly affected and is forecast down 800,000 MT from a revised 7.4 MMT in MY2023/24. This decline is despite total grain use in the sector being forecast to rise in MY2024/25. There will be a reduction in wheat fed on farm and increased incorporation rates of barley and imported corn in compound feed.

Demand from the FSI sector is forecast down 150,000 MT, with declining demand from both the bioethanol and starch sectors, in part substituted by imported corn. Although flour production is expected to fall slightly in MY2024/35, demand is forecast to increase due to lower extraction rates from

the domestic wheat crop. Increased usage of imported wheat by the sector is expected to offset some of this reduction.

Total availability of barley is forecast up over 100,000 MT year-on-year in MY2024/25. The 250,000 MT forecast increase in production on MY2023/24, to 7.2 MMT, an increased harvested area more than offsetting any yield reduction, more than exceeds the reduction in opening stocks and forecast imports. The post-lockdown recovery in usage by the brewing, malting and distilling industry (BMD) has been short-lived, and demand from the sector is forecast to decline in MY2024/25, symptomatic of higher prices to consumers and an aging drinker profile, temporarily exacerbated by a reduction in production capacity due to maintenance. Feed use of barley is forecast to rise, both on farm and by compounders.

For corn, while imports are forecast to fall marginally in MY2024/25, they are expected to remain high and continue to include some imports from the United States. Incorporation rates in the bioethanol sector are forecast to increase in MY2024/25, partially offsetting some of the reduction in wheat usage. Animal feed usage, which rose 170,000 MT in MY2023/24, is currently forecast to rise a further 100,000 MT. Following a strong start to the season, the pace of imports for feed is expected to slow as corn becomes less price competitive later in the season.

For oats, production is forecast to reach 1 MMT, up 170,000 MT on MY2023/24 and a repeat of MY2022/23, albeit on much larger area, again reflective of the impact of the weather on all UK grain yields in MY2024/25. With FSI consumption relatively stable year-to-year, the increased availability will largely be consumed as feed on farm.

Appendices

Wheat Market Year Begins United Kingdom	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1813	1813	1719	1719	1400	1500
Beginning Stocks (1000 MT)	1846	1846	2496	2310	3632	3262
Production (1000 MT)	15540	15540	13980	13980	11050	10950
MY Imports (1000 MT)	2016	2030	3119	3135	3200	3300
TY Imports (1000 MT)	2016	2030	3119	3135	3200	3300
TY Imp. from U.S. (1000 MT)	10	10	11	11	0	0
Total Supply (1000 MT)	19402	19416	19595	19425	17882	17512
MY Exports (1000 MT)	1906	1906	563	569	500	500
TY Exports (1000 MT)	1906	1906	563	569	500	500
Feed and Residual (1000 MT)	7000	7200	7200	7400	6500	6600
FSI Consumption (1000 MT)	8000	8000	8200	8194	8000	8050
Total Consumption (1000 MT)	15000	15200	15400	15594	14500	14650
Ending Stocks (1000 MT)	2496	2310	3632	3262	2882	2362
Total Distribution (1000 MT)	19402	19416	19595	19425	17882	17512
Yield (MT/HA)	8.5714	8.5714	8.1326	8.1326	7.8929	7.3

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Barley Market Year Begins United Kingdom	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1116	1116	1137	1137	1200	1200
Beginning Stocks (1000 MT)	964	964	1268	1268	1218	1218
Production (1000 MT)	7385	7385	6963	6963	7200	7200
MY Imports (1000 MT)	88	88	201	201	100	110
TY Imports (1000 MT)	94	94	225	225	100	110
TY Imp. from U.S. (1000 MT)	1	1	1	0	0	0
Total Supply (1000 MT)	8437	8437	8432	8432	8518	8528
MY Exports (1000 MT)	1123	1123	780	780	750	750
TY Exports (1000 MT)	1061	1061	750	800	750	750
Feed and Residual (1000 MT)	3843	3843	4290	4290	4500	4500
FSI Consumption (1000 MT)	2203	2203	2144	2144	2100	2100
Total Consumption (1000 MT)	6046	6046	6434	6434	6600	6600
Ending Stocks (1000 MT)	1268	1268	1218	1218	1168	1178
Total Distribution (1000 MT)	8437	8437	8432	8432	8518	8528
Yield (MT/HA)	6.6174	6.6174	6.124	6.124	6	6

(1000 HA) ,(1000 MT) ,(MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Barley begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Corn Market Year Begins United Kingdom	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	8	8	8	8	8	8
Beginning Stocks (1000 MT)	248	248	126	145	233	203
Production (1000 MT)	25	25	25	25	25	25
MY Imports (1000 MT)	2131	2131	2644	2650	2450	2600
TY Imports (1000 MT)	2036	2036	2750	2756	2450	2600
TY Imp. from U.S. (1000 MT)	60	65	88	92	0	0
Total Supply (1000 MT)	2404	2404	2795	2820	2708	2828
MY Exports (1000 MT)	132	135	162	167	125	125
TY Exports (1000 MT)	154	154	145	141	125	125
Feed and Residual (1000 MT)	1351	1329	1450	1500	1600	1600
FSI Consumption (1000 MT)	795	795	950	950	850	900
Total Consumption (1000 MT)	2146	2124	2400	2450	2450	2500
Ending Stocks (1000 MT)	126	145	233	203	133	203
Total Distribution (1000 MT)	2404	2404	2795	2820	2708	2828
Yield (MT/HA)	3.125	3.125	3.125	3.125	3.125	3.125
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Oats Market Year Begins United Kingdom	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	176	176	167	167	200	200
Beginning Stocks (1000 MT)	157	157	140	140	75	124
Production (1000 MT)	1007	1007	830	830	1000	1000
MY Imports (1000 MT)	18	18	16	16	20	15
TY Imports (1000 MT)	19	19	15	15	20	15
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1182	1182	986	986	1095	1139
MY Exports (1000 MT)	172	172	116	116	125	125
TY Exports (1000 MT)	147	147	110	95	125	125
Feed and Residual (1000 MT)	350	350	260	215	280	350
FSI Consumption (1000 MT)	520	520	535	531	600	525
Total Consumption (1000 MT)	870	870	795	746	880	875
Ending Stocks (1000 MT)	140	140	75	124	90	139
Total Distribution (1000 MT)	1182	1182	986	986	1095	1139
Yield (MT/HA)	5.7216	5.7216	4.9701	4.9701	5	5
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Oats begins in October for all countries. TY 2024/2025 = October 2024 - September 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments.