

## Feed wheat price steadily increased throughout the past year

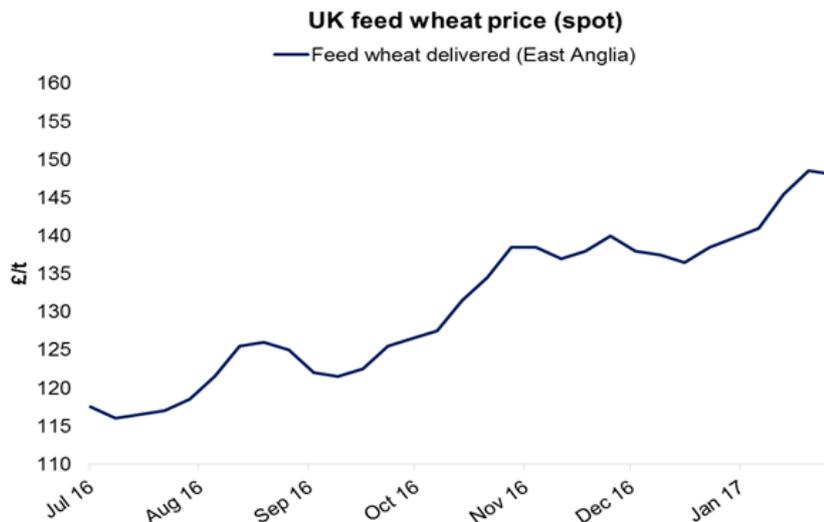
Information provided by AHDB Market Intelligence

### Grain

Within the past year, UK wheat price has moved from the cheapest to among the most expensive in the world.

UK May 2017 wheat futures have increased by over £20 per tonne (t) since the beginning of the season (1 July 2016), peaking in the middle of January at over £150/t and have hovered around a similar level since (Figure 1).

Figure 1: UK feed wheat price between July 2016 and January 2017



Over the past two seasons, UK feed wheat prices have experienced a fairly unusual positive price position, making old crop wheat more valuable in forward markets. This encouraged producers to carry their old crop into the next season to achieve a better price. However, this season, the relationship between old and new crop prices has returned to a more typical relationship. As such, old crop (May 17) futures are currently at a premium of £10/t compared to new crop (November 17) values.

## 2017 Harvest

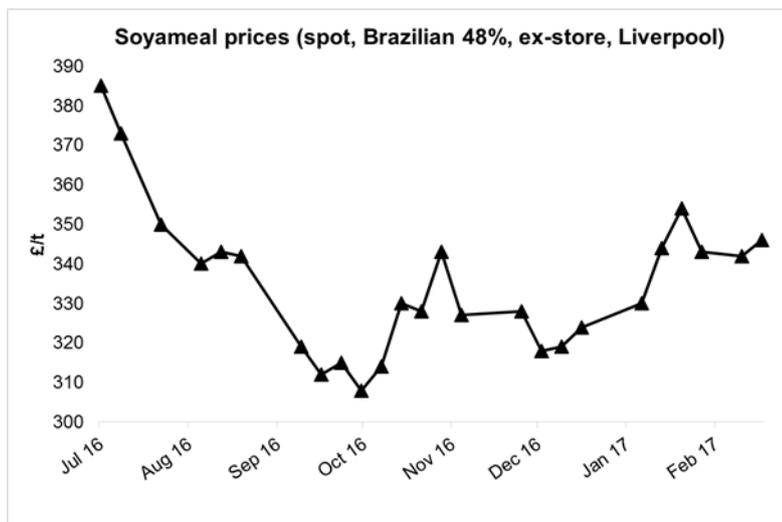
The EU Commission's crop monitoring report has given us a first look towards 2017 harvest yields. Forecasts are based on long-term trends and so should be treated with caution. In the report, EU wheat yields are expected to recover by 8% year on year to 6.02t/ha. The EU commission has also forecast French wheat yields at 7.27t/ha (up 35% year on year), with the UK wheat yield at 8.16t/ha (3% higher than in 2016). The recovery of French yields is important because, as our nearest neighbour and the largest exporter in the EU, what happens in France will have a direct impact on the UK market.

## Protein

Since January, May 17 Chicago soyabean futures have fallen by 4%, to close at £376/t on Thursday 23 February (Figure 2). Following a similar trend, UK feed ingredient prices also decreased.

Between 20 January and 17 February soyameal prices fell by 2% to £346/t on 20 January. Likewise, UK delivered rapeseed prices fell by 2% over the same time frame to £365.50/t on 17 February.

Figure 2: Soyameal prices between July 2016 and February 2017



Regular market updates can be found in the market section of the AHDB Cereals & Oilseeds [website](#).