

## Technical Update – Feed Markets

Information correct as at 12:00pm on 06.05.2020

- Rain across the EU is improving crop prospects, but more still needed in Russia and Black Sea
- Oil prices have rallied this week
- Forward straights have eased for summer and next winter as demand slows

Wheat prices are under further pressure due to weather conditions improving in most major growing areas of the world, but it is still very dry in some parts of the Black Sea and Russia.

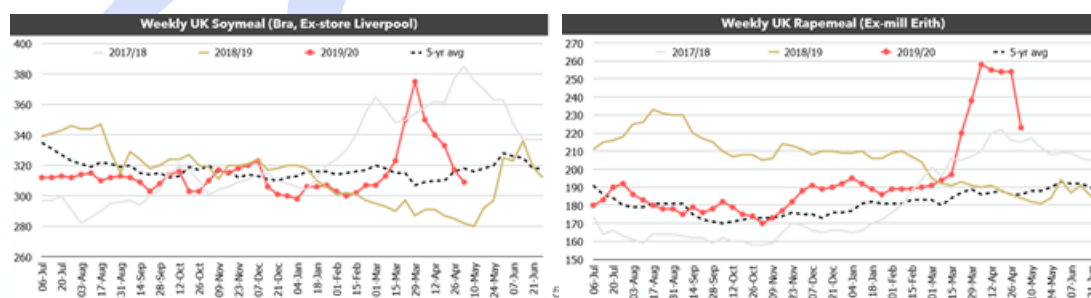
The LIFFE wheat price for November 2020 is back down to around £160/t, a 6-week low, and ex-farm spot price is around £150/t. Barley has also fallen back and is very good value for money ex-farm spot at around £125/t.

Maize is plentiful around the world. In the US, with a near 50% reduction in demand for bioethanol, it is trading around \$3/bushel, equivalent to c.£100/t. US and European maize plantings are going well and good levels of production are expected from France and Ukraine which will add to downward pressure on cereal prices going forward.

Crude oil prices are volatile and up significantly. In the US increasing from \$17/ barrel last week to around \$24 now as Saudi Arabia cuts production and the lockdown starts to ease in some areas of the world. Sentiment is more positive overall, but demand is still relatively weak and oilseed crushing is still low.

UK Soya meal has fallen back from a peak of £375/t in late March to around £300/t now. This week we have seen a sudden change in UK rapemeal market. It is now available again and prices have dropped to around £220/t spot ex-Erith due to current lower demand for straights and compounds caused by lower milk prices and spring grass.

### Historic and Current Spot Prices for Soyabean meal and Rapemeal:



- Plenty of soyameal available and forward prices are now under £300/t.
- New crop rapemeal prices £197/t ex Erith from August onwards again representing a very good value for money opportunity.
- Forward Sunflower meal prices have fallen and are now more attractive
- Forward supply of maize and wheat distillers' grains is being cut by the crash in bioethanol demand. However, small quantities of wheat distillers are still available from Ensus
- Barley also looks very attractive at below £120/t for harvest period

For further discussion or to help with any questions that you may have, please contact Consultant Support on [consultantsupport@kiteconsulting.com](mailto:consultantsupport@kiteconsulting.com) or 01902 851007 / 07542 403225