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To All Brewers

CROP UPDATE

October 2006

Quite extraordinary would be apt words to describe the malting barley market over the last couple of months. One minute everything was going well with good yields, good quality and great harvesting conditions and within the space of a couple of weeks everything had been turned on its head.

Poor weather in Germany, Eastern Europe, Denmark and the north & east of England and in Scotland destroyed acres of standing barley. Barley which had withstood the drought reasonably well (unless it was Cocktail) was left to ruin in the field as it sprouted under continuous rainfall. So what had been predicted to be a healthy surplus of malting barley within Europe quickly developed into a fairly tight supply & demand situation. Most of the good barley is (or was) situated south of Oxford on the traditionally good chalk soils of Hampshire, Wiltshire & Dorset, and raiding parties from across the channel have quickly lifted the price some £30-£40/tonne in the last 6 weeks with domestic maltsters having to compete to get some of their supplies. What good barley that remains on farm unsold will not be coming out for a while as farmers look to glean maximum prices from the market to make up for some very lean years.

That is a brief overview of the market, below is the usual breakdown of winter & spring barleys.

Winter Barley

Given the dry nature of the growing season and the intense heat toward harvest the winter barley crop turned out to be very good. Flagon performed well across the country and looks a good malting variety whereas pearl again threw some high nitrogens and, in places, some disappointing yields. The Maris Otter crop performed exceptionally well although small grain size was a problem on the more drought prone soils of East Anglia. Generally though the crops did live up to their early promise and performed well.

Spring Barley

Crops were very short in the field and we feared for both yield and quality. It soon became clear however, that those crops on chalk based soils (moisture retentive) were going to be fine whereas those on more sandy soils would struggle. Most spring barley crops in the south were cut in fantastic condition yielded exceptionally well and were of very high quality. The rest of the country did not fair so well and has resulted in the market conditions described above.

The majority of the spring barley acreage in the south is still Optic, as it fairs so well and we have recorded some of the best samples and yields for many years. Westminster, a new Nickersons variety, bred from Alexis has also performed very well.

As a footnote to the bizarre nature of the market an interesting scenario has developed whereby 2006 Optic is now worth more than 2006 Maris Otter.

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2007

With wheat and oilseed rape values being increased all the time due to tight global supplies and increased demand from energy markets, malting barley was becoming a forgotten crop as low premiums were making people look long and hard at its ability to 'stack up' financially. However the current market has spilled over into new crop and 2007 values are considerably high already. This will at least get growers to plant a similar sort of area of spring barley for 2007 harvest, the rest is up to the weather around the globe as this year has shown.

Jonathan Arnold
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