

# Baltic Sea Wheat Update 2014

IAOM Mideast and Africa Conference

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# Overview

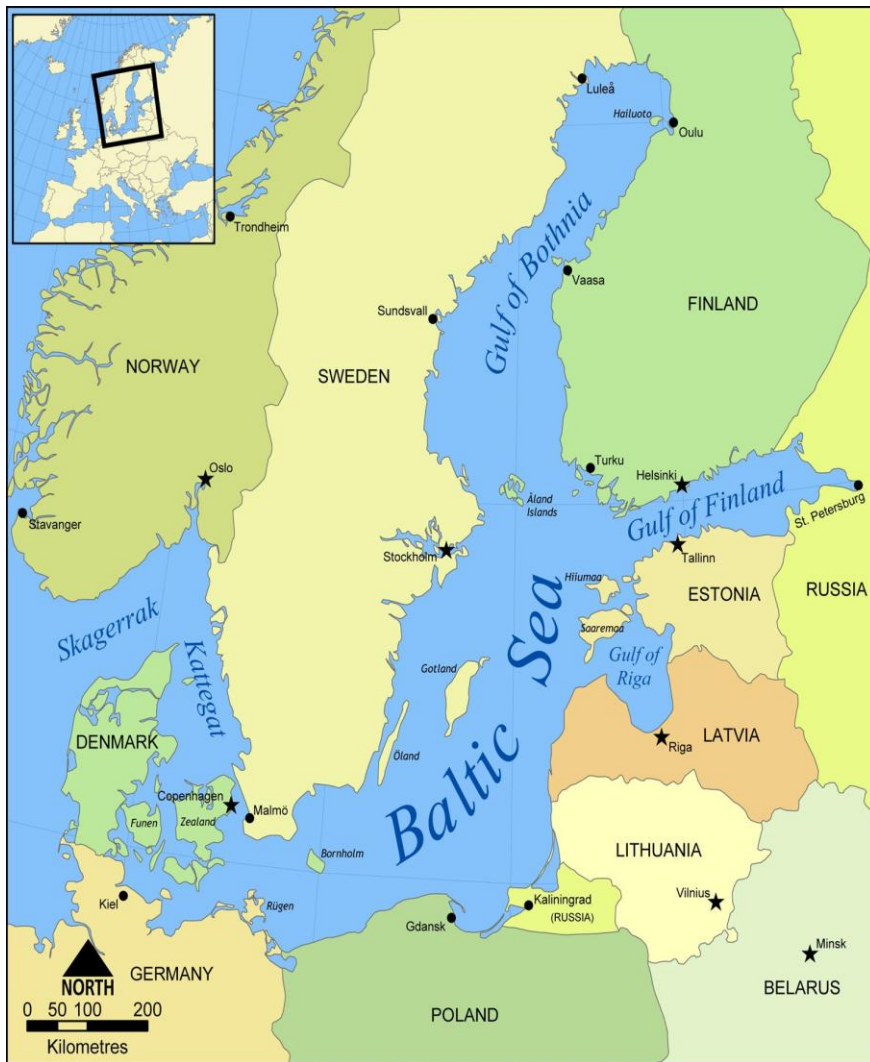
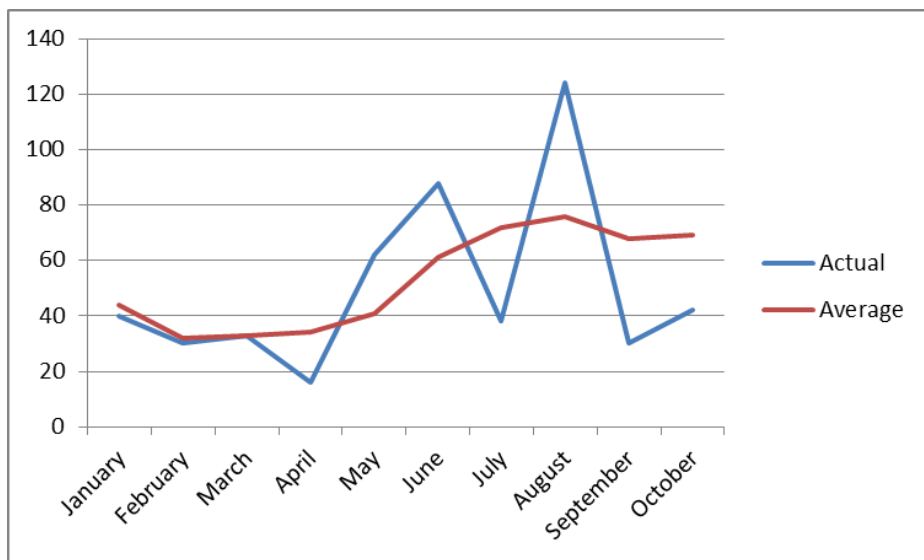
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- Growing season 2014
- Wheat harvest by country
- Quality
- Exports
- Russian Grain through the Baltic Sea

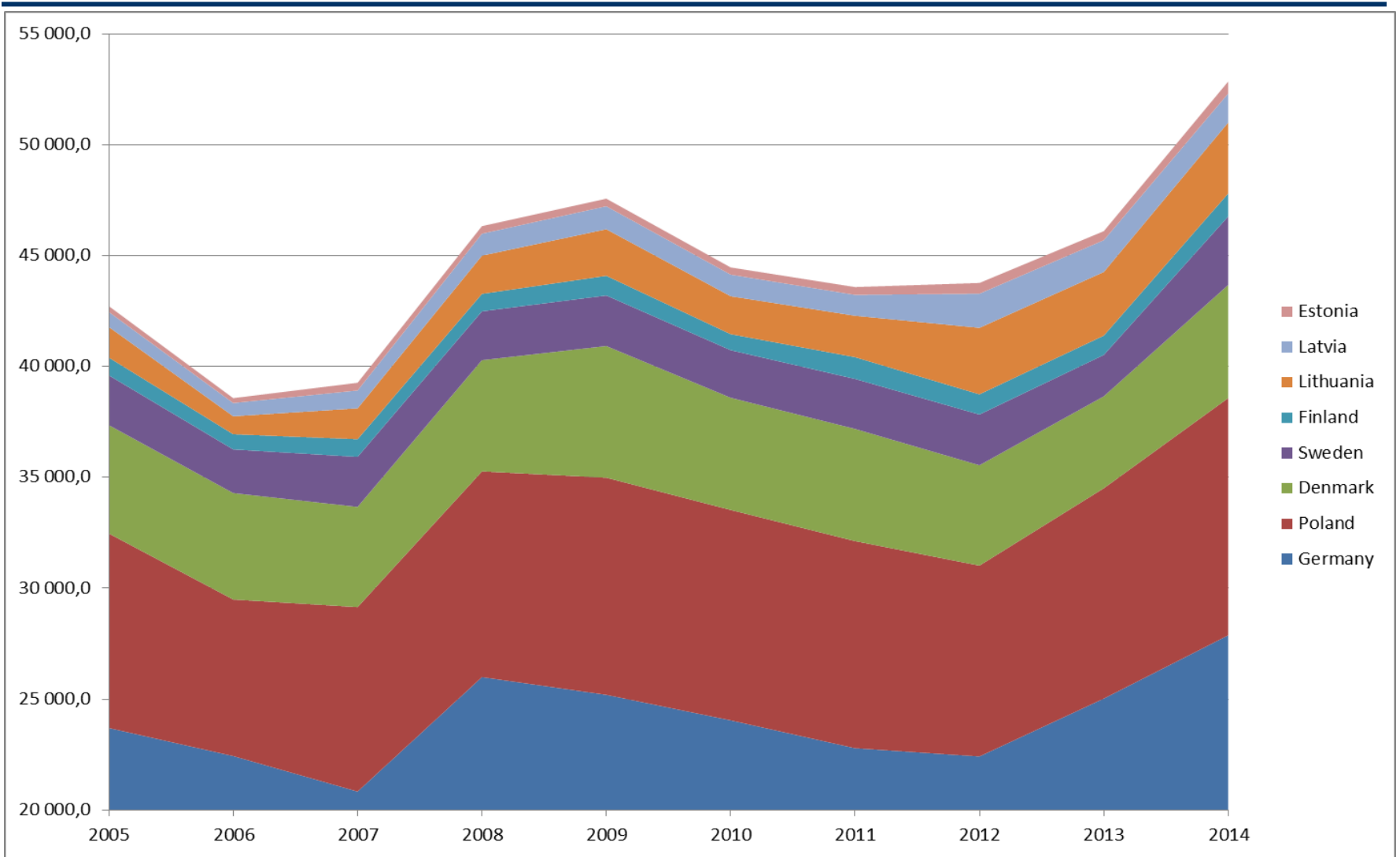
# 2014 Growing Season Overview

- Very favourable winter conditions
- Some winterkill in January in Latvia and Lithuania
- Hot May and July, cold June

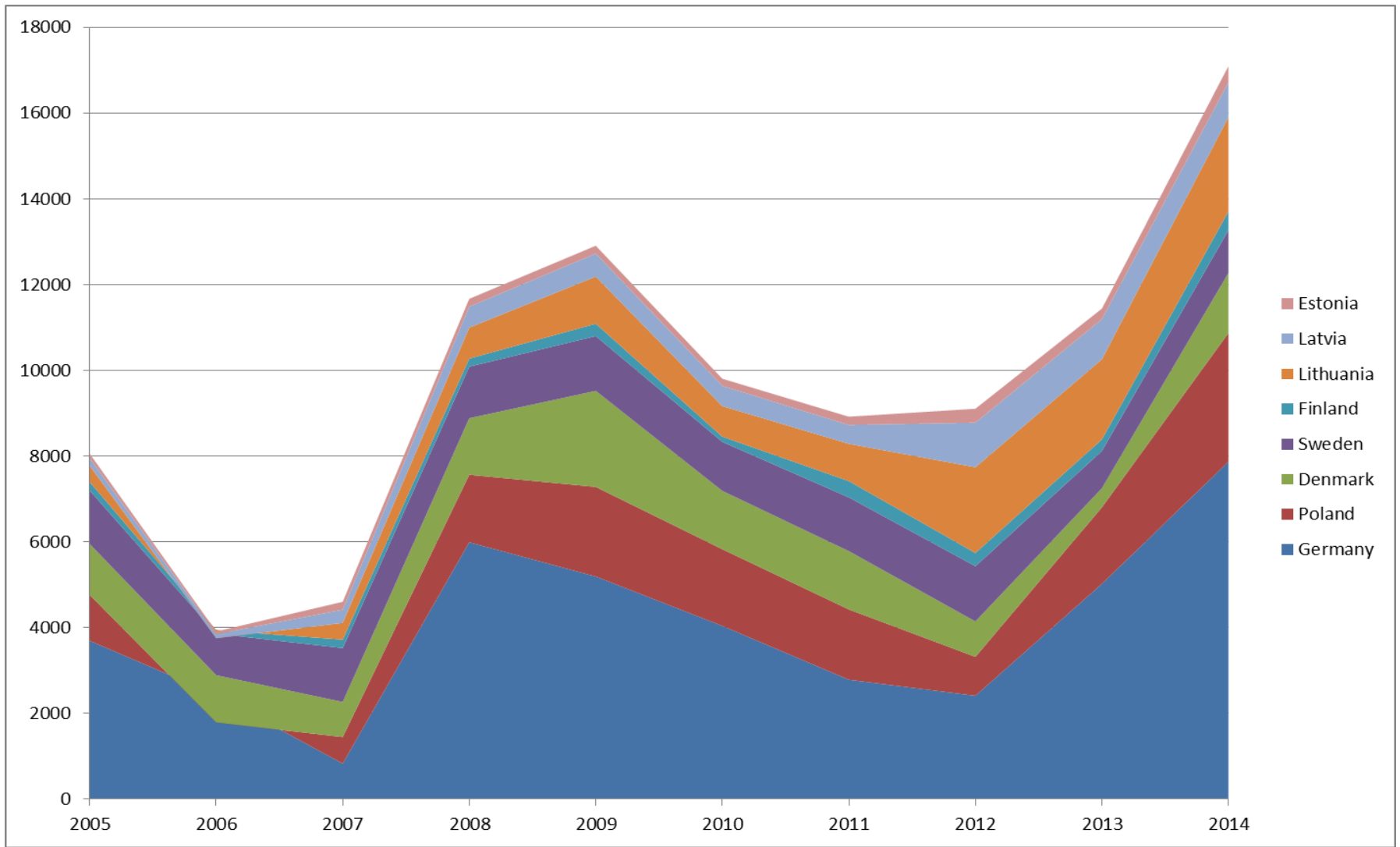
Percipitation 2014



# Wheat harvest – Baltic Sea

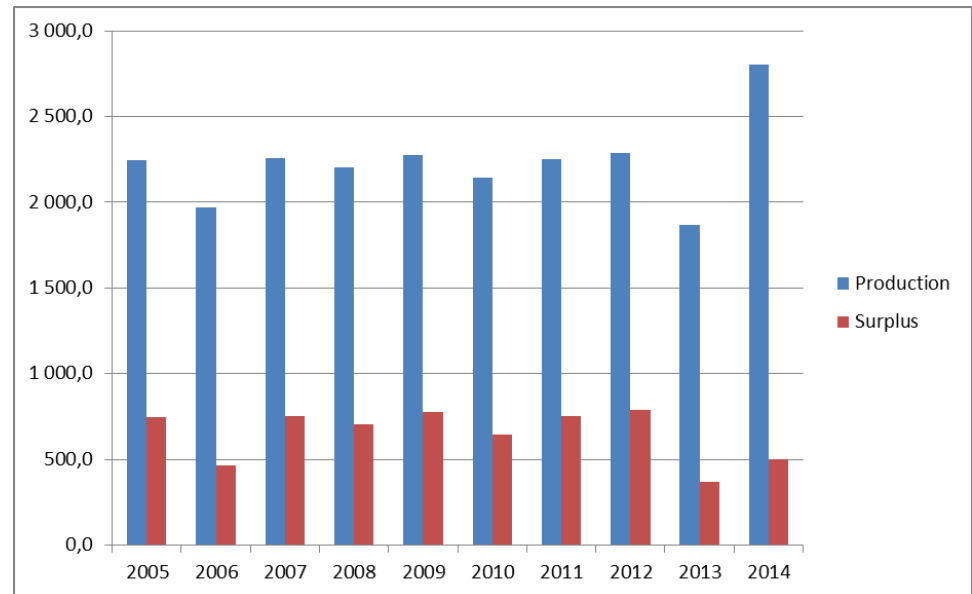
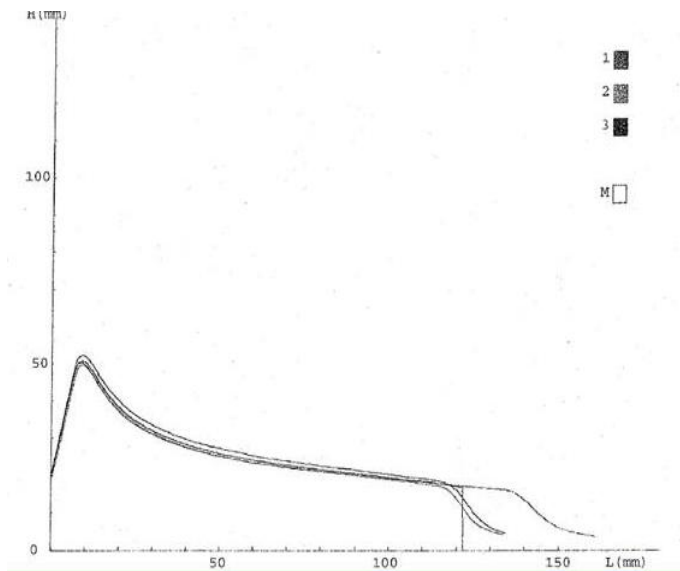


# Wheat Exportable Surplus – Baltic Sea



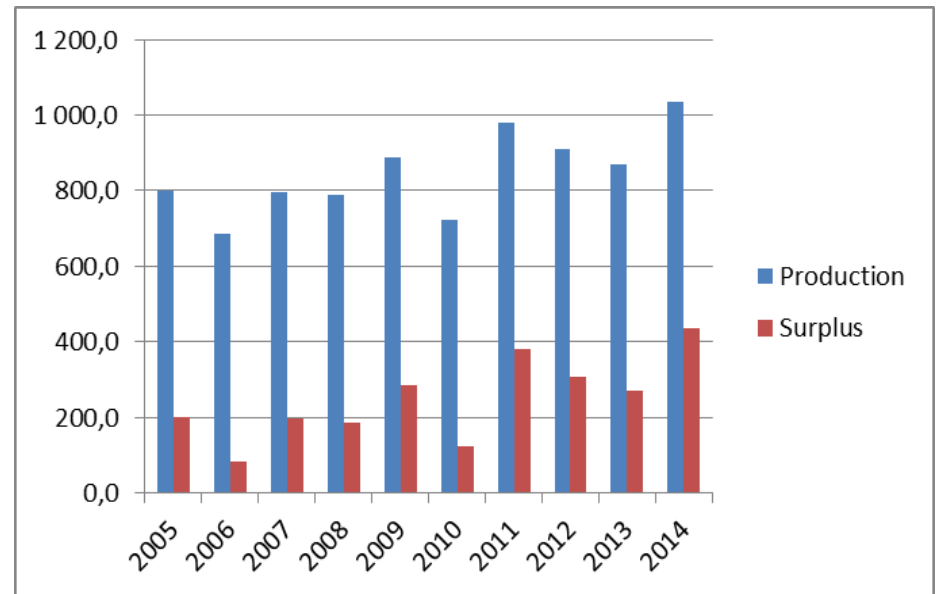
# Wheat Harvest - Sweden

- Sweden enjoyed favourable growing season like the rest of the Baltic Sea area
- Wheat crop reached 2.75 mio tonnes with exportable surplus of ca 500 kmt
- Proteins running from 10,5% to 11,5%,
- Main export destinations: North, West Africa



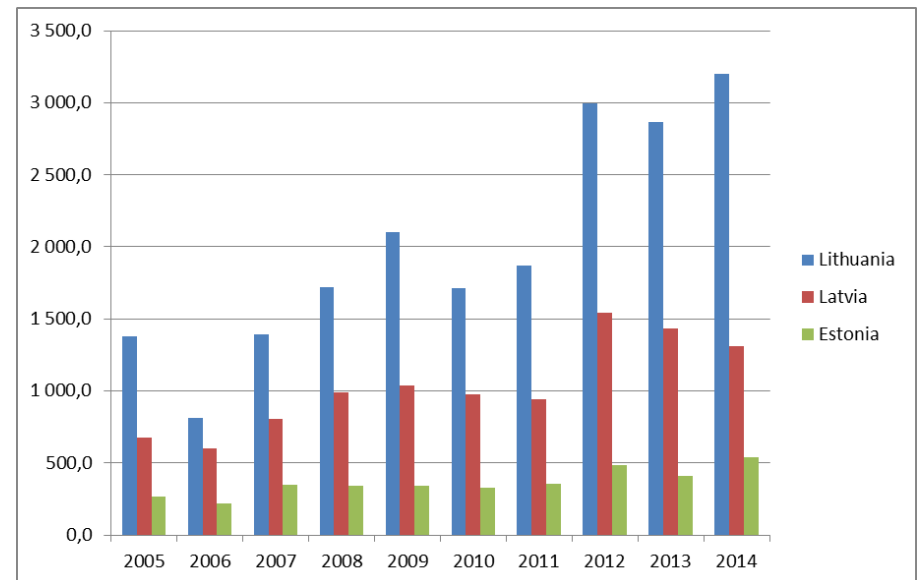
# Wheat Harvest - Finland

- Wheat crop reached 1.05 mio tonnes with exportable surplus of ca 500 kmt
- Finnish wheat harvest got hit by rains which ruined hagberg – 60% of the wheat crop is feed wheat with 12,5% protein.
- Main export destinations:  
Main feed wheat destinations with only a few handies of milling quality sold.



# Wheat Harvest – The Baltic States

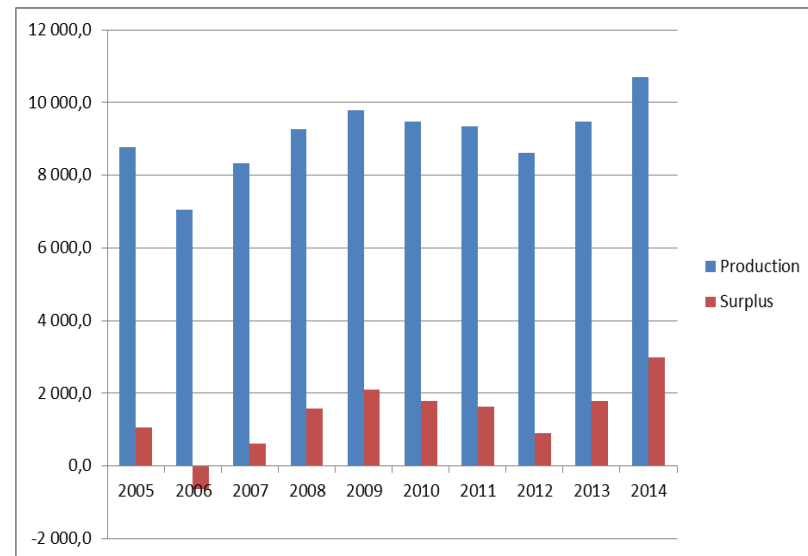
- The Baltic wheat crop reached an all-time record of 5 Mio tonnes with exportable surplus of 3 Mio tonnes.
- Baltic harvest was hit by frosts in January, which caused re-sowings. Winter damage was compensated by very favourable growing season and high hectare yields
- Breakdown of the quality of the exportable surplus:
  - 45% - 12,5%
  - 40% - 13,5+%
  - 15% - feed wheat
- Wet gluten 1% lower than 2013 harvest
- Due to very mixed weather at harvest, variance of hagberg levels is high, especially in Estonia.





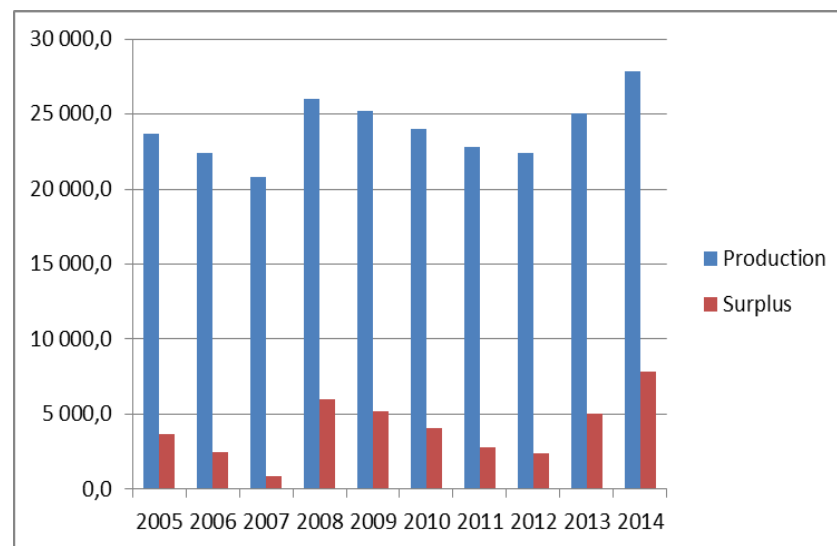
# Wheat Harvest - Poland

- As most other Baltic Sea countries, Poland also harvested all time record crop and exceeded 10 million tonnes mark on the wheat production.
- Exportable surplus of wheat – 3 mio mt.
- Polish harvest was not affected by major rainfalls and hagberg levels are homogeneous. Some variance on proteins.
- Quality breakdown of exports:
  - 40% - 12,5% protein
  - 40% - 11,5% protein
  - 20% - 14,0% protein



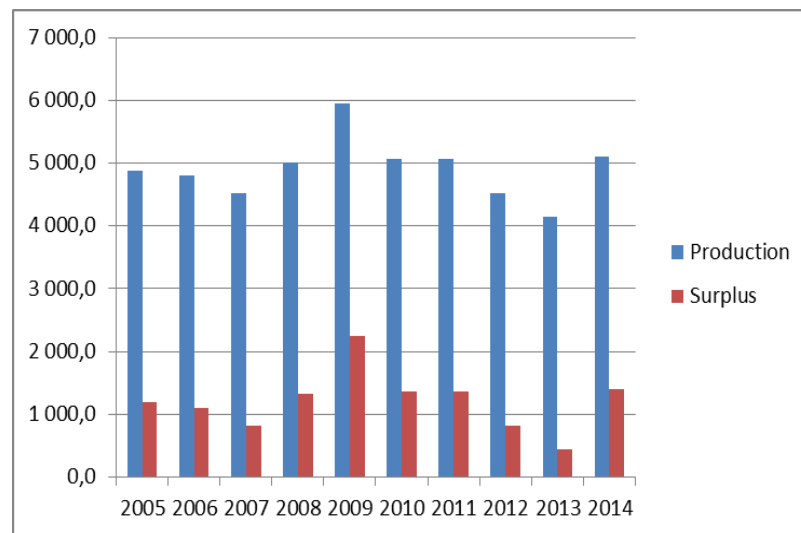
# Wheat Harvest - Germany

- 27,5 million tonnes wheat crop is unseen in Germany.
- Exportable surplus of wheat – ca 8 mio mt.
- Protein levels running 0,5% below last year
- Quality breakdown of exports:
  - 50% - 12,5% protein
  - 30% - 11,5% protein
  - 20% - 13,0+% protein
- Contrary to the Baltics, Germany and Poland have majority 12,5% protein levels



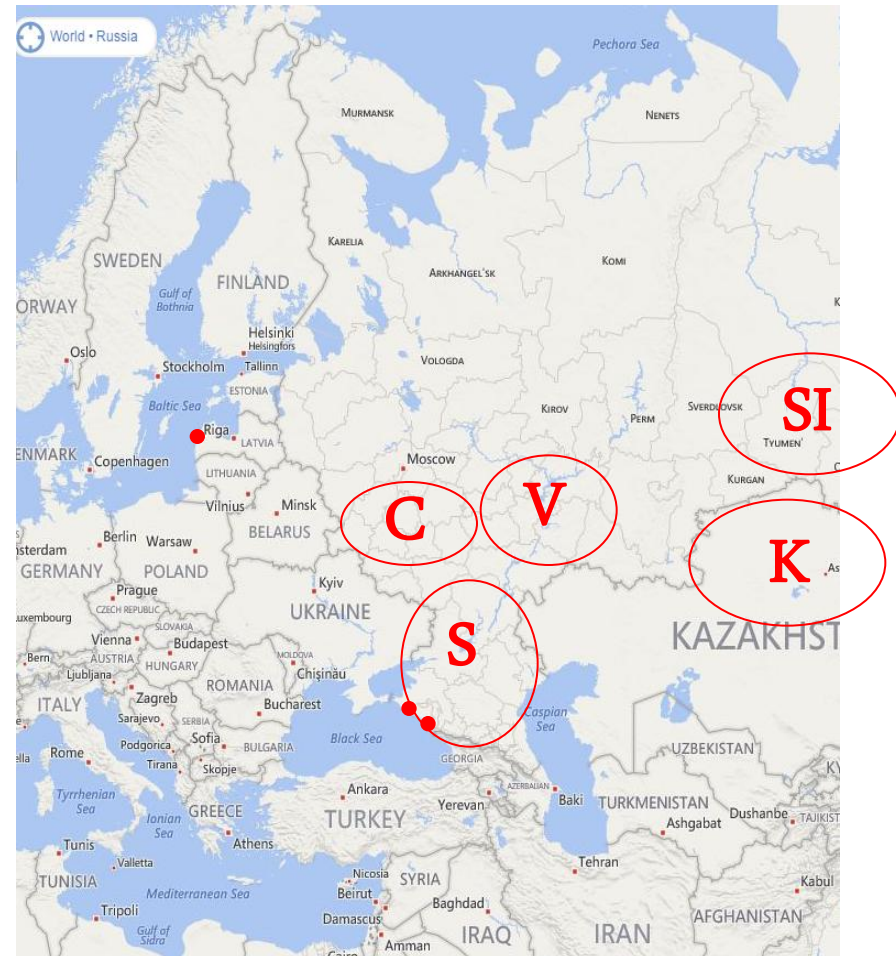
# Wheat Harvest - Denmark

- Danish wheat crop reached 5.1 million tonnes, giving 1,4 million tonnes exportable surplus
- Due to high yields, proteins run ca 0.5% lower than crop 2013.
- Quality breakdown of exportable surplus:
  - 80% - <9% protein
  - 10% - min 9% protein
  - 10% - min 9,5+% protein



# Russian/Kazakh Grain Through the Baltic Sea

- Russian exports through Latvia are increasing yearly due to logistic bottlenecks in the „Southern corridor“.
- In 2013, 1,2 mio mt of Russian/Kazakh grains, oilseeds and proteins were shipped through the Baltic Sea.
- In 2014 this volume will increase
- For any Russian grain area except the South the „Northern corridor“ calculates.
- Baltic ports unlike Black Sea ports provide IP



# Conclusions

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- Baltic Sea area harvested record wheat crop in 2014 – 52 million tonnes.
- Out of this, 16,5 million tonnes is for exports
- Farmers still holding 25 – 50% of the crop
- Farms are consolidating, technology is improving, growing area is increasing and yield-per-hectare trend is positive.
- Wheat export volumes in the Baltic Sea will increase.
- Baltic Sea milling wheat has already found new markets but needs to continue to diversify its client base.
- Baltic States need to focus more on 12,5% proteins. Currently there is an overproduction of 14% protein.

# Thank you

