

# Good weather alone will not dictate wheat prices

THE current good weather in wheat growing areas of the UK does not necessarily bode well for this year's harvest, warns Ian Pinner, managing director of ADM Milling.

He told *British Baker*: "There is much speculation about the crops at the moment but the perception that this year's crop looks very good could be in vain. Until it is in the barn we simply don't know. We have to be realistic. Heavy rain in August is one factor that could affect the harvest and there are several other less speculative but more factual issues to bear in mind."

Pinner said: "The amount of 'quality wheat', ie breadmaking wheat, that has been grown worldwide is down significantly compared to last year and this is why we are seeing an increase in wheat prices year on year."

The reduction in plantings is due to factors such as set-aside (land left fallow due to a change

in EU subsidies) in Europe and cold dry weather in the US, Ukraine and Russia during key growing periods.

Pinner said: "You don't need much to happen in one of the key wheat-growing regions in the world for there to be a sudden sharp impact on prices. In addition consumption is slightly higher than supply.

"Production is down globally from 622m to 600m tonnes. Premiums for breadmaking wheat in the UK are often not high enough so farmers are choosing alternatives such as rapeseed which can be used for bio-diesel."

He said that ADM is working hard at keeping customers informed via regular wheat bulletins, emails to customers who request the service and it is also posting information on its web site.

Pinner added: "We also operate ADM direct, which we



**Ian Pinner: factual issues**

have developed over the last three years through recruiting buyers to source locally-grown breadmaking wheat. It means a shorter supply chain, better availability and our buyers communicating with local farmers and our mills."

Commenting on recent consolidation in the industry he said: "There has been tremendous change in the last three years with five mills closing in the industry in the past 12 months and Northern Foods announcing a re-structure. Margins are driving consolidation."