

Scattered in the Winds

The desperate events currently taking place in the Gulf of Mexico are a reminder of the power of nature. The sub-text to this story, picked up by many observers, is that the warming of the seas and increased volumes of water from any melting of the polar ice-caps are going to increasingly result from global warming. Furthermore, rising sea levels can be expected to cause more of the Louisiana-type experience.

Whether this interpretation will increase US support for reductions in greenhouse gases remains to be seen. This and the current high petrol prices will ensure that CO2 emissions and global warming will stay on the political agenda. The UK is poised to make decisions about bio-fuel inclusion in transport fuels, which is part of an EU initiative to reduce projected use of fossil fuels.

Although some disruption to US grain exports is currently being experienced, efforts are being made to minimise the impact on trade. However, the current situation offers an opportunity for EU suppliers to present appropriate grain

grades to the world's buyers. The UK can expect to have its share of export-grade milling wheats in the southern half of the country this year, based on the main weather experienced during harvest to date. UK malt exports are also anticipated, depending on how the Scottish harvest pans out for the quality of spring malting barleys for export.

UK grain exports are vital in determining domestic prices, but tracking trade is always a problem in the UK with its myriad of ports. It is to be hoped that the new HGCA/HM Customs Trade Reporting Guide will improve this over the next season. All trade is very much dependent on currency. Forex markets are currently experiencing significant volatility. The problem of uncertainty across the industry therefore continues, despite the safe arrival of another good crop.

Alastair Dickie 020 7520 3908

In this issue ...

UK Trade Discrepancies
HM Customs wheat export number too high

Canadian Crop Conditions
Exports to depend on quality

UK 04/05 Human and Industrial Usage
Millers used more imported wheat

UK 04/05 Animal Feed Usage Data
Wheat usage up; barley usage lower

HGCA Grain Market Outlook Conference
A global perspective