



DISCOVERING THE WORLD OF **MALT**.

BARLEY REPORT

July 2018

BARLEY REPORT

General:

- The very dry weather continued in many Viking Malt countries in June - only Finland and Mid-Sweden was getting more rain from Midsummer and onward.
- We have now damages on our malting barley crop in all Viking Malt countries - of course with variations.
- Expectations today are lower yields, reduced calibration and higher protein levels - which will reduce the crop substantially.
- In Denmark , South Sweden and Poland any larger rain will from now on only have a negative impact on the barley as harvest is already starting or will commence in the next 1-2 weeks.
- The largest risk is that wet weather from now on is doing more damages to the already reduced crop - but now luckily the weather forecast is giving continuous dry weather in Denmark and Sweden.
- And again an old farmers rule:
Wet years yields are overestimated – dry years underestimated

BARLEY REPORT

Sweden

Weather:

- The very dry weather has continued since beginning of May and in many places in the South there have been nearly no rain at all for more than 2 month.
- Drilling time, soil type and local showers is giving huge differences between even fields which are close to each other.
- Mid Sweden got more constant rains in second half of June and this can be still beneficial for the crop development there.
- At least for the South rain would not be beneficial from now on – as this only could initiate secondary tillers which would be undeveloped and green at the estimated harvest.

Malting barley:

- Spring barley harvesting will begin about 10-14 days earlier then normal – expectation is start mid – end next week.
- Expectations today are lower yields, lower screening and some challenges

with protein levels.

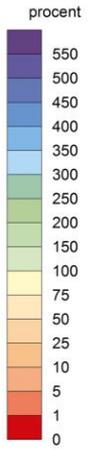
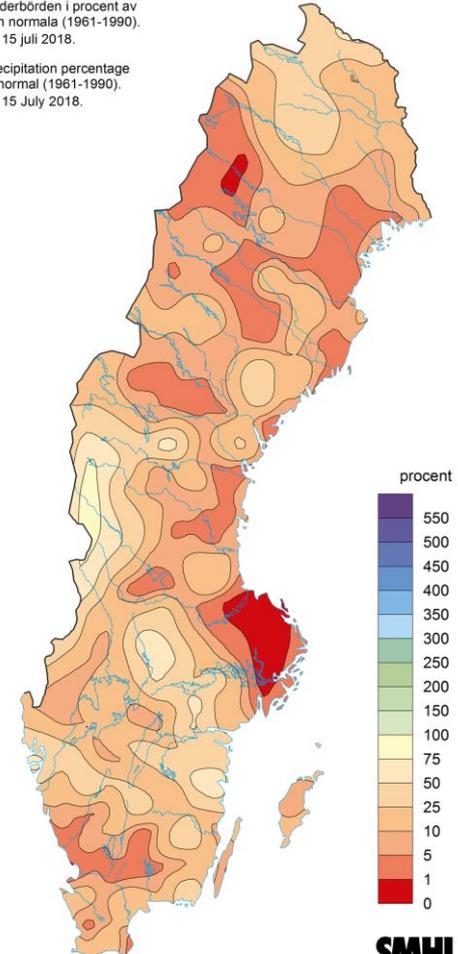
- It is not totally clear even for experts how the protein level in the barley has been affected by this drought. As water is needed to dissolve the fertilizer and also to transport it into the plant it is nor sure that the plants have been able to take up all available nitrogen – and therefore even with low yield protein levels could be OK.

Spring Barley Sweden 2017-2018

	2017	Forecast 2018	Last Estimates
Spring Barley [ha]	290 000	390 000	390 000
Yield [t/ha]	5,22	4,84	3,38
Crop [t]	1 514 000	1 889 000	1 318 000
Malting Barley selection	35%	35%	32%
Crop Malting Barley [t]	530 000	660 000	395 000
Quality downgrade	15%	10%	30%
Net production[t]	450 000	595 000	295 000
Share malting Barley	30%	32%	21%

Nederbörden i procent av den normala (1961-1990).
1 - 15 juli 2018.

Precipitation percentage of normal (1961-1990).
1 - 15 July 2018.



SMHI

 VIKING MALT

BARLEY REPORT

Denmark

Weather:

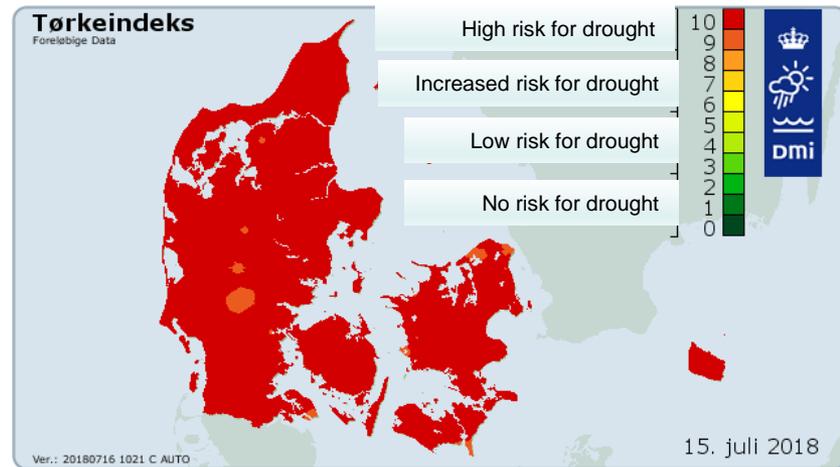
Current situation:

- It has been extremely dry in Denmark – with no substantial rain since beginning of May
- There is less than 1 mm rain in the forecast for the next 15 days at our plant in Vordingborg
- In the 14 years, where the Danish Meteorology Institute has calculated the dry index, there have never been so many dry days during the summer months as in the year.

Malting barley:

- Our expectation for the crop is just now a malting barley crop of about 50% of a normal year
- We will lose both on yield and on Quality parameters like lower screenings and higher protein levels
- We expect the first harvest of spring malting barley in the end of this week – but of course the first will be the worst - fields which have not ripened but died.

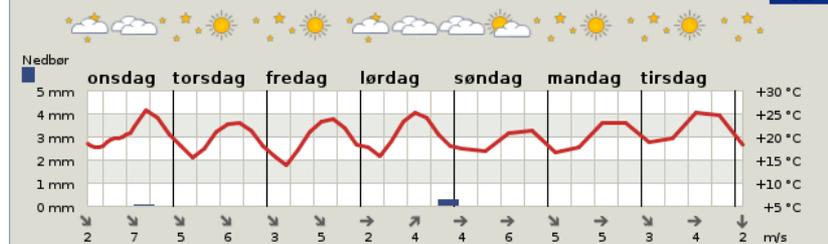
Dry Index Denmark 15 July 2018



Vordingborg

Udsigt fra onsdag d. 18. juli 2018 til onsdag d. 25. juli 2018

Maks. UV-indeks: 6.0



BARLEY REPORT

Finland

Weather

- The warmest May ever measured continued with hot and dry June. The first rains after the sowings came in the end of June.
- After Midsummer most areas have gained from 50 to 100 mm of water.
- At the moment, the weather is staying mild with showers.

Crops

- The drought affected crops are thin. The crops cheered up with the long-awaited water, but some of the yield potential was already lost. At the drought, not all the seeds sprouted and barley didn't tiller. After the rains, 2. and 3. generations came and therefore seems at the moment that crops will mature unevenly.
- Yield losses have already occurred but fields vary a lot depending on the area, soil type, tillage and sowing time. There is large differences even inside the farms and inside the fields.

Yield estimates with the current conditions

- Official estimate of the yield reduction of the malting barley in southern parts of the country is – 50 %. Situation is little bit better near the malt house, where most of the contracted barley is growing. In total, the

malting barley crop is estimated to decrease 35-40 %.

- In these very extreme conditions, there is very hard to make estimations of the quality. In the thin crops and short ears, there might be difficulties with high proteins. It's also risky with the several generations in the crop as kernels will have a large difference in the time of maturing.
- Still it's more positive outlook now after rains but there is still lot to loose if the weather for the rest of the season and especially for the harvest is unfavorable.



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Lithuania

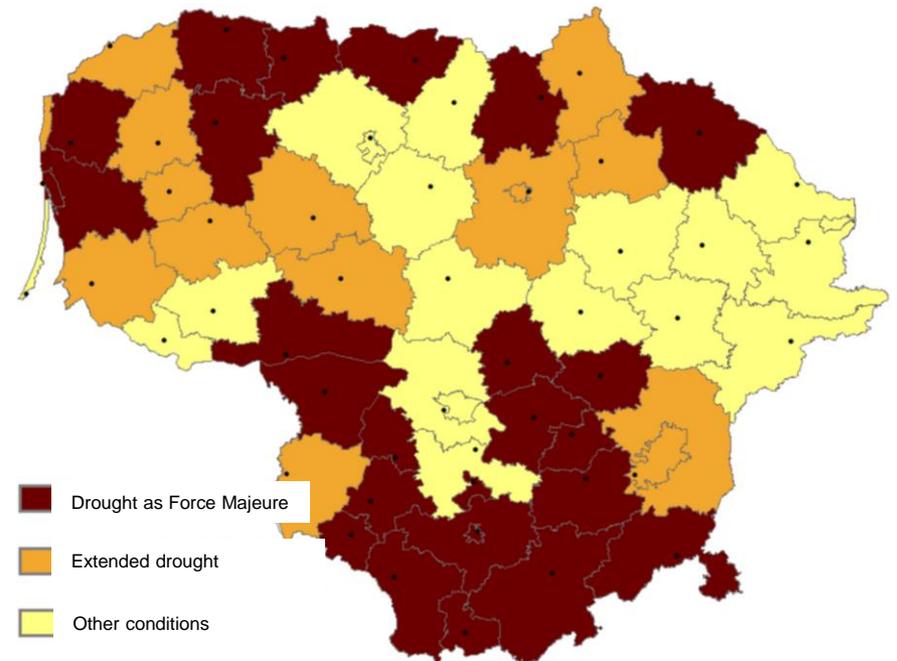


Weather:

- June was too warm and too dry therefore not favorable for the formation of good biomass and yield of barley.
- Drought as Force Majeure lasted from June 8 till July 3 in 24 municipalities.
- Only pair of days with drought short to recognize FM in other important municipalities as Panevezys etc.

Spring Malting Barley:

- Acreage of all barley in LT up 55% to 219470 ha from 141300 ha in 2017. MB area at least 50K ha, +25%.
- Main regions suffered moisture shortage with "thin" looking spring malting barley. Some fields on lighter soil started maturing some 10 days too early.
- Ears are shorter than usually. Side shoots of MB are only half height of main shoots with very short ears.
- Yields of MB will vary from 2-6 T/ha with widest range 3-4 T/ha what is at least 40 % less then average from previous years.
- Big variation of proteins and other quality parameters of spring malting barley is expected because of uneven weather conditions in different municipalities.



Drought map June 2018

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Poland



Condition of crops:

- The harvest of winter barley began in Poland, the first harvest started on June 21, but the change of the weather and rainfall stopped harvesting at week 26.
- The beginning of the 27th week brought weather improvement and the resumption of harvest. The temperature exceeds 25 ° C, the sunny weather favours the ripening of cereals.
- Last weekend the harvest was halted again with heavy rainshowers
- Harvest is the most advanced in the south-west region of Poland.
- In regions where the drought was the most severe, the problem is grain density, which ranges from 56-57 kg / hl.
- Nevertheless, barley grown in better positions is characterized by better quality.
- Due to the long-lasting drought, the barley yields achieved so far do not satisfy farmers as compared to last year, yields can be reduced by up to 40%.
- The market is very concerned about the size and quality of malting barley crop as fields in the center and in the north of the country are not good. Grains are

characterized by too high protein and poor calibration.

- Many malting barley supplies and samples of first Spring barley are disqualified due to high protein levels of over 13% and too low screenings.

