

Sourcing News Letter

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View from the bridge

Harvest of new crop winter barley has begun in South West of France and first results looks promising. Protein around 10%, moisture below 13,5% and screening in the 85% range, all in all a good start, this week it is expected that the center of France will begin this week with the winter barley as well. Within the 14 days it is expected that

Spring Barley will start in South West France which is within normal time. All in all we are off to a good start, weather is also helping us with less rain now, however there is a little concern that it should not go to high in temperatures as that would stress the barley and we could see lower screenings as a consequence. Marketwise we still

see a good demand for feed barley in the world as China and USA still have a trade war, the swine fever outbreak in Asia, the tender from Saudi all supports the price for feed barley in EU. In the USA still to be seen what the effect of the extreme wet weather will have on the corn for the coming season, global stocks are still high so effect might be limited.

Current status of barley

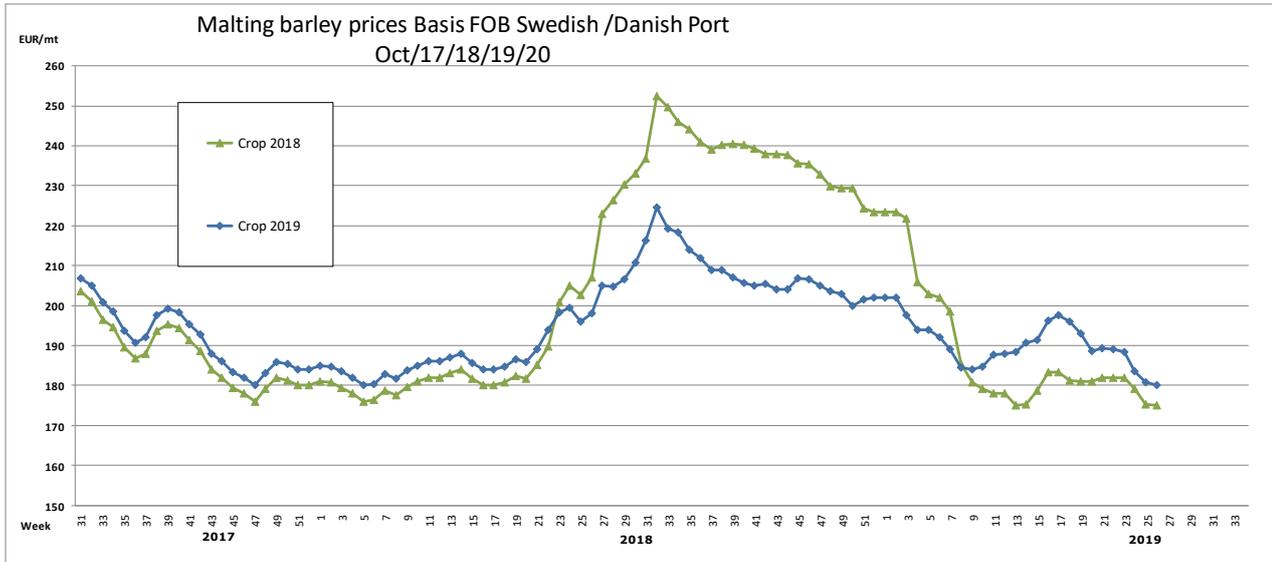


Overall we see a good crop coming in our region. After a somewhat very dry start in March and April, we have now received rain in good proportions and the barley has recovered well. What I am observing currently is that vs last year where we saw stressed tillering and ending up with 2 to 3 ax per plant this year tillering is much better and potentially we will have up to 6—7 ax

per plant, at the same time we this year see much more leaf material so we still need rain before harvest to support the demand the plants have to finish off in a good way. Secondly what is still to be seen is the protein of the barley, I have have 2 scenarios that could materialize, no 1 the rain in late April and May has washed the nitrogen away from the fields leaving less than nor-

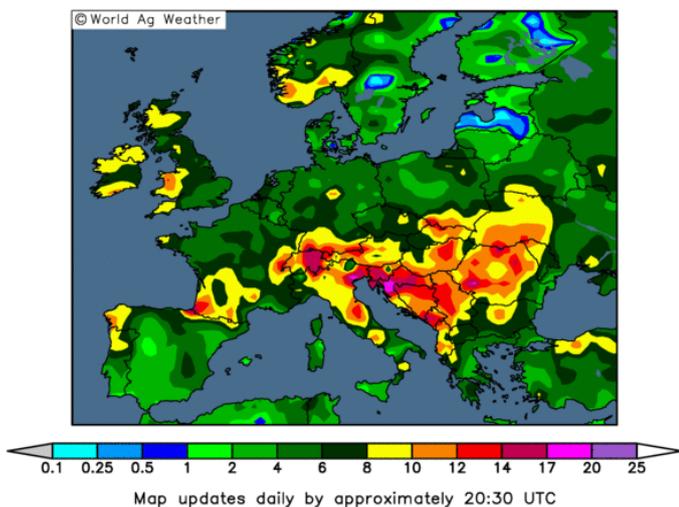
mal for the plants to produce both some protein and leaf material = low protein, no 2 the rain dissolved the nitrogen including the left over from last year resulting in this very good tillering and now if a heat wave arrives we could see lower screenings and eventual medium protein content, all in all an interesting season to be observed.

With the good over conditions in EU prices have continued to drop, however with the feed barley situation described before seems like we now have a somewhat more flat development in our region.



Monthly chart— Rain Forecast EU and Received Precipitation:

90-day Precipitation Analysis
Observed precipitation (inches) through 23 Jun 2019



90-day Precipitation Analysis
Percent of normal through 23 Jun 2019

