



September 2008 Newsletter

With a prolonged and expensive harvest, domestic Organic grain has been very slow to come to market to date. Those who have been lucky enough to have combined their crops are now busy conditioning their produce but the majority of our growers still have crops to harvest as we go to press.

Yields have been reported as very good and the quality of early cut material has been excellent. We hope that the later cut parcels will retain quality and that spring sown crops have not yet suffered too much but as time goes by; we fear that quality potential must be slipping.

Given that quality issues will be paramount this season it is very important that we have representative samples of the produce that you intend to sell. This particularly applies to milling oats and wheat, but we would like to see feed samples as well to confirm specifications.

If you do need sample bags please let us know.

Markets have at last begun to stabilise after falling steadily during May, June and July. While some of this is due in part to the delayed harvest, a competitor brought in some cheap Black Sea origin grain in early August and dumped it on the market at some £15 under the prevailing market. This set the bearish tone and consumer buyers have been adopting a hand to mouth buying strategy ever since. We do, however, think the market may now have seen the lows and we hope to see a modest improvement post harvest whenever that may be.

There has been much in the press about reduced demand for Organic products (dairy and eggs) but we feel this is over-stated. While demand may slow a little from the phenomenal retail growth rate of 27% a year seen over the last decade, we remain very confident that our market will remain robust. Conventional ex farm wheat prices are very weak at £94.00 ex farm versus £215.00 for Organic wheat so one can see that it is not just our market that has been struggling. We do not have a surplus to dispose of either!

We have particular interest in milling Oats for export for bright and bold parcels (samples first please!) and any soft or milling wheats. We will also require Beans for autumn collection.

Ex farm price indication (Spot movement, 29 tonnes)

Organic Wheat		£215.00
Organic Barley		£210.00
Organic Oats		£205.00
Organic Triticale		£205.00
Organic Beans		£295.00
In conversion Wheat/Barley/Beans	Less	£10.00

Regards

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