

Explorer Barley Contract Harvest 2021

100% of barley for British-brewed Budweiser beer is now sourced from British farms. Be a part of it.

- A **guaranteed minimum premium** available through Viterra UK Ltd for the first time.
- Growing British grain for the British supply chain helps reduce the carbon footprint of production and improves food security by reducing reliance on imports.
- **In combination, this buyback provides growers with some protection from the challenges and uncertainties of current times.**

Key agronomics

- Explorer is a continental type of spring barley, which fits in the main drilling window, but is fast growing and early to mature.
- Explorer is best at home on heavier ground which can take a while to warm up in the spring.
- Its speed of growth is extremely competitive against grass weeds, which is a major benefit to profitable crop production.
- Over the years, Explorer has achieved good on-farm grain values and has offered a different market to maximise gross margins.

“Having grown Explorer spring barley since 2015, we have found that its ability to come out of the ground running, and excellent competitiveness, have allowed us to establish a very useful spring crop on heavy Northamptonshire soils.

The backup from Agrii gives us the confidence to commit up to 1/3 of our annual cropping to Explorer, showing significant improvements in the control of blackgrass whilst still providing respectable margins.

The fact that we are part of a group able to supply 100% of the Explorer needed for UK production of Budweiser from British farms is great for British agriculture, and makes me proud to be part of this industry.

Nick Paton, Wakefield Estate



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2020: A difficult year

- Both harvest '19 & '20 have been disappointing in terms of flat prices & premiums for malting barley. Explorer hasn't been exempt, and for many the values of £190/t+ from Harvest '18 seem a distant memory.
- A combination of a number of well documented factors are the understandable reasons behind the subdued market values:
 - A huge spring barley area in the UK resulting in a circa 2 million tonne exportable surplus.
 - No clarity on Brexit and whether we can ship to our main customers in the EU post 31st Dec 2020.
 - The demand destruction globally due to Covid-19.
- A recent drop in the value of the GBP coupled with some very average weather at harvest here in the UK has meant that recently we have seen values begin to recover but still a long way below wheat values.
- **However, we expect the market to be very different for Harvest 2021.**

“I grow Explorer because it allows me to achieve a premium and control blackgrass on my heavy land.”

**Chris Richardson,
CW Richardson and Sons,
Lincolnshire**

Why grow Explorer in Spring 2021?

- The area of winter wheat (given a reasonable autumn) being planted for Harvest '21 is going to rebound massively; the AHDB are currently suggesting an area of approaching 2 million hectares.
- Conversely the barley area, in particular spring barley, is going to be hugely reduced to a more 'normal' figure from the gigantic 1 million+ hectares of this year.
- We expect the barley crop to reduce from the 8 million tonnes of the last two years to more like what we saw from Harvest '18; circa 6.5 million tonnes.
- AB InBev, through the now well-established supply chain, are committed to supporting UK growers in growing barley in the UK for production of Budweiser. Explorer remains the stand out, fully approved variety for this market.
- We expect feed barley prices to be closer to wheat values for the Harvest '21 campaign, currently trading at wheat -£15 to -£18/t in most areas (as opposed to the current £40/t discount).
- Malting Barley premiums are also much firmer and expected to stay that way for the new crop campaign, currently valued at £165 delivered Bury St Edmunds for Nov '21 (circa £25 over feed barley in the region) and compared to wheat values of £155 delivered Bury St Edmunds.

Explorer contracts are now available for Harvest 2021. Please get in touch with your usual Agrii or Viterra contact for more details, or contact:
The Agrii Seed Desk on 01277 898202, email info@agrii.co.uk, or
Viterra on 01844 261261, email thame.origination@viterra.com