



## POSITIVE 2019 OUTLOOK FOR UK OILSEEDS

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A reduced area of the crop and firm demand across Europe means a positive 2019 outlook for UK oilseed rape prices, suggest the latest AHDB analyses. What is more, the lack of EU tariffs on raw rapeseed means that even a 'hard' Brexit is unlikely to interfere with exports.

"Lower UK plantings and higher than expected crop losses in many areas – courtesy of the dry September and flea beetle infestations – mean the total OSR area could be as low as 550,000 ha this season," AHDB Head of Market Specialists, David Eudall told growers at the this spring's AgriiFocus seminar.

"A lower crop area in the rest of Europe and tight demand also bodes well for the 2019 market. Especially so with 100,000 tonnes of new UK crush capacity due to come on stream from RCMA in Warwickshire."

David Eudall pointed out that the larger anticipated EU rapeseed deficit means we look set to be more reliant on production from Ukraine to make this up in the coming season. So, if a weather issue becomes apparent as the crop here emerges from its current snow cover he expects to see a particular market reaction.

Also working in favour of UK producers this season, he suggested, is the clear separation that has developed between global soya and rapeseed oil markets as a result of the continuing US/China trade dispute.

"Stronger sterling is a clear risk," he acknowledged. "We see no reason for it to continue to be as weak as it is if we get a favourable Brexit deal. But, as long as the present uncertainty continues we can't see any reason for it to strengthen significantly."

"Unlike wheat and barley markets which could be seriously impacted by Brexit as well as worrying current local and global fundamentals, there are no tariffs on rapeseed, so we don't foresee any issues from this direction either."



