



# U.S. WHEAT ASSOCIATES

## European Newsletter

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September, 2009

*U.S. Wheat Associates (USW) develops export markets by demonstrating the reliability, choice and value of U.S. wheat in over 90 countries. For more information, visit [www.uswheat.org](http://www.uswheat.org).*

### **1. USW Crop Quality Seminars in Europe**

Each fall after harvest, U.S. Wheat Associates annually presents wheat crop quality information to buyers, millers and other industry professionals around the world in crop quality seminars. It's a long project that involves organizing sample testing of the U.S. crop, producing reports in several languages, scheduling dozens of seminars globally and bringing in U.S. wheat experts to present information at the seminars.

The objective of these seminars is to provide buyers and millers around the world the information they need to contract for the type and quality of U.S. wheat that best meets their individual requirements. Topics include milling and baking characteristics of the new U.S. crop along with the world wheat supply and demand situation. The seminars also allow discussion amongst buyers and sellers about U.S. wheat issues and trends. Armed with this information, wheat buyers can confidently purchase the U.S. wheat class they need at the best price possible.

The 2009 crop quality seminars will be organized in November and will be held in various European countries such as Italy, Spain, Portugal, Poland, the UK, Belgium, Poland and Norway. Individualized invitations including details such as the venue, date and time of the seminar will be mailed out at a later stage.

### **2. Meet USW at the European Commodities Exchange in Copenhagen**

USW is looking forward to meeting you at our booth number 80 during the European Commodities Exchange that will take place on the 15<sup>th</sup> and 16<sup>th</sup> of October at Bella Center Copenhagen.

Please visit us and feel free to take copies of several interesting publications that we will have available for you. Our European USW staff will be present at the booth and welcomes the opportunity to answer your questions in purchasing, shipping or using U.S. wheat.

### 3. Harvest of U.S. Wheat is Progressing

With harvest progressing, crop quality data are rolling in of Hard Red Spring (HRS), Durum, Soft Red Winter (SRW) and Hard Red Winter (HRW) wheat. Every Friday USW posts Harvest Reports with preliminary quality on our website: <http://www.uswheat.org/harvestReports>.



#### Hard Red Spring (HRS)

As of September 6, 58 percent of the U.S. HRS crop had been harvested, compared to an average of 88 percent. The late harvest has not drawn concern from the market because strong yields continue to be reported. Lower than normal protein levels are common throughout the region, but other quality factors remain strong.

The HRS harvest is nearly complete in South Dakota with 97 percent harvested. The most harvest progress was made in Minnesota, where 61 percent of the crop is harvested followed by Montana, where 58 percent is harvested and North Dakota, where 44 percent of the HRS has been harvested.

At the North Dakota State University HRS lab, 134 out of the expected 300 samples have been collected for the annual crop quality survey. Currently the average test weight is 81.0 kg/hl, above the five year average of 80.0 kg/hl. Protein is running below average at 13.7 percent on a 12% moisture basis (12% m. b.), with a range of 10.9 to 18.9 percent, falling numbers remain strong with an average of 388 seconds and damage is currently running lower than last year at 0.8 percent. This data represents 45 percent of the total samples to be collected so quality parameters may change as harvest and sample collection progresses.

Visit [www.ndwheat.com](http://www.ndwheat.com) for weekly updated Crop Progress and Market Recap Reports about US Hard Red Spring wheat.

## **Durum**

The Northern durum harvest continues to make progress, although harvest pace is still well behind average. As of September 6, 26 percent of the crop has been harvested in North Dakota, which is well behind the average of 72 percent. In Montana, 24 percent of the crop has been harvested compared to the average of 70 percent.

As of September 11, preliminary quality data representing 18% of the total samples to be collected showed that the average test weight was 80.1 kg/hl and the average dockage was 0.8 percent. This year's preliminary test weight and dockage are better than last year's. Last year the average test weight was 78.0 kg/hl and the average dockage was 1.3%.

This year's average wheat protein content was 13.8 percent (12% m. b.), which is lower than the last year's average of 15.2% (12% m. b.). The average falling number was 463 seconds indicating the crop is sound thus far. This year's falling number favorably compares to last year's falling number of 385.

Quality parameters will probably change as harvest and sample collection progresses.

Total 2009 U.S durum production is forecasted at 2.7 million tons, which is 17% higher than last year. The EU's production of durum wheat on the other hand is estimated to be 20% or 2.0 million tons lower than last year. In addition, the durum wheat quality is disappointing in most European countries with the exception of France. Given that prices have declined substantially in recent months, there is an opportunity for our European customers to buy high-quality durum wheat from the U.S. at prices we haven't seen in several years.

## **Soft Red Winter (SRW)**

The SRW harvest is complete as of July 31. There were fewer samples this year with fewer acres planted and harvested. The analysis of the 295 SRW samples showed 10.2% protein (12% m. b.), 76.0 kg/hl test weight, 2.3% damage and falling number value of 321. Compare this to data from 2008 showing 9.8% protein (12% m. b.), 78.6 kg/hl test weight, 0.8% damage, and a 332 falling number value.

Commercial mills have indicated little or no problems as they transition to the new crop. End-use customers have not reported any problems although, depending on the sourcing area, formulation changes may be needed to correct to the higher falling number values this year compared to last year.

The 2009 Crop Quality Report of SRW is complete. To learn more about this report, visit our website: <http://www.uswheat.org/cropQualityReports>.

## Hard Red Winter (HRW)

Harvest of HRW wheat has essentially concluded for all HRW states. Montana is now reported to be 95% complete and will finish significantly behind the five-year average completion date.

The HRW crop as a whole has shown a good test weight of 79.0 kg/hl and a solid thousand kernel weight of 31.1 gram. While protein has been variable in some areas, the overall average still remains close to 12%. (12% m. b.) Dockage averaging just over 0.5% has also been a positive aspect of this harvest. The weighted grade average moves this crop to Grade #1.

Testing of 400 HRW samples across the Great Plains from Texas to South Dakota indicate the grade and non-grade parameters are very good with test weights and individual kernel characteristics being well within or above target values. Protein values, while averaging 12% (12% m. b.), were somewhat variable across the testing area with generally higher values in the southern areas. All samples are sound based on falling number values.

Visit [www.plaingrains.org](http://www.plaingrains.org) for additional HRW crop quality data.

## 4. Sign up for USW's Free Wheat Letter & Check the Website for Harvest and Price Reports

There is a wealth of free information available at our website, such as:

- I. **Harvest Reports:** USW provides weekly reports on the condition of America's wheat crop, beginning when the harvest starts in June.
- II. **Price Reports:** USW compiles weekly price reports by contacting numerous market sources including U.S. wheat exporters of all classes of wheat from all coasts.
- III. **Wheat Letter:** A biweekly newsletter, covering trade issues, markets, and organizational updates. You can sign up by clicking on the following link:  
[www.uswheat.org/wheatLetter/subscribe](http://www.uswheat.org/wheatLetter/subscribe).

To check out the website, click here: <http://www.uswheat.org/>.

