



THE COUNTRY MALT ESTD. GROUP 1995





The Global Market and It's Impact on Your Brewery

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Today's Agenda

Global Barley Markets

- Snapshots of major growing regions with a global balance sheet
 - Australia
 - Black Sea
 - European Union
- Impact on the marketplace

Global Summary

North American Market

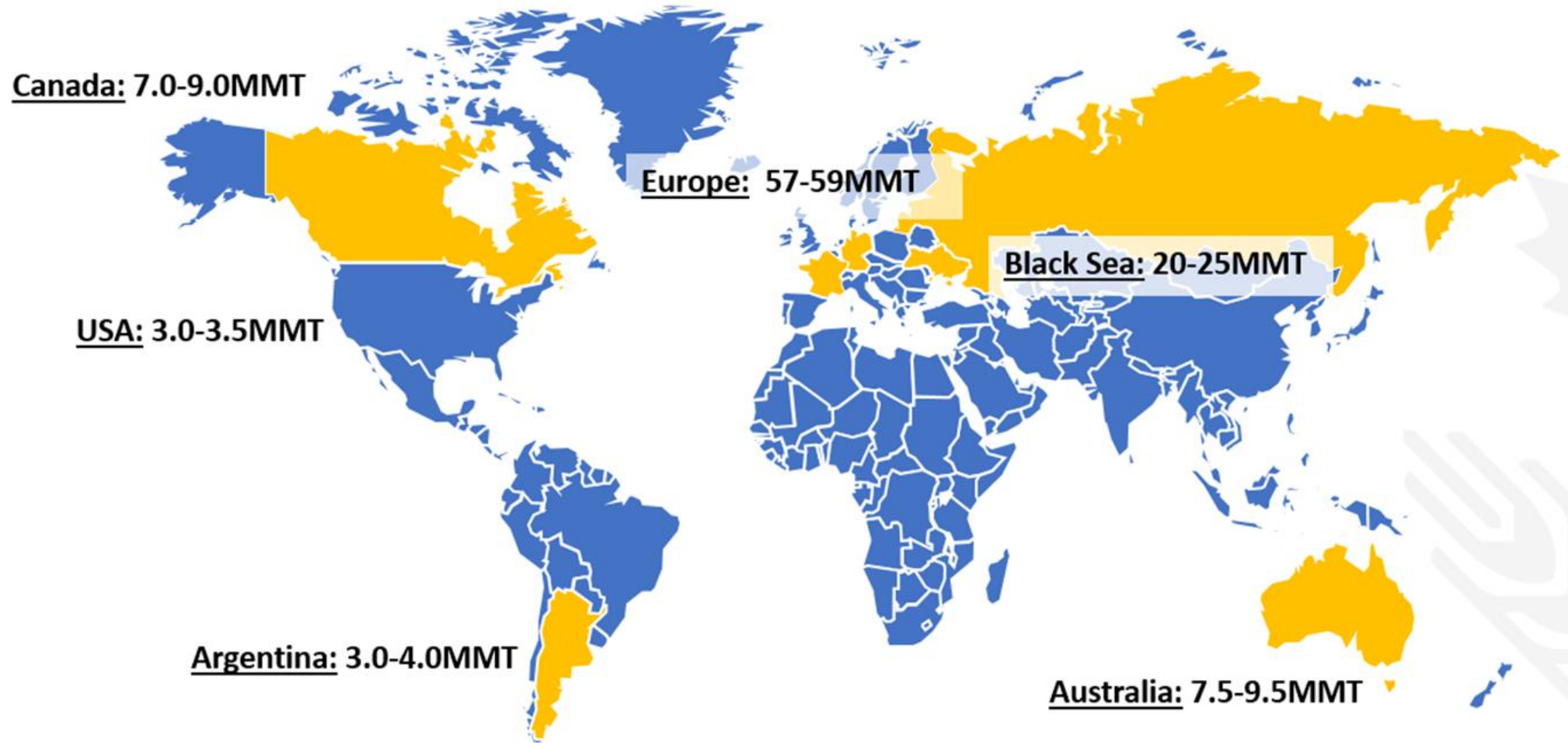
- Snapshots of Major Growing Regions
 - Canada
 - USA
- Crop Expectations and Quality Report

NA Summary

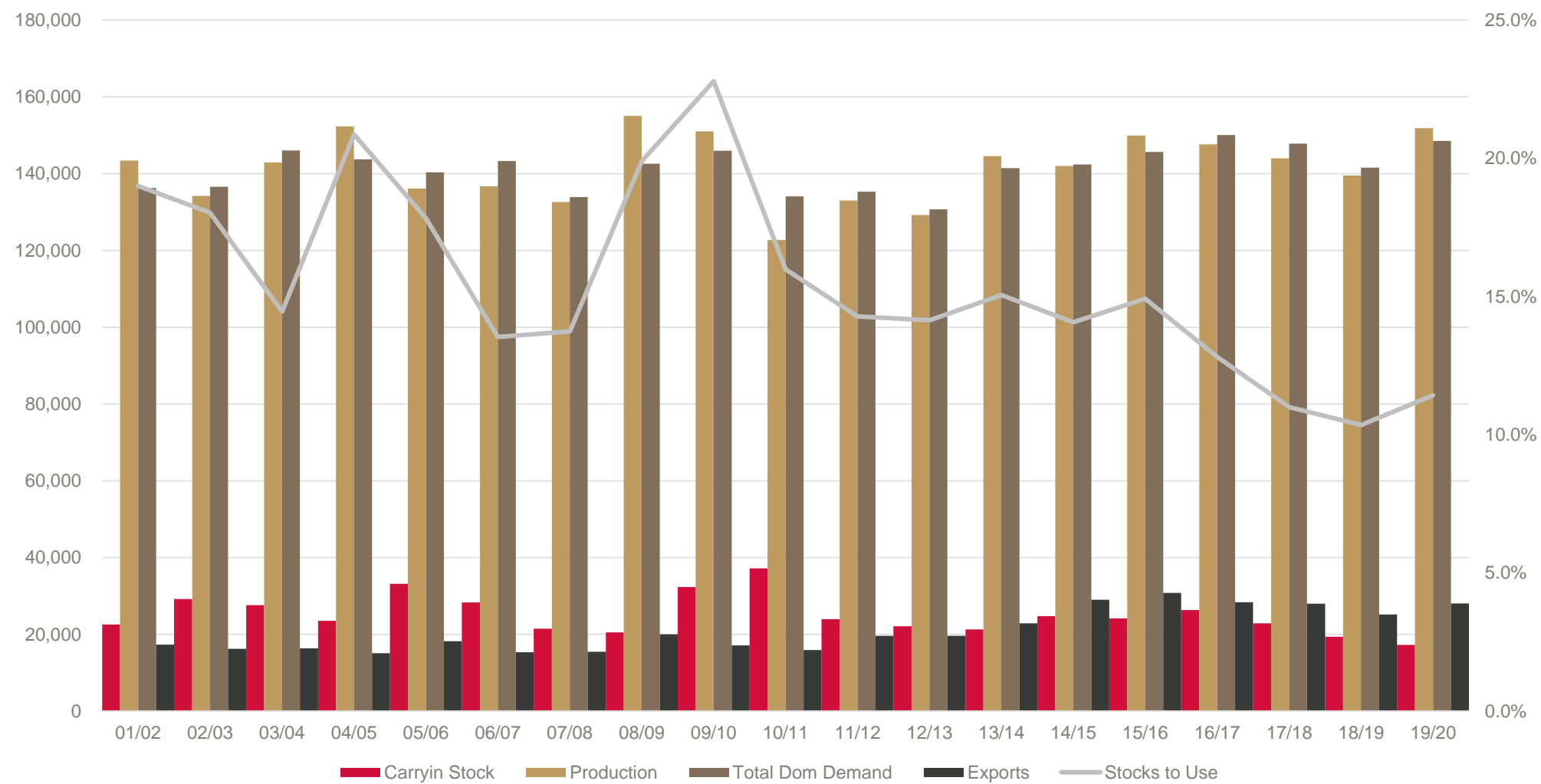
Global Barley Markets



Global Barley Production



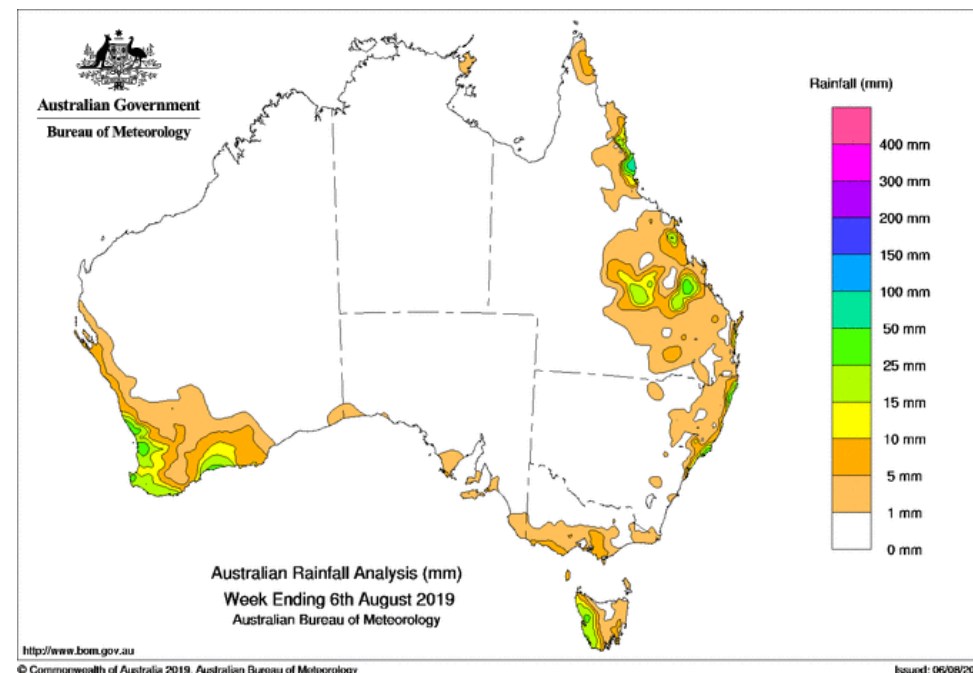
Global Barley Balance Sheet



Global Factors: Australia



- Rainfall totals are still below average
- Crop conditions better at this time this year than last two seasons
- Very dependent on moisture as we progress out of Australian Winter
- Could see an extra million tons of production versus last year



Global Factors: Black Sea



- Ukraine set to have largest grain production ever recorded, with an extra half-million tons of production
- Harvest 90% + completed
- Russian harvest just beginning, good yields in the West
- As harvest progresses East yields are declining and wet weather delaying harvest and quality concerns raised
- Production similar to last year of 73mmt, versus initial expectations of 80mmt

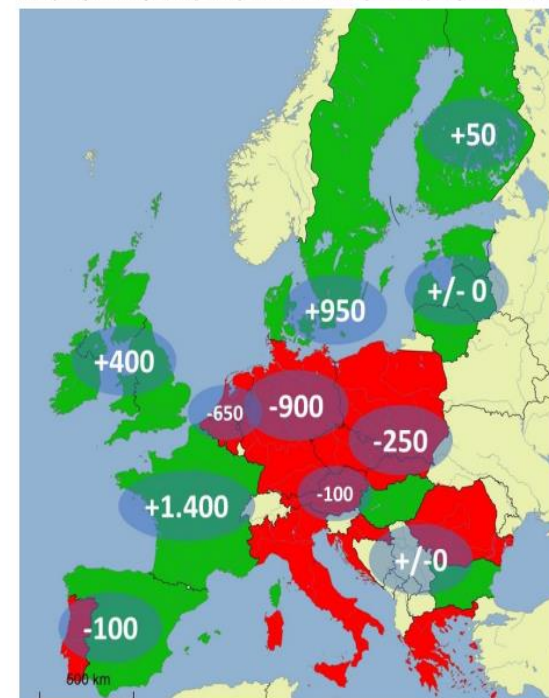


Global Factors: European Union



- Winter crops are looking good across the map, and harvest progressing well
- Spring barley showing concerns of dryness in many areas (Spain estimated to lose 2-million tons of production)
- Yield will be affected already in many areas, but possible rain event in coming weeks could provide relief
- Market currently \$18USD higher per/MT FOB Sweden/Denmark in 2020 versus 2019
- Overall production likely 3-4mmt higher than 2019 but quality still largest concern

EU spring malting barley: surplus and deficit by country/region in 2019/20 (in 1,000 tons)



Source: IGC, USDA,

Global Summary



Overall Global Outlook



- Quality challenges in Black Sea, EU
 - EU Pricing is likely to be down somewhat from the very high points of 2018 Crop pricing
- Minimal quality stocks from last year
- Growing risks in Australia which can impact overall global market
- Production overall should be up significantly versus last year
- If quality can materialize then we should see price stabilization
- 2021 pricing already conducive to another large barley crop globally

North American Market

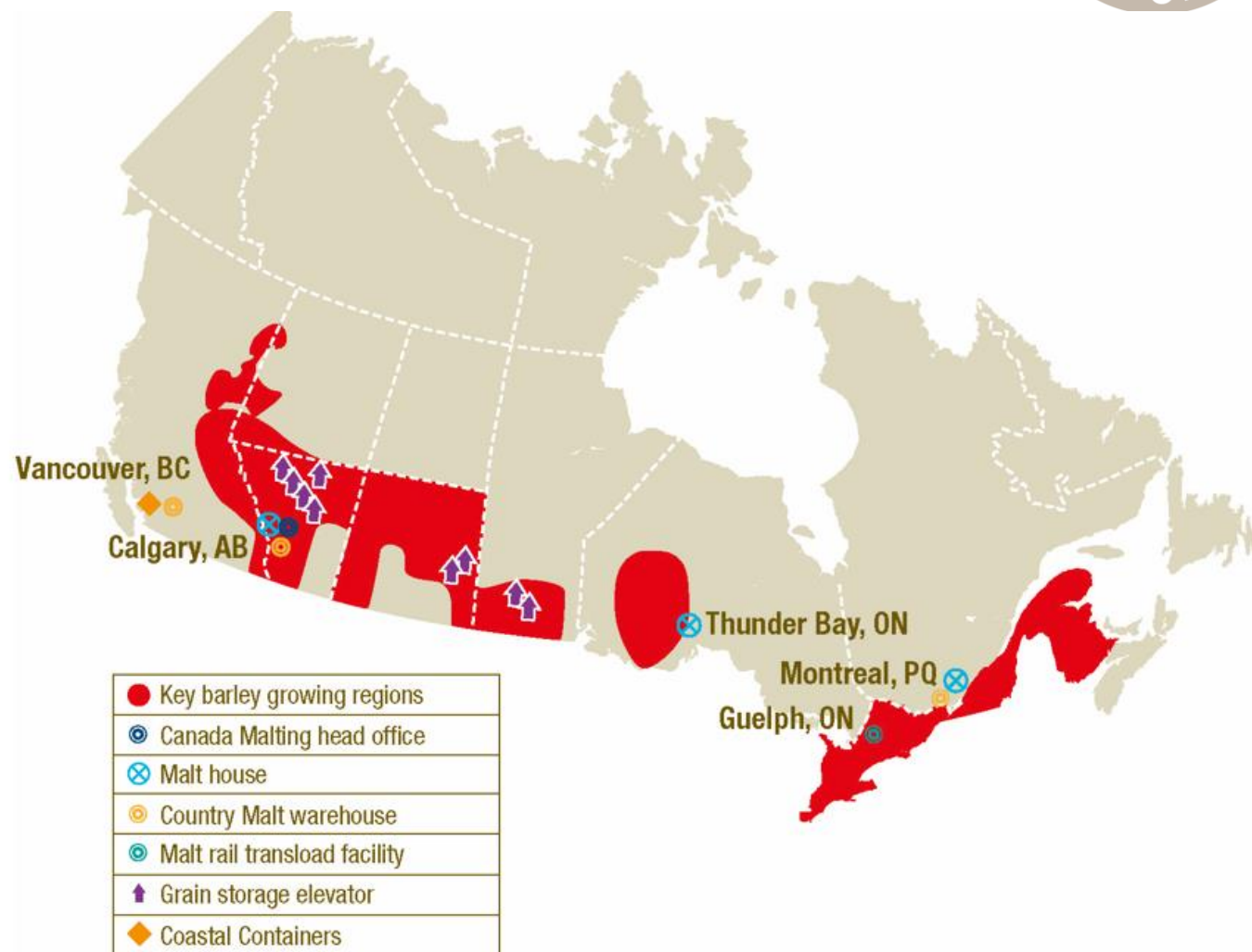


Canadian Barley Production

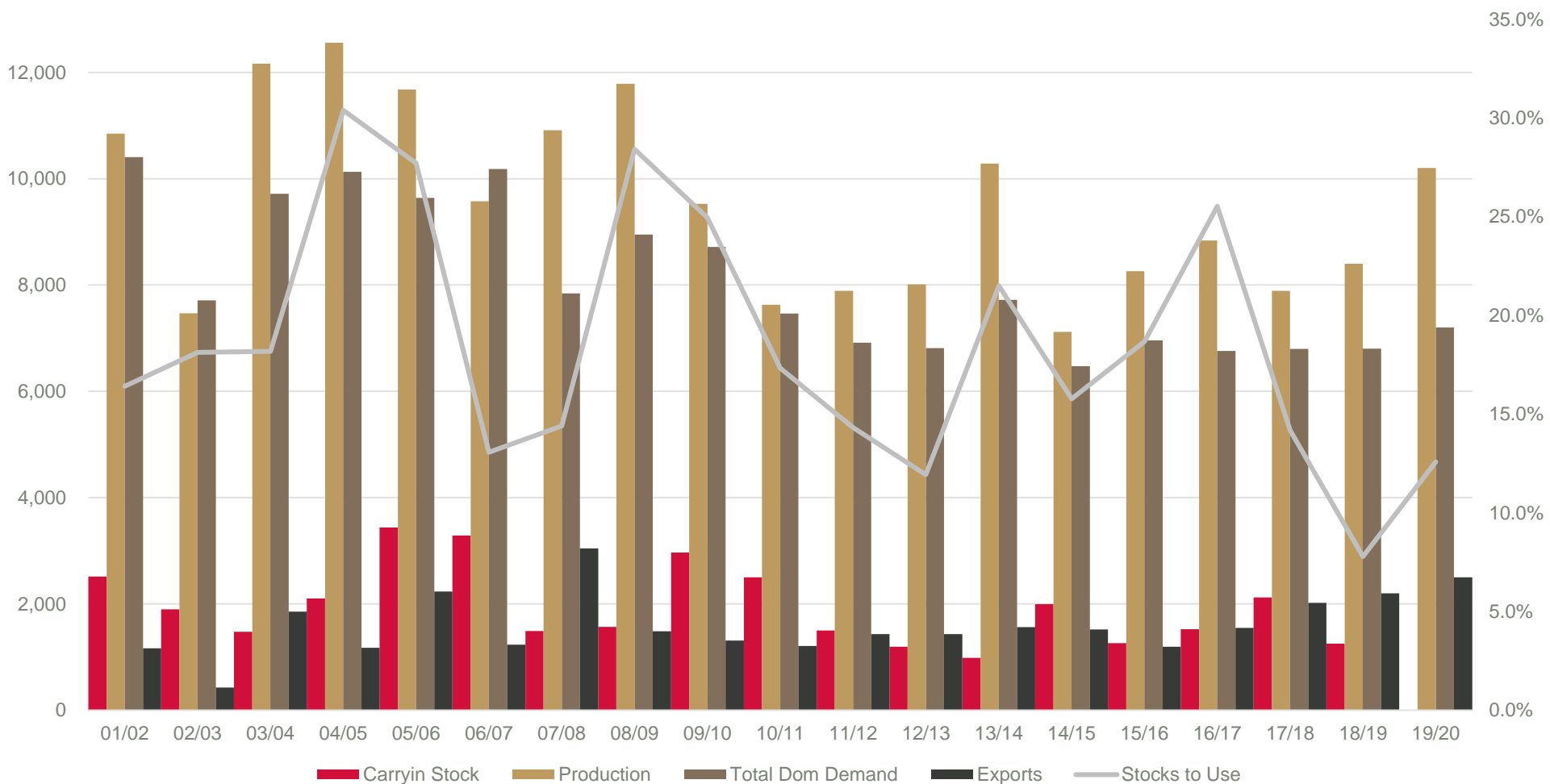


Top 3 Provinces

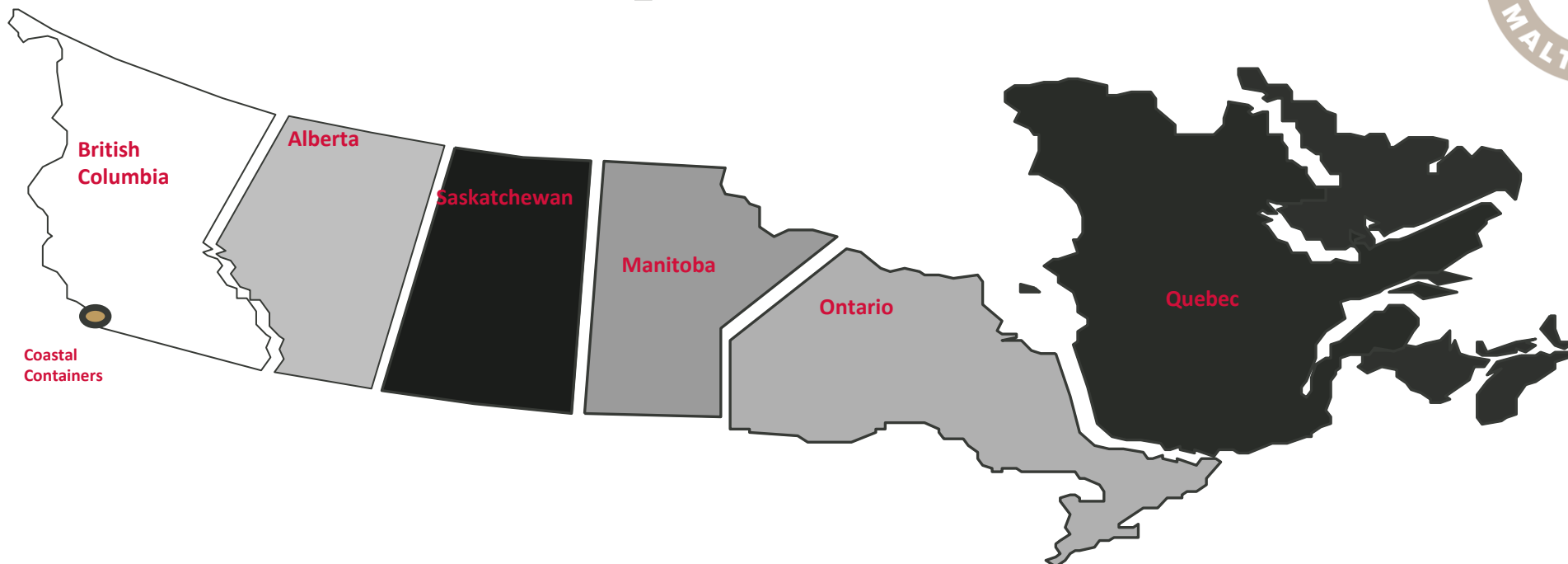
- Alberta
- Saskatchewan
- Manitoba



Canadian Barley Balance Sheet



Canadian Barley Outlook



Alberta General:

- Overall, good looking crop in Alberta with some minor drought/heat stressed acres
- 75% of acreage in “Good to Excellent” condition

Saskatchewan General:

- SK had no real rain through June 15 thus yields and proteins impacted
- While rains were late average yields still a possibility
- Average protein

Manitoba, Quebec, Ontario and Maine General:

- Adequate moisture and moderate temps have driven good protein and plumps
- Unfortunately high risk of DON across the board

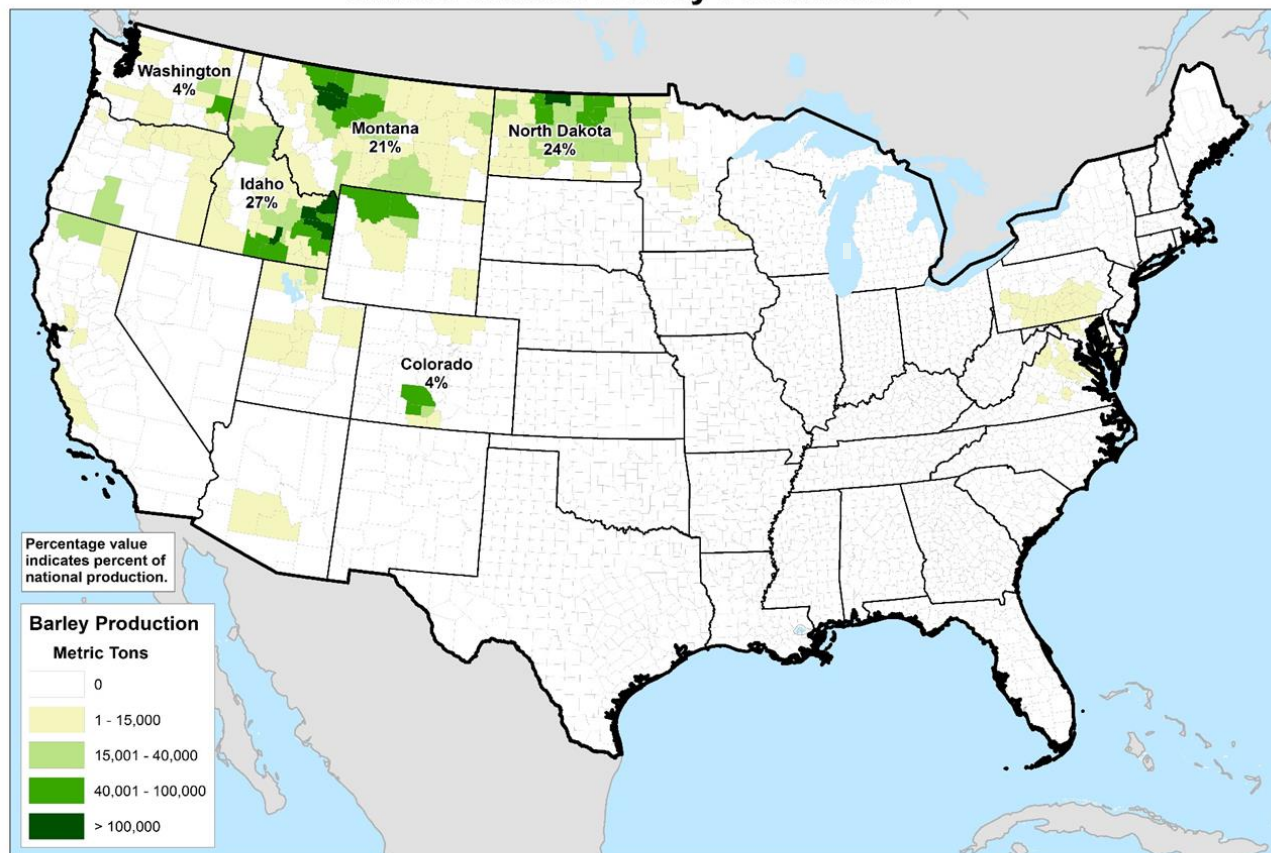
U.S. Barley Production



Top 3 States

- Idaho
- Montana
- North Dakota

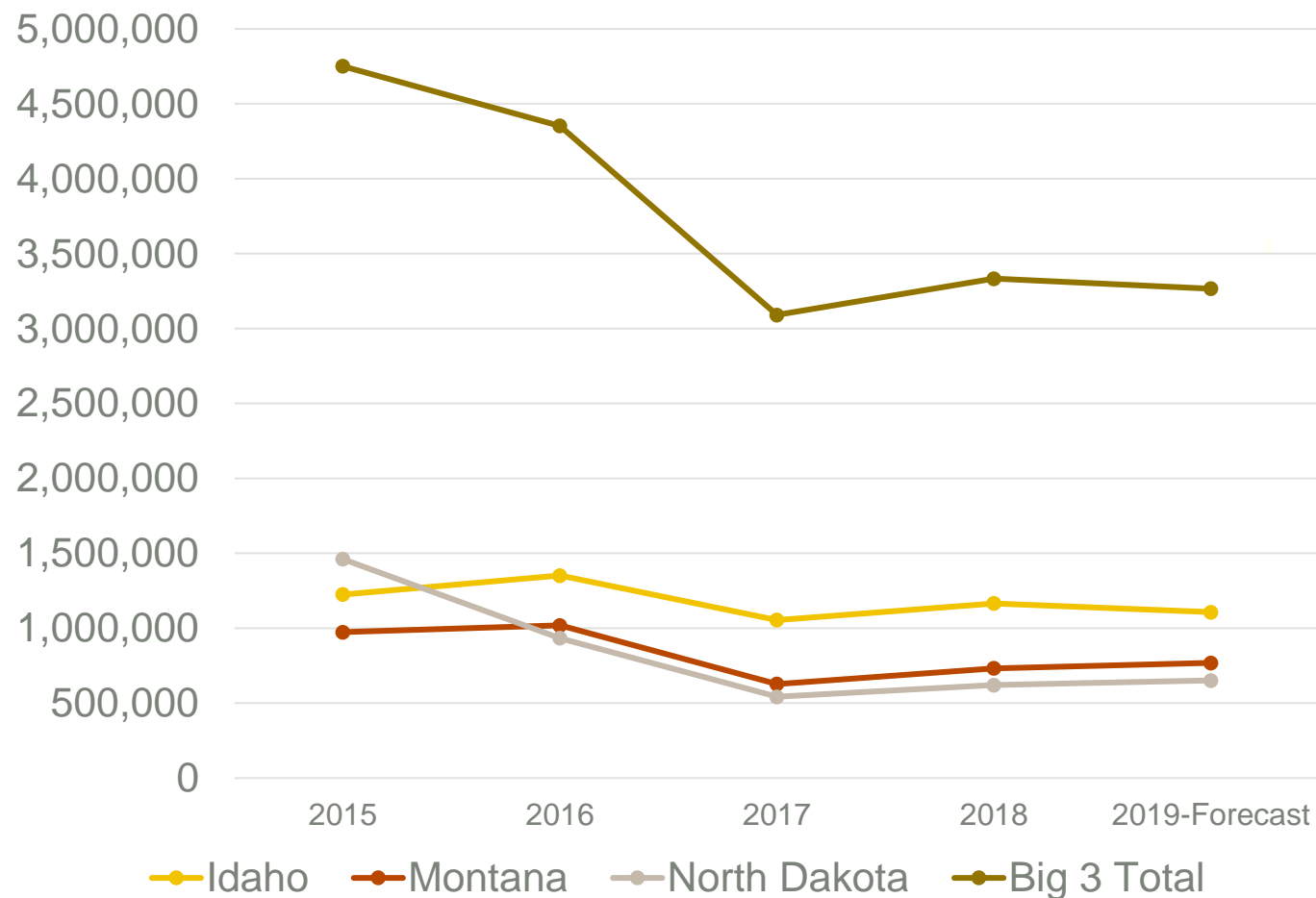
United States: Barley Production



U.S. Barley Production



Barley Production in MT



USA Barley Outlook



Washington (Palouse) 5%: <ul style="list-style-type: none">• Slightly delayed planting with subsequent drop in ag yields• 10-11% protein average, lowest in years!• Good overall quality	Idaho 65%: <ul style="list-style-type: none">• Overall great crop with up to 1% drop in protein• Early assessment of dryland protein sitting around 10%• Winter barley programs continue to shine with best crop since development	Dakota's: <ul style="list-style-type: none">• Highway 2 and N had weak rains and therefore showing lower plumps and increased protein content• Highway 2 S Crop looking good with timely rains and adequate sunshine

Wyoming and Montana: <ul style="list-style-type: none">• Good overall crop quality this year• Irrigated land performed once again and similar quality to be expected in 2019	Colorado: <ul style="list-style-type: none">• OK crop this year with 30% curtailment on H2O impacting farmers• Expect some less than ideal quality due to cut back on irrigation practices	California / S Oregon 5%: <ul style="list-style-type: none">• Expectations high for quality out of region• Good crop with timely rainfall and heat waves• Similar to previous years crop with average proteins 11-11.5%

PROTEIN DOWN, what else CHANGES?

NA Summary



Overall NA Crop Outlook



- Crops across Canada and the US look quite good on quality and yield, with a couple of patchy zones
- Plantings Up in Canada, Flat in the US with little carry over from previous year
- North American Feed markets establishing a solid floor for Barley pricing, unlikely to see any reductions, even with the increased worldwide production
- Barley continues to competing with GMO crops Canola, Corn, Legumes (Beans)
- Barley Supply in Canada and the US very tight through New Crop delivery
- US and Canadian Crops are a little behind – some risk of early autumn weather
 - Cooperation from mother nature has accelerated the growing season
 - Good Crop Year = Barley in the Bins

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