PRESS RELEASE

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ESA is the voice of the European seed industry, representing those active in research, breeding, production and marketing of seeds of agricultural and ornamental plant species. It represents more than 30 national seed associations (and with that more than 1000 seed businesses in the EU, most of them SMEs) and more than 40 direct company members.

ESA's mission is to work for fair and proportionate regulation of the European seed industry, freedom of choice for customers in supplying seeds as a result of innovative, diverse technologies and production methods and for effective protection of intellectual property rights relating to plants and seed.

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"STRONG DEVELOPMENTS IN THE GRASS SEEDS MARKETS"

European grass seed companies have realized very good sales in 2010. As a consequence, throughout the year, it has been busy in the warehouses. Large quantities of forage and turf grass seeds have been sold in the domestic markets and also in the export markets. The prospects for spring 2011 are also good. On the back of this grass seed wholesale prices have been showing strong increases.

Increased consumption and reduced production

Compared to sales season 2009/2010, overall sales have increased significantly. The most significant sales volumes are now occurring in the North West European countries, but significant growth in sales in Central and Eastern Europe can be observed as well.

On balance, the sales season 2011/2012 will be the second year in a row in which the grass seed sales in Europe substantially exceed the total European production. Important is the fact that the European production has shown a declining trend during several years. Given the reduction in new crop contract area, the 2011 harvest is expected to be about 145,000 tons. Crop 2010 yielded about 160,000 tons of grass seed.
The long-term average of the European consumption is about 210,000 tons per year and, as indicated above, this substantially exceeds the European production in both 2010 and 2011. It is also known that imports from and exports to countries outside the European Union are in balance at the moment. In recent years the European Union was a net importer of grass seeds, especially in the 2008/2009 season when a lot of grass seed was imported from the United States.

Declining inventories of grass seed

The consequence of the above means that the European grass seed stocks are now declining rapidly. High cereal prices naturally tend to encourage production of wheat and barley across the herbage seed production areas, and this is putting grass seed availability under further pressure.
As far as the production in North America is concerned, two aspects play an important role: The worst of the economic crisis is over in North America. And the production acreages of perennial ryegrass and tall fescue have declined by 50% and 30% respectively, while at the same time sales have improved.

Market outlook

In summary it can be concluded that grass seed wholesale prices have increased strongly over the past months due to the effects described above. Contracting for production of crop 2012 in Europe is difficult due to the high prices of cereals and oil seed rape, which will have a further worldwide effect on the grass seed wholesale markets.