



June 2004

Crop Outlook

Soybeans 2003/04

The soybean harvest finished just short of 74,000 tonnes for the season. There were some losses on the Queensland coastal areas, however, this was offset by better than expected yields on the NSW North Coast. The Riverina region in NSW was disappointing and there are concerns over water availability for next season.

State	Area Planted (Ha's)	Production (Tonnes)
Queensland	14,800	32,200
NSW	16,377	41,008
Victoria	546	672
Total	31,723	73,880

Source: Industry Estimates, 11/6/04

Canola 2004/05

First estimates for the 2004/05 canola crop forecast a 1.5 million tonne crop. Outlook is somewhat better than expected a month ago, but will be dependent on a good spring.

State	2003/04		2004/05 Production	
	Production (Tonnes)	Area Planted (Hectares)	Production (Tonnes)	Area Planted (Hectares)
NSW	282,000	305,000	427,000	
Victoria	420,000	240,000	360,000	
SA	310,000	180,000	252,000	
WA	610,000	430,000	500,000	
Total	1,622,000	1,155,000	1,539,000	

Source: Industry Estimates, 11/6/04

Plantings in the north west of **NSW** have increased significantly due to the excellent early break. It is estimated that this region will represent around 25% of State's area this year. The Central West will see a similar area to last year. Some crops were planted dry and benefited from the break in late May although there is poor sub-soil moisture and reports of cut worm and wire worm damage. The south has again faced difficult conditions with a very late break. There has been some incidence of heavy frosts which will slow emergence and some reports of insect damage. The crops are lacking sub-soil moisture and it is expected that weed control will be a significant issue. Overall, plantings are forecast at just over 300,000 hectares. A good spring will be needed to secure yields.

Victoria had the potential for a big planting this year, however, the late break has prevented this. The break has been too late for the Mallee and there will be little canola planted in this region. In the Wimmera the crop is being planted dry or on marginal moisture. The Western Districts is looking excellent and there will be an increase in plantings in this region. The

North East is also looking reasonable. Overall, the crop has little sub-soil moisture and the cold conditions will slow emergence. Weeds are also expected to be an issue and the crop will be dependent on spring rain. It estimated that the area planted will be similar to last year.

There has not been a major break in **South Australia**, but there have been sufficient falls to enable the crop to be planted. There were some early plantings on the Eyre Peninsula and an increase in planting in some parts. In the Upper North planting has been underway over the past couple of weeks and in the Lower/Mid North there has been some dry sowing and patchy rain falls. A small area has been planted in the Mallee. Rainfall has been variable in the South East. Most of the crop is now in, and like NSW and Victoria, there is potential for weed problems. Area planted is expected to be similar to last year.

The crop in **Western Australia** is mostly planted and will again be concentrated on the coastal regions, which should assist yield potential. The north had an excellent start to the season and has good sub-soil moisture. The break was too late for most of the wheat belt and the Great South has had a patchy start. Given the shift in varieties, oil yields are expected to be a bit lower this season.

Market Comment

The prospects are for an improved canola crop globally with the Canadian crop looking good and expected to be considerably larger than last year; and favourable conditions in the EU and China. Combined with the improved outlook in Australia, global production is expected to be up. Oil World has put initial estimate at 41 million tons (Canada 7.3 million tons). Despite this, values have remained firm, but volatility can be expected until the outlook for the US soybean crop is firmer.

Upcoming Meetings

Agriculture Australia 10 and 11 August, 2004 Sydney. For registration go to www.agricultureaustralia.com.au Early bird discounts close 9th July 2004.

CAA Canola Production Forums - Back to the Future for Canola 18 August Narrandera Ex-Services Club and 19 August Forbes Services Memorial Club. The aim of the forum is to look at the benefits and constraints of canola in farming systems and to provide practical management guidelines for canola production. Topics for discussion will include Revisiting the role of break crops in farming systems; The profitability of farming systems using break crops especially canola; and Management of the canola crop including identification of production constraints and the current knowledge on how to address these constraints. Contact the Canola Association on 03 9573 9816.

AOF Industry Forum & AGM 6 & 7 October 2004, Melbourne. For further information contact AOF 03 9533 2623

Australian Oilseed News is provided free due to the support of the Oilseed Development Fund (ODF).

Cargill Oilseeds Australia Meadow Lea Foods Unilever Australasia Peerless Holdings Riverland Oilseed Processors Ridley Agriproducts
Bartter Enterprises Grain Pool WA Louis Dreyfus Noble Grain Graincorp