



Australian Oilseeds Outlook

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December 2001

Canola 2001/02

In its final forecast for the season, the CAA lifted the size of the Australian canola crop to 1.49 million tonnes, up 3% on last months forecast. With the crop about two thirds harvested, yields were lifted in WA and SA, and left unchanged in Victoria. A slight yield reduction in NSW, combined with a lift in crop area, saw production raised slightly. Oil levels are generally high (42% or more), but are more variable in regions affected by low rainfall and frost.

State	2000/01	2001/02F	
	Prod'n (tonnes)	Est. Area (hectares)	Est. Prod'n (tonnes)
QLD	1,000	0	0
NSW	700,000	393,000	550,000
VIC	400,000	240,000	370,000
SA	230,000	130,000	210,000
WA	350,000	360,000	360,000
Total	1,681,000	1,123,000	1,490,000

Northern and central regions of **New South Wales** have yielded well, averaging 1.6t/ha and 42-44% oil. In the south, the effects of a dry season, frost and disease have produced below average yields of about 1.25t/ha. Oil levels are more variable, but average 41-42%. Admixture is higher than normal from some crops. Harvest is about 90% complete.

In **Victoria**, Wimmera yields are above average, Western is average, but other regions are below average. Dry weather in the northern region has held yield 30% below average. As 50% of the crop is in the Wimmera, overall yield is close to average at 1.55t/ha. Oil levels are high, especially in Wimmera and Western. Harvest is progressing well.

South Australia is enjoying its best canola season ever, with yields above average at 1.6t/ha. However, rain has delayed harvest, but is now getting underway. Large seed size and oil levels of 42-45% are expected.

In **Western Australia**, with two thirds of the crop harvested, yields are better than expected and state production has been raised. Oils are generally good to very good. Even the low yielding north is reaching 41-42%. Substantial rainfall in the Katanning area has caused some sprouting.

Source: Canola Association of Australia, 13 December 2001.

Soybeans 2001/02

First estimates for soybean plantings show some recovery on last year's disappointing harvest, but still below levels of a couple of years ago. Plantings in Queensland are up due to the best start to the summer cropping season seen in a decade. The crops that re-planted look good.

The north coast region of NSW has had an uncertain start to the season and is suffering mixed conditions across the region. Area is expected to be down slightly on last year. The inland areas have seen significant increased interest and this would increase further depending on the fate of the cotton crop. Only around 40% of the crop is planted currently.

In the south, area in both the Riverina and Northern Victoria is down. In the Riverina, this is largely due to poor returns from soybeans last year compared to other crop options.

State	2000/01	2001/02F	
	Prod'n (tonnes)	Est. Area (hectares)	Est. Prod'n (tonnes)
QLD	12,460	11,300	24,780
NSW	44,155	24,000	49,680
VIC	1,800	800	1,920
Total	58,415	36,100	76,380

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Sunflowers 2001/02

With good prices at planting and prospects for continued favourable price outlook and a good start to the planting season, there has been significant increased interest and plantings of sunflowers. In NSW, the area is expected to be around 45,000 hectares and whilst monounsaturated type dominates the early plant, there is still in poly-unsaturated sunflowers as a late plant option. The crop in southern Queensland is looking excellent and, in parts, has finished flowering.

State	2001/02F	
	Est. Area (hectares)	Est. Prod'n (tonnes)
Queensland		
Monounsaturated	10,475	13,230
Polyunsaturated	53,000	53,000
New South Wales		
Monounsaturated	29,000	42,800
Polyunsaturated	15,500	21,700
Total	107,975	130,730

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Market Comment

The canola price has fallen under \$400/t in the eastern states with Winnipeg futures easing, and the basis weakening. Canola has been too expensive compared to soybeans for crush, but the latest price fall is beginning to make canola competitive. For Australian canola to be competitive against other oilseeds, requires a stronger Euro/US\$ or a weaker basis. The stop start nature of the early harvest supported the basis, but this is now likely to weaken further. While the short-term outlook is for lower prices, downside is limited as there is consumptive demand which still needs to be filled in Europe and Japan, and global canola supplies are limited.

Sunflowers are enjoying very strong prices due to the low global availability of sun seed. Poly-unsaturated prices were around \$425/t delivered Newcastle this week. Growers wanting to plant mono-unsaturated are urged to ensure they have a contract.

For more information, go to

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