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AOF Office Bearers

Robert Green – President
Trent Potter – Vice President

Charles Aldersey – Treasurer

AOF Executive

Robert Green – President
Trent Potter – Vice President
Charles Aldersey – Treasurer
Adam Davies – refining sector
Rob Dickie – export sector
Mike O'Hare – production sector

Rob Wilson – Canola Association of Australia
Rob MacDougall – Australia Sunflower Association
Peter Brodie – Soy Australia
John Duff – Oilseeds WA
Richard Orton – stockfeed sector

Acknowledgments

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Goodman Fielder	Unilever Australasia
Peerless Foods	Cargill Australia
Riverland Oilseeds	MSM Milling
Atlantic Pacific Foods	Alba Edible Oils
Cootamundra Oilseeds	Bartter Enterprises
Ridley Agriproducts	Millmaster
Grain Pool WA	ABB Grain
GrainCorp	Louis Dreyfus
AWB Limited	

President's Report 2009

Robert Green

It has been another action packed year with many changes and challenges facing us. As the peak industry body representing oilseeds in Australia we have:

- Appointed a new executive officer to the AOF to replace our "retiring" Rosemary Richards. After an involvement with the AOF that first started in 1993, Rosemary has been a familiar face within the AOF and the oilseeds industry both nationally and on a global scale since then. She has made a massive contribution and I think many had forgotten she was contracted with the AOF to provide 3.5 days of support per week. Someone else was obviously missing out on the other 3.5 days that are in the week based on her output. With the growth and increasing demands on the role as Executive Director it was decided the time was right to make the Executive Director into a full time position. Happily I can report that we were able to attract Nick Goddard to fill this role. We have been very fortunate to have access to his skills and I think you will all agree he has hit the ground running and is doing a great job.

- Continued to provide stewardship in the adoption of biotechnology to the Canola Industry. This involved working with the Industry to establish clear standards for the acceptance of CSO1 and CSO1-A. This is an important step in providing clarity to the farmers, handlers, processors and traders to allow the market to work. The adoption of biotechnology by the Canola Industry has been rapid and given the benefits and its importance if we are to have a sustainable industry in this country, we would expect this rapid adoption to continue. The next challenge for us is to increase the energy and effectiveness of our public education campaign to rectify many of the misconceptions which exist in the market

place. No one should underestimate the importance of the sustainability argument given pressures on chemical use and climate change. If we aren't successful then we may not have a canola industry in Australia. Let me remind you more than 90% of the oilseeds processed in Australia are either canola or cottonseed. This growth and change of systems has to be done within a framework of providing market choice to our varied customer base.

- Provided support to enable the amalgamation of the various Soybean associations into one strong and now well resourced body. A credit to all those involved. Peter Brodie has been key from day one and continues to play a leading role. With Denis M'gee providing the commercialisation support we look forward to a successful future for Soy Australia as it brings new and market driven soybean varieties to market.

- Continued to develop our already strong relationship with GRDC as we promote better oilseeds production in Australia. Together with the Executive Directors, I had the opportunity to meet with GRDC Board during the year and share with them what we are doing. It was excellent to have that access and to be able to share our plans. I would like to thank Brondwen Maclean for her continued strong interest in the AOF as the GRDC representative.

We had seen some changes take place in the various teams and I would like to take this opportunity to thank Steve Marcroft and Dr Sue Knights for their contribution on the Better Oilseeds project over the last 3 years, although we are not losing Steve entirely, as he has accepted the role of chairmanship of the Canola Committee of the AOF.

We continue to work on promoting the use of Canola meal in animal feed rations. While we have had some success there is still much work to be done. Imports of protein meals remain high and one of our stated long term objectives of the AOF is to focus on import replacement. I would like to thank John Spragg for his efforts and the committee for their work, in particular, Dr Rod Mailer. The AOF needs to promote the uses and application of oilseeds, oils and protein meals.

The AOF has been a lead sponsor for the International Safflower Conference in Wagga last year and again for the World Congress on Fats and Oils and ISF conference in Sydney held in late October as well as continuing to be involved in the organisation of the Australian Grains Industry Conference. While these haven't always been huge money making successes for the AOF, they have been a success in firstly allowing them to take place in Australia and secondly allowing local researchers, students and Industry players to hear from global presenters and mix with a global audience. Much is said about the importance of innovation. The catalyst to innovation is fresh ideas and what better way to be exposed to fresh ideas than to be able to attend conferences such as these. We should not underestimate the important role the AOF plays in making sure these happen.

I would like to acknowledge several other people. Firstly Dr Rod Mailer. Not only is he the most recent recipient of the prestigious William Farrar medal he has also been a tireless contributor to the AOF and to the development of the canola industry in Australia. The evaluation work he has done at the Wagga Institute has been critical and will continue to be critical for sustainability

and growth of the Industry. He also put an enormous amount of personal time and commitment to bringing the World Congress to Australia and ensuring it was a success.

I would also like to thank all the Committee members and Executive for their contribution over the last 12 months and for that matter three years. In particular I would like to acknowledge the leadership and commitment of Neil Barker to the Technical Committee. The decisions and recommendations the Technical Committee have made are never easy or cannot be made quickly. It requires patience and persistence. Neil retired during the year and his input will be missed.

So to the future. We will continue to have challenges. Our first task will be the development of our new strategic plan for the AOF as we set our path for the next 3- 5 years. There will continue to be imports of RBD oil which will provide a very competitive environment to operate in; there are likely to be changes in the Industry structure and dynamics; there will be a greater demand for healthy oils and products; and the seasons will continue to reward and frustrate often at the same time. In short the AOF will have a critical role to play and needs to set a clear direction. To do this funding will be essential and one of our successes to date has been the willingness of most players to contribute to the Oilseeds Development Fund. Without this we would not have been able to achieve the success we have. I would like to thank all contributors and look forward to their continued support in the future. It will enable the AOF to execute on our plan and a dynamic and effectively funded Strategic Plan will be essential for the ongoing health of the AOF and Oilseeds Industry in Australia.

Executive Director's Report

Nick Goddard

Highlights for 2008/9

- Continued grower support for Canola after the 06/07 drought with highest plantings this decade at 1165 ha
- Establishment of Soy Australia Pty Ltd, with first collection of voluntary contributions to Australian Soybean Industry Development fund;
- Largest soybean crop in over a decade at 102,000 tonnes
- 12 month extension given by GRDC for the Better Oilseeds project
- Continued partnership with R&D bodies- specifically GRDC and Pork CRC
- Hosting of 7th International Safflower Conference
- AOF Secretariat moves to full time manning

Industry performance

Crop performance

The prospects for canola started well, with good rains at planting, however east coast crops experienced variable growing conditions for much of the season which served to significantly impact overall yields and oil yields. The late rains came too late for most crops and served to only hamper harvesting. In Western Australia, growing conditions were good for most of the season, with over a million tonne harvest being recorded (1.14 mln t) which served to compensate for the poor east coast crop, delivering an overall national harvest at 1.88 mln t, the highest since the 1999/2000 season.

Good rains in the east at planting time in 2009 encouraged strong plantings once again, though by June, lack of rain was beginning to impact crop prospects in both the east and WA.

Soybeans had a very successful season, with plantings in both NSW and Qld almost tripling on the prior 2 years. Much of the increase came from coastal NSW and Qld, where lower sugar prices served to support soybean planting as a rotation. Despite dry conditions in many areas for much of the season, offset with flood and near flood conditions towards the end of the season, the overall outcome was positive with over 100,000t harvested, at least half being of culinary quality, with an overall average yield of 2.35t/ha.

Market conditions were favourable for sunflowers at the time of the early planting, with 56,000 ha planted, above the 5 year average of 48,000 ha. Despite drier conditions than preferred for much of the season, overall yields and oil yields held up well. Local demand still exceeds domestic supply, with some 31,000 t of sunflower oil needing to be imported to supplement the 33,000 t domestic supply.

Cotton plantings continued to be restrained due to water availabilities, and while up on the previous year, were still well below historical averages. Estimates place tonnages at circa 435,000 tonnes, versus the 10 year average of 644,000 tonnes.

Vegetable oil

The role of vegetable oils as a source of energy continues to drive overall vegetable oil demand, whether the energy is for humans in the form of food or for industry in the form of feedstock for biofuels. Population growth in emerging economies combined with their changing diets where the percentage of energy from fats is increasing, underpins the demand for vegetable oils for food, while policy mandates for biofuels, and in particular, bio diesel continues to drive the demand for vegetable oils for industry.

The role of healthier oils continues drive changes in the oils and fats market, with the knowledge of the benefits of replacing saturated fats with unsaturated fats becoming increasingly widespread. Fats and oils manufacturers have been marketing healthier oils for many years, while food manufacturers are increasingly turning to healthier oils in ingredients for many of their products. However, it is in the food service market (fast food, restaurants, clubs, etc) where recent changes have been most marked. The shift by some of the large food service chains to healthier oils has spearheaded an overall industry change, as historical frying mediums such as tallow and palm oil are being replaced with oils with higher levels of unsaturates.

The rapid uptake of high oleic/low linolenic canola by the food service sector as a deep frying medium has served to provide improved outcomes throughout the value chain, with seed breeders being rewarded for their years of R&D effort, growers realising the opportunity in this crop, while processors and marketers are finding new market opportunities in the food service

sector. End users, the restaurants and chains, are also able to differentiate in the market through the use of healthier oils. In a number of cases, this has enabled the end users to apply for and be granted use of the Heart Foundation 'Tick' on items in the menu.

The publication in May 2009 of the Heart Foundation's updated position paper on fats at oils (*Dietary fats and dietary cholesterol for cardiovascular health*) served to further reinforce the position of soft vegetable oils in role they play for a healthy diet. A number of the Heart Foundation's specific recommendations apply to the use of the soft healthy oils in place of saturated fats, such as:

- Saturated fatty acid intake is associated with coronary heart disease;
- Replacing saturated fatty acids with cis-unsaturated fatty acids has a greater positive influence on coronary heart disease risk than replacing saturated fatty acids with carbohydrates;
- Replacing saturated fatty acids with n-6 polyunsaturated fatty acid to achieve a ratio of polyunsaturated fatty acids to saturated fatty acids of greater than one will reduce the risk of coronary heart disease;
- Replacing saturated fatty acids with monounsaturated fatty acids lowers total cholesterol and low-density lipoprotein cholesterol (LDL-C), although not to the same extent as polyunsaturated fatty acids;
- Trans fatty acids intake is associated with increased coronary heart disease incidence and risk of coronary heart disease;

Executive Director's Report continued

Demand for vegetable oil for the biofuels sector is driven partly by government policy, and to a larger part, by pricing relativities between vegetable oils and mineral oils. At best this produces sporadic demand for oilseeds, and at worst, results in plants being 'mothballed' while ever mineral oil prices remain relatively low. The debate about use of both food quality crops and arable land for the production of biofuels still has some way to go and the AOF is a keen participant in this important debate to ensure that both member interests are preserved and fostered while taking a socially responsible position in the 'food versus fuel' debate.

Protein meal

The protein meal market continues to grow and strengthen as the intensive livestock sector grows resulting in increased demand for feed inputs, including oilseed meal. Imported soybean meal still constitutes a large portion of the total market demand, with over 470,000 tonnes of soymeal imported in 2008/9. To this an additional 116,000 tonnes of palm kernel meal was also imported. Improving the quality of domestic meal, and in particular, canola meal, is a key requirement for the Australian industry to ensure that there is a strong and viable market for increasing use of canola meal in livestock rations.

To this end, during the year the AOF concluded a joint project with the Pork CRC to establish NIR calibrations for reactive lysine. These calibrations, while remaining the intellectual property of the Pork CRC, will be made freely available to AOF crushing members to assist in improving the quality of canola meal.



Supply chain

The Supply Chain remains intensely competitive, with volume still being the driving factor for industry profitability. However, the expansion of new, higher value products, such as high oleic canola, serves to bolster industry viability while delivering new and innovative solutions to end users.

The year also heralded the arrival of news of two new crushing plants on the east coast, which will serve to further add to the dynamic nature of the market. While one planned for Port Kembla in NSW is geared for biofuels using initially imported soy beans, and the other in Wagga Wagga NSW for oil primarily for export to India, both operations will serve to boost Australia's overall capacity in oilseed processing, and have positive knock-on effects back down the supply chain to growers.

Rationalisation within the processing industry continues with Goodman Fielder announcing that it was exploring options to exit oil processing and outsource production of its key fats and oils brands. By year end, this review was not concluded.

Imported RBD oils continue to place pressure on local producers to lower production costs to world best practice. With 13000 tonnes of canola (or equivalent) oil imported in 2008/9, with over half being from Malaysia, cost pressure continues to be a major driver for the industry.



Executive Director's Report continued

AOF Performance

The majority of the achievements of the Australian Oilseeds Federation are delivered through programs funded through the Oilseeds Development Fund. This Fund is contributed to by participants in the supply chain by means of a voluntary levy on oilseed activities, on a cents per tonne basis for crushing, refining, meal production and exports. The AOF is indebted to the organisations that contribute to the levy, as the Fund enables the AOF to deliver significant and tangible outcomes for the overall industry. With the resources of the Fund, the AOF is often able to partner with other funding bodies such as the GRDC or the Pork CRC to expand the reach and improve the impact of the activities it undertakes. Projects undertaken in the past year such as the Better Oilseeds Project (GRDC/AOF funded), Canola Meal NIR Calibrations (Pork CRC/AOF Funded) and Canola Quality Objectives Group (GRDC/AOF funded) are testament to the ability of the Oilseeds Development Fund to leverage other funding sources to improve one or more aspects of the industry viability.

The 2005 Strategic Plan outlined five program areas for the AOF to apply its focus over the following years. The Australian Oilseeds Development Fund plays a key role in being able to deliver in the project areas. The five areas are:

- Stronger and more credible voice
- Market and product development
- Innovation
- Grower capacity
- Industry capacity and influence

These program areas remain the strategic pillars that underpinned the majority of the AOF's activities in 2008/9.

1. Stronger and more credible voice

In the past year, the AOF continued to represent the interests of industry with all stakeholders, including state and federal governments, the media, and special interest groups. With the commercialisation of GM canola, the AOF remains the peak body to promote the 'market choice' framework by not only developing the two trading standards that provide for segregation, but also reporting on the success of the market choice framework. The interim report, *Market Choice in the Canola Industry 2008*, provided a comprehensive review of the operations of the market choice framework as it related to the 2008 GM crop. The final report is due out in October, 2009.

To aid the ability of the AOF to provide a stronger and more credible voice, the resources of the AOF secretariat were expanded to become a full time position from May 2009.

2. Market and Product Development

This program area remains a key focus area for both the AOF and the industry as a whole. With GRDC supported projects such as the Canola Quality Objectives, the AOF works to connect the seed breeders with end users to ensure breeders are working on attributes required by the market for both today and tomorrow. A close working relationship with the Heart Foundation also ensures the AOF policies towards healthy oils are aligned with and supported by the latest policies from the Heart Foundation.

Significant work was undertaken in the past 12 months to enhance the opportunity for increased use of meal in Australian poultry and livestock rations. With the support of the Pork CRC, NIR calibrations were established to enable meal processors to better manage the quality of the meal, ensuring a more consistent and marketable end product. With close on half a million tonnes of soy meal imported into Australia each year, there is a significant opportunity to increase the proportion of canola meal in Australian feed rations.

The AOF also plays an industry representative role in helping to further develop major export markets. In the last year, this included sponsoring a representative meeting with key industry players in the Japanese market, and representing the specific soybean export members in providing submissions to the Korea/Australia FTA negotiations.

3. Innovation

Innovation is the lifeblood of any industry that aspires to grow and prosper, and provides a key means to improve the overall value of the industry. The role of the AOF in facilitating the smooth introduction of GM canola has already been highlighted, and has been the primary innovation focus over the past year.

The establishment of Soy Australia, as the commercialisation vehicle for bringing to market new varieties flowing from the National Soybean Breeding Project (NSBP), is another initiative fostered by the AOF in the past year. With the support and guidance of the AOF, Soy Australia will enable innovations from the NSBP to come to market in a timely and profitable way.



Executive Director's Report continued

4. Grower Capacity

Building grower capability across key oilseed crops is a key requirement if the industry is to grow, remain viable, and yet agile enough to respond to changing market signals. The Better Oilseed Project, in its 3rd year in 2008/9, is the primary vehicle through which the AOF works to build grower capacity. With significant financial support from the GRDC, supplemented with AOF funds, the Better Oilseeds project delivers workable best practice solutions for growers across the country in the primary oilseed crops of Canola, Sunflower and Soybeans. By the end of the project (June 2010), over \$1,000,000 will have been invested in the Better Oilseeds project in assets such as field and demonstration trials, best practice and case study booklets, field days and education sessions for growers and agronomists.

5. Industry Capacity and Influence

While closely aligned to the first program area, this area is specifically driving whole-of-industry engagement and support to adapt to, and adopt, change. The primary focus to date has been in the area of ensuring industry alignment on the introduction of GM canola, ensuring that practices, protocols and principals are developed and agreed across the industry to facilitate the smooth introduction of the technology.

This report would not be complete without recognising the outstanding achievements of my predecessor, Rosemary Richards. The AOF, and indeed the Australian oilseeds industry is where it is today as a result of the energy, vision and tenacity of Rosemary. My thanks go to Rosemary for handing to me a baton with strong industry reputation, outstanding member engagement and financial security with strong and resilient industry alliances and partnerships.



Committee Reports



AOF Technical Committee

Geoff Masters, Chairman

As many of you know, Neil Barker retired early this year as chairman of the AOF Technical Committee. I would like to take this opportunity to thank Neil for his significant contribution and commitment to the Committee over many years. I am sure you will join me in wishing Neil all the best for the future.

It is not until you look back at the past year do you realise how many issues the Committee has dealt with.

There were a number of changes and inclusions to the Standards.

- The inclusion of a non-GM Canola Meal Standard which specified a 5% AP limit for GM Canola.
- The inclusion of a Roundup Ready(c) Canola Lateral Flow Test Strip method.
- The development of guidelines for the cleaning down harvesting equipment.
- An update of the GM declaration document.
- The clarification of a nil tolerance for objectionable material, including sand in canola.

There were also many other issues that the Committee considered throughout the year.

- The on-going review of weed seed limits by Grain Trade Australia has been discussed on several occasions throughout the year.
- DAFF have developed a Draft National Standard for Animal Feed. The Committee had a number of concerns with the draft which were communicated back to DAFF.
- A review of the Permitted and Banned Previous Cargo Chemical List.
- There were on-going discussions regarding pre-shipment clearance of canola to Japan. There are two key approaches to this issue, being a revision of the MRL and the approval of an approved pre-clearance process.
- The Committee provided comment back to the Meat & Livestock Association (MLA) in respect to some proposals for revised Commodity Vendor Declarations (CVDs). It is proposed there will be two CVDs, one for direct farm purchases and the other for deliveries through a food / feed processor, storage handler or compound feed manufacturer.
- The development of a Pesticide Outturn Tolerances document by the NRS. This document was previously issued by the AWB to help industry understand the various market requirements. With the change in their activities, the National Residue Survey (NRS) is now coordinating the collation and publication of this information.

- The AOF provided comment into a proposal to amend the requirements for inspection and certification of exports in containers. It was felt that this proposal would have potentially seen a number of the existing safe guards removed and was ultimately rejected by the AQIS Grains Industry Consultative Committee (AGICC).
- The review of Minor Use Permits. MUPs are issued by the APVMA for the use of chemicals on crops where there is no existing registered use on the label. The Standards Committee has established a number of commodity specific working groups to ensure these proposals for MUPs are reviewed for suitability.
- We contributed to the review of the Codex Draft Guidelines on the Criteria for Methods for the Detection and Identification of Foods derived from Biotechnology. These guidelines aim to provide clarity around how methods of detection and analysis of GM events should be developed and approved.
- The committee also developed a draft Recall Procedure relating to grains and foods. The procedure, while not specific to individual businesses, can be used to form the basis of a Recall Procedure.

I would like to thank all the members who take the time to attend the Technical Committee meetings and contribute to the discussions. Without these dedicated people the committee would not be as effective as it is.



Canola Association of Australia Report

Rob Wilson, Chairman

2009 season has seen mixed fortunes for growers across Australia. It is pleasing to report that Canola has performed well in all producing states except for NSW and the northern areas of Victoria, SA and WA which suffered again due to no spring rainfall, it is disappointing considering the positive and promising start. It has been quite the opposite across the south of the country. Southern WA, Eyre Peninsular, SE SA, SW Victoria and the Wimmera are all having a terrific year with much of the production numbers coming from these areas.

Forecasts are still tracking nicely with 1.7 million tonnes expected (NSW 220,000 t, VIC 340,000 t, SA 290,000 t, WA 850,000 t).

In this my final report as Chairman I would like to thank the members for the opportunity to lead the CAA the past two and a half years, to the committee many thanks for your support. To Dr. Steve Marcroft, congratulations and best wishes on your appointment as Chairman for the next 2 year term I know you will do a great job.

The CAA continues to have strong involvement in key issues for the industry:

Blackleg Ratings

After the successful introduction of the new alpha CAA Blackleg Disease Ratings System in 2008. The Blackleg committee lead by Dr. Steve Marcroft National blackleg resistance ratings coordinator have further developed a blackleg warning brochure which has been widely circulated.

Oilseeds Development Officer

AOF/GRDC funding was extended for 12 month and will now expire in June 2010. Felicity Pritchard continues to do a terrific job for the industry. Oilseeds newsletter and the Canola News are regular publications keenly read by the industry. Ongoing funding from GRDC and AOF for IDO officer will be a priority for 2010 onwards.

Publications

The very useful publications including current Blackleg Resistance Ratings, 'Managing sclerotinia' stem rot in canola' fact sheet and Blackleg Warning fact sheets are widely distributed for the benefit to growers, agronomists /advisors and researchers. We thank both GRDC and AOF for their ongoing funding of these publications.

AOF/GRDC funded Better Oilseeds project

Felicity Pritchard has taken over much of the role previously done by Steve Marcroft and Sue Knights. The one stop shop website is up and running and being well utilised by growers and industry alike but is needing some updating and tinkering. The release of the Better Oilseeds update publication has been well received by all areas in the industry. Grower testimonials on RR systems certainly highlight a very successful GM launch.

GM canola

Following the successful pilot launch in 2008 by Victorian and NSW growers lead to approximately 42,000 hectares of Roundup Ready® canola across both states this year. In Western Australia just under 1,000 hectares were planted by farmers in their first year of field trials.

An announcement is expected in the new year regarding WA moratoria.

Production teleconferences

Reporting of more accurate estimates has been much better this year following the changes implemented in 2008. Crop estimates have been forwarded to the AOF monthly although at times more participants would give stronger value.

CAA newsletter

The newsletter continues to be well received by members across the industry. Content has been excellent this year which is very pleasing, many thanks to all that have contributed over the past 12 months. As it was decided that this newsletter would be self supporting, sponsors are critical to it's ongoing success. To our sponsors Pioneer Hi-Bred, Nuseed and Pacific Seeds thank you for your continued support and to Canola Breeders WA thanks for coming onboard this year. Unfortunately Dow AgroSciences are no longer a sponsor but I would like to acknowledge and thank them for their many years of support.

Juncea canola

2009 saw a further expansion of juncea canola into the low rainfall areas, where it still operates under closed loop production system. We await improved varieties to take the crop further into low rainfall areas.

ARAB 2009

To Wayne Burton and his committee, well done on running a successful ARAB Conference in September 2009 in Ballarat, Victoria. We now look forward to 2011 ARAB conference in Wagga Wagga.



Australian Sunflower Association Annual Report

Maree Crawford, Chairman

This is my first foray into the executive world of the ASA/AOF and I would like to extend sincere thanks to the outgoing chairman Rob McDougall for his valued contribution over the past number of years in the role.

Last season returned mixed fortunes on the back of good commodity prices for sunflower growers across Queensland and New South Wales. Around 77,000 tonnes was produced which was just up on the previous season at 74,000 tonnes. This was largely due to the continued limited water availability for cotton, and easing of sorghum commodity prices.

The breakup by state being:

QLD: Monounsaturated
Production 21,000t
Av Yield 1.17t/ha
Area 17,900 hectares

Polyunsaturated
Production 10,700t
Av Yield 1.2t/ha
Area 8,400 hectares

NSW: Monounsaturated
Production 42,800t
Av Yield 1.7t/ha
Area 25,000 hectares

Polyunsaturated
Production 5,800t
Av Yield 1.7t/ha
Area 3,400 hectares

Monounsaturated Oils averaged 41% and Polyunsaturated 39% oil content.

There was good success on the Darling Downs attributed to early sowing and the AOF Sunflower Roadshow coordinated by Sue Knights as part of the GRDC funded Better Oilseeds project. This provided gross margin and agronomic information on successfully growing sunflowers. Growers have come to recognise that if planting post October they will suffer yield penalties. The warm, earlier start to Spring together with the starting moisture profiles have enabled earlier planting with good results

Northern NSW had a good start but ran out of moisture to finish crops. The Liverpool Plains and Northern New South Wales areas were affected by disease and some lodging in crops that had previously been waterlogged. A new disease was prevalent

throughout northern NSW, suspected to be a phoma/phomopsis complex but still to be definitely identified. Loretta Serafin NSW DPI/DII and Stephanie Belfield HMag Pty Ltd and seed company agronomists assisted growers with the issue in an endeavour to minimize losses.

Central Queensland produced around 5,500t mono and 4,000t poly with some very good oils- up to 49%. There has been increased interest in growing Sunflower in Central Queensland despite the threat of TSV (Tobacco Streak Virus). Growers have availed themselves of information to manage this disease thanks to the work conducted by Murray Sharman DEEDI.

Domestic demand for sunflower oil is around 60,000t - 70,000t and while generally the

mono domestic requirement is met but there is still around 30,000t of poly oil imported each year.

Going forward the new season price for sunflowers is down to \$565-\$580/ha into Newcastle and \$47 less into Narrabri with the commodity price for all crops is also down. Estimates for new season Monounsaturated production is as follows: Qld 16,910t, NSW 27,770. Polyunsaturated production is Qld: 4275t, NSW 13,880t.

The ASA will continue to support the Better Oilseeds Project and look at irrigated sunflower profitability and continue to monitor the effect of RGB on seed and oil quality.



Soy Australia Report

Peter Brodie, Chair, Soy Australia

On the back of the largest soybean season for over a decade, it gives me great pleasure to review the season just past, and provide an outlook for the coming season.

With a national crop of just over 100,000 tonnes and a total crop area of 45,000 hectares, the 2008/09 harvest was more than three times the size of the crop in the preceding year. This has enabled Australia to have an exportable surplus for the first time in many years. Despite some very wet finishes to the crop, particularly in Northern NSW, yield and quality were well performing. Prices have held up well for both culinary and crushing grade soybeans so that returns for growers were encouraging and served to boost confidence in the industry. Prices remain firm for soybeans, with concerns of frost in the US and drought in China providing support to prices.

The 2008/09 season also saw the first operational year for Soy Australia, which is a significant milestone for the Australian soybean industry. Soy Australia is a

company representing the interests of soybean growers across the country, with its main purpose being to commercialise new varieties of soybeans that are the result of the GRDC funded National Soybean Breeding Project. This Project is a joint venture between the CSIRO and I&I NSW and is aimed at breeding new varieties of culinary soybeans to meet market needs.

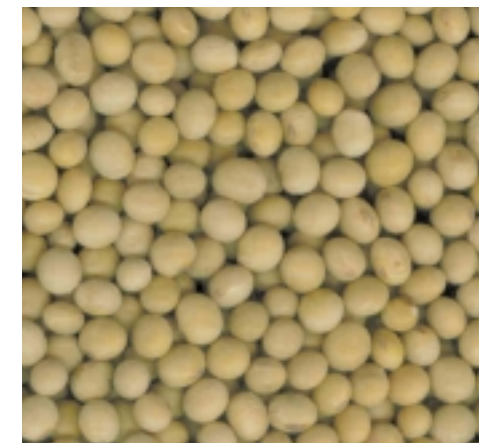
Instrumental in the success of Soy Australia to bring these new varieties to market has been the institution of the National Soybean Development Fund, by which traders, processors and end-users have voluntarily agreed to provide Soy Australia with \$5.00 for every tonne of culinary soybean purchased (\$2.50 for crushing grade). The commitment of industry players to contribute to the fund is a strong vote of confidence in a strong and viable future for the Australian soybean industry, and I would like to personally thank those companies who have agreed to contribute to the fund.

The industry has also benefited from the Better Oilseeds project coordinated by the Australian Oilseeds Federation and funded by the GRDC. This project has seen a number of effective trials being run across Northern NSW and the North Coast, and in many regions of Queensland, including the Downs. The project also coordinated a number of training sessions giving the opportunity to share best practice. One such learning and sharing opportunity was the bus trip organised by NCOGA through the Better Oilseed project to the Downs, enabling growers on the Coast to see first-hand inland growing practices.

One of the successes of the last season was the increasing inclusion of soybeans in the sugar cane rotation, which served to bring new or lapsed growers to the industry. With sugar prices firming, we may not see the same uptake by cane growers in this coming season, however the outlook is still positive for a good season, with prices looking to remain firm, and ongoing extension activities

ensuring best practices continue to be shared amongst the industry.

As we move towards the next season, I am very confident that we are entering a resurgence of the soybean industry in Australia, underpinned by a strong and vibrant industry association with Soy Australia.



Oilseeds WA Report

John Duff, Executive Officer

2009 a year of great change for Oilseeds WA

In 2009 Oilseeds WA became fully involved as one of five commodity committees of the Grain Industry Association of WA (GIWA). This has brought many opportunities and challenges.

Opportunities were based around an increased ability to tackle broader supply chain issues and have more impact at Government and Corporation Board level than previously.

Broad issues tackled by GIWA that involve canola included advising on adjustments to receival standards for all grains. This function has been well led by Jon Slee on behalf of GIWA & Oilseeds WA. It is a good example of the broad benefits of GIWA working with AOF and other commodity committees. Adjustments to standards are mainly forecast for the 2010 harvest season. This activity is fully linked to GTA, AOF and Pulse Australia.

Other supply chain issues tackled include transport and the rate of exports during the first half of CY2009. This involved significant discussions including an all members' forum on April 2nd and involvement on the State Minister for Transport's 'Strategic Grain Network' which is considering the future mix of road, rail and links to up country storage. Actions are pending.

A GIWA study into Grain Market Information and Crop Production Prediction reporting is progressing. A workshop for industry with ensuing recommendations is expected at the end of October.

Grains West Expo 2009 (August 18 & 19 2009) Highlights

Feedback throughout the event and following was very positive. 220 delegates attended the first day. The Country Hour broadcast from the Expo. Top rated speakers were Wayne Gordon (Rabobank) on World Economic Grain Outlook; Jimmy Connor (RJ O'Brien & Associates New York) on Hedge efficacy in US Futures Market was a hit with the traders while Greg Kostal (Kostal Ag Consulting Winnipeg) gave a popular (with delegates) overview of Current World Grains Production trends. David Lock (Craig Mostyn Group) provided excellent insight into how his company has increased pork exports from WA while simultaneously improving the sustainability of WA pork producers.

Involvement in the Better Oilseeds Project

Involvement in the Better Oilseeds Project is a major focus for Oilseeds WA. It is funding the canola demonstration and trials of which ten have been run in WA this year and an upcoming forum titled 'Grain 2010' on the 5th of November. This forum will discuss the latest varieties available for 2010 and likely in 2011. All major seed companies and some leading plant breeders have been invited to talk about canola, including GM trials this year, wheat, barley, oats and pulses.

During 2009 Oilseeds WA has been involved in advising on the GM trial process through AOF, Agrifood Awareness and direct to state Minister Redman.

The committee (also GIWA) put in a submission to Minister Redman on the removal of the Genetically Modified Crops Free Act.

GM canola field days

These were held at Cunderdin, Mt Barker, Esperance and Geraldton (tomorrow). Jon Slee represented OWA/GIWA at these meetings and outlined the GIWA (Oilseeds) position on GM canola. There were good attendances at these field days.

GIWA was awarded a contract to deliver the WA Crop Updates in February for GRDC and the Department of Agriculture and Food. There is a possibility of incorporating Grains West Expo from 2011 onwards.

We are looking forward to the next 12 months when the GIWA/Oilseeds WA should see significant benefits resulting from the hard work in 2009.



Statistics

Table 1: Australian Oilseed Production

Source: AOF

'000 tonnes	2008/09	2007/08	2006/07	2005/06	2004/05
Canola	1878	1069	512	1440	1531
Sunflowers	81	75	20	95	61
Soybeans	105	35	30	56	54
Cottonseed	435	200	350	800	850
Other	10	10	10	20	7
Total	2509	1389	922	2411	2504

Table 2: Area and Production by State – Key Crops

Source: AOF

		2008/09		5 year average to 2008/09	
		Area	Production	Area	Production
		'000 ha	'000 tonnes	'000 ha	'000 tonnes
Canola	NSW	195	262	143	202
	Vic	185	251	175	245
	SA	165	227	153	180
	WA	620	1138	434	659
	Total	1165	1878	905	1286
Sunflower	Qld	26	32	14	16
	NSW	28	49	34	49
	Total	54	81	48	65
Soybean	Qld	23	52	10	23
	NSW	22	52	14	33
	Vic	0	1	0	1
	Total	45	105	24	57

Table 3: Oilseed Exports by year

Source: ABS

'000 tonnes	2008/09	Av 5 years to 08/09
Canola	973	690
Cottonseed	6	101
Canola oil	21	38

Table 4: Canola Exports by Destination

Source: ABS

'000 tonnes	2008/09	Av 5 years to 08/09
Japan	96	225
Europe	685	193
Pakistan	120	159
Bangladesh	3	24
China	45	17
Other	24	22
Total	973	690

Table 5: Oil and Meal Imports by year

Source: ABS

'000 tonnes	2008/09	Av 5 years to 08/09
Canola oil	13	14
Coconut oil	11	10
Cottonseed oil	18	10
Olive oil	24	31
Palm oil	135	130
Soy oil	23	22
Sun&Saff oil	31	32
Palmkernel meal	116	115
Soybean	477	478

Figure 1: Australian Oil usage – Food

Source: AOF

