

Australian Oilseeds Federation Crop Report



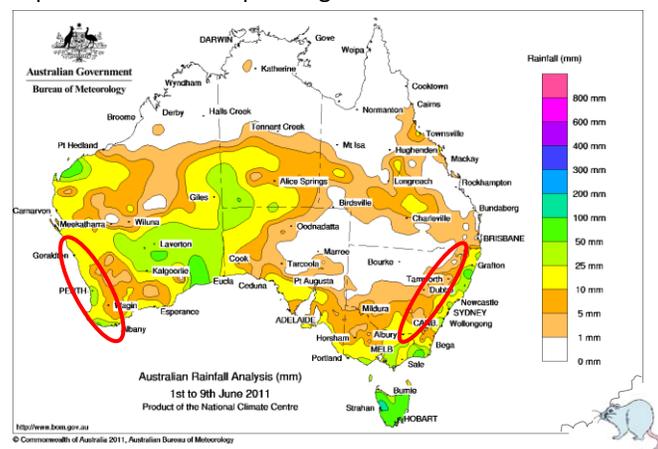
June 2011

Canola 2011/12

	2010/11 Interim Final		2011/12 June Estimate	
	Harvested Area (hectares)	Production (tonnes)	Area Planted* (hectares)	Production (tonnes)
NSW	310,000	610,000	375,000	600,000
Vic	240,000	440,000	390,000	605,000
SA	197,000	382,000	245,000	360,000
WA	845,000	709,000	800,000	880,000
Total	1,591,000	2,141,000	1,810,000	2,445,000

Source: Industry Estimates: 10/06/2011

The story for this crop report is all about 2 key factors- the recent rainfall in some places, or lack thereof in others, and the impact of this on establishment of this season's crop; and the impact of mice on crop emergence and establishment.



Recent rains in WA have provided the necessary confidence to commit to winter cropping while also improving the yield prospects for canola. In NSW, despite good sub-soil moisture levels, low rainfall since planting has impeded establishment. In NSW and Victoria the abundance of mice has knocked back area sown to canola, with many affected areas being re-sown with winter cereals as the canola planting window closes.

The net effect of these factors has resulted in a downward revision of area, but improved overall yield, delivering a slight increase in forecast tonnage.

In **NSW**, the estimated area has come back as a result of crop losses due to mice attacks. Such attacks have either decimated the crop, or impacted it so severely, that it is not viable. In cases where crops have been re-sown, the tendency is for winter cereals (rather than canola) due to the planting window. Seed and mice bait shortages have also militated against re-sowing with canola. In the north of the state, despite good sub-soil moistures laid down with summer rains, the lack of rain since sowing has impeded crop establishment and growth, with the top 10cm drying out. Even further south in the higher rainfall areas, lower rainfall in areas has led to patchy surface moisture, and resultant staggered emergence. The recent very cold weather has also served to retard growth in the south, with frosts already having been recorded and a number of sub-zero nights. Insect damage at this stage is low, although slugs have been present in some areas following rain, and have had an impact on some crops.

The situation in **Victoria** is a story of 'too wet' and 'too dry', but overall, 'good'. In the central Western District (Mortlake/Willaura), water is still lying on paddocks, affecting crop establishment. Crops on raised beds are faring better. Slugs have caused significant damage but baiting continues. In the eastern part of the Western District, mice have also affected crops and 15% of paddocks have been entirely re-sown this month and around 10% re-sown in 'hotspots'. Crops in the region are at the cotyledon to four leaf stage. Elsewhere, the crops are ranging from 2-8 leaf stage, and establishing well. Crops in the southern Wimmera are excellent, mostly at the 1-2 leaf stage, up to the 8 leaf stage. In the northern Wimmera and Mallee, despite good sub-soil moisture, the topsoil has dried out and establishment is often patchy, needing more rain for the crop potential in these areas is to be realised. Mice remain a problem.

In **South Australia**, light rain this month within the mid and upper north have been beneficial, while the lower Eyre peninsula, south east and Mallee areas have only received patchy rain, and generally 10-20 mm. As with Victoria, the Mallee region is experiencing drying out in the topsoil. Notwithstanding these variable conditions, estimates have been held more or less constant from last month.

Western Australia has experienced some welcome rain in recent weeks, particularly in the north. This has given growers who have not yet seeded, the confidence to plant, while for those that planted 'dry', their decision has paid off. Following two poor years, many growers are financially restrained, and have resorted to winter cereals to minimise risk. Canola area, as a result, has come back a little in WA, although at an estimated 800,000 Ha is still well above the 5 year average area for the state. Further rain is expected this week, which will serve the establishing crops well.

AOF Crop Report is provided free due to the support of the following Oilseed Development Fund (ODF) contributors

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Global Snapshot

The USDA WASDE report issued last week projected a decline in global oilseeds production of 0.5% (2.3 million tonnes) from prior month, on the back of lower rapeseed yields in Europe and Canada, lower soybean area in China (as area is shifted to corn) and reduced cottonseed for Australia, Pakistan and the US. These drivers are tempered somewhat by increases expected in soy production ex Brazil and strong production from the Ukraine.

The recent rains in Europe have come too late to improve the prospects for European rapeseed, although may position agriculture for good summer crop conditions. Cooler than average weather in Canada is hampering the establishment of newly planted canola, which is impacting projected yields.

Oilworld is reporting oilseed consumption is likely to exceed production, in the coming year, which will provide a solid base for prices. This is accentuated by the expected return of China to the market, (where imports of veg oils are reported to be down 14% on year ago due to domestic price caps in place, and likely to be removed).

Domestically, these factors have combined to ensure a strong floor under both old and new crop prices.

Upcoming Events

Australian Grains Industry Conference:

July 25-27, Melbourne

Details at: <http://www.ausgrainsconf.com/>

Canadian Canola Council:

July 26 -28. Saskatoon

Details at:

<http://www.canolacouncil.org/convention/default.aspx>

Australian Research Assembly on Brassicas (ARAB)

August 15-17, Wagga Wagga

Details at:

http://www.australianoilseeds.com/conferences_workshops/ARAB/arab_2011