



May 2003

Sunflowers 2002/03

Recent rain across Central Queensland has confirmed plantings in this region and thus, overall plantings are now confirmed around 34,000 hectares. Yields in NSW and southern Queensland were disappointing and total production is only expected to be around 30,000 tonnes.

	Est. Area Planted (hectares)	Est. Production (tonnes)
Monounsaturated	21,200	17,500
Polyunsaturated	13,000	13,000
Total	34,200	30,500

Source: Industry Estimates, 8/05/03

Soybeans 2002/03

Soybean area estimates have been revised down slightly (by 3%) mainly due to reduced areas in parts of Queensland; and production has been revised down by almost 9%. This is due to lower than expected yields in the Riverina and North Coast regions of NSW. In the Riverina, the crop is all harvested and yields have been variable with late insect damage reducing yields. In other parts of NSW, the crop is anywhere from none to 70% harvested. Recent rain over the past few days on the North Coast is expected to reduce yields there by around 10%. To date, quality has held up, but some damage may result from the latest rain. The Queensland crop is about 70% off and to date, the quality of beans harvested has been good.

Estimated	Area Planted (ha's)	Production (Tonnes)
QLD	2,700	4,630
NSW	5,150	8,935
VIC	50	150
Total	7,900	13,715

Source: Industry Estimates, 16/5/03

Canola 2003/04

State	2002/03 Production (Tonnes)	2003//04 Planting Intentions			
		Area Planted (Hectares)		Production (Tonnes)	
		Last Mth	May	Last Mth	May
NSW	100,000	260,000	260,000	364,000	364,000
Victoria	180,000	240,000	233,000	336,000	326,200
SA	180,000	175,000	175,000	245,000	245,000
WA	330,000	400,000	400,000	440,000	440,000
Total	790,000	1,075,000	1,068,000	1,385,000	1,375,200

Source: Canola Association of Australia, 9/05/03

NSW – Despite a generally favourable situation in the northern regions of the state, dry conditions continue to prevail in the southern areas. Planting has commenced in central and northern NSW following good rains, however, further falls will be required to finalise sowing. Growers now have to consider the prospect of herbicide toxicity problems for this year's crop as there has been insufficient rainfall to break down herbicide residues still present in the soil from last year.

Approximately 25% of the estimated NSW area has been planted although up to a third of this may need replanting due to insufficient moisture, herbicide residue and increased aphid and moth activity. Forecast canola area remains unchanged from last month, although this will decrease by 10% if no rain is received in three weeks and then fall away quickly beyond this time.

VIC – Limited planting has commenced in central Victoria following some patchy falls, however, the majority of Victoria is still awaiting general planting rains. Area forecasts have been adjusted down by 3% and without rain by late May there will be a widespread adjustment as the northern Wimmera and Mallee areas swing out of canola in favour of wheat and barley. Continuing dry conditions over the next four weeks is likely to see a 15-20% drop in area.

SA – There has been limited rain in the past month throughout South Australia apart from isolated falls in the Mallee region that has resulted in limited plantings. Area forecasts have been maintained, although this will decrease by 10% without general rain by the end of May.

WA – Approximately 30% of the WA crop is now in the ground, especially in the Lakes District and the Central wheat belt and recent rain may increase this level, while canola in the Geraldton region may decline if the rain does not persist for more than a week. Up to 50% of the crop in the Esperance area would be sown, but much more may go in with this recent rain. Good weed control opportunities for all have occurred although insect pests have also emerged with the early April rains. Sub soil moisture is good in the southern half of the wheat belt. Most of the canola production area in Western Australia still has sufficient flexibility in planting time to maintain the 400,000 ha estimate.

Market Comment

Dry weather conditions throughout the major production regions is beginning to push domestic basis levels higher and this trend will continue if dry conditions prevail through until June when canola plantings will fall away quickly. Grower selling has been limited with the lack of general planting rains and a general reluctance by farmers to sell forward following last year's drought. Traders also remain cautious while production estimates could fluctuate dramatically whilst the planting window remains open.

Demand for soybeans has been strong in the face of the small crop, with prices for both crushing and edible beans at high levels.

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- Cargill Oilseeds Australia
- Unilever Foods
- Riverland Oilseed Processors
- Bartter Enterprises
- Meadow Lea Foods
- Peerless Holdings
- Ridley Agriproducts

Upcoming Conferences

- 22 May 2003, NACMA Agricultural Common Interest Forum, Melbourne
- **24-26 June 2003 Australian Sunflower Association Conference, Contact 07 3878 9242 or yrd@tpg.com.au**
- **16 and 17 July 2003 Grains West Expo, WA jd@consultag.com.au**
- International Rapeseed Congress - Copenhagen - 7-10 July 2003
- **12-14 August Agriculture Australia incorporating the AOF Forum, Melbourne agaustralia@tourhosts.com.au**
- 8-12 September 2003, Tamworth ARAB 13 conference
- 7-10 September 2003, Toowoomba, 1st Australian Farming Systems Conference
- 1-5 Oct 2003 Australian Olive Association Annual Conference - Brisbane

Industry News

Soybeans used as food to grow by 72% this decade

The soybean industry has traditionally been dominated by crushing of beans for oil and protein. However, there is also a large and growing use of whole soybeans for direct human food. Most of this demand is in Asia, although there is a growing market for soy foods emerging in western markets. A combination of traditional and modern uses is seeing renewed focus on soybeans as food.

Around 85% of the world's soybeans are crushed annually and 9% processed directly into human food. The majority of soybeans consumed for human food is in Asia (China, Japan, Korea, Indonesia and Taiwan).

Of the portion crushed, a small but growing portion is further processed into a variety of soy protein ingredients for food such as soy flour, soy protein concentrates and isolated soy proteins.

A recent study by Soyatech in the US estimates that use of crushed soybeans for food ingredients is growing at six times that for whole beans. The study finds that soybeans for food will grow by 72% between 2000 and 2010 and that this will increase overall per capita consumption of soybeans by 53% over the decade.

Canadian canola plantings to increase

Canadian farmers seem likely to plant more oilseeds and less grain this spring according to Statistics Canada. The biggest year-over-year change in plantings is projected for canola. StatsCan are predicting:

- canola plantings to rise to 10.9 million acres (4.56 m ha), above trade estimates of 9.9 million to 10.47 million acres, and 13.8 percent higher than last year's 9.61 million seeded acres (4 m ha)
- soybean plantings to be 2.4 million acres, down 6% on last year
- flaxseed plantings at 1.8 million acres, up 7% on last year

Brazilian soybean crop lower than expected up still a record

Disease and weather damage have reduced this year's Brazilian soybean crop. However, Brazil will still harvest 50.3 million tonnes a sharp rise from 42.8 million last year. In total, South America's crop is expected to produce 91.17 million tonnes of soybeans this year, up from 77.51 million last year. Argentina is expected to produce 35.0 million tonnes (up from 30.10 million last year); Paraguay 4.4 million tonnes (up from 3.3 million last year) and Uruguay 170,000 tonnes (up from 70,000).

World rapeseed/canola exports fall in 2002/03

World exports of rapeseed/canola are forecast by Oil World to be 4.69 million tonnes in 2002/03, down 14% on the previous year. This is due to lower production in key countries. Canada is expected to account for almost 50% of exports (up from 45%) and Australia only 10% (down from 25%). EU and US will increase both their share marginally.

Japan will remain the major importer with 1.97 million tonnes (42% of total imports), with Mexico, China, EU, Pakistan and Bangladesh making up most of the balance. The most significant shift has been in China where imports have fallen significantly from the previous year.

GM canola

The Victorian Government this week moved to ban the commercial production of GM canola for at least a year. This follows the federal government's OGTR clearing the way for Bayer to commercially release GM canola in Australia, subject to an eight-week public consultation period. It leaves Bayer with few options for commercial production despite the Federal approval.

While both Monsanto and Bayer do not support the need for a moratorium, they have made a commitment to work with the Victorian government to ensure the benefits of GM canola are available to farmers for the longer term.

The moratorium in Victoria was called to allow a study of its impact on export markets according to the State's agriculture minister.

In relation to this, ABARE has recently released a report that identified net benefits for Australia and the global industry from adoption of GM crops. However, the report noted that adoption would be influenced by barriers such as consumer acceptance, ownership of key technologies and the stance of certain major importing countries.

The UK farm industry body SCIMAC has released two reports dealing with the issue of managing GM and non-GM crops and co-existence. The first report is a survey of farmers who took part in GM crop trials over the past three years. The second is an independent audit of growers conducted by ADAS Consulting Ltd which found high levels of compliance with the requirements of the guidelines.