

Annual Report 2022-23



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AOF Executive

President	Rosemary Richards
Vice President	Dan Morgan
Vice President	Rob Wilson
Treasurer	Lachlan Herbert
Public Officer	Michael Tighe
Consumer sector representative	Michael Tighe (Peerless Foods)
Crushing sector representative	Cameron Pratt (GrainCorp)
Exporting sector representative	Henry Weddell (Cargill)
Finished Goods sector representative	Alex Littlejohn (Riverina Oils)
Production sector representative	Clint Rogers (Pioneer)
Refining sector representative	Jon Slee (Alba Edible Oils)
Seed sector representative	Eleanor Lee (Nuseed)
Stockfeed sector representative	Duncan Rowland (SFMCA)
GIWA representative	Peter Nash (GIWA)
Canola sector representative	Rob Hall (Corteva)
Safflower sector representative	David Hudson (GO Resources)
Soybean sector representative	Simon Crane (Seednet)
Chair, Sunflower sub-committee	Chris Haire (Barenbrug)
Chair, Technical sub-committee	Neil Bowman (GrainCorp)
CEO	Nick Goddard
Administration	Elle Hardcastle

Membership Listing (Financial as at 30 June 2023)

Corporate Members:

Advanta Seeds Pty Ltd	GO Resources Pty Ltd
AGT Breeding	GrainCorp Oilseeds
Alba Edible Oils	Hillebrand Gori Australia
Australian Superintendence Company	MSM Milling Pty Ltd
BASF Australia Limited	NuSeed Pty Ltd
Bayer CropScience Pty Ltd	Nutrien Ag Solutions
Cargill Australia Ltd	Peerless Holdings Pty Ltd
Centre State Exports	RAGT Australia
Control Union Australia	Rivalea Pty Ltd
Cootamundra Oilseeds Pty Ltd	Riverina Oils Pty Ltd
Corteva Agriscience	SGS Australia Pty Ltd
GenTech Seeds Pty Ltd	Windermere Oilseeds Pty Ltd

Association Members:

Stockfeed Manufacturers Council of Australia (SFMCA)	Grain Industry Association of Western Australia (GIWA)
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Honorary Members:

CSIRO Plant Industry	NSW Department of Primary Industries (NSW DPI)
Department of Agriculture and Fisheries (Qld)	SA Research and Development Institute (SARDI)
Grains Research and Development Corporation (GRDC)	

Life Members:

Warren Burden	John Bostock	Barry Lathlean (Dec)	Rod Mailer
Alan Leadley (Dec)	John Lamont (Dec)	Julie McMinn (Dec)	Phillip Salisbury
Bob Colton (Dec)	Philip Stanton	Ron Bowrey	Peter Shearman
Bryce Bell (Dec)	Robert Green	Rosemary Richards	Allan Green
Don Bacon-Hall (Dec)	Owen Laws	Allan McCallum	Don McCaffery

President's Report 2022-23

Rosemary Richards

The global oilseeds industry continued to experience significant evolution over the past 12 months as the demand for renewable energy continues to exert a major shaping force on the oilseed complex. In a relatively short period of time the demand for renewable energy has grown from an almost singular focus on biodiesel in the EU market to the rapidly expanding biodiesel and renewable diesel markets in North America to now the emerging demand for sustainable aviation and maritime fuels.

The Australian oilseed industry is well-placed to capitalise on these fundamental shifts on the demand side of the oilseed complex, with an increasingly reliable supply base, effective and efficient supply chains and globally recognised sustainability credentials.

To ensure the Australian oilseed industry continues to capitalise on the current and future demand opportunities, AOF initiated a comprehensive analysis of the current drivers and future opportunities related to canola, acknowledging that canola is the backbone of the Australian oilseed industry. The aim was to develop a 'Canola Vision', a high-level roadmap for the canola sector to aid investment decisions in and for the sector through to the mid 2030's.

Through extensive stakeholder consultation with members, research sectors and major investors over the past year, the AOF began to shape the Vision with the aim of releasing the Vision at the International Rapeseed Congress in September 2023.

Strong engagement with GRDC has also been a key theme over the past year, with a number of briefing sessions being held with GRDC

where AOF was able to propose areas of investment across the broader oilseed sector. The priorities included continued focus on canola quality, ensuring the quality meets market needs, particularly in relation to fatty acid and oil level profiles. This includes providing the necessary market signals to breeders to ensure breeding programs are aligned with the evolving market needs. Optimising the quality and market opportunities for canola meal was also highlighted as providing the opportunity to improve grower returns through providing higher value market outlets for canola meal. The AOF also proposed an extensive market review of the sunflower industry (similar to that undertaken in 2020 for the soybean industry) to provide GRDC and the industry with clear investment priorities. The consultation with GRDC also outlined the opportunity for expanded production for selected oilseeds in Northern Australia as part of the CRC for Northern Australia work.



President's Report 2022-23 continued



In addition to the meeting with GRDC, the AOF was pleased to have the GRDC MD, Nigel Hart, attend and speak at the AOF Annual General Meeting in October where he outlined the scope of the upcoming GRDC Strategic Plan.

From an AOF Association perspective, the members agreed during the year to transition the Association from an incorporated association to a company limited by guarantee while also agreeing to establish Sustainable Grain Australia as a wholly owned subsidiary of the company. This change provides a corporate structure that is fit-for-purpose for a national organisation of the size and scope of AOF while also increasing the governance of the Association, in line with corporate best practice. While this is a relatively minor change from a member's perspective, I do thank members for their time in considering this positive development for the Association and for their support for change.

There were also evolutions in the broader grains industry representative space with Grains Australia beginning to assume its chartered role in leadership of trade and market access, grain classification and market information and education. AOF has been supportive of the establishment of Grains Australia, recognising the benefits of a single point of contact and consolidation of numerous functions previously undertaken by different organisations. While the intent is for AOF to remain a stand-alone entity for the foreseeable future, continuing to represent member's interests, particularly in the breeding and processing sectors, it is important that the AOF and Grains Australia

work 'hand in glove' on the matters of common interest, in particular, trade and market access and classification while ensuring alignment of any oilseed related market information. To this end, during the year, the AOF and Grains Australia signed a memorandum of association to establish a cooperative and productive collaboration between the two organisations.

The AOF Executive continued to provide guidance to the organisation aided by monthly on-line meetings and an important priority setting meeting held face to face in February. The outcome of this meeting was to ensure that AOF activities are prioritised according to need and aligned with the strategy.

The Australian oilseed industry is in a privileged position, led by canola. Record canola production in the last few years has bolstered confidence throughout the industry, with growers increasingly viewing canola as a

core part of their farming system as well as a core part of their income and risk management strategy. Similarly, newly announced industry investment in increased processing capacity is testament of the confidence in the future of the industry by both global and local oilseed processors. Despite the near future seasonal conditions forecast to be less favourable than recent years, there is little doubt that the Australian oilseeds industry is in a new phase of growth and development with very positive prospects for the years ahead.

Finally, I would like to thank the Executive for their input over the year, and in particular, the leadership team of Rob Wilson, Dan Morgan, Lachy Herbert and Michael Tighe.

Rosemary Richards
President



CEO's Report

Nick Goddard

Last year I wrote in my report that the 2021/22 was 'nothing short of exceptional for oilseeds'. At the risk of repeating myself or running out of superlatives, the 2022/23 year was truly exceptional. Global oilseed production was again at record levels rising up to meet the unprecedented demand for food, feed and fuel. Prices remained well above the long-term trend while input costs, particularly urea, fell back significantly from the record highs of the previous year.

Domestically, led by canola and cottonseed, production also reached record levels. Eight million tonnes of canola and one and a half million tonnes of cottonseed is not only a reflection of the very favourable seasonal conditions but is also a testament to the R&D investment that has enabled these crops to capitalise on the favourable conditions.

The AOF also had a very productive and successful year, continuing to represent members' interests and working to ensure maximum value is created throughout the value chain.



Highlights for 2022/23

Key operational highlights for the Association over the past year include:

- Introduction of a seasonal receival standard for canola
- Assessing the opportunity for canola meal for the NZ Meal dairy market.
- Commencement development of the SGA on-line portal
- Finalising plans for the International Rapeseed Congress.
- Outlining oilseed investment priorities with GRDC
- Facilitating ISCC Certification of over 4,500 farms

Industry performance

The third year of La Niña conditions combined with a negative IOD was true to form, delivering above average rainfall across most of the canola growing regions and ensuring northern water supplies were replenished for cotton. For canola, the seasonal conditions overall were excellent delivering high/record yields in nearly all growing regions. The weighted average national yield was in line with previous year at 2.1t/ha, well above the 5 and 10-year average of 1.53 and 1.44 t/ha respectively. The eight million tonnes plus of canola harvested placed pressure on supply chains and logistics leading to a relatively large carry-over of stock into the next season, estimated to be in the vicinity of 15%.

20 Year Oilseed Production



Outcomes by Strategic Themes

Market Access Theme: Expanding into new markets while protecting existing

Maintaining access to the **EU market for canola remains a priority**, with 56% of all exported canola seed shipped to this market this year. Pleasingly, the EU is accounting for a declining share of export destinations as new markets, such as Mexico and Bangladesh, and growth in existing markets, such as Japan and Pakistan, take an increasing share of exports along with overall exports increasing.

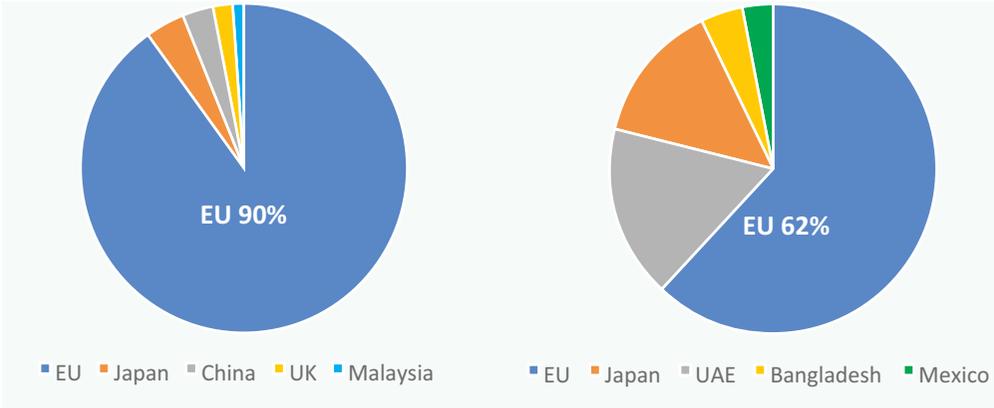
Following the **introductory webinar for Mexican oilseed buyers** held the previous year in conjunction with AEGIC, Australia exported three shipments of canola to Mexico totalling 170,000 tonnes. The demand from Mexico exemplifies the shift in global oilseed trade that is occurring primarily due to the demand for biodiesel and renewable diesel, particularly in North America.

Trade of canola seed with Japan reached a decade high volume of just under 700,000 tonnes. As with Mexico, this trade growth is a direct result of increasing demand in North America for biodiesel feedstock, diverting Canadian canola from traditional export markets to domestic and US biofuel demand.

CEO's Report continued

Top 5 Export Markets
(% of total Exports - 2016-17)

Top 5 Export Markets
(% of total Exports - 2022-23)



Chinese demand for alternate sources of canola seed grew as the pricing for Canadian canola impacted crush margins for Chinese crushers. While Australia remains effectively 'locked out' of this market, improved relations between the two countries facilitated re-engagement with Chinese authorities in relation to developing a secure pathway for Australian canola to Chinese crushers which will provide an acceptable and manageable risk profile. The AOF continues to work with Grains Australia and the Department towards a satisfactory outcome on this issue.

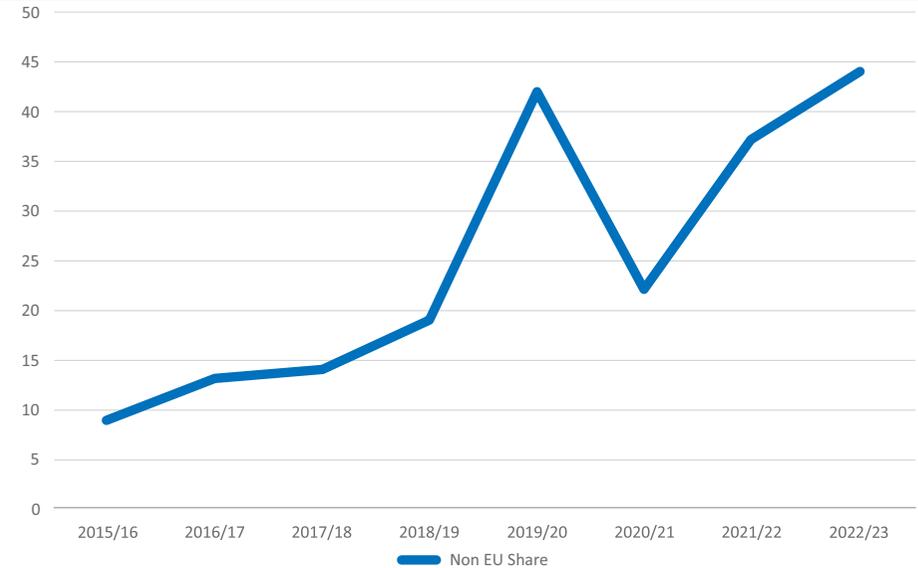
The AOF also assessed the opportunity for **canola meal in the New Zealand dairy feed market** during the year. This was in the form of a market visit, engaging with leading nutritionists and other dairy experts to better understand the NZ dairy feed system and the challenges and opportunities for increasing the utilisation of canola meal in the NZ dairy ration. The outcome from this work is a

Market Scoping Study with a view to undertaking feeding trials to demonstrate the opportunity canola meal can present in terms of milk production as well as potentially, greenhouse gas mitigation. This work was partly funded by a market development grant from Grains Australia.

During the year, **US Environment Protection Agency approved canola** for use as a feedstock for bioenergy. This in turn opened the opportunity for Australian canola seed and oil to access the US biofuel market, provided the strict EPA sustainability requirements are met. The AOF commenced a process to enable more streamlined access to this potentially lucrative market through Australian cropping regions (in total) being recognised as meeting the requirements for 'Aggregate Compliance' with the EPA regulations.

The AOF worked with the broader industry to actively discourage the **use of haloxyfop on canola** in light of the impending tighter

Increasing share of non EU markets for canola



restrictions in the EU. The AOF directly contacted over 8000 growers and their advisors with the advice regarding haloxyfop with the message broadly accepted and, in most cases, able to be acted upon ahead of the time such a herbicide option was required.

constraints or barriers are imposed. This relationship was formalised through a Memorandum of Understanding with Grains Australia.

Sustainability Theme: Australian oilseed industry globally recognised as environmentally, socially and economically sustainable.



The AOF strengthened its **partnership with Grains Australia** during the year in relation to market access activities, particularly where

The **Sustainable Grain Australia (SGA)** program continued to grow and develop as market demand for certified sustainable grain expands. With canola, barley and oats now traded as ISCC certified sustainable, over 8000 individual trades took place from 4,700 growers, amounting to 3.2 million tonnes of grain from certified sustainable farms.

CEO's Report continued

As the SGA program grows, the number of audits grow and the amount of data required to be collected also increases. To ensure compliance with ISCC requirements and to make data supply more streamlined for growers and traders, SGA embarked on the development of the SGA Portal during the year. The SGA Portal, with a completion date of early 2024, will provide an easy-to-use on-line system for the collection and management of the large amount of data that is required to operate the ISCC Central Office.

The **ISCC Technical Working Group**, established the previous year to identify issues and opportunities with the ISCC scheme, met during the year to review the new requirements which became effective in December 2022. Both SGA and CBH agreed to work with growers to ensure the new requirements could be implemented at farm level as easily as possible. SGA, for example, provided on-line templates for the new requirements such as biodiversity action plans, greenhouse gas emissions mitigation plans, hazard risk assessments and farm waste management plans.

The second **Greenhouse Gas Country Report** continued to progress through the EU Directorate General Energy Department with ongoing communication between the EU

assessors, CSIRO, AOF and DFAT in Brussels, addressing any queries that the assessors raised. The expectation is that the report will receive a positive assessment by the EU in Quarter 3, 2023.

Consumer Focus Theme: Actively promote the benefits of oil and meal in domestic and international markets

Providing end-users of oilseed products with the information they need to make informed decisions is an important role for AOF.

The first phase of the **NZ Dairy canola meal scoping study** (referenced earlier in this report) acted to better connect the New Zealand dairy-feed influencers with the AOF and the Australian industry's ambitions for canola meal. NZ currently imports around 1.8 million tonnes of low-quality palm kernel meal which is used as a feed supplement for the NZ herd, creating very sub-optimal milk productivity, milk quality and animal nutrition.

The annual publication, **"The Quality of Australian Canola"** report, a joint publication by NSW DPI and AOF, provides the only state and national database of the quality of Australian canola, detailing key quality attributes such as oil levels in seed, fatty acid and protein profiles and glucosinolate and

chlorophyll levels. This year was the 21st year of publication and becomes the 'bible' on canola quality for both the domestic and the international markets. This year's publication is available to members only, and can be accessed via the AOF website.

Innovation Theme: Shaping the Industry's environment and identifying and communicating industry priorities.

The AOF continued to demonstrate its leadership of the industry through a broad range of initiatives throughout the year.

Once harvest commenced in 2022, it became apparent that many growers may have their deliveries discounted due to weather-affected grain. In order to accommodate this, the AOF conferred with key receivers, processors and exporters and rapidly developed and implemented a **seasonal canola standard** to account for a higher tolerance of canola seed with mould, or apparent mould. This higher count was subsequently proposed and adopted as an ongoing tolerance in the standard Canola Standards (CSO-1 and CSO-1a) for 2024 and beyond.

A significant body of work was commenced in the second half of the year with development of the **'Canola Vision'**. Extensive consultations were held across the industry seeking guidance and direction on each stakeholder's respective priorities. The aim is that the 'Canola Vision' will provide a roadmap for industry for the next decade, with key challenges and opportunities detailed to aid future investment decisions by both industry and major funding bodies, such as GRDC. The 'Canola Vision' will be launched during the International Rapeseed Congress in September.



In relation to the **International Rapeseed Congress**, planning continued throughout the year with monthly meetings of the Scientific and Executive committees moving from monthly, to fortnightly to weekly as the Congress approached. By the end of the financial year, 2 months out from the Congress, registrations and sponsorship

CEO's Report continued

support was sufficient to provide confidence that, as underwriter for the event, AOF was not overly exposed from a risk perspective. Abstract acceptance had closed and keynote speakers secured by June 30 enabling the detailed program drafting to commence.

As much as half of the secretariat's time is allocated to ensuring the AOF provides the leadership expected of it by its members. This includes liaising with other peak industry bodies on matters of common interest; dealing with government departments, state and federal; providing informed media commentary on issues and crop conditions; and providing regular and relevant communication to members.

The AOF continued to maintain its role on the GTA Trade and Market Access Committee, and on the Committee for Plant Breeding Innovation; worked closely with Grains Australia on market access issues; consulted regularly with the Department of Agriculture, Fisheries and Forestry, both directly and through the Grains and Plant Products Export Industry Consultative Committee (GPPEICC); and participated in the GIWA Oils Council and Agricultural Biotechnology Council of Australia (ABCA).

Membership liaison and communication is another aspect where AOF has consistently demonstrated leadership. Crop Reports and ad-hoc member communications, combined with addressing member queries throughout the year and ready and easy access to the CEO has provided direct and immediate value back to members.

The AOF Secretariat is once again extremely grateful to the support and guidance it receives from the AOF Executive, in particular, from Rosemary Richards and involved members in developing and executing plans designed to build value, resilience and sustainability into the Australian oilseed industry.

Finally, my personal thanks to Elle Hardcastle, who provides tireless administrative support for the AOF, ensuring the 'wheels keep turning' and maintaining the professional image of the AOF.

Nick Goddard
CEO



Soybean Report

Paul Fleming, Chair Soy Australia

It has been another eventful year for the soybean industry, with better results than the flood-affected crops of last year. Soybean crop yields were good, and quality was excellent in most areas, although a dry finish did take the top of the yield potential.

This was the first season of commercial release of the new "Gwydir" variety, providing growers and the trade the opportunity to see this variety perform in commercial crops through to harvest after last year when the majority of "Gwydir" was lost mid-season due to the floods. Gwydir lived up to the standards seen in trials and performed well in most cases although the dry finish took the shine off the top end potential yield. Another 25 to 50mm of rain in February/March would have seen this new variety reach its potential.

Soy Australia, NSW DPI and Qld DAFF with the investment support of GRDC re-wrote the Australian Soybean Growers manual and translated this to an on-line version which was then made available on the newly created Soy Australia website (www.soyaustralia.com). Being an online version, the Manual can now be easily updated and includes pop-up factsheets that can be downloaded and/or printed. The manual covers all aspects of soybean production from seeding through to nutrition, harvesting and marketing.

There will be a series of agronomy workshops being run up and down the NSW and Qld soybean growing coastal regions to coincide with the introduction of the on-line manual to help bring agronomists up to date on the latest information before the start of the upcoming season.

Of note has been the emergence of a severe fungal pathogen outbreak in the Burdekin which had quite a severe impact on yield in some cases and impacted the willingness of growers to continue with soybeans. Soy Australia instigated a round-table discussion with QDAFF and local Burdekin agronomists and growers, to discuss the issue and try and come up with solutions. It was decided to undertake some further management trials around plant populations, row spacings, planting dates and rotations and form a working group with local growers and agronomists to meet and discuss findings and solutions on a regular basis. Soy Australia also took the step to move towards screening all planting seed for disease to assure growers they are getting clean seed to plant and not introducing foreign diseases. In the longer term, Soy Australia agreed that new varieties should be screened for disease resistance in the Burdekin as it is a very favourable environment for hosting fungal disease while also look at the possibility of breeding any resistance into future varieties.

I would like to acknowledge our partners, NSW DPI, QDAFF, CSIRO for their support of the soy industry and specifically thank GRDC for their support and their commitment to invest in a new breeding program.

Finally, I would also like to thank all the board members for their generous time and commitment to the board and the industry thank the AOF for their ongoing support providing secretarial support.

Sunflower Report

Grower interest in sunflowers continued throughout the year as growers sought the agronomic benefits of the crop as well as an opportunity to tap into residual moisture over summer. ABARES reported a significant lift in sunflower area planted this year to 25,000 Ha, yielding an estimated 37,000 tonnes. This is the largest sunflower production in a decade, easily satisfying domestic demand for the birdseed and equine markets.

The Sunflower Committee of the AOF undertook a number of activities over the past year to capitalise on the buoyant conditions. This included holding on-line training sessions for growers contemplating irrigated sunflowers in the Riverina, culminating in a field day later in the growing season hosted by the Irrigated Research and Extension Committee (IREC).

The Sunflower Committee also organised the sunflower component of the Australian Summer Grains Conference, held in Queensland in March 2023. This included a

number of core session covering agronomy, disease management, harvesting and marketing. In preparation for this Conference, the Sunflower Committee updated the Sunflower Marketing Guide to ensure growers are well informed about the marketing options for their crops. This Guide is also available on the 'Better Sunflowers' website.

Grower interest in sunflowers is growing in Central Queensland as plans continued for a sunflower/cottonseed crushing plant to be established adjacent to the new inland port at Yamala, 25km from Emerald. Once fully operational, this facility is reported to be capable of crushing 200 tonnes per day.

The former Chair of the Committee, and long-term Committee member, Kevin Charlesworth, stepped down from the Committee after more than a decade of involvement and leadership. In recognition of his service to the industry, Kevin was awarded the Sunflower Award at this year's Summer Grains Conference.



Statistics

Table 1: Australian Oilseed Production

Source: AOF

'000 tonnes	2018/19	2019/20	2020/21	2021/22	2022/23
Canola	2,310	2,394	5,015	7,161	8,085
Sunflowers	10	10	25	30	37
Soybeans	15	17	40	57	42
Cottonseed	575	131	697	1,536	1,507
Other	10	10	15	15	15
Total	2,920	2,563	5,792	8,799	9,686

Table 2: Area and Production by State (Key Crops)

Source: AOF

		2022/23		5 year average	
		Area	Production	Area	Production
		'000 ha	'000 tonnes	'000 ha	'000 tonnes
Canola	NSW	972	1,803	585	1,148
	Vic	630	1,369	486	1,082
	SA	307	655	238	419
	WA	2,017	4,258	1,443	2,344
	Total	3,926	8,085	2,752	4,993
Sunflower	Qld	5	5	6	7
	NSW + Vic	20	32	9	16
	Total	25	37	15	22
Soybean	Qld	6	13	6	12
	NSW	14	28	12	21
	Vic	1	1	0	1
	Total	21	42	19	34

Table 3: Primary Exports

Source: ABS

'000 tonnes	2022/23	Av 5 years to 2022/23
Canola	5,608	3,439
Cottonseed	782	243
Canola Oil	174	172

Statistics

Table 4: Canola Exports by Destination

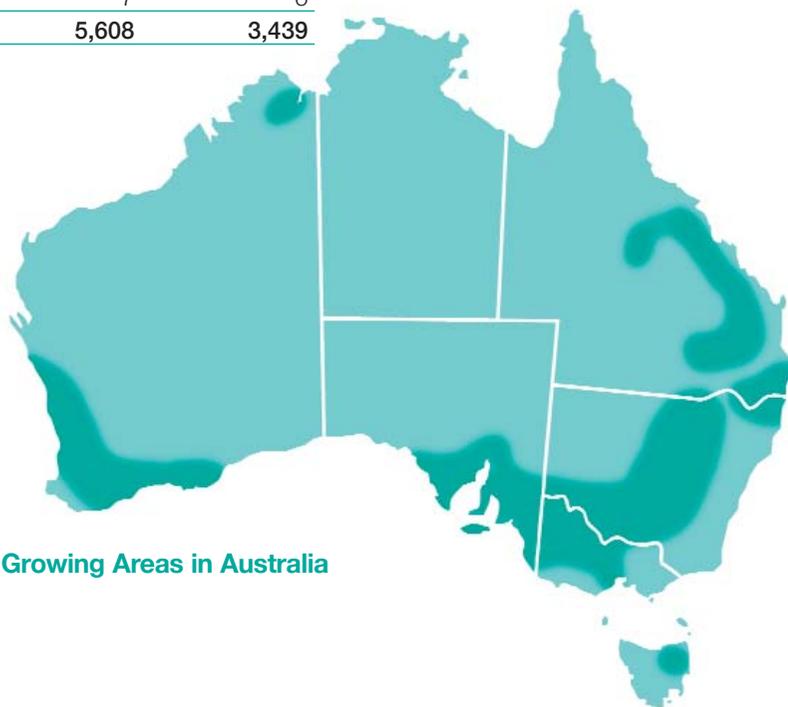
Source: ABS

'000 tonnes	2022/23	Av 5 years to 2022/23
Europe	3,130	2,223
Japan	687	338
UAE	877	294
Bangladesh	199	117
UK	0	61
Pakistan	421	118
Nepal	55	45
Malaysia	59	40
China	0	134
Ukraine	0	13
Other	7	6
Total	5,608	3,439

Table 5: Oil and Meal Imports

Source: ABS

'000 tonnes	2022/23	Av 5 years to 2022/23
Canola Oil	14	14
Coconut Oil	11	12
Cottonseed Oil	30	29
Olive Oil	13	27
Palm Oil	85	93
Soy Oil	26	23
Sunflower & Safflower Oil	54	63
Palm kernel meal	1	92
Soybean meal	742	850



Oilseed Growing Areas in Australia

