

Australian Oilseeds Federation

Crop Report



March 2010

Canola 2009/10

	2008/09 Production (tonnes)	2009/10 Final	
		Area Planted (hectares)	Production (tonnes)
NSW	262,000	227,000	261,000
Vic	251,000	234,000	391,000
SA	227,000	184,000	259,000
WA	1,138,000	745,000	986,000
Total	1,878,000	1,390,000	1,897,000

Source: Industry supplied data. March 2010

Canola estimates have been finalised for the 2009/10 season, and are down slightly (0.7%) on the January estimate. NSW performed slightly better than expected, with estimates up by 7%, while S.A. fell short of earlier estimates by 12%. Vic and WA were within a 3% variance of the January estimate. The overall national yield was 1.4t/ha, in line with the 5 year average, though down on the prior year of 1.6t/ha (equal highest for the decade).

Soybean 2009/10

	2008/09 Production (tonnes)	2009/10 Estimates	
		Area Planted (hectares)	Production (tonnes)
NSW	52,300	17,210	35,910
Qld	48,000	13,475	16,375
VIC	1,200	500	1,250
Total	101,500	31,185	53,535

Source: Industry Estimates 12/03/2010

Despite good rainfall in many of the crop growing areas in Queensland and northern NSW, it has so far had no effect of crop forecast predictions.

The north coast of **NSW** has received a large amount of heavy rainfall in the last month. Despite this there has been little damage to most crops. However, the wet weather is hampering insect control for pod sucking grubs and some heliothis and has made ground work

(spraying etc) very difficult. Many growers will need to access aircraft for spraying.

The inland areas of NSW received steady rainfall in late February while crops on the northern tablelands, (Glenn Innes, Inverell) are reported to be performing well, however the late planting has these crops at an earlier stage of maturity than is normal for this time of year and fears of crop damage due to early frosts in late March and April may reduce the yield from this area.

The crops in northern irrigation areas around Moree and Narrabri are also running late due to the late planting over Christmas and New Year. However this has not affected performance or expected yield. The crop prediction for this area has been increased as a further 2,000 hectares was planted on the Liverpool Plains in early January than originally forecast. Insect pressure is low and is not affecting crop performance.

In **Queensland**, no change in market conditions and it is still expected that over 90% of the far north Qld crop will be ploughed back as green manure. The forecast for the Maryborough/Bundaberg area has remained constant despite very good rainfall since the New Year. In the coastal crops around Maryborough insect pressure is low and yield predictions in these coastal areas is over 2.5 tonne per hectare. However, the Bundaberg section of Wide Bay has lower yield predicted at 2-2.5 t/ha. The crop is in late pod elongation and early podfill. There is an increasing presence of pod sucking bugs starting to be found in crop in this area. The majority of crop is wet due to > 800mm since the start of year and this is making ground work (spraying etc) very difficult. As with MNSW, many growers will need to access aircraft for spraying.

The recent rain in the Darling Downs & Brisbane Valley areas, while very patchy, should provide a boost to yields, as water allocation had all but gone for irrigation needs. Weed infestations have been a challenge with the wet weather hampering access to crops and this could affect quality.

Riverina and Victoria: Crops in these areas have continued to perform as expected despite high temperatures and some storm activity. Recent rainfall in the Riverina will no doubt assist growers with water allocations and crop development.

Sunflowers 2009/10

	2008/09	2009/10 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	48,600	17,800	28,100
Qld	31,700	13,000	13,900
Total	80,300	30,800	42,000

Source: Industry Estimates 5/3/10

The rain has come too late for NSW and too much for Central Queensland for this to be a notable season for sunflowers. Current estimates are around half that of last year, and around two thirds of the 5 year average. The early planted sunflowers around Moree have commenced harvesting, with 5-10% of the crop off, now that the ground is drying out, following the very heavy rains in February/early March. In the Liverpool Plains the harvest is underway, with the late planted crop establishing well, with low incidence of disease and insect presence. Where planted, the mid-plant sunflowers are at grain fill, and have fared better than the early plant due to the in-crop rainfall, with reports of yield ranging from 1.5-2.5t/ha.

The incidence of phoma phomopsis is expected to be very low this season due to the dry start.

In Queensland, the early crops have now been harvested, and the late plant is looking good on the Downs but further north, sunnies have a very low presence in CQ. It has been too wet to plant, and the planting window has now all but closed.

Cotton 2009/10

While not regularly covered in the AOF Crop Report, cottonseed oil constitutes the No 2 oilseed crop for Australia, and averages around 25% of total oil supply.

The recent rainfall in cotton growing areas has delivered a mixed impact. Some crops have been impacted negatively by too much rain, while in other areas, the rain is expected to boost yields.

The exotic pest Silverleaf whitefly has been found in higher numbers in some cases, while the Qld DEEDI has issued a fact sheet on another exotic pest, Solenopsis Mealy Bug, which has been found on the Downs and in the Emerald and Burdekin areas. (http://www.dpi.qld.gov.au/4790_16221.htm).

ABARE is currently forecasting around 200,000 Ha of cotton this season, which could translate to upwards of 480-500,000t of seed

Global Snapshot

Oil markets have been receiving mixed signals lately, with initial signals from China indicating a boost in imports of soy to bolster their food security position, providing some firmness in pricing. This has now been tempered by this week's reports of inflationary pressure in China leading to interventions to slow the economy. Cancellation of a large order of US beans last week by China served to add to the cautionary expectations. Record South American soy crop (one third harvested) have also served soften price expectations. Reports from Canada of a record canola crop (6.8mln Ha, +3.0%) have also removed what was looking like a reasonable floor under oilseed prices.

The situation for Sunflower is different, with downturn in production in Argentina and the Black Sea region providing an overall tightness in sunflower oil supply for much of this year. This could provide some upside to canola prices, if the higher sun oil prices drive the food industry to substitute canola for sun.

A drier season in Malaysia has also impacted Palm supplies, with production down 12%, impacting domestic stockpiles. This is in an environment when global demand for palm is expected to climb by 6% this year.

Source: Various on-line market reports, including Oilworld ISTA Mielke GmbH

What's Ahead...

2010 Australasian Milling Conference

The emphasis of the conference will be to challenge existing industry practices and gain a better insight into our Australian industries in a global context. Participants will be challenged to benchmark their company's performance by industry leaders through examining a range of areas to determine "Australia's Edge – Are We Sharp Enough?" Both international and

local speakers will contribute to the program addressing a range of topics relating to the feed and flour industries.
Melbourne's Etihad Stadium April 13-15, 2010.

“Australian Summer Grains - Opportunity through Unity”

This inaugural summer grains conference brings together the 5 primary summer crops (maize, sunflower, sorghum, soybean and mungbean) in one event to provide growers and scientists a forum to exchange tailored information for improved farming systems.

Royal Pines Resort, Gold Coast. June 21-24, 2010.

“Australian Grains Industry Conference”

The Australian Grains Industry Conference is the premier annual grains industry event. A number of issues will be covered, including: Global grains outlook and marketing; Australian grains industry supply chain consolidation; Review of the industry post deregulation; Volatility/risk management; Global issues - climate change, food security, biotechnology, etc; and specific sector, issue and commodity sessions.

Crown Promenade, Melbourne July 26-28, 2010

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