



May 2002

Soybeans 2001/02

The soybean harvest is virtually complete and has finished slightly better than previously anticipated with better than expected yields across the Downs and irrigated areas of NSW and Victoria. However, overall the season was disappointing and production down on industry potential. A total of around 70,000 tonnes is expected to be harvested. Quality was generally very good and there has been strong demand from the edible bean buyers.

White fly had a significant impact in Central Queensland and this remains a key issue for the industry to address for next season.

State	2000/01	2001/02F	
	Prod'n (tonnes)	Est. Area (hectares)	Est. Prod'n (tonnes)
Queensland	12,460	9,300	19,760
New South Wales	44,155	21,257	50,759
Victoria	1,800	800	1,840
Total	58,415	31,357	72,359

Source: Industry Estimates, 10/5/02

The Soybean Conference that was planned for September 2002 has been postponed til March 2003.

Sunflowers 2001/02

The sunflower harvest is also virtually finished and the season was disappointing. Only around 13,000 hectares was planted in Central Queensland significantly reducing initial estimates. In total, just over 70,000 tonnes is expected to be harvested.

State	2000/01	2001/02F	
	Prod'n (tonnes)	Est. Area (hectares)	Est. Prod'n (tonnes)
Queensland			
-monounsaturates	20,200	10,700	11,300
-polyunsaturates	22,900	19,000	16,400
New South Wales			
-monounsaturates	8,340	21,050	28,200
-polyunsaturates	12,320	10,120	14,850
Total	63,760	61,470	70,750

Source: Industry Estimates, 10/5/02

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AOF thanks the ODF for their ongoing support

Canola 2002/03

There has been no change to our estimates from last month, however, these have been firmed up in Western Australia following a good general break to the season. The east coast is still waiting for rain and the timing of this will determine whether the estimates are maintained or not.

State	2001/02	2002/03 Planting Intentions	
	Production (Tonnes)	Area Planted (Hectares)	Production (Tonnes)
NSW	600,000	400,000	640,000
Victoria	372,000	250,000	375,000
SA	214,500	140,000	203,000
WA	421,200	400,000	400,000
Total	1,607,700	1,190,000	1,618,000

Source: Canola Association of Australia, 14/5/02

Australian Imports and Exports of Key Oilseed Products

The fortunes of the soybean and sunflower crops are reflected in Australia's trade figures. Soybean meal imports are on track for a record, having reached almost 200,000 tonnes for the first 9 months of this financial year. Sunflower oil imports are also up significantly on previous years.

Product	2001/02 (9 mths to end Mar 02)	2000/01	1999/00
Imports (tonnes)			
Palm Oil	94,657	108,056	116,846
Soy Oil	6,339	7,875	8,830
Sunflower Oil	14,538	11,587	5,283
Soybean Meal	198,896	183,073	54,421
Exports (tonnes)			
Canola seed	980,679	1,479,416	1,572,981
Cottonseed	394,737	659,872	452,553

Market Comment

The Canadian canola market is still treading water waiting to see some definite news on the Canadian crop. The moisture situation has improved well over the last few weeks, but the temperature has remained cold. There is still time for the crop to be planted and for reasonable yields if the weather warms up over the next few weeks.

Industry News

Tropical fish feed and biofuel from soy

Tropical fish feed and an alternative biofuel were the top winners in this year's Project SOY (Soybean Opportunities for Youth), an annual contest for University of Guelph students to develop new uses and markets for soybeans.

First place in the undergraduate/graduate category went to a soy-based tropical fish feed called Soy Fizzy. In the diploma category, first place was awarded to J.S. BiSoy Fuel a renewable-resource fuel made from soybeans

Canada Launches first canola quality Brassica Juncea varieties

Saskatchewan Wheat Pool and Agriculture and Agri-Food Canada (AAFC) have broken new ground, introducing a new crop to western Canada that can be grown in hotter, drier regions of the southern prairies. Originally derived from mustard plants, these new non-GMO varieties are more drought-resistant and produce canola-quality oil and meal. Arid and Amulet received registration and final regulatory approval on April 19, 2002.

World Vegetable oil stocks fall

As at the beginning of April, world stocks of 12 major oils & fats had been reduced by Oil World to an estimated 12.2 Mn T. This was a three-year low and down sharply by 1.1 Mn T from a year earlier. Prices of oils & fats are seen appreciating in coming months under the lead of soy and palm oils.

Reason for the low world production this season are:

- the sizable decline in world supplies of high oil-yielding oilseeds, primarily sun and rapeseed, but also copra; and
- the decline in palm oil output by 0.1 Mn T from a year ago in Oct/Mar, in contrast to an increase by 1.3 Mn T in the same 6 months of last season.

Planting in North America behind schedule

Spring plantings have been delayed in the USA and Canada, due to unfavourable weather conditions in major growing areas. The USDA projects 2002 US soybean production at 77.6 million tons, down 1.1 million tons from a year ago.

Planting in Canada is about 7-10 days behind normal patterns, but no undue concern at this time due to improving moisture levels in major canola production regions in Manitoba and eastern Saskatchewan. It is estimated that area planted will be up slightly (by 1%), but yields are expected to recover significantly on last year. Dry pockets remain in southern Manitoba, but there is sufficient moisture to start crops off in other regions.

Very dry conditions persist in western regions of Saskatchewan and eastern Alberta, which accounts for around 30% of Canada's canola production.

Argentina's soy crop estimated at 29.5 million tonnes

A recent report by the USDA's attache in Argentina says the lack of credit and devaluation of the Argentine peso are expected to see a shift in area planted next year to crops which require lower inputs such as soybeans and sunflower. Soybean production this year is estimated to increase to 30 million tons (up 500,000 tons from the previous estimate) and to be around similar levels next year at 29.5 million tons. Whilst area planted is expected to increase to 12.2 million hectares, yields are expected to fall to more average levels following this year's excellent crops.

However, Argentine farmers have indicated they are relatively quick to shift crop area in response to changing economic conditions and as the economic situation remains fluid, some uncertainty around next season's planting remains.

New season prospects for rapeseed/canola

Oil World recently released its supply and demand projections for rapeseed. These numbers confirm the declining stocks of rapeseed driven by continuing strong demand and low production over the past three years. World production fell to a three year low of 36.5 million tons this season, with Canada accounting for the bulk of this decline.

New-crop prospects point to a good recovery in the European Union (expected to be up 1 Mn T to 9.85 Mn T) and in China (expected to reach a record 12.2 Mn T). In the EU new crop plantings were mainly expanded in Germany.

World rapeseed balance (Mn T)

	01/02F	00/01	99/00
Opening stocks	3.62	5.64	3.49
Production	36.54	37.44	42.62
Consumption	37.27	39.46	40.47
Ending stocks	2.89	3.62	5.64