

# Annual Report 2007-08



Australian Oilseeds Federation





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### AOF Office Bearers

**Robert Green** – President  
**Trent Potter** – Vice President

**Charles Aldersey** – Treasurer

### AOF Executive

**Robert Green** – President  
**Trent Potter** – Vice President  
**Charles Aldersey** – Treasurer  
**Nick Goddard** – consumer market sector  
**Adam Davies** – refining sector  
**Jon Slee** – crushing industry  
**Rob Dickie** – export sector

**Denis M’Gee** – stockfeed sector  
**Mike O’Hare** – production sector  
**Rob Wilson** – Canola Association of Australia  
**Rob MacDougall** – Australia Sunflower Association  
**Peter Brodie** – Soy Australia  
**Rob Proud** – Oilseeds WA

### Acknowledgements

The Australian Oilseeds Federation sincerely thanks the contributors to the Oilseed Development Fund for their ongoing support:

Meadow Lea Foods  
Peerless Foods  
Riverland Oilseeds  
Atlantic Pacific Foods  
Cootamundra Oilseeds  
Ridley Agriproducts  
Grain Pool WA  
GrainCorp  
AWB Limited

Unilever Australasia  
Cargill Australia  
MSM Milling  
Alba Edible Oils  
Bartter Enterprises  
Millmaster  
ABB Grain  
Louis Dreyfus

# Presidents Report

## Robert Green

It gives me great pleasure to present the President's Report for 2008. At this time last year I believe I referred to 2007 being an interesting and challenging year. As benchmarks go we were only warming up in 2007 - this year has been far more interesting and challenging.

The year has seen the industry celebrate 100 years of oilseed crushing in Australia, it has seen widespread drought in Eastern Australia, it has seen the approval granted for Victoria and NSW to commercially release GM crops, it has seen the Australian dollar trade to almost parity with the US Dollar and it has seen history being made almost daily with the soft commodity and food sector being now linked to the fuel sector through biofuels support. It has not been a time for the faint of heart.

Crop production and supply issues due to the continuing drought in Eastern Australia have put all producers and processors under pressure. Even with the optimistic price outlook for canola, the lack of rain in the latter parts of the crop production cycle meant the Eastern States became Western Australia's biggest customer. When one considers the cost of freight and handling of the seed from West Australia to the East, which comes straight out of the crushers margins, it's easy to see it is not only the farmers who are suffering in these times.

The cotton story also offers little joy as water for irrigation remains scarce and cotton production has been the lowest we have seen in many years.

Sunflower, while an important crop for the industry, has also faced its challenges with strong gross margin pressure from sorghum. Furthermore the preferred production region

is geographically distant from the bulk of the oil demand, which in turn offers advantages to import sunflower oil from Argentina.

Market Choice... This has been and will continue to be the AOF's position on the use, and adoption of, GM oilseed crops in Australia. During the year we saw the removal of the moratorium and the first commercial production of GM canola in NSW and Victoria. The farmer response to be able to access and utilise the technology has been swift, and if you use the other GM producing countries as a benchmark, the widespread adoption will be rapid. It is also important for the future of the oilseed industry in Australia, as the very sustainability of the oilseed industry would have been under question with the declining yields and reducing area under the previous system with a lack of choice afforded to the farming community.

The next challenge for us to confront will be for the principles of market choice to flow to end users and consumers. The industry needs to give consumers the choice and then let them decide whether they support the science and are happy to consume products from GM crops or wish to continue to chose and be prepared to pay for a non GM product. The protein meal industry has already confronted that decision, with upwards of 600,000 mt of soybean meal imported for use in the domestic feed market.

Two other key areas of change during the year have been the reformation of the soybean industry representation and commercialisation arrangements for the national breeding program. I welcome these changes and the commitment from several

new parties to make this work.

The other area we need to be diligent in is that of food safety and chemical residues. We cannot take this lightly and it will require a concerted industry effort to monitor, administer and maintain appropriate use in order to protect our reputation and continue to have export access, for canola in particular.

The wildly fluctuating dollar and the strong links the food sector now has to the fuel sector through the use of mandates will continue to add volatility, opportunity and the need for us all to be aware of areas we could previously ignore or watch with detached interest.

In spite of all the challenges I am extremely grateful for the continual support of the ODF by Industry participants. This provides crucial funding and allows the AOF to be as successful as it has been in the diversity of portfolios it oversees.

With any organisation there are many people one should recognise and thank for their efforts and contributions throughout the year. Firstly I would like to make a special mention of one of our executive, Jon Slee. Due to several reasons, Jon has decided to have a change of direction, which meant he had to resign from the Executive, at this stage at least. Jon has been a major contributor to the AOF over several years. His energy, enthusiasm and fresh ideas were always welcome and will be missed, thank you Jon.

Major recognition and thanks goes to the GRDC for the continued support of the oilseeds industry and joint funding with the AOF of our "Better Oilseeds" project and the Canola Quality Objectives Group. I have, and will continue to use this as an example, of what a co-operative effort between an

effectively funded industry organisation and the GRDC can achieve.

I would also like to issue a huge thank you to Rosemary. Her tireless efforts to make the AOF a constantly better and increasing relevant industry body are exemplary. I know for a fact that Rosemary puts in far more time and resources to the AOF than we have contracted and for this we are deeply indebted. As the food system, technology and the industry become more complex the need for resources will only increase.

Finally... Thank you all for your support and contributions over the last 12 months and I look forward to another exciting and challenging year ahead.

# ODF Report

## Rosemary Richards, Executive Director

### Highlights

- Continuation and growth of the AOF/ GRDC Better Oilseeds agronomic initiative
- Launch of the web based Agronomy Centre providing a one stop shop for growers and advisers to access agronomic information on canola, sunflowers and soybeans
- Formalisation of the Canola Quality Objectives Group with GRDC support
- Continued partnership with R&D bodies - GRDC and the Pork CRC
- First plantings of GM canola in NSW and Victoria
- Establishment of Soy Australia and formation of a new partnership with the National Soybean Improvement Project
- Launch of Soy News

### Australian Oilseeds Federation

With the ongoing support of the Oilseeds Development Fund (ODF) and partnership funding from the GRDC and the Pork CRC, AOF continued to deliver industry development and support services across the Australian oilseed industry.

Despite a positive start to the season, dry conditions again cast a shadow over the industry. Canola production improved on the very drought impacted 2006/07 season, but remained well below its potential. Sunflower production also recovered from 2006/07 levels, but still failed to meet domestic requirements and soybean production remained well below average. On a positive note, prices were very favourable and this helped stimulate renewed interest in oilseeds.

In the face of these challenging conditions, AOF remained focused on the industry's goals and long term prosperity through the implementation of the AOF 2010 Strategic Plan.

The AOF continued its vital role as a strong industry voice and assisting the industry to respond effectively to the challenging and rapidly changing industry environment. Despite funding being impacted by the third year of below average production, AOF continued its activities across key program areas of:

- Grower capability
- Nature's Finest
- Protein Meal
- Export Market
- Communications and knowledge building

### Industry performance

#### *Crop performance*

The 2007/08 season was one of mixed fortunes for the oilseed industry. There was recovery in production, but the early potential of crops was not realised. This coincided with some very positive prices for growers and it was frustrating the industry was not able to take advantage of this.

Canola production recovered from the record low of 2006/07 to just over 1 million tonnes, but was below the industry's potential based on area planted. The poor spring conditions on the east coast again saw some crops cut for hay and yields reduced. The poor east coast performance was again offset by a good WA crop.

Summer crop prospects were mixed. The soybean industry suffered the combination of dry conditions in Queensland and floods on the north coast of NSW. For a second year in a row, production finished around 30-35,000 tonnes. Sunflowers showed better promise, and saw the emergence of new production in the St George irrigation area of Queensland. Production recovered to around 75,000 tonnes, although this remains below industry requirements.

The cotton industry continues to be adversely impacted by lack of water flows in the irrigation regions and cottonseed production was the lowest in a decade. The NSW irrigation areas have been the worst hit.

The poor seasonal conditions and another year of lower oilseed production saw oil and meal imports increase again in 2007/08. Increases were evident across soft oils, palm oil and soy meal.

Exports were likewise constrained, with the industry again relying on WA to service our important export customers in Pakistan and Japan as well as the east coast domestic crushers.

The smaller drought affected crops, imports of low cost packaged product and lack of availability of specialty oil types added considerable pressure to the manufacturing and value-adding sector.

Oilseeds are a large and important component of the food industry. Its products are major ingredients in the food and feed value chains and increasingly fuel applications.

Global demand for all oilseeds has continued to rise, fuelled by increasing demand in China and India combined with an expanding biofuels market. The expanding

palm oil industry in Indonesia and Malaysia has played a key role in meeting demand for fats and oils. And although global usage of biofuels is predicted to increase, the markets for oil based biodiesel is uncertain given the influences of feedstock prices, crude oil prices and government policies. Despite this, predictions are for continued growth in use of vegetable oils in the food and fuel sectors worldwide.

### ***Vegetable oil***

While the increasing awareness of good fats and bad fats and concerns over health issues such as obesity, continues to underpin a growing interest in healthier oils from the food manufacturing and food service sectors, this was offset by the lack of locally produced oils.

However, this trend will continue to benefit Australia's healthy natural soft oils as production recovers and specialty oils like high oleic sunflower and high oleic low linolenic canola continue to grow.

Looking past the gloom of recent growing seasons and continuing dry conditions, the Australian oilseed industry has a bright future. Demand for vegetable oils is strong and medium term market factors are supporting value of the premium oils such as canola, sunflower and safflower. On the back of this strong demand and ongoing investment across the value chain, the future for the industry remains optimistic.

Soft oils are favourably positioned to take advantage of opportunities in food markets where there is expected to be a continued shift to healthier oil, with improved functionality to increase the penetration of

## ODF Report continued

soft oils in food service and/or food manufacturing applications.

Alongside this there is increasing use of technology to deliver quality and cost competitiveness and advantage.

Development of high oleic low linolenic canola types which have the functionality to be used in frying and food manufacturing applications is critically important issue for the industry.

### ***Protein meal***

The Australian intensive livestock sector is, and is expected to continue, growing rapidly resulting in increased demand for feed inputs including protein meal.

The opening up of new origins for import of soy meal to Australia has seen ready availability of competitive supplies of soy meal and, combined with drought conditions in Australia, there has been a significant increase in soy meal imports into Australia over recent years. This saw soy meal imports exceed 600,000 tonnes in 2007/08.

Globally, and in Australia, canola and the other locally produced meals compete with soybean meal in feed ingredient markets and thus, is typically compared to and priced against soybean meal.

Thus, there is direct benefit to the industry from expanding the penetration of canola meal in rations and in improving the value of canola meal relative to soy meal and this has formed a key focus of the AOF protein meal program. This would enable replacement of imported soy meal. The major focus in the meal industry is on those characteristics that benefit all livestock groups, namely protein and energy levels.

### ***Supply chain***

The competitive base of the oilseed complex is changing as all the oilseed sectors seek to take advantage of the opportunities. Other suppliers are seeking to improve their quality and supply base; other oilseed suppliers are investing in research and development to manipulate quality characteristics to better suit market requirements; and there is investment in new technologies aimed at increasing production or improving nutritional characteristics. As a consequence, competition is intensifying and Australia needs to ensure that its germplasm enhancement and breeding programs are, at a minimum, keeping pace with competitors.

Investment in innovation in the value chain to continually improve efficiency also needs to be maintained. New investment over the past couple of years has seen expansion in the processing sector, along with consolidation of processing activities.

Production remains the industry's greatest challenge, in particular on the east coast, and Australia needs to continue to focus on innovation and building grower capability in order to enhance production and maintain exportable surpluses. AOF will continue its focus on improving the overall volume and consistency of oilseed production as its number one priority.



## 2006/07 Activities

### ***Improving grower productivity***

The AOF/GRDC Better Oilseeds program is a core part of the industry's response to addressing the production challenge.

The third year of below average of poor production continues to highlight the ongoing need for a dedicated focus on building crop production and the importance of the GRDC partnership to enable the delivery of much needed agronomic support services to growers.

The AOF / GRDC Better Oilseeds agronomy project, which commenced in July 2007, provides much needed support for oilseed growers. It focuses on improving the skills of advisors and growers so that they can more reliably produce oilseeds under difficult climatic conditions and take advantage of more favourable weather patterns when they return.

At the half way point of the project, some key outputs are now emerging. In particular, the Better Canola case study booklet which will be followed by similar publications for soybeans and sunflowers is an important information tool for growers and will assist with the challenge of 'raising the bar' in terms of productivity.

The other major output has been the development of the Agronomy Centre which provides a one stop shop access for growers and advisers to all the major agronomy information for canola, soybeans and sunflowers.



The Better Oilseeds program has been supported by the activities of Felicity Pritchard, the Oilseeds Industry Development Officer for southern NSW and Victoria, and from 1 October 2008, these projects will be run as a combined activity. Felicity produced a wide range of extension materials during the year including:

- media releases ("Oilseed News")
- technical articles
- articles for the Canola News and Soy News
- radio interviews
- presentations at farming systems field days
- GRDC Update workshops and to groups of commercial agronomists growers and oilseed industry representatives
- "virtual canola" pages on the AOF website

The AOF thanks GRDC for its partnership and ongoing support in this project.

## ODF Report continued

### ***Sunflower Promotion***

The sunflower benchmarking project, funded by AOF and completed in the previous year, highlighted that grower confidence in markets was one factor limiting production of sunflowers. To address this, given the strong interest from local and export markets, the ASA/AOF undertook a promotion program – Sought After Sunflowers. This program was aimed at highlighting the wide diversity of markets and end use for sunflowers.



Sunflowers offer growers many benefits, both in terms of market opportunities and agronomic advantages. Sunflowers are a highly sought after product with strong demand from a range of end uses providing growers with a choice of market options at attractive prices.

The strong gross margin for sunflowers complements the crops' agronomic benefits including the fact sunflowers are highly suited to no-tillage, improve the condition of the soil and are an effective break crop for diseases in winter cereals. Sunflowers may

be sown in two planting windows allowing flexibility in the farming system rotation and the ability to take advantage of early season planting before alternative summer crops are viable and again in the late season, sowing after other crop windows have closed.

These benefits formed the basis of the roadshow throughout sunflower growing areas in NSW and southern Queensland.

### ***Protein Meal***

The AOF strategic Plan highlights that the Australian oilseed industry stands to benefit from increasing penetration of canola meal in animal feeds and improving the value of canola meal.

The Protein Meal project was initiated in 2006 with the support of the Pork CRC and the AOF crusher members. Stage One of the project was completed in 2006/07 and the key output was the publication of the Australian Canola Meal Guide. This Guide provides a profile of the industry's protein products and technical data sheets for these products. The Guide has been widely distributed to all sectors of the industry and in particular the stockfeed sector.

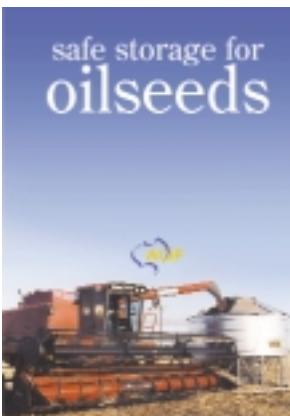
Stage Two of the project has continued in 2007/08. The aim of this stage is to identify methods to improve the consistency and value of canola meal through modifying processing parameters during crushing. The first step was to develop an NIR calibration for protein quality, in particular amino acid availability. Amino acid quality is an important nutrient measurement used by feed manufacturers to determine the value of protein meals. By developing a rapid NIR calibration, the project aims to provide a tool for crushers to determine which process

parameters will produce canola meal with a higher value to animal feed producers. The AOF thanks the Pork CRC for continuing to partner, fund and support this project.

### ***Export Market***

The export market has faced a difficult year, largely due to the lack of product for export.

A key issue for the canola industry in 2007/08, but with implications for other oilseeds, was in relation to the use of chemicals and management of chemical residues. This has been highlighted with changes to standards and processes in key export markets such as Japan. In order to ensure the industry maintains access and is well positioned to export to markets around the world, AOF has worked with the export sector over the past couple of years to develop a range of resources for the industry. This includes Guidelines for Use of Structural Treatment Chemicals; a range of awareness publications for growers and updating of the Safe Storage of Oilseeds brochure.



AOF sponsored a delegation to Japan during the year comprising Robert Green and Rob Dickie. The main purposes of the delegation were to:

- Provide an update on the Australian canola crop outlook
- Seek to change the Japanese MRL for some chemicals to the Australian MRL
- Explore the concept of a pre shipment clearance protocol for testing for chemical residues in Australia
- Provide an update on the developments with GM canola

The response to the AOF delegation was positive and there is an ongoing dialogue with the Japanese buyers and the Japanese industry associations.

### ***Innovation***

AOF has continued to proactively support the industry's access to technology in form of GM canola and to advocate the industry's position on market choice. AOF made submissions to the relevant state Governments, supporting the removal of the GM canola moratoria based on the potential economic and environmental benefits and the industry's capability to deliver market choice.

In November 2007, canola growers in New South Wales and Victoria were given the choice of growing GM canola when both state governments removed their respective moratoria.

AOF continues to work with the industry to ensure that the key market choice criteria are met.

## ODF Report continued

Approximately 110 farmers have planted GM canola varieties across southern NSW and Victoria with an estimated area of 9,500 hectares of GM canola planted. In 2008, the GM canola crop will be marketed in a closed loop arrangement. Early results of the technology look very positive and growers are reporting good vigour and better weed control capability, while the industry has developed supply chain confidence in its ability to manage grain segregation to meet industry standards.

Going forward, the AOF will continue to support innovation and new technologies to allow all segments of the oilseed supply chain market choice and flexibility.

### ***Canola Quality Objectives Group***

The Canola Quality Objectives Group (CQOG) is a joint initiative of AOF and GRDC and was established to assist in improving market signals from customers to breeders/researchers through formalisation of linkages and to document market signals so that these can be used by researchers and investors in their planning and investment decisions.

The CQOG pilot project report is a benchmark report for the industry and will be a valuable tool for the industry use alongside the industry's 2010 strategic plan. The pilot project recommended that the CQOG should continue.

GRDC has continued its support for the CQOG project for a further three years. This will be a significant boost for the industry and AOF is pleased to be able to partner with GRDC on this project.

The project will build on the pilot project. It is

about using market intelligence, defining quality traits and improving value chain interaction to grow the value of the canola industry through lifting the base crop quality and increasing uptake of specialty varieties.

The CQOG will provide advice on quality issues that affect the marketability of Australian canola and value to growers.

The CQOG will deliver better alignment of varieties with market requirements through:

- monitoring and defining quality of current cultivars
- identifying quality requirements for major end use products
- providing a forum for discussion on priorities and translation into quality objectives
- recommending areas for research into canola quality

### ***International Relationships***

Throughout the year, AOF maintained its linkages with key counterpart groups globally. This includes the Canola Council Canada (CCC), International Seed Crushers Association (IASC), FOSFA and AOCs/ISF.

The Chairman of the CCC visited Australia in October last year for the AOF Forum and participated in some grower field days to share some of Canada's experiences with GM crops. The CCC is also partnering with AOF to provide a focus on canola during the upcoming World Congress on Oils and Fats in September 2009.

On a sad note, the IASC decided to conclude its activities in December 2007. This saw the end of an organisation that had provided a valuable forum for all the

producing, consuming, importing and exporting countries to come together and discuss issues of importance to the global oilseeds industry. AOF had been an active participant in the IASC in recent years with firstly Allan McCallum and, more recently Rosemary Richards, serving on the IASC Management Committee and the IASC Council. AOF will seek to maintain contact with its individual country counterpart organisations on a more informal basis.

### ***Communication and knowledge building***

As the peak industry body, AOF continued to represent the industry locally on policy and strategy development with government and consumers and also in the international arena.

This was noted by good attendance and participation at conferences and forums domestically including around 100 people at the AOF Forum 2007 and typically 30 or more people to AOF general meetings.

We were very fortunate to have two high profile international guests for the 2007 Forum, namely Stew Gilroy the chairman of the Canola Council of Canada and Dorab Mistry one of the leading price commentators in the oilseed industry. While recognising the short term challenges, there was a clear optimism about the long term future of the oils and fats industry.

AOF was also a key supporter of industry conferences during 2006/07 including Agriculture Australia 2007 and the 15th Biennial ARAB conference.

Member communications, engagement and support continued as a core activity for the secretariat.

AOF continued the production of AOF News, the monthly AOF Crop Report and Canola News. The Canola News publication was considerably revamped and the new publication has been well received. AOF also launched Soy News during the year which has rapidly gained a place as an important and widely read publication within the soybean industry.

AOF is also supporting the industry through ensuring the industry can have ready access to leading experts in the global oilseeds industry through hosting two international events.

The 7th International Safflower Conference will take place in November 2008 in Wagga Wagga and will highlight the potential for safflower as a crop.

In September 2009, Australia will host the World Congress on Oils and Fats incorporating the ISF Congress.

## **Looking forward to 2008/09**

AOF will continue its proactive support of the industry throughout 2008/09. Our activities will be focused around priorities as they emerge and as identified in the 2010 Strategic plan. This includes continuing the work detailed in this report.

Naturally, we hope for a return to former plantings, better growing conditions and increased productivity and profitability for growers and all industry participants.

# Committee Reports



# Standards and QA Group

## Neil Barker, Chairman

The Standards and QA Group made a number of changes to the AOF Standards during the previous twelve months.

- The cottonseed standards were revised and now include two sets of specifications: one for “fuzzy” cottonseed and the other for cottonseed hulls.
- Provision was made for the introduction of genetically modified (GM) canola by modifying the canola trading standards to now have two standards: one for both GM and non GM canola (CSO 1) and the other for non GM canola with an adventitious presence threshold for GM canola of 0.9% (CSO 1-A)
- Three new standards were defined for high oleic sunflower oil; crude high oleic (CSOF 38) refined bleached high oleic (CSOF 39) and refined, bleached deodorised high oleic (CSOF 40)
- The list of chemicals not permitted in immediate prior loads for transport by road and rail in the AOF Codes of Practice was updated to reflect changes in the internationally recognised Federation of Oils, Seeds and Fats Association (FOSFA) list
- The test check program was modified to allow for the testing of a larger number of samples by participating laboratories, to increase accuracy, and to prepare for possible future involvement by the National Measurement Institute in regulation of Near Infrared (NIR) oil measurement.
- A definition of “as is” was added to the standards.

There were also several other issues which were considered by the committee during the year, which did not involve changes to the standards, but are still under active consideration.

- The grains industry is currently conducting a review of its weed seed lists and tolerances for receipt of all commodities. Once this is completed, the AOF Standards and QA Group will adapt this list for use by the oilseeds industry.
- The standards committee is considering the establishment of a GM Canola Meal standard, consistent with standards proposed by international authorities. Feedback on the proposed standard is now being sought from the livestock industries and the feed manufacturing sectors.
- A product recall procedure is being considered to cater for the need to trace products back to the point of production in the event of quality disputes.

Protocols for pre shipment inspection and clearance of export oilseed products for pesticide residues are also being considered in response to increasing scrutiny from export market customers on the presence of these substances

# Canola Association of Australia Report

Rob Wilson, Chairman

It has become an all too familiar report of yet another season getting off to a promising start then declining as we move through the crucial spring period. It is disappointing and certainly will have some ongoing ramifications on the canola industry, with estimates on final production figures for 2008 still widely variable.

NSW, Victoria and South Australia have all experienced variable weather conditions and rainfall across regions which is seeing significant decline in production estimates. Again as in 2007, WA is the shining light for canola, expecting to hold or increase production.

The CAA continues to have strong involvement in key issues for the industry:

## Blackleg Ratings

Following an extensive and thorough industry review of the Blackleg Disease Ratings, the CAA has adopted a new national rating system that is consistent across other crops tested in National Variety Trials. The new system lists varieties in a colour-coded 'alpha' label ranging from 'R' for resistance to 'VS' for very susceptible varieties rather than the old numerical system bringing transparency between all crops. To Dr. Steve Marcroft, the national blackleg resistance ratings coordinator, thanks for getting this completed and signed off by the industry.

The new Blackleg Ratings brochure has now been widely circulated.

## Oilseeds Development Officer

Although the AOF/GRDC funding expired in June, the AOF was able to get it extended until the end of September. Felicity Pritchard has continued to do a terrific job for the industry and none better than her articles for Oilseeds newsletter and the Canola News. GRDC has added funds to keep this position going until end of June 2009, with the possibility of getting a new project funded in future.

## Publications

The CAA has reproduced the 'Managing sclerotinia stem rot in canola' fact sheet. Thanks to Kurt Lindbeck for taking the lead in this and to the CAA committee who were involved. This is a very useful publication that will be of benefit to growers, agronomists/ advisors and researchers. The printing of this factsheet was funded by GRDC and AOF.

The 2008 CAA blackleg resistance ratings fact sheet is now a much sort after publication for the industry as whole.

## AOF/GRDC funded Better Oilseeds project

This ongoing project has really started to evolve under the direction of Steve Marcroft and Sue Knights. The one stop shop website is up and running and being well utilised by growers and industry alike. The CAA continues to be closely involved with the agronomy trials and the overall project. I look forward to seeing a full report later in the AOF Annual Report.



## GM canola

2008 saw Victorian and NSW state governments lift GM moratoria's. Close to 9,000 hectares of Roundup Ready® canola were planted by around 110 growers across both states. The interest and feedback on the progress of these crops has been very positive with plenty of optimism for 2009 and beyond. Spring RR technology field days have been well attended at sites in both NSW and Victoria.

## Production teleconferences

Reporting of more accurate estimates has been an issue discussed at length by the CAA committee following industry feedback that not all stakeholders agreed with production forecasts. It was agreed that we needed to continue to report industry forecasts but in a better format.

Reducing the extremes – highs and lows across states was also seen as high priority. In 2008 data has been collected prior to the teleconference and only then members that input data are on the hook-up to agree on the final numbers. To date I believe it is working well and much better than previously.

## CAA newsletter

The new format has been well received with excellent content being included, but it is a constant task to keep getting material. A very special thanks to the members of the communications committee for their great input. Many thanks to our sponsors of this excellent publication in Dow AgroSciences, Pioneer Hi-Bred, Nuseed and Pacific Seeds.

## Juncea canola

2008 saw a further expansion of juncea canola into the low rainfall areas, where it still operates under closed loop production system. We await improved varieties to take the crop further into low rainfall areas.

## ARAB 2009

This is an early notice for the 2009 ARAB Conference to be held in Ballarat, Victoria. 14th-16th September, 2009.



# Australian Sunflower Association Annual Report

Rob MacDougall, Chairman

The year finished above expectations aided by a large plant of sunflowers in the St George irrigation district. Growers in this region were unable to plant cotton due to the lack of water allocation and good rain in November provided an opportunity for these growers to plant sunflowers.

The feature of the year would have to be the record high prices with crushing prices for mono sunflowers averaging \$850/mt delivered Narrabri and peaking at \$1000/mt for a short time. These prices were a result of a shortage of sunflower oil around the world and some political happenings in Argentina which fuelled the problem.

Australia's overall production for the year was estimated at 73,000 tonnes. Northern NSW and the Liverpool Plains regions produced 41,050 tonnes from 26,800 hectares and Queensland produced 31,950 tonnes from 20,100 hectares.

The crop comprised 57% mono type and 40% poly type with the remainder being birdseed/ confectionary.

This was a great result considering that in the previous season Australia only produced a total of 18,000 tonnes.

By region results varied considerably due mainly to diverse weather conditions.

Yields for the late plant around Moree were disappointing due to the lack of rainfall during the growing season. Dryland crops averaged 1.1mt/ha with oil averages also disappointing at 38 to 39%.

On the Liverpool plains, the late plant sunflower harvest was a drawn out affair due to rain and cool conditions during June. Yields were not quite as high as some growers expected, but were still good

considering the lack of rain for three months of the growing season. Average yields were 1.6-2 t/ha. Oil results were slightly better at 40 – 41%.

The St George irrigated crops which were predominately mono type, performed quite well, with a few problems with crop height and some occurrence of Powdery Mildew. Overall, yields were around 3 t/ha and oils averaged around 41 to 42%.

There were also a few irrigated crops on the Darling Downs which performed similarly to those at St George.

Dryland crops on the Downs and in the Burnett region performed to average with some high incidence of Rutherglen bug infestation which caused some yield and quality losses.

In Central Queensland, where there has been a significant decline in production in recent years due to the incidence of TSV (Tobacco Streak Virus), production increased last season. Areas to the East and South of Emerald performed extremely well with a good season and low incidence of TSV. Yields averaged 1.5 t/ha and oils were over 40%.

The areas to the North of Emerald around Capella and Clermont are still showing high incidence of TSV, but also the season in this region was a lot drier than the south of Emerald.

Production results achieved in the 2007/08 season, as mentioned, have largely been a result of above average prices, however, other factors have led to the turnaround in the improved outlook for sunflowers.

The support and funding from the AOF Better Oilseeds Project has had a huge

impact on the industry as a whole. Research and promotion has been a feature and sincere thanks must go out to those who were involved throughout the year.

In particular the work done by Steph Bellfield and Loretta Serafin with their trial work on the Liverpool Plains and Nth NSW has been none other than exceptional.

The promotional material coordinated by Sue Knights was also instrumental in providing growers with up to date information on the agronomics of growing sunflowers.

The members of the Association also participated in a promotional/agronomic roadshow in August 2008 with meetings at Spring Ridge, Narrabri, Moree, St George and Clifton. Attendance at these meetings was above expectations and the speakers included Loretta Serafin NSW DPI, Steph

Bellfield HMAg Pty Ltd, Katie Colvin from Cargill Australia, Rosemary Richards from AOF and Phil Aubury from Philp Brodie Grains. Past ASA President Annie Pfeffer spoke from a growers' point of view and we also had Sue Thomson from the DPI in Toowoomba talking on Powdery Mildew in sunflowers.

Going forward the sunflower industry needs to maintain its current emphasis on research and promotion. In particular, the trials need to be continued and emphasis needs to be placed on the control of TSV in Central Queensland.

This coming season ASA intends to add trial work on Irrigated sunflowers to the programme and also look more closely at the effect of Rutherglen bugs have on seed and oil quality.



# Soy Australia Annual Report

Peter Brodie, Chairman

## National industry highlights

The buoyant soybean prices were probably the highlight of the 2007/08 growing season with CBOT prices over \$US14 per bushel. Locally growers achieved record prices and that has set a very positive scene for 2008/09.

The other highlight was the formation of Soy Australia. Soy Australia will be the peak body of the soybean industry in conjunction with AOF. Soy Australia has been formed to represent all the different soybean associations - Northern Australian Soybean Industry Association (NASIA), North Coast Oilseed Growers Association (NCOGA), the Riverina Soybean Growers Association (RSGA) and other areas not covered by grower associations, plus processors and end users, giving the industry one voice able to deal with the ongoing issues in the industry. While the peak body is a step forward for the industry, regional bodies will still be very important for the grassroots industry.

The future expansion of our industry is very dependent on the success of the breeding program. Introducing new varieties that are higher yielding in the paddock and more acceptable to the food industry, whilst also supplying the important crushing and oilseed industries are a high priority. The focus on the breeding program has taken considerable time for all the association leaders over the past year and through the formation of Soy Australia will have the breeding program very focused on those outcomes.

## Oilseed Industry Development

We appreciate the ongoing support from GRDC and AOF in the jointly funded agronomy support program "Better Oilseeds". All associations have helped in providing case studies of successful farmers for publication before the next crop is planted. These case studies show how the better farmers operate and the benefit of growing soybeans. Variety trials are also planned in three major developing soybean areas next season.

## Soybean Production Estimates 2007/08

State	Area ha	Yield	Production
Qld	8000	2.6	20930
NSW	6855	2.0	13803
Vic	0	0.0	0
<b>Total</b>	<b>14855</b>	<b>2.3</b>	<b>34733</b>



## Northern Australian Soybean Industry Association (NASIA)

The ongoing drought again inhibited the area planted on the Downs and through north western New South Wales. Most growers in these areas irrigate and the preferred crop is cotton. November and December rain did see a small increase in the area of soybean planted. If we experience similar conditions this coming year, soybean planting could increase dramatically.

Interest in soybeans is on the increase in all sugar cane areas where soybeans are not only seen as a alternative cash crop, but also a crop to help improve their soils and increase sugar cane yields in following sugar crops. The Bundaberg area has led the increase, with more northern areas looking to increase planting next season.

NASIA's most important function has been to support varieties released over the past few

years. All sections of the industry want proof of performance before old varieties are discarded. Seed producers are undertaking the promotion of these new varieties.

The varieties are;

- **Stuart** released a few years ago as an edible variety developed for the sugar cane and northern Queensland areas
- **Bunya** has the best potential in southern Queensland and the northern inland region of New South Wales. In trials and seed production, the yield from Bunya has been impressive.
- **Fraser** was trialed as MANPKN and is working well in the Bundaberg areas. Along with the irrigation area of the Darling Downs. Fraser, along with Bunya and Stewart are light hilum varieties suited to the edible market and they are also suitable as crushing soybeans if they do not meet edible standards.



## Soy Australia Annual Report continued

### **North Coast Oilseed Growers Association (NCOGA)**

The northern rivers of NSW (encompassing the Northern Rivers of New South Wales) over the past few years has been the capital of soybean production in Australia. The importance as a rotation with sugar cane and the beef and beans project conducted in this area has lifted the profile of soybeans to a point where they are achieving very high yields. The majority of crop grown in this area is dryland, with growers and departmental people in this area supporting each other very well through their Association and setting high standards.

The season started well in the Northern Rivers, however, flooding rains in the first month of growth destroyed a number of crops. The surviving crops then went through another stress of drought reducing yields further also affecting grain size and proteins. Around 80% of the varieties grown are clear hilum varieties to allow access to a broader range of markets.

No new varieties were released on the North Coast this season, but several advanced lines are in the final stages of evaluation trials conducted by Dr Natalie Moore at the Grafton Research Station (GRDC funded National Soybean Improvement Program with material from NSW DPI and CSIRO breeding programs). The advanced clear hilum lines have improvements in seed size, protein, yield and weathering tolerance, which are key traits required to expand coastal soybean production.

The annual Grafton soybean field day was well attended again this year. Research trials and potential new varieties were covered as well as agronomy information designed to

help producers improve their yields and quality.

### **Riverina Soybean Growers Association (RSGA)**

Severe water shortages again limited the southern irrigated crop. A very small area of clear hilum varieties was grown in Southern NSW and there was no production in Northern Victoria.

There was one new variety released – Snowy – which was from Andrew James' CSIRO breeding program and has performed very well in the Riverina.

### **Soybean areas not covered by a growers association (now represented by Soy Australia)**

The dryland growing area of the New England tablelands has also had a renewed interest in soybeans, despite the lack of tonnage from that area, due to early frosts and many graziers cutting soybeans for hay. Interest from that area would suggest a lot bigger planting in the coming year.

The Macquarie and the western areas of the Lachlan valleys have been a cotton area; however with little or no water in those areas growers planted some soybeans after rain filled storages in November outside the cotton planting window. We may see more soybeans planted this season with rain at the right time.

# Oilseeds WA Report

Rob Proud, Chairman and John Duff, Executive Officer

This year has seen a firm focus on the merger with NACMA WA, Pulse WA, Western Region Barley Council and Western Oat Alliance. The merger has been driven by Oilseeds WA as much as anyone. A successful launch of the Grain Industry Association of WA occurred on Monday the 6th of October.

Oilseeds WA provided a platform for GIWA through its financial and management capacity. Rob Proud led the steering committee. John Duff was appointed as the inaugural executive officer. Grains West Expo provided an example of joint activity across industry projects for GIWA.

The major objective of retaining capacity in WA to run industry functions has been met.

National links will be maintained and strengthened with national groups such as AOF, NACMA national and Pulse Australia.

GIWA has attracted a higher level of financial, organisational and political support within WA.

## Achievements for 2007/2008

1. The demonstration / trial program was planned for 11 sites in 2008, 10 were sown. Results from 2007 were distributed to growers via the Farm Weekly and the crop updates. A Sclerotinia trial funded by the national Better Canola Project was conducted near Geraldton however due to the dry year sclerotinia was not an issue.
2. Grower updates were planned and promoted for early this year. A successful event was held in conjunction with the Liebe Group but due to lack of growers the day in Kojonup was postponed. An agronomist's update is planned for 12th November with support of the Better Oilseeds Project.
3. Grains West Expo 2009 will be held at the Hyatt Regency Perth on 18th & 19th August 2009. Program development is underway and sponsors have been secured.

## Future

In the coming year the operations of Oilseeds WA will be merged into GIWA.

We will ensure that successful projects are continued and that oilseed sector issues continue to be addressed. We have every confidence that expectations will be exceeded.



## Statistics

**Table 1: Australian Oilseed Production**

Source: AOF

'000 tonnes	2007/08	2006/07	2005/06	2004/05	2003/04
Canola	1069	512	1440	1531	1622
Sunflowers	75	20	95	61	39
Soybeans	35	30	56	54	74
Cottonseed	200	350	800	850	420
Other	10	10	20	7	10
<b>Total</b>	<b>1389</b>	<b>922</b>	<b>2411</b>	<b>2503</b>	<b>2165</b>

**Table 2: Area and Production by State – Key Crops**

Source: AOF

		2007/08		5 year average to 2007/08	
		Area	Production	Area	Production
		'000 ha	'000 tonnes	'000 ha	'000 tonnes
<b>Canola</b>	NSW	58	44	196	245
	Vic	150	200	198	247
	SA	160	155	153	202
	WA	390	670	369	485
	<b>Total</b>	<b>758</b>	<b>1069</b>	<b>916</b>	<b>1179</b>
<b>Sunflower</b>	Qld	20	31	16	11
	NSW	28	42	29	36
	<b>Total</b>	<b>48</b>	<b>73</b>	<b>45</b>	<b>47</b>
<b>Soybean</b>	Qld	8	21	8	16
	NSW	7	14	13	30
	Vic	0	0	0	1
	<b>Total</b>	<b>15</b>	<b>35</b>	<b>21</b>	<b>47</b>

**Table 3: Oilseed Exports by year**

Source: ABS/AOF Figures quoted on crop year (Oct to Sep)

'000 tonnes	2006/07	Av 5 years to 06/07
Canola	230	960
Cottonseed	65	250
Canola oil	35	40

**Table 4: Canola Exports by Destination**

Source: ABS/AOF Figures quoted on crop year (Oct to Sep)

'000 tonnes	2006/07	Av 5 years to 06/07
Bangladesh	17	80
Europe	-	90
China	0	85
Japan	181	446
Pakistan	25	225
Other	5	37
<b>Total</b>	<b>228</b>	<b>963</b>



**Table 5: Oil and Meal Imports by year**

Source: ABS/AOF Figures quoted on crop year (Oct to Sep)

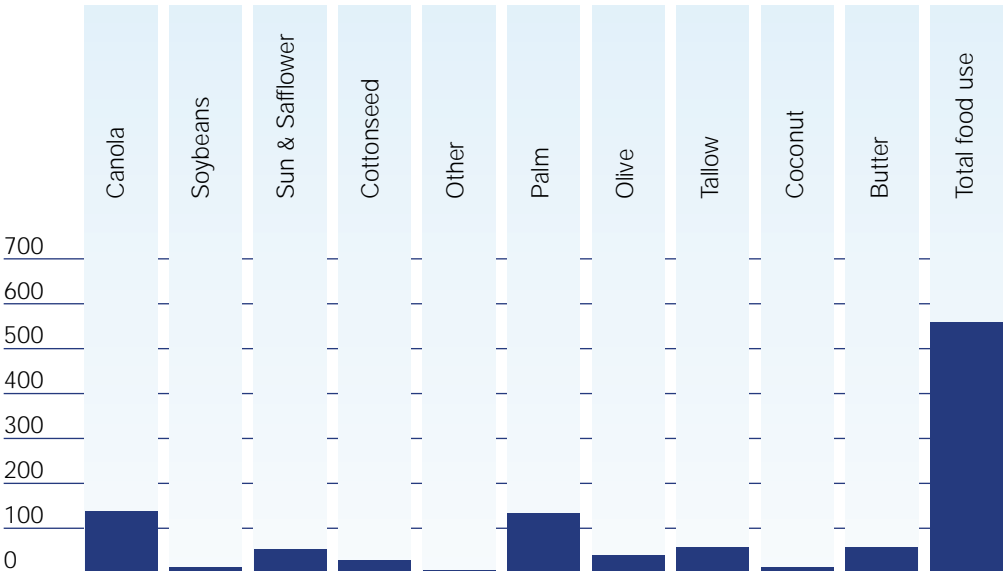
'000 tonnes	2006/07	Av 5 years to to 06/07
Canola oil	12	8
Coconut oil	11	11
Cottonseed oil	12	neg
Olive oil	42	30
Palm oil	130	120
Soy oil	25	12
Sun&Saff oil	39	22
Palmkernel meal	295	47
Soybean	615	350

**Table 6: Australian Usage Selected Protein Meals**

'000 tonnes	2006/07	5 year average
Canola	235	234
Soy	620	326
Cotton meal	75	145

**Figure 1: Australian Oil usage – Food**

Source: AOF





**Australian Oilseeds Federation**

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**Australian Oilseeds Federation**

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