

Australian Oilseeds Federation

Crop Report



December 2012

Canola 2012/13

	2011/12 Final		2012/13 December Estimate	
	Harvested Area (hectares)	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	390,000	720,000	670,000	960,000
Vic	370,000	770,000	430,000	560,000
SA	255,000	455,000	295,000	413,000
WA	800,000	1,240,000	1,000,000	1,200,000
Total	1,815,000	3,185,000	2,395,000	3,133,000

Source: Industry Estimates: 14/12/2012

This month has seen a significant upward revision of the forecast canola harvest, with the national crop now expected to be comparable with last years, at over 3.1million tonnes. Once harvest had commenced, it soon became apparent that yields were better than expected in NSW, while in WA, better yields and increased canola hectares served to boost the overall tonnage.

In **NSW**, the canola harvest is virtually complete, with only the south-east slopes yet to be completed. This harvest has been reported as experiencing one of the the best harvest conditions for many years, with little no wind or rain and no extreme temperatures. The drier conditions throughout the growing season however, and the late season frosts did impact yields in some areas, particularly the western areas of the state. The traditionally solid areas of the central west fared better than expected, with yields up to 3t/ha and oil levels up to 50% being reported, although the average oil levels are reported to be average at 42-43%. Management of stored moisture was the key to success this season, and growers that managed this well have benefited. The deep rooted canola was also able to access leached nitrogen deeper in the subsoil, which the cereal crops could not. Wide spread occurrences of crown rot in wheat this year may benefit canola plantings in the state next years as growers look to shift those paddocks to a break crop.

Victoria experienced low rainfall through the growing season, with decile 3-4 levels, and a very dry spring. The cooler spring conditions, however, were favourable to the crop, and resulted in an overall state result better than expected. The Mallee experienced very large canola plantings this year, although not all was carried through to harvest due to the dry conditions. The Wimmera experienced a dry season, but sub soil moisture is expected to see the crop come through with average yields around 1.2t/ha. The central and north-east districts fared well this season, and can be expected to yield around 1.7t/ha. The western districts, where harvest is still underway, is expected to yield slightly below average at around 1.6t/ha due to the very dry spring.

South Australia experienced a good season with the cooler conditions through spring serving the crop well , delivering typical yields and oil levels, despite the overall drier than average conditions.

Western Australia has experienced the greatest change from forecast, with both increased area and increased yield. The harvest in WA is all but complete, so production numbers are close to final, with only another 50-60,000t yet to be delivered. Oil content has been 40 to 45% in almost all areas, with yields slightly higher than anticipated. The south coast had a very good season, with yields up to 2t/Ha being recorded, with yields dropping moving through the great southern areas, but still delivering better than average yields.

Soybeans:

Overall interest in soybeans is high this season, although actual plantings to date have been lower than usual as a result of dry conditions. Plantings under irrigation in the Riverina look to be strong, but elsewhere, the bullish planting intentions will only be realised if there is rain over the coming weeks.

Global Snapshot:

With global oilseed stocks generally tight, and looking to become tighter in the near term with recent large US soybean crushing and exports, the key factor to watch is the weather in South America which has to date delayed soybean plantings in Argentina. This is already providing pressure to soybean prices, with futures in the US tipped to return to above \$15 bushell this week. On the demand side, China purchases of soybeans continues to add to the price support.

Should the very large South American soy planting prospects be realised, to yield (what Oilworld estimate to be) 134mIn t(107mIn t LY), there is expected to remain pressure on pricing as stock levels are replenished. Moving into 2013, it will be positive news on US soy crop prospects which will provide any softening to oilseed prices.

Oilworld is reporting that canola and sunflower seed production/use will reduce closing stocks, providing further pricing pressure on the oilseed complex. The only tempering aspect to the complex is the increased production expected of palm oil, although this is, to a large degree, offset by greater consumption for both food and biofuel.

Upcoming Events:

WA Crop Updates

Perth, February 25-2th, 2013

Canola Council Congress:

Vancouver: March 14-15, 2013

AOCS Annual Meeting:

Montréal, April 28-May 1, 2013

Christmas Greetings

The Executive of the Australian Oilseeds Federation wishes readers of the AOF Crop Report a happy and safe festive season.

AOF Crop Report is provided free due to the support of the following Oilseed Development Fund (ODF) contributors

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