

Australian Oilseeds Federation

Crop Report



October 2004

Canola 2004/05

Weather takes its toll on the canola crop, with production estimates down 16%.

State	2003/04	2004/05 Production	
	Production (Tonnes)	Area Planted (Hectares)	Production (Tonnes)
NSW	282,000	281,000	393,000
Victoria	420,000	240,000	255,000
SA	310,000	180,000	225,000
WA	610,000	426,000	468,000
Total	1,622,000	1,127,000	1,341,000

Source: Industry Estimates, 15/10/04

Despite a general rain event in late September across much of **NSW**, the onset of high temperatures and heavy insect pressure have dropped production potential by 58,500 tonnes to 393,000 tonnes during the past month. The combination of low subsoil moisture levels and the crops being 2-3 weeks later than normal has increased the severity of the impact following the abnormally hot spring conditions. Crops in the central and south west have been hit hardest by the hot weather while the more advanced crops in the north of the states have fared better. In the driest areas in the south west, some farmers have already fed some canola crops to sheep. Windrowing has commenced in northern NSW and harvest will commence in the next 10 days.

Above average temperatures and hot winds in the last week in the Wimmera, Mallee and North East has also taken toll on **Victorian** canola production. There were widespread reports of canola crops aborting flowering and thereby limiting pod set after the hot weather. In the Wimmera and North East of the state canola yield potential is forecast to drop by 30% and total state production is down by 105,000 tonnes to 255,000 tonnes.

Prevailing winds and hot temperatures from central Australia also hit **South Australian** canola crops. Areas, such as the Eyre Peninsula, Mid North and Mallee, with had limited soil moisture reserves were hardest hit as temperatures exceeded 40 deg in some areas in the early part of this week. The South East of the state fared better as they escaped the brunt of the higher temperatures. Canola production in South Australia has been dropped by 45,000 tonnes to 225,000 tonnes.

Rains in the past 10 days in the Geraldton region of **Western Australia** have secured canola crops and ensure reasonable quality. Canola attributed to the Albany and Kwinana ports is drying off and looking for rain within the next 10 days to maintain yield potential. Crops in the Esperance regions have been losing yield because of dry conditions and rain is required to stop further yield losses. Western Australian canola production has been reduced by 40,500 tonnes to 468,000 tonnes.

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

Meadow Lea Foods	Unilever Australasia	Peerless Foods
Cargill Oilseeds Aust.	Ridley Agriproducts	Riverland Oilseed Proc.
Bartter Enterprises	Millmaster	Grain Pool WA
Graincorp	Louis Dreyfus	Noble Grain

Market Comment

The world canola market has been under pressure over the past 8 weeks, falling by around US\$55/t following heavy Canadian hedge pressure and the realisation of a large EU crop. The US\$40/t rally in August following an early freeze in Canada amplified the drop in values. Markets are currently pondering a world canola production in excess of 42 million tonnes, nearing the record production set in 1999/00 of 42.3 million tonnes. More recently, the announcement by the USDA of a record soybean crop in the United States has also pushed values lower.

Summer Crops 2004/05

Our regular soybean and sunflower forecasts will start next month.

The sunflower season has got off to a good start in northern NSW with around 10,000 hectares planted. This is mostly of high oleic type. However, southern Queensland continues to be plagued with dry conditions and little, if any, planting to date. If good rain is received in the next month, a reasonable plant can be expected. Central Queensland outlook is still uncertain and planting will not occur for several months.

Soybeans are experiencing the same wait for rain as sunflowers in southern Queensland, however, a significant increase in plantings was expected in the sugar regions. A later break in southern Queensland will be more favourable to soybeans, with an earlier break seeing more cotton planted. The northern rivers area of NSW is expected to see a strong planting, but in central and southern NSW lack of irrigation water is expected to curtail plantings, with no increase on last year's planting is expected in the south.

A recovery in cottonseed is expected in 2004/05 with a 2.4-2.5 million bale crop forecast. This would see cottonseed production of around 600-650,000 tonnes. This is expected to be predominantly from the northern areas given the virtually zero water allocation in the central NSW valleys. There will be some additional dryland planting if it rains in the next few weeks.

AOF News

Following the retirement of Allan McCallum at the AOF AGM on 7 October, Mr Warren Burden was elected president. Warren has been associated with the Australian oilseeds industry since 1976, commencing in the industry as Commercial Manager for Meggitt Ltd. Since then, Warren has held various positions responsible for procurement and risk management at Allied Mills Ltd, Meadow Lea Foods and Goodman Fielder Ltd. He recently resigned from the position of Commodities Director of Goodman Fielder and now acts in a consulting role to Goodman Fielder. Warren has served on the AOF Executive in various capacities, most recently as Treasurer.

Jon Slee from Oilseeds WA and Riverland Oilseed Processors was elected as Vice President.

The industry's thanks go to Allan McCallum for his substantial contribution to AOF and the industry through his leadership and commitment over the past decade.

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