

Australian Oilseeds Federation

Crop Report



December 2009

Canola 2009/10

	2008/09	2009/10 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	262,000	215,000	240,000
Vic	251,000	220,000	390,000
SA	227,000	175,000	290,000
WA	1,138,000	630,000	850,000
Total	1,878,000	1,240,000	1,770,000

Source: Industry Estimates, 11/12/09

In northern **NSW**, yields overall have ranged from 1.2-2.0 t/ha with oils levels ranging from 33% - 42% due to poor moisture profile throughout much of the season.

Moving south, the October frosts have proven to be a slightly more extensive than initially thought, which has affected the top and bottom of pods during grain formation. The subsequent hot and dry finish has resulted in smaller than ideal seed size in many crops especially those sown at the later end of the sowing window. While areas around Cootamundra were spared much of the end-season poor weather, with some oil yields reported up to 45%, like the north, much of the south of the state achieved below average yields and oil yield.

Many growers in NSW are reported to be questioning the role of canola in the rotation, after so many years of poor returns. Given higher input costs required to grow canola compared to wheat, the availability of adequate financial resources to ensure crop input requirements are met will impact on grower intentions next year.

This month, the state government declared 80% of NSW to be in drought.

Victoria continued to report a very strong season overall, despite yields being revised downwards due to the heat-wave conditions experienced during November. The effect of the heat is evidenced in the Wimmera where crops that had not been windrowed by the time the heat came estimated to have yields drop from over 2-2.5t/ha to around 1t/ha. The heat had little impact in the Mallee, while in the North East and Central North, yields were knocked back by around 15% by the heat. In the Western District, where the heat was not as strong and there were still sufficient sub soil moisture reserves, the yields held up.

Despite a reduction in overall state yield of around 13%, if the current estimate of 390,000 tonnes comes to fruition, it will be the highest yield in 6 years, and tonnage which has only been exceeded twice in the last decade.

The **South Australian** situation is not significantly changed from last month, with much of the canola harvested before the heat-wave conditions arrived. Good yields have been reported, with oils content ranging from 38-49%.

In **Western Australia**, the harvest is nearly complete, with the last of the grain still being shipped in the Albany zone. Despite the impact of frost and moisture shortages in some isolated areas, overall the result is stronger than anticipated last month, with another 50,000 t added to the projection.

Soybean 2008/09

	2008/09	2009/10 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	52,300	18,050	44,600
Qld	48,000	21,500	37,500
VIC	1,200	600	1500
Total	101,500	40,150	83,600

Source: Industry Estimates 11/12/09

This month's crop estimates are marginally up on last month's, and are dependent on good rainfall in all areas over the next three to four weeks, and water allocation/availability in all areas. The sowing windows for other commercial crops such as sugarcane, cotton and rice are closing and this still bodes well for soybeans as planting can still occur in most regions until early January.

The final area in **Queensland** that will be sown to soybeans is completely reliant on good rainfall, with a requirement of at least 40-60mm in the next two to three weeks in all growing areas.

In the north of the state, predictions are still confident for up to 7,000 hectares to be planted and as per November, dependent upon the market price for soybeans during the crop growing season it is possible up to 5,000 hectares could be ploughed back in as green manure. The production estimates for this reason have taken this into consideration.

Current forecast for all other regions are down slightly on the 2008 planting figures. Lack of rain and the continuing dry weather conditions are hampering soil preparation and sowing. However, good rains in the second half of December could see the area planted to soybeans meet current predictions.

In **New South Wales**, the North Coast is experiencing a very dry start to the season with many inland areas prepared for planting but awaiting rainfall to replenish soil moisture. The prediction is for a similar area to recent seasons. To date 1,600 hectares have been sown in the coastal areas but these are under heavy pressure from *Heliothis*, and it is too early to predict if this will affect crop yields. The situation in all other regions in north and central of the State is similar to Queensland, awaiting good rainfall in next few weeks with planting window still open until end of December.

The current forecast for both **Riverina and Victoria** is for a crop area at least equivalent to last year. The sowing window has only just opened in these areas and there is still a good opportunity if market and weather conditions prove favourable in the lead up to Christmas.

Sunflowers 2008/9

	2008/09	2008/09 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	48,600	22,800	28,200
Qld	31,700	14,200	14,800
Total	80,300	37,000	43,000

Source: Industry Estimates 11/12/09

In **NSW**, early planted sunflowers on the Liverpool Plains are hanging on despite the hot, dry and windy conditions which have been experienced over the last month. The majority of the crop is budding but the youngest of the early plant crop is only approximately 6-8 leaf stage.

Rutherglen bug and heliothis have increased in numbers over the last month to the point that many crops have received one insecticide application to date. There has also been very high numbers of beneficials, particularly lady beetles in crops recently.

Generally there is an obvious difference between long fallow sunflowers which are holding on and short fallow sunflowers which are very moisture stressed in the current conditions. Prospects for late plant sunflowers are largely dependent on significant rainfall within the next 2-3 weeks. If sufficient rain is not received it is expected the estimates for late plant sunflowers will be significantly reduced in this area. To the North West around Moree, there are only a few crops but are

reported to be withstanding the very hot weather conditions and lack of rain. Crops are generally at petal drop stage and have received little to rain since planting. Heliothis and Rutherglen bugs pressure has been low at this stage. Given the conditions, a yield of only 0.8-1t/ha yield can be expected.

In **Queensland**, the expected early plant of monos on the Darling Downs did not eventuate due to insufficient rainfall. Only 500Ha was planted from an expected 2800Ha. This crop is in urgent need of follow-up rain as temperatures remain 6-8 Degrees above average for this time of the year. Sunflowers are priced favourably compared to sorghum which should see a minor swing into sunflowers if conditions improve.

Global Snapshot

Sunflower estimates out of South American for 1H 09 have been revised downwards, with delayed harvest and drought in Russia also expected to limit supplies (off last year's record crop). This has served to provide a solid base for canola/rape for the first half of 2010. Meanwhile, Canada is well on its way towards its goal of 15 mln tonnes by 2015, with the current harvest estimated to yield 11.8 mln tonnes (above initial expectations, though down from last season's 12.6 mln tonnes.) Prices firmed on Canadian canola once the US FDA eased restrictions on imports of meal, following the detection of salmonella in a number of shipments over recent weeks.

Latest USDA forecasts have reduced projected stocks of soybeans due to very strong export sales. US Soybean exports are reported to have been a record for November.

Source: Subscribed services and on-line sources.

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 companies 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.



Christmas Greetings

THE AOF EXECUTIVE AND THE TEAM AT AOF WISH ALL OUR READERS A SAFE AND HAPPY CHRISTMAS, AND A PROSPEROUS AND MOISTURE LADEN 2010.

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