

Australian Oilseeds Federation

Crop Report



October 2010

Canola 2010/11

	2009/10 Final		2010/11 October Estimate	
	Area Planted (hectares)	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	227,000	261,000	320,000	605,000
Vic	234,000	391,000	240,000	455,000
SA	184,000	259,000	205,000	330,000
WA	745,000	986,000	845,000	675,000
Total	1 390,000	1,897,000	1,610,000	2,065,000

Source: Industry Estimates. 11/10/2010

Despite significant lift in yields in NSW, crop losses due to water-logging in Victoria and very dry conditions in WA has driven a significant reduction in canola estimates, down 185,000 tonnes, or 8%.

In **NSW**, the dry weather in recent weeks has been welcomed, enabling water-logged soils to dry. The overall excellent water availability throughout the season, combined with the cooler weather is leading to extended flowering periods, and good pod filling conditions. Oil yields can be expected to be good with most of the State's crops this season. Some crops in the north-west and west of the state are close to windrowing, while to the south and south east, windrowing is still 4-6 weeks away. While most crops have evidence of blackleg, this has not caused a significant impact due to the overall healthy conditions of the crops. Sclerotinia and aphid levels are low, while (at this stage) heliothis grubs (while present) are not expected to present a concern. Locusts remain the large unknown, with the cooler weather to date in Spring retarding locust hatchings and development. However, hatchings are under way in the state, being countered with extensive spraying and monitoring.

Victoria has also experienced a good spell of dry weather (4-5 weeks), enabling the wetter soils to dry out. However this has been too late to save some of the crops in the high rainfall zone of the Western District. The area of harvested crop has been reduced by 20,000 Ha in Victoria due to either total crop loss, or crops being cut for hay. Of the crops progressing through to harvest, the cooler weather has led to good pod setting, which augurs well for good oil levels, which will also be aided by forecast rain over the coming week.

Conditions in **South Australia** remain very good, again benefiting from the drier weather over recent weeks. The threat of diamond back moth has receded on Eyre Peninsula, while instances of water-logging across the state have diminished. Crops in the west and mid-north of the state most areas have finished flowering, while in the south east, crops are still flowering. Crops in the Riverland/southern Mallee are reported to be looking the best they have in many years. Insect and blackleg impacts, while present, are low.

Western Australia reports that this could be one of the worst seasons for winter crops in over 40 years, with dry conditions throughout most of the growing season, no rain since early September, and above average temperatures being experienced. No rain is forecast for the next 2-3 weeks, with above average temperatures expected. While some of the northern crop is close to harvest, much of the crop in the Albany/Kwinana zone has been or will be cut for hay. Due to the dry conditions, it is unclear at this stage what impact this will have on oil levels.

In the south-east, in the Esperance zone, good in-season rain will yield an average crop this year, with average oil content.

In light of the poor conditions being experienced in WA, 30,000 Ha has been taken off the area estimates, and more significantly, harvested tonnage projections have been reduced by 255,000 tonnes due to the drier conditions. (Yields dropped from 1.1 to 0.8t/Ha).

Global Snapshot

- The latest USDA report demonstrates the appetite for canola in the US, with plantings increasing to 1.15mln tonnes in the latest forecast. While still tiny, compared to soy (1% vs 90% for soy), canola is up 72% on last year.
- Canadian forecasts are still suggesting this year's canola crop forecast to be 2 million tonnes down on last year to 10.4mln tonnes.
- The La Niña weather effect which is bolstering canola yields and improving prospects for summer oilseed planting in eastern Australia, is casting a shadow over Brazilian and Argentine summer crops. Both countries have significant areas of below average soil moisture, which is providing a floor under soy prices at the moment.
- Sun oil prices may soften from recent peaks as the Ukraine crop is expected to be larger than initially expected.

Source: Various on-line market reports, including Oilworld ISTA Mielke GmbH