

Australian Oilseeds Federation

Crop Report



September 2012

Canola 2012/13

	2011/12 Final		2012/13 September Estimate	
	Harvested Area (hectares)	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	390,000	720,000	610,000	823,500
Vic	370,000	770,000	434,000	590,000
SA	255,000	455,000	295,000	413,000
WA	800,000	1,240,000	906,000	906,000
Total	1,815,000	3,185,000	2,245,000	2,732,500

Source: Industry Estimates: 14/9/2012

The ongoing dry conditions in NSW and WA have led to a downward re-appraisal of yields in those states, with the resultant impact being a tonnage loss of close to 200,000 tonnes. The overall national crop projection has been lowered by 207,000t or 7%.

The AOF forecast of harvest tonnage of 2.732m tonnes is close to the ABARES projection of 2.761m tonnes released last week.

In **NSW**, the carry-over sub-soil moisture from summer has helped the crops remain viable, despite the lack of significant rain across most growing areas over recent months. It is reported to be 'very dry' in north and north western NSW, while southern NSW has had some reasonable rain during August. While no hot weather is imminent, rainfall over the next 10-14 days will be critical if the crop is to reach its potential. The persistent dry air has led to a high number of frosts this winter, which has been a further driver for reducing expected yields in this state. In some cases, the frosts have led to crops being cut for hay.

In terms of crop development, flowering has ceased on the north, with the Liverpool plains at mid-late flowering stage, and further south, crops are reaching their flowering peak. There is some presence of aphids reported in the central and northwest crops, with no other pest or disease presence of any consequence.

Some 3000 ha of canola in southern Queensland have been included in the NSW numbers.

The situation in **Victoria** is brighter, with just sufficient rain in most areas to carry the crops through the winter. With the exception of the Mallee area, where canola plantings were heavy this year, but severely impacted by lack of rain, most of the state is expected to experience a fair average year in terms of yield- with the larger area planted possibly delivering the second largest canola crop on record.

The concern at this stage of crop development is with the risk of either very hot and dry conditions or severe frosts, both of which are possibilities given the forecast weather conditions.

South Australia is progressing well in most areas this season, with even the Mallee districts faring better than Victoria. In the better growing areas of the state, 5-25mm of rain has only served to make the good crops even better, while many of the lesser crops, in the drier areas, missed out on the rain. Most crops are at full flowering stage, with only the early planted crops coming to an end of flowering. As with NSW and Vic, cooler weather and some rain over the next month or so will determine the ultimate yield of the crop.

Western Australia continues to experienced average/ below average rainfall this season with the rain that did fall in August generally falling in the very dry areas, and not contributing to sub-soil moisture. The Esperance zone, however, which is the major canola producing region, has had sufficient rain through the season to deliver an expected average to above average season.

The medium term forecast is for spring rain across the state which will serve the crops well as they progress towards pod (and oil) fill.

Global Snapshot

The USDA released its WASDE¹ report last week, indicating a further decline in world oilseed production, driven by reductions in soybean (US, Canada and Ukraine), sunflower (Russia/Ukraine/EU27) and rapeseed (primarily Canada). Ending stocks are estimated to also be down (from 82mmt last year to 63 mmt this year), which will serve to keep a solid floor under oilseed pricing for the coming months. Planting intentions and long range weather forecasts for South America will be the next expected influence on oilseed pricing.

Meanwhile, reports are coming from the EU that there is serious consideration amongst policymakers to limit the amount of food based feedstock being fed into biofuel to 5%. Latest estimates are that already 4.5% of total EU transport fuel is derived from crop based fuel. While any changes are unlikely to occur quickly, if the proposed changes gain momentum, it will limit the attraction of EU biodiesel producers to invest in infrastructure that is food oil specific, which will impact medium-long term demand for Australian canola for this market. Food manufacturers and green groups will ensure this proposed legislation remains on the EU policy agenda.²

Upcoming Events

Both the Canadian Canola Council and AOCS have released details of their 2013 conferences:

Canola Council Congress:

Vancouver: March 14-15, 2013

AOCS Annual Meeting:

Montréal, April 28-May 1, 2013

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

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¹ World Agricultural Supply and Demand Estimates

² See: [Reuters report](#).