Australian Oilseeds Federation Crop Report

August 2011

Canola 2011/12

	2010/11 Final			2011/12 August Estimate	
	Harvested Area (hectares)	Production (tonnes)	Area Planted* (hectares)	Harvested Area (hectares)	Production (tonnes)
NSW	310,000	620,000	395,000	395,000	592,000
Vic	240,000	450,000	390,000	380,000	570,000
SA	197,000	382,000	245,000	245,000	370,000
WA	845,000	709,000	800,000	800,000	960,000
Total	1,591,000	2,161,000	1,830,000	1,820,000	2,492,000

**Area planted as at July 2010 estimates.*
Source: Industry Estimates: 11/07/2011

Planted area for canola remained much the same as last month, however a more prudent consideration of the impacts of low rainfall in NSW and insect damage in Victoria has led to a downward revision in projected tonnages by 3.6%, or close to 100,000 tonnes.

Much of **NSW** has experienced 4 consecutive months of below average rainfall which has served to impact crops grown in the western margins of the cropping zone. The impact ranges from staggered germination to patchy establishment and lower levels of biomass. Ironically, sub soil moisture remains very good- but with the top 25cm or so drying out, roots have not had the opportunity to reach the sub-soil. At least 25mm-40mm of rain is required in these areas in coming weeks if the crops are to realise their potential at harvest. Some growers are reported to be about to open their crops to grazing due to their expected poor prospects. In the north of the state, most crops are at flowering stage, while further south, crops are at bolting or budding stage. Cooler weather in the south has held back plant development, with a higher than average number of frosts and resultant soil temperatures 1-2’C below average. The longer days combined with recent warmer weather is expected to see crops in the south begin to pick up.

The risk of mice impact in spring remains significant, with most growers in high risk areas already taking preventative actions with baits. Weeds are beginning to emerge, as recent conditions have not been conducive for spraying, and the spray window is rapidly closing in many areas.

In **Victoria**, crops in the Mallee and Wimmera are looking very good, while in the south west, the damp conditions have created an ideal environment for slugs, which are proving difficult to manage, even with the application of baits. In areas of the south west, where it was too wet for planting at the start of the season, the gradual drying out of the land is reported to be an encouragement for growers to consider a spring planting for canola. If this eventuates, we will see an increase in area for Victoria, with a corresponding increase in tonnage.

South Australia also experienced a drier than average June and July, however over the last week, most areas received 20-30mm of rains, and overall the State’s canola crops are looking good. There is some evidence of slug problems is some areas, but this is not as severe as the situation in Victoria, while in paddocks where crops have had to be re-sown for whatever reason, the cooler conditions have slowed their progress.

In **Western Australia,** the rainfall during July, combined with above average temperatures has served the canola crop well, particularly after the dry start. The Geraldton port zone continues to be in excellent condition, while the lower Great Southern and south coast regions are also in good condition with above average yield prospects. Diamond back moth and sclerotinia are issues in Kwinana and Geraldton zones respectively, but not at such a level to materially affect yields at this stage.

Global Snapshot

Instability in global equity markets rubbed off on commodity markets over the past fortnight, although underlying fundamentals in oilseeds provided a supportive framework. The USDA WASDE was released last week and as expected, the US soy crop (and to a lesser degree, canola and sun) has been impacted by the hot and dry conditions experienced during July, and good rain is required almost immediately to avert a further downward revision. The WASDE report indicated close to a 5% reduction in US oilseeds for the 11/12 season, which when added to reduced oilseed projections for China and Ukraine, is driving am overall slight (1%) reduction in global

Australian Oilseeds Federation PO Box H236 Australia Square NSW 1215 Tel: 02 80077553 Fax: 02 80077549 www.australianoilseeds.com

oilseed production estimates. This is despite increased sunflower production in the EU/Russia and Ukraine and higher soy production ex Brazil. China continues to be a strong buyer, particularly of palm and soy, so combined with tighter overall supply, prices look to remain firm for the foreseeable future.

Upcoming Events

Future directions in Saturated Fats: composition and metabolism: Melbourne: Sept 14.
Hosted by ILSI. Details at: http://www.ilsi.org/SEA_Region/Pages/HomePage.aspx

AOF Supply Chain Academy: Melbourne Sept 15-16. Details: Contact the AOF.

Fats and Oils — Industry, Innovation and Health: Adelaide: Nov 9-11
Hosted by the Australian branch of AOCS. Details at: http://www.aocs.org/files/Meetings/AAOCSflyer.pdf

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

Goodman Fielder	Peerless Foods	MSM Milling	Unilever
Cargill Australia	Alba Edible Oils	Cootamundra Oilseeds	Riverland Oilseeds

Australian Oilseeds Federation PO Box H236 Australia Square NSW 1215 Tel: 02 80077553 Fax: 02 80077549 www.australianoilseeds.com