Australian Oilseeds Federation Crop Report

May 2005

Sunflowers 2004/05

The sunflower crop has been further impacted by dry conditions.

	Area Planted (hectares)	Production (tonnes)
Queensland	16,810	15,190
NSW	28,520	47,200
Total	45,330	62,390

Source: Industry Estimates, 16/0505

Central Queensland did not receive enough planting rain to reach anticipated mono and poly plantings. The **Southern Downs** crops have also suffered due to the continual dry weather. Harvest is about 25% complete.

The early plant Nth NSW crop harvest is complete with yields as expected. The late harvest is underway in both **northern NSW** and the **Liverpool Plains.** Yields for dryland crops east of Moree are expected to average 1.2 t/ha, while irrigated crop west of Moree should be around 2.2 t/ha. On the Liverpool Plains, yields are expected to average around 1.9 t/ha.

Soybeans 2004/05

The soybean crop has been impacted by the continued dry conditions and estimates have been revised down by around 7% to 55,000 tonnes.

State	Area Planted (Ha's)	Production (Tonnes)
Queensland	7,950	15,430
NSW	16,800	38,571
Victoria	440	1,100
Total	25,190	55,101

Source: Industry Estimates, 16/05/05

There has been little change in **Queensland** with the exception of some crops in the western Downs that will not be harvested.

In NSW, the harvest on the North Coast is 80% complete and yields on track to average 2.5 t/ha.

For the tablelands, yield estimates have declined overall since last month. Harvest has only just begun on Liverpool Plains where crops are reasonable. Harvest is less than 50% complete in the north west region and yields have been disappointing under irrigation where yield forecasts have fallen from 2.8-3.0 t/ha back to 2.2 - 2.5 t/ha. Seed size is smaller than normal in most cases. On the north-west slopes and plains, a significant proportion of the dryland crop has been grazed, baled or made into silage. Harvest is about 75% complete in this region.

Canola 2005/06

Western Australia receives good planting rain, but the potential area falls in the eastern states.

	2004-05 production (tonnes)	2005/06 Planting Intentions Area (hectares)
NSW	420,000	155,000
VIC	395,000	230-280,000
SA	226,000	140-150,000
WA	490,000	410-450,000
Total	1,531,000	935-1,035,000

Source: Industry Estimates, 16/05/05

NSW estimates have been reduced significantly due to the prolonged drought, with further potential downside if rain is not received in the next two weeks. Much of the area planted to date has been sown dry or into very marginal moisture. Area in the north has fallen due to last season's results, low prices and lack of sowing opportunities. In the central west and south-west there is virtually no subsoil moisture, with a few exceptions. In the south-west slopes growers would like to sow canola to maintain rotations, but lack subsoil moisture. Area to the west of the Newell Highway is expected to reduce substantially if there is no rain in the next week or so. However, to keep the season in perspective with last year, the break in 2004 did not come until late May-early June along the slopes and many growers were still able to achieve reasonable yields. As with many seasons, the finishing conditions are going to be critical to achieving satisfactory crops.

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Estimates in **Victoria** have been revised down and will fall greatly if rain is not recieved in the next two weeks. Most of the canola is grown in higher rainfall areas and thus, there is still time for planting to occur. With no break yet in the Western districts, dry sowing is starting to commence. Slugs could be a concern as February rain would have allowed hatching and a lifecycle to complete. In the Wimmera, there has been some dry sowing of canola, however, growers are being cautious. Estimates have been reduced slightly, with the picture becoming clearer in the next three weeks. The Mallee is fast running out of time to plant and thus, area has reduced significantly in this region. The North East and North Central regions are experiencing similar conditions to the Wimmera and a clearer picture will emerge in the next few weeks.

Estimates in **South Australia** have been reduced slightly, but will drop quickly if there is no rain through May. Some crop has been dry sown.

The season has broken perfectly across **Western Australia** for canola plantings with significant rains during the first week of April, then the proper break of season in the first week of May. There was some planting of canola on the April rains,but mainly confined to the Northern and Eastern cropping areas. However, the May rains have seen additional planting in the Esperance area and parts of the Great Southern region. The current area planted would be approximately 85% complete. With the good rains, yield expectations have also increased. The estimated plantings upper range of 450,000 hectares represents an increase of 25,000 hectares in area from last year, and early production estimates predict the crop at 500,000-550,000 tonnes.

Canadian Canola Situation

Canada is four-fifths through the marketing year (Aug-July) and prospects for Canadian canola prices do not seem to be particularly friendly for local producers based on our price expectations. Of course the chance for problematic weather can throw a wrench into our outlook, but in the absence of anything but normal growing conditions, we doubt we're headed much higher.

Quality continues to be the major concern as we move forward after last season's coolest on record growing season and August's killing frost.

Ending stocks look burdensome for 2004/05 with our projections at 1.6MMT.

As for next season, StatsCan reported on April 21 that canola seeded acres would be 12.075 million, down 8 per cent from 13.145 last year. However, at the time of the survey, producers were seeing just above $6/bu and haven't faced much better prices since harvest. Thus, area may be understated.

Production based on StatsCan acres and trendline yields at 26.5bpa would generate production of 7 mmt. However, based on expectations for higher acres than reported, we actually anticipate production to closer to last year's 7.7 million tonnes. The current demand outlook is more aggressive than last year with crush up at 3.3 and exports at 3.6.

Our biggest concerns early this season is the weather, here and in Australia. The Canadian outlook isn't clear at this stage. Generally things are developing well, but it's a little too early to draw conclusions. Manitoba has adequate moisture, eastern Saskatchewan is dry and southern Alberta around Calgary is really dry, however, there isn't much canola grown there anyway. The Peace River region has sufficient moisture to plant a good crop. Temperatures have been above normal and allowed many growers to seed 1-2 weeks ahead of normal, but frost always remains a threat until the last week of May.

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Upcoming Events

19-20 July 2005, Grains West conference , Hotel Rendezvous Observation City, Perth. Contact John Duff 08 9475 0753

9 & 10 August 2005 Agriculture Australia - the grains industry's annual conference will be held in Melbourne. Contact Rosemary Richards 02 9405 2340 or Geoff Honey 02 9402 9402

3-7 October 2005, ARAB14, Port Lincoln, South Australia

12 October 2005 AOF Forum. The AOF's annual conference will be held in Sydney. For further information contact AOF on 02 9405 2340

13 October 2005 AOF Annual General Meeting, Sydney

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