Australian Oilseeds Federation Crop Report

May 2009

Canola 2009/10

These estimates are preliminary as not all planting has been completed by this time.

	2008/09 Production (tonnes)	2009/10 Estimates Area Planted (hectares)	Production (tonnes)
NSW	262,000	235,000	305,000
Vic	251,000	207,000	310,000
SA	227,000	180,000	252,000
WA	1,138,000	630,000	819,000
Total	1,878,000	1,252,000	1,685,000

Source: Industry Estimates, 15/05/09

NSW has had a good start to the season, particularly in the north. April rains have left good sub-soil moisture in the north and enabled sowing to commence on time in all districts. Plantings in the north west (Walgett, etc) are the best they have been for many years. Much of the state's planting is now complete, with estimates of 85%+ in the ground. Rainfall in the second half of May will determine the extent of any further plantings. In the central and southern districts early sown crops have emerged well, while later sown crops have suffered due to a loss of surface moisture, soil crusting and some frosts resulting in patchy emergence. There has been some locust damage to crops in the west (Nyngan, Warren, etc), with some of the early emerging plants being damaged. At this stage of the season there are no weeds problems evident across all districts. Significant numbers of red legged earth mites are present in the south but these are being effectively treated. With the early break in the south a significant number of growers have taken the opportunity to trial canola as a dual purpose grazing and grain crop.

In **Victoria,** there has was reasonable rainfall in late April but no appreciable follow up rain across the traditional growing areas, leaving the higher rainfall parts of the state being the main canola growing areas. In the drier areas, lack of sub-soil moisture has significantly impacted plantings versus last year (reports being down 50% in the Mallee, 30% in the Wimmera), while in the Western District, planting is still underway, with some recent rains (25mm) aiding germination. The expectation is that plantings in this region will be down slightly on the relatively high acreage recorded last year. Overall state estimates do have some upside if there is good rain in the next 7-10 days, although long range weather forecasts are not positive, and this is impacting grower confidence to plant.

South Australia has had a good start to the season, with planting currently underway. Eyre and Mid North/York have had a very good start, and are looking to be similar to last year, while the South East and Mallee will be down due to lack of rain.

Western Australia has had below average rainfall to date, with some patches of well below average falls. With the exception of areas around Kwinnana, there has been very little planting yet to kick off.

While higher prices have improved the chances of canola being included in the rotation generally across the country, lack of confidence in future rains is dampening grower confidence.

Soybean 2008/09

	2007/08 Production (tonnes)	2008/09 Estimates Area Planted (hectares)	Production (tonnes)
NSW	13,800	21,940	51,550
Qld	20,930	22,500	52,400
VIC	0	400	1,200
Total	34,730	44,840	105,150

Source: Industry Estimates 15/05/09

Northern Queensland crop has been affected by both insects and rain which has knocked yield back significantly in recent weeks, while further south, yields have been as strong as 4t/ha with an overall average of 2.5. In the Downs, the harvest is nearly complete, with variable yields averaging 2.5t/ha.

In **NSW** the north-west irrigated crop, grown mostly by cotton growers, has delivered very good results with some crops yielding just over 4 t/ha. Harvest is almost complete and yields are some of the best average yields of the past decade. Dryland yields on the northern tablelands and adjacent slopes have come in about average. On the North Coast, harvest is nearly complete (80-85%) with mixed results due to very wet conditions on the coastal fringe, with yields overall ranging from 4.2t/ha where conditions were favourable to 2t/ha where rain and rust have had an impact.

Pricing differential this year between crushing and edible market has been very small, so grower's returns have been good, despite quality issues.

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Sunflowers 2008/9

	2007/08 Production (tonnes)	2008/09 Estimates Area Planted (hectares)	Production (tonnes)
NSW	41,050	16,700	29,000
Qld	31,950	26,700	42,700
Total	73,000	43,400	71,700

Source: Industry Estimates 15/05/09

In **NSW**, harvest of the late sunflowers is well underway in the Liverpool Plains, with currently around 60% having been harvested. Frost conditions recently have likely had an effect on the latest planted crops which were at grain fill stage. Oil content has been very good at 43-44%, with yields at 2.1t/ha. Further north, the yields around Moree have been disappointing, averaging 1.2t/ha. Dry conditions since Easter has affected prospects for the late planted crops.

In **Queensland**, the late plant monos and polys in CQ are on track to achieve yield 1mt/ha on dryland. Darling Downs harvest of late mono and poly is in full swing with yields down slightly due to the dry finish. Oils content ranging from 40 to 43%.

Crushing prices for monos and polys have firmed in the past month with Monos reaching $600/mt delivered Narrabri and Polys at $590

Global Snaphot

The global economic slowdown is impacting oilseed demand, with only a modest increase in world imports expected. Stocks are tight, with world exports projected to be down by just under 20%.

The Argentine crop failure is even more severe than expected, cutting South American soybean production 15% to a five-year low. This is impacting projected Soybean stocks in the four major exporting countries , with stock projections down 30% on 2 years ago.

The shortage in soy is, in part, driving the demand for palm oil, with EU imports up by 27% on last year. This is despite production slowdowns in Indonesia and Malaysia.

Soya meal production is expected to fall by 4% in 2008/09. The tightness in soybeans and the sharp decline in soya meal supplies are major bullish factors for oilmeals.
Source: Oil World April/May reports

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

Meadow Lea Foods	Unilever Australasia	Peerless Foods
Cargill Australia	Atlantic Pacific Foods	Alba Edible Oils
Riverland Oilseeds	MSM Milling	Cootamundra Oilseeds
Bartter Enterprises	Ridley Agriproducts	Millmaster
Grain Pool WA	GrainCorp	ABB Grain

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