

Australian Oilseeds Federation

Crop Report



May 2010

Canola 2010/11

	2009/10 Production (tonnes)	2010/11 Estimate	
		Area Planted (hectares)	Production (tonnes)
NSW	261,000	285,000	425,000
Vic	391,000	220,000	395,000
SA	259,000	190,000	265,000
WA	986,000	910,000	1,180,000
Total	1,897,000	1,605,000	2,265,000

Source: Industry Estimates. 18/5/2010

This is the first canola forecast for this season and reflects up to a 20% increase in area across the nation, driven by both very favourable soil moisture conditions at time of planting in the East, and depressed cereal prices. Rainfall across many growing regions is now eagerly awaited to ensure moisture profiles are bolstered as the growing season gets underway.

NSW has had one of the best starts to the season in many years, with most seeding being into soil with a good moisture profile, following the heavy rains earlier in the year. The rain has also provided a fresh food source for hatching locusts, which have had impacts across much of the west of the state, stretching from Nyngan down to Coleambally, where some early planted crops have been destroyed, and have resulted in some re-planting. Locusts have had little impact in the north, where some early planted crops are experiencing some patchy dry conditions. Locusts are expected to re-emerge as a significant threat in Spring throughout much of the State's grain belt. The Australian Plague Locust Commission is closely monitoring the situation. Details at (<http://www.daff.gov.au/animal-plant-health/locusts>).

Further south, a good soil moisture profile combined with warmer weather has resulted in some areas with emergence after 5 days. Despite the competing emergence of weeds, this is expected to be effectively managed as most plantings are of herbicide tolerant varieties (mostly TT). There is some evidence of red-legged earth mite and some summer carry-over of Rutherglen bugs, neither of which is having a significant impact.

Much of the State (95%) has been planted to date and with continued low cereal prices, there is some potential for additional planting in the next 2 weeks.

In summary, while the area sown in NSW is comparable with last year, the yields are projected at this early stage to be up to third more than last year.

Victoria had a very strong start to the season following the summer rain; however pests in the form of mice, slugs and locusts have impacted some of the early planted crops in many areas. In a number of cases in the west and northwest of the State, crops have been re-sown. Despite good moisture profiles in most districts in the lead up to planting, there has been little significant rainfall across the State during April/May to date. In the north-east, soil profiles were drier and some crops have been planted with marginal soil moisture.

Good rain will be needed in coming weeks across most of the planting districts for initial optimism to continue into the season.

Overall, areas sown for the state are broadly in line with last season, with similar yield projections at this stage.

In **South Australia**, interest in canola remains strong due to the financial benefits over cereals, and so plantings are up slightly on last year. Rainfall across the state is now needed for the plantings to realise their potential, with only the south-east having had any significant rainfall since April. On the Eyre Peninsula, some planting was done dry, while in the Mallee, where good soil moisture levels saw early planting, many growers are now considering re-sowing following the impacts of locusts on the emerging crops.

The situation in **Western Australia** is unpredictable at this stage, with much of the cropping areas receiving below and well below average rainfall in the first three months of the year, with only light rain in some areas since April. Many growers planted into a dry profile, pending the arrival of mid autumn rain. The first significant rain since planting occurring only in the past week or so, and some further rain forecast over the coming week. Given low cereal prices, initial estimates for WA area under canola are up significantly on last year, though these may be tempered by next month's forecast once the impact of the current rainfall is taken into account.

Soybean 2009/10

	2008/09	2009/10 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	52,300	17,215	41,700
Qld	48,000	13,475	16,400
VIC	1,200	300	750
Total	101,500	30,990	58,850

Source: Industry Estimates 14/05/2010

Harvest is well underway in all growing regions and should be finalised by the end of month. Yields and quality have been variable, with some areas reporting better than predicted yields but damage due to weather and insects has reduced seed quality along some of the coastal regions.

In **NSW**, the North Coast harvest is about 60% complete, though hampered by intermittent rain events. In some areas these rainfalls have delayed crop finish, particularly in the late maturing varieties, with some crops reported at up to 20% still green. This is affecting seed moisture with many of these crops being harvested at seed moisture levels between 13-17%. Yields in the coastal areas east of Grafton have been strong with reports of some crops averaging 4.0 t/Ha. West of Casino, below par yields and quality have resulted from severe storm and hail damage early in the season.

Crops on the Northern Tablelands have been late in maturing and growers have held off waiting for frosts to finish off the crop and also reduce weeds. Further inland in the irrigation areas of western and central NSW, similarly the harvest is yet to commence.

In north **Queensland**, expectations are that most of the crop will be ploughed back in as green manure, despite being a very good finish to the growing season. The lower than expected soybean market value combined with a positive outlook for cane sugar, will prompt most growers in the north to use this year's soy crop as a fertiliser boost for the incoming cane planting.

Harvest is almost complete in the Wide Bay area, with forecast average yield of 3.0t/Ha, with some crops approaching 3.5-4.0 t/Ha. Quality has been reasonable although down on last year's performance as a result of the wet conditions. The prediction is that 50% of this region's crop will satisfy the flour grade and the remainder will go either to full fat or crush markets. The harvest on the Downs has been delayed by rain again this month, with only 25% harvested to date. The Lockyer and Fassifern Valleys are well underway with over 60% harvested. Both yield and quality are as expected.

Sunflowers 2009/10

	2008/09	2009/10 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	48,600	18,900	30,800
Qld	31,700	7,700	9,600
Total	80,300	26,600	40,370

Source: Industry Estimates 12/4/10

There is no update to Sunflower estimates from last month, with most of the late planted crops now close to or in harvest.

Global Snapshot

Oil The USDA S&D report issued last week indicating growing stockpiles of soybeans and a record production of oilseeds, albeit up just 0.5% on LY (to 440 mln tonnes), driven mostly by increased world plantings of canola/rape and sunflower. Global meal consumption was identified in the USDA report as growing close to 5%, with 44% of this growth accounted for by increased demand by China.

Growth in palm oil is expected to slow in the coming year, with a poor season lowering output and driving stocks to a 7 month low. This, combined with declining export supplies of seed oils, will tighten export stocks, as the need to import veg oil from the likes of India, China and Pakistan continues to be strong.

Source: USDA WSDE report and various on-line market reports, including Oilworld ISTA Mielke GmbH

What's Ahead...

"Australian Summer Grains - Opportunity through Unity"

This inaugural summer grains conference brings together the 5 primary summer crops (maize, sunflower, sorghum, soybean and mungbean) in one event to provide growers and scientists a forum to exchange tailored information for improved farming systems.

Royal Pines Resort, Gold Coast. June 21-24, 2010.

Details: <http://www.australiansummergrains.com.au/>

"Australian Grains Industry Conference"

The Australian Grains Industry Conference is the premier annual grains industry event. A number of issues will be covered, including: Global grains outlook and marketing; Australian grains industry supply chain consolidation; Review of the industry post deregulation; Volatility/risk management; Global issues - climate change, food security, biotechnology, etc; and specific sector, issue and commodity sessions.

Crown Promenade, Melbourne July 26-28, 2010

Details: <http://www.ausgrainsconf.com/>

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