

Australian Oilseeds Federation

Crop Report



November 2009

Canola 2009/10

	2008/09	2009/10 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
NSW	262,000	210,000	220,000
Vic	251,000	220,000	450,000
SA	227,000	175,000	300,000
WA	1,138,000	630,000	825,000
Total	1,878,000	1,235,000	1,795,000

Source: Industry Estimates, 13/11/09

In **NSW**, despite dry conditions and frosts across the state resulting in crop loss, the 2009 crop tonnage is broadly in line with the (drought affected) 5 year averages, although well down on the late '90s' early 2000 averages of around 600,000+ tonnes. Yield per ha is well below both the five year and long term average.

In Northern **NSW** the harvest has all but finished along and west of the Newell Hwy, with below average oil content being reported (circa 35%). Crops in the southern Liverpool plains area still to be harvested. On the South West Slopes, unseasonal frosts in early October resulted in some crop loss, reducing area under canola by around 3,000 ha. Greenethorpe, south west of Cowra, was one of the worst frost-affected areas. This will impact the results from the NVT site at Greenethorpe. Further south, frosts also took their toll on yield, with yields being reported at 37-38%, and seed size impacted by both frosts and moisture stress. Early windrowing continues to be an issue this month, as contractors move south. It tends to be a case of windrowing when the contractor is in the area, rather than at the optimal time for crop development.

In **Victoria**, the very favourable season is expected to yield a record tonnage, in line with the 1999/2000 crop of 450,000t. The 2t/ha yield is the highest on record. (AOF records commenced 1997/8 season). The Western District is looking very good, with crops being windrowed in the Geelong area, and in Hamilton, being still green and standing up to 1.8 metres in height. Although the hot weather in early November is expected to knock the yield back, 2.5t/ha will still be expected from this area. In the Wimmera, the crop is being described as the best in 10-12 years, with the crop still drawing from soil moisture laid down during September rains. Windrowing has started here, and yields of 2.1t/ha can be expected. In the Mallee, all the crop is expected to be

harvested for grain, while in the North east and Central region, the situation is variable, with both good and bad patches.

The **South Australian**, with areas under canola cultivation in line with long term averages, the very favourable weather for the season delivering a near record yield. Overall, the situation is as good as Victorian, with the mid-north and York Peninsula looking excellent. The Mallee region is expected to yield at 1t/ha, while on the Eyre Peninsula, despite being very wet during the winter, is still expected to yield 2.5t/ha +. Harvest in the South east/Kangaroo Island is yet to start, although the current hot conditions will encourage farmers to bring on the harvest.

In **Western Australia**, harvest is now in full swing across the Port Zones, with grain quality as expected with average yields. In the Geraldton zone, the canola harvest is more than 75% complete; yields are a little lower than expected, with good grain quality. In the Kwinana zone, yields are as expected, with good grain quality. There are minor reports of yield loss due to frost damage and Spring hail storms, although affected areas are isolated. In the Esperance zone, early harvest yields have been around expectations, with good grain quality.

In the Albany zone, there is a large variance in the stage of the crop, with some early harvesting taking place now in the North, while in the South others are yet to swath. It is too early to report on grain quality in this zone.

Soybeans 2009/10

	2008/09	2009/10 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
QLD	48,000	20,500	34,500
NSW	52,300	18,700	45,000
Vic	1,200	0	0
Total	105,500	39,200	79,500

Source: Industry Estimates, 13/11/09

This is the first crop forecast for the Australian 2009/10 soybean crop season. It is still very early in the season, with planting preparation and seed sowing only just commencing in the northern coastal regions and yet to commence in the southern zones of New South Wales and Victoria. These estimates will be firmed up in the following month once a better indication of planting area is available.

Queensland: Sugarcane prices are still very attractive compared to the current market value for soybeans, so many can growers may forego a soybean rotation crop in favour of fallow to avoid missing a 2010 sugarcane crop option. In the north, up to 7,000 hectares is predicted to be sown however it is possible up to 5,000 hectares could be ploughed back in as green manure depending upon the market price for soybeans during the crop growing season. Current forecast is for a similar production to the 2008/09 season of approximately 4,000 tonnes. Predictions for Central Queensland and the Wide Bay are down slightly on last year. The continuing dry weather conditions is hampering soil preparation and sowing. With the later planting time for cane in these areas, there is a higher chance of soybeans in the sugar rotation, and this is reflected in the estimates of 4,500 hectares for this area. Further south in the Burnett, Lockyer and Fassifern areas, area to be planted is very dependent on forthcoming rains prior to end of month. On the Downs and further west, cotton is a very competitive option this year and rainfall in late November could see growers take an option on cotton. However, later rainfall in December and up to Christmas could see this option go to soybeans. Current predictions for the state are a slight decrease in area planted and an expectation of lower production compared to the 2008/09 season.

New South Wales: The predictions for the North Coast are similar to previous years, although it is expected that area sown will be down closer to the coast due to competition from sugarcane but may increase in non cane areas. The recent rain in late October and early November has been beneficial to growers in the start of this season. The situation in the northern irrigation areas is similar to the Downs and western Qld with competition from cotton and water availability still being the deciding issue to many growers. The opportunity to plant cotton is closing and rain in the late half of November will be a deciding point for growers looking to cotton versus soybean options. Planting in the northern slopes and tablelands dryland cropping regions, as well as the Macquarie and Lachlan Valleys will be dependent on good rainfall by the end of November.

Riverina and Victoria: There has been a big increase in interest for soybeans in southern NSW and Victoria, particularly in the irrigation areas due to recent water allocations. The planting window for soybeans is still not

open in these areas and competition from rice and other crops are still very much options. However the current forecast is for a crop area at least equivalent to last year.

Sunflowers 2009/10

	2008/09	2009/10 Estimates	
	Production (tonnes)	Area Planted (hectares)	Production (tonnes)
QLD	31,700	13,000	14,500
NSW	48,600	25,000	37,500
Total	80,300	38,500	52,000

Source: Industry Estimates, 13/11/09

In **NSW**, early planted sunflowers on the Liverpool Plains are progressing well. Planting commenced around mid September. The early crops have had the benefit of rain over the last two weeks although the amount as been extremely variable. This will be needed if the predicted hot temperatures eventuate over the next week to 10 days as the crop moves into budding. Prospects for late plant sunflowers look favourable, dependent on sowing moisture. In particular the favourable price comparison of sunflowers with sorghum has assisted interest this season. Around Moree early planted east of town are still vegetative but nearing bud initiation and look good due to storm rain. Early sown west of the town is budding and very dry, having missed the storm rain. There are possible subsoil constraints inducing nutrient deficiencies in this crop with very pale buds and bract necrosis forming on some buds. Samples have been send for tissue testing to confirm the issue but it is very similar to a yield reducing condition suffered last year on similar soils and region.

In **Queensland**, the delayed planting of monos has just starting on Darling Downs, having been held up due to the lack of moisture. The rain was patchy and limited plantings as the window for early sunnies was closing as the rain fell. Most farmers will now wait and plant in December (subject to rain) to avoid heat at flowering. In contrast to NSW, the current contract prices delivered Narrabri are not attracting growers to plant sunflowers on the Downs due to grain sorghum price delivered port being more attractive.

Global Snapshot:

World stocks of oilseeds have depleted over the last 2 seasons, and is projected to remain relatively low on the back of expected low output from Argentina soy crop due to lack of seasonal rains. The 2010 season will be critical to restore soy stocks. Short term pricing aberrations have also been experienced due to very wet start to the US soy harvest.

Expected shortages in rapeseed/canola in 09/10 has also served to trigger increased purchases by major importers, notable China.

Source: *Oil World Oct/Nov reports*

Canola Exports to China:

As reported in the last Crop Report, Chinese import authorities have enacted a zero tolerance approach to canola imports presenting with any evidence of a specific strain of blackleg. Both Australian and Canadian officials from their respective quarantine agencies have since met with Chinese authorities. Last week the Chinese indicated a relaxation on their 'zero tolerance' approach, and detailed a number of ports that would now accept canola shipments which have tested positive to the specific strain of blackleg. Exporters are currently reviewing the feasibility of shipping to the named ports, as many appear to be some distance from any major crushing sites.

AOF Annual Report:

The 2008/9 AOF Annual Report is now available on the AOF website, The Report contains a review of activities of the past year for the AOF, as well as containing a number of tables of useful and current industry statistics. The report can be viewed at: http://www.australianoilseeds.com/about_aof/annual_reports

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