# Australian Oilseeds News

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## Canola 2003/04

Good rain has improved yield prospects, although area planted has been revised reducing overall production estimates slightly.

The situation in **NSW** has changed dramatically with good widespread rain over the past 3 weeks. While area planted has remained unchanged, yield prospects have been secured around 1.5 t/ha and with some areas expected to do considerably better. There has been little incidence of pest or disease problems across the state. The Central West is expected to have some of the best crops, although there is some slight concern of potential frosts occurring. In the central west and north west crops range from late vegetative stage to full flower. In the south, there has been a big improvement but crops will require further rain. Crops are later with the most advanced about 50% flowering. The dry conditions have seen farmers reluctant to apply nitrogen and this may have some impact on both yield and oil content. Overall prospects are significantly better with some areas expecting excellent yields and with some upside if there is further rain.

Most regions in **Victoria** are looking quite good with conditions in areas like the Wimmera excellent. Area and yields remain unchanged at this stage.

There was very good rain across all growing areas in **South Australia** in August and prospects have improved. Crops are in the early to mid flowering stage and there is excellent moisture across all regions. There have been some blackleg problems reported on the Eyre Peninsula. Overall area has been increased slightly and yields by 10% to an average of 1.5 tonnes per hectare.

**Western Australia** is having an excellent year with good August rain. Crops are looking good – in the southern and central areas crops are in full flower and in the north are losing flowers. There has been some incidence of aphids reported in the north. Yields are expected to be average or better. Based on latest figures from the CBH grower survey, the area planted has been reduced by over 10% to 370,000 hectares. However, this is somewhat offset by improved yield estimates, with the over impact a 7% reduction in production.

| State | 2002/03 | 2003//04 Planting Intentions | |
|---|---|---|---|
| | Production (Tonnes) | Area Planted (Hectares) | Production (Tonnes) |
| NSW | 100,000 | 200,000 | 300,000 |
| Victoria | 180,000 | 230,000 | 345,000 |
| SA | 180,000 | 180,000 | 270,000 |
| WA | 330,000 | 370,000 | 445,000 |
| Total | 790,000 | 980,000 | 1,360,000 |

*Source: Canola Association of Australia, 5/09/03*

## Market Comment

With Australian canola production estimates now looking more secure following excellent August rains in most production regions, crushers and exporters are more comfortable of satisfying regular demand and international factors are driving market directions.

There has been some volatility in the soybean market following the dry weather in the US and this has supported the Winnipeg futures market.

Canadian canola harvest is well advanced with around 80% of the crop off. There has been a lack of grower selling. Current estimates for the Canadian crop are between 6.2 and 6.5 million tonnes, and with an estimated domestic crush of about 2.8 million tonnes, this will leave an exportable surplus of around 3.5 million tonnes. With typical Japanese imports of 1.8 million tonnes and an expectation that Mexico and the US will account for a further million tonnes, this leaves around 700,000 tonnes for markets such as China.

However, the Canadian crop quality is expected to be lower than normal and this is supporting demand for Australian canola from the sub-continent.

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