
Sowing programs for the 2010 season have commenced across north east Victoria and southern New South Wales with ideal conditions leading up to an optimum planting window. Further rain in the last week or so has ensured planting can go ahead as scheduled.

Fallow rain for the November to April period has exceeded the average across both regions, in north east Victoria by 85mm (average 224mm) and in southern New South Wales by 121mm (average 190mm). Canola is set to play a bigger part in cropping programs this season; this is due to excellent lead up conditions and lower cereal prices and gross margins.

With continued reports of strong condition ratings for the US winter wheat crop, abundant global supply of wheat and the pace of the US spring wheat plantings to date are well ahead of the five year average (also the case with corn plantings) which has resulted in limited gains in new crop wheat prices. December 2010 CBOT Wheat Futures finished the week at 5.33 (USc/bu) and the new crop APW1 M/G wheat price on a Melbourne Port basis is currently showing \$202.00 p/t. Most are hoping to commence marketing programs upwards of \$20 from current levels.

Canola is not immune to the current market pressure with Canada set to seed more than 16.9 million acres this season as reported by Statistics Canada this week. Key growing Prairie Provinces are expected to receive beneficial rain this week, and a decline in current Soy Oil futures has also added to the downward pressure.

With sowing underway marketing options are currently a hot topic, however for many growers there is also a focus on the continued marketing of the 2009 season crop. With many choosing to utilise on farm storage this season, markets are still being sourced for these commodities. Many are also still monitoring pricing options for tonnage warehoused at local receival depots. To obtain pricing into a wide range of delivered markets and to discuss current pricing and options for warehoused grain contact your local AGA office.

For further details please contact your local Australian Grain Accumulation Field Merchant – Helen McPherson, Berrigan (03) 58851 001.