Southern QLD Market Report

25th January 2010

On last writing this article in early November the winter crop harvest was all but done, some early planted summer crops were in the ground and most Southern Queensland Growers were again looking for much needed rain. November and December followed and were generally unpleasant - hot and dry. However, Christmas brought with it presents of the most valuable kind as good rain fell. Northern NSW and the Border Regions of NSW and QLD were best served from this rain.

Rain very quickly changed the outlook and spun Growers into action, with the opportunity for late plant summer crop now available. My colleague Merri King and I had the Christmas work duties for the North and we were kept very busy as enquiry picked up for Sunflower, Soybean, Corn and Sorghum contracting options. The rain saw a significant Sunflower plant as well as Mungbeans and Gritting Corn where Growers could get contracts.

Harvest has now commenced on earlier planted Sorghum across Southern Queensland and Northern NSW. Not surprisingly, Sorghum yields have been below average but generally as expected given the growing conditions the crop endured. While the crop was generally planted on moisture after September rain it virtually received no further in crop rain until the Christmas rain which has in some instances helped quality but not yields.

Marketing wise, prices remain under pressure. Strong global supply coupled with our strengthening Australian Dollar has made Australia uncompetitive on most grains into export markets. Domestically, the sorghum crop will be significantly smaller than the crops we have seen over the last few seasons, however, a weakening domestic demand profile has meant the market has not been overly reactive to the threat of a smaller crop. End Users continue to use wheat in their rations and seem relatively comfortable with coverage they have at this stage.

In short, the major driver of the Queensland Market is still domestic feed demand and export opportunities remain few and far between. This dynamic has favoured a direct supply chain farm to end user and it's expected that on farm storage will continue to increase so that more Growers can service these markets.

On a personal note to finish, this will be my last article as I finish with AGA at the end of the week to pursue overseas travel for the next 12 months. It's been a pleasure to be involved in the industry in this region.

For further details please contact your local Australian Grain Accumulation
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