
Winter crops are doing well due to recent rain. Falls of 30-40mm from Lightning Ridge to Burren Junction to Mungindi have really given growers a spring in their step. Growers in the Rowena and Merrywinebone area have received 20-30mm over the past two days, which will reduce the anxiety building due to missing recent showers of 5-10mm. Garah to North Star have again only received minimal falls of 10mm, which is only just holding the crops to marginal yields. In the Moree to Narrabri band and further east, the winter crops are sitting on good moisture and the 20mm received this week builds confidence for optimistic yields.

Growers are watching overseas developments at present, as daily new production figures come out of Europe. These figures have been placing upward influences on future contracts and have seen bids for 2010/11 multigrade wheat contracts nearing \$260.00/mt for APW1. The strength of the Australian dollar has been arresting the momentum of the International market and basis is almost at evens.

Many growers are hesitant to commit too many tonnes at this stage. There is still a lot of the growing season left, and farmers are only too aware of the risks of over committing in the rising market. Should bids fall then some growers may lock in a small percentage of expected tonnes to secure these prices. It is a very "wait and see market" for growers. The culture of getting it in the silo before selling is still very prudent, conservative and practised by growers.

With this rain increasing the soil moisture bank, many growers are looking at the margins and risks of summer crops. Cotton hit the top of its rise a month ago at \$500/bale, but has come back now to \$440/bale. Other crops are being considered as alternatives and growers looking at sunflowers or sorghum are not committing at this early stage. The moisture available at present will keep growers watching the bids for these new crop deliveries before purchasing seed.

The overall mood is optimistic with favourable prices and rainfall of late. All growers should ensure they maintain close communication with marketers to take advantage of opportunities as they arise and be in a position to make decisions should the markets move backwards.

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