



We are at the start of another great year in the north west of New South Wales. The sub soil moisture is available and timing is crucial. Many growers are ready to go with their planters and just waiting for the planting window to open. Some growers have started early and already have beans, canola and grazing crops in the ground. Everybody is hoping for timely rain so they can plant in the best possible conditions.

Producers have been reluctant to commit to fixed tonne contracts for cereals in the 2010/11 growing season due to production risks and the expectation of market increases. There has been increasing interest in canola and chickpea fixed tonne contracts due to the attractive margins and the risk of downside in these markets.

At present, the question on everyone's minds is where the markets will go from here? Growers are looking for good profit margins and have been looking at the different cropping programs farmers across Australia are planning. This is a tough decision at this time of year with many options available to growers, as the planting window has only just opened. Some farmers have indicated they are keeping in mind long term price averages and the importance of crop rotation for sustainability in continual cropping. Many growers have decided to continue with traditional rotations to attain long term financial gains.

There are still large quantities of old crop cereals on farm and in warehouses. This has seen seller price targets decrease to meet the market. Warehouse costs are mounting as another month ends, and there has been little to no upside to the export markets. This is forcing many growers to sell to avoid storage expenses. The feed market has been quiet reflecting availability and competitiveness of this sector. There has been an increase in selling activity in the last two weeks for all buyers, with a first in first sold basis for those looking to sell. The price differential between wheat and sorghum for the feed market has widened and the sorghum market has gathered some interest. With direct homes being focused on, buyers are offering premiums for exfarm grain and this is offering rewards to growers that are above the track prices.

We look forward to a successful growing season after a promising start to the year and to continuing the close relationships we have with our growers.

For further details please contact your local Australian Grain Accumulation
Field Merchant – Hamish Quilty, Moree 02 6751 1015