



Summer crops on the Liverpool Plains have been well supported by excellent rain received in late December and early January. Early plant sorghum crops that were starting to get dry under foot have bounced back and are flourishing in the current conditions. The recent rain has even provided the opportunity for some growers to increase their hectares planted to sorghum. Late plant crops have achieved excellent germination and are continuing to be well supported by a full profile of moisture. New crop sorghum markets in the Newcastle zone appear to be very stagnant at present. Domestic customers and end users of sorghum are happily chipping away at white grains at present making it difficult for sorghum to find its feet.

Rain has also provided the opportunity for many growers to plant sunflowers. Sunflowers have proven to be a popular option for a late summer crop as the conditions have been perfect, price attractive and the sorghum window plant opportunity closed out at the end of last month. Many growers have taken advantage of attractive hectare contracts for sunflowers; hectare contracts have been available for \$600 +/-mt delivered to Newcastle and have eased the production risk significantly.

Early plant crops have established well and given more rain in February and March these crops should pull off first-rate yields. Harvest for early plant sunflowers is expected to get under way towards the end of February and late plant sunflowers will commence harvest in May.

Sellers of winter crops have gone to ground in the past week given the softening prices. Newcastle Track markets lost \$10 - \$20/mt last week with canola being the hardest hit. The drop in the market was driven by the release of the USDA report. The report has suggested no change to the fundamentals of wheat- that is there is an abundance of stock across the world and that there is, in fact, more than anticipated. Further fund rebalancing as a result of this has left the futures markets in plenty of red days, giving 'the bears' far more bullets than 'the bulls'. A slight fall in the AUD/US last week couldn't cushion the drop in the market to the extent required.

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