

The southern NSW region got off to one of the best starts in years and is now looking at a promising season ahead. The optimal planting window was wide open for growers with sub-soil moisture being ideal after good falls earlier in the year. Grower confidence was high as they set for promising yield predictions this season. The only major concern for the new crop is the locust plague expected to wipe out millions of dollars worth of production. Experts are calling this one the 'perfect storm' after wet moist conditions fostered egg laying in April, set to hatch over September and into October. It's predicted to be the worst locust plague in 30 years.

Aside from the threat of locusts across the region, the more than desirable start has seen plantings above average, compensating for previous years of poorer conditions and lower production. The area has received substantial rainfall which has been well received and breaks in the weather will allow for excellent crop maturity. These earlier conditions were sure to produce significant tonnage this season. On a national scale production estimates are around 6.59MMT, up 1.54MMT from last year (ABARE). Across the Port Kembla zone new crop multigrade wheat bids have seen a recent spike in prices after favourable conditions in the futures market. Bids got as high as \$278/t early August (base price – APW1). Growers have likened to these prices and we have seen a rise in forward selling new crop wheat.

Alternatively, growers that are more bullish about the current movements in the CBOT futures are opting to hold onto their grain, hopeful of a further spike in prices and awaiting a weaker AUD. So despite the excellent conditions, most of the focus is on the international markets and the impact on AUD price rather than basis moves. Old crop bids for Port Kembla track have followed a similar trend with bids hovering between \$226/t and \$242/t APW1. The early August bid got as high as \$260/t. There has been consistent supply of old crop being channelled into the local market for feedlots and the like. The same can be said for barley with feedlots accessing most of the available grain. Canola plantings have increased considerably following much needed rain earlier in the season. Ideal conditions have prompted growers to re-introduce the canola crop back into their rotation. In their favour, growers are also accessing higher bids than previous years for new crop canola.

On the back of unfavourable sowing conditions in Canada earlier in the year, canola prices have been in the limelight. It seems that poorer crop conditions are partly responsible for the volatility in prices this season. We are expecting to see high yields in the 1.2t/ha this season, up 0.23t/ha from the 10 year average (ABARE). New crop bids have jumped around for Port Kembla track, between \$491/t and \$517/t for non-GM and between \$487/t and \$512/t for canola. For the old crop we have seen bids as high as \$501/t non-GM and \$498/t canola. If the current trend in the futures market continues then growers can be more than satisfied with the higher than expected prices for canola this season. For further details contact your Local Australian Grain Accumulation Field Merchant – William George, Wagga Wagga (02) 6933 6000.