

Grain Report

12 July 2024



DELIVERING
for **DAIRY**

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Summary

Driving prices up

- Barley stocks continue to tighten across the northern consumer drawing arc which is adding some support to prices.

Driving prices down

- Continued rainfall events across the country are helping improve crop prospects, particularly across regions of WA, SA and western Vic that were very dry at the start of June, which has boosted sentiment
- The positive progression of the northern hemisphere harvest is ongoing, and this will continue to put downwards pressure on the market as yields continue to meet or exceed expectations. Better than expected yields in southern areas of Russia and strong US crop conditions also weighed on markets.

Global trade news

- The Drewry World Container Index (WCI) has more than doubled since the start of May while the Baltic Exchange Dry Bulk Index has lifted by almost 30% over the same period. The major factor impacting container freight is vessel shortages and the geopolitical instability in the Middle East, especially in the Red Sea region. Demand for vessels is starting to wane which has seen a small dip in rates this week.
- A recent Russian government report has stated this week that the country has reached a new record for wheat exports in 2023/24 at 41.8 million tonnes. This is just under seven per cent increase when compared to the previous marketing year. Total export volume was also 24% stronger than the previous marketing year at 55.4 million tonnes.
- 24/25 season grain exports from Ukraine have kicked off well with the continued export of old crop corn according to the government agency. Export volumes totalled 716,000 tonnes during the first week of July, which is three times more than the corresponding period last year.
- Better than expected crop conditions in Spain has seen feed buyers there hold off on importing feed grains according to Fastmarkets. Spain is one the biggest European importers of grain, which could weigh on feed markets as a result.

Local news

- Australia exported just under 1.6 million tonnes of wheat throughout May with the Australian Bureau of Statistics (ABS) stating this was 14 per cent lower than in April. For bulk transport the Philippines and Indonesia remained the two largest markets, whilst for containerized exports it was Malaysia and Taiwan.

Regional commentary

Atherton Tablelands

- Wheat: Steady (\$380 to \$390/tonne). Barley: Steady (\$380 to \$390/tonne). Maize: Steady (\$440 to \$450/tonne). Sorghum: Down \$5 (\$360 to \$370/tonne).
- The northern growing areas had mixed weather over the week, with some limited rainfall received while other sites had a dry week. Overall conditions are favourable for growing new crop although sorghum harvest continues to drag.
- Old crop wheat prices held steady with limited local demand and the global market driving any movement. Demand for new crop also remains limited with growers not keen on selling at current prices.
- Barley prices are holding steady although stocks are beginning to tighten locally. Feedlots aren't currently looking to extend coverage into harvest due to current low crop risk and overall outlook.
- Sorghum markets continued to soften as demand eased and harvest is almost drawing to a close.

Darling Downs

- Wheat: Steady (\$380 to \$390/tonne). Barley: Steady (\$380 to \$390/tonne). Maize: Steady (\$415 to \$425/tonne). Sorghum: Steady (\$340 to \$350/tonne).
- The Northern growing areas had mixed weather over the week, with some limited rainfall received while other sites had a dry week. Overall conditions are favourable for growing new crop although sorghum harvest continues to drag.
- Old crop wheat prices held steady with limited local demand and the global market driving any movement. Demand for new crop also remains limited with growers not keen on selling at current prices.
- Barley prices are holding steady although stocks are beginning to tighten locally. Feedlots aren't currently looking to extend coverage into harvest due to current low crop risk and overall outlook.
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North Coast NSW

- Wheat: Steady (\$355 to \$365/tonne). Barley: Up \$15 (\$350 to \$360/tonne). Maize: Steady (\$435 to \$445/tonne). Sorghum: Down \$5 (\$310 to \$320/tonne).
- The Northern growing areas had mixed weather over the week, with some limited rainfall received while other sites had a dry week. Overall conditions are favourable for growing new crop although sorghum harvest continues to drag.
- Old crop wheat prices held steady with limited local demand and the global market driving any movement. Demand for new crop also remains limited with growers not keen on selling at current prices.
- Barley prices are holding steady although stocks are beginning to tighten locally. Feedlots aren't currently looking to extend coverage into harvest due to current low crop risk and overall outlook.
- Sorghum markets continued to soften as demand eased and harvest is almost drawing to a close.

Central West NSW

- Wheat: Up \$10 (\$335 to \$345/tonne). Barley: Steady (\$310 to \$320/tonne). Maize: Steady (\$395 to \$405/tonne). Sorghum: Down \$10 (\$345 to \$355/tonne).
- Patchy rainfall and thunderstorms over the past week has continued to support new crop growth with foggy weather expected across the coming week.
- Wheat markets have continued to hold steady although there has been some varied price movements within the week as international market movements continues to impact the local trade.
- Barley prices are holding steady although stocks are beginning to tighten locally. Feedlots aren't currently looking to extend coverage into harvest due to current low crop risk and overall outlook.
- Sorghum markets continued to soften as demand eased and harvest is almost drawing to a close.

Bega Valley

- Wheat: Steady (\$355 to \$365/tonne). Barley: Steady (\$305 to \$315/tonne). Maize: Down \$10 (\$355 to \$365/tonne). Canola Meal: Steady (\$535 to \$545/tonne).
- Patchy rainfall and thunderstorms over the past week has continued to support new crop growth with foggy weather expected across the coming week.
- Wheat markets have continued to hold steady although there has been some varied price movements within the week as international market movements continues to impact the local trade.
- Barley prices are holding steady although stocks are beginning to tighten locally. Feedlots aren't currently looking to extend coverage into harvest due to current low crop risk and overall outlook.
- Sorghum markets continued to soften as demand eased and harvest is almost drawing to a close.
- Lentils prices keep softening as international demand continues to fall.

Goulburn/Murray Valley

- Wheat: Steady (\$340 to \$350/tonne). Barley: Steady (\$325 to \$335/tonne). Maize: Down \$10 (\$355 to \$365/tonne). Canola Meal: Steady (\$545 to \$555/tonne).
- Patchy rainfall and thunderstorms over the past week have continued to support new crop growth with foggy weather expected across the coming week.
- Wheat markets have continued to hold steady although there has been some varied price movements within the week as international market movements continues to impact the local trade.
- Barley prices are holding steady although stocks are beginning to tighten locally. Feedlots aren't currently looking to extend coverage into harvest due to current low crop risk and overall outlook.
- Sorghum markets continued to soften as demand eased and harvest is almost drawing to a close.
- Lentils prices keep softening as international demand continues to fall.

Gippsland

- Wheat: Steady (\$365 to \$375/tonne). Barley: Up \$10 (\$345 to \$355/tonne). Maize: Down \$10 (\$355 to \$365/tonne). Canola Meal: Steady (\$560 to \$570/tonne).
- There has been some light rainfall over the week although there have also been some cold and frosty mornings which is slowing down growth rates of crops, especially late emerging ones due to the dry start to the season.
- Wheat markets held steady after some intraweek movements. Demand has slowed and growers are content to hold back on selling at the current prices.
- Barley prices have mostly held steady as domestic demand remains the primary driver of prices as local feed requirements continue after the dry start to the season.
- Lentils prices keep softening as international demand continues to fall.

Southwest Victoria

- Wheat: Up \$5 (\$320 to \$330/tonne). Barley: Down \$5 (\$320 to \$330/tonne). Maize: Down \$10 (\$355 to \$365/tonne). Canola Meal: Steady (\$545 to \$555/tonne).
- There has been some light rainfall over the week although there have also been some cold and frosty mornings which is slowing down growth rates of crops, especially late emerging ones due to the dry start to the season.
- Wheat markets held steady after some intraweek movements. Demand has slowed and growers are content to hold back on selling at the current prices.
- Barley prices have mostly held steady as domestic demand remains the primary driver of prices as local feed requirements continue after the dry start to the season.
- Lentils prices keep softening as international demand continues to fall.

Southeast South Australia

- Wheat: Steady (\$360 to \$370/tonne). Barley: Steady (\$315 to \$325/tonne). Maize: Down \$10 (\$350 to \$360/tonne). Canola Meal: Steady (\$590 to \$600/tonne).
- There were varying amounts of rainfall over the past week with more expected over the next week from a large system crossing the state over the end of the week.
- Wheat markets held steady this week as most price movements reflected international market changes being driven by northern hemisphere harvest.
- Barley prices also holding steady although some local demand is starting to ease, as is the international market.
- Lentils prices keep softening as international demand continues to fall.

Central South Australia

- Wheat: Down \$5 (\$330 to \$340/tonne). Barley: Steady (\$310 to \$320/tonne). Maize: Down \$10 (\$350 to \$360/tonne). Oats: Steady (\$475 to \$485/tonne).
- There were varying amounts of rainfall over the past week with more expected over the next week from a large system crossing the state over the end of the week.
- Wheat markets held steady this week as most price movements reflected international market changes being driven by northern hemisphere harvest.
- Barley prices also holding steady although some local demand is starting to ease, as is the international market.
- Lentils prices keep softening as international demand continues to fall.

Southwest Western Australia

- Wheat: Steady (\$395 to \$405/tonne). Barley: Down \$10 (\$330 to \$340/tonne). Lupins: Up \$20 (\$565 to \$575/tonne). Oats: Steady (\$500 to \$510/tonne).
- Some rainfall over the past week although not as much as northern areas of the state, most crops are still well behind where they would normally be at this point of the season.
- Wheat markets have held steady on a softening market as international market movements have the largest impact on local prices.
- Barley prices have eased and there is little seller engagement at the lower prices.
- Oats are holding steady although growers are anticipating strong demand as a result of strong hay pricing impacting amount of oats for sale.

Northwest Tasmania

- Wheat: Steady (\$455 to \$465/tonne). Barley: Up \$10 (\$435 to \$445/tonne). Maize: Down \$10 (\$365 to \$375/tonne). Canola Meal: Steady (\$650 to \$660/tonne).
- There has been some light rainfall over the week although there have also been some cold and frosty mornings which is slowing down growth rates of crops, especially late emerging ones due to the dry start to the season.
- Wheat markets held steady after some intraweek movements. Demand has slowed and growers are content to hold back on selling at the current prices.
- Barley prices have mostly held steady as domestic demand remains the primary driver of prices as local feed requirements continue after the dry start to the season.



Dairy Australia Limited ABN 60 105 227 987
Level 3, HWT Tower
40 City Road, Southbank Vic 3006 Australia
T +61 3 9694 3777 F +61 3 9694 3701
E enquiries@dairyaustralia.com.au
dairyaustralia.com.au

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