Dairy Australia

Grain Report

01 November 2024

DELIVERING for DAIRY

Contents

Profarmer Australia

Summary

Driving prices up

- The United States Department of Agriculture (USDA) crop progress report through until the 27th of October was released on Tuesday. The first official US winter wheat condition figure was released in this week’s report which came in well below market expectations and provided some underlying support for US wheat markets as a result.
- Some uncertainty surrounding wheat and barley production in southern states following frost and dry conditions continues to offer some local prices support, a falling AUD over the past couple of weeks has also helped to put a floor under local feed grain prices.

Driving prices down

- Local wheat and barley prices are in the firm grip of harvest pressure with stock being sold off the header in northern states mostly due to storage constraints rather than genuine selling interest. Growers are still hoping to hold most grain over into the new year to take advantage of renewed export interest.
- US harvest of both corn and soybean crops is now nearing its end which is keeping global markets well supplied with both US crops near all-time record levels from a production perspective.

Global trade news

- The Rosario Grain Exchange have forecast Argentina's wheat exports will reach 13.3 million tonnes in 2024/25, up 73% from 7.7 million tonnes in 2023/24 and the second highest on record.
- South Korean feed importer Major Feedmill Group purchased 134,000 tonnes of feed corn at US$279.99 for January delivery. Nonghyup Feed Inc also purchased a 65,000-tonne corn cargo at around US$244.98 for February delivery.

Local news

- 2024/25 harvest is underway across all states with the three main BHC’s now taking deliveries. As of the 29th of October, approximately 2.4Mmt of grain has been delivered. These volumes delivered will likely double in the next week or two as harvest continues to pick up steam. QLD is the most advanced state with over 1.0Mmt delivered into GrainCorp receival sites, harvest estimated at just over halfway.
- The Grains Industry Association of Victoria have released their updated winter crop forecast following the completion of the GIAV annual crop tour. GIAV production estimates have totalled 3.6 million tonnes of wheat and 2.6 million tonnes of barley. Should this forecast eventuate, this would represent a strong fall in average wheat and barley yields, with declines of 44 and 28 per cent respectively on last season’s record crop.
- The prospect of a La Niña forming is becoming less likely with the Bureau of Meteorology noting that Sea Surface Temperatures are likely to remain within the ENSO-neutral thresholds (−0.8 °C to +0.8 °C) throughout the forecast period to February 2025.

Regional commentary

Atherton Tablelands

- Wheat: Steady ($365 to $375/tonne). Barley: Steady ($340 to $350/tonne). Maize: Steady ($410 to $420/tonne). Sorghum: Steady ($325 to $335/tonne).
- The northern growing regions have had a relatively dry week, with conditions mostly favourable for harvesting. The forecast is for the mostly dry conditions to continue into next week which should support harvest progress. Summer crop growers will be looking for decent rainfall over the next few weeks to build soil moisture before commencing summer crop planting.
- Wheat and barley bids have been mostly steady over the past week. Markets are starting to face downwards pressure from increased supply as harvest continues, although many growers are putting grain into storage rather than selling off the header. Prices have also been supported by an uptick in end-user demand as they look to extend their coverage.
- Sorghum bids were marginally lower over the past week, as old crop markets remain lightly traded with growers focusing on the winter harvest. New crop markets were marginally firmer due to the weakening Australian Dollar, low supply estimates and a lack of grower confidence.

Darling Downs

- Wheat: Steady ($325 to $335/tonne). Barley: Steady ($300 to $310/tonne). Maize: Steady ($385 to $395/tonne). Sorghum: Steady ($310 to $320/tonne).
- The northern growing regions have had a relatively dry week, with conditions mostly favourable for harvesting. The forecast is for the mostly dry conditions to continue into next week which should support harvest progress. Summer crop growers will be looking for decent rainfall over the next few weeks to build soil moisture before commencing summer crop planting.
- Wheat and barley bids have been mostly steady over the past week. Markets are starting to face downwards pressure from increased supply as harvest continues, although many growers are putting grain into storage rather than selling off the header. Prices have also been supported by an uptick in end-user demand as they look to extend their coverage.
- Sorghum bids were marginally lower over the past week, as old crop markets remain lightly traded with growers focusing on the winter harvest. New crop markets were marginally firmer due to the weakening Australian Dollar, low supply estimates and a lack of grower confidence.

North Coast NSW

- Wheat: Down $5 ($310 to $320/tonne). Barley: Down $10 ($255 to $265/tonne). Maize: Steady ($410 to $420/tonne). Sorghum: Down $5 ($305 to $315/tonne).
- The northern growing regions have had a relatively dry week, with conditions mostly favourable for harvesting. The forecast is for the mostly dry conditions to continue into next week which should support harvest progress. Summer crop growers will be looking for decent rainfall over the next few weeks to build soil moisture before commencing summer crop planting.
- Wheat and barley bids have been mostly steady over the past week. Markets are starting to face downwards pressure from increased supply as harvest continues, although many growers are putting grain into storage rather than selling off the header. Prices have also been supported by an uptick in end-user demand as they look to extend their coverage.
- Sorghum bids were marginally lower over the past week, as old crop markets remain lightly traded with growers focusing on the winter harvest. New crop markets were marginally firmer due to the weakening Australian Dollar, low supply estimates and a lack of grower confidence.

Central West NSW

- Wheat: Steady ($300 to $310/tonne). Barley: Steady ($270 to $280/tonne). Maize: Steady ($375 to $385/tonne). Sorghum: Down $10 ($305 to $315/tonne).
- Growers in the Central West have had a mostly dry week, which has seen harvest continue to ramp up. The forecast is showing dry conditions to continue, with temperatures to build up into the mid-30s over the weekend and remain elevated into next week.
- The northern growing regions have had a relatively dry week, with conditions mostly favourable for harvesting. The forecast is for the mostly dry conditions to continue into next week which should support harvest progress. Summer crop growers will be looking for decent rainfall over the next few weeks to build soil moisture before commencing summer crop planting.
- Wheat and barley bids have been mostly steady over the past week. Markets are starting to face downwards pressure from increased supply as harvest continues, although many growers are putting grain into storage rather than selling off the header. Prices have also been supported by an uptick in end-user demand as they look to extend their coverage.
- Sorghum bids were marginally lower over the past week, as old crop markets remain lightly traded with growers focusing on the winter harvest. New crop markets were marginally firmer due to the weakening Australian Dollar, low supply estimates and a lack of grower confidence.

Bega Valley

- Wheat: Steady ($345 to $355/tonne). Barley: Steady ($275 to $285/tonne). Maize: Down $5 ($330 to $340/tonne). Canola Meal: Down $20 ($510 to $520/tonne).
- Southern growing regions have had a mostly dry week, with only showers recorded in some parts. The forecast is for a relatively dry week ahead, with temperatures expected to reach into the 30s over the weekend. Harvest continues to move south, with harvest now getting underway in the Mallee and southern NSW.
- Wheat markets softened this week following harvest pressure from further north and weakness in offshore markets.
- Barley bids have eased due to harvest pressure and reduced demand. Barley yields are reportedly better than expected given the dry conditions and a lack of export demand is also weighing on prices.
- Corn markets were marginally lower this week.

Goulburn/Murray Valley

- Wheat: Down $5 ($330 to $340/tonne). Barley: Down $10 ($305 to $315/tonne). Maize: Down $5 ($330 to $340/tonne). Canola Meal: Down $20 ($520 to $530/tonne).
- Southern growing regions have had a mostly dry week, with only showers recorded in some parts. The forecast is for a relatively dry week ahead, with temperatures expected to reach into the 30s over the weekend. Harvest continues to move south, with harvest now getting underway in the Mallee and southern NSW.
- Wheat markets softened this week following harvest pressure from further north and weakness in offshore markets.
- Barley bids have eased due to harvest pressure and reduced demand. Barley yields are reportedly better than expected given the dry conditions and a lack of export demand is also weighing on prices.
- Corn markets were marginally lower this week.

Gippsland

- Wheat: Down $10 ($345 to $355/tonne). Barley: Down $10 ($330 to $340/tonne). Maize: Down $5 ($330 to $340/tonne). Canola Meal: Down $20 ($535 to $545/tonne).
- Southern growing regions have had a mostly dry week, with only showers recorded in some parts. The forecast is for a relatively dry week ahead, with temperatures expected to reach into the 30s over the weekend. Harvest continues to move south, with harvest now getting underway in the Mallee and southern NSW.
- Wheat markets softened this week following harvest pressure from further north and weakness in offshore markets.
- Barley bids have eased due to harvest pressure and reduced demand. Barley yields are reportedly better than expected given the dry conditions and a lack of export demand is also weighing on prices.
- Corn markets were marginally lower this week.

Southwest Victoria

- Wheat: Down $5 ($310 to $320/tonne). Barley: Down $10 ($290 to $300/tonne). Maize: Down $5 ($330 to $340/tonne). Canola Meal: Down $20 ($520 to $530/tonne).
- Southern growing regions have had a mostly dry week, with only showers recorded in some parts. The forecast is for a relatively dry week ahead, with temperatures expected to reach into the 30s over the weekend. Harvest continues to move south, with harvest now getting underway in the Mallee and southern NSW.
- Wheat markets softened this week following harvest pressure from further north and weakness in offshore markets.
- Barley bids have eased due to harvest pressure and reduced demand. Barley yields are reportedly better than expected given the dry conditions and a lack of export demand is also weighing on prices.
- Corn markets were marginally lower this week.

Southeast South Australia

- Wheat: Down $5 ($355 to $365/tonne). Barley: Down $20 ($305 to $315/tonne). Maize: Down $5 ($325 to $335/tonne). Canola Meal: Down $20 ($565 to $575/tonne).
- South Australian growing regions have had relatively dry conditions over the past week, with only up to 5mm of rainfall recorded in the northern growing areas. The dry conditions are allowing harvest to get underway and is expected to ramp up into next week with only limited rainfall on the forecast.
- Wheat bids have eased this week due to softer international prices, which faced downwards pressure from improved production prospects from key nations such as the US and Russia.
- Barley markets eased following spillover weakness from wheat, while harvest pressure and a lack of export demand also weighed on prices.
- Lentil bids moved lower this week as harvest quality has so far been better than expected.

Central South Australia

- Wheat: Down $5 ($310 to $320/tonne). Barley: Down $10 ($290 to $300/tonne). Maize: Down $5 ($325 to $335/tonne). Oats: Down $25 ($380 to $390/tonne).
- South Australian growing regions have had relatively dry conditions over the past week, with only up to 5mm of rainfall recorded in the northern growing areas. The dry conditions are allowing harvest to get underway and is expected to ramp up into next week with only limited rainfall on the forecast.
- Wheat bids have eased this week due to softer international prices, which faced downwards pressure from improved production prospects from key nations such as the US and Russia.
- Barley markets eased following spillover weakness from wheat, while harvest pressure and a lack of export demand also weighed on prices.
- Lentil bids moved lower this week as harvest quality has so far been better than expected.

Southwest Western Australia

- Wheat: Steady ($340 to $350/tonne). Barley: Steady ($315 to $325/tonne). Lupins: Steady ($485 to $495/tonne). Oats: Up $5 ($370 to $380/tonne).
- Harvest is now well underway across Western Australia, with the focus thus far being on barley and the wheat harvest expected to ramp up into next week. Warm and dry conditions have been favourable for harvest progress, with these conditions expected to continue into the weekend before cooling down next week.
- Local wheat bids have been mostly steady this week, with deliveries remaining low as growers focus on harvesting other commodities. Quality has so far been okay, with most wheat going ASW9 and reports of screenings becoming an issue with higher protein.
- Barley bids have been relatively stable, with buyers appearing to be comfortable at the current price levels. Malt premiums have remained around the $25-$30/t mark.
- Oats bids moved marginally higher this week, while lupins bids were mostly steady.

Northwest Tasmania

- Wheat: Down $10 ($435 to $445/tonne). Barley: Down $10 ($420 to $430/tonne). Maize: Down $5 ($340 to $350/tonne). Canola Meal: Down $20 ($625 to $635/tonne).
- Wheat markets softened this week following harvest pressure from further north and weakness in offshore markets.
- Barley bids have eased due to harvest pressure and reduced demand. Barley yields are reportedly better than expected given the dry conditions and a lack of export demand is also weighing on prices.
- Corn markets were marginally lower this week.

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

Acknowledgement
Dairy Australia acknowledges the funding from levy payers and contribution by Commonwealth Government.

5584 | Dec 2023