

Grain Report

20 December 2024



DELIVERING
for **DAIRY**

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Summary

Driving prices up

- The weakening Australian Dollar has been supportive for local prices, with the AUD falling almost 10% since the start of October.
- Wheat and barley markets remain slow, with sellers hesitant to engage at the current price levels which is limiting supply pressure.
- The tighter supply of milling quality wheat is applying some upwards pressure on the higher-grade wheat prices.

Driving prices down

- Demand remains slow, with most end-users appearing to be well covered into 2025, while export demand remains subdued. Although, export demand for feed wheat into southeast Asia has started to emerge.
- Harvest pressure continues to weigh on prices. Improved production prospects at a national level driven predominantly by the ever-increasing size of the WA crop is putting pressure on markets.

Global trade news

- China's November wheat imports were the lowest level since February 2018 at 70,000 mt. Although imports are expected to jump in December and January, with reports that Chinese buyers have booked in over 700,000 tonnes of Australian wheat for December and January loading.
- Kofmia, a flour mill group in South Korea is looking to purchase 50,000 tonnes of US wheat and 40,000 tonnes of Canadian wheat to be shipped around March 2025.
- Tunisia's Office des Cereales (ODC) has issued a tender to buy 100,000 tonnes of milling wheat and 100,000 tonnes of durum wheat to be shipped between January and February, with offers invited from Europe, North and South America, Black Sea and Mediterranean regions.

Local news

- Australian Crop Forecasters has increased their winter crop production by 6% to 56.2 million mt. Wheat production has been increased by 4% to 32.4 million tonnes, barley up 10% to 12.3 million tonnes, and canola up 7% to 5.9 million tonnes. The increase was driven mainly by a 13% increase in the forecast for the Western Australian winter crop.
- Wet and humid conditions during harvest have caused quality downgrades and slowed progress. However, a significant portion of the higher quality crops, including milling wheat and malt barley, were harvested prior to the detrimental conditions, ensuring there would not be a national shortage.

Regional commentary

Atherton Tablelands

- Wheat: Steady (\$360 to \$370/tonne). Barley: Steady (\$340 to \$350/tonne). Maize: Steady (\$405 to \$415/tonne). Sorghum: Steady (\$335 to \$345/tonne).
- The northern growing regions have had another wet week, with falls up to 80 mm recorded and the heavier rains generally focused around the coastal regions. There is more rain on the forecast for next week, although not in as high volumes as the week just been. The wetter conditions have been beneficial for sorghum production, with crops in good condition and the last of the sowing to be completed in January.
- Local wheat and barley prices were relatively steady this week, with the market remaining slow leading into the Christmas/New Year period. End-users appear to be well covered into February and supply appears adequate.
- Sorghum bids were stable to marginally firmer gaining support from an uptick in export demand, although buying interest from packers remains slow.

Darling Downs

- Wheat: Steady (\$330 to \$340/tonne). Barley: Steady (\$310 to \$320/tonne). Maize: Steady (\$385 to \$395/tonne). Sorghum: Steady (\$315 to \$325/tonne).
- The northern growing regions have had another wet week, with falls up to 80 mm recorded and the heavier rains generally focused around the coastal regions. There is more rain on the forecast for next week, although not in as high volumes as the week just been. The wetter conditions have been beneficial for sorghum production, with crops in good condition and the last of the sowing to be completed in January.
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North Coast NSW

- Wheat: Steady (\$310 to \$320/tonne). Barley: Steady (\$260 to \$270/tonne). Maize: Steady (\$405 to \$415/tonne). Sorghum: Up \$5 (\$310 to \$320/tonne).
- The northern growing regions have had another wet week, with falls up to 80 mm recorded and the heavier rains generally focused around the coastal regions. There is more rain on the forecast for next week, although not in as high volumes as the week just been. The wetter conditions have been beneficial for sorghum production, with crops in good condition and the last of the sowing to be completed in January.
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Central West NSW

- Wheat: Up \$5 (\$300 to \$310/tonne). Barley: Steady (\$275 to \$285/tonne). Maize: Steady (\$375 to \$385/tonne). Sorghum: Steady (\$305 to \$315/tonne).
- Growers in the Central West have had a relatively warm and dry week. Conditions are forecast to stay warm and dry for the week ahead, with temperatures expected to reach into the high 30's over the weekend. Harvest is now mostly wrapped up, with growers turning their attention to summer spraying and weed management.
- Local wheat and barley prices were relatively steady this week, with the market remaining slow leading into the Christmas/New Year period. End-users appear to be well covered into February and supply appears adequate.
- Sorghum bids were stable to marginally firmer gaining support from an uptick in export demand, although buying interest from packers remains slow.

Bega Valley

- Wheat: Steady (\$340 to \$350/tonne). Barley: Steady (\$275 to \$285/tonne). Maize: Steady (\$345 to \$355/tonne). Canola Meal: Steady (\$455 to \$465/tonne).
- Southern growing regions have had a mostly dry week, with only some light showers recorded in some areas. Temperatures were particularly warm earlier in the week, with the widespread total fire bans on Monday slowing harvest progress. The forecast is favourable for harvesting with warm and dry conditions, although hot conditions Friday may briefly stop headers again.
- Wheat prices have been mixed, as the market looks to find the balance between grade spreads and buyer demand. Selling interest remains subdued at the current market levels, while exporters are not overly active at this stage.
- Barley bids have been steady to marginally lower this week but remain slow with limited engagement from sellers.
- Corn markets remained steady, while lentil prices eased.

Goulburn/Murray Valley

- Wheat: Steady (\$335 to \$345/tonne). Barley: Steady (\$300 to \$310/tonne). Maize: Steady (\$345 to \$355/tonne). Canola Meal: Steady (\$465 to \$475/tonne).
- Southern growing regions have had a mostly dry week, with only some light showers recorded in some areas. Temperatures were particularly warm earlier in the week, with the widespread total fire bans on Monday slowing harvest progress. The forecast is favourable for harvesting with warm and dry conditions, although hot conditions Friday may briefly stop headers again.
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Gippsland

- Wheat: Steady (\$350 to \$360/tonne). Barley: Down \$10 (\$325 to \$335/tonne). Maize: Steady (\$345 to \$355/tonne). Canola Meal: Steady (\$480 to \$490/tonne).
- Southern growing regions have had a mostly dry week, with only some light showers recorded in some areas. Temperatures were particularly warm earlier in the week, with the widespread total fire bans on Monday slowing harvest progress. The forecast is favourable for harvesting with warm and dry conditions, although hot conditions Friday may briefly stop headers again.
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Southwest Victoria

- Wheat: Up \$5 (\$330 to \$340/tonne). Barley: Steady (\$285 to \$295/tonne). Maize: Steady (\$345 to \$355/tonne). Canola Meal: Steady (\$465 to \$475/tonne).
- Southern growing regions have had a mostly dry week, with only some light showers recorded in some areas. Temperatures were particularly warm earlier in the week, with the widespread total fire bans on Monday slowing harvest progress. The forecast is favourable for harvesting with warm and dry conditions, although hot conditions Friday may briefly stop headers again.
- Wheat prices have been mixed, as the market looks to find the balance between grade spreads and buyer demand. Selling interest remains subdued at the current market levels, while exporters are not overly active at this stage.
- Barley bids have been steady to marginally lower this week but remain slow with limited engagement from sellers.
- Corn markets remained steady, while lentil prices eased.

Southeast South Australia

- Wheat: Steady (\$355 to \$365/tonne). Barley: Up \$5 (\$330 to \$340/tonne). Maize: Steady (\$340 to \$350/tonne). Canola Meal: Steady (\$510 to \$520/tonne).
- South Australian growing regions have had dry conditions over the past week, although warm weather over the weekend and total fire bans did delay harvest progress. Conditions are expected to be favourable for the week ahead, with warm weather and only 1-5 mm forecast across grain growing areas. The South Australian harvest is now mostly complete.
- Wheat and barley markets have remained relatively steady over the past week. The weakening Australian dollar has been supportive, although softening offshore markets as well as harvest pressure has weighed on prices.
- Lentil and bean bids both eased this week.

Central South Australia

- Wheat: Steady (\$320 to \$330/tonne). Barley: Down \$10 (\$300 to \$310/tonne). Maize: Steady (\$340 to \$350/tonne). Oats: Steady (\$360 to \$370/tonne).
- South Australian growing regions have had dry conditions over the past week, although warm weather over the weekend and total fire bans did delay harvest progress. Conditions are expected to be favourable for the week ahead, with warm weather and only 1-5 mm forecast across grain growing areas. The South Australian harvest is now mostly complete.
- Wheat and barley markets have remained relatively steady over the past week. The weakening Australian dollar has been supportive, although softening offshore markets as well as harvest pressure has weighed on prices.
- Lentil and bean bids both eased this week.

Southwest Western Australia

- Wheat: Down \$5 (\$340 to \$350/tonne). Barley: Down \$5 (\$315 to \$325/tonne). Lupins: Up \$5 (\$495 to \$505/tonne). Oats: Steady (\$380 to \$390/tonne).
- Western Australian growing regions have seen mixed conditions over the past week, with some areas staying dry while others recorded upwards of 25 mm. The week ahead is forecast to be dry and warm, with temperatures potentially reaching the 40s early next week. Harvest is now mostly wrapped up in the state.
- Local wheat and barley markets were marginally lower this week, as harvest pressure continues to build with yields continuing to exceed expectations. The weakening Australian Dollar has limited losses, although softening offshore markets have applied some downwards pressure.
- Lupins and oats prices have remained relatively stable and continue to trade at historically high levels due to strong demand from both domestic and export markets.

Northwest Tasmania

- Wheat: Steady (\$440 to \$450/tonne). Barley: Down \$10 (\$415 to \$425/tonne). Maize: Steady (\$355 to \$365/tonne). Canola Meal: Steady (\$570 to \$580/tonne).
- Wheat prices have been mixed, as the market looks to find the balance between grade spreads and buyer demand. Selling interest remains subdued at the current market levels, while exporters are not overly active at this stage.
- Barley bids have been steady to marginally lower this week but remain slow with limited engagement from sellers.
- Corn markets remained steady, while lentil prices eased.



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