

Grain Report

29 March 2024

DELIVERING
for **DAIRY**



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Summary

Driving prices up

- Russian attacks have continued on Ukraine's grain facilities which have increased concerns over global supply levels.
- The number of cattle on feed in northern feedlots has increased back to near normal levels over the past few weeks, which is bringing additional demand to local wheat and barley markets.

Driving prices down

- Strong global supply and old crop levels, especially from Russia, continue to apply downwards pressure to the market. Australian grain remains comparatively expensive compared to international pricing.
- Local feed demand has started to pick back up as the number of cattle in northern feedlots increase, but the level of demand remains low enough that the market still seems to be mainly influenced by international markets.

Global trade news

- The European Commission has proposed an increase in tariffs on imports of cereals, oilseeds and grain products into the EU from Russia and Belarus. This will also see Russia and Belarus no longer be able to access the EU's WTO quotas on grain.
- The EU's weekly wheat exports totalled 357,164 tonnes for last week, with France being the major contributor exporting 149,950 mt. However, their total exports for the marketing year are down 2% to 22.79 million mt. Barley exports from the European Union totalled 33,878 tonnes last week, although the total exports for the marketing year of 4.19 million mt is down 12% year-on-year.
- The United States (US) weekly wheat export inspections recorded a 20 per cent decline this week, with 315,395 mt transported, significantly down from 394,479 mt in the previous week. The major destinations for the US wheat were Mexico, Bangladesh, and Dominican Republic. While US weekly corn inspections were down 7 per cent to 1.23 million mt.
- South Korean feed importers Nonghyup Feed Inc (NOFI) purchased two cargoes totalling around 134,000 mt of feed corn for July arrival for \$247.99/tonne.

Local news

- Australian Crop Forecasters (ACF) have released their first production outlook for the 2024/25 winter crops. Wheat production is forecast to increase 13 per cent year-on-year to 29.9 million mt, while barley is expected to increase 7 per cent to 11.2 million mt.
- Local wheat and barley markets have firmed with support coming from strength in offshore markets, although the lift is expected to be short-lived due to both domestic and export demand remaining subdued.

Regional commentary

Atherton Tablelands

- Wheat: Up \$5 (\$370 to \$380/tonne). Barley: Up \$5 (\$375 to \$385/tonne). Maize: Steady (\$415 to \$425/tonne). Sorghum: Steady (\$375 to \$385/tonne).
- Northern growing regions have experienced a wet few days, with most regions receiving between 10-60mm of rain. The recent rain will assist with winter crop planting, although sorghum crops which have been sprayed out will be looking for some more drying weather ahead of harvest. The sorghum harvest is expected to commence after Easter if weather permits.
- Wheat and barley markets have firmed over the past week, with markets remaining tightly traded. Domestic end-users have started to return to the market, and we are now starting to see April/May enquiries coming in. The increase in cattle in northern feedlots back to near normal levels has been a key demand driver.
- Sorghum bids were mostly steady this week, with grower selling easing ahead of the start of harvest.

Darling Downs

- Wheat: Up \$10 (\$365 to \$375/tonne). Barley: Up \$10 (\$370 to \$380/tonne). Maize: Steady (\$410 to \$420/tonne). Sorghum: Steady (\$340 to \$350/tonne).
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North Coast NSW

- Wheat: Steady (\$340 to \$350/tonne). Barley: Up \$5 (\$350 to \$360/tonne). Maize: Steady (\$415 to \$425/tonne). Sorghum: Steady (\$335 to \$345/tonne).
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Central West NSW

- Wheat: Up \$20 (\$355 to \$365/tonne). Barley: Up \$10 (\$335 to \$345/tonne). Maize: Steady (\$365 to \$375/tonne). Sorghum: Up \$5 (\$350 to \$360/tonne).
- Central NSW growing regions have received some decent rainfall over the past week, with some areas getting up to 25mm of rain. The forecast is showing a mostly cool and dry weekend with temperatures reaching the low 20s, with a chance of showers into next week. Growers continue to prepare paddocks ahead of the coming winter crop.
- Wheat and barley markets have firmed over the past week, with markets remaining tightly traded. Domestic end-users have started to return to the market, and we are now starting to see April/May enquiries coming in. The increase in cattle in northern feedlots back to near normal levels has also been a key demand driver.
- Sorghum bids were mostly steady this week, with grower selling easing ahead of the start of harvest.

Bega Valley

- Wheat: Up \$10 (\$345 to \$355/tonne). Barley: Up \$5 (\$315 to \$325/tonne). Maize: Steady (\$345 to \$355/tonne). Canola Meal: Steady (\$495 to \$505/tonne).
- Southern growing regions have faced mixed conditions over the past week, with some of the eastern areas receiving upwards of 15mm of rain, while the western parts received 0-5mm. The forecast is expecting warmer conditions over the weekend, then a cool change and a chance of showers into next week. Growers will be looking for additional rainfall to build soil moisture ahead of this year's winter crop.
- Wheat bids firmed this week, as an escalation in tensions in the Black Sea provided support to international markets, although the glut of wheat coming out of Russia has limited gains.
- Barley markets strengthened as domestic demand started to return. Dry conditions have seen sheep graziers return to the market looking for supplementary feed, while the number of cattle in feedlots further north is also increasing demand overall.
- Lentil bids were relatively stable over the past week.

Goulburn/Murray Valley

- Wheat: Up \$10 (\$315 to \$325/tonne). Barley: Up \$5 (\$300 to \$310/tonne). Maize: Steady (\$345 to \$355/tonne). Canola Meal: Steady (\$495 to \$505/tonne).
- Southern growing regions have faced mixed conditions over the past week, with some of the eastern areas receiving upwards of 15mm of rain, while the western parts received 0-5mm. The forecast is expecting warmer conditions over the weekend, then a cool change and a chance of showers into next week. Growers will be looking for additional rainfall to build soil moisture ahead of this year's winter crop.
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Gippsland

- Wheat: Up \$10 (\$340 to \$350/tonne). Barley: Up \$15 (\$335 to \$345/tonne). Maize: Steady (\$345 to \$355/tonne). Canola Meal: Steady (\$510 to \$520/tonne).
- Southern growing regions have faced mixed conditions over the past week, with some of the eastern areas receiving upwards of 15mm of rain, while the western parts received 0-5mm. The forecast is expecting warmer conditions over the weekend, then a cool change and a chance of showers into next week. Growers will be looking for additional rainfall to build soil moisture ahead of this year's winter crop.
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Southwest Victoria

- Wheat: Up \$10 (\$295 to \$305/tonne). Barley: Up \$5 (\$290 to \$300/tonne). Maize: Steady (\$345 to \$355/tonne). Canola Meal: Steady (\$495 to \$505/tonne).
- Southern growing regions have faced mixed conditions over the past week, with some of the eastern areas receiving upwards of 15mm of rain, while the western parts received 0-5mm. The forecast is expecting warmer conditions over the weekend, then a cool change and a chance of showers into next week. Growers will be looking for additional rainfall to build soil moisture ahead of this year's winter crop.
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Southeast South Australia

- Wheat: Up \$10 (\$340 to \$350/tonne). Barley: Up \$10 (\$310 to \$320/tonne). Maize: Steady (\$340 to \$350/tonne). Canola Meal: Steady (\$540 to \$550/tonne).
- South Australian growing regions have had a mostly dry week, although temperatures have been much lower, especially overnight. The 8-day forecast has most of the state expecting to receive between 1-5mm. Growers are reportedly comfortable with their deep soil moisture, although the recent warm and dry weather has seen topsoils dry out.
- Wheat bids firmed this week, as an escalation in tensions in the Black Sea provided support to international markets, although the glut of wheat coming out of Russia has limited gains.

- Barley markets strengthened this week due to spillover support from wheat as well as increased domestic demand. Dry conditions have seen graziers start to search for supplementary feed and the number of cattle in northern feedlots has returned to near normal levels.
- Lentil bids were relatively stable over the past week.

Central South Australia

- Wheat: Steady (\$295 to \$305/tonne). Barley: Up \$5 (\$285 to \$295/tonne). Maize: Steady (\$340 to \$350/tonne). Oats: Up \$30 (\$475 to \$485/tonne).
- South Australian growing regions have had a mostly dry week, although temperatures have been much lower, especially overnight. The 8-day forecast has most of the state expecting to receive between 1-5mm. Growers are reportedly comfortable with their deep soil moisture, although the recent warm and dry weather has seen topsoils dry out.
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Southwest Western Australia

- Wheat: Up \$5 (\$345 to \$355/tonne). Barley: Steady (\$335 to \$345/tonne). Lupins: Steady (\$495 to \$505/tonne). Oats: Up \$10 (\$440 to \$450/tonne).
- Western Australian growing regions have had a mostly dry week, although some light falls were recorded along the south coast. The forecast is expecting a mostly dry week ahead, with warm conditions over the weekend before cooling off into next week. Growers will be hoping for some additional rainfall in the lead up to winter crop sowing.
- Wheat markets strengthened this week, as the cancellation of orders from China have seen the cancelled shipping slots taken up with new sales, resulting in a rally in local markets. New season prices may face some upward pressure due to the current dry conditions, although growers are mostly reluctant to engage at this stage.
- Barley markets were even to slightly firmer, as a lack of sales prompted sellers to increase prices.
- Lupins and oats prices continue to trade at high prices, with a limited amount of this season's stock remaining.

Northwest Tasmania

- Wheat: Up \$10 (\$430 to \$440/tonne). Barley: Up \$15 (\$425 to \$435/tonne). Maize: Steady (\$355 to \$365/tonne). Canola Meal: Steady (\$600 to \$610/tonne).
- Southern growing regions have faced mixed conditions over the past week, with some of the eastern areas receiving upwards of 15mm of rain, while the western parts received 0-5mm. The forecast is expecting warmer conditions over the weekend, then a cool change and a chance of showers into next week. Growers will be looking for additional rainfall to build soil moisture ahead of this year's winter crop.

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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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Acknowledgement

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

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