

Grain Report

24 May 2024



DELIVERING
for **DAIRY**

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Summary

Driving prices up

- The realisation that frost damage to Black Sea wheat crops may be worse than anticipated has seen offshore futures surge over the past week, which fed through into Australian wheat markets, lifting local prices to near season highs.
- Dry weather in both Western Australia and South Australia has continued to push up local grain prices in those states this week.
- Feedlot demand in northern regions, where barley supplies are mostly depleted, is pushing barley prices in southern states higher in order to draw tonnes up into the northern regions.
- Sorghum prices lifted this week on the back of strong feedlot demand and improving quality.

Driving prices down

- Once northern hemisphere production is clearer and supplies become available for export, offshore prices are likely to ease as the market becomes comfortable with the supply and demand situation.

Global trade news

- South Korean feed importer Korea Feed Association purchased 50,000 -60,000 tonnes (depending on origin) of soybean meal at US\$479.90 per tonne CFR South Korea for July/August shipment.
- The Russian Grain Exporters Union has released its first forecast for the country's grain export and production for the 2024/25 season. Russian wheat production was estimated at 86.8 million tonnes, with exports expected to reach 46.9 million tonnes down from an estimated 51 million tonnes in the 2023/24 season.
- Fastmarkets have reported that China has purchased between two and six soybean cargoes out of the United States (US) over the last week to boost Chinese reserves of soybeans.

Local news

- Australian Crop Forecasters have reduced Australian new crop wheat (-2%) and canola -(1%) production estimates. This is a result of cuts to yields and area in both Western Australia and South Australia. Barley production remains unchanged with increased planted area and yields through northern New South Wales and Queensland offsetting yield decreases in the west.
- Winter crop planting in Australia has reached around 65-70 per cent completion. However, with highly variable soil moisture conditions across different states, growers face tough decisions about what to plant in the remaining third. This variability may even force some to reduce their overall planting area, particularly in South Australia and Western Australia.

Regional commentary

Atherton Tablelands

- Wheat: Up \$10 (\$420 to \$430/tonne). Barley: Up \$5 (\$415 to \$425/tonne). Maize: Steady (\$400 to \$410/tonne). Sorghum: Steady (\$385 to \$395/tonne).
- Northern growing regions had fine weather over the past week with temperatures beginning to cool in the approach to winter.
- Local wheat markets continue to trade at high prices, export markets remain the focus of trades with domestic volumes remaining thin. Winter conditions remain ideal for planting.
- Barley markets continue to find support from local feedlot demand, with export demand limiting movements from the south. Strong offshore interest remains for new crop with planting nearly completed amid good conditions.
- Sorghum harvest is being hindered by the late autumn conditions with moisture proving an issue. The use of dryers is increasing, and the quality is following with SOR1 volumes increasing, helping bids stay firm.

Darling Downs

- Wheat: Up \$5 (\$415 to \$425/tonne). Barley: Steady (\$410 to \$420/tonne). Maize: Steady (\$400 to \$410/tonne). Sorghum: Down \$5 (\$355 to \$365/tonne).
- Northern growing regions had fine weather over the past week with temperatures beginning to cool in the approach to winter.
- Local wheat markets continue to trade at high prices, export markets remain the focus of trades with domestic volumes remaining thin. Winter conditions remain ideal for planting.
- Barley markets continue to find support from local feedlot demand, with export demand limiting movements from the south. Strong offshore interest remains for new crop with planting nearly completed amid good conditions.
- Sorghum harvest is being hindered by the late autumn conditions with moisture proving an issue. The use of dryers is increasing, and the quality is following with SOR1 volumes increasing, helping bids stay firm.

North Coast NSW

- Wheat: Up \$5 (\$385 to \$395/tonne). Barley: Steady (\$370 to \$380/tonne). Maize: Steady (\$400 to \$410/tonne). Sorghum: Up \$10 (\$355 to \$365/tonne).
- Limited rainfall over the week but otherwise fine and dry weather, a little rainfall expected in the week to come as winter crop planting continues.
- Local wheat markets continue to trade at high prices, export markets remain the focus of trades with domestic volumes remaining thin. Winter conditions remain ideal for planting.
- Barley markets continue to find support from local feedlot demand, with export demand limiting movements from the south. Strong offshore interest remains for new crop with planting nearly completed amid good conditions.

- Sorghum harvest is being hindered by the late autumn conditions with moisture proving an issue. The use of dryers is increasing, and the quality is following with SOR1 volumes increasing, helping bids stay firm.

Central West NSW

- Wheat: Up \$5 (\$360 to \$370/tonne). Barley: Up \$5 (\$350 to \$360/tonne). Maize: Steady (\$355 to \$365/tonne). Sorghum: Steady (\$395 to \$405/tonne).
- Limited rainfall over the week but otherwise fine and dry weather, no rainfall expected in the week to come as winter crop planting continues.
- The supply of wheat is getting tighter as prices continue to rise on the back of surging international markets. Local feed demand has also increased with the weather challenges felt across much of the country.
- Feed barley maintains its strong position with local and export demand creating pressure across the east coast.
- Sorghum harvest is being hindered by the late autumn conditions with moisture proving an issue. The use of dryers is increasing, and the quality is following with SOR1 volumes increasing, helping bids stay firm.

Bega Valley

- Wheat: Steady (\$375 to \$385/tonne). Barley: Steady (\$345 to \$355/tonne). Maize: Up \$15 (\$365 to \$375/tonne). Canola Meal: Up \$20 (\$520 to \$530/tonne).
- Limited rainfall over the week but otherwise fine and dry weather, chance of some showers over the weekend.
- The supply of wheat is getting tighter as prices continue to rise on the back of surging international markets. Local feed demand has also increased with the weather challenges felt across much of the country.
- Feed barley maintains its strong position with local and export demand creating pressure across the east coast.
- Lentils increased slightly off the back of interest from one major buyer.

Goulburn/Murray Valley

- Wheat: Up \$10 (\$370 to \$380/tonne). Barley: Steady (\$345 to \$355/tonne). Maize: Up \$15 (\$365 to \$375/tonne). Canola Meal: Up \$20 (\$530 to \$540/tonne).
- Weather conditions remain challenging for crop development with no rainfall expected and dropping temperatures slowing any germination.
- The supply of wheat is getting tighter as prices continue to rise on the back of surging international markets. Local feed demand has also increased with the weather challenges felt across much of the country.
- Feed barley maintains its strong position with local and export demand creating pressure across the east coast.
- Lentils increased slightly off the back of interest from one major buyer.

Gippsland

- Wheat: Up \$15 (\$395 to \$405/tonne). Barley: Steady (\$360 to \$370/tonne). Maize: Up \$15 (\$365 to \$375/tonne). Canola Meal: Up \$20 (\$545 to \$555/tonne).
- Weather conditions remain challenging for crop development with no rainfall expected and dropping temperatures slowing any germination.
- The supply of wheat is getting tighter as prices continue to rise on the back of surging international markets. Local feed demand has also increased with the weather challenges felt across much of the country.
- Feed barley maintains its strong position with local and export demand creating pressure across the east coast.
- Lentils increased slightly off the back of interest from one major buyer.

Southwest Victoria

- Wheat: Up \$10 (\$355 to \$365/tonne). Barley: Steady (\$325 to \$335/tonne). Maize: Up \$15 (\$365 to \$375/tonne). Canola Meal: Up \$20 (\$530 to \$540/tonne).
- Weather conditions remain challenging for crop development with no rainfall expected and dropping temperatures slowing any germination.
- The supply of wheat is getting tighter as prices continue to rise on the back of surging international markets. Local feed demand has also increased with the weather challenges felt across much of the country.
- Feed barley maintains its strong position with local and export demand creating pressure across the east coast.
- Lentils increased slightly off the back of interest from one major buyer.

Southeast South Australia

- Wheat: Steady (\$380 to \$390/tonne). Barley: Steady (\$335 to \$345/tonne). Maize: Up \$15 (\$360 to \$370/tonne). Canola Meal: Up \$20 (\$575 to \$585/tonne).
- Minimal rain recorded over the week with nothing further forecast until June, not enough to be a season opener to allow planting to progress substantially.
- Wheat prices were up slightly this week in response to weather pressures on global and local crop estimates. This saw domestic markets were supported with both old and new crop bids.
- Barley held steady as domestic feed demand continued to underpin values.
- Lentils increased slightly off the back of interest from one major buyer.

Central South Australia

- Wheat: Up \$5 (\$370 to \$380/tonne). Barley: Up \$5 (\$325 to \$335/tonne). Maize: Up \$15 (\$360 to \$370/tonne). Oats: Steady (\$475 to \$485/tonne).
- Minimal rain recorded over the week with nothing further forecast until June, not enough to be a season opener to allow planting to progress substantially.
- Wheat prices were up slightly this week in response to weather pressures on global and local crop estimates. This saw domestic markets were supported with both old and new crop bids.

- Barley held steady as domestic feed demand continued to underpin values.
- Lentils increased slightly off the back of interest from one major buyer.

Southwest Western Australia

- Wheat: Up \$10 (\$390 to \$400/tonne). Barley: Down \$5 (\$350 to \$360/tonne). Lupins: Down \$20 (\$525 to \$535/tonne). Oats: Up \$10 (\$510 to \$520/tonne).
- Dry and warm conditions continued over the state with little rain forecast in the next week leaving early germinating crops under pressure.
- Local wheat bids continued to strengthen reflecting rising offshore markets, the dry conditions and minimal liquidity.
- Barley bids improved over the week although not as much as wheat, as local and export demand for barley continues.
- Oat prices remain strong with no stocks left in the state.

Northwest Tasmania

- Wheat: Up \$15 (\$485 to \$495/tonne). Barley: Steady (\$450 to \$460/tonne). Maize: Up \$15 (\$375 to \$385/tonne). Canola Meal: Up \$20 (\$635 to \$645/tonne).
- Weather conditions remain challenging for crop development with no rainfall expected and dropping temperatures slowing any germination.
- The supply of wheat is getting tighter as prices continue to rise on the back of surging international markets. Local feed demand has also increased with the weather challenges felt across much of the country.
- Feed barley maintains its strong position with local and export demand creating pressure across the east coast.
- Lentils increased slightly off the back of interest from one major buyer.



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