

Grain Report

19 July 2024



DELIVERING
for **DAIRY**

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Summary

Driving prices up

- Barley stocks will continue to tighten across the Northern consumer drawing arc which is offsetting some pressure from offshore market weakness.

Driving prices down

- USDA's WASDE (World Agricultural Supply and Demand Estimates) report released on Saturday was bearish for wheat markets due to increased global production and ending stock estimates. Australian wheat followed offshore futures lower with comfortable global supply to continue to pressure both offshore and local prices in coming months.
- Barley prices are succumbing to weakness in wheat and increased supply from the northern hemisphere, though prices are finding some support from Chinese demand and a lack of grower selling.

Global trade news

- Taiwanese feed buyer MFIG purchased 65,000 tonnes of corn from Cargill at US\$234.74 per tonne CFR shipping from the US for September delivery.
- South Korean feed importer Major Feedmill Group purchased 68,000 tonnes feed wheat at US\$264.80 CFR tonnes for October delivery.
- Dry bulk freight rates lifted slightly this week amidst and increase in grain exports out of South America. Freight rates across the Black Sea remain steady.
- The USDA's WASDE report has forecast global wheat trade will total 212.9 million mt in 2024/25 which is down on the 220.6 million mt estimated for the 2023/24 season. Coarse grain trade including corn, sorghum and barley was forecast at 231.8 million mt also down from the 244.4 million mt traded during 2023/24.

Local news

- Australian Crop Forecasters have just released their July Crop Report which shows national new crop wheat production estimate raised 1% to 29.5 million mt, barley left unchanged at 11.2 million mt and canola production was cut 1% to 5.29 million mt.
- The 8-day rainfall outlook is showing a strong front to bring some good rainfall totals to WA. On the east coast southern SA and Vic along with South East NSW will receive some much needed rain.

Regional commentary

Atherton Tablelands

- Wheat: Down \$10 (\$370 to \$380/tonne). Barley: Down \$10 (\$370 to \$380/tonne). Maize: Down \$20 (\$420 to \$430/tonne). Sorghum: Steady (\$360 to \$370/tonne).
- Fine weather returned to Queensland cropping areas this week, though there will be some cold nights and frosty mornings over the next week.
- Old crop wheat prices remain a combination of offshore market movements and thinly traded local demand. Prices were steady to slightly lower this week with feedlot bids centred on 2H August and now pushing into September.
- Feed barley prices followed wheat this week. Local feedlots not looking to extend coverage too far out preferring to wait and see on new crop potential.
- Sorghum markets continue to soften as trade demand eases with bids becoming limited.

Darling Downs

- Wheat: Down \$5 (\$375 to \$385/tonne). Barley: Steady (\$380 to \$390/tonne). Maize: Down \$20 (\$395 to \$405/tonne). Sorghum: Steady (\$340 to \$350/tonne).
- Fine weather returned to Queensland cropping areas this week, though there will be some cold nights and frosty mornings over the next week.
- Old crop wheat prices remain a combination of offshore market movements and thinly traded local demand. Prices were steady to slightly lower this week with feedlot bids centred on 2H August and now pushing into September.
- Feed barley prices followed wheat this week. Local feedlots not looking to extend coverage too far out preferring to wait and see on new crop potential.
- Sorghum markets continue to soften as trade demand eases with bids becoming limited.

North Coast NSW

- Wheat: Steady (\$355 to \$365/tonne). Barley: Down \$5 (\$345 to \$355/tonne). Maize: Down \$15 (\$420 to \$430/tonne). Sorghum: Steady (\$310 to \$320/tonne).
- Fine weather returned to Queensland cropping areas this week, though there will be some cold nights and frosty mornings over the next week.
- Old crop wheat prices remain a combination of offshore market movements and thinly traded local demand. Prices were steady to slightly lower this week with feedlot bids centred on 2H August and now pushing into September.
- Feed barley prices followed wheat this week. Local feedlots not looking to extend coverage too far out preferring to wait and see on new crop potential.
- Sorghum markets continue to soften as trade demand eases with bids becoming limited.

Central West NSW

- Wheat: Steady (\$335 to \$345/tonne). Barley: Down \$5 (\$305 to \$315/tonne). Maize: Down \$10 (\$385 to \$395/tonne). Sorghum: Up \$5 (\$350 to \$360/tonne).
- Wheat: Steady (\$355 to \$365/tonne). Barley: Down \$5 (\$345 to \$355/tonne). Maize: Down \$15 (\$420 to \$430/tonne). Sorghum: Steady (\$310 to \$320/tonne).
- Fine weather returned to Queensland cropping areas this week, though there will be some cold nights and frosty mornings over the next week.
- Old crop wheat prices remain a combination of offshore market movements and thinly traded local demand. Prices were steady to slightly lower this week with feedlot bids centred on 2H August and now pushing into September.
- Feed barley prices followed wheat this week. Local feedlots not looking to extend coverage too far out preferring to wait and see on new crop potential.
- Sorghum markets are struggling to find demand, though prices are holding up okay in NSW.

Bega Valley

- Wheat: Steady (\$355 to \$365/tonne). Barley: Steady (\$305 to \$315/tonne). Maize: Steady (\$355 to \$365/tonne). Canola Meal: Up \$10 (\$545 to \$555/tonne).
- Further rainfall was received over the last week adding a further boost to yield prospects and adding pressure to local markets as a result.
- Wheat has continued its trend of sitting steady to slightly lower this week. Recent declines in wheat markets has stopped grower selling as they try to come to terms with the new pricing levels.
- Barley demand and pricing on the export front has remained flat as growers have remained very slow and generally inactive on the selling front. Support from northern markets remains.

Goulburn/Murray Valley

- Wheat: Steady (\$340 to \$350/tonne). Barley: Steady (\$325 to \$335/tonne). Maize: Steady (\$355 to \$365/tonne). Canola Meal: Up \$10 (\$555 to \$565/tonne).
- Further rainfall was received over the last week adding a further boost to yield prospects and adding pressure to local markets as a result.
- Wheat has continued its trend of sitting steady to slightly lower this week. Recent declines in wheat markets has stopped grower selling as they try to come to terms with the new pricing levels.
- Barley demand and pricing on the export front has remained flat as growers have remained very slow and generally inactive on the selling front. Support from northern markets remains.

Gippsland

- Wheat: Down \$5 (\$360 to \$370/tonne). Barley: Down \$10 (\$335 to \$345/tonne). Maize: Steady (\$355 to \$365/tonne). Canola Meal: Up \$10 (\$570 to \$580/tonne).
- Further rainfall was received over the last week adding a further boost to yield prospects and adding pressure to local markets as a result.
- Wheat has continued its trend of sitting steady to slightly lower this week. Recent declines in wheat markets has stopped grower selling as they try to come to terms with the new pricing levels.
- Barley demand and pricing on the export front has remained flat as growers have remained very slow and generally inactive on the selling front.

Southwest Victoria

- Wheat: Steady (\$320 to \$330/tonne). Barley: Steady (\$320 to \$330/tonne). Maize: Steady (\$355 to \$365/tonne). Canola Meal: Up \$10 (\$555 to \$565/tonne).
- Further rainfall was received over the last week adding a further boost to yield prospects and adding pressure to local markets as a result.
- Wheat has continued its trend of sitting steady to slightly lower this week. Recent declines in wheat markets has stopped grower selling as they try to come to terms with the new pricing levels.
- Barley demand and pricing on the export front has remained flat as growers have remained very slow and generally inactive on the selling front. Support from northern markets remains.

Southeast South Australia

- Wheat: Steady (\$360 to \$370/tonne). Barley: Down \$10 (\$305 to \$315/tonne). Maize: Steady (\$350 to \$360/tonne). Canola Meal: Up \$10 (\$600 to \$610/tonne).
- Much of the state's grain growing regions received at least 10mm of the predicted rainfall. Rainfall totals are starting to add up, however as crops are so far behind, a good spring will be required for crops to get close to average or better yields.
- Wheat value generally softened this week, though the southeast is finding some support with poor crop establishment seen across the region following a dry start.
- Barley bids were all back over the course of the week with a softening wheat market and lack of export demand weighing on values.

Central South Australia

- Wheat: Down \$5 (\$325 to \$335/tonne). Barley: Steady (\$310 to \$320/tonne). Maize: Steady (\$350 to \$360/tonne). Oats: Steady (\$475 to \$485/tonne).
- Much of the state's grain growing regions received at least 10mm of the predicted rainfall. Rainfall totals are starting to add up, however as crops are so far behind, a good spring will be required for crops to get close to average or better yields.
- Wheat value generally softened this week in line with offshore market movements following the relatively bearish WASDE report released on Saturday.
- Barley bids were all back over the course of the week with a softening wheat market and lack of export demand weighing on values.

Southwest Western Australia

- Wheat: Down \$5 (\$390 to \$400/tonne). Barley: Steady (\$330 to \$340/tonne). Lupins: Steady (\$565 to \$575/tonne). Oats: Steady (\$500 to \$510/tonne).
- The wet weather continued this week across most of the WA wheatbelt with falls ranging from 3-15mm with parts of southern Albany and western Esperance zones missing out.
- wheat pricing continues to fall as it follows international pricing down. There has been very little grower selling on the back of this price and production uncertainty.
- Barley pricing has withstood much of the price pressure felt by other commodities though signs of weaker pricing has started to filter through over the last couple of days.
- New season lupin and oat pricing has remained stable this past week as crops struggle to get away with the late start which is supporting values despite the bearish tone seen across markets more broadly.

Northwest Tasmania

- Wheat: Down \$5 (\$450 to \$460/tonne). Barley: Down \$10 (\$425 to \$435/tonne). Maize: Steady (\$365 to \$375/tonne). Canola Meal: Up \$10 (\$660 to \$670/tonne).
- Further rainfall was received over the last week adding a further boost to yield prospects and adding pressure to local markets as a result.
- Wheat has continued its trend of sitting steady to slightly lower this week. Recent declines in wheat markets has stopped grower selling as they try to come to terms with the new pricing levels.
- Barley demand and pricing on the export front has remained flat as growers have remained very slow and generally inactive on the selling front.



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