



December 2002

## Canola 2002/03

With harvest well down the track, there has been little change to the estimates. NSW and SA production figures have been revised downwards slightly, whilst WA production has been revised upwards slightly and Victoria remains unchanged. This leaves the crop at close to the 620,000 tonnes estimated last month.

	Area Harvested (ha's)		Production Dec 02 (Tonnes)
	Nov 02	Dec 02	
NSW	176,000	177,375	88,690
VIC	125,000	125,000	101,000
SA	145,000	145,000	145,000
WA	300,000	300,000	285,000
Total	746,000	747,375	619,690

Source: Canola Association of Australia, 12/12/02

The harvested hectares in **NSW** have been revised upwards slightly as some crops that it was thought would be grazed or cut for hay were actually harvested, despite the poor yields. Overall the season can only be seen as disappointing with both yields and oil contents being highly variable. Yields have ranged from 0.2 t/ha to 2 t/ha and oil contents from low 30% to mid 40%, but have averaged around 36-38%. The dry finish adversely impacted the crops and levels of admixture have been higher than normal.

Little has changed in **Victoria** from last month, with the exception of improved conditions for the western district. Recent rain should have secured yields from this region, with harvest to start as soon as farmers can get onto their crops.

Similarly for **South Australia**, we have estimated little change other than a slight downward revision on yields due to the continued dry weather.

Receivals in **Western Australia** have been slightly higher than expected and thus, yields have been revised upwards slightly. Oil contents have been pleasing, averaging 43.9%.

## Sunflowers 2002/03

There has been no change from last month's estimate. The recent rain is expected to see significant sorghum plantings, with Central Queensland the key to the sunflower industry achieving the intended hectares.

	Est. Area (hectares)	Est. Prod'n (tonnes)	
		Planted	Intended
Monounsaturated sunflower			
Queensland	10,600	2,100	8,500
NSW	12,700	6,700	6,000
Polyunsaturated sunflower			
Queensland	23,000	-	23,000
NSW	5,500	-	5,500
Total	51,800	8,800	38,000

Source: Industry Estimates, 13/12/02

## Soybeans 2002/03

The ongoing dry conditions, reduced water allocations and low sub soil moisture have dramatically impacted the prospects for soybean plantings. To date, it is estimated that there is only around 4,850 hectares actually planted. However, this could increase significantly if there is good rain over the next few weeks.

In Queensland, there is only a small area planted, with the rain last week supporting sorghum plantings. However, rain in the next few weeks could see more soybeans planted.

In NSW, the North Coast has some area planted along the coast but the inland areas are still waiting for rain. The planting intentions indicate that a reasonable area will be planted if the conditions allow. Other areas that still have potential for increased plantings are the Northern Slopes and Tablelands and the Riverina.

Despite the attractive prices for culinary beans, the strong competition for water has substantially restricted plantings in Victoria. Forage maize and sorghum are presenting better options.

## Cottonseed 2002/03

Current industry estimates are for a crop of around 1.5-1.6 million bales that would give an estimated 500,000 tonnes of seed. This is in contrast to the recent ABARE estimate of a 1 million bales (330,000 tonnes seed) crop.

## Market Comment

Domestic market values for canola have come back reflecting seasonal factors, movements in international future markets and stock levels. Prices are expected to firm again in the early part of next year and the outlook for the 2003/04 crop is for firm to higher prices as stocks are drawn down and the tight global supply and demand situation comes into play.

**Australian Oilseed News is provided free due to the support of the Oilseed Development Fund (ODF).**

- Cargill Oilseeds Australia
- Unilever Foods
- Riverland Oilseed Processors
- Bartner Enterprises
- Meadow Lea Foods
- Peerless Holdings
- Ridley Agriproducts

## Upcoming Meetings/Conferences

- 5&6 March 12<sup>th</sup> Australian Soybean Conference Toowoomba
- June 2002 Australian Sunflower Association Conference
- 8<sup>th</sup> September 2003, ARAB 13 conference Tamworth

From all of us at AOF, best wishes for a Merry Christmas and for a Happy and Prosperous New Year.

## Industry News

### **Tight canola/rapeseed supplies continue**

Low global production has seen the European market targeted to make up for shortfalls elsewhere and the tight supply scenario is expected to continue despite European rapeseed crop forecast to be higher this season.

Oil World has forecast European rapeseed production to increase to 9.26 million tonnes this season (from 8.87 mt), however, total global supplies are expected to fall to 31.57 million tonnes (from 36.43 mt), due to bad harvests in Australia and Canada.

It is expected that consumption will be reduced in January to June 2003, as global rapeseed consumption has not yet fallen to reflect lower supplies.

The lower rapeseed crop is also expected to hit the bio-diesel industry in Germany. The price rise in rapeseed oil since October has squeezed the sector's profit margins. Oil World believes several EU bio-diesel plants will have to cut production in January to June 2003 while some could even be closed.

### **Canadian Government to boost ethanol-gasoline use**

The Canadian government is set to increase the use of ethanol in gasoline to help implement the Kyoto protocol on climate change. The government wants 35% of the gasoline sold in Canada by 2010 to contain 10% ethanol.

An earlier initiative had set the goal of increasing ethanol fuel use from the current level of 240 million litres a year to 1 billion litres in 2010, enough ethanol to blend into 25% of Canada's gasoline. Current vehicles can use up to 10% ethanol-blended gasoline without any adjustment to, or effect on, the engine.

The government also proposed the production of 500 million litres of bio-diesel by 2010.

### **ADM to market a 'fat-fighting' cooking oil in the US**

ADM has announced it will launch its fat-fighting cooking oil in the US under the brand name Enova. Japan's Kao Corp. introduced the product under a different name in 1999 in Japan, where it has since become the best-selling cooking oil. ADM formed a joint venture with Kao in 2001, and Enova is now manufactured in the US. Enova is a naturally developed vegetable oil made from soybean and canola oil that promises to reduce fats in the blood stream after a meal.

### **The US's position in the of global soybean trade declines**

The market share of US soybean exports is forecast to trend downward in 2002/03 to reach 24.5 million tonnes, a 15% drop from the record 28.9 million tonnes exported in 2001/02. This continues a trend since 1999/00, which has seen the share of global soybean exports from the US decline from 57% to 40%. Much of this decline can be attributed to a smaller US crop caused by adverse weather conditions.

Over the same period, Brazil's export share has grown from 24 to 34%, while Argentina's share increased from 9 to 16%. Brazil is forecast to increase its soybean exports by 39% in 2002/03 to 20.9 million tonnes (up from 15 mt in 2001/02), while Argentina is expected to export 9.7 million tonnes in 2002/03 (up from 6 mt in 2001/02).

The world market share of US soybean meal exports has also dropped from 16% in 1999/00 to about 12% in 2002/03.

### **Crop Protection Solutions (contributed article)**

Oilseed crops are susceptible to a wide range of pests and diseases that can adversely affect production. Although many pests and diseases can be kept below damaging levels by integrated pest management techniques including rotation, seeding techniques, cultivar selection, tillage practices and sanitation, chemical controls are required additionally, especially when environmental conditions favour pest and disease development.

In Australia, the use of agrochemicals is controlled under state and territory laws. The laws governing the use of pesticides differ between states, however, in most states it is illegal to use an agrochemical in any manner other than that specifically stated on the label. This means, in most states, it is an offence to use a chemical on a crop that is not specifically listed on the approved label, or to control a pest or disease in a particular crop not stated on the label.

Crop Protection Approvals Ltd (CPA) is a grower-owned company that was set up in 1999 to assist growers in the horticultural and agricultural industries to gain legal access to a wider range of crop protection products. CPA works on behalf of grower industries to obtain off-label permits and full label registrations for the use of agrochemicals. For further information contact Jennifer Hall at CPA on ph. (03) 8371 0001 or [jhall@cpaltd.com.au](mailto:jhall@cpaltd.com.au)