



Australian Oilseeds News

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July 2003

Sunflowers 2002/03

As indicated last month, the Australian sunflower crop will be one of the smallest crops on record with the current estimate now close to 20,000 tonnes following widespread drought. The figures provided last month were incorrect and we apologise for any inconvenience that this caused. The Central Queensland harvest has begun and is expected to be completed by end August.

	Est. Area (hectares) Planted	Est. Production (tonnes)
Monounsaturated sunflower		
Queensland	13,500	6,750
NSW	9,000	6,300
Polyunsaturated sunflower		
Queensland	14,000	9,000
NSW	-	-
Total	36,500	22,050

Source: Industry Estimates, 14/07/03

Canola 2003/04

NSW – Patchy rains of 25-50mm in late June provided some much needed relief for many struggling canola crops although it arrived too late for some growers. Survival for up to half of the State's canola crops remain in the balance with marginal soil moisture levels across most areas. These crops will need good rainfall activity in July to keep them alive and favourable spring conditions to maintain current yield and area estimates. Plant maturity varies considerably because of the wide range in planting dates with some crops in the central west now at 50% flowering while many crops are still emerging. Estimates for area planted have been reduced by 30,000 hectares as it became too late for intended canola crops to be planted and, in some cases, crops that have died from moisture stress have been replanted to either wheat or barley. Yield estimates have also been reduced in light of low subsoil moisture levels and poor crop conditions. Without widespread July rainfall further production reductions would be expected in August.

VIC – Late June rain assisted most Victorian canola crops, however, intended plantings in the Mallee region will now switch to either wheat or barley. North eastern regions are enjoying favourable conditions with above average rainfall, while central Victoria and Wimmera have low soil moisture levels and require further rain. Rainfall in the Western Districts will allow canola plantings to proceed. Area has been reduced by 23,000 hectares as some more marginal canola regions switch to winter cereals and yields have been maintained reducing production by 32,200 tonnes.

SA – There was good rainfall activity in June for most South Australian cropping regions assisting the major canola producing regions of the Mid North and South East, although scattered storms in late June did cause some localised crop damage. Crops are

progressing well although wet conditions in the South East are now starting to slow down post emergent herbicide applications. Area and yields remain unchanged for July.

WA – Crop conditions remained favorable following rain in all major growing areas in June. Plant maturity varies, with crops in some of the drier eastern districts less developed, while other areas are now in the early stages of flowering which in turn raises some concerns of frost damage. Planted area has been increased by 10,000 hectares following good planting conditions in drier regions. Regular rainfall in the southern areas has led to very wet conditions in some crops which is hampering of weed management and fertilizer applications. Good spring conditions are likely to lead to yield increases.

State	2002/03	2003//04 Planting Intentions	
	Production (Tonnes)	Area Planted (Hectares)	Production (Tonnes)
NSW	100,000	180,000	234,000
Victoria	180,000	210,000	294,000
SA	180,000	175,000	245,000
WA	330,000	410,000	451,000
Total	790,000	975,000	1,224,000

Source: Canola Association of Australia, 11/07/03

Market Comment

Favourable weather conditions are continuing to increase world oilseed production, particularly in the South America and the US soybean crops. Dry conditions in central Saskatchewan had been raising some concerns for Canadian canola production although recent rainfall has improved this situation with many marketers now putting production above 7 million tonnes. Dry conditions in Europe have also impacted canola production in a number of countries and the market is now factoring in some imports. Chinese oilseed imports remain strong and markets are focusing on continued strong buying activity to maintain current prices.

Upcoming Meetings/Conferences

- 16 and 17 July Grains West Expo, WA. This is a conference being jointly hosted by Oilseeds WA, NACMA WA and SFMA WA
- 12-14 August Agriculture Australia, Melbourne www.agaustralia.com
- AOF Forum on 14 August, Melbourne www.agaustralia.com
- 8th September 2003, ARAB 13 Conference Tamworth
- 7-10 September 2003, Toowoomba, 1st Australian Farming Systems Conference

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Cargill Oilseeds Australia	Meadow Lea Foods	Unilever Foods	Peerless Holdings	Riverland Oilseed Processors
Ridley Agriproducts	Bartter Enterprises	Grain Pool WA	MarketLink	Louis Dreyfus
Noble Grain	Graincorp	Elders		

Industry News

New sunflower oil a trans-free alternative

The US FDA has indicated that it will require food manufacturers to list trans fat on Nutrition Facts panels. These regulations follow a report by the National Academy of Sciences, which recommended limiting trans fat in the diet as much as possible.

A newly developed variety of sunflower oil, called NuSun(TM), is claimed to provide manufacturers with a unique, naturally trans-free alternative that delivers optimal health benefits, great taste, and performance characteristics needed for commercial use and the demands of frying. NuSun(TM) is a mid-oleic sunflower oil that contains over 90% unsaturated fat (approximately 65% monounsaturated fat and 26% polyunsaturated). NuSun(TM) sunflower oil has been embraced by manufacturers such as Frito-Lay.

The fat profile of NuSun(TM) sunflower oil provides industrial cooking capabilities needed to produce tasty, high-quality food products, without partial hydrogenation, which adds harmful trans fat. Because of its natural stability, NuSun(TM) sunflower oil performs extremely well in commercial cooking and frying, with a smoke point of 450 degrees, a clean light taste, and excellent shelf-life characteristics. (Source: *National Sunflower Association*)

US farmers continue to increase plantings of biotech crops

The annual USDA crop area figures show that US farmers are continuing to use more crop varieties with biotechnology traits.

For the first time, the total area of biotech crops in the US exceeded 100 million acres (40 million hectares) reaching a total of 41 million hectares, up 10.6% on 2002. Although total US soybean area is reported to be down slightly, the proportion planted to varieties with a biotech traits is up to 81% (75% in 2002), biotech corn is also up to 40% (34% in 2002) of the total corn area, biotech cotton accounts for 73% of cotton acres, up from 71% last year.

EU Sunflower production to fall

Oil World expects EU sun seed production in 2003 to fall to a 19-year low of only 2.65 million tonnes, seeing a sharp rise in imports. Both Russia and the Ukraine are expected to have big crops at 3.75 and 3.52 million tonnes respectively. Increases in sunflower seed production are also forecast for many parts of Central Europe.

EU adopts new GM regulations

In a step that may lead to a lifting of the five year moratorium on the approval of new GM crops in Europe, the EU Parliament has passed strict regulations for labelling and traceability of all GM products. The new laws introduce mandatory labelling of all GM products that exceed 0.9% accidental mixing and strict traceability rules that will require GM products to be kept separate throughout the supply chain. The new laws lower the current threshold to 0.9% from the previous level of 1%, requires labelling of products where the GM protein or DNA can no longer be detected, such as highly refined vegetable oils, and introduces labelling for animal feeds using GM products.

The EU Parliaments decision to implement new labelling and traceability laws may lead to a lifting to the moratorium on approvals of new GM varieties imposed in 1998. Currently US corn and Canadian canola imports are banned in the EU because both varieties have not received EU approval. The new laws will require compulsory labelling of all food and feed products that use GM ingredients to a level of greater than 0.9% accidental mixing. These laws will also give EU Member countries the right to implement national restrictions on the growing of GM crops to ensure coexistence between GM. Conventional and organic production systems.

In his speech to the European Parliament, David Byrne the EU Commissioner for Health and Human Protection, said he saw the proposal as a compromise between differing views and saw it as the "right approach to foster public and social acceptable of biotechnology in agri-food production". He realized that some sectors would never be satisfied with this outcome but called for a "speedy end" to the current moratorium on the approval of new GM varieties.

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