



February 2004

Crop Outlook

Soybeans 2003/04

Soybean estimates have been revised upwards by around 4%, mostly due to increased estimates for area planted in NSW. There has been little change in Queensland, with conditions generally good. In NSW, the crops are generally looking good, although the recent hot weather may have an adverse impact if it persists. There has been little reported incidence of white fly or an insect problem at this stage.

State	Area Planted (Ha's)	Production (Tonnes)
Queensland	14,420	28,635
NSW	17,725	41,960
Victoria	545	1,365
Total	32,690	71,960

Source: Industry Estimates, 13/2/04

Sunflowers 2003/04

Unfortunately the rain across Central Queensland arrived too late to secure projected plantings and it is now estimated that the crop will be around 80,000 tonnes. This is a considerable improvement on the past couple of years. Concerns about incidence of white fly also impacted adversely on sunflower plantings.

State	Area Planted (Ha's)	Production (Tonnes)
Monounsaturated sunflower		
Queensland	15,130	25,720
NSW	16,180	27,500
Polyunsaturated sunflower		
Queensland	24,800	22,320
NSW	4,950	4,455
Total	61,060	79,995

Source: Industry Estimates, 16/2/04

Canola

The 2003/04 canola crop exceeded expectations following a positive finish to the season in Victoria and SA and an excellent season in WA. Production was up around 10% on December estimates to 1.622 million tonnes

State	2002/03	2003/04 Production	
	Production (Tonnes)	Area Planted (Hectares)	Production (Tonnes)
NSW	100,000	195,000	282,000
Victoria	180,000	230,000	420,000
SA	180,000	180,000	310,000
WA	330,000	400,000	610,000
Total	790,000	1,005,000	1,622,000

Source: Canola Association of Australia, 12/2/04

Overall the season in NSW was disappointing although there were some pockets that performed well. The northern region performed above average, whilst the central area was very disappointing; and the south variable but on the whole performed below average. Some areas did perform better than expected and this helped push production above the December estimate to 280,000 tonnes. Oil contents were highly variable, however, averaged better

than anecdotal evidence may have suggested) with the State average being just over 40%.

In **Victoria**, production has exceeded estimates following the good finish. Oil contents were good with the state averaging just over 43%.

Final tonnage figures for **South Australia** showed a better than expected performance with 310,000 tonnes being achieved from 180,000 hectares. This was due to the good finish and the impact of blackleg not being as significant as initially thought in some areas. Oil contents were generally 42% or better.

The excellent season in **Western Australia** continued and final tonnages are around 610,000 tonnes. Oil contents for the state averaged 46.5%.

2004/05 Crop

NSW is expected to see area return to more normal levels of around 350,000 hectares, with some upside if the season breaks early. Area in the north is expected to increase significantly given the positive results from last year, but the poorer performance in the more traditional areas over the past couple of seasons and financial constraints are likely to see area in the central and southern regions down slightly.

Area planted in Victoria and South Australia is expected to remain around similar levels to 2003/04 if an early break occurs. Area in Western Australia is expected to increase following the excellent results with canola in the 2003/04 season.

Market Comment

The outlook for canola at present is bullish given the tight soybean stocks in the US. China and other buyers are looking to source soybeans out of South America but this is being constrained by internal logistical difficulties and the high freight rates globally. This may see some switch to canola. The high Australian dollar is having some offsetting effect. In the longer term, the new season crops for US, South America and Europe will all be important to watch. Europe also has low stocks and thus, a below average crop could provide support to the market.

Upcoming Meetings

Agriculture Australia 10 and 11 August, 2004 Sydney. For further information contact Liz Walker 03 9573 9816

AOF Industry Forum 6 October 2004, Melbourne. For further information contact AOF 03 9533 2623

AOF Annual General Meeting 7 October 2004, Melbourne. For further information contact AOF 03 9533 2623

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