



# Australian Oilseeds News

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## Sunflowers 2002/03

Drought conditions continue to take their toll on the Australian sunflower crop with production unlikely to reach 30,000 tonnes. Achieving anywhere close to this, continues to rest with Central Queensland and further rain is needed to secure production.

	Est. Area Planted (hectares)	Est. Production (tonnes)
Monounsaturated	21,500	17,500
Polyunsaturated	13,000	14,000
Total	34,500	31,500

Source: Industry Estimates, 15/04/03

## Soybeans 2002/03

There is little change in crop prospects from last month, with production now forecast to just exceed 15 000 tonnes. Crops are generally progressing well. There has been relatively low insect pressure, with the exception of the north coast of NSW where white fly has been a problem and Heliothis pressure has been greater this season, particularly for organic growers.

Estimated	Area Planted (ha's)	Production (Tonnes)
QLD	2850	4950
NSW	5250	9940
VIC	50	150
Total	8150	15040

Source: Industry Estimates, 16/4/03

## Canola 2003/04

Canola plantings for the 2003/04 season still remain in the balance despite widespread February rain with many canola regions waiting for follow up falls to start seeding. Follow on repercussions from last years drought are also likely to impact the area planted to canola in eastern Australia with some growers indicating they will move away from canola to cereals as a result of poor yields last year relative to cereals and the lower production costs associated with cereals. While the total area sown has not really changed since the March estimate, in this April estimate it is suggested that the area sown to canola in NSW will fall but the area likely to be sown in the other states has been increased.

**NSW** – The NSW Department of Agriculture grower survey shows canola planting intentions will be down 35% on the 2001/02 area. Relatively poor subsoil moisture levels through the key canola growing regions of southern and central NSW and poor yields relative to cereals last year have many growers moving away from canola in favour of wheat or barley. Time is also looming as a constraint as the ideal planting window finishes at the end of April in Western regions of NSW. Seed sales are also suggesting a significant decline in canola plantings with sales 25% lower than 2001/02 combined with a reduced level of farmer saved seed.

**VIC** – Conditions remain dry throughout Victoria although scattered showers are currently moving through the state with forecasts of further rain over the weekend. The forecast canola area has been increased by 20,000 hectares on March following a revision of canola plantings in the western districts of Victoria.

**SA** – Following the better than expected 2002/03 final canola production for South Australia, the 2003/04 forecast area has been increased by 35,000 hectares which is similar to 2002/03. Conditions in the south east of the state are favourable with the mid north, Yorke Peninsula and Eyre Peninsula require rain with falls forecast in the coming days.

**WA** – Little canola is expected to be planted in the eastern cropping regions of Western Australia although the southern grain producing regions of the state have received good rains. The area sown to canola is expected to increase by 10% over March forecast by 40,000 hectares.

State	2002/03 Production (Tonnes)	2003/04 Planting Intentions			
		Area Planted (Hectares)		Production (Tonnes)	
		Last Mth	Apr	Last Mth	Apr
NSW	100,000	350,000	260,000	455,000	364,000
Victoria	180,000	220,000	240,000	308,000	336,000
SA	180,000	140,000	175,000	182,000	245,000
WA	330,000	360,000	400,000	396,000	440,000
Total	790,000	1,070,000	1,075,000	1,341,000	1,385,000

Source: Canola Association of Australia, 14/04/03

## Market Comment

A return to more normal world canola production levels is anticipated in the coming year following droughts in both Australia and Canada last year. A record South American soybean crop conditions has placed pressure on international oilseed markets although low carryover of canola in Canada and soybeans in U.S. is likely to lead to price volatility. Price differentials between canola and soybeans have begun to narrow as markets begin to focus on larger canola crops in Canada and Australia and canola prices have dropped relative to soybeans however this trend will need to continue to regain Chinese demand lost to soybeans last year.

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

## Upcoming Meetings/Conferences

- 22 May 2003, NACMA Agricultural Common Interest Forum, Melbourne
- 24-26 June 2002 Australian Sunflower Association Conference, Contact 07 3878 9242 or [yrd@tpg.com.au](mailto:yrd@tpg.com.au)
- 16 and 17 July Grains West Expo, WA.
- 8-12 September 2003, Tamworth ARAB 13 conference
- 7-10 September 2003, Toowoomba, 1st Australian Farming Systems Conference
- 12-14 August Agriculture Australia incorporating the AOF Forum, Melbourne

# Industry News

## Soybean Conference Report

The 12<sup>th</sup> Bi-annual Australian Soybean Conference, held in Toowoomba in early March, was well organised and well attended and is a credit to the organisers—the Northern Australian Soybean Industry Association.

Twenty one papers were presented over a day and a half followed by a half day field tour. On the tour, delegates saw an AQIS accredited grading plant processing edible soybeans for export, soybean flour milling and field research into bio-pesticides and variety improvement.

Conference highlights for this writer were:

- Keynote speaker from Agriculture and Agrifood Canada, Dr Malcolm Morrison's outline of the Canadian industry's approach to breeding, production and marketing edible soybeans. Canada's exports to Asia of specialty beans for soyfoods have grown to 330 000 tonnes per annum, based on active promotion and innovative marketing of a consistent high quality product. Australia can learn a lot from Canada.
- Progress by QDPI in developing new biopesticides against sucking pests such as whitefly, mirids and green vegetable bug. This new technology, based on fungal pathogens, provides a 'soft' control option that does not affect natural enemies such as parasites and predators. Used as part of an integrated management system it can be used with both conventional and organic production in a similar way to Bt and Gemstar use against Heliothis and loopers.

There were three main take-home messages from the conference:

- There is strong demand for Australian soybeans in domestic and Asian human consumption markets and these markets continue to grow. The increasing acceptance of soybeans as functional foods with potential health benefits and the development of foods more acceptable to western palates are key drivers in this growth.
- Plant breeding teams are making good progress in developing improved varieties with the quality demanded by these markets and which are adapted to the various growing regions of eastern Australia. Promising high quality breeding lines for South East Queensland, the Riverina and Northern Victoria are under going final evaluation.
- Queensland Department of Primary Industries entomologists are developing some exciting new technology for controlling some of soybean's worst insect pests, without using conventional pesticides. When these become available commercially they will improve production viability, particularly for organic producers. However, silverleaf whitefly remains a major threat until new controls are developed.

*Prepared by: Bob Colton, AOF Soybean Committee.*

## AOF's Supply Chain Initiative a Major Success

The AOF launched a new program this year – The Supply Chain Training Program – which was voted a huge success by those participating. Thirteen young oilseed industry participants representing all facets of the industry were taken through a three day program covering the breeding, production, marketing, crushing, refining and stock feed milling of oilseeds and oilseed products.

Feedback from the participants indicated that they had a much better understanding of the components of the supply chain having completed the course and were a lot better informed about the industry. The course also provided a better appreciation of how sectors of the industry can work together to compete on world markets and would enable participants to make more informed decisions, within their own businesses.

## Specialty Trait Canola Oil Demand is Growing

An article appearing the Canola Council of Canada's Canola Digest indicates that the demand for specialty trait canola is growing. The following is a summary of points from this article.

- Industry estimates that 50% of the canola area in Canada will be specialty trait canola within the next five years, given the rapid acceptance of low linolenic, high oleic canola oil globally. Specialty trait canola acreage is expected to increase by 50% in 2003.
- Growers have been receiving premiums to grow low linolenic, high oleic canola and new multi-year production contracts with the possibility of further incentives are being looked at
- Demand for specialty trait canola is being driven by consumer and end-user demand for healthier fats
- These specialty trait canola's are primarily being used in food service and industrial food markets, in particular, in Japan. This specialty canola oil is marketed based on increased stability for cooking and very low levels of trans fats because it does not require hydrogenation
- Global food companies are already demonstrating that they do not want trans fats in their oil food products, with Unilever, McDonalds, and Frito Lay all seeking to minimize trans fats in their products
- It is expected that the industry will continue to see a greater partnership between growers and channels to best serve specific end-use markets

## International Association of Seed Crushers (IASC) adopts trade policy

At its recent Council meeting in March, the IASC supported a new vision for the international trade of oilseeds and oilseed products. Under this vision, the IASC supports the liberalization of global trade in oilseeds, oilseed products and edible oils and initiatives that will harmonise, reduce and ultimately eliminate all trade distorting practices.