

Australian Oilseeds Federation Crop Report



May 2022

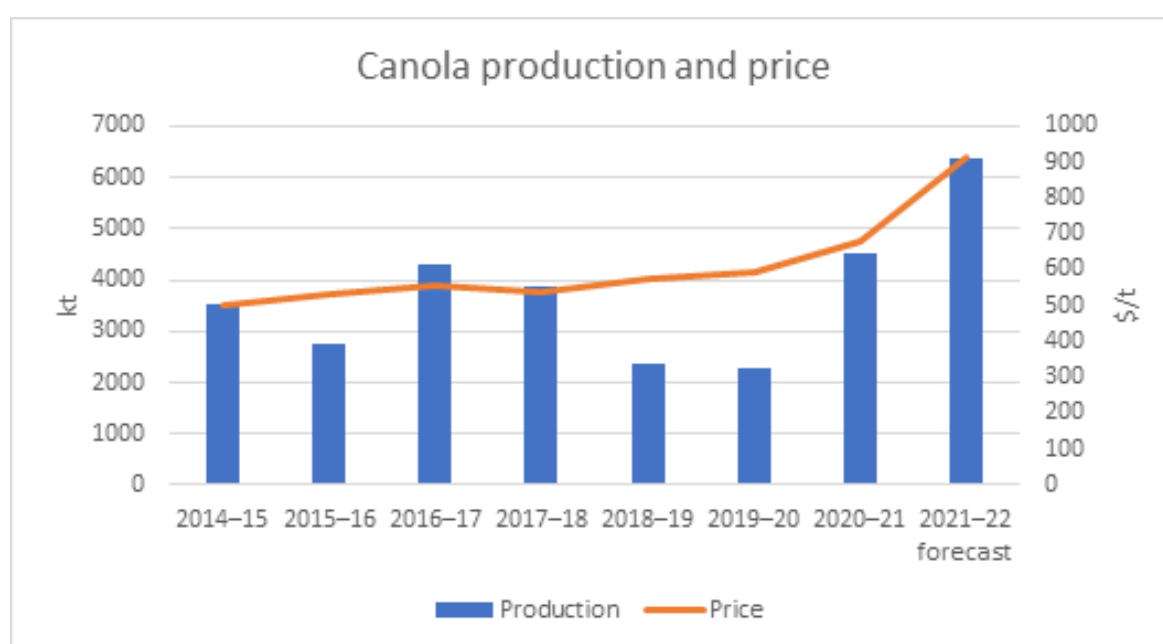
Canola 2022/23

	2020/21 Final		May 2022 Estimate	
	Harvested Area (hectares)	Production (tonnes)	Sown Area (hectares)	Production (tonnes)
NSW	700,000	1,637,000	825,000	1,360,000
Vic	500,000	1,144,000	525,000	865,000
SA	230,000	418,000	270,000	378,000
WA	1,540,000	3,130,000	1,700,000	2,635,000
Total	2,970,000	6,329,000	3,320,000	5,238,000

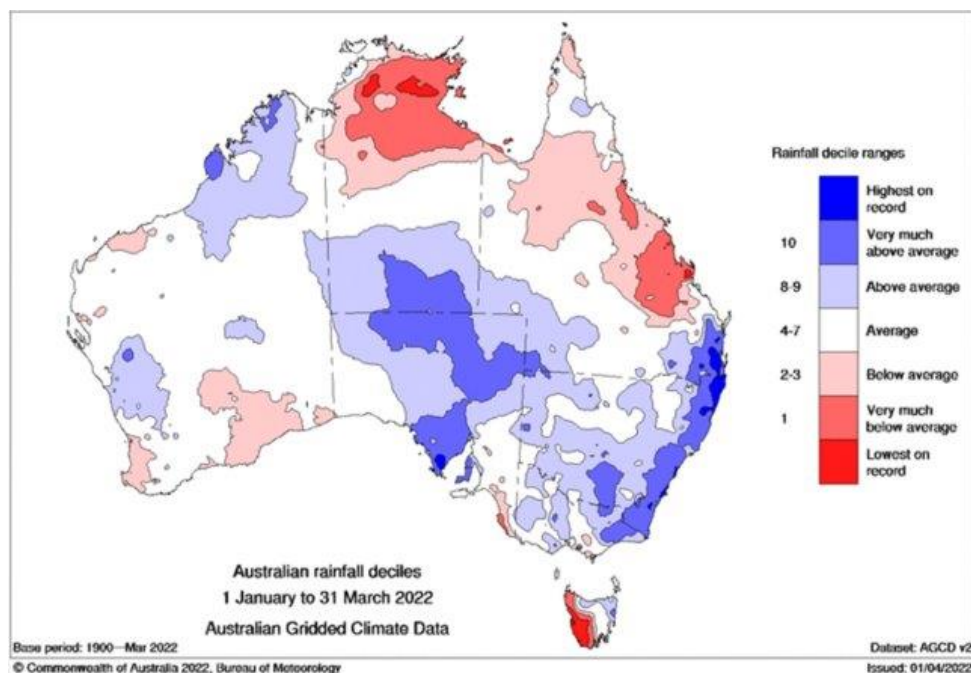
Source: Industry Estimates, GIWA; NSW DPI, DEDJTR (Vic)

Record production and prices supported the gross value of canola production to reach a record \$5.2 billion dollars in 2021-22, almost four times higher than 2018-19 and 2019-20. Domestic prices remain very firm, driven by tight international supply caused by last year's drought in Canada, continuing strong demand for biofuel production across the US and Europe, and the inability of Ukraine to supply the world market. Ukraine is normally the world's top exporter of sunflower meal and oil, the third-largest exporter of rapeseed, and the seventh-largest exporter of soybeans. The recent ban on palm oil exports by the Indonesian Government to slow domestic vegetable oil price rises is also feeding through into canola prices, through an overall tightening in the oilseed complex.

Early indications are that the Canadian canola crop will return to more typical levels this year, which is likely to soften some of the oilseed pricing pressure going into 2023. The gross value of Australian canola production for the 2022-23 season is therefore tipped to fall to \$3.5 billion, the second-highest figure on record.



A strong start to new season plantings has been realised with timely rainfall across many districts in NSW, VIC and WA in the first three months of 2022. SA is the exception with most canola growing regions still waiting for a general autumn break. Across the east coast, favourable seasonal conditions may continue into mid- to late- winter, with a weakening La Nina persisting longer than previously forecast. Optimism in growing conditions and continuing firm prices in the 2022-23 season is reflected in the estimated 12% aggregate increase in canola area planted on last year.



In **NSW**, timely autumn rainfall across large parts of the State and high canola prices has seen planned canola seeding up an estimated 10-15% on last year, with around 80% sown by the end of April. However, saturated paddocks preventing access and a lack of first choice varieties due to seed shortages have been commonly experienced across the state. Establishment of some dual-purpose crops has been patchy due to a dry March, while mice are impacting some areas with higher stubble loads. Soils have typically tested medium to low nitrogen throughout the profile, however, many growers are moderating nitrogen application at sowing due to high prices. Low nitrogen availability and weaker varieties are likely to limit yield potential. Insect pressure with establishment has not been an issue for most growers. Looking ahead, winter waterlogging is a risk especially in the Central West, with already wet seedbeds and La Nina persisting into winter.

Victoria has experienced a similarly strong start to the season as NSW. Soil moisture is good to excellent through the Mallee, Wimmera, North Coast and North East due to timely Easter rainfall of 30-70mm. Winter waterlogging is a risk in the North-East, particularly east of Cobram. The South-West is the exception with a drier profile and lower recorded rainfall. Much of the state has been sown as of the end of April, with total cropped area up at least 5% on 2021-22. As with NSW, VIC growers are balancing the risk of high nitrogen application at high cost with high yield potential. With urea prices exceeding \$1,500/t, some growers are reluctant to apply sufficient urea to realise maximum yield potential.

Much of **South Australia**, in contrast to NSW and VIC, is still very dry except for the upper Eyre Peninsula, which received up to 1 inch on ANZAC day. Some areas received isolated falls in January and February, but the Mid North, Lower EP, Mallee and South-East remain dry. Recent rain has generally fallen outside canola growing districts, forcing many growers to dry-sow. Total area is up approximately 10-20% on last year, with consistent canola growers dedicating most of their landholdings to canola rotation. The price of nitrogen is a concern for many growers, some of whom may leave out nitrogen application later in the season depending on conditions.

In **Western Australia**, many growers in the Geraldton zone capitalised on good rainfall from ex Tropical Cyclone Charlotte in late March, sowing in the last days of March and into early April. Widespread rain in early April prompted further seeding, especially in the eastern low rainfall zone. The western medium rainfall zone has seen drier conditions and later sowing. Overall, 20-30% of paddocks were sown dry, while total area is up around 10% on last year. Growers are generally less concerned about current fertilizer prices and are applying nitrogen based on yield potential. Many growers also purchased a fair proportion of nitrogen prior to the large price jumps.

Soybeans 2021/22

	2020/21 Final		2021/2022 Estimate	
	Harvested Area (hectares)	Production (tonnes)	Sown Area (hectares)	Production (tonnes)
NSW	15,600	31,200	17,000	26,000
Vic	500	1000	500	1,100
Qld	7,500	11,500	8,000	14,700
Total	23,600	43,700	25,500	41,800

Source: ABARES/AOF

The season started strongly with solid planting in the traditional Northern Rivers and Queensland cane district and expanded planting into the NSW Tablelands, MIA and northern Victorian irrigated areas. In total, around 25,000 Ha is estimated to have been planted for the season.

Unfortunately, the 'rain bomb' events and resultant extensive flooding during March on the Northern Rivers severely impacted many soybean crops, with significant crop losses and quality downgrades. Heavy rain in May on the Atherton Tablelands and particularly in the Burdekin/Mackay area also impacted crops and ability to harvest.

Consequently, from what was projected to be possibly a 60,000t soybean crop has been reduced to 40-45,000t which will be sufficient for domestic demand, but leave little surplus for export markets.

Sunflowers 2021/22

	2020/21 Final		2021/2022 Estimate	
	Harvested Area (hectares)	Production (tonnes)	Sown Area (hectares)	Production (tonnes)
NSW	9,800	19,700	11,000	22,000
Qld	7,700	7,200	7,300	7,800
Total	17,500	26,900	18,300	29,800

Source: ABARES

The 2021/22 season saw what has become the 'new normal' area planted of 15-20,000 Ha (vs the previous decade with 20-30,00 Ha planted). Pleasingly, growing interest in the Riverina has seen the emergence of irrigated sunflower crops, with up to 1-1,500 Ha planted in this region, providing an economical crush volume of 5000+ tonnes.

The Ukraine war has triggered a massive increase in sunflower interest as global prices for seed and oil hit unprecedented levels. Seed production companies (Barenbrug and S&W) are maximizing hybrid seed production (as best they can at short notice) for the coming season to meet the strong demand. To support the strong interest in sunflowers the Sunflower Committee of the AOF is organising grower workshops for Central Queensland and the Riverina for mid-year aimed at building capability among growers and advisors.

Correspondingly, some canola crushers are assessing their technical capabilities to process sunflower seeds, given there is expected to be 7-10,000 Ha (10-15,000t) of high oleic sunflowers planted this season.