Grain Industry Association of Western Australia

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# GIWA Crop Report

**June 4 2010** Report 1 2010/11 Season

## WA Planting estimate - hectares

| Port zone | Wheat | Barley | Canola | Oats | Lupins | Field pea | Total |
|---|---|---|---|---|---|---|---|
| **Kwinana** | 2,032,000 | 381,000 | 260,000 | 105,000 | 170,000 | 10,000 | 2,958,000 |
| **Albany** | 789,000 | 430,700 | 351,330 | 74,000 | 32,000 | 13,200 | 1,690,230 |
| **Esperance** | 432,500 | 285,000 | 190,000 | 6,500 | 19,000 | 40,000 | 973,000 |
| **Geraldton** | 770,600 | 48,500 | 87,400 | 9,000 | 195,000 | 600 | 1,111,100 |
| **Total** | 4,024,100 | 1,145,200 | 888,730 | 194,500 | 416,000 | 63,800 | 6,732,330 |
| **% of 2009** | **-6.2%** | **-16.9%** | **+7.8%** | **+0.5%** | **+12.8%** | **-4.7%** | |

### Production commentary

Current conditions vary markedly across the state and within regions. Widespread rain in May has delivered a true ‘break’ for most of the state, even though many districts received below average falls for May. North of Geraldton, rainfall has been insufficient to provide a break.

The north east of the Kwinana zone, the west midlands north of Badgingarra, and the north and north-eastern part of the Albany zone are in need of rain.

Good to excellent conditions are continuing in the Lakes and wider Esperance regions. Waterlogging is delaying sowing in the area east of Ravensthorpe to West River and north to Cascades.

Across the state, sowing conditions range from ideal to barely moist. In most districts growers are continuing their planting regime despite drying soil. Significant rainfall in early June is needed to boost yield potential to at least average in the drier areas.

It is estimated that 70% of the state’s total cropping area has been sown to date.

### Crop Condition report

The crop condition report is an estimate of the crop conditions across the various port zones, provided by experienced agronomists based in each zone. The WA total is weighted against the proportion of grain produced in each zone.

**WA Crop Conditions - expressed as a % of the TOTAL cropped area**

| Port zone | Poor | Below average | Average | Above average | Excellent |
|---|---|---|---|---|---|
| **Kwinana** | 0 | 30 | 50 | 20 | 0 |
| **Albany** | 0 | 16 | 53 | 31 | 0 |
| **Esperance** | 0 | 0 | 23 | 42 | 35 |
| **Geraldton** | 20 | 28 | 32 | 20 | 0 |
| **Western Australia** | **3** | **22** | **44** | **26** | **5** |

**Mission:** “To identify issues, develop policy and communicate solutions for the WA grain supply chain”

# WA 5 year grain production averages

**source ABARE & ABS**

| | Wheat | Barley | Canola | Oats | Lupins | Field pea |
|---|---|---|---|---|---|---|
| **Production (t)** | 7,364,000 | 1,269,000 | 553,000 | 302,000 | 573,000 | 73,000 |
| **Yield (t/ha)** | 1.6 | 1.8 | 1.2 | 1.9 | 1.2 | 0.9 |

[1] **ABARE 5 year production average 2003/04 to 2007/08**
[2] **ABS 5 year crop yield average 2004/05 to 2008/09**

Caution is advised when considering these figures as planting is continuing and the emerged crop is very immature in most regions.

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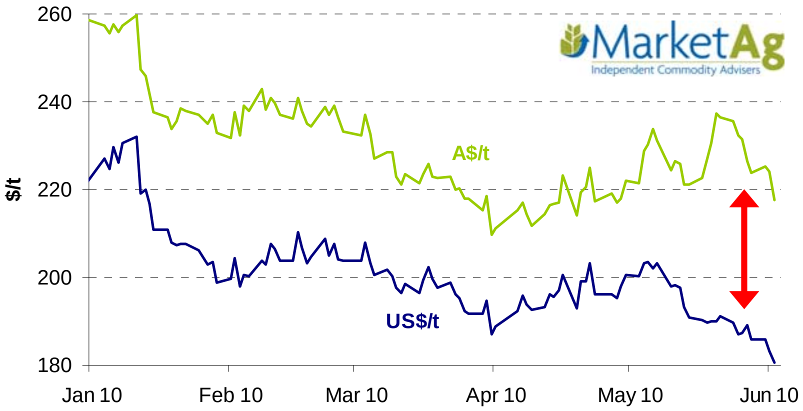
MarketAg Independent Commodity Advisers

## Market Comment *as at Friday 4 June 2010*

Movement in the A$ has been the driver of WA grain prices over the last month. The A$ is getting pushed around by global equity markets and, more specifically, debt issues by a number of EU countries. When investors get nervous, the A$ gets sold and the US$ bought. Weakness in the A$ against the Canadian dollar has helped to support canola.

**CBOT Dec10 Wheat Futures in US$/t vs A$/t**




Generally international wheat values have remained under pressure due to abundant global wheat stocks and a rapidly approaching northern hemisphere wheat harvest with reports suggesting it's in reasonable condition.

Oilseed markets have traded sideways with tight availability of old crop supplies supporting and expected large acres planted for new crop pressuring.

Cash prices for new crop wheat have traded to a high of $239/t FIS for APW2 and $247/t FIS for ANW1. Baudin and feed barley reached $250/t and $180/t FIS respectively, while the high for new crop canola has been $456/t FIS.

Swap prices against CBOT Mar-11 wheat futures have reached a high of A$248/t in recent weeks. Swap prices against ICE Jan-11 canola futures have reached a high of A$450/t.

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