



## GIWA Crop Report

**July 9 2010**

**Report 2**

**2010/11 Season**

### WA Planting estimate- hectares

Port zone	Wheat	Barley	Canola	Oats	Lupins	Field pea	
<b>Kwinana</b>	2,004,000	373,000	258,000	85,000	156,000	10,000	
<b>Albany</b>	789,000	430,000	332,000	60,000	28,000	13,000	
<b>Esperance</b>	432,000	285,000	186,000	4,000	19,000	40,000	
<b>Geraldton</b>	740,000	40,000	83,000	4,000	175,000	600	
<b>Total</b>	<b>3,965,000</b>	<b>1,128,000</b>	<b>859,000</b>	<b>153,000</b>	<b>378,000</b>	<b>63,600</b>	<b>6,546,600</b>
<b>% of 2009</b>	92.5%	81.9%	104.2%	79.1%	102.5%	95.7%	<b>91.6%</b>

Primary Source: DAFWA - collated by Cindy Parsons, Narrogin. Further input from industry sources.

#### Production commentary

It has been dry to very dry in all regions of Western Australia to the 8<sup>th</sup> July (report date), except the south coast. The southern central areas of the Geraldton zone have maintained average crop potential, but the eastern, northern and western areas are in worse condition than reported in June. Growers have reduced plantings in eastern and northern areas due to the poor conditions. Crop performance is related to soil type. Soils with higher clay content are maintaining plants well while crops in sand soils are in poor condition.

The north east of the Kwinana zone has been dry throughout May and June. The remainder of the zone is in below average or average condition.

The Albany zone, apart from the coastal area, is in average condition with the recent continual frosts retarding crop growth.

Good to excellent conditions are continuing along the south coast and wider Esperance zone. Waterlogging is restricting potential from Hopetoun to Munglinup. Further rain may exacerbate the problem. The area from Mt Madden to Ravensthorpe and Cascades, and from Scaddan to Wittenoom Hills, is in excellent condition.

Rainfall totals for the 24 hours to July 9 were very welcome with good falls of between 20 to 40mm in almost all areas apart from the south coast. Crop prospects have subsequently improved markedly, though from a low base. Further rain is forecast in the coming days. This report may be adjusted for rainfall expected after 9<sup>th</sup> July.

#### Crop Condition report

The crop condition report is an estimate of the crop conditions at July 9 across the four 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 – weighted by the production average for each zone

Port zone	Very Poor	Poor	Average	Good	Excellent
<b>Kwinana</b>	15	28	46	9	3
<b>Albany</b>	0	19	21	60	0
<b>Esperance</b>	4	0	5	5	86
<b>Geraldton</b>	23	25	38	13	3
<b>Total</b>	10	20	31	23	16

#### GIWA gratefully acknowledges the advice of...

Erin Cahill (agVivo), Geoff Fosbery (ConsultAg), Luke Marquis (Precision Ag), Tim Trezise (Farmanco)

# WA 5 year grain production averages

source ABARE & ABS

	Wheat	Barley	Canola	Oats	Lupins	Field pea
Production (t) <sup>1</sup>	7,364,000	1,269,000	553,000	302,000	573,000	73,000
Yield (t/ha) <sup>2</sup>	1.6	1.8	1.2	1.9	1.2	0.9

<sup>1</sup> ABARE 5 year production average 2003/04 to 2007/08

<sup>2</sup> ABS 5 year crop yield average 2004/05 to 2008/09

Caution is advised when considering the figures in this report as crop development is still very early and the seasonal trend, despite recent rain, remains uncertain.

Additional information can be sourced from:

[DAFWA predicted wheat yields by shire](#)

[DAFWA Soil moisture June 30](#)

[BoM rainfall deciles for WA June 2010](#)

[BoM month to date rainfall for WA](#)



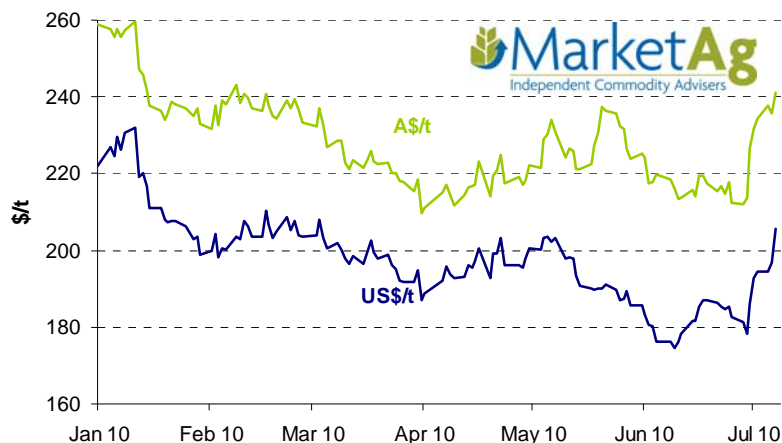
## Market Comment *as at Friday 9 July 2010*

A number of ag commodities experienced strong gains in the past month on a shift in fundamentals. Issues surrounding the world wheat crop have swung sentiment from expectations of a surplus (production exceeding consumption) to a more balanced situation, or possibly a deficit. Canola is higher following production scares in Canada. Tightening of the US corn balance sheet has also been supportive to grains. The AUD/USD has traded a range of 81-88c over the same period.

Cash prices for new crop wheat in the last month were bid a high of \$254/t FIS for APW2. Noodle premiums continue to widen with a \$17 spread to APW2 and highest bid of \$269/t FIS for ANW1. Baudin and feed barley reached \$258/t and \$182/t FIS respectively, while the high for new crop canola was \$502/t FIS.

Swap prices against CBOT Mar-11 wheat futures have reached a high of A\$257/t in recent weeks. Swap prices against ICE Jan-11 canola futures have reached a high of A\$484/t.

CBOT Dec-10 Wheat Futures in US\$/t vs A\$/t



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