



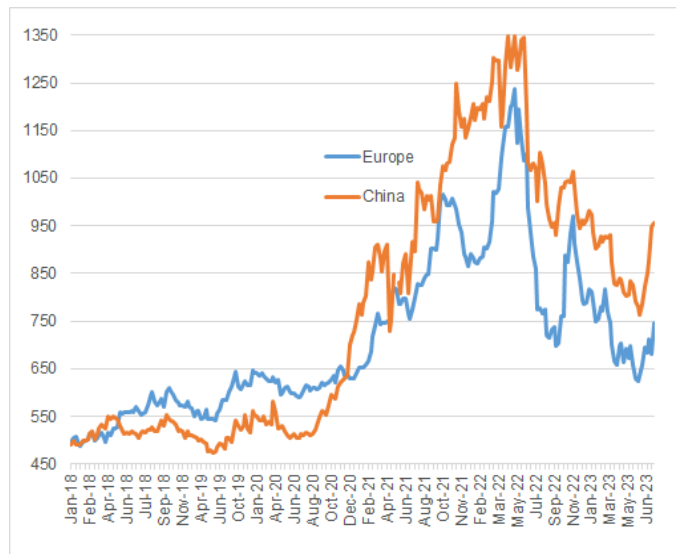
MARKET WIRE

Oh Canada...

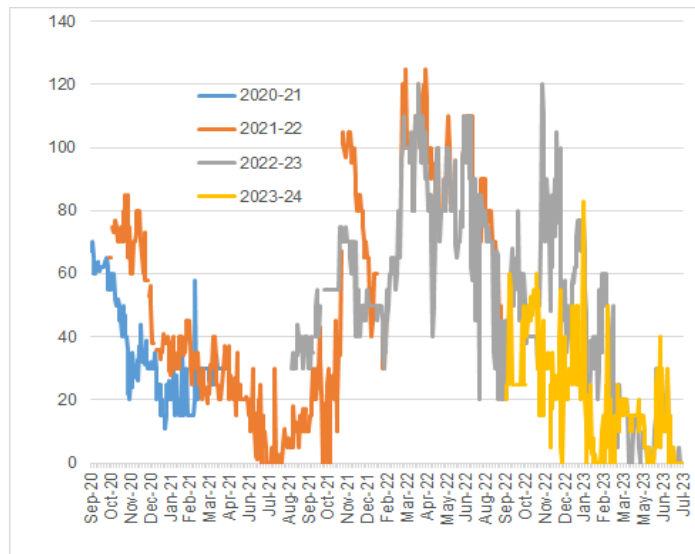


GM CANOLA DATA DASHBOARD

EU-CHINA PRICES (A\$ TRACK EQ.)



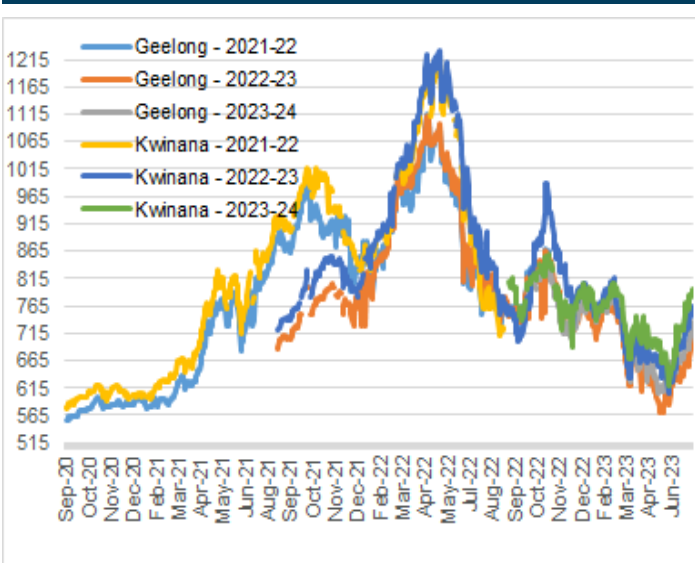
KWINANA GM SPREAD (\$AUD)



2022/23 EXPORT MATRIX ('000 t)

	Australia	Canada	Ukraine	Total
Bangladesh	147	130	15	292
China	-	4,300	-	4,300
EU-28	3,143	250	3,250	7,200
Japan	721	1,300	-	2,021
Mexico	200	1,200	-	1,400
Pakistan	306	400	80	836
UAE	872	250	5	1,137
Other	156	270	50	616
Total	5,545	8,100	3,400	17,802

GEELONG/KWINANA PRICE (\$AUD/t)



PRODUCTION MATRIX

Canola (mmt)	2022/23	2023/24	GM %
Australia	8.087	5.719	46%
EU-28	20.679	20.269	0%
Canada	18.272	19.437	97%
Ukraine	3.700	4.172	0%
Major Exporters	50.738	49.597	43%

TOTAL CANOLA ESTIMATES

2022/23	WA	SA	VIC	NSW	National
Area (kha)	2,017	307	630	972	3,927
Yields (t/ha)	2.11	2.14	2.17	1.85	2.06
Production (kt)	4.258	0.655	1.369	1.803	8.087

GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS 2022-23

2022-23 Delivered Bids	AWB	Riordan	Viterra	Louis Dreyfus
Ardrossan	\$ 669.78		\$ 679.78	
Arno Bay	\$ 677.30			
Balaklava	\$ 675.40			
Barnes Crossing	\$ 674.75			
Bellata	\$ 641.75			
Berrigan	\$ 669.70	\$ 610.00		
Boggabri	\$ 650.00			
Boort		\$ 635.00		\$ 649.75
Bordertown	\$ 654.64		\$ 664.64	
Boree Creek	\$ 660.25			
Burrumbuttock		\$ 610.00		
Caroona	\$ 657.25			
Charlton	\$ 674.00			\$ 648.00
Coleambally	\$ 661.75			
Coonalpyn	\$ 662.50		\$ 672.50	
Coonamble	\$ 639.25			
Croppa Creek	\$ 631.00			
Cummins	\$ 683.24		\$ 693.24	
Curban	\$ 645.00			
Deniliquin	\$ 670.00			
Donald				\$ 648.25
Dookie	\$ 676.25			
Dunolly	\$ 679.25			
Edenhope		\$ 620.00		
Edillilie	\$ 683.70			
Elmore	\$ 680.25			
Gilgandra	\$ 647.00			
Gunnedah	\$ 653.00			
Henty	\$ 662.50			
Horsham		\$ 625.00		
Howlong	\$ 665.00	\$ 620.00		
Kimba	\$ 665.41			
Laharum		\$ 625.00		
Lake Bolac	\$ 681.50	\$ 640.00		
Lara		\$ 680.00		
Mathoura	\$ 673.25			\$ 656.00
Milbrulong	659.5			
Mitiamo	\$ 676.50			
Moama	\$ 675.25	\$ 615.00		\$ 660.50
Moree	\$ 637.25			
Murchison East	\$ 681.25			
Narromine	\$ 643.75			
Nea	\$ 654.50			
Nevertire	\$ 638.75			
Nyngan	\$ 633.00			
Oaklands	\$ 667.25			\$ 642.06
Owen	\$ 676.80		\$ 686.80	

NB* Bids from the market as of 19/07/2023
Refer to bid provider for delivery terms and conditions

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GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS 2022-23 - Cont

2022-23 Delivered Bids	AWB	Riordan	Viterra	Louis Dreyfus
Piangil	\$ 663.50			
Premier	\$ 653.00			
Quambatook	\$ 670.25			
Rand	\$ 663.50			
Rudall	\$ 675.01		\$ 685.01	
Tatyo North	\$ 683.50	\$ 640.00		
Telford	\$ 671.25	\$ 630.00		\$ 653.50
Temora	\$ 648.75			
The Rock	\$ 660.00			
Tocumwal	\$ 672.00			\$ 651.88
Trangie	\$ 641.25			
Tumby Bay	\$ 684.00		\$ 694.00	
Walbundrie		\$ 610.00		
Waverley	\$ 657.25			
Werneth	\$ 688.50	\$ 650.00		\$ 663.75
Werris Creek	\$ 658.00			
Willow Tree	\$ 661.25			
Winchelsea		\$ 650.00		
Woorinen	\$ 665.50			
Wycheproof	\$ 671.75			
Yarrawonga	\$ 671.25			

GM CANOLA PORT BIDS 2022-23

2022-23 Bids	AWB	CBH	GrainCorp	Viterra
Albany	\$ 735.00	\$ 755.00	\$ 750.00	\$ 760.00
Esperance	\$ 705.00	\$ 755.00		\$ 760.00
Geraldton	\$ 740.00	\$ 755.00	\$ 750.00	\$ 760.00
Kwinana	\$ 735.00	\$ 755.00	\$ 750.00	\$ 760.00
Port Adelaide	\$ 687.00			\$ 705.00
Port Adelaide Market Zone	\$ 695.00			
Port Giles	\$ 656.69			
Port Lincoln	\$ 695.00			\$ 705.00
Port Lincoln Market Zone	\$ 695.00			
Port Neill	\$ 679.90			
Port Pirie	\$ 673.33			\$ 683.33

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GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS 2023-24

2023-24 Delivered Bids	AWB	Riordan
Ardrossan	\$ 694.78	
Balaklava	\$ 700.40	
Bellata	\$ 646.75	
Berrigan	\$ 678.70	\$ 570.00
Boort		\$ 585.00
Bordertown	\$ 679.64	
Burrumbuttock		\$ 570.00
Caragabal	\$ 650.00	
Charlton	\$ 683.00	
Condobolin	\$ 639.25	
Coolamon	\$ 649.75	
Coonalpyn	\$ 687.50	
Coonamble	\$ 644.25	
Cootamundra	\$ 655.75	
Croppa Creek	\$ 636.00	
Cunningar	\$ 660.75	
Dimboola	\$ 682.50	
Donald	\$ 682.00	
Edenhope		\$ 580.00
Elmore	\$ 689.25	
Gilgandra	\$ 652.00	
Grong Grong	\$ 645.25	
Gunnedah	\$ 658.00	
Horsham		\$ 585.00
Howlong		\$ 580.00
Junea	\$ 652.25	
Laharum		\$ 585.00
Lake Bolac		\$ 600.00
Lara		\$ 640.00
Milvale	\$ 655.75	
Moama	\$ 684.25	\$ 575.00
Moree	\$ 642.25	
Narrandera	\$ 643.00	
Narromine	\$ 648.75	
Nea	\$ 659.50	
Nevertire	\$ 643.75	
Nyngan	\$ 638.00	
Oaklands	\$ 676.25	
Owen	\$ 701.80	

GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS 2023-24

2023-24 Delivered Bids	AWB	Riordan
Parkes	\$ 650.25	
Premier	\$ 658.00	
Quandialla	\$ 651.25	
Red Bend	\$ 648.00	
Tabbita	\$ 643.25	
Tatyoan North		\$ 600.00
Telford		\$ 590.00
Temora	\$ 653.75	
Trangie	\$ 646.25	
Trundle	\$ 644.25	
Walbundrie		\$ 570.00
Waverley	\$ 662.25	
Werneth		\$ 610.00
Werris Creek	\$ 663.00	
Willow Tree	\$ 666.25	
Winchelsea		\$ 610.00

GM CANOLA PORT BIDS 2023-24

2023-24 Bids	AWB	CBH	GrainCorp	Viterra
Albany	\$ 765.00	\$ 800.00	\$ 785.00	\$ 795.00
Esperance	\$ 740.00	\$ 800.00		\$ 795.00
Geraldton	\$ 770.00	\$ 800.00	\$ 785.00	\$ 795.00
Kwinana	\$ 765.00	\$ 800.00	\$ 785.00	\$ 795.00
Port Adelaide	\$ 712.00			\$ 720.00
Port Adelaide Market Zone	\$ 720.00			
Port Giles	\$ 681.69			
Port Lincoln				\$ 720.00
Port Lincoln Market Zone	\$ 720.00			
Port Pirie	\$ 698.33			

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Local market update

July rainfall so far has been below average, but many canola growing regions across the country have managed to get 10 - 20 mm, with the more southern areas taking on a little more than that. Overall, conditions remain reasonable. Central and Northern NSW remain mixed and will need the rain to keep coming prior to the warmer weather in late August and beyond. However, southern areas should be able to scrape by with below average rainfall until the spring given the excellent sub-soil moisture and cooler temperatures.

The eight day forecast shows 5 - 10 mm across much of the canola belt which will keep things moving along ok. No doubt it will be patchy with that limited forecast total but might buy us enough time for something more reasonable to turn up for the drier regions.

The BOM climate update this week continued with a strong alert for El Nino, and whilst the IOD is currently negative, the models continue to show a high probability of it turning positive in the late winter or early spring. This all continues to shape the BOM outlook for below average rain for the coming months (60-80% probability).

WA: Canola prices continue to firm on support from global markets. New crop bids have reached \$800 again this week, up nearly \$100 over the month. The GM spread remains flat thanks to the extremely high prices of Canadian canola at the moment.

NSW/VIC/SA: In the east, prices have followed suit and have risen \$80-\$100 over the same period to be sitting at around \$740 port. Unlike in the west, the GM spread has not narrowed into parity yet and sits at a \$30 discount. The market remains very thinly traded, with farmers continuing to hold their cards close to their chest given the seasonal outlook. The trade market has been similarly illiquid with very wide bid-offer spreads making it a little tricky to define where the market actually sits for volume transactions.

Global market update

There are plenty of moving parts at this time of the year globally. We have dry weather across North America and more instability in the Black Sea creating volatility in the marketplace.

Canadian weather continues to be poor and crop conditions remain well below average. Analysts are reducing their expectations for Canadian production from 19-19.5 mt back down to 18 mt give or take. There is some rain in the back end of the forecast, but the sentiment remains very negative.

The same sentiment is occurring in the USA. Whilst cool temperatures have prevailed in some of the key Mid-west soy and corn growing areas, there are signs that this will change in the longer-term forecasts. Moisture remains scarce and whilst crop conditions have improved off their seasonally very low levels, the flag for production cuts remains.

There is nothing new on the demand side of the equation; it remains very sluggish. Inflation data has tipped over and many are hoping that in time interest rates will follow. However, for now there is a holding pattern in place and global consumers remain nervous about spending and consuming. China is no different and its domestic canola oil market continues to struggle and with that crush margins remain well below normal and import demand for canola seed and oil is very slow.

The Black Sea grain corridor is “officially” off limits. No new ships are entering to be loaded from Ukraine and insurance companies have withdrawn support given the UN is not able to provide sureties with the clear passage deal with Russia officially being off. The parties are all in negotiations, so the deal is not necessarily dead. But there has been an escalation in bombings across bridges and ports that doesn't suggest things are calming down in the future. Russian exports may continue, but Ukraine exports remain on tenterhooks for now.

CASE STUDY – Oh Canada...



As we mentioned above, the Canadian weather is not co-operating again this year. After a savage drought rocked the nation in 2021, the market is nervous about a repeat.

Estimates currently sit in and around the 18 mt range, down from earlier forecasts of 19.5-20 mt, but still well above the 13 mt harvested in 2021.

Inelastic export demand is expected to be around 5 mt this year. China continues to block Australian canola, and whilst there is hope this will change in the year ahead, it leaves Canada as the sole supplier for now. China has also lifted the imports of Russian canola and sunflower oil substantially, resulting in a projected import number below 2 mt. Markets like Japan will continue to take a mix of Australian and Canadian seed but will not be able to switch entirely. Australian seed has had problems making the required protein specification in meal after it is crushed in Japan due to the recent high oil content the Australian seed has had. We can expect that Europe, the Middle-East and the Indian sub-continent will be off the menu for Canada, and they will continue to erode market share in Mexico following recent competition from Australia and now Europe. In fact, Canada is pricing imports from Europe (and Australia) at these relative values, albeit in limited quantities due to logistical considerations.

Domestically, Canada has a lot of expansion plans, however those crush expansions won't be online until the 24/25 season. The Canadian crush at close to full capacity is expected to be 10.5 mt or even a touch higher depending on the timing of those plants coming online in the back end of this coming marketing year. We have seen it fall back as low as 8.5 mt in 21/22. Margins remain pretty good in Canada at this point, strong oil demand continues in the USA, but the weight of the market hasn't really come from Canada yet. In the past, Canada has exported a lot of oil to China and elsewhere around the globe, but this year it is not so likely. Cheaper European, Ukrainian and Russian oil is available to China and the rest of the world, so a large amount of pressure will come on the USA to take Canada's oil.

Farmer selling remains very low in Canada given the weather, despite Canada having a good buffer on paper between inelastic exports and domestic demand even with a 18 mt crop. The market will remain well bid until farmers come to the market on improved weather, or demand starts to fall away. As a result, we can continue to expect to see volatile markets on the back of changing weather forecasts, and initially to see dips brought about by the inelastic buyers. It may not be until 'round 2 or 3' from the farmer that we see convergence of Canada and world prices, assuming the crop does hold above 16-17 mt.

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