



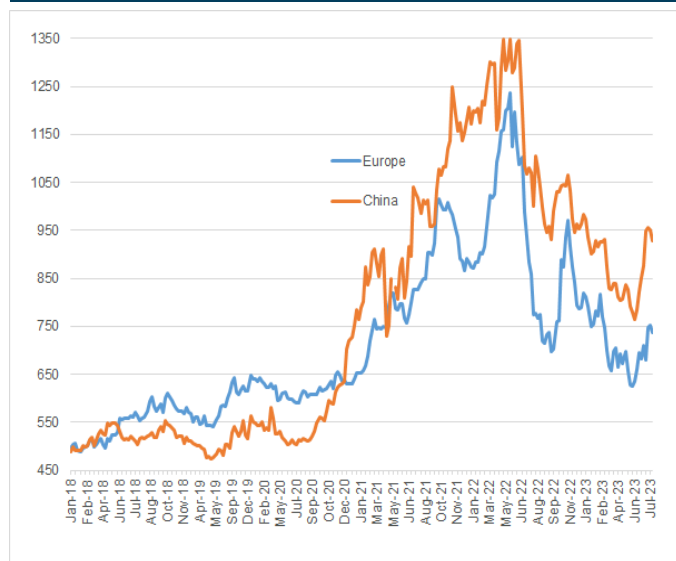
# MARKET WIRE

Crunch time

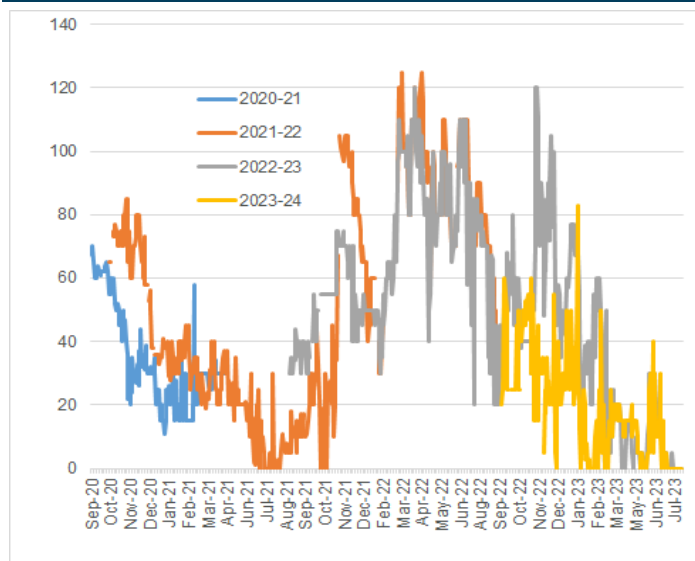


# GM CANOLA DATA DASHBOARD

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



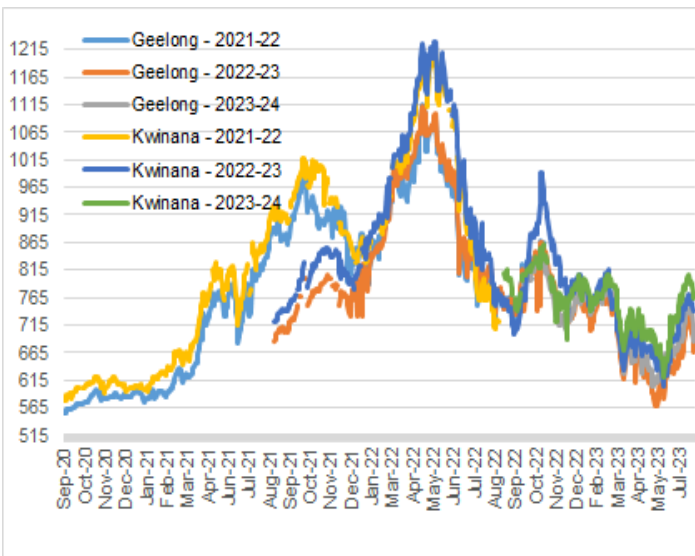
## KWINANA GM SPREAD (\$AUD)



## 2023/24 EXPORT MATRIX ('000 t)

	Australia	Canada	Ukraine	Total
Bangladesh	160	-		310
China	460	3,500	-	3,960
EU-28	2,350	600	2,500	5,500
Japan	1,020	1,200	-	2,220
Mexico	200	1,000	-	1,400
Pakistan	105	50	330	535
UAE	335		330	915
Other	110	650	40	800
<b>Total</b>	<b>4,740</b>	<b>7,000</b>	<b>3,200</b>	<b>15,640</b>

## GEELONG/KWINANA PRICE (\$AUD/t)



## PRODUCTION MATRIX

Canola (mmt)	2022/23	2023/24	GM %
Australia	8.086	5.605	46%
EU-28	20.679	21.236	0%
Canada	18.272	17.920	97%
Ukraine	3.700	4.130	0%
<b>Major Exporters</b>	<b>50.738</b>	<b>48.890</b>	<b>41%</b>

## TOTAL CANOLA ESTIMATES

2023/24	WA	SA	VIC	NSW	National
Area (kha)	1,802	276	586	851	3,517
Yields (t/ha)	1.35	1.64	2.23	1.66	1.59
Production (kt)	2.431	0.453	1.306	1.413	5.605

# GM CANOLA MARKET REPORT



## GM CANOLA SITE BIDS 2022-23

2022-23 Delivered Bids	GrainCorp	AWB	Viterra
Ardrossan		\$ 629.78	\$ 629.78
Arno Bay		\$ 637.30	
Balaklava		\$ 635.40	
Barnes Crossing		\$ 618.75	
Bellata		\$ 591.75	
Berrigan		\$ 613.70	
Berrybank	\$ 633.50		
Boggabri		\$ 600.00	
Bordertown		\$ 614.64	\$ 614.64
Boree Creek		\$ 604.25	
Caroona		\$ 607.25	
Charlton		\$ 618.00	
Coleambally		\$ 605.75	
Coonalpyn		\$ 622.50	\$ 622.50
Coonamble		\$ 589.25	
Croppa Creek		\$ 581.00	
Cummins		\$ 643.24	\$ 643.24
Curban		\$ 595.00	
Deniliquin		\$ 614.00	
Dookie		\$ 620.25	
Dunolly		\$ 623.25	
Edillilie		\$ 643.70	
Elmore		\$ 624.25	
Gilgandra		\$ 597.00	
Gunnedah		\$ 603.00	
Hamilton	\$ 626.00		
Henty		\$ 606.50	
Howlong		\$ 609.00	
Kimba		\$ 625.41	
Lake Bolac		\$ 625.50	
Mathoura		\$ 617.25	
Milbrulong		\$ 603.50	
Mitiamo		\$ 620.50	
Moama		\$ 619.25	
Moree		\$ 587.25	
Murchison East		\$ 625.25	
Narromine		593.75	
Nea		\$ 604.50	
Nevertire		\$ 588.75	
Nyngan		\$ 583.00	
Oaklands	\$ 611.25	\$ 611.25	
Owen		\$ 636.80	\$ 636.80

NB\* Bids from the market as of 02/08/2023  
Refer to bid provider for delivery terms and conditions

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# GM CANOLA MARKET REPORT



## GM CANOLA BIDS 2022-23 - Cont

2022-23 Delivered Bids	GrainCorp	AWB	Viterra
Piangil		\$ 607.50	
Premier		\$ 603.00	
Quambatook		\$ 614.25	
Rand		\$ 607.50	
Rudall		\$ 635.01	\$ 635.01
Tatyoan North		\$ 627.50	
Telford		\$ 615.25	
Temora		\$ 598.75	
The Rock		\$ 604.00	
Tocumwal		\$ 616.00	
Trangie		\$ 591.25	
Tumby Bay		\$ 644.00	\$ 644.00
Waverley		\$ 607.25	
Werneth		\$ 632.50	
Werris Creek		\$ 608.00	
Westmere	\$ 627.00		
Willow Tree		\$ 611.25	
Woorinen		\$ 609.50	
Wycheproof		\$ 615.75	
Yarrawonga		\$ 615.25	
Werris Creek	\$ 658.00		
Willow Tree	\$ 661.25		
Winchelsea		\$ 650.00	
Woorinen	\$ 665.50		
Wycheproof	\$ 671.75		
Yarrawonga	\$ 671.25		

2022-23 Bids	AWB	CBH	GrainCorp	Viterra
Albany	\$ 685.00	\$ 730.00	\$ 730.00	\$ 710.00
Esperance	\$ 655.00	\$ 730.00		\$ 710.00
Geraldton	\$ 690.00	\$ 730.00	\$ 735.00	\$ 710.00
Kwinana	\$ 685.00	\$ 730.00	\$ 735.00	\$ 710.00
Port Adelaide	\$ 647.00			\$ 655.00
Port Adelaide Market Zone	\$ 655.00			
Port Giles	\$ 616.69			
Port Lincoln	\$ 655.00			\$ 655.00
Port Lincoln Market Zone	\$ 655.00			
Port Neill	\$ 639.90			
Port Pirie	\$ 633.33			\$ 633.33

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# GM CANOLA MARKET REPORT



## GM CANOLA SITE BIDS 2023-24

2023-24 Delivered Bids	GrainCorp	AWB	Viterra	Bunge
Ardrossan		\$ 644.78		
Arthur River				\$ 760.00
Balaklava		\$ 650.40		
Ballarat				
Bellata		\$ 596.75		
Berrigan		\$ 628.70		
Berrybank	\$ 657.50			
Boort				
Bordertown		\$ 629.64		
Caragabal		\$ 600.00		
Charlton		\$ 633.00		
Condobolin		\$ 589.25		
Coolamon		\$ 599.75		
Coonalpyn		\$ 637.50		
Coonamble		\$ 594.25		
Cootamundra		\$ 605.75		
Croppa Creek		\$ 586.00		
Cunningar		\$ 610.75		
Dimboola		\$ 632.50		
Donald		\$ 632.00		
Elmore		\$ 639.25		
Gilgandra		\$ 602.00		
Grong Grong		\$ 595.25		
Gunnedah		\$ 608.00		
Hamilton	\$ 657.00			
Junee		\$ 602.25		
Mathoura				
Milvale		\$ 605.75		
Moama		\$ 634.25		
Moree		\$ 592.25		
Narrandera		\$ 593.00		
Narromine		\$ 598.75		
Nea		\$ 609.50		
Nevertire		\$ 593.75		
Nyngan		\$ 588.00		
Oaklands	\$ 637.25	\$ 626.25		
Owen		\$ 651.80		

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# GM CANOLA MARKET REPORT



## GM CANOLA SITE DELIVERED 2023-24

2023-24 Delivered Bids	GrainCorp	AWB	Viterra	Bunge
Parkes		\$	600.25	
Premier		\$	608.00	
Quandialla		\$	601.25	
Red Bend		\$	598.00	
Tabbita		\$	593.25	
Telford				
Temora		\$	603.75	
Trangie		\$	596.25	
Trundle		\$	594.25	
Waverley		\$	612.25	
Werris Creek		\$	613.00	
Westmere	\$	653.00		
Willow Tree		\$	616.25	

## GM CANOLA PORT BIDS 2023-24

2023-24 Bids	AWB	CBH	GrainCorp	Viterra
Albany	\$ 715.00	\$ 765.00	\$ 765.00	\$ 745.00
Esperance	\$ 690.00	\$ 765.00		\$ 745.00
Geraldton	\$ 720.00	\$ 765.00	\$ 765.00	\$ 745.00
Kwinana	\$ 715.00	\$ 765.00	\$ 765.00	\$ 745.00
Port Adelaide	\$ 662.00			\$ 670.00
Port Adelaide Market Zone	\$ 670.00			
Port Giles	\$ 631.69			
Port Lincoln				\$ 670.00
Port Lincoln Market Zone	\$ 670.00			
Port Pirie	\$ 648.33			

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# Local market update

July rainfall was below to very much below average for many canola growing areas and it was particularly dry across WA and parts of SA. Showers throughout the month have kept things ticking along but as we head into warmer weather, we really need a decent rainfall event in August to keep current yield potential from sliding. WA did receive some handy totals last week, with further widespread falls of 10 - 15 mm forecast over the next 8 days. Some higher totals are expected in the south, which will be very well timed. Crops in SA, VIC and southern NSW should be able to scrape by with below average rain until spring, given the excellent sub-soil moisture and cooler temperatures. Things are not looking great in northern NSW where dry and warm conditions persist. If they don't receive rainfall in the next two weeks crops will certainly be going backwards.

The BOM outlook for Aug-Oct notes that below median rainfall and above average temps are likely to very likely across canola growing regions. The outlook is influenced by a likely El Niño development, potential positive Indian Ocean Dipole development, and record warm oceans globally. The Climate Driver Update this week notes an El Niño development is considered likely in the coming weeks.

**WA:** Canola prices have followed volatile offshore moves. New crop levels reached \$800/t a couple of weeks ago, which was up nearly \$100/t up over the month, they are currently sitting around the \$765/t mark. The GM spread remains flat thanks to the extremely high prices of Canadian canola.

**NSW/VIC/SA:** prices in the east have followed the wild ride and are now around the \$686-696/t mark after hitting \$740/t two weeks ago. The GM spread is currently at a \$30/t discount. The market remains very thinly traded, with farmers continuing to hold their cards close to their chest given the production risk in front of them. The trade market also remains illiquid with wide bid-offer spreads.

# Global market update

The market is closely watching the northern American weather closely as Canada continues to battle hot and dry seasonal conditions, which are impacting yield estimates. The Black Sea debacle continues to provide plenty of volatility, with Russia seemingly keen to try to limit Ukraine's ability to export grains/oilseeds after they pulled out of the grain deal.

Canadian crop conditions continue to slide as they face poor seasonal conditions. Some analysts have pegged the crop as low as 17 mt, down from earlier expectations of up to 19.5 mt. Conditions are variable with recent rainfall in some regions preventing yields from sliding. Other areas, particularly in southern Saskatchewan and central Alberta remain hot and dry.

The US soybean crop also continues to suffer from hot and dry conditions. As of 25 July, 53% of soybean growing area is considered to be in drought at the crucial pod setting phase. This weeks crop conditions saw soybeans lose two points, down to 52% good to excellent compared to an average of 63%.

After the Black Sea grain deal was officially axed Ukraine's ability to export via alternative routes is being closely watched. Despite optimistic talks with some of their European neighbours the volume they will be able to export is uncertain as Russia continues to strike alternative export facilities on the Danube. Ironically, Ukraine is estimated to have produced a record canola crop this year, potentially around 4 mt but export volumes are likely to be constrained until EU restrictions are lifted or Russia comes back to the export deal. The latter looks unlikely with their continued strikes on Ukraine's alternative export infrastructure.



## CASE STUDY – Crunch time



August is a critical month around the world, and it feels like crunch time is coming a little earlier this year in Australia as well. The conditions are mixed across the country and the forecast continues to be harrowing for farmers nationwide, elevating the levels of anxiety around what will be this spring. Many parts of Victoria remain on the wetter side, and should be able to withstand any delayed onset of spring moisture. As we work our way further into NSW and even in WA we have a few hot spots that are already on watch. In two weeks, we will have eyes on the weather forecasts into early September and crunch time will take full effect.

In Canada the squeeze is already on. There are plenty of areas that are sub-par at the moment. There are many places that are doing a bit better making it difficult for analysts to gauge the overall impact of the variable season this year so far. We have another couple of weeks of the critical weather window and then it will be all too-little, too-late after that. With the variability comes a lack of confidence among the Canadian farmers to sell their crop forward. This has diminished the amount of grain coming into the market and kept things well bid in Canada. We can expect that without any widespread soaking rains in the next week or two, that this will continue to be the case.

Across the Atlantic, the European harvest is well under way. Farmers have been selling, albeit at a slower pace than normal, so there is plenty of available product in the spot market in Europe. European biodiesel is shipping to the USA; European seed even shipping to eastern Canada, among many other export destinations. It will take time for the EU market to tighten relative to the rest of the world.

Directly connected to the EU supply and demand situation is the ongoing conflict in the Black Sea. The conflict has escalated and has a strong focus from both parties on disrupting the grain corridor. The Russians have already damaged the Black Sea ports around Odessa, where 66% of canola was shipped from last year. Their efforts are now locked in on the Danube river. The Danube is the main alternative to shipping out of the Black Sea. Be that by transshipping in Romania to the port of Constanta or further upstream to western Europe. Romania is in discussions with Ukraine to expand its capacity at Constanza and even Croatia has talked about how they can offer elevation into the Mediterranean. The recent attacks will be providing uncertainty to countries like Romanian and Croatia looking to invest in their own ports. There is potential for these expansions to be underutilised in the event of ongoing damage to infrastructure on the Ukrainian side of the Danube. The conflict will be a daily proposition and one for the canola market to navigate for a period of time yet.

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