



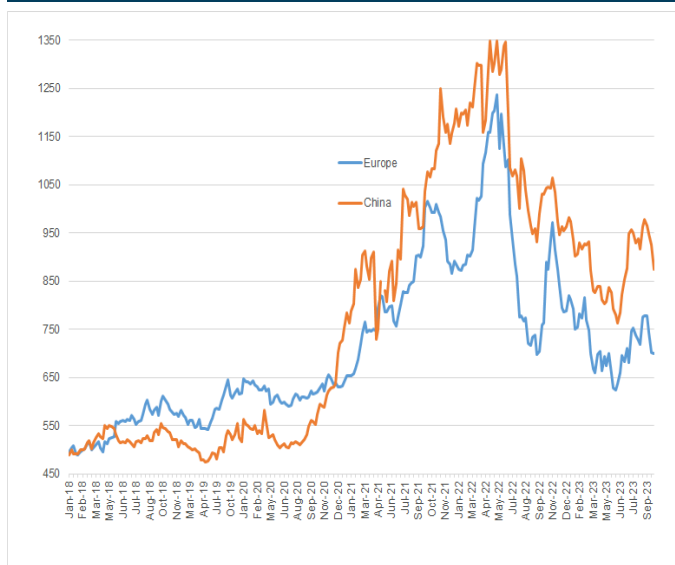
MARKET WIRE

DROUGHT PRICES?

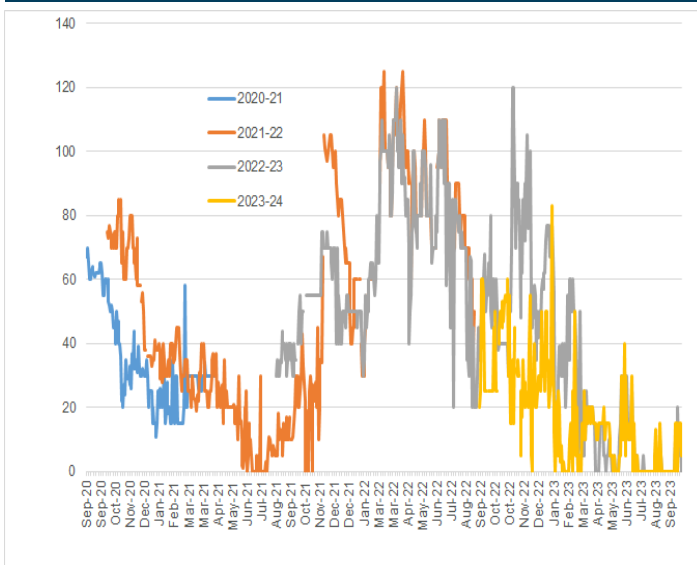


GM CANOLA DATA DASHBOARD

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



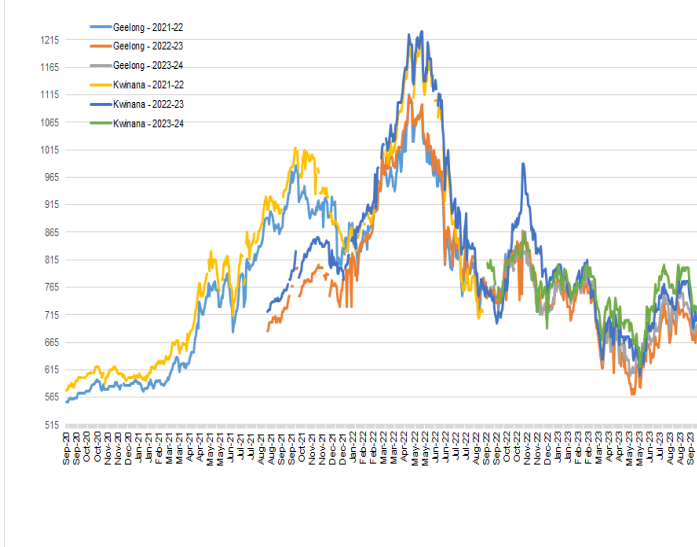
KWINANA GM SPREAD (\$AUD)



2023/24 EXPORT MATRIX ('000 t)

| | Australia | Canada | Ukraine | Total |
|--------------|--------------|--------------|--------------|---------------|
| Bangladesh | 151 | - | - | 301 |
| China | 410 | 3,800 | - | 4,210 |
| EU-28 | 2,269 | 450 | 3,000 | 5,719 |
| Japan | 953 | 1,300 | - | 2,253 |
| Mexico | 200 | 1,000 | - | 1,200 |
| Pakistan | 234 | 100 | 330 | 814 |
| UAE | 459 | - | 330 | 989 |
| Other | 213 | 350 | 240 | 1,003 |
| Total | 4,889 | 7,000 | 3,900 | 16,489 |

GEELONG/KWINANA PRICE (\$AUD/t)



PRODUCTION MATRIX

| Canola (mmt) | 2022/23 | 2023/24 | GM % |
|------------------------|---------------|---------------|------------|
| Australia | 8.123 | 5.116 | 46% |
| EU-28 | 20.679 | 20.667 | 0% |
| Canada | 18.537 | 17.474 | 97% |
| Ukraine | 3.700 | 4.278 | 0% |
| Major Exporters | 51.039 | 47.534 | 41% |

TOTAL CANOLA ESTIMATES

| 2023/24 | WA | SA | VIC | NSW | National |
|-----------------|-------|-------|-------|-------|----------|
| Area (kha) | 1,802 | 276 | 591 | 794 | 3,465 |
| Yields (t/ha) | 1.24 | 1.57 | 2.06 | 1.54 | 1.48 |
| Production (kt) | 2.239 | 0.433 | 1.217 | 1.225 | 5.116 |

GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS 2022-23

| 2022-23 Delivered Bids | GrainCorp | AWB | Viterra | Riordan | LDC | CHS Broadbents |
|------------------------|-----------|-----------|-----------|-----------|-----------|----------------|
| Arno Bay | | \$ 647.30 | | | | |
| Balaklava | | \$ 645.40 | | | | |
| Barnes Crossing | | \$ 638.75 | | | | |
| Bellata | | \$ 616.75 | | | | |
| Berrigan | | \$ 633.70 | | \$ 595.00 | | |
| Berrybank | \$ 663.50 | | | | | |
| Boggabri | | \$ 625.00 | | | | |
| Boort | | | | \$ 600.00 | \$ 633.75 | |
| Bordertown | | \$ 624.64 | \$ 639.64 | | | |
| Boree Creek | | \$ 624.25 | | | | |
| Burrumbuttock | | | | \$ 590.00 | | |
| Caroona | | \$ 632.25 | | | | |
| Charlton | | | | | \$ 629.25 | |
| Coleambally | | \$ 625.75 | | | | |
| Coonalpyn | | \$ 632.50 | \$ 647.50 | | | |
| Coonamble | | \$ 614.25 | | | | |
| Croppa Creek | | \$ 606.00 | | | | |
| Cummins | | \$ 653.24 | \$ 668.24 | | | |
| Curban | | \$ 620.00 | | | | |
| Deniliquin | | \$ 634.00 | | | | |
| Donald | | | | | \$ 629.75 | |
| Dookie | | \$ 640.25 | | | | |
| Dunolly | | \$ 643.25 | | | | |
| Edenhope | | | | \$ 590.00 | | |
| Edillilie | | \$ 653.70 | | | | |
| Elmore | | \$ 644.25 | | | | |
| Gilgandra | | \$ 622.00 | | | | |
| Gunnedah | | \$ 628.00 | | | | |
| Henty | | \$ 626.50 | | | | |
| Horsham | | | | \$ 595.00 | | |
| Howlong | | \$ 629.00 | | \$ 600.00 | | |
| Kimba | | \$ 635.41 | | | | |
| Laharum | | | | \$ 595.00 | | |
| Lake Bolac | | \$ 645.50 | | \$ 610.00 | | \$ 658.00 |
| Lara | | | | \$ 650.00 | | |
| Mathoura | | \$ 637.25 | | | \$ 637.50 | |
| Milbrulong | | \$ 623.50 | | | | |
| Mitiamo | | \$ 640.50 | | | | |
| Moama | | \$ 639.25 | | \$ 600.00 | \$ 641.75 | |
| Moree | | \$ 612.25 | | | | |
| Murchison East | | \$ 645.25 | | | | |
| Nea | | \$ 629.50 | | | | |
| Nevertire | | \$ 613.75 | | | | |
| Oaklands | \$ 641.25 | | | | \$ 619.25 | |
| Owen | | \$ 646.80 | \$ 661.80 | | | |
| Piangil | | \$ 627.50 | | | | |
| Premier | | \$ 628.00 | | | | |
| Quambatook | | \$ 634.25 | | | | |

NB* Bids from the market as of 28/09/2023
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 | Riordan | LDC | CHS Broadbents |
|------------------------|-----------|-----------|-----------|-----------|-----------|----------------|
| Rand | | \$ 627.50 | | | | |
| Rudall | | \$ 645.01 | \$ 660.01 | | | |
| Tatyoan North | | \$ 647.50 | | \$ 610.00 | | \$ 658.00 |
| Telford | | \$ 635.25 | | \$ 600.00 | | |
| Temora | | \$ 618.75 | | | | |
| The Rock | | \$ 624.00 | | | | |
| Tocumwal | | \$ 636.00 | | | \$ 633.50 | |
| Trangie | | \$ 616.25 | | | | |
| Tumby Bay | | \$ 654.00 | \$ 669.00 | | | |
| Walbundrie | | | | \$ 585.00 | | |
| Waverley | | \$ 632.25 | | | | |
| Werneth | | \$ 652.50 | | \$ 620.00 | | |
| Werris Creek | | \$ 633.00 | | | | |
| Westmere | \$ 657.00 | | | | | |
| Willow Tree | | \$ 636.25 | | | | |
| Winchelsea | | | | \$ 620.00 | | |
| Woorinen | | \$ 629.50 | | | | |
| Wycheproof | | \$ 635.75 | | | | |
| Yarrawonga | | \$ 635.25 | | | | |

GM CANOLA PORT BIDS 2022-23

| 2022-23 Bids | AWB | CBH | GrainCorp | Viterra |
|---------------|-----------|-----------|-----------|-----------|
| Albany | \$ 705.00 | \$ 710.00 | \$ 725.00 | \$ 720.00 |
| Esperance | \$ 675.00 | \$ 710.00 | | \$ 720.00 |
| Geraldton | \$ 715.00 | \$ 710.00 | \$ 725.00 | \$ 720.00 |
| Kwinana | \$ 705.00 | \$ 710.00 | \$ 725.00 | \$ 720.00 |
| Port Adelaide | \$ 657.00 | | | \$ 680.00 |
| Port Giles | \$ 626.69 | | | |
| Port Lincoln | \$ 665.00 | | | \$ 680.00 |
| Port Neill | \$ 649.90 | | | |
| Port Pirie | \$ 643.33 | | | \$ 658.33 |

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GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS 2023-24

| 2023-24 Delivered Bids | GrainCorp | AWB | Viterra | Riordan | CHS Broadbents |
|------------------------|-----------|-----------|-----------|-----------|----------------|
| Ardrossan | | \$ 649.78 | \$ 669.78 | | |
| Arno Bay | | \$ 657.30 | | | |
| Balaklava | | \$ 655.40 | | | |
| Bellata | | \$ 613.75 | | | |
| Berrigan | | \$ 643.70 | | \$ 620.00 | |
| Berrybank | \$ 681.50 | | | | |
| Boort | | | | \$ 625.00 | |
| Bordertown | | \$ 634.64 | | | |
| Burrumbuttock | | | | \$ 615.00 | |
| Caragabal | | \$ 627.00 | | | |
| Condobolin | | \$ 616.25 | | | |
| Coolamon | | \$ 626.75 | | | |
| Coonalpyn | | \$ 642.50 | | | |
| Coonamble | | \$ 611.25 | | | |
| Cootamundra | | \$ 632.75 | | | |
| Croppa Creek | | \$ 603.00 | | | |
| Cummins | | \$ 663.24 | \$ 683.24 | | |
| Cunningar | | \$ 637.75 | | | |
| Donald | | \$ 647.00 | | \$ 625.00 | |
| Edenhope | | | | \$ 655.00 | |
| Edillilie | | \$ 663.70 | \$ 683.70 | | |
| Elmore | | \$ 654.25 | | | |
| Gilgandra | | \$ 619.00 | | | |
| Grong Grong | | \$ 622.25 | | | |
| Gunnedah | | \$ 625.00 | | | |
| Henty | \$ 656.50 | | | | |
| Horsham | | | | \$ 635.00 | |
| Howlong | | | | \$ 625.00 | |
| Junee | | \$ 629.25 | | | |
| Kimba | | \$ 645.41 | | | |
| Laharum | | | | \$ 635.00 | |
| Lake Bolac | | | | \$ 640.00 | \$ 677.00 |
| Lara | | | | \$ 675.00 | |
| Milvale | | \$ 632.75 | | | |
| Moama | | \$ 649.25 | | \$ 625.00 | |
| Moree | | \$ 609.25 | | | |
| Narrandera | | \$ 620.00 | | | |
| Nea | | \$ 626.50 | | | |
| Nevetire | | \$ 610.75 | | | |
| Oaklands | \$ 661.25 | \$ 661.25 | | | |
| Owen | | \$ 656.80 | | | |
| Parkes | | \$ 627.25 | | | |
| Premier | | \$ 625.00 | | | |
| Quandialla | | \$ 628.25 | | | |

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GM CANOLA MARKET REPORT



GM CANOLA SITE DELIVERED 2023-24

| 2023-24 Delivered Bids | GrainCorp | AWB | Viterra | Riordan | CHS Broadbents |
|------------------------|-----------|-----------|-----------|-----------|----------------|
| Red Bend | | \$ 625.00 | | | |
| Roseworthy | | | \$ 683.22 | | |
| Rudall | | \$ 655.01 | \$ 675.01 | | |
| Tabbita | | \$ 620.25 | | | |
| Tatyoan North | | | | \$ 640.00 | \$ 677.00 |
| Telford | | | | \$ 625.00 | |
| Temora | | \$ 630.75 | | | |
| Trangie | | \$ 613.25 | | | |
| Trundle | | \$ 621.25 | | | |
| Tumby Bay | | \$ 664.00 | \$ 684.00 | | |
| Walbundrie | | | | \$ 610.00 | |
| Waverley | | \$ 629.25 | | | |
| Werneth | | | | \$ 645.00 | |
| Werris Creek | | \$ 630.00 | | | |
| Westmere | \$ 677.00 | | | | |
| Willow Tree | | \$ 633.25 | | | |
| Winchelsea | | | | \$ 645.00 | |

GM CANOLA PORT BIDS 2023-24

| 2023-24 Bids | AWB | CBH | GrainCorp | Viterra |
|---------------|-----------|-----------|-----------|-----------|
| Albany | \$ 725.00 | \$ 730.00 | \$ 745.00 | \$ 745.00 |
| Esperance | \$ 700.00 | \$ 730.00 | | \$ 745.00 |
| Geraldton | \$ 740.00 | \$ 730.00 | \$ 745.00 | \$ 745.00 |
| Kwinana | \$ 725.00 | \$ 730.00 | \$ 745.00 | \$ 745.00 |
| Port Adelaide | \$ 667.00 | | | \$ 695.00 |
| Port Giles | \$ 636.69 | | | |
| Port Lincoln | \$ 675.00 | | | \$ 695.00 |
| Port Neill | \$ 659.90 | | | |
| Port Pirie | \$ 653.33 | | | \$ 673.33 |

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Local market update



Lachstock has revised its 2023-24 production estimate down 194 kt to 5.11 mt. This largely reflects a trimming of yield forecasts in SA, VIC and NSW. September to date has unfortunately lived up to the weather forecast in NSW, with very little rainfall received combined with above average temperatures. VIC and SA have not fared much better although they have picked up a few decent rainfall events. WA received some very well-timed rainfall which saved the day for many crops.

Temperatures from the 16th – 20th of September across the eastern states were significantly above average, accompanied by strong winds which will have resulted in a significant draw on moisture reserves. Canola crops seem to be holding on much better than cereal crops as they were planted earlier and were able to tap into deeper soil moisture. There is a significant rainfall event on the forecast for the eastern states this week which will be closely watched. If it eventuates it will get most crops over the finish line.

The BOM has finally declared that an El Niño and a positive IOD are underway. The Climate Driver Update released on the 19th September noted that the declaration reinforces their long-range rainfall and temperature forecasts, which continue to predict warmer and drier conditions for much of Australia over the next three months. The confirmation of an established El Niño increases the likelihood that the event will be sustained through the summer period.

Exports were up 31% in July at 424 kt, with 2022-23 marketing year-to-date exports now at 5.37 mt, compared to 5.09 mt exported in the same period last year. The EU has by far been our biggest market this year taking 3.01 mt, followed by the UAE (708 kt) and Japan (640 kt).

WA: Canola prices have been all over the place last month reaching a high of \$805/t in late August but have since followed the offshore lead, easing to \$725/t for new crop despite the concern over Aussie production. The size of the northern hemisphere crop is now more certain as harvest progresses, with higher yields than initially estimated, particularly in Canada and the Ukraine. The GM spread remains relatively flat, reflecting the continued premium being paid for Canadian canola.

NSW/VIC/SA: Prices in the east have followed the volatility of the west, easing around \$70/t over the last couple of weeks, to the \$660-675 mark for non-GM. The GM spread has narrowed to a \$10 – 15/t discount. The market remains very thinly traded, as growers remain reluctant sellers.

Global market update

Canola prices have continued to see a lot of volatility, initially pushed higher by production concerns in Canada and a tough finish for EU crops. They have since retreated as production estimates become more certain with harvest progress, they now seem to be well above the bottom end of earlier estimates. The Ukrainian crop is estimated to be record large and Russia's well above average, but the ongoing Black Sea drama and the disputes over shipping routes between Ukraine and its immediate neighbours makes Ukraine's export capacity uncertain and continues to cause market volatility.

After a tough season Canada's harvest is progressing well, estimated to be about 39% complete in Alberta by the 18th September, slower than average due to wet conditions. Harvest was 65% complete in Saskatchewan, ahead of average and Manitoba was estimated to be 55% finished as of the 19th September. StatsCan released an updated production estimate on the 13th September, based on August model data. They pegged canola production at 17.37 mt, down 193 kt from the estimate released in late August. Despite the lower production it is still well above some earlier estimates that tipped the crop could fall to 2021-22 levels (sub 14 mt) and there are many estimates that have the crop pegged closer to 18 mt reflecting better than expected harvest results.

Canadian canola is trading at a significant premium to Aussie and EU canola, reflecting a tight balance sheet and strong demand from China. Demand for biofuel both domestically and in the US is also keeping crush margins very profitable, further supporting Canadian values. Canada exported a record 4.7 mt of canola to China in the 2022-23 Canadian marketing year (Aug-Jul). China imported 396 kt in August, the vast majority from Canada. StatsCan data shows that Canada crushed a record quantity of canola in July at 961,683 tonnes.

The Ukrainian crop is tipped to be a record at 4.4 mt, up 16% year on year reflecting a significant increase in the area sown combined with well above average yields. It remains to be seen what sort of quantities they will be able to export given the ongoing drama around import restrictions in the EU and the Black Sea debacle that seems to have no end in sight.

With harvest wrapped up, the EU and UK canola crop is estimated at 20.67 mt, similar to the previous year but below initial expectations due to a hot, dry finish in major EU producing countries. Production is still above the five-year average, reflecting an increase in the area planted.

CASE STUDY – Drought Prices?



There has been so much talk about the El Nino coming, the soaring temperatures and the spring that has turned into summer already. The livestock markets are pricing it in, there has been some firmness in wheat and barley prices but why nothing in canola? Normally in a dry pinch we see canola go first and lead the way. That's not the case this year.

The big differences this time around are that the world has plenty of canola and WA still has plenty of canola to carry over. The other main factor is that the season actually has been ok for many canola growing areas. Not perfect by any stretch but not a roaring drought either. The crops have held on pretty well and even with some heat, and loss of flowering, the rain that may materialise this week will still stabilise things. At this stage we will still have an exportable surplus, which means the buyers for the domestic crush (which is growing) don't need to panic and fall over themselves to secure supply before it gets sold onto a boat. This is the big swing that we normally see in the tighter years on canola, where we go from exports to imports and the price goes north to accommodate that.

October will still be very critical for canola production, so the deal is not done yet. Not by any stretch. We could see production stabilise, or we could see ongoing forecast heat and wind trump the 10-20-30 mm rain events. Only time will tell. This is apparent by the fact that farmers this week have not been willing sellers, despite being happy to sell wheat and barley ahead of this rain event. Prices for canola just aren't attractive enough compared to wheat and barley given the risks that lie ahead.

Globally, we still have headwinds with Ukraine pushing supply into the market. There is still hope out of China with optimism (from Albo) that he can work his magic on his trade mission in October and have everything opened back up. Whilst canola is not officially banned, the pathway looks more promising for trade to resume. This will likely be with a few test runs via COFCO (China Government trading arm), then if that works ok, we might start to see some more direct commercial deals early in 2024. This would really change things for Aussie prices, allowing us to compete directly 1:1 vs. Canada, whose prices we know are very high still this year.

October is going to be a busy month on both supply and demand, which means price volatility.

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