



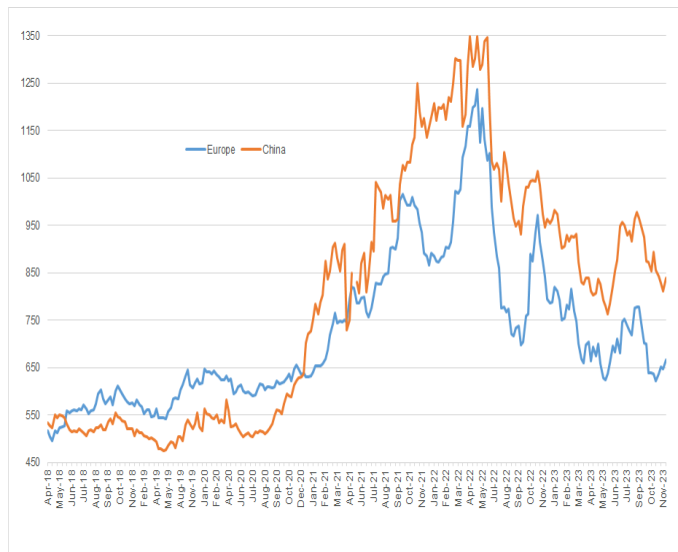
MARKET WIRE

QUIET TIME OR COMPLACENCY?

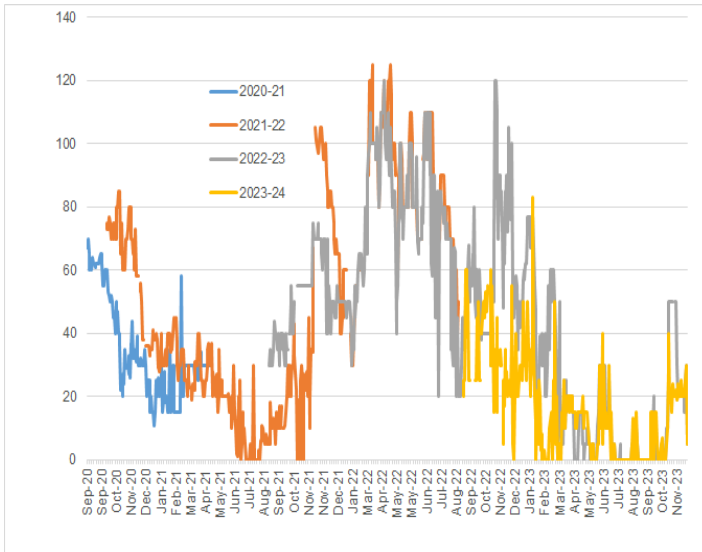


GM CANOLA DATA DASHBOARD

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



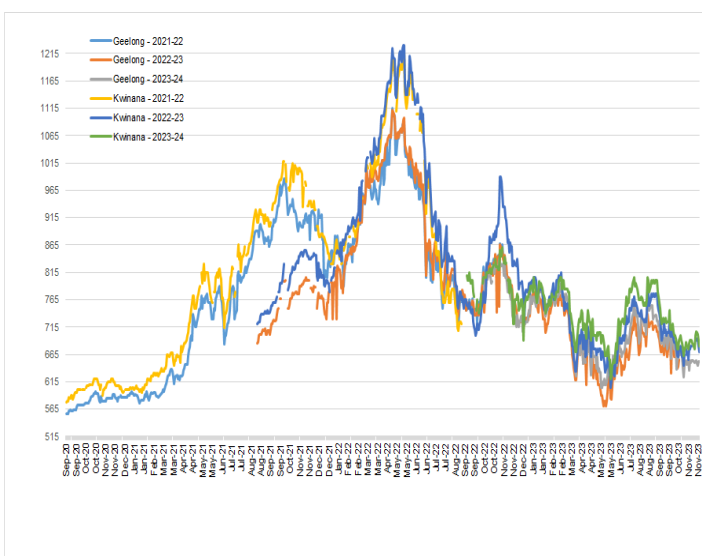
KWINANA GM SPREAD (\$AUD)



2023/24 EXPORT MATRIX ('000 t)

	Australia	Canada	Ukraine	Total
Bangladesh	140	100	50	290
China	240	4,100	-	4,340
EU-28	2,573	200	3,000	5,773
Japan	1,018	1,300	-	2,318
Mexico	150	1,200	-	1,350
Pakistan	354	-	330	834
UAE	608	150	250	1,108
Other	118	250	170	838
Total	5,201	7,300	3,800	16,851

GEELONG/KWINANA PRICE (\$AUD/t)



PRODUCTION MATRIX

Canola (mmt)	2023/24	2024/25	GM %
Australia	5.507	4.955	46%
EU-28	21.064	20.536	0%
Canada	17.920	19.103	97%
Ukraine	4.278	5.289	0%
Major Exporters	48.768	49.882	42%

TOTAL CANOLA ESTIMATES

2023/24	WA	SA	VIC	NSW	National
Area (kha)	1,845	276	591	794	3,509
Yields (t/ha)	1.32	1.65	2.33	1.56	1.57
Production (kt)	2.435	0.454	1.378	1.238	5.507

GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS 2023-24

2023-24 Delivered Bids	GrainCorp	Viterra	Riordan	LDC	CHS	Inghams	Cargill
Ardlethan						\$ 561.96	
Ardrossan		\$ 594.02					
Balaklava						\$ 565.26	\$ 579.81
Barellan						\$ 554.73	
Bellata							\$ 556.75
Berrigan			\$ 575.00				
Berrybank	\$ 617.50					\$ 583.33	
Boort			\$ 585.00	\$ 598.00		\$ 573.00	
Bordertown						\$ 563.47	\$ 558.43
Bowmans						\$ 565.26	
Bribbaree						\$ 564.06	
Burrumbuttock			\$ 575.00				
Calleen						\$ 555.32	
Caragabal						\$ 557.41	\$ 563.00
Carpolac						\$ 561.18	
Charlton				\$ 592.00		\$ 573.69	
Condobolin							\$ 552.25
Coolamon						\$ 565.12	\$ 562.75
Coonalpyn						\$ 574.75	\$ 566.52
Coonamble							\$ 554.25
Cootamundra						\$ 568.33	\$ 568.75
Cowra						\$ 565.95	
Croppa Creek							\$ 546.00
Cummins		\$ 607.89					\$ 599.89
Cunningar						\$ 572.50	\$ 573.75
Dimboola				\$ 584.00		\$ 563.37	
Donald			\$ 590.00	\$ 593.75		\$ 570.42	\$ 575.00
Dooen						\$ 568.86	
Dookie				\$ 592.50		\$ 576.87	
Dunolly						\$ 580.15	
Edenhope			\$ 610.00				
Edillilie		\$ 608.36					\$ 600.36
Elmore						\$ 581.74	\$ 582.25
Frances						\$ 552.71	
Gilgandra							\$ 562.00
Greenethorpe						\$ 567.93	
Grong Grong						\$ 554.53	\$ 558.25
Gunnedah							\$ 568.00
Hamilton	\$ 616.00					\$ 569.23	
Horsham			\$ 600.00				
Howlong			\$ 585.00				
June						\$ 559.27	\$ 565.25
Keith						\$ 565.26	
Laharum			\$ 600.00				
Lake Bolac			\$ 590.00		\$ 617.00	\$ 579.33	

NB* Bids from the market as of 22/11/2023
Refer to bid provider for delivery terms and conditions

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GM CANOLA MARKET REPORT



GM CANOLA BIDS 2023-24 - Cont

2023-24 Delivered Bids	GrainCorp	Viterra	Riordan	LDC	CHS	Inghams	Cargill
Lascelles						\$ 569.20	
Lillimur						\$ 565.85	
Marnoo						\$ 557.29	
Mathoura				\$ 595.50			
Milvale						\$ 565.35	\$ 568.75
Mitiamo				\$ 596.00		\$ 576.57	
Moama			\$ 585.00	\$ 597.25			\$ 577.25
Moree							\$ 552.25
Murchison East				\$ 597.00		\$ 583.13	
Murtoa				\$ 593.75		\$ 569.32	
Naracoorte						\$ 563.07	
Narrandera						\$ 550.85	\$ 556.00
Natimuk						\$ 566.44	
Nea							\$ 569.50
Nevertire							\$ 553.75
Nhill						\$ 561.48	
Numurkah	\$ 609.25						
Oaklands	\$ 596.25			\$ 598.75			\$ 598.25
Oaklands_GF				\$ 594.75		\$ 565.45	
Owen						\$ 565.26	\$ 581.25
Parkes							\$ 563.25
Piangil						\$ 560.69	
Premier							\$ 568.00
Quambatook				\$ 589.75		\$ 568.83	
Quandialla						\$ 561.98	\$ 564.25
Rainbow						\$ 558.10	
Red Bend							\$ 561.00
Roseworthy		\$ 607.87				\$ 565.81	
Rudall		\$ 599.62					\$ 591.62
Sea Lake				\$ 582.50			
Tabbita							\$ 556.25
Tailem Bend						\$ 579.13	
Tatyo North			\$ 590.00		\$ 617.00	\$ 582.72	
Telford			\$ 585.00	\$ 602.50			
Temora						\$ 564.16	\$ 566.75
The Rock				\$ 602.25		\$ 563.05	
Tocumwal				\$ 595.50		\$ 572.30	
Trangie							\$ 556.25
Trundle							\$ 557.25
Tumby Bay		\$ 608.67					\$ 600.67
Ungarie						\$ 545.36	
Walbundrie			\$ 575.00				
Warracknabeal						\$ 564.66	
Waverley							\$ 572.25
Werneth			\$ 615.00				
Werris Creek							\$ 573.00
Westmere	\$ 618.00					\$ 577.67	
Willow Tree							\$ 576.25
Winchelsea			\$ 615.00				
Wolseley						\$ 558.45	
Wyalong						\$ 557.61	
Wycheproof						\$ 570.71	
Yarrowonga						\$ 571.81	

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GM CANOLA MARKET REPORT



GM CANOLA PORT BIDS 2023-24

2023-24 Bids	Cargill	GrainCorp	Inghams	Viterra
Albany	\$ 660.00	\$ 650.00		\$ 680.00
Esperance	\$ 640.00			\$ 680.00
Geraldton	\$ 675.00	\$ 650.00		\$ 680.00
Kwinana	\$ 660.00	\$ 650.00		\$ 680.00
Port Adelaide	\$ 612.00			\$ 640.00
Port Lincoln	\$ 620.00			
Port Neill	\$ 604.45			
Port Pirie	\$ 597.81		\$ 568.74	\$ 617.81

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Local market update



After a very hit and miss 2023-24 growing season, harvest pace has been rapid and is either well underway or completed for all states. We are seeing highly variable yields and oil content as a result of the extremely erratic season. We have seen variations from well below average spring rainfall accompanied to well above average max temps and strong winds in October, particularly in WA. We have also seen a number of frost events in the east. Critically timed rainfall across southern WA in September and also in early October in NSW/VIC has had a significant impact on yield potential, this accompanied by cool conditions has really made all the difference.

WA receival data indicates that despite the season, production has been remarkable, with CBH receiving cumulative 2.18 mt for the week ending 19th Nov. We have revised WA production up by around 220 kt, to 2.44 mt. In NSW we have revised yields in the Murray districts up, which have been offset by downward revisions for the Murrumbidgee and Central West districts, where harvest results have been below expectations. SA and VIC production has remained unchanged. This gives a total production number of just over 5.5 mt, well above the five-year average, but 33% below last year's record.

With September ABS data completing the 2022-23 marketing year, it is official, we exported a massive 6.16 mt of canola, smashing the previous record of 5.42 mt set in 2021-22. Our biggest buyer by far was the EU taking just under 3.2 mt, followed by the UAE (896 kt) tied with Japan (894 kt). Pakistan took a record 570 kt and Bangladesh took (242 kt). There was 385 kt on the stem in October, which is unusually high for the first month of the marketing year, reflecting large carry out in WA. There is also 560 kt on the stem for November, which will be a strong start to the marketing year.

WA: After reaching highs of over \$800/t in early September, WA canola prices have eased over the last couple of months and were back to the \$675/t mark for non-GM. This reflects both the easing of world prices and harvest pressure. We have seen prices bounce around \$20/t following offshore moves and competition from the trade to own tonnes as they come off the header. The GM spread varies by port zone but has generally narrowed to \$5-15/t reflecting harvest pressure.

NSW/VIC/SA: East coast values have also eased and are no longer trading at the significant discount to the West that we have seen over the last 5 months. Currently at \$670-675/t, as harvest progresses through the southern cropping zones where the pick of the canola crops are. The GM spread has narrowed to \$10-20/t.



Global market update

After easing steadily since early September, global canola values have found some support from the wider oilseeds complex, particularly higher soybean/meal values. Despite the USDA revising up US soybean production in the November WASDE, strong China purchases combined with growing concern around the size of the 2023-24 Brazilian soybean crop pushed prices higher.

Planting in Brazil has been struggling with hot and dry conditions in the center/north and very wet conditions in the south, causing planting delays and crops having to be resown. Conditions in Argentina have improved significantly over the last couple of weeks with their soybean production expected to rebound significantly in 2023-24. Although the recent election of their new president may make Argentinian growers very reluctant sellers until a clearer picture emerges of any changes to taxes on agricultural exports and/or changes to the Peso/USD arrangements. A lack of grower selling will be supportive of prices in the short term.

Despite the above, supply out of South America is still expected to be ample at this stage. Canola values will start to follow weather conditions for the 2023-24 northern hemisphere canola crop, which is running into a few problems of its own. This has particularly affected parts of the EU where record rainfall is inundating parts of France and Germany - two of the biggest canola producers - which could impact crop development.

StatsCan data shows that Canada crushed 922 kt of canola in September, up 11% from August and the highest September crush volume on record. With cumulative crush of 2.71 mt up 23% from last year and the fastest start to a crop year on record. Strong biofuel demand is keeping crush margins elevated, with an expected expansion in crush capacity by 60% in the next five years. In 2024-25 alone, crush demand is expected to increase by nearly 2 mt, which should be supportive of prices, providing plenty of incentive for Canadian growers to plant in 2024-25.

According to European Commission data for the week ending 14th November, 2023-24 EU canola imports are down 31% at 1.89 mt, reflecting ample domestic supply.

CASE STUDY – QUIET TIME OR COMPLACENCY?



The irregular rain events keep on coming as we seem to be swinging away from an Indian Ocean Dipole positive weather pattern and the El Nino has been able to bare its teeth. The trade mission to China is also behind us, but as of yet we haven't seen anything new come to the canola table. Positively, the trade ties seem to be much stronger and that augers well for the near term. We understand the departments are talking about canola black leg restrictions, but it hasn't been a topic at the trade level. Hopefully that all points to some access for Australian canola in 2024.

With the China trade mission behind and with a lot of the Australian harvest now in the bin, it feels like the market might be in for a bit of a quiet time after what has been an extended period of volatility. We will no doubt see the Ukrainian exports start to wind up, which could bode well for Australian demand improving further. We have a pretty strong export program on to non-EU markets again, but it does feel like we have worked through a lot of the key supply and demand drivers in the canola market now. Murphy's law is that when we say this, we get yet another black swan event that comes through and swings us around, but it's hard to see where that would come from at the moment.

Maybe instead of quiet time, its complacency? The markets have become accustomed to the unfortunate iterations of global war, the once dramatic forecasts of El Nino, the surging inflation and the impacts on the use of biodiesel in the face of inflation. Stories that in their own right would have provided reactive market direction a year ago, are no longer putting a blip on the screen. Farmers in Australia will no doubt focus on harvesting and getting their wheat and barley sold, then sitting back a little on canola which is comparatively lower in price. Take a break and then turn their attention to next year, which might not be coming in with such a dry soil moisture profile or lack of pasture cover as it was once predicted.

We are probably due for a well-earned period of quiet time and hopefully our complacency is justified as we rest and recharge. We keep one eye on the macro impacts of the AUD, signs of life in China and the hope for a relatively benign harvest weather window. Surely, something will turn up and provide the traditional spoiler for farmers and agribusinesses in Australia that had otherwise hoped the quiet time might continue through the holiday period! 😊

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