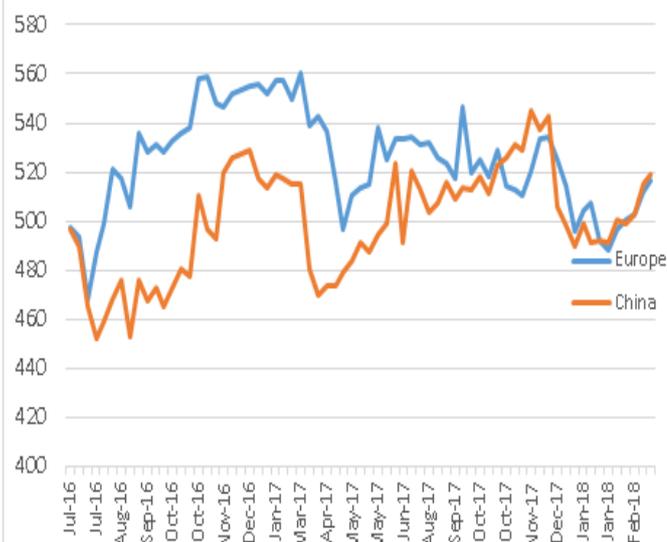




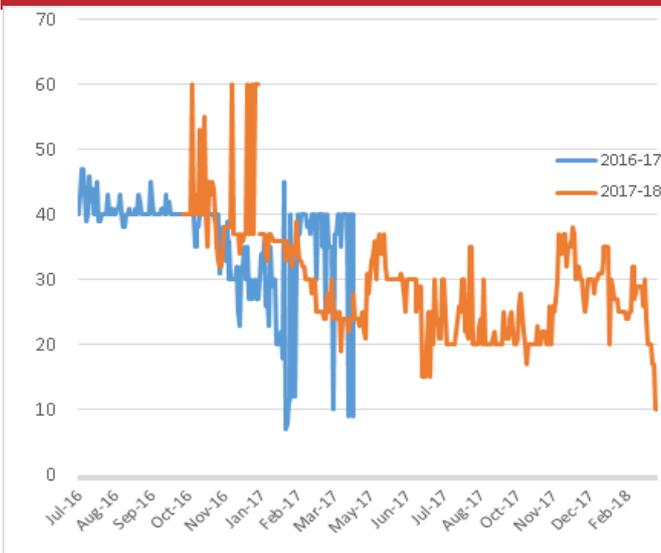
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GM CANOLA DATA DASHBOARD

EU-CHINA Prices (A\$ track eq.)



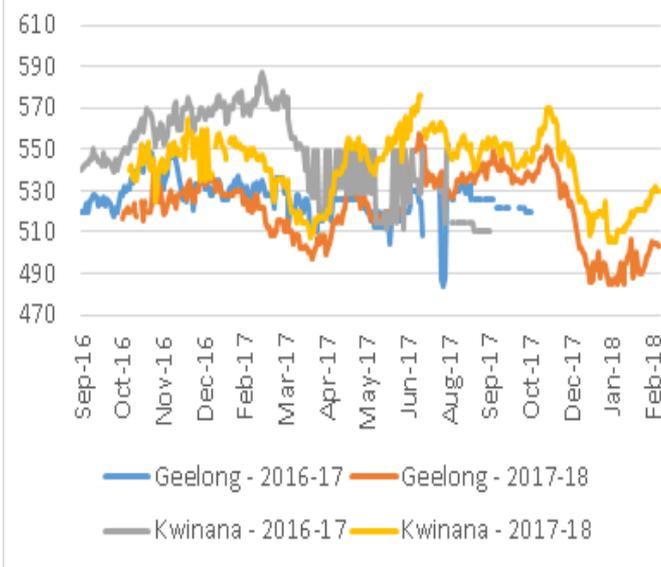
Kwinana GM Spread



18/19 Export Matrix

	Australia	Canada	Ukraine	Total
Bangladesh	0	200	0	200
China	0	4,700	0	4,700
EU-27	2,570	200	1,000	3,800
Japan	60	2,400	0	2,460
Mexico	0	1,550	0	1,550
Pakistan	0	550	400	950
UAE	0	600	350	950
Other	0	800	200	1,150
Total	2,630	11,000	1,950	15,760

Geelong/Kwinana Price



Production Matrix

Canola (MMT)	2017/18	2018/19	GM %
Australia	3.295	3.548	22%
EU-27	21.8	22.8	0%
Canada	21.31	21.3	97%
Ukraine	2.1	2.2	0%
World	73.380	74.848	29%

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GM CANOLA MARKET REPORT

GM SITE BID SHEET

Site	ADM	AWB	Bunge	Riordian	Riverina	ROBE
Albany	508	-	502	-	-	-
Bunbury (FIS)	-	-	515	-	-	-
Central Vic - X farm	-	-	-	-	462	-
CW NSW - X farm	-	-	-	-	487	-
Esperance	-	-	500	-	-	-
Goulburn Valley - X farm	-	-	-	-	470	-
Griffith - Del	-	-	-	-	477	-
Grong Grong	-	449	-	-	-	-
Kwinana	516	477	509	-	-	-
Lara	-	-	-	480	-	-
Melbourne - Del	-	-	-	-	495	-
Moama	-	457	-	-	-	-
Riverina NSW - X farm	-	-	-	-	468	-
Southern NSW - X farm	-	-	-	-	470	-
Sydney - Del	-	-	-	-	520	-
Wagga Market Zone	-	-	-	-	-	474

PORT EQUIVALENT BID SHEET

Port	ADM	AWB	Bunge	Riordian	Riverina	ROBE
Albany	508	-	502	-	-	-
Bunbury (FIS)	-	-	515	-	-	-
Central Vic - X farm	-	-	-	-	462	-
CW NSW - X farm	-	-	-	-	487	-
Esperance	-	-	500	-	-	-
Goulburn Valley - X farm	-	-	-	-	470	-
Griffith - Del	-	-	-	-	477	-
Grong Grong	-	475	-	-	-	-
Kwinana	516	477	509	-	-	-
Lara	-	-	-	490	-	-
Melbourne - Del	-	-	-	-	495	-
Moama	-	483	-	-	-	-
Riverina NSW - X farm	-	-	-	-	468	-
Southern NSW - X farm	-	-	-	-	470	-
Sydney - Del	-	-	-	-	520	-
Wagga Market Zone	-	-	-	-	-	474

*NB Robe prices are Mar delivery. Buyers call till Oct + \$4/mth carry
Riverina delivered/X farm prices are for May – October or May—August 18 delivery
dependent onsite

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GM CANOLA MARKET REPORT

LOCAL MARKETS

Local markets had a pretty quiet February. We have started to see some more export enquiry step in with 4 vessels leaving or lineup up in VIC ports. Generally pegging price at around \$510 port for non-GM. GM bids have been working on container demand, with a variety of oil specific bids in the market, which work out at around \$490 delivered packer. Some are min 44% oil, some are flat (i.e. not paying any bonifications) so it really depends on the particular stock the farmer has around and what value that brings. This pencils the GM spread in at \$20-25 pending quality.

Basis remains on the softer side, which has encouraged the somewhat renewed interest in export demand. We now have around 1.5mmt of business done into Europe, vs. earlier expectations in the year that we might need to push 2.1mmt into that Market. However, with the biodiesel trade wars going on between Europe and Argentina in particular, without a likely resolution until July, we are unlikely to see any further decent demand pricing into Europe from Australia. This pushes our focus to clear the balance into the middle-east and Asian markets. See below for more detail on the likely demand from those markets.

WA: When we last wrote, prices were \$505-510 Non-GM and have been up to \$525-530 recently, with GM spreads continuing to narrow in towards \$10-15 from \$25. New crop prices (18/19) have topped \$550 FIS for Non-GM, up \$15 with GM spread steady at \$30-35.

GLOBAL MARKETS

It has all been about the Argentine weather in the global oilseed market. Initial soybean crop forecasts for season had Argentina producing just shy of 60mmt, but with an ongoing dry weather pattern in the region, we now see those estimates back into 45mmt and potentially as low as 40-41mmt. There is a little bit of rain forecast for this weekend, otherwise the dryness continues. For global consumers this has a serious pull on meal supply. Argentina basically sets the world price for meal exports into Asia, whilst the US and Brazil (which have enough supply) set the pace for Soybean prices. This means that crushers of soybeans in Asia are buying beans with plentiful supply and able to sell meal in a tight environment. This has had a slow drag on effect for canola, where canola meal prices have been held up and combined with some import tariff changes in India on Palm oil has meant that canola seed has a competitive advantage. This is particularly the case for the crush in the Middle-east, whereby they sell their canola oil into India (so they get a leg up advantage over palm because canola oil into India didn't get sluggish with a tax hike, YET!) and they can sell the meal into a strong market. Hence the renewed interest for exports we are seeing. StatsCan released their updated data last night and posted a 6.076mmt export number. There was concern Jan exports would suffer due to rail logistics being tighter, so all in all it is a somewhat supportive number for Canada. China margins remain strong, so we watch for this pace to continue.

CASE STUDY - Looking ahead?

"The old season market has let me get a few more sales away, do I now need to turn part of my focus to the new season?"

Certainly for many, especially in SA and VIC, the old season campaign is well from over. However, it doesn't mean we should not lift the eyes a bit and start considering making a start to our new season campaign. We all know that the conditions are still very dry in Australia and there is a long way to go in our season, however, with most port prices hitting \$530 in the east and \$550 FIS in the west, it starts to hit decile 6-7 prices, this is generally approaching budget targets and for a conservative volume (10%) it starts to tick a few boxes. Weather in Canada is dry and as time goes by and we get into more critical weather windows of April/May around the globe, volatility both ways increases. A change in the forecast with 25mm of rain certainly changes sentiment easily, so define what your budget levels are and use the volatility to your advantage and make a conservative start on your program. If the weather does normalize, expectations are that Canada will increase area and is already hinting a >22mmt crop, combined with a similar size European crop and Ukrainian production well over 2mmt, we could have a situation where canola is good supply in 18/19.

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