



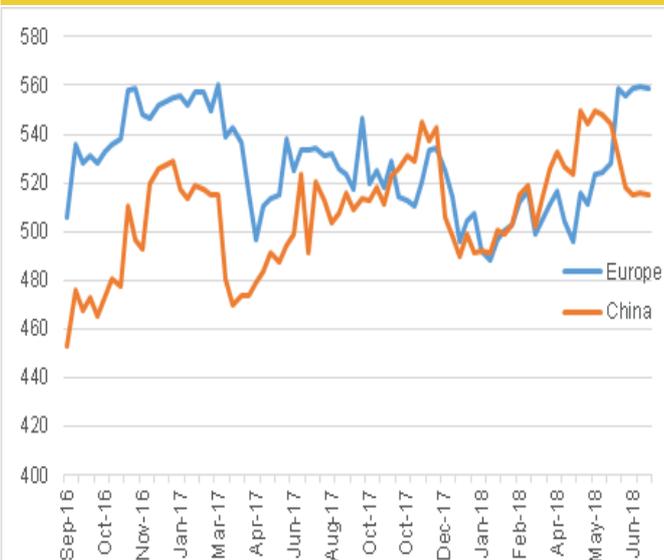
MARKET WIRE

EAST COAST EXPORTS

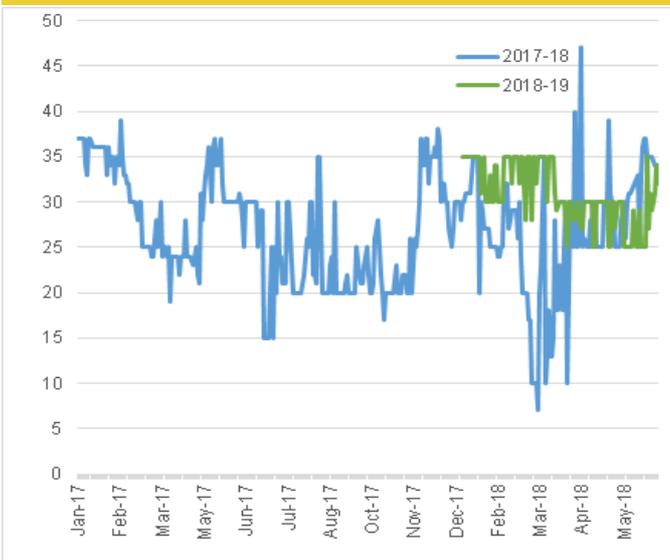


GM CANOLA DATA DASHBOARD

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



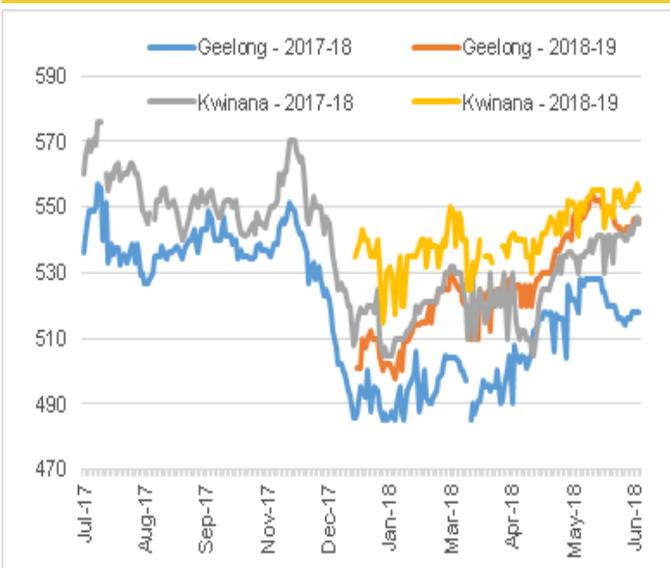
KWINANA GM SPREAD



18/19 EXPORT MATRIX ('000MT)

	Australia	Canada	Ukraine	Total
Bangladesh	0	60	60	120
China	0	5,100	0	5,100
EU-27	1,980	200	1,450	3,900
Japan	175	2,200	0	2,375
Mexico	0	1,550	0	1,650
Pakistan	0	550	325	975
UAE	275	600	50	925
Other	150	740	115	1,205
Total	2,580	11,000	2,000	16,250

GEELONG/KWINANA PRICE



PRODUCTION MATRIX

Canola (MMT)	2017/18	2018/19	GM %
Australia	3.468	2.923	22%
EU-27	21.8	21.7	0%
Canada	21.5	22.3	97%
Ukraine	2.45	2.3	0%
World	74.429	74.854	30%

TOTAL CANOLA HECTARES

2018/19	WA	SA	VIC	NSW	National
Area (kha)	1202	244	410	430	2287
Yields (t/ha)	1.20	1.39	1.53	1.20	1.28
Production (kmt)	1438	340	627	516	2923

GM CANOLA MARKET REPORT

GM SITE BID SHEET 18/19

Site	ADM	Bunge	CBH	Riverina	ROBE
Albany	526	523	526	-	-
Bunbury Port	-	535	-	-	-
Central Vic - X farm	-	-	-	493	-
CW NSW - X farm	-	-	-	509	-
Esperance	-	523	527	-	-
Geraldton	-	523	527	-	-
Goulburn Valley - X farm	-	-	-	496	-
Kwinana	528	530	526	-	-
Mallee - X farm	-	-	-	478	-
Melbourne - Del	-	-	-	520	-
Newcastle - Del	-	-	-	560	-
Riverina - Del	-	-	-	515	-
Riverina NSW - X farm	-	-	-	503	-
Southern NSW - X farm	-	-	-	502	-
Wagga Market Zone	-	-	-	-	502
Wimmera - X farm	-	-	-	488	-

PORT EQUIVALENT BID SHEET 18/19

Port	ADM	Bunge	CBH	Riverina	ROBE
Albany	526	523	526	-	-
Bunbury Port	-	535	-	-	-
Central Vic - X farm	-	-	-	493	-
CW NSW - X farm	-	-	-	509	-
Esperance	-	523	527	-	-
Geraldton	-	523	527	-	-
Goulburn Valley - X farm	-	-	-	496	-
Kwinana	528	530	526	-	-
Mallee - X farm	-	-	-	478	-
Melbourne - Del	-	-	-	520	-
Newcastle - Del	-	-	-	560	-
Riverina - Del	-	-	-	515	-
Riverina NSW - X farm	-	-	-	503	-
Southern NSW - X farm	-	-	-	502	-
Wagga Market Zone	-	-	-	-	502
Wimmera - X farm	-	-	-	488	-

*NB Robe prices are for July 2019 delivery + \$4/mth carry until October 2019
Riverina delivered and x-farm prices are for delivery between January and June 2019

GM CANOLA MARKET REPORT

LOCAL MARKETS

The month of June has seen some more weather premium trade into the local market. Dry weather continues to be the dominating factor and with some renewed export interest in WA in particular, we have seen prices firm. In the east, old crop markets remain pretty lackluster, trading off or wider than full carry to new season. The market is looking to carry the grain to compensate for the drought affected supply next year. With a lack of any major bulk export interest in the eastern states and more competition coming from the upcoming Ukrainian crop, the domestic buyers feel they are in a good position to let the seed come to them.

Rain across NSW has been disappointing, with the promising forecast earlier in the week not living up to expectations. This means we will be further reducing our crop estimate in NSW to around 450kmt and continue to put pressure on supply coming from other states to satisfy the strong domestic demand in the state.

WA: Prices have stabilized despite a weaker global market place. Old crop NON-GM sits around \$540, GM spreads are steady at \$30-35. New crop prices (18/19) are a touch firmer at \$555 for NON-GM, and \$525 for GM. Conditions in WA are ok, however there is certainly concern building for crops in the southern and eastern belts of the state. No significant damage is expected in the coming weeks given the time of year, but we do need to see moisture improve as we approach middle to late August.

NSW/VIC: Old crop has backed off with limited export interest standing up, so much so that Geelong Terminal is now a \$15 discount to Esperance in WA! New crop is back a fraction to \$545.

GLOBAL MARKETS

Global markets have been very volatile over the past couple of weeks. US Soybeans have hit their lowest level in 2 years, on the back of the trade discussions. The US continues to push a strong agenda on \$50bn import tariffs and is backing the Chinese will come to the table and agree to the terms rather than face much higher food prices that their proposed import tariff on US agriculture will create. Many in the market ultimately expect that there will be a resolution and US beans will once again make their way into China, however until then we can expect a lot of volatility.

Moreover, with crop conditions at near ideal levels in the US, there hasn't been a lot to be bullish about. We wonder if the market has now discounted these driving factors too much, and given the importance of July and August weather that is still ahead, do we have enough risk premium in the market at the moment?

The coming week is a strong one for reports. Tonight we have the Stats Can report that will attempt to shape the market on Canola in particular. We are not looking for anything overly dramatic to come out of the report. It was very low ball on the initial planting expectations, so we would expect it to come up to the market, but otherwise we wait and see. USDA report coming up as well.

In Europe we have seen ongoing dry weather cause damage to the rapeseed crop and as a result finally starting to see the Matif/Winnipeg spread firm up. This may have done enough for now, but any further strength should also start to attract a bit more interest in this lackluster east coast canola market we have here.

CASE STUDY – East Coast Exports

“Why is there limited export interest in the eastern states given where prices are and where the weather looks for new crop? What is performing so strongly but I can't find interest my canola.....”

Certainly this issue is a growing one for the east coast canola grower. The domestic demand continues to grow and canola will always be an important part of the grower rotation for the strong domestic crush industry. However, for the exporter that is not the case. Many exporters might suggest east coast exports have gone into the “niche” category and that it is non-core. This comes about because of the low liquidity in the market and inconsistent amount of exportable surplus. In recent times, we have been a one trick pony with bulk exports dominated into the European market. However, when economics don't favour that trade there really hasn't been a back up plan. The lack of ability to penetrate the China market has been critical here. Exporters haven't supported the efforts of the Australian Oilseeds Federation in recent times, so there is no driving voice to negotiation access to those markets which are strongly lobbied by an aggressively funded Canadian canola council. Container demand will always be there, but there is no doubt that the “too hard” factor is well entrenched for many exporters of bulk canola out of VIC. This is something we will need to watch closely as a grower group.