

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Australia

### Grain and Feed Update

**February 2012**

**Approved By:**

Joseph Carroll,  
Agricultural Counselor

**Prepared By:**

Mike Darby,  
Agricultural Specialist

**Report Highlights:**

Favorable weather conditions have led to higher, year-on-year production of wheat, barley and sorghum. Back-to-back record wheat crops are projected to support record wheat exports and record stocks. Despite very good rainfall and irrigation water availability, Post's estimate for the 2012/13 rice crop was revised downward slightly due to an expected decline in yield.

**Post:**

Canberra

**Commodities:**

Wheat

Barley

Sorghum

Rice, Milled

**Executive Summary:**

Recently, eastern Australia has experienced well above-average rainfall and unseasonably cooler conditions. The prospect of these conditions was highlighted for concern in Post's last report. Heavy rainfall has however, boosted production of sorghum, wheat and barley. In the case of wheat and barley, increased production has been tempered by greatly reduced quality due to wet weather conditions.

Conditions for the 2012/13 summer crop (sorghum and rice) have varied from above- average to excellent. Widespread heavy rainfall around planting time persisted throughout the growing season and has been beneficial to yield. Industry sources have however, begun to express some concern that if the current above-average rainfall continues into the critical harvest period (March 2012) it could be detrimental to the crops.

The 2012/13 sorghum crop is expected to slightly surpass previous expectations and has been revised upwards. Despite very good rainfall and irrigation water availability, Post's estimate of the 2012/13 rice crop has been revised slightly downwards due to an expected decline yield. Pest problems associated with above-average rainfall, in the worst affected regions, caused record areas of rice to be replanted. Cooler than average weather conditions are also believed to have lowered yield somewhat.

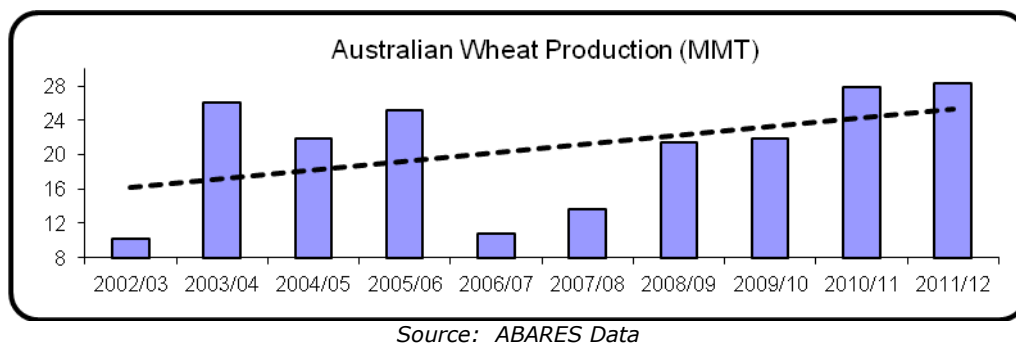
The 2011/12 winter cereal (wheat and barley) crop harvest is now complete, having greatly surpassed Post's previous expectations. Much of this harvest was conducted under difficult weather conditions, particularly in eastern Australia. In the worst affected areas, persistent rainfall was received throughout harvest. This had the affect of delaying harvest and downgrading large quantities of grain from premium milling grades to feed grade.

Higher rainfall and increased production of wheat, barley and sorghum have added large amounts of grain to the Australian grain balance sheet. This has seen domestic prices tumble, particularly among feed grades. Wheat production for 2011/12, which has benefitted most from heavy rainfall, has been revised upwards sharply from Post's previous report to a record 28.3 million tons. The 2010/11 wheat production estimate was also increased substantially. This is expected to result in record wheat exports for 2011/12 and record closing stocks.

## Wheat

## Production

Total wheat production for 2011/12 is forecast at a record 28.3 MMT. This forecast, if achieved, will surpass the record of 27.9 MMT estimated for the previous year. Record planted area and the second highest yield since 1996/97 supported an all time record crop.



Total wheat exports for 2011/12 are forecast at an all-time record of 20.0 MMT, as back-to-back record harvests have generated an unprecedented level of exportable wheat, (the previous export record stands at 19.224 MMT, achieved in 1996/97.)

2011/12 ending stocks for wheat are forecast at a record 10.0 MMT, surpassing last year's estimated record level. Consecutive record ending stock levels, combined with global factors, have seen domestic prices tumble at the time of harvest.

## Production, Supply and Distribution Statistics

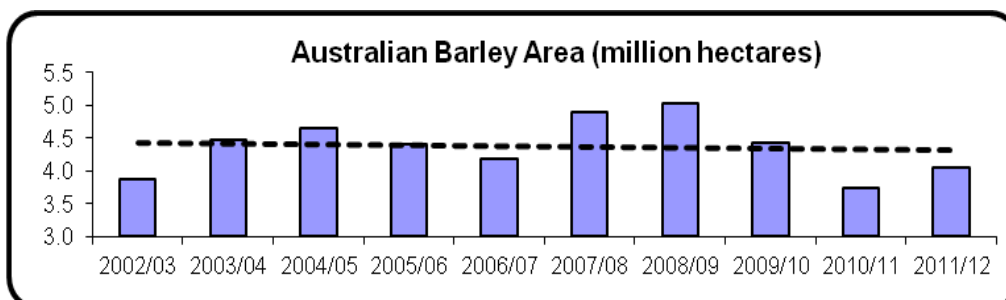
Wheat	2009/2010		2010/2011		2011/2012	
Australia	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	13,881	13,881	13,645	13,645	14,100	14,100
Beginning Stocks	3,389	3,389	5,593	5,593	8,823	8,823
Production	21,834	21,834	27,891	27,891	28,300	28,300
MY Imports	122	122	119	119	100	100
TY Imports	125	125	119	119	100	100
TY Imp. from U.S.	1	1	2	2	0	0
Total Supply	25,345	25,345	33,603	33,603	37,223	37,223
MY Exports	14,827	14,827	18,655	18,655	21,000	20,000
TY Exports	13,764	13,764	18,477	18,477	20,500	20,000
Feed and Residual	1,900	1,900	3,000	3,000	4,000	4,000
FSI Consumption	3,025	3,025	3,125	3,125	3,100	3,223
Total Consumption	4,925	4,925	6,125	6,125	7,100	7,223
Ending Stocks	5,593	5,593	8,823	8,823	9,123	10,000
Total Distribution	25,345	25,345	33,603	33,603	37,223	37,223

1000 HA, 1000 MT, MT/HA

## Barley

Total barley production for 2011/12 is forecast at, 8.5 MMT, surpassing earlier expectations. Despite a well below-average planted area, good yields supported a production level slightly higher than the ten-year average.

Barley production has not received the large boost from seasonal conditions as has been the case with wheat. Greatly improved weather conditions in 2010/11 and 2011/12, combined with less attractive pricing, has seen less barley grown as a proportion of the total winter cereal crop. Barley proved more popular during the severe drought conditions experienced prior to 2010/11.



Source: ABARES Data

## Production, Supply and Distribution Statistics

Barley	2009/2010		2010/2011		2011/2012	
Australia	Market Year Begin: Nov 2009		Market Year Begin: Nov 2010		Market Year Begin: Nov 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	4,422	4,422	3,740	3,740	4,000	4,000
Beginning Stocks	2,425	2,425	1,875	1,875	1,056	1,056
Production	7,865	7,865	8,145	8,145	8,500	8,500
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	10,290	10,290	10,020	10,020	9,556	9,556
MY Exports	3,915	3,915	4,664	4,664	3,600	3,600
TY Exports	3,846	3,846	4,088	4,088	3,600	3,600
Feed and Residual	3,300	3,300	3,000	3,000	3,400	3,400
FSI Consumption	1,200	1,200	1,300	1,300	1,300	1,300
Total Consumption	4,500	4,500	4,300	4,300	4,700	4,700
Ending Stocks	1,875	1,875	1,056	1,056	1,256	1,256
Total Distribution	10,290	10,290	10,020	10,020	9,556	9,556

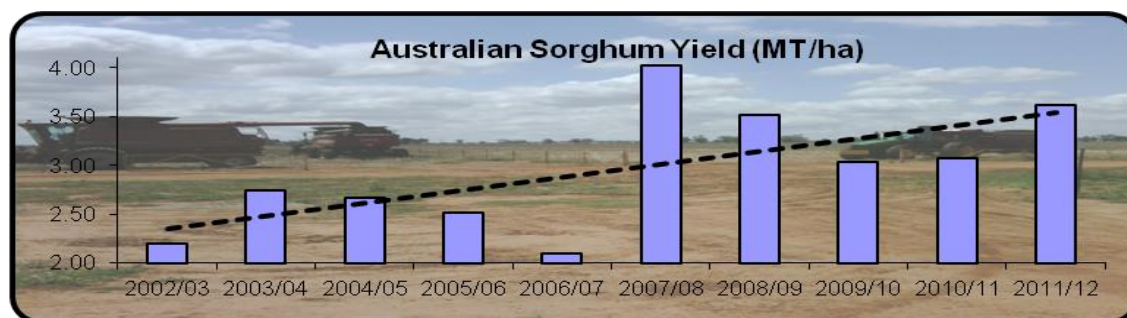
1000 HA, 1000 MT, MT/HA

## Sorghum

Total sorghum production for MY 2012/13 is forecast at 2.64 MMT, comfortably surpassing previous expectations. Widespread heavy rainfall in key sorghum growing regions has provided confidence in a near record yield, boosting production beyond the ten-year average. Sorghum production was previously expected to fall below the historical average as record planted area for cotton pushed out planted area for sorghum.

However, Post has assumed a yield of 4.0 MT per hectare, which is expected to sustain a production level of 2.64 MMT.

Perhaps the greatest risk to the improved outlook for sorghum production in Australia is the prospect of continued heavy rainfall which, in the worst case scenario, could provide difficult conditions for the upcoming harvest.



Source: ABARES Data

## Production, Supply and Distribution Statistics

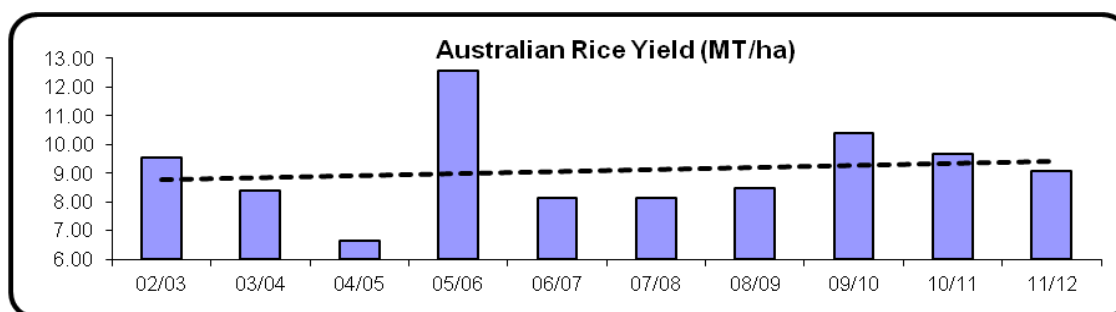
Sorghum	2009/2010		2010/2011		2011/2012	
Australia	Market Year Begin: Mar 2010		Market Year Begin: Mar 2011		Market Year Begin: Mar 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	498	498	674	674	660	660
Beginning Stocks	678	678	681	681	444	444
Production	1,508	1,508	2,068	2,068	2,400	2,640
MY Imports	0	0	0	0	0	0
TY Imports	0	0	0	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	2,186	2,186	2,749	2,749	2,844	3,084
MY Exports	300	300	1,000	1,000	1,000	1,000
TY Exports	350	350	700	700	1,200	1,200
Feed and Residual	1,200	1,200	1,300	1,300	1,400	1,400
FSI Consumption	5	5	5	5	5	5
Total Consumption	1,205	1,205	1,305	1,305	1,405	1,405
Ending Stocks	681	681	444	444	439	679
Total Distribution	2,186	2,186	2,749	2,749	2,844	3,084
1000 HA, 1000 MT, MT/HA						

## Rice

Despite a slight upward revision in planted area the 2012/13 rice production forecast has been reduced to 930,000 MT, down from 1,000,000 MT in Post's previous report. This decline is attributed to a downward revision in yield expected by pest and wind damage following heavy falls of rain. Industry sources purport the 2012/13 crop to have experienced a record area of replanting.

The estimate yield for the 2012/13 rice crop has been revised downwards from around 10.0 MT per hectare to around 9.0 MT per hectare, which is similar to the ten-year average for rice yield.

Unseasonably cool conditions are also a concern for 2012/13 rice yields. Post has allowed for some decline in rice yield due to cooler weather, however, the full extent of this factor will not likely be known until after the up-coming harvest.



Source: ABARES Data

## Production, Supply and Distribution Statistics

Rice, Milled	2009/2010		2010/2011		2011/2012	
Australia	Market Year Begin: Mar 2010		Market Year Begin: Mar 2011		Market Year Begin: Mar 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	19	19	75	75	101	104
Beginning Stocks	26	26	46	46	45	45
Milled Production	141	141	519	519	683	665
Rough Production	197	197	726	726	955	930
Milling Rate (.9999)	7,150	7,150	7,150	7,150	7,150	7,150
MY Imports	228	228	150	150	125	125
TY Imports	229		150	150	125	125
TY Imp. from U.S.	22	22	0	0	0	0
Total Supply	395	395	715	715	853	835
MY Exports	59	59	350	350	450	450
TY Exports	54	54	350	350	450	450
Consumption and Residual	290	290	320	320	350	350
Ending Stocks	46	46	45	45	53	35
Total Distribution	395	395	715	715	853	835
1000 HA, 1000 MT, MT/HA						

## Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:  
<http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

Title of Report	Date
<a href="#">Citrus Annual 2011</a>	11/12/07
<a href="#">Grain and Feed Update – November 2011</a>	11/01/11
<a href="#">Dairy Annual 2011</a>	10/14/11
<a href="#">Sugar Semi Annual 2011</a>	09/16/11
<a href="#">Livestock and Products Annual 2011</a>	08/31/11
<a href="#">FAIRS Country Report</a>	08/17/11