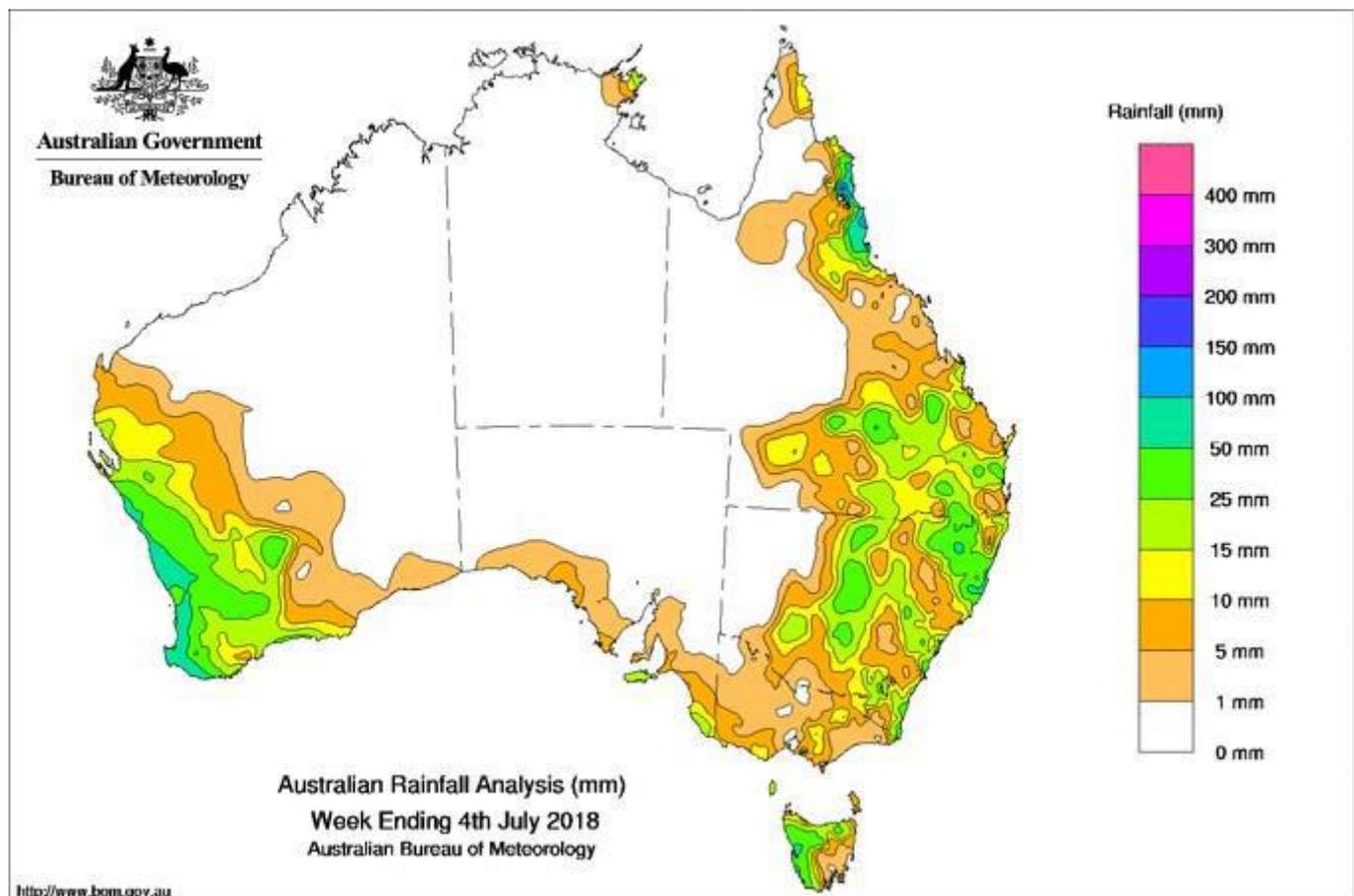


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.7380	\$0.7338	\$0.0042
CBOT Wht USC/Bu (Jul 18)	491.5	476.5	15.00
CBOT Corn USC/Bu (Jul 18)	342.75	351.75	-9.00
ASX Wht AUD/MT (Jul 18)	\$312.00	\$317.00	-\$5.00
ASX Bar AUD/MT (Jul 18)	\$302.50	\$302.50	\$0.00



© Commonwealth of Australia 2018. Australian Bureau of Meteorology

Issued: 04/07/2018

## Weather & Crop Conditions

The past week saw Northern NSW and Queensland receive further rainfall, however it was much less than was originally forecast. Looking forward some rainfall is forecast for Victoria tomorrow and over the weekend, mostly in the eastern parts of the state. All other Australian regions look dry on the two-week outlooks. June rainfall totals were below average for most Australian cropping regions with the Northern areas of the West Australian cropping belt being the exception.

## **Wheat – Global**

Wheat futures were choppy this week with the market trying to digest a range of different information. The USDA stocks and acreage report failed to deliver supportive news for the US markets but reports of lower EU production estimates gave the bulls some renewed hope. The US harvest is winding up in HRW regions whilst SRW harvest continues with rains earlier in the week slowing progress. Harvest will step up in the Black Sea over the coming weeks and hopefully provide some more guidance to narrow the range on Black Sea productions estimates. Western Australia continues to receive good rain which is improving prospects for Australian production and exports.

## **Coarse Grain – Global**

Conditions remain varied globally, conditions in Western Australia are improving with very good rainfall over the past month, the remainder of the country remains dry. German yields continue to come in below average and concern is arising about test weight, harvest in France is in its early stages, harvest of winter barley in Ukraine is over 50% complete and spring barley harvest is just beginning. Dry conditions through May and June has seen conditions deteriorate for Canada, however StatsCan increasing Canadian barley area by 300k acres negates this slight downward revision in yields. Bolsa De Cereals has last reported Argentinian barley planting progress was last reported at 17% complete with area estimated at 950k hectares. The current USDA estimate is 1 million hectares. Areas in the North of the Buenos Aires province will be planted into very good moisture however areas further South are in need of some rainfall.

## **Wheat – Australia**

Some rainfall was received over the weekend in New South Wales and Queensland however it was far less than original forecasts had suggested and new crop track prices in Queensland and New South Wales have bounced right back from any softness experienced last week. The current forecast for rainfall across the weekend in Victoria has softened new crop Victorian track values only slightly with grower selling still limited. In the old crop, the spread between Northern and Victorian track values has been maintained with the market still driven by large grain deficits in the Darling Downs. Old crop delivered Darling Downs continues to trade firmly around the AU\$410 mark.

## **Coarse Grains – Australia**

Barley markets across the east coast of Australia have remained steady throughout the week in both old and new crop despite some rainfall received in Queensland and New South Wales over the weekend. In Victoria low grower liquidity continues to support current new crop values while Delivered Darling Downs markets remain supported by a pessimistic production outlook. Whilst the rain received in the northern parts of the east coast cropping belt over the past week was positive for crop production, follow up rains will be required in the coming month to avoid yield penalties. Total Australian barley exports for the November to June period are approximately 4.9mm.

The import tariff on US sorghum into China comes into effect tomorrow however with Australian values still at a large premium to the US there has been little Chinese demand for Australian Sorghum. Old crop continues to price domestically at current levels with the spread to wheat encouraging use in the feed ration. Week on week values in old and new crop are mostly unchanged with domestic wheat values still the largest price driver.

