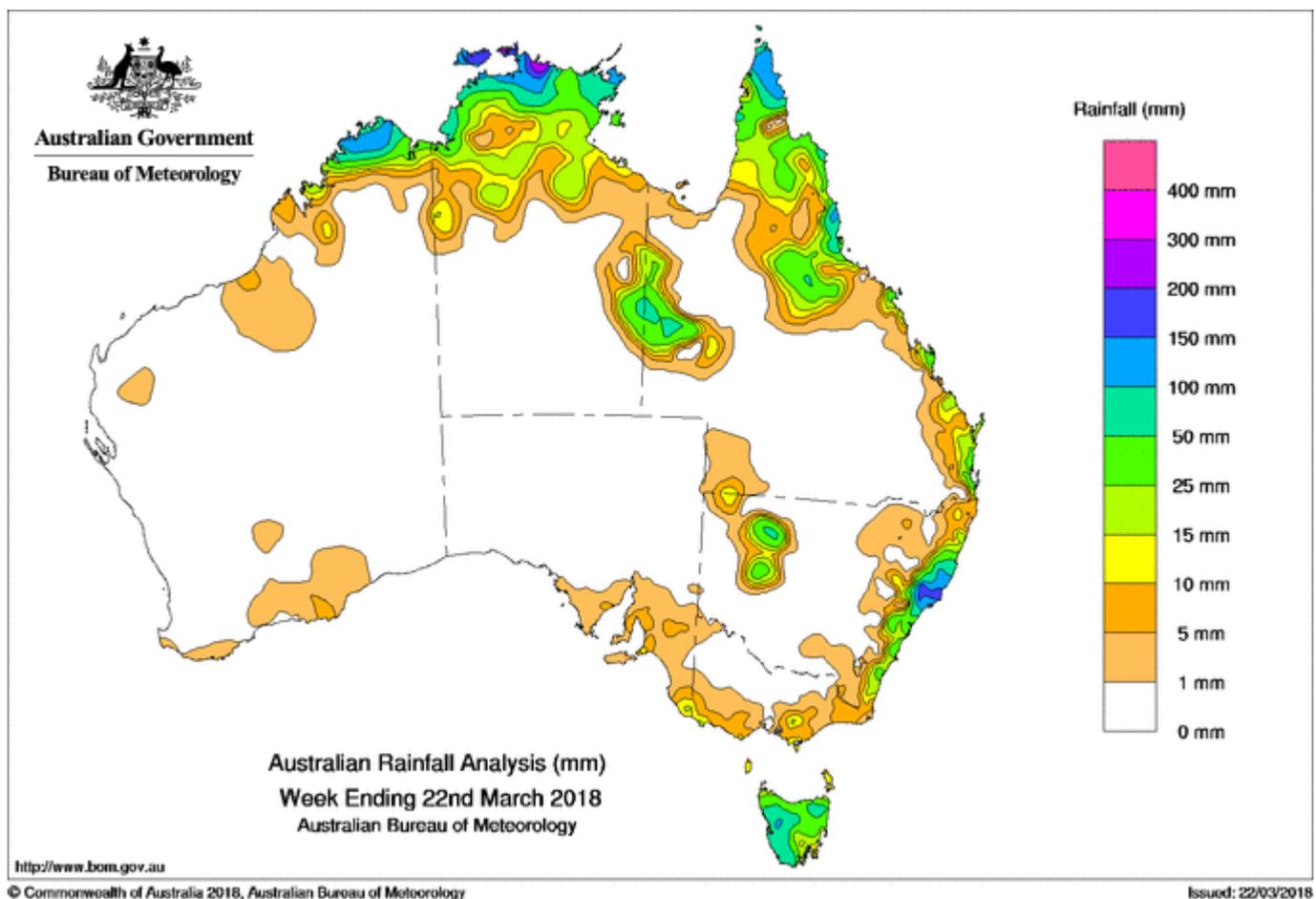


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.7745	\$0.7870	-\$0.0125
CBOT Wht USC/Bu (May18)	452	492	-40.00
CBOT Corn USC/Bu (May 18)	376	389.75	-13.75
ASX Wht AUD/MT (May 18)	\$272.50	\$276.00	-\$3.50
ASX Bar AUD/MT (May 18)	\$258.00	\$258.00	\$0.00



Weather & Crop Conditions

We have had another week with nil significant rainfall for grain growing regions much to the delight of those in the thick of sorghum harvest. Producers in the remainder of the country will be looking for rainfall to build depleted moisture profiles in time for planting of winter crops in the coming weeks and months. The forecast for the week ahead does not look particularly promising for grain growing regions.

Wheat – Global

US futures fell sharply this week with the May CBOT contract losing 40c/bu since the last report. The solid precipitation through central Kansas over the weekend prompted the sell off and will slow the dryness chatter in the short term but follow up rains are still required for HRW to produce even an average crop. The drop in futures should help the US in connecting with exports which is required after another poor week of sales last week. Only 163kmt of all wheat sales were reported which is about one third of the amount required to hit the current USDA export projection, while HRW sales totalled a measly 7kmt. Even with Black Sea values finding support over the past few weeks, Russia continues to buy the majority of elastic global export demand and total exports have now reached over 28mmt. GASC purchased 120kmt of Russian and Romanian wheat respectively at the latest tender with FOB values rising again to around 217USD/mt. Argentina appears to have exported the bulk of their exportable surplus with a noticeable drop off in volume shipped outside South America expected for April and July 12.5% protein prices are now quoted above 220USD/mt.

Wheat – Australia

ASX wheat has traded a whippy range this week but the weakening AUD was unable to offset the drop in US futures and values have finished down 2AUD/mt. Export prices have remained relatively stable in Australia over the past few months as world prices have risen which has seen the spread to Russian wheat narrow and export interest increase. This has been reflected in the March bulk shipping stems which show almost 500kmt pickup in volume compared to February. That said, total exports remain relatively sluggish across the total marketing year with only 4.7mmt of bulk wheat expected to be shipped to the end of March vs over 8mmt to the same point last year.

Barley

The weaker Australian dollar of the past few days has seen interior feed barley values firmer in export zones as the trade tries to secure remaining unsold tonnes in bulk handling networks. This strength in the export zones has not filtered into feed barley markets in Northern New South Wales and Southern Queensland with values slightly weaker. Conditions remain dry across most grain growing regions with Northern New South Wales and Southern Queensland being the exception, with considerable time remaining before new crop barley planting commences this dryness is not a major concern. The Australian export pace has picked up significantly over the past month, 3.1mmt has been shipped/is on the line-up for the November to March period. Temperatures well below average have returned again across Europe and are forecast to remain until next week. This will continue to delay planting of spring crops however these conditions are not expected to adversely impact winter crops. Planting of Spring barley has commenced in the Russian and Ukraine however, much like Europe, planting progress will be slow over coming days given cold conditions.

Canola

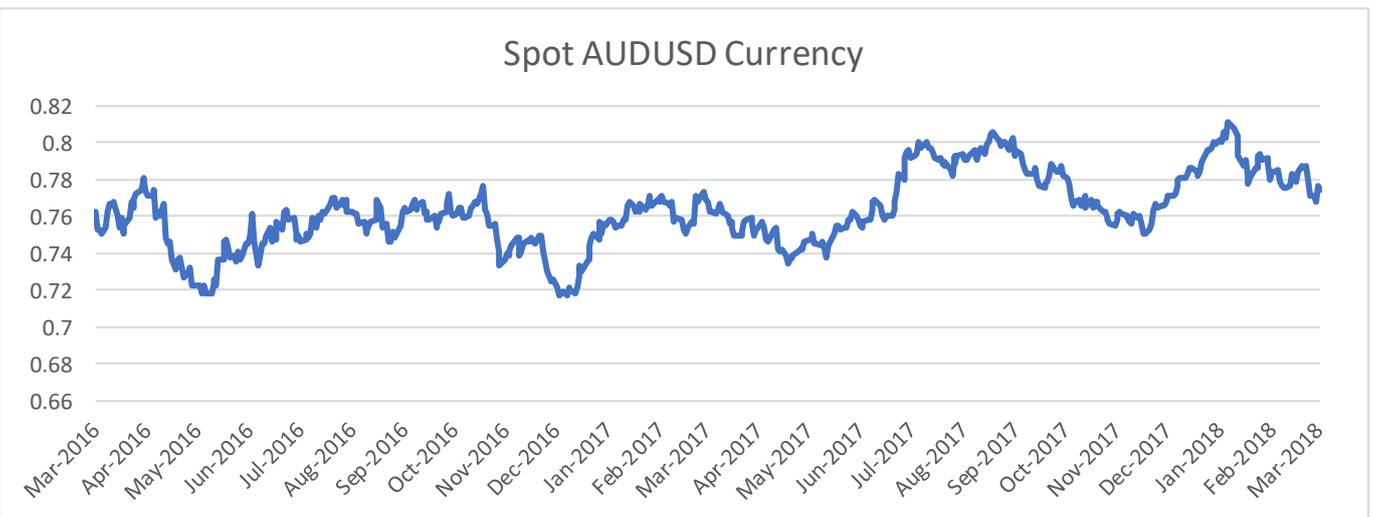
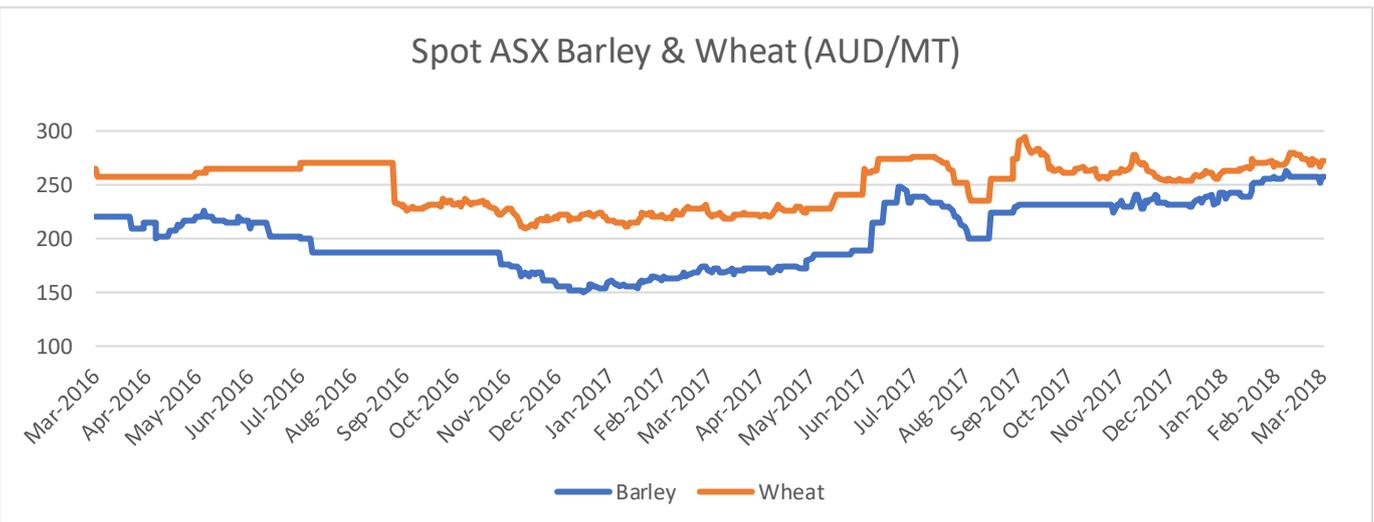
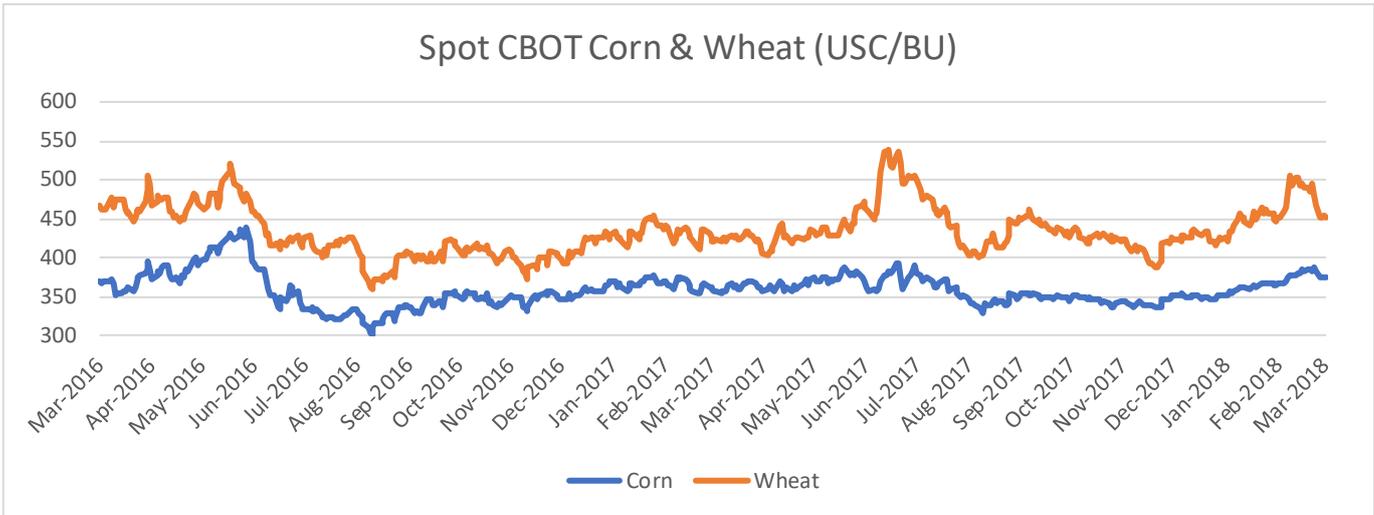
Markets remain subdued as values oscillate just under recent highs which is not seeing the grower engage with the market. Some rains are on the forecast for the next 10 days but more will be needed on the east coast for growers to feel comfortable with canola as it has been a drier than average Jan/Feb/Mar across the main production region. Internationally, soybeans lead the oilseeds complex lower from the Monday session as the market was surprised by the net length held by funds across multiple commodities.

Sorghum

Both Brisbane and Newcastle track markets are little changed through this week, harvest is well progressed in Queensland and harvest activity has increased significantly on the Liverpool plains in the past week. Export inquiry for Australian bulk and containers remains strong with sales of US sorghum having all but dried up.

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