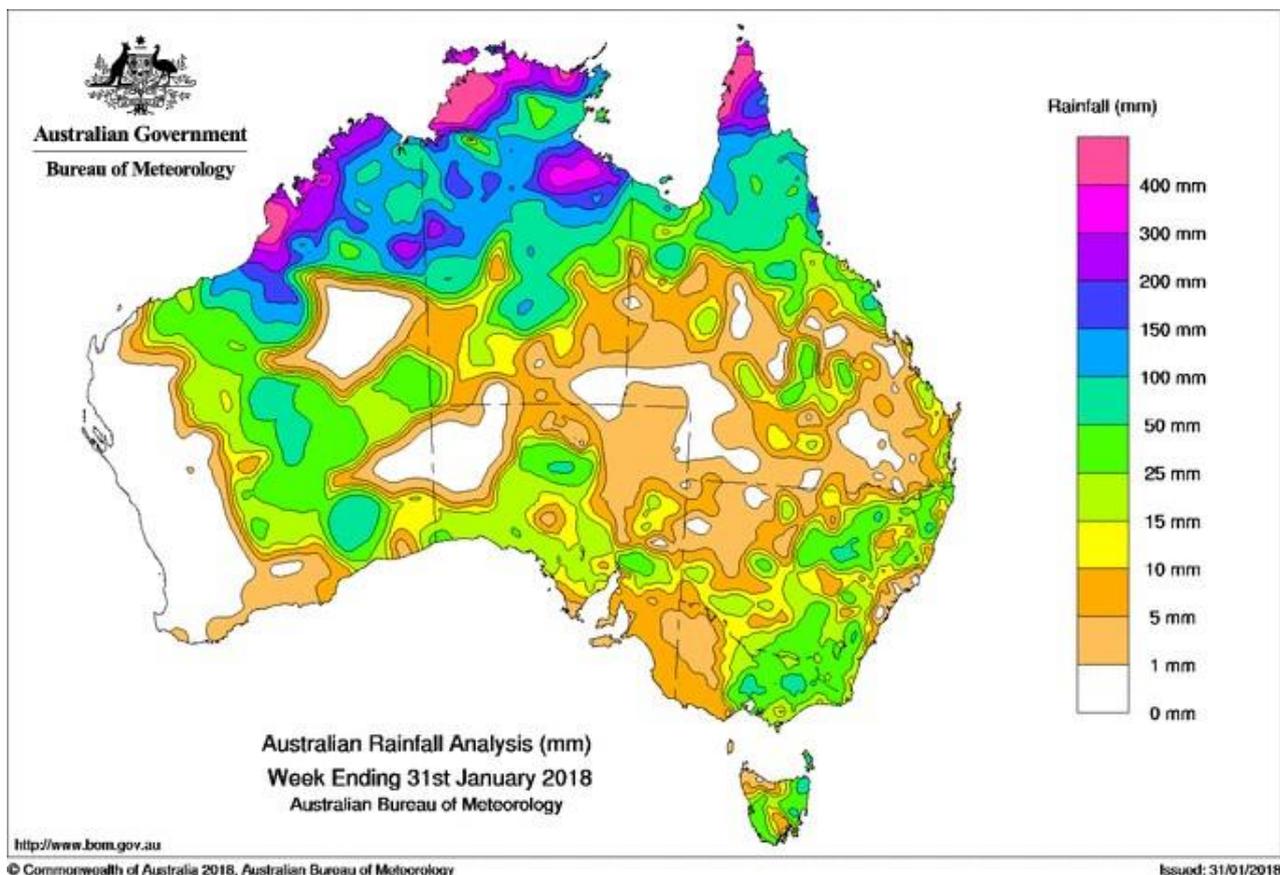


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.8053	\$0.8098	-\$0.0045
CBOT Wht USC/Bu (Mar18)	446.5	435	11.50
CBOT Corn USC/Bu (Mar 18)	360.75	356.25	4.50
ASX Wht AUD/MT (Mar 18)	\$265.50	\$264.00	\$1.50
ASX Bar AUD/MT (Mar 18)	\$249.50	\$234.50	\$15.00



## Weather & Crop Conditions

Rainfall has fallen across much of the East Coast and South Australia in the past seven days, Southern Queensland has again missed out to the dismay of those whose summer grain crops are not yet mature and those who have recently planted. Rainfall is forecast for much of Southern Queensland and into Northern New South Wales for Friday, these falls look to be moving north through the weekend. This forecast rainfall looks to be bringing temperatures a few degrees below average for the week ahead.

## **Wheat – Global**

Wheat futures had a rocket under them for most of the week reaching 42c/bu off the January lows before a check last night, the March CBOT contract is still up 12c/bu from this time last week. The January state condition reports were released during the week and added momentum to the rising wheat market after printing sharply lower Good/Excellent ratings in most HRW states, particularly in Kansas and Oklahoma which dropped to just 14% and 4% G/E respectively. As a result, KC wheat led the market higher and the March contract has opened up a 12c/bu premium over CBOT after trading at parity only last Wednesday. US inspections showed a good week of shipments with 580kmt of all wheat reported last week. All wheat exports are only approximately 2% behind the same point last year and are on track to meet total year estimates however this rally has hurt competitiveness of US wheat at this stage. Russian exports also remain strong and January is expected to be another record shipping month with incomplete loading data showing well over 2mmt shipped for the month. There is still a few months until harvest kicks off in India but conditions haven't been ideal since the new year with extremely dry conditions and given planted wheat area is down 4% YOY here production is more susceptible to any yield declines.

## **Wheat – Australia**

The strength in overseas futures markets hasn't flowed through to Australia with the firm AUD and need to maintain price competitiveness against Black Sea wheat weighing on values. Conditions remain dry and unfavourable for summer crops supporting northern feed markets, especially while growers remain relatively disengaged at current flat price levels and continue to only trickle tonnes into the domestic market. Apart from Victoria, the East Coast markets remain at a large premium to Western and South Australian values as domestic consumers try to secure the limited wheat supply for requirements this season.

## **Barley**

Demand for feed barley cargoes from Australia remains strong despite FOB values holding firm over the past week, 2.08mmt has been shipped /is on the line-up for the November to February period with the majority of this coming from South Australia and Western Australia. European markets remain firm, FOB feed values have done USD10 to the upside over last three weeks as demand swings to European markets from the Black Sea. Winter barley conditions in Germany remain less than ideal with excess moisture making fieldwork difficult.

## **Sorghum**

For those who have not begun harvest, rain on the forecast for Friday and a week of temperatures a few degrees below the average will be welcome relief following overwhelmingly hot and dry conditions over the last few months. Domestic markets have cooled from the highs of late January, despite lower flat price values domestic demand has been subdued and Australian sorghum remains uncompetitive on export markets. US sorghum supplies continue to be drawn down at a rapid pace, total commitments stand at 4.936mmt or approximately 75 percent of the USDA total export task at week 20 of the 17/18 crop year.

## **Chickpeas**

The Australian chickpea market has traded steady to slightly weaker with the container DCT market down on lack lustre demand track markets however remain steady due to short covering for Feb/Mar bulk vessel. India Rabi pulses sowing area is running ahead of the previous season by 4.72 percent to 16.311 million hectares as of the 19<sup>th</sup> Jan. Total Chickpea area was registered at 10.623 against 9.847 million hectares last season, lentils area was registered at 1.727 against 1.721 million hectares and pea area was recorded at 1.185 against 1.188 million hectares. Bumper area coverage is on the cards once again. Looking forward we could see some buying interest come for Ramadan as this year it will be in May.

