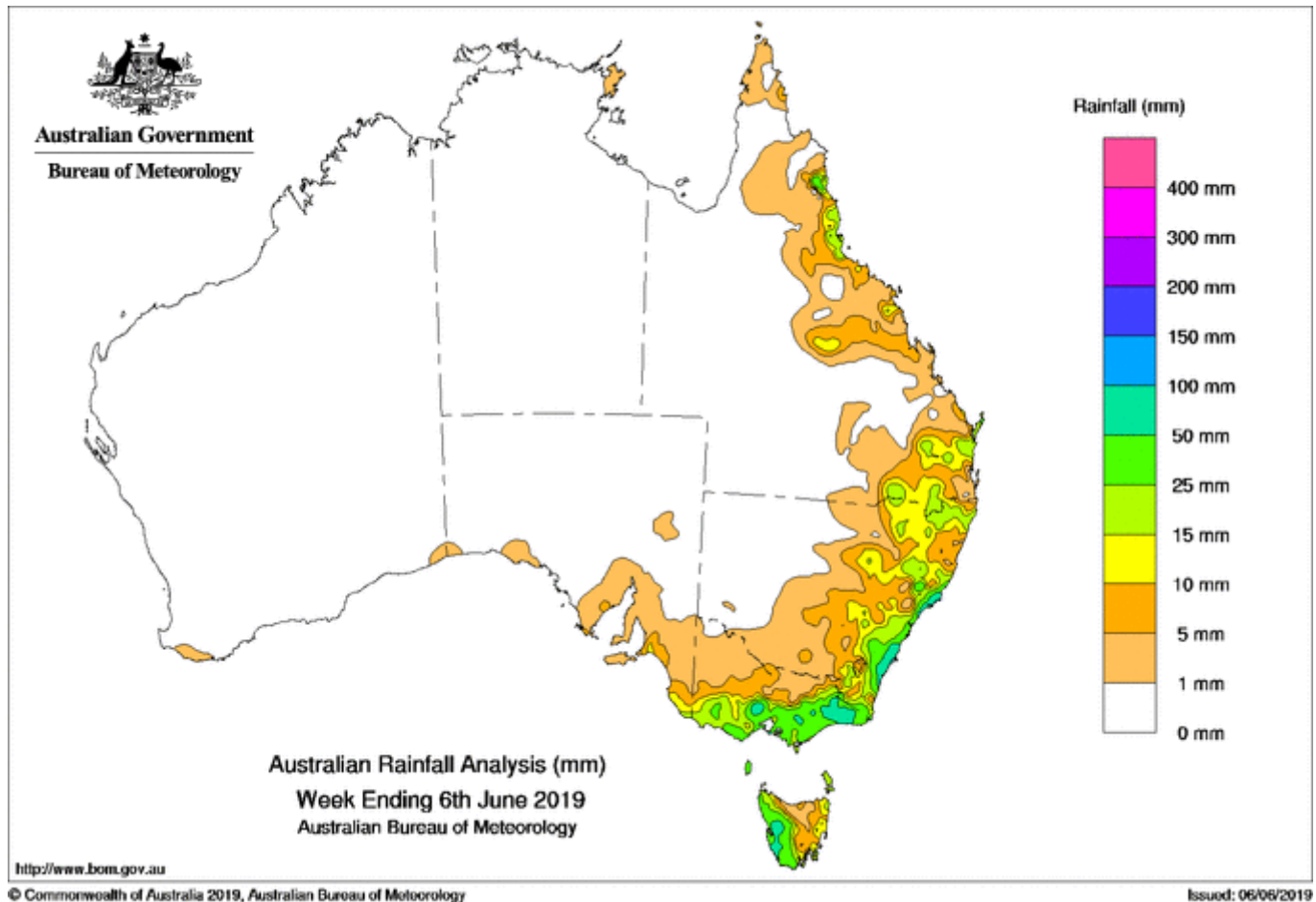


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.6973	\$0.6929	\$0.0044
CBOT Wht USC/Bu (Spot)	507	488	19.00
CBOT Corn USC/Bu (Spot)	421.25	415.25	6.00
ASX Wht AUD/MT (Jan 20)	\$326.00	\$350.00	-\$24.00
ASX Bar AUD/MT (Jan 20)	\$280.80	\$315.00	-\$34.20



Weather & Crop Conditions

West Australian growers are finally receiving some moisture with rainfall starting last night and extending in some regions through the weekend. Crops in the south west could see up to 40mm in total over this time which should be sufficient for the dry seeded paddocks to germinate. Growing regions further north and to the east may see 5-20mm fall and will still be looking for a follow up rain before the close of the month. Over in South Australia and Victoria a solid rainfall event has appeared on the forecast for later next week. The BOM has up to 60mm forecast across South Western Victoria and Southern growing regions in South Australia which would push June rainfall totals into the very high decile range. Even the 10-20mm forecast for these regions on the Euro model should be enough to keep crops in a good condition considering May rainfall totals here were above average. There's been some substantial rainfall events coming and going from forecasts in Southern Queensland and central/northern New South Wales through the week however today most models have presented a fairly dry outlook.

Wheat – Global

US wheat futures have moved sharply lower this week and the July Kansas HRW futures have led the charge with values 50c/bu lower from the close to 500c/bu reached only earlier in the week. Chicago has lagged the moves in Kansas and values have moved 40c/bu lower in the past few days with better than expected winter wheat ratings in Texas, Oklahoma and Kansas and weaker Chicago Soybean and Corn Futures all contributing factors. Hot and dry conditions in Russia on the nearby forecast has seen numerous crop forecasters wind back Russian production a touch. Despite this, Matif milling wheat futures continue to grind lower in tandem with US wheat futures.

Coarse Grain – Global

US corn futures this week have taken a breather as planting and growing conditions appear to have improved. US planting was reported this week as 67% complete, a 5% progression on last week albeit well below the 5-year average of 96% complete. Outside of the US, South American production continues to tick higher and Ukrainian new crop corn planting is close to complete with conditions reported as excellent. Feed barley markets outside of the new crop flow from Ukraine and France to China are lacklustre while Australian feed barley remains expensive globally both in the new and old crop.

Wheat – Australia

Local wheat markets have eased this week with Western Australia receiving their first weather break of the season today along with a few more patches of rainfall expected over the weekend. In addition, a weaker Aussie dollar and easing US futures early this week allowed local values to relax while basis also nudged lower. Old crop feed demand continues to chug along with attractive relativities to feed barley maintained over the week. With additional rainfall forecast next week in Victoria and South Australia new crop inverses have widened across the country led largely by declines in new crop values.

Coarse Grains – Australia

Feed barley followed weakness in local wheat this week with new crop barley values shifting a level lower encouraged by an improving rainfall forecast and more relaxed US corn futures. Sorghum also moved lower maintaining a suitable spread to feed wheat while also seeking export demand at these new levels. The delayed harvest in Central Queensland has picked up some pace this week however some rainfall forecast in the more northern cropping regions today could cause further delays.

