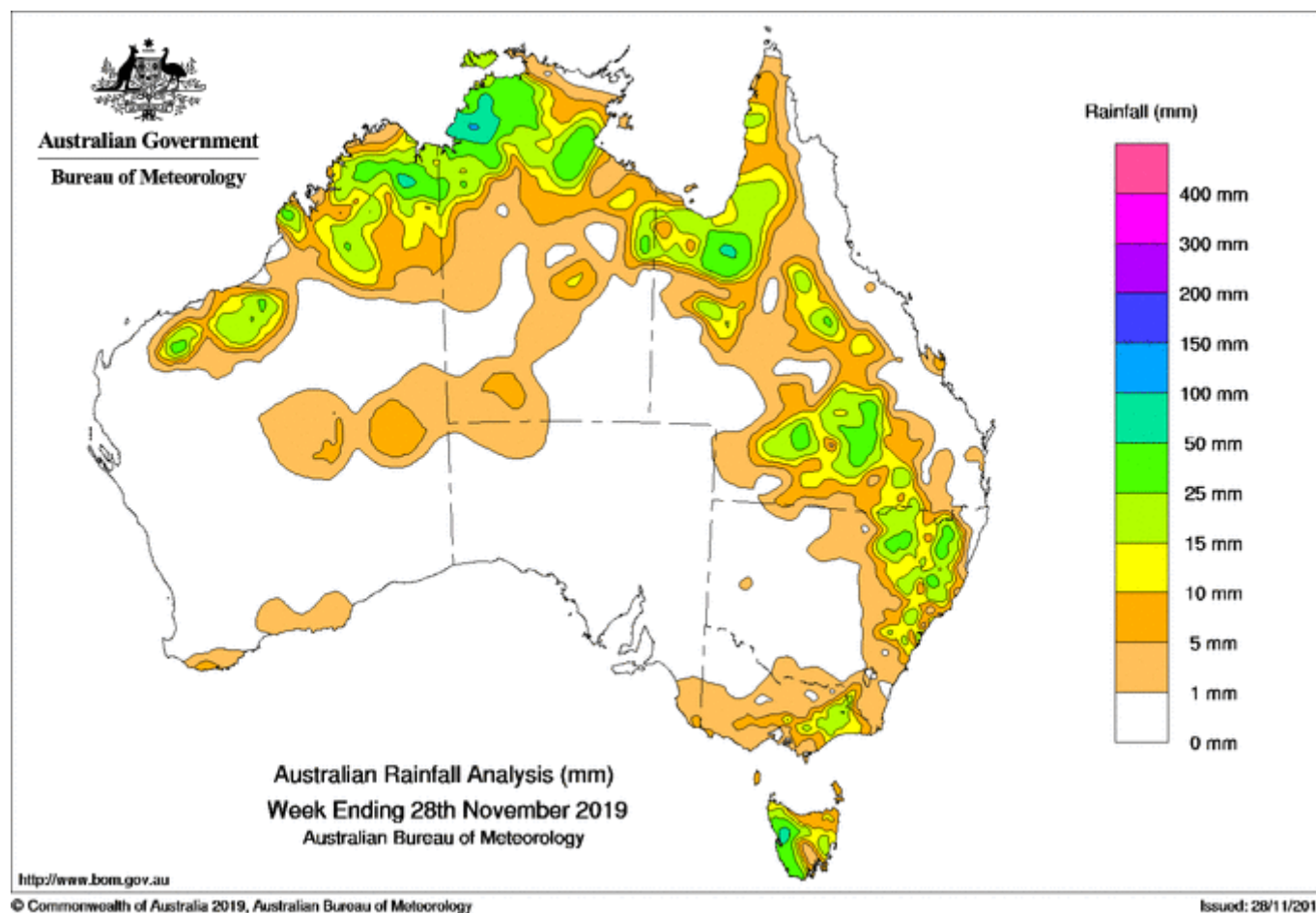


	This Report	Last Report	Change
AUD/USD (Spot)	\$0.6773	\$0.6797	-\$0.0024
CBOT Wht USC/Bu (Spot)	528.5	507.25	21.25
CBOT Corn USC/Bu (Spot)	362.75	376	-13.25
ASX Wht AUD/MT (Jan 20)	\$340.00	\$341.00	-\$1.00
ASX Bar AUD/MT (Jan 20)	\$270.50	\$270.00	\$0.50



## Weather & Crop Conditions

Winter crop harvest is now in full swing across Victoria with around one quarter of the task now complete. New South Wales harvest is now winding down, SA is around halfway, and WA are close to three quarters through. Following some rain delays earlier in the month as well as a cool finish the bulk of Victorian harvest has been relatively delayed. Yields continue to confirm high side production forecasts in Victoria with grain quality and malting selection also exceeding expectations. Some recent rainfall across the Liverpool Plains is a small start for sorghum planting prospects with more on the forecast over this weekend. Despite this, planting remains on hold with growers still looking for at least a few inches of rainfall in December to get any substantial volumes in the ground.

## **Wheat – Global**

Wheat markets have been steady to firmer over the last week with internal US delivery economics playing on the CBOT contract, and worldwide farmer retention causing traders and consumers to reach a little higher for supply. A tight SRW S&D has inverted the nearby contracts and seen an overall rally in CBOT, moving the US away from export competitiveness. Wet weather in Europe has seen wheat acres struggle to get in the ground, with farmers reluctant to part with the balance of the old season stock. Record Russian wheat plantings for the next crop overhang the market, as well as an expected increase in exports in the first half of next year given they appear behind the needed pace.

## **Coarse Grain – Global**

Global barley markets continue to meander without moving much, with supply outweighing demand in spite of rising wheat prices. Corn continues to undercut barley into most feed rations, with the recent Saudi tender coming and going without much fanfare. Planting delays in Europe could see more spring barley planted, adding to the glut in global supply. The Argentine crop size continues to be debated, anywhere from 3-4mmt depending on who you ask, meanwhile the Aussie crop may surprise to the upside with Victoria the star performer.

## **Wheat – Australia**

Northern markets have remained fairly quiet with barley still favoured at current spreads into feedlot rations. Values here found some support from firming WA/SA markets as these origins continue to receive good enquiry from key export homes. In addition, the lack of carryout from a tight 2018/19 balance sheet in eastern Australia has added pressure to spot replacement values as the bulk of southern new crop stocks are yet to come online. High protein wheat stocks in the south have maintained stable values as millers source coverage from NSW, Victoria and SA. Wheat grades APW and below were a touch weaker with harvest progressing well and tepid demand from stockfeed consumers. Overall Australian quality remains higher in protein than previous seasons, with spreads narrowing between feed and milling grades.

## **Coarse Grains – Australia**

The sorghum production outlook continues to show no sign of improvement with the first half of December forecast lacking any substantial rainfall. With planting still essentially non-existent old crop values have maintained even levels to wheat in Delivered Downs markets while new crop Brisbane values remain at a significant premium to wheat, eliminating all feed demand. In barley Chinese interest for malting grades has been noted while Queensland domestic markets remain the key demand home for feed supplies with barley the backbone of feedlot rations given the large spread to local wheat.

