



MARKET WIRE

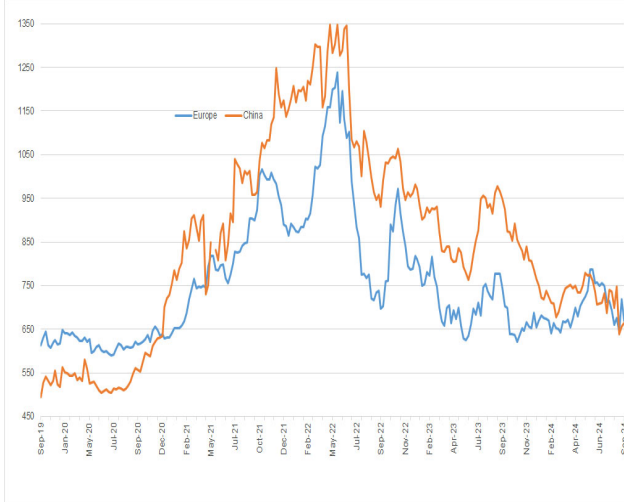
China Games



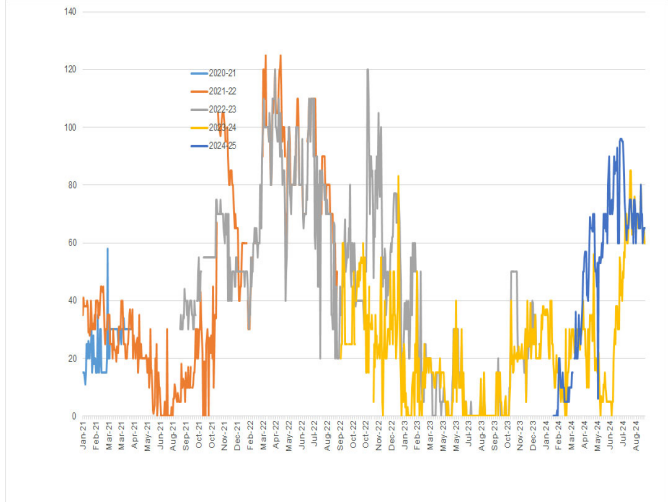


GM CANOLA DATA DASHBOARD

EU-CHINA PRICES (A\$ TRACK EQ.)



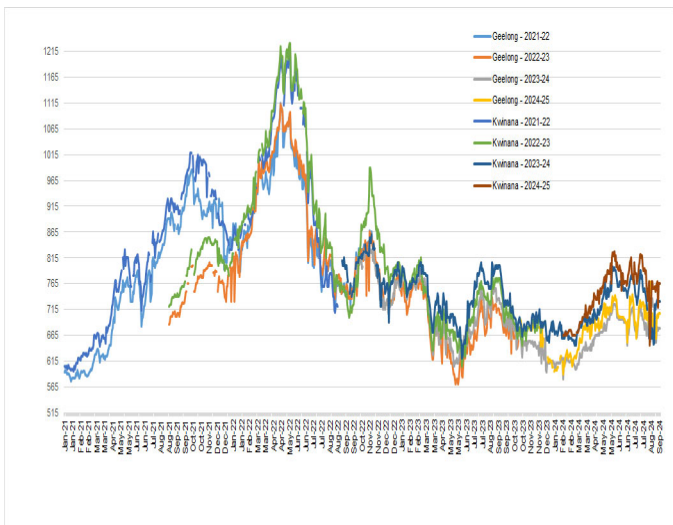
KWINANA GM SPREAD (\$AUD)



2023/24 EXPORT MATRIX ('000 t)

	Australia	Canada	Ukraine	Total
Bangladesh	275	-	47	322
China	1	4,720	-	4,721
EU-28	2,413	91	3,476	6,480
Japan	1,357	799	-	2,156
Mexico	607	686	-	1,293
Pakistan	679	-	-	745
UAE	713	450	5	1,168
Other	138	248	122	692
Total	6,182	6,994	3,650	17,576

GEELONG/KWINANA PRICE (\$AUD/t)



PRODUCTION MATRIX

Canola (mmt)	2023/24	2024/25	GM %
Australia	6.051	5.544	46%
EU-28	21.263	18.745	0%
Canada	18.544	19.631	97%
Ukraine	4.500	3.835	0%
Major Exporters	50.358	47.755	45%

TOTAL CANOLA ESTIMATES

2024/25	WA	SA	VIC	NSW	National
Area (kha)	1,541	235	571	877	3,226
Yields (t/ha)	1.47	1.56	2.18	1.90	1.72
Production (kt)	2.270	0.367	1.243	1.663	5.544



GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS

2024-25	Riordan	Cargill
Ardlethan		\$ 593.25
Barellan		\$ 590.75
Berrigan	\$ 605.00	
Berrybank		\$ 636.50
Boort	\$ 615.00	
Caragabal		\$ 595.00
Condobolin		\$ 584.25
Coolamon		\$ 594.75
Cootamundra		\$ 600.75
Cunningar		\$ 605.75
Donald	\$ 617.00	\$ 622.00
Edenhope	\$ 625.00	
Elmore		\$ 629.25
Grong Grong		\$ 590.25
Horsham	\$ 625.00	
Junee		\$ 597.25
Laharum	\$ 625.00	
Lake Bolac	\$ 625.00	\$ 630.50
Lara	\$ 670.00	
Lismore(VIC)	\$ 640.00	
Mathoura		\$ 622.25
Milvale		\$ 600.75
Moama	\$ 617.00	\$ 624.25
Moree		\$ 587.25
Narrandera		\$ 588.00
Nullawil	\$ 615.00	
Oaklands		\$ 626.25
Parkes		\$ 595.25
Quandialla		\$ 596.25
Red Bend		\$ 593.00
Tabbita		\$ 588.25
Tatyoan North		\$ 632.50
Temora		\$ 598.75
The Rock		\$ 609.00
Tocumwal	\$ 610.00	
Trundle		\$ 589.25
Werneth	\$ 635.00	\$ 637.50
Westmere		\$ 631.50
Winchelsea	\$ 640.00	

NB* Bids from the market as of 04/09/2024
Refer to bid provider for delivery terms and conditions

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GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS (ISCC)

2024-25	Viterra	Louis Dreyfus	CHS
Berrigan		\$ 628.50	
Berrybank	\$ 616.50		
Beulah	\$ 598.00		
Birchip	\$ 598.00		
Boort	\$ 602.75	\$ 626.50	
Bordertown	\$ 593.43		
Calleen		\$ 600.00	
Carpolac	\$ 600.50		
Charlton	\$ 603.00	\$ 621.75	
Dimboola	\$ 602.50	\$ 613.00	
Donald	\$ 594.00	\$ 622.25	
Dooen	\$ 609.00		
Dookie	\$ 605.25	\$ 620.75	
Dunolly	\$ 608.25		
Elmore	\$ 609.25		
Hamilton	\$ 601.00		
Lake Bolac			\$ 643.00
Mathoura	\$ 600.00		
Mitiamo	\$ 605.50		
Moama	\$ 603.00		
Murchison East	\$ 610.25		
Murtoa	\$ 603.00		
Natimuk	\$ 604.75		
Nhill	\$ 602.75		
Oaklands	\$ 596.25	\$ 623.75	
Piangil	\$ 592.50		
Quambatook	\$ 599.25	\$ 614.00	
Rainbow	\$ 597.25		
Sea Lake	\$ 594.50		
Tailem Bend	\$ 615.95		
The Rock		\$ 619.00	
Tocumwal	\$ 601.00		
Warracknabeal	\$ 601.25	\$ 620.25	
Werneth	\$ 612.00	\$ 633.25	
Westmere	\$ 611.50		
Wyalong		\$ 592.50	
Wycheproof	\$ 600.75		
Yarrawonga	\$ 600.25		

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GM CANOLA MARKET REPORT



GM CANOLA BIDS

2023-24	Cargill	CBH
Albany		\$ 635.00
Esperance		\$ 635.00
Geraldton		\$ 635.00
Kwinana		\$ 635.00
Port Adelaide	\$ 611.00	
Port Pirie	\$ 588.81	

2024-25	Cargill	CBH
Albany	\$ 685.00	\$ 670.00
Esperance	\$ 685.00	\$ 670.00
Geraldton	\$ 685.00	\$ 670.00
Kwinana	\$ 685.00	\$ 670.00

GM CANOLA BIDS (ISCC)

2024-25	ADM	GrainCorp	Louis Dreyfus	Viterra
Albany	\$ 686.00	\$ 685.00	\$ 665.00	\$ 685.00
Esperance		\$ 685.00	\$ 665.00	\$ 685.00
Geraldton		\$ 685.00		\$ 685.00
Kwinana	\$ 686.00	\$ 685.00	\$ 665.00	\$ 685.00
Port Adelaide				\$ 635.00

2023-24 Bids	GrainCorp	Viterra
Albany	\$ 650.00	\$ 650.00
Esperance		\$ 650.00
Geraldton	\$ 650.00	\$ 650.00
Kwinana	\$ 650.00	\$ 650.00
Port Pirie		\$ 562.81
Port Adelaide		\$ 585.00

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Local market update



The divergent conditions continue to widen with a great season in WA, most of NSW and eastern VIC. While SA is at breaking point, western VIC continues to be pressured, and southern NSW would like to see some good early spring rainfall. August rainfall was below average across all these cropping regions and recent strong winds and above average temps have turned up the water usage dial without much moisture left to give. Our production estimate is currently in balance with the idea that the worst affected areas have now run out of time. The spring rainfall outlook is largely positive for major canola growing regions, which will be crucial in realising current yield forecasts.

ABARES revised their 2024-25 production estimate up 87 kt to 5.47 mt in the September Crop Report, down 8% year on year reflecting a decrease in the area planted but 20% above the 10-year average. Upwards revisions in production estimates for WA (+50 kt) and NSW (+200 kt) were partially offset by cuts to SA (-60 kt) and VIC (-56 kt).

China's Ministry of Commerce has announced that they will launch an anti-dumping probe into Canadian canola imports. China may turn to Australia if Canadian imports are restricted, which would be supportive of Aussie values but there are a few quarantine hurdles to jump before we see any Aussie seed land in China (see global update and case study for more).

WA: After falling to around \$745/t at the end of August, WA new crop values have made some ground recently and are currently around the \$760/t mark. Old crop canola values have followed the same price moves but remain at a \$35/t discount to new crop values. The price spread to GM has pushed even wider and is currently around \$75/t, reflecting ongoing strong demand for non-GM seed and expected tightening of supply.

NSW/VIC/SA: East coast values have found some support since the end of August, as the dry conditions start to bite in VIC and SA, with new crop values gaining around \$18/t in the last couple of weeks to land at \$708/t, although they are still around a \$50/t discount to the west. The spread to GM for new crop has narrowed and is currently just under \$30/t.





Global market update

Global canola value rallied last week on the back of further cuts to the EU crop and leaving question marks over Stats Canada's 19.5 mt production estimate. Heat and dryness hits US soybean crops at a critical stage and less than ideal planting conditions in South America also provided support, as did gains in palm oil values. That all changed this week after China's announcement that they are going to conduct an anti dumping probe on Canadian canola imports which has sent Winnipeg values down around \$30/t.

The China announcement doesn't necessarily mean that they will restrict Canadian canola, and it is thought to be more of a warning to Canada that they can and will retaliate as a result of their recent implementation of tariffs on EV's, steel and aluminum. It is not Canada's first rodeo with China, and as we know from our own experience with barley, the impact could be significant. China took 72% of Canadian exports in 2023-24 and although Canada's exportable surplus is forecast to decrease as their domestic crush ramps up, there will still be a significant volume that needs to find an alternative home which will see an adjustment in trade flows.

Statistics Canada has pegged 2024-25 production at 19.5 mt which was above pre report expectations and above other estimates. Harvest is still in relatively early stages with yield results lower than expected to date which may point to a potential downward revision in further updates. As of late August, harvest was 8% complete in Saskatchewan, 3% in Alberta and just begun in Manitoba. Statistics Canada also made revisions to historical numbers – notably 0.9 mt added to 2023-24.

EU production estimates continue to be trimmed after a relentlessly wet season in Germany and France. Stratégie Grains cut their EU canola production forecast by a further 0.4 mt in their August update, with production now seen at 16.9 mt, down 18% year on year. The latest European Commission estimate came in higher at 18 mt, down 9% year on year but still 2% above the five-year average. Both estimates are well below the USDA's August number of 18.9 mt.

With harvest pretty much complete, Ukraine's Ag Ministry estimates that as of 30 August 3.4 mt of canola had been harvested, down around 15% year on year reflecting lower area planted and lower yields after hot and dry seasonal conditions and a number of frost events.



CASE STUDY – China Games

The political flex continues, last month it was the US Federal court overturning the Biden administration's decision to reverse small refinery exemptions to the Renewable Fuel Standard (RFS). This month it's China, with the announcement that they are launching an anti-dumping campaign against Canadian canola imports. Next month? In November we have the USA election, so we expect the saga to continue.

As for what the China games mean for our canola markets, well at the surface yes, it is very bearish and the market reacted to this when the news broke, with Canadian futures falling more than C\$30, but they have since gained back a little bit of ground. There are several moving parts to this story. It's not certain that China will block new canola sales immediately, but that uncertainty has major exporters and China based crushers nervous enough to hold fire on new business.

Assuming the trade flow does slow or stop, the question is what happens next for Canadian seed (and Chinese oil and meal markets). China doesn't have any easy alternative, they have also blocked Australia for "Black Leg", so the first thing that should happen is Chinese domestic canola oil and canola meal prices rally. This may encourage the lobby groups to lift their appetite for Aussie imports.

At the moment, Aussie seed is more expensive than Canada (by \$50/mt) so the China oil and meal markets would need to rally quite a bit to give the incentive to push for Aussie seed. If Aussie seed starts getting diverted to China, the Canada will focus its energy on Japan, Mexico, Middle-East, Sub-continent and Europe. All except for the latter they are already getting the lion share of the business anyway.

However, Europe is desperate for supply, so Canada will fill any void that is left by Australia. Canada will have to jump through the ever-increasing hoops around EU sustainability and this might allow the EU-Canada futures spread to widen to historically high levels, but the point is that there is a back stop for Canadian seed not too far away. Then Canada also has much higher crush capacity this year with the ability to export oil to the US and China, along with canola meal. Canada's crop is also getting smaller, so overall whilst this story creates uncertainty, the depth of despair maybe somewhat limited in the current supply and demand situation.

For GM – if Australia gets access to China, the spread narrows. If it doesn't the spread stays wide or gets wider as Canadian seed needs to discount further to get demand.

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