



MARKET WIRE

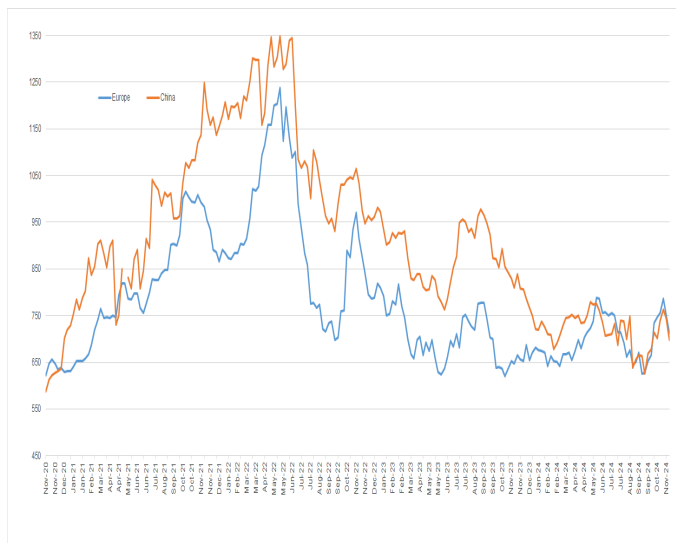
TRUMP STRIKES HARD



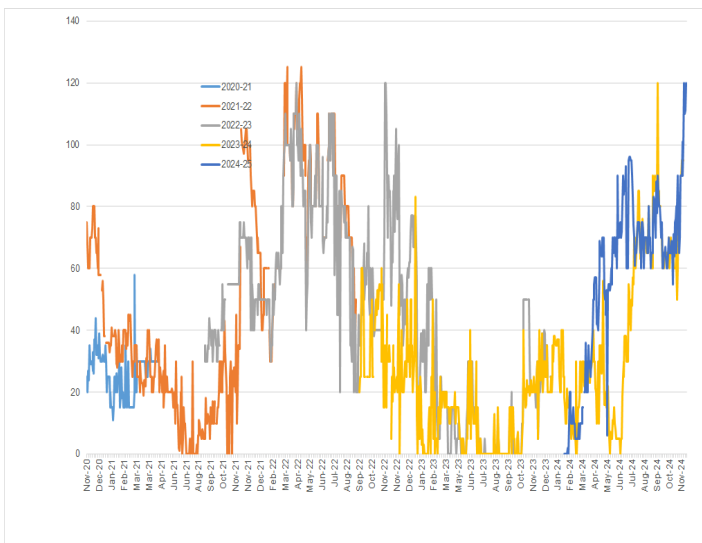


GM CANOLA DATA DASHBOARD*

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



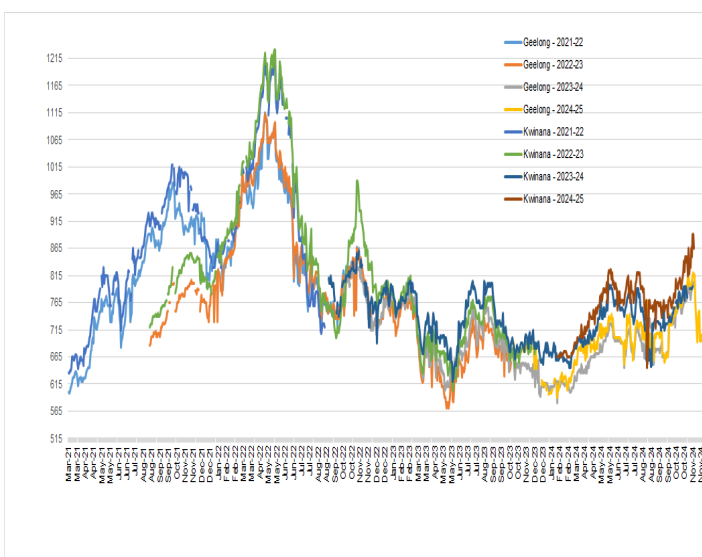
KWINANA GM SPREAD (\$AUD)



2023/24 EXPORT MATRIX ('000 t)

	Australia	Canada	Ukraine	Total
Bangladesh	274	-	47	321
China	1	4,720	-	4,721
EU-28	2,413	91	3,500	6,504
Japan	1,357	799	-	2,156
Mexico	607	686	-	1,293
Pakistan	679	-	-	745
UAE	713	450	5	1,168
Other	135	248	98	665
Total	6,179	6,994	3,650	17,573

GEELONG/KWINANA PRICE (\$AUD/t)



PRODUCTION MATRIX

Canola (mmt)	2023/24	2024/25	GM %
Australia	6.139	5.394	46%
EU-28	21.263	18.442	0%
Canada	19.168	18.852	97%
Ukraine	4.500	3.652	0%
Major Exporters	51.070	46.341	45%

TOTAL CANOLA ESTIMATES

2024/25	WA	SA	VIC	NSW	National
Area (kha)	1,541	235	571	877	3,226
Yields (t/ha)	1.59	1.38	1.78	1.84	1.67
Production (kt)	2.445	0.323	1.015	1.609	5.394

*Includes all canola, not just GM varieties



GM CANOLA MARKET REPORT



GM CANOLA SITE BIDS (ISCC)

2024-25	GNC	Viterra	Riordan	Louis Dreyfus	Cargill	CHS
Ardlethan					\$ 610.25	
Balaklava					\$ 614.61	
Barellan					\$ 607.75	
Berrigan			\$ 605.00			
Berrybank	\$ 616.50	\$ 619.50			\$ 614.50	
Boort			\$ 615.00			
Bordertown					\$ 594.03	
Bowmans					\$ 619.68	
Burrumbuttock			\$ 600.00			
Caragabal					\$ 612.00	
Condoblin					\$ 601.25	
Coolamon					\$ 611.75	
Coonalpyn					\$ 601.70	
Cootamundra					\$ 617.75	
Cowra					\$ 607.25	
Cummins					\$ 622.42	
Cunningar					\$ 622.75	
Donald		\$ 597.00	\$ 615.00	\$ 543.50	\$ 600.00	
Dooen						
Dunolly	\$ 611.25	\$ 611.25				
Edenhope			\$ 625.00			
Edillilie					\$ 622.80	
Elmore					\$ 607.25	
Greenethorpe					\$ 607.50	
Grong Grong					\$ 607.25	
Hamilton	\$ 615.00	\$ 606.00				
Horsham			\$ 625.00			
Howlong			\$ 605.00		\$ 592.00	
Junee					\$ 614.25	
Keith					\$ 604.50	
Lakaput			\$ 625.00			\$ 648.00
Lake Bolac			\$ 625.00		\$ 608.50	\$ 648.00
Lara			\$ 665.00			
Maimuru					\$ 608.50	
Mathoura		\$ 603.00	\$ 610.00		\$ 600.25	
Milvale					\$ 617.75	
Moama		\$ 606.00	\$ 615.00		\$ 602.25	
Narrandera					\$ 605.00	
Nullawil			\$ 615.00	\$ 616.50		
Numurkah	\$ 607.25	\$ 607.50				
Oaklands	\$ 601.25	\$ 599.25			\$ 606.25	
Owen					\$ 615.93	
Parkes					\$ 607.25	
Quandialla					\$ 613.25	
Rainbow	\$ 602.25	\$ 602.25			\$ 605.25	
Rand			\$ 605.00			
Red Bend					\$ 610.00	
Roseworthy					\$ 622.35	
Rudall					\$ 614.65	
Tabbita					\$ 605.25	
Tailem Bend					\$ 615.33	
Tatooon North					\$ 610.50	
Telford				\$ 616.50	\$ 598.25	
Temora					\$ 615.75	
The Rock				\$ 608.25	\$ 597.00	
Tocumwal			\$ 605.00	\$ 554.00	\$ 609.00	
Trundle					\$ 596.25	
Tumby Bay					\$ 623.19	
Walbundrie			\$ 605.00			
Wemeth		\$ 619.50	\$ 635.00		\$ 615.50	
Westmere	\$ 615.50	\$ 614.50			\$ 609.50	
Winchelsea			\$ 635.00			
Wolseley					\$ 604.00	
Henty	\$ 595.50					
Deniliquin	\$ 603.00					
Lismore(NSW)			630			

NB* Bids from the market as of 28/11/2024
Refer to bid provider for delivery terms and conditions

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GM CANOLA MARKET REPORT



GM CANOLA BIDS (ISCC)

2024-25	Cargill	GNC	Viterra	Louis Dreyfus
Albany	\$ 665.00	\$ 670.00		\$ 675.00
Esperance	\$ 665.00	\$ 670.00		\$ 675.00
Geelong			\$ 680.00	
Geraldton	\$ 665.00	\$ 670.00		\$ 675.00
Kwinana	\$ 665.00	\$ 670.00		\$ 675.00
Port Pirie	\$ 612.25			
Port Adelaide	\$ 626.00			

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Local market update



We are currently in the later stages of harvest in many areas, although we need to see the weather clear up to get us rolling in Southern Victoria.

Prices have taken a belting on the back of negative global price action which will no doubt cause farmer selling to slow for a period.

WA: WA canola has crashed back sub \$800 FIS after reaching \$890 FIS again last week. The spread to GM remains wide at \$100/t, and beyond, as the market attempts to deal with non-GM shorts on sales to Europe. Under 30% of WA receivals are coming as non-GM this season. WA harvest looks to be better than expected, with receivals pushing over 2.3 mt with still a little to go. We might see a final crop number north of 2.5 mt, which is an improvement from the 2-2.2 mt ranges most were thinking in the lead up to harvest. Given the season has been less than ideal for many areas, it is very impressive to see such volumes. Once we get a better gauge on wheat and barley harvest, there may be some opportunities for area revision, rather than just piling all the upside into yield.

WA export lineups for November look like they will hit 360,000 mt. December also is building towards a similar level at 225,000 mt. We continue to hear of new business being booked and see national export commitments above 2.2 mt, out of a total of 4.2 mt expected for the year.

NSW/VIC/SA: East coast prices have followed the rest of the market and been slammed as well. After pushing just above \$800/t, port prices have fallen to around \$720/t. The spread to GM has also widened on the back of global price movements, pushing out to \$100/t like the west.

This rapid price drop, despite the moves in Canada, will see eastern Australia start to price some GM seed into Pakistan, UAE and Japan now. Relatively to Canada, this should bring some price stability.

Harvest pace is moving along, much of NSW is done and VIC is steadily moving south with still a chunk to harvest in Southern VIC. 450,000 mt of canola exports lined up for NSW and VIC in Nov/Dec, out of total 1.2million and with the price drop we can expect farmer selling to turn off a bit here, which will help take the sting out of the market.



Global market update

After a seemingly never-ending rally that took global markets by storm, we have once again run into the “black swan syndrome”. With a political statement coming out of left field and impacting global trade flows and demand. We will touch on this more in the case study, however with the USA’s major annual holiday (Thanksgiving) taking place, it sees markets basically shut down for a 4-day long weekend. Longs couldn’t get out quick enough of many positions across the grain and oilseed sectors in the lead up, which compounded the dire news from the Trump office.

Outside of this week’s excitement, we had been seeing a lot of bullish news flowing into the oilseeds markets. We had a lot of volatility in energy markets and therefore biodiesel margins. Overall, the market seemed pretty content with demand and the path of least resistance was higher. US soybean oil helped lead the charge with export sales being reported to markets far and wide, including India (which hadn’t been done for 5 years). With palm oil tight, US bean oil is finding insatiable demand, despite massive crush rates. For the island that is normally the US soybean oil market, the news of the tariff increases on Canada won’t slow it. If its harder to bring in Canadian canola oil, they need more US soybean oil and they don’t have enough if they keep exporting like this. For now, the market in the US has taken a breather to digest all the movements from Washington, but this is not as bearish for the US soybean oil as it is for Canada...Yet. The aggression with which the new government is willing to move on trade and policy changes will no doubt cause a rise in concern. Brash and drastic action could be forthcoming to the US biodiesel industry. Increasing exemptions for small refineries and reducing the requirements of US to meet its current biofuel mandates. Only time will tell, but we can expect a lot of volatility around this over the coming months.

Moving away from the North America markets, in Europe we have seen the funds and speculators all buy into the bullish EU canola story and their positions have reached record levels. A huge turnaround from the record bearish positions held earlier in the year. EU oil demand has been good. Crush margins are holding in ok and they have got a very strong book on from Australia in particular. Weather has somewhat improved for the next crop in the ground, so things have been looking up!

China is largely on the sidelines for a change, taking their large chunk of Canadian seed and not murmuring about politics for a minute. We can expect retaliation in time. We need to see if Canada and China can come to terms with their latest trade spats too, all fun to be looking forward to!

CASE STUDY – Trump Strikes Hard



President elect Donald Trump came out with a bang last week, citing an additional 10% on import tariffs for China and 25% tariffs on both Mexico and Canada. These changes are due to the lack of effort these governments are making to limit drug trafficking into the US across its borders, with a particular focus on Fentanyl, along with immigration policies. Unless these countries make some concerted efforts to slow trafficking, then the tariffs will come in place.

The potential for a 25% tariff on Canada by the US is obviously creating huge uncertainty for canola markets. This does not just stop with canola seed, which sees exports to the USA at around 300,000 mt (<5% of total exports) but will be felt firstly in the Canadian canola oil exports (>90% of total exports) and Canadian canola meal exports (>60% of total exports). Naturally, this will then flow back to canola seed price because the margin to crush is drastically reduced. At a time when China has similarly threatened Canada with anti-dumping tariffs on the import of Canadian canola seed. They are really stuck between a rock and a hard place!

Generally, there is a “buy the rumour, sell the fact” psychology in these types of situations (or in this case being a bearish story, sell it hard now and figure out the rest later, just get out of the way of the train coming through).

It is hard to fathom that Trump would stand by its brutality against long ally Canada in particular, but the major shot over the bow will certainly get discussions going. But who with? Trump is not inaugurated until Jan 20th 2025, how does the Canadian government promptly negotiate a policy change with a comment on social media? In time, you would expect that Canada will provide some policy updates and media spin on how it is going to make change and maybe throw in some further support on blocking China electric vehicles for good measure. Canada might feel that they need the US more than they need China, especially with 3 million tonnes of canola seed already shipped and an existing spat over importing Chinese EVs already underway. This may be enough for Trump to call this diversion tactic of a spat with Canada a win. Most likely it is all just cover for him to show its not anti-China, anti-Mexico or anti-immigration, so if he gets a win out of Canada then he feels that he can put the squeeze on the real targets of China and Mexico.

There is no doubt with the power Trump has in both houses and it also being his last term. We are going to see some strong “legacy leaving” statements. We are just having to buckle in earlier than Jan 20th it seems!

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