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USDA Foreign Agricultural Service

# GAIN Report

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## Australia

### Agricultural Situation

### ABARE SEPTEMBER CROP REPORT

### 2003

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**Report Highlights:**

The Australian Bureau of Agriculture and Resource Economics (ABARE) released on September 9, 2003, the Australian Crop Report, which contains revised forecasts for the current winter and upcoming summer crops. ABARE shows an improved winter crop outlook based on widespread rains in July and August. Wheat production in 2003/04 is projected at 24.1 million metric tons, up 11 percent from the previous, June forecast. Reduced availability of irrigation water is expected to negatively impact planting, later this year, of Australia's summer crops.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Canberra [AS1]  
[AS]

**ABARE Crop Report – September 9, 2003**

The Australian Bureau of Agricultural and Resource Economics (ABARE) released its Australian Crop Report on September 9, 2003. This Report provides an outlook and updated projections for Australia's 2003/04 winter and 2004/05 summer crops. The Report also provides updates to other crop supply and demand components and revisions to estimates for prior years. The ABARE Crop Report is available at [www.abareconomics.com](http://www.abareconomics.com)

**Improved 2003/04 Winter Crop Prospects**

According to ABARE, widespread rains throughout most of the Australian grain belt during late July and August have significantly enhanced winter grain prospects in 2003/04. ABARE notes, however, that aggregate rainfall in the winter cropping areas since April has been below long-term averages in some states, particularly in Western Australia and Queensland. Large grain production increases are forecast for 2003/04 for most regions of Australia, with the possible exception of Queensland.

-- Wheat production in 2003/04 is projected at 24.1 million metric tons (MMT), up 11 percent from ABARE's previous (June 2003) forecast of 21.7 MMT, and 157 percent higher than the drought reduced 2002/03 harvest. Wheat area in 2003/04 is estimated at 12.2 million hectares, while average yield is forecast at 1.98 MT/hectare. In comparison, wheat area in 2002/03 was estimated at 10.83 million hectares and yield averaged 0.86 MT/hectare.

-- Barley production in 2003/04 is projected at 7.3 MMT, up 10 percent from the previous ABARE figure and 124 percent higher than last season. Barley area in 2003/04 is estimated at 3.65 million hectares and average yield is forecast at 2.01 MT/hectare.

-- Canola production in 2003/04 is projected at 1.37 MMT, up seven percent from ABARE's previous figure and 73 percent higher than last season's revised production estimate. (ABARE revised the 2002/03 canola production estimate upward from 621,000 MT to 790,000 MT.)

According to ABARE, the sowing of the 2003/04 winter crop was delayed in many areas because of the late arrival of rains. National average yields are currently expected to be slightly above long-term median yields in most regions. National yield forecasts in the ABARE Crop Report are partially based on estimates provided by Queensland Department of Primary Industries Agricultural Production Systems Research Unit (APRSU) and assume normal weather conditions for the remainder of the growing season

**Mixed 2003/04 Summer Crop Outlook**

ABARE forecasts an overall (year-to-year) improvement in the 2003/04 summer crop, but shows some deterioration in the outlook for rice and cotton, vis-à-vis the previous forecast.

-- Cotton production is forecast to fall about 29 percent from the year-earlier level, as reduced availability of irrigation water is expected to lead to reduced area. The availability of irrigation water in cotton producing areas is currently much lower than 12 months ago.

-- Rough rice production is forecast to rise about 12 percent from the year-earlier level, but still at a level that is considerably below the longer-term average. Rice area is also expected to be negatively affected by a lack of irrigation water, with water allocations expected to be relatively unchanged from 2002/03.

-- Sorghum production in 2003/04 is forecast at 2.05 MMT, 92 percent higher than the revised estimate for the previous year. (ABARE raised the estimate of the 2002/03 sorghum crop from 935,000 MT to 1,065,000 MT.)

### **Improved Export Prospects and Stock Levels**

ABARE's Crop Report also details some export and stock figures for the primary Australian crops. For wheat, ABARE projects marketing year (Oct-Sep) 2003/04 exports at 15.2 MMT, sharply higher than the 8.73 MMT estimated for 2002/03. Wheat stocks are forecast to rise by about 3.2 MMT from October 1, 2003 to the end of September 2004. Exports of barley and canola are also expected to be sharply higher in 2003/04. Barley exports in marketing year (Oct-Sep) 2003/04 are forecast 4.77 MMT, up from 2.32 MMT in 2002/03. Canola exports in marketing year (Nov-Oct) 2003/04 are projected at 910,000 MT, up from 478,000 MT.

### **Agriculture Minister's Comments**

Australian Agriculture Minister Warren Truss issued a press release on the ABARE Crop Report. Minister Truss, although noting that the ABARE forecast is very encouraging, warns that "the worst drought in 100 years still retains a grip on many rural communities." Further, the Minister is quoted as saying "but the drought is not yet over, and the growing crops in rural Australia's paddocks have not been successfully harvested. ... Most farmers will need at least average rainfall for the remainder of the growing season to assure a good crop. ... Until the grain is in the silo, farmers will not be taking anything for granted. ... Irrigators are facing very low water allocations as they head into summer, and today's ABARE forecasts for rice and cotton confirm the drought's stubborn hold on rural Australia's water reserves."

### **Next ABARE Crop Report**

The next ABARE Australian Crop Report is scheduled for release on December 2, 2003.

### **Recent Post Grain and Oilseed Reports**

Grain Update – September Lockup, Report #AS3027, 9/02/03

Grain Update – July Lockup, Report #AS3020, 7/02/03

Canola Update, Report #AS3017, 6/02/03

Grain and Feed Annual, Report #AS3006, 3/10/03

**PRODUCTION FROM ABARE CROP REPORT**

(Thousand metric tons)

Crops	2001/02	2002/03	March 2003/04	June 2003/04	Sept 2003/04	%Chg 2003/04/ 2002/03	%Chg Sept/June 2003/04
	<b>Winter Crops</b>						
Wheat	24,854	9,385	24,305	21,662	24,078	156.6%	11.2%
Barley	8,423	3,268	6,635	6,657	7,331	124.3%	10.1%
Oats	1,439	725	1,317	1,337	1,434	97.8%	7.3%
Canola	1,797	790	2,025	1,274	1,368	120.3%	7.4%
Lupins	1,220	537	1,433	1,028	1,052	95.9%	2.3%
<b>Summer Crops</b>							
Sorghum	2,123	1,065	2,048	2,048	2,048	0.0%	0.0%
Rice	1,275	391	1,387	500	440	12.5%	-12.0%
Cottonseed	1,054	455	245	353	321	-29.6%	-9.1%
Cottonlint	745	322	173	250	227	-29.5%	-9.2%
Maize	521	316	456	499	499	57.9%	0.0%

The 2003/04 year for winter crops - planted/harvested in 2003.

The 2003/04 year for summer crops - planted in 2003/harvested in 2004.

Rice is expressed in rough terms.

SOURCE: ABARE Outlook and Australian Crop Reports