



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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**Date:** 10/25/2005

**GAIN Report Number:** AS5034

## Australia

### Grain and Feed

### Quarterly Lockup

### 2005

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**Report Highlights:**

Forecast Australian Wheat production has been revised upwards to 21.9 MMT for 2005/06 due to above average seasonal conditions in some key growing regions. Barley production has also been revised upwards to 7.0 MMT due to improved conditions. Isolated extreme weather events in the state of Western Australia are not expected to affect total Australian winter cereal production. The outlook for the Australian summer cropping season, which is only just beginning, has also improved since Post's last report.

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

## SECTION ONE: SITUATION AND OUTLOOK

### General Weather Conditions

#### Winter Cropping Season

Key grain growing regions in Australia have experienced greatly improved weather conditions over the past three months. September produced some of the heaviest rainfall over this period with official Australian Bureau of Meteorology data showing above average conditions for many key winter cropping regions. These weather conditions have surpassed expectations previously reported by Post (see GAIN Report #AS5023)

Some areas continue to suffer from the "lateness" of planting rains, which has caused many crops to run behind schedule. However, hot and windy conditions, which can significantly damage these crops in October, have not yet eventuated.

Western Australia, the largest wheat growing state, has experienced some extreme weather events. Isolated incidents of frost and a significant hail event, although restricted to specific areas, have been reported. However, industry and government sources do not expect these events to significantly change final production levels for the state.

Post has assumed normal weather conditions over the next three months. However, at this time, rain continues to fall over much of Australia's wheat belts at a crucial period. A continuation of this weather pattern in the lead-up to harvest is likely to see forecast production levels increase further although quality may be significantly affected.

#### Summer Cropping Season

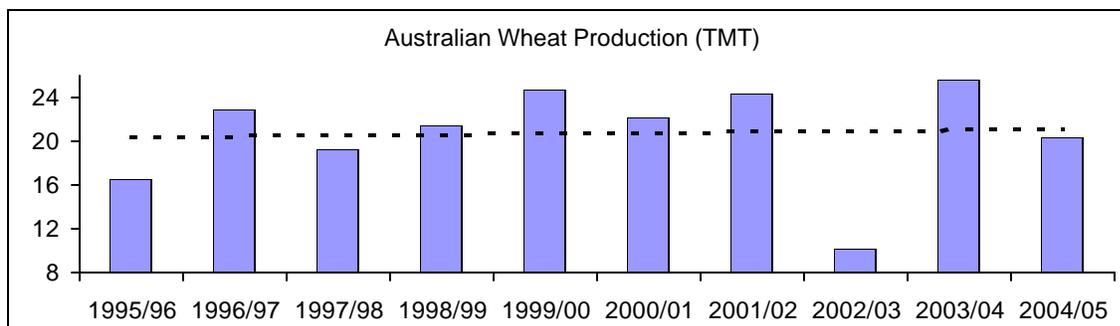
Recent and widespread rainfall has been beneficial for the outlook of dryland summer crop production. Cotton planting is now complete in most areas and sowing of sorghum and other summer crops is well underway.

Recent rainfall has also benefited the outlook for irrigated summer crop production. Catchments have continued to recharge and the availability of irrigation water both on farm and in the catchment continues to improve. However, due to the severity of the recent drought, water availability continues to remain well below the long-term average.

#### Wheat Production

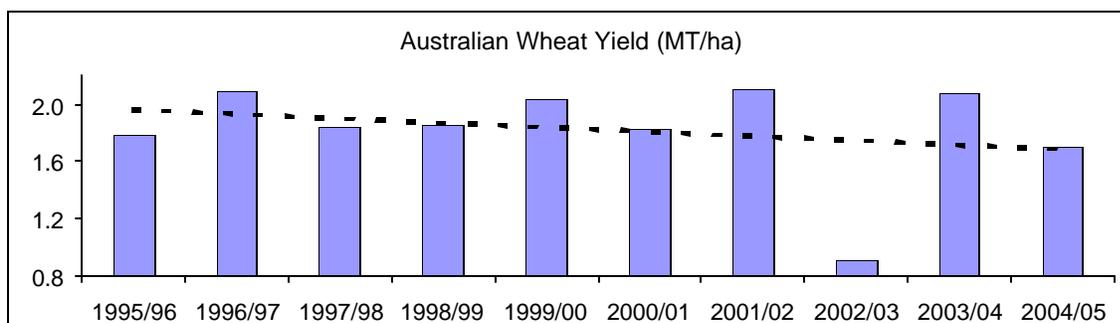
Australian wheat production in 2005/06 is forecast at 21.9 MMT, up 0.4 MMT from Post's previous forecast (see GAIN Report #AS5023), and reflects average to above average conditions since planting. This improved outlook comes despite the late start to the season in eastern Australia.

According to historical ABARE data, a wheat crop of 21.9 MMT is likely to be directly in line with the long-term trend for Australian wheat production.



Source: ABARE data (July/June)

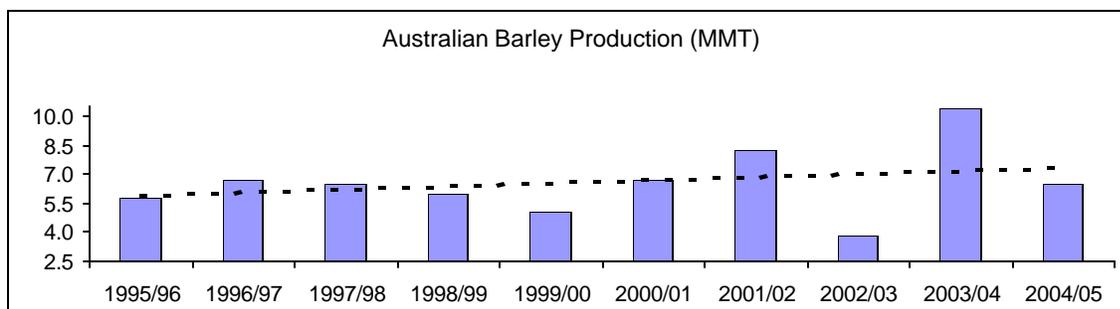
Forecast wheat area in 2005/06 is unchanged from Post's previous forecast (#AS5023) at 11.85 million hectares. The slight increase in forecast production is driven by improved yields due to above average rainfall over the past three months. Post forecast assumes a yield of around 1.85 MMT/ha, which is slightly above average according to ABARE's historical data. A yield of this level reflects above average fall of rain in key wheat growing areas.



Source: ABARE data (July/June)

**Barley Production**

Barley production in 2005/06 is forecast at 7.0 MMT, slightly up from the previous forecast (see GAIN Report #AS5023). This increase is driven by above average falls of rain in some key barley growing areas where Post had previously assumed only average rainfall. The Australian barley crop is approaching the late filling stages and continued rainfall will likely see another upwards revision in production.



Source: ABARE data (July/June)

Barley, a shorter season crop, is better suited to later planting rains and the subsequent shorter growing season. However, the continuation of cooler and wetter conditions into late

spring is expected to see wheat production increase proportionally more despite both crops being planted later than normal.

**Post's Recent Grain Reports**

Winter Grain Situation Update, AS5023, 6/28/05

Winter Grain Situation Update, AS5016, 5/24/05

Grain Quarterly Update, AS5011, 4/26/05

Grain and Feed Annual, AS5008, 3/23/05

## SECTION TWO: STATISTICAL TABLES

<b>PSD Table</b>							
<b>Wheat</b>							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2003		10/2004		10/2005	MM/YYYY
Area Harvested	13024	13100	12200	11991	11500	11850	(1000 HA)
Beginning Stocks	3142	1708	5459	4360	5934	3420	(1000 MT)
Production	26231	26100	21500	20500	22000	21900	(1000 MT)
TOTAL Mkt. Yr. Imports	73	59	75	60	75	60	(1000 MT)
Jul-Jun Imports	71	60	76	60	75	60	(1000 MT)
Jul-Jun Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	29446	27867	27034	24920	28009	25380	(1000 MT)
TOTAL Mkt. Yr. Exports	18031	18007	14800	16000	16000	16100	(1000 MT)
Jul-Jun Exports	15096	15104	15826	16800	16000	15900	(1000 MT)
Feed Dom. Consumption	3231	2500	3600	2500	3400	2800	(1000 MT)
TOTAL Dom. Consumption	5956	5500	6300	5500	6100	5800	(1000 MT)
Ending Stocks	5459	4360	5934	3420	5909	3480	(1000 MT)
TOTAL DISTRIBUTION	29446	27867	27034	24920	28009	25380	(1000 MT)

<b>PSD Table</b>							
<b>Barley</b>							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		11/2003		11/2004		11/2005	MM/YYYY
Area Harvested	4404	4404	3800	4159	3800	3900	(1000 HA)
Beginning Stocks	948	873	1787	1720	1087	1024	(1000 MT)
Production	10287	10287	7000	6454	7200	7000	(1000 MT)
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Imports	0	0	0	0	0	0	(1000 MT)
Oct-Sep Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	11235	11160	8787	8174	8287	8024	(1000 MT)
TOTAL Mkt. Yr. Exports	6398	6374	4500	3900	4300	3450	(1000 MT)
Oct-Sep Exports	6104	6300	4500	3950	4300	3400	(1000 MT)
Feed Dom. Consumption	2150	2134	2300	2200	2400	2300	(1000 MT)
TOTAL Dom. Consumption	3050	3066	3200	3250	3300	3350	(1000 MT)
Ending Stocks	1787	1720	1087	1024	687	1224	(1000 MT)
TOTAL DISTRIBUTION	11235	11160	8787	8174	8287	8024	(1000 MT)