

Briefing

Australian Crop Report

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Introduction

This Briefing Note is a summary of the Australian Department of Agriculture, Fisheries and Forestry (ABARES) "Australian Crop Report" for June 2012. It provides an overview of those section that are relevant to irrigated agriculture in NSW.

This Briefing Note does not seek to independently verify the data contained within it. All data presented is reproduced from the ABARES publication. This Briefing Note does not in any way constitute advice, it is provided solely as a service.

The full ABARES "Australian Crop Report" is available under:

http://adl.brs.gov.au/data/warehouse/aucrpd9abcc003/aucrpd9abcc003201206/ACR12.2_June_rev1.0.1.pdf

Contents

- Overview3
- Climate and agronomic conditions4
- Wheat Yields5
- Winter crop production6
- Summer Crop production6
- Crop conditions and production forecast - NSW.....7

Overview

In eastern Australia, the dry periods have been intercepted by timely rainfall. Additionally, heavy rainfall and flooding in early 2012 replenished soil moisture profiles of NSW. The lower level soil moisture will provide good moisture reserves for crops over winter, if sufficient rainfall occurs for crops to establish root system able to reach it.

The seasonal outlook issued by the Bureau of Meteorology on 23 May 2012 points to an increase in the probability of a dry winter across southern Australia, in contrast, a wetter than average season is likely to occur in Queensland and northern NSW. Temperatures are likely to exceed average across almost all major cropping areas.

The total area sown to winter crops in Australia is forecast to fall by 2% in 2012/13 to around 22.2 million hectares. The forecast fall in area planted to winter crops reflect the combined effect of expected lower farmgate prices of cereals and the dry start to the season. Total winter crop production in 2012/13 is forecast to be 38.5 million tonnes, around 15% lower than last year's record production.

Area sown	Area sown	Production
Wheat	5% decline	18% decline
Barley	4% decline	15% decline
Canola	23% rise	4% rise

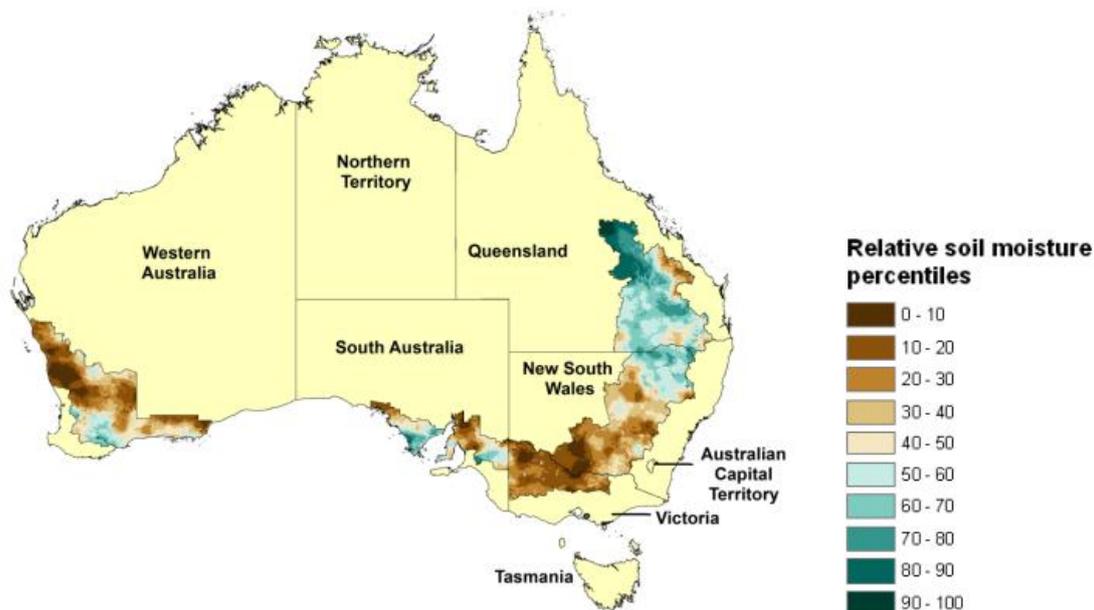
As at the first week of June, harvesting of summer crops was nearing completion and production is estimated to have increased by 19%.

	Production
Grain Sorghum	13% increase
Rice	32% increase
Cotton Lint	20% increase

Climate and agronomic conditions

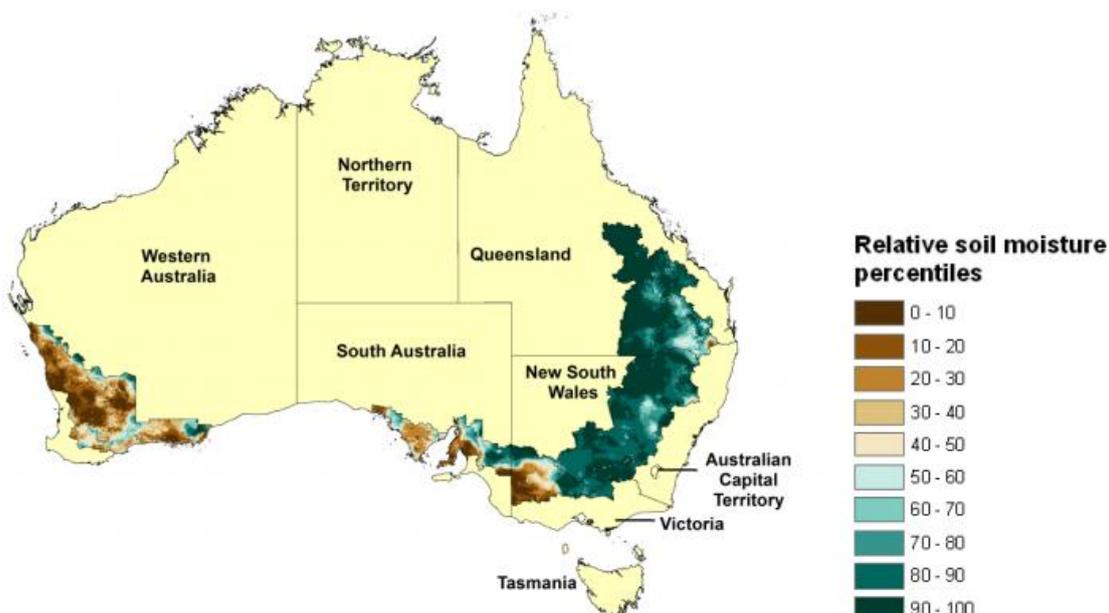
Rainfall in April and May was average or below average, leading to a depletion of upper layer soil moisture in southern NSW. The soil moisture estimates are relative to the long-term record.

Map 6 Upper layer soil moisture, May 2012



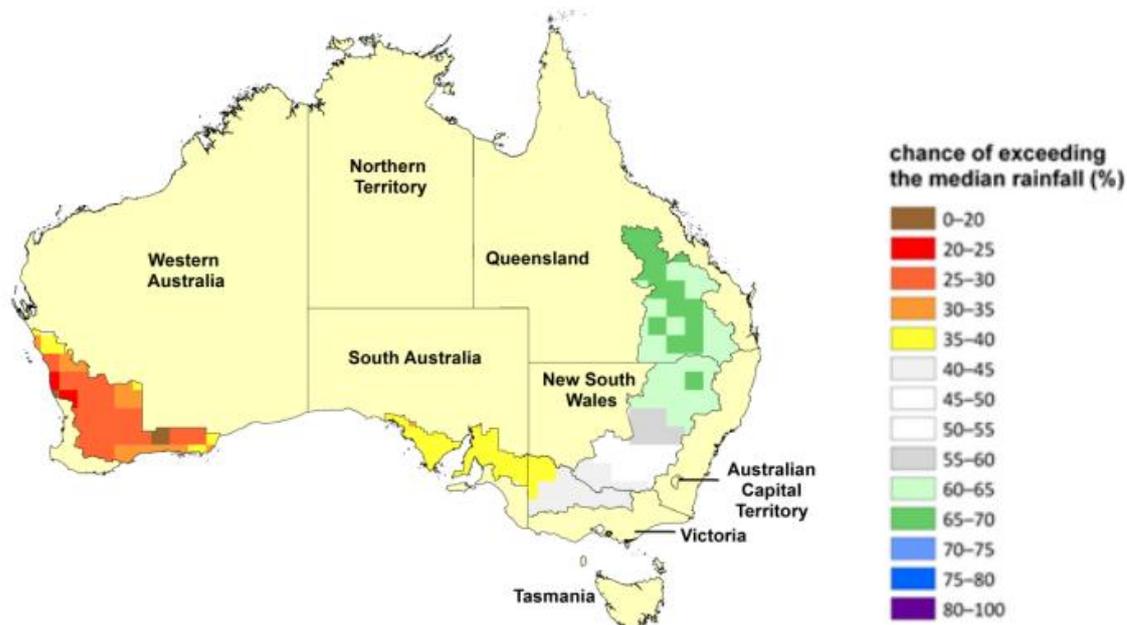
Relative soil moisture in the lower layer at the end of May 2012 was largely above average in the NSW, reflecting the above average rainfall received in many areas between October 2011 and March 2012. Above average lower layer soil moisture will provide a deep store for crops in these areas.

Map 7 Lower layer soil moisture, May 2012



The Bureau of Meteorology seasonal rainfall outlook for June to August 2012 suggests wetter than average conditions across northern NSW cropping regions and generally average conditions for much of southern NSW.

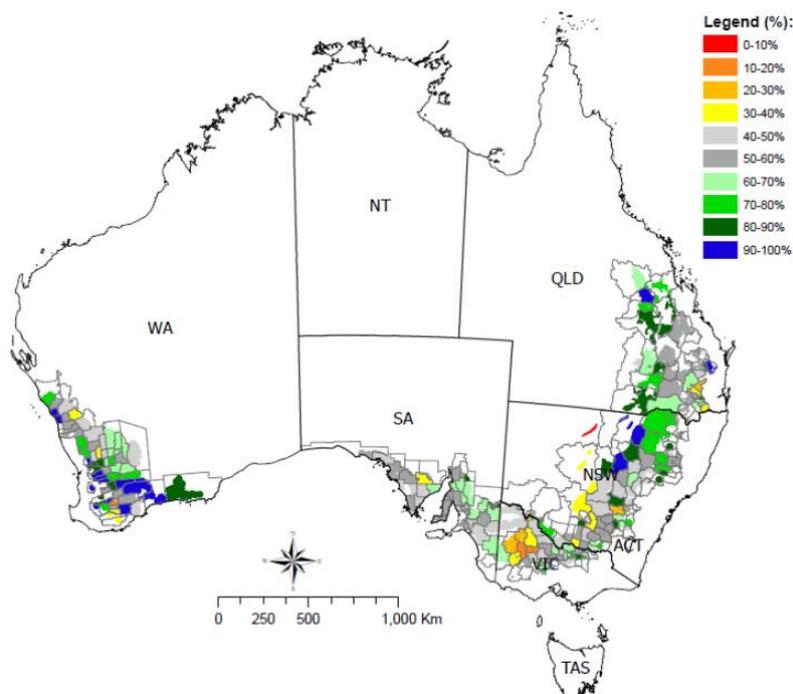
Map 5 June to August 2012 rainfall outlook



Wheat Yields

At the beginning of June 2012, the probability of exceeding median wheat yields was generally average or above in most of cropping region in NSW.

Map 8 Probability of exceeding long term simulated median shire wheat yield



Winter crop production

The start of the 2012-13 winter cropping season has been characterised by dry to average conditions which has led to dry upper layer soil moisture profiles in many areas.

In eastern Australia, the dry periods have been interspersed by timely rainfall. Heavy rainfall and flooding in early 2012 replenished lower layer soil moisture profiles in parts of NSW. The lower level soil moisture will provide a good moisture reserves for crops over winter, if sufficient rainfall occurs for crops to establish root systems able to reach it.

The total area planted to winter crops in Australia is forecast to fall by 2% in 2012/13. This forecast fall reflects the combined effect of a dry start to the season and expected lower farmgate cereal prices, leading to an increase of the sheep flock in mixed cropping-livestock enterprises. Assuming timely rainfall over winter and spring and a fall from the high yields achieved last season, total winter crop production is forecast to fall by 15% to around 38.5 million tonnes.

In eastern Australia, after two consecutive years of very high yielding crops, heavy summer rainfall and waterlogging in some areas, soil nutrient levels have been reduced, particularly across NSW.

The area planted to wheat is forecast to fall by 5% in 2012/13. Despite the expected fall, this forecast is still significantly above the five year average to 2010/11. Total wheat production is forecast to decline by 18%, reflecting the combined effect of a lower planted area and an assumed fall in yields. The area planted to barely in 2012/13 is forecast to fall by 4% and the total barley production is forecast to fall by 15%. The area planted to canola is forecast to increase by 23% in 2012/13. Most of this forecast increase is expected to be in NSW and reflects growers' response to relatively favourable canola prices. Canola production is forecasted to increase by 4%, which reflects the forecast increase in planted area more than offsetting an assumed fall in yields.

Table 3 Winter crop production—Australia

	New South Wales	Victoria	Queensland	Western Australia	South Australia	Australia
	kt	kt	kt	kt	kt	kt
2002-03	3 505	1 955	836	6 812	4 227	17 402
2003-04	10 768	6 945	1 473	16 683	7 451	43 394
2004-05	10 724	4 204	1 383	12 983	5 338	34 710
2005-06	11 983	6 270	1 435	13 947	7 520	41 236
2006-07	3 796	1 751	926	8 279	2 793	17 588
2007-08	4 007	4 700	1 196	10 761	4 706	25 422
2008-09	9 441	3 890	2 326	13 784	4 864	34 386
2009-10	7 789	5 896	1 618	12 950	7 038	35 365
2010-11	15 181	7 772	1 895	8 075	9 496	42 507
2011-12 <i>s</i>	11 675	6 866	2 103	17 015	7 745	45 475
2012-13 <i>f</i>	10 552	5 724	2 074	13 198	6 851	38 469
<i>% change 2011-12 to 2012-13</i>	<i>-10</i>	<i>-17</i>	<i>-1</i>	<i>-22</i>	<i>-12</i>	<i>-15</i>

f ABARES forecast. *s* ABARES estimate.

Note: Includes barley, canola, chickpeas, faba beans, field peas, lentils, linseed, lupins, oats, safflower, triticale and wheat.

Summer Crop production

Total summer crop production (excluding cotton lint) is estimated to have risen by 19% in 2011/13. An abundant supply of irrigation water led to an increase in the area planted to summer crops and above average rainfall during the growing season boosted yields.

Total grain sorghum production is estimated to have risen by 13% in 2011/12. A fall in planted area is estimated to have been more than offset by an increase in yields. Australian cotton lint production is estimated to have increased by 20% in 2011/12 from flood affected harvest of last season to around 1.1 million tonnes. This increase reflects an estimated 2% rise in planted area and a higher production of irrigated cotton. Nevertheless, floods in northern NSW and the Mungindi, Dirranbandi and St. George of Queensland in early 2012 adversely affected production.

Total rice production is estimated to have increased by 32% in 2011/12. The estimated increase reflects a larger area planted to rise as a result of a good supply of irrigation water. Yields are estimated to have been below average reflecting a challenging season for growers after pest damage, a significant cold spell and flooding.

Table 4 Summer crop area and production—Australia

	New South Wales		Queensland		Australia	
	'000 ha	kt	'000 ha	kt	'000 ha	kt
2001-02	788	3 070	833	1 824	1 633	4 933
2002-03	529	1 594	555	1 248	1 097	2 868
2003-04	455	1 787	747	1 875	1 212	3 679
2004-05	455	1 787	747	1 875	1 340	3 889
2005-06	783	2 790	639	1 500	1 434	4 334
2006-07	336	1 037	546	1 119	921	2 186
2007-08	398	1 668	791	2 877	1 205	4 583
2008-09	402	1 430	746	2 350	1 156	3 794
2009-10	381	1 405	513	1 340	903	2 758
2010-11	713	2 643	789	1 916	1 512	4 586
2011-12 s	745	2 893	809	2 535	1 567	5 455
% change 2010-11 to 2011-12	5	9	3	32	4	19

s ABARES estimate.

Note: State production includes grain sorghum, rice, cottonseed, maize, sunflower, peanuts and mung beans. Total for Australia also includes small areas and volume in other states. Total for Australia includes grain sorghum, cottonseed, rice, maize, peanuts, mung beans and navy beans. Summer crop production figures include northern wet season rice and northern dry season cottonseed and rice.

Crop conditions and production forecast - NSW

Despite a dry autumn, lower level soil moisture profiles throughout the winter cropping regions of NSW are above average as a result of widespread summer rainfall. Widespread late May rainfall was very timely and further rainfall in early June enabled further sowing of winter crops and is expected to greatly assist establishment of earlier sown crops.

Total area planted to winter crops in NSW is forecast to fall by 1% in 2012/13. Assuming favourable seasonal conditions, total winter crop production is forecast at 10.6 million tonnes.

The area planted to wheat is forecast to decrease by around 5% in 2012/13 to just over 3.8 million. A recent decline in wheat prices means wheat is less profitable alternative when compared with chickpeas and canola. Assuming average seasonal conditions, total wheat production is forecast to fall by 13%. The area planted to barley is forecast to decrease by around 5% in 2012/13 to 840 000 hectares. Lower barley prices at the time

of sowing are expected to result in growers favouring production alternatives. Assuming average seasonal conditions, barley production is forecast to fall by 12% to around 1.5 million tonnes. The area planted to canola is forecast to increase by 39% in 2012/13 to a record 550 000 hectares. Timely sowing rainfall and high oilseed prices have made canola production more attractive. Assuming average seasonal conditions, canola production is forecast to increase by 15% to reach 825 000 tonnes.

Total summer crop production in NSW is estimated to have increased by around 9% in 2011/12 to around 2.9 million tonnes, reflecting the combined effects of an increase in the area planted to cotton and rice, and favourable growing conditions.

Grain sorghum production is estimated to have decreased by 17% in 2011/12 to around 680 000 tonnes, reflecting a 13% fall in planted area. Seasonal conditions were generally favourable and yields are estimated to have been above average in most regions, particularly for early sown crops. The area planted to grain sorghum is estimated to have been around 185 000 hectares. Rice production is estimated to have increased by 32% in 2011/12 to around 950 000 tonnes, which reflects a 46% increase in planted area. As a result of pest damage, a cold spell in January, and flooding in March, yields are estimated to be slightly below average. Cotton lint production is estimated to have increased by around 17% in 2011/12 to a record of around 664 000 tonnes, due mainly to a 3% increase in planted area. Additionally, the proportion of the area planted devoted to irrigated cotton, which has a higher yield, increased by 21% points to 80%. Floods affected cotton crops in the Gwydir, Manoi, Mungindi and Walgett cotton regions in early 2012.

Table 5 Winter crop forecasts, 2012–13, New South Wales

	area	yield	production	area change from 2011–12	production change from 2011–12
	'000 ha	t/ha	kt	%	%
Wheat	3 820	1.80	6 876	-5	-13
Barley	840	1.78	1 495	-5	-12
Canola	550	1.50	825	39	15

Note: Yields are based on areas planted.

Table 6 Summer crop estimates, 2011–12, New South Wales

	area	yield	production	area change from 2010–11	production change from 2010–11
	'000 ha	t/ha	kt	%	%
Grain sorghum	185	3.68	680	-13	-17
Cotton lint	358	1.85	664	3	17
Cottonseed	358	2.62	939	3	17
Rice	108	8.80	950	46	32
Sunflower	20	1.25	25	11	-20

Note: Yields are based on areas planted.