

Briefing Note

Australian Crop Report - February

130218

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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 February 2013. 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/aucrpd9abcc003201302/AustCropReport20130212_v1.0.0.pdf

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Overview

The 2012 - 13 summer crop season has been less favourable to date with heatwave conditions in early to mid January, and until recently, generally very much below average rainfall across the major summer cropping regions. These hot and dry conditions have resulted in widespread deficiencies in the levels of upper layer soil moisture, which is vital for the germination and establishment of newly sown crops.

The area planted to summer crops is forecast to fall by 15% in 2012-13, driven by falls in the area planted to cotton and grain sorghum. The area planted to irrigated and dryland cotton fell by 7% and 85%, respectively. The fall in the area planted to dryland cotton reflects favourable grains prices and falling cotton prices, which made grain sorghum the more attractive option to producers. However, many producers did not fully realise their planting intentions for grain sorghum as a result of unfavourable seasonal conditions during much of its planting window so the area planted to grain sorghum is forecast to fall by 12%.

Heavy rainfall in late January is expected to benefit late sown summer crops and increase the area planted to crops with a later planting window, such as grain sorghum in central Queensland, mung beans and sunflower. Flooding in some summer cropping regions caused minor damage to summer crops.

Overall, total summer crop production is forecast to fall by 13% in 2012-13. Grain sorghum production is forecast to decrease by 23% and production to cotton lint and seed is forecast to fall by 21% and 21%, respectively. In contrast, rice production is forecast to rise by 15%, the highest rice production since 2001-02

Dry seasonal conditions adversely affected winter crop yields across the country and total winter crop production is estimated to have fallen by 22% in 2012-13. The largest fall in production is estimated to have occurred in Western Australia.

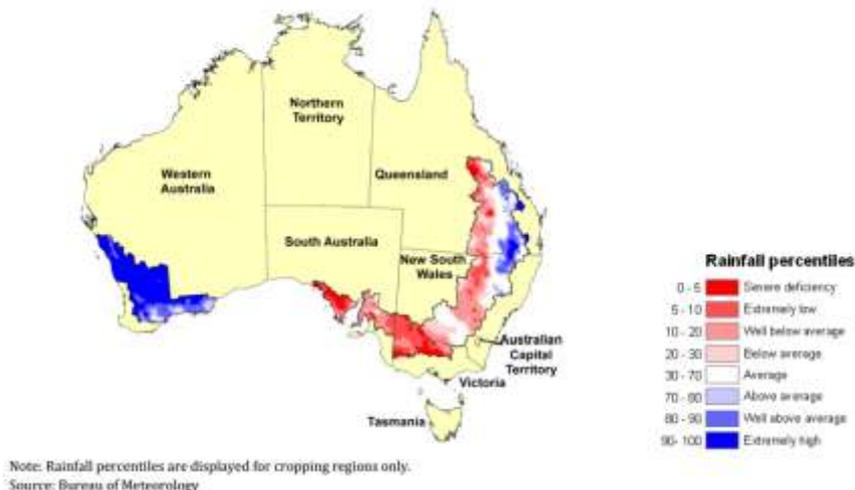
For the major winter crops, wheat production is estimated to have declined by 26% in 2012-13; barley production is estimated to have fallen by 15%; and canola production is estimated to have declined by 1%.

Compared to the December 2012 edition of the *Australia Crop Report*, the estimate of wheat production remains largely unchanged, while the estimates of barley and canola production have been revised upward.

	Production
Wheat	22 million tonnes
Barley	7.1 million tonnes
Canola	3.1 million tonnes

Climate and Agronomic Conditions

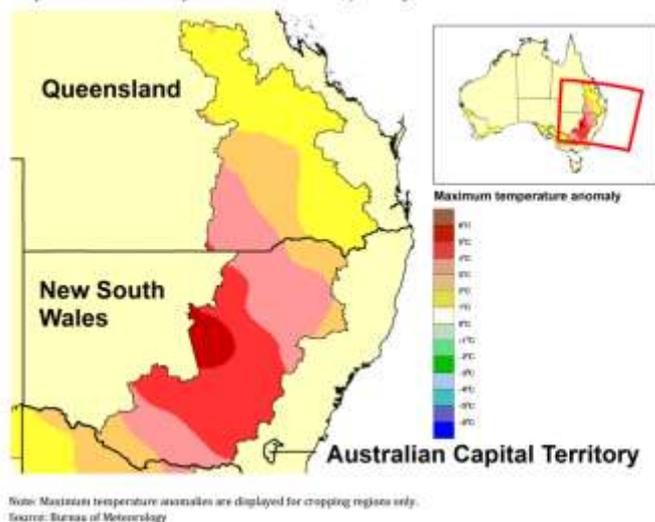
During the period November 2012 to January 2013, many cropping regions across SA, VIC, much of NSW and western parts of QLD received average to severely deficient rainfall. During this same period, average to extremely high rainfall was received across cropping regions in WA, eastern QLD and north-eastern NSW. Limited areas were affected by floodwaters for up to a week and in these regions some damage to summer crops was caused by floodwater inundation.



Maximum temperature anomalies, ranging from 1C - 5C above normal, were recorded in summer cropping regions across southern QLD and northern NSW in January 2013.

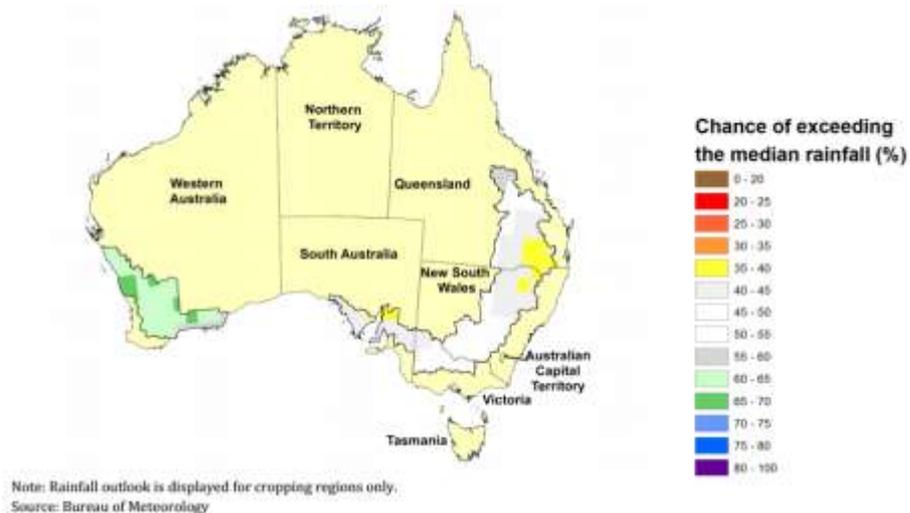
During the height of the January 2013 heatwave that affected much of Australia, maximum temperature anomalies were much higher. From 1 to 18 January 2013, much of southern QLD and northern NSW experienced maximum temperature anomalies in excess of 3C above normal, reaching up to 6C above normal in parts of northern NSW.

Map 4 Maximum temperature anomalies, January 2013



The Bureau of Meteorology's latest seasonal rainfall outlook for February to April 2013 indicates average conditions for much of southern and eastern Australia. The outlook indicates drier than normal conditions for parts of southern QLD and northern NSW.

The temperature outlook for the period February to April 2013 indicates that summer cropping regions across southern QLD and northern NSW are likely to experience average temperatures over the next three months. Cooler daytime and night-time temperatures are favoured in SA, VIC and southern NSW.

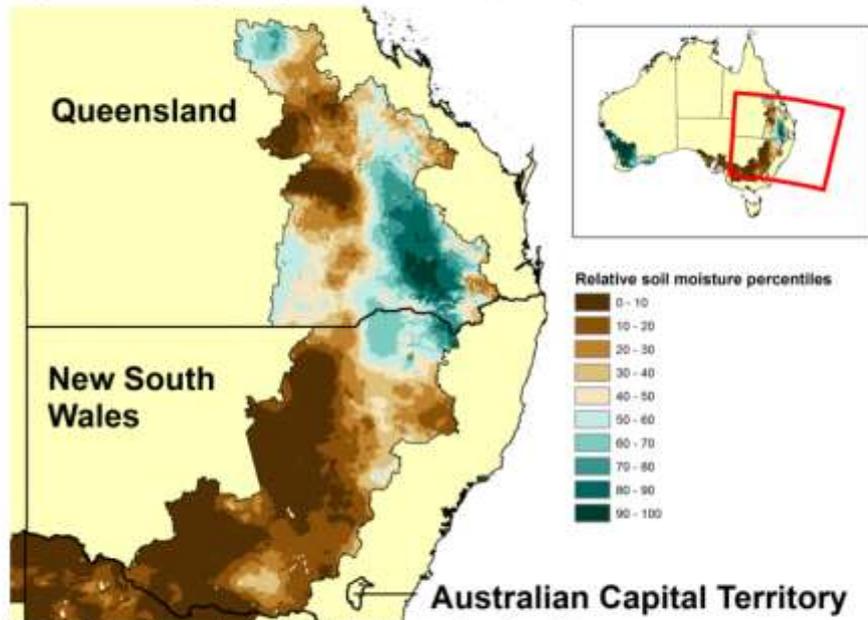


Relative upper layer soil moisture at the end of January 2013 for the wheat-sheep zone is predominately extremely low to below average. Summer cropping regions across southern QLD and northern NSW show variable relative upper layer soil moisture; at the end of January 2013 eastern cropping zones showed above average relative soil moisture levels and western cropping zones showed below average relative upper layer soil moisture. This pattern of relative upper layer soil moisture reflects rainfall received to date during the summer of 2012-13.

Relative soil moisture in the lower layer at the end of January 2013 was largely average to well above average in QLD and northern NSW cropping regions, following above average rainfall received in these areas during early 2012. Southern NSW, VIC and SA show variable relative soil moisture through tending to be more below average.

Upper Layer Soil Moisture

Map 6 Relative upper layer soil moisture, January 2013

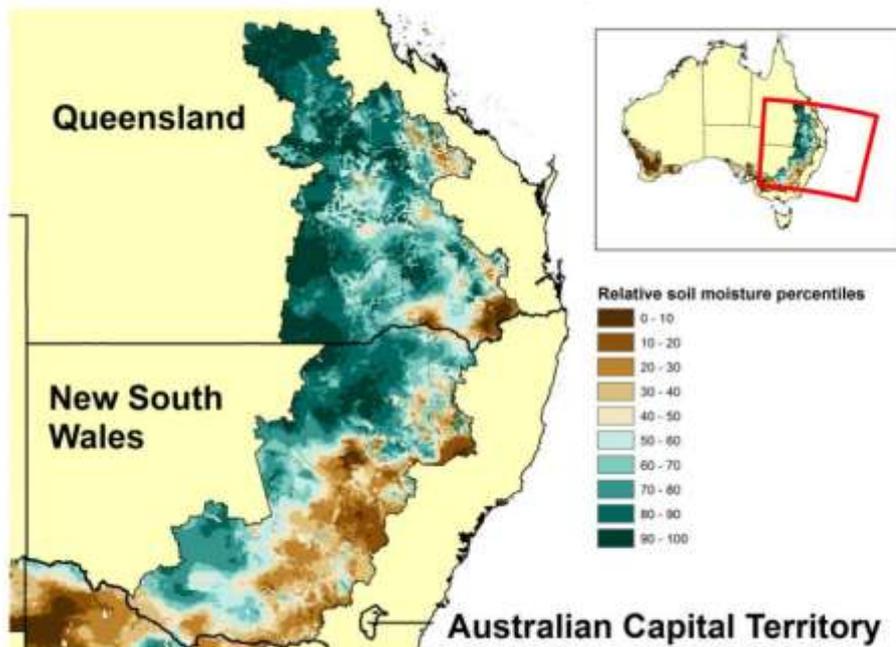


Note: Relative upper layer soil moisture is displayed for cropping regions only.

Source: Australian Water Availability Project (ABARES; CSIRO; Bureau of Meteorology)

Lower Layer Soil Moisture

Map 7 Relative lower layer soil moisture, January 2013



Note: Relative lower layer soil moisture is displayed for cropping regions only.

Source: Australian Water Availability Project (ABARES; CSIRO; Bureau of Meteorology)

Winter Crop Production

Harvesting of winter crops this season is now complete. The winter crop harvest in NSW and QLD was completed before the recent flooding and was largely completed in south-eastern Australia before the bushfires.

Dry seasonal conditions adversely affected winter crop yields across the country; total winter crop production is estimated to have fallen by 22% in 2012-13 to 35.8 million tonnes. In the eastern states (inc. SA), production is estimated to have fallen by 14% to around 25 million tonnes.

For the major winter crops, wheat production is estimated to have declined by 26% in 2012-13 to around 22 million tonnes; barley production is estimated to have fallen by 15% to 7.1 million tonnes; and canola production is estimated to have declined by 1% to just under 3.1 million tonnes.

Compared to the December 2012 edition of *Australian crop Report*, the estimate of wheat production remains largely unchanged, while the estimates of barley and canola production have been revised upward. These upward revisions partially reflect a larger than previously estimated areas planted to canola in NSW and WA.

Table 3 Winter crop production, Australia

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Australia
	kt	kt	kt	kt	kt	kt
2002-03	3 487	1 947	830	4 223	6 813	17 370
2003-04	10 797	6 965	1 451	7 360	16 677	43 324
2004-05	10 715	4 219	1 392	5 298	12 979	34 681
2005-06	11 984	6 271	1 435	7 518	13 946	41 236
2006-07	3 796	1 751	925	2 793	8 279	17 588
2007-08	4 001	4 695	1 195	4 706	10 762	25 423
2008-09	9 441	3 890	2 327	4 864	13 786	34 386
2009-10	7 789	5 893	1 618	7 036	12 944	35 352
2010-11	14 786	7 629	1 822	9 317	8 045	41 681
2011-12 s	11 648	7 471	2 213	7 487	16 727	45 624
2012-13 s	10 712	5 366	2 221	6 569	10 840	35 780
% change 2011-12 to 2012-13	-8	-28	0	-12	-35	-22

s ABARES estimate.

Note: Includes barley, canola, chickpeas, faba beans, field peas, lentils, linseed, lupins, oats, safflower, triticale and wheat. Estimates for 2011-12 include preliminary Australian Bureau of Statistics estimates for grains and pulses, where available.

Table 4 Winter crop area, Australia

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Australia
	'000 ha	'000 ha	'000 ha	'000 ha	'000 ha	'000 ha
2002-03	4 787	2 918	718	3 963	7 179	19 591
2003-04	6 104	3 141	1 034	3 966	7 683	21 953
2004-05	6 440	3 195	861	3 965	7 933	22 417
2005-06	5 595	2 972	969	3 869	7 408	20 837
2006-07	5 673	3 085	810	4 141	6 478	20 215
2007-08	6 314	3 378	876	4 131	7 266	21 988
2008-09	6 296	3 494	1 212	3 979	7 900	22 909
2009-10	6 108	3 491	1 176	3 783	8 272	22 853
2010-11	6 159	3 460	1 220	3 821	7 716	22 401
2011-12 s	5 693	3 352	1 118	3 851	8 170	22 209
2012-13 s	6 124	3 360	1 256	3 922	7 551	22 235
% change 2011-12 to 2012-13	8	0	12	2	-8	0

s ABARES estimate.

Note: Includes barley, canola, chickpeas, faba beans, field peas, lentils, linseed, lupins, oats, safflower, triticale and wheat. Estimates for 2011-12 include preliminary Australian Bureau of Statistics estimates for grains and pulses, where available.

Summer Crop Production

The 2012-13 summer crop season has been unfavorable for most crops with heatwave conditions in early to mid January and, until recently, generally very much below average rainfall across the major summer cropping regions. These hot and dry conditions have resulted in widespread deficiencies in the levels of upper layer soil moisture, which is vital for the germination and establishment of newly sown crops.

The area planted to summer crops is forecast to fall by 15% in 2012-13 to around 1.4 million hectares, driven by falls in the area planted to cotton and grain sorghum. The area planted to irrigated and dryland cotton fell by 7% and 85%, respectively, which reflects favourable grains prices and falling cotton prices; this makes grain sorghum the more attractive options for producers. However, many producers did not fully realise their planting intentions for grain sorghum as a result of the unfavourable seasonal conditions during much of the planting window so the area planted to grain sorghum is forecast to fall by 12%. In contrast, the area planted to rice is forecast to rise by 12% in 2012-13, reflecting plentiful supplies of irrigation water in southern NSW.

Heavy rainfall in late January is expected to benefit late-sown summer crops and increase the area planted to crops with a later planting window, such as grain sorghum in central Queensland, mung beans and sunflowers. However, it was too late to significantly improve the yield prospect of early sown crops.

In contrast to grain sorghum, the hot dry weather has been generally favourable for prospecting yields in irrigated cotton, which comprises 95% of the total cotton crop. Recent flooding in some summer cropping regions caused minor damage to summer crops.

Total summer crop production is forecast to fall 13% in 2012-13 (as compared with 2011-12) to around 4.8 million tonnes. Grain sorghum production is forecast to decrease by 23% to 945 000 tonnes and 21% to around 1.3 million tonnes, respectively. In contrast, rice production is forecast to rise by 15% to around 1.1 million tonnes, the highest rice production since 2001-02.

Table 2 Summer crop plantings and production, Australia

	New South Wales		Queensland		Australia	
	'000 ha	kt	'000 ha	kt	'000 ha	kt
2002-03	518	1 578	541	1 231	1 074	2 835
2003-04	457	1 779	765	1 867	1 231	3 664
2004-05	521	2 020	812	1 842	1 343	3 878
2005-06	776	2 791	645	1 516	1 433	4 351
2006-07	338	1 037	545	1 099	918	2 166
2007-08	398	1 668	791	2 877	1 199	4 567
2008-09	402	1 430	746	2 350	1 156	3 794
2009-10	381	1 405	513	1 342	903	2 764
2010-11	713	2 514	790	1 901	1 514	4 446
2011-12 ^s	782	3 105	797	2 349	1 591	5 488
2012-13 ^f	634	2 733	708	2 025	1 353	4 785
% change 2011-12 to 2012-13	-19	-12	-11	-14	-15	-13

^f ABARES forecast. ^s ABARES estimates.

Note: State production includes grain sorghum, rice, cottonseed, maize and sunflower. Total for Australia also includes small areas and volume in other states. Total for Australia includes grain sorghum, rice, cotton seed, maize, sunflower, peanuts, mung beans and navy beans. Summer crop production figures include northern wet season rice and northern dry season cotton and rice. Estimates for 2011-12 include preliminary Australian Bureau of Statistics estimates for grains and pulses, where available.

NSW Forecast

Significant rainfall deficiencies experienced between October and December combined with heatwave conditions in early January have adversely affected 2012-13 summer crops. The prolonged hot and dry conditions experienced across key summer crop growing regions has limited the area sown to summer crops and reduced prospective yields. Above average temperatures drained soil moisture reserves placing crops under moisture stress throughout December and during the critical pollination period in January for early sown crops. In contrast, rainfall in late December on the North West slopes boosted crop development and enabled some further sowing of summer crops in that region.

A significant rainfall event in late January was too late to induce further widespread planting of summer crops in NSW. The rain was also too late to improve prospective yields of earlier sown crops, but will benefit development of crops sown in late December.

The area planted to summer crops in NSW is forecast to decrease by around 19% in 2012-13, reflecting the very dry start to the summer cropping season. The hot and dry conditions have also affected yield potential, particularly for early sown crops. Total summer crop production in 2012-13 is forecast to decrease by around 12% to 2.7 million tonnes.

The area planted to grain sorghum is forecast to decrease by around 33% in 2012-13. This is a significant decline from the ABARES December forecast, reflecting significant rainfall deficiencies in key growing regions leading to many growers being unable to realise their planting intentions. Additionally, prolonged hot and dry conditions are forecast to reduce yields, particularly for early sown crops, and total grain sorghum production is forecast to fall by 44%.

Cotton production is forecast to decline by 15% in 2012-13 to around 624 000 of cotton lint and 882 000 tonnes of cottonseed, driven by a 21% fall in the total area planted to cotton. The area planted to irrigated cotton fell by 4% and the area planted to dryland cotton fell by 85%. However, yields are forecast to average 7% higher, which is largely due to an increase in the proportion of total cotton crop being irrigated.

Rice production is forecast to increase by 15% in 2012-13 to around 1.1 million tonnes. The forecast increase largely reflects a 12% rise in planted area in response to plentiful supplies of irrigation water. Favourable growing conditions for rice over recent months have aided crop development and raised prospective yields.

Total winter crop production in NSW is estimated to have declined by 8% in 2012-13. The total area planted to winter crops is estimated to have increased by 8% to 6.1 million hectares.

Wheat production is estimated to have fallen by 17% in 2012-13 to around 7 million tonnes, which reflects a decrease in the planted area and lower yields. The area planted to wheat in NSW fell by 3% to around 3.8 million hectares.

Barley production is estimated to have increased by 8% in 2012-13. The area planted to barley rose by 23% to 840 000 hectares.

Canola production is estimated to have increased by 31% in 2012-13 to a record of 943 000 tonnes. Despite little in-crop rainfall, canola yields were better than expected with

crops in many areas able to tap into good levels of lower layer soil moisture. The area planted to canola rose by 65% to a record 650 00 hectares in 2012-13.

Table 5 Winter crop estimate, 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	1.86	7 105	-3	-17
Barley	840	1.84	1 546	23	8
Canola	650	1.45	943	65	31

Note: Yields are based on areas planted.

Table 6 Summer 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	%	%
Grain sorghum	150	3.00	450	-33	-44
Cotton lint	284	2.20	624	-21	-15
Cottonseed	284	3.11	882	-21	-15
Rice	120	8.96	1 075	12	15
Sunflower	10	1.24	12	-50	-50

Note: Yields are based on areas planted.