

**Briefing Note**

**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 2014. 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://data.daff.gov.au/data/warehouse/aucrpd9abcc003/aucrpd9abcc003201406/AustCropReport20140611\\_v1.0.0.pdf](http://data.daff.gov.au/data/warehouse/aucrpd9abcc003/aucrpd9abcc003201406/AustCropReport20140611_v1.0.0.pdf)

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## Overview

Seasonal conditions have been generally favourable for planting the 2014-15 winter crops in WA, SA, VIC and southern and central NSW. However, in most of northern NSW and QLD, seasonal conditions have been less favourable and presently there are low levels of soil moisture in parts of these regions.

The BOM's latest three-month rainfall outlook (June to August 2014), issued on 28 May 2014, suggests a drier than average winter for much of southern Australia. The chances of receiving above median rainfall for winter are less than 40 per cent over parts of southern WA, most of SA, northern VIC, NSW and southern QLD. In parts of south-east SA and southern NSW, chances are below 30 per cent. Additionally, the BOM's temperature outlook suggests a hotter than average winter, with at least a 60 per cent chance of exceeding median maximum temperatures for all of Australia.

According to the BOM, there is at least a 70 per cent chance of an El Niño event developing in 2014. The impact of an El Niño event on crop production is not uniform and is difficult to predict. While below average rainfall is often associated with an El Niño, the timing of the rainfall also influences the effect of these events on crop production. For example, several El Niño events over the past three decades have had no significant adverse effect on winter crop production in eastern Australia.

### Winter Crops

<b>Crop</b>	<b>Area (ha)</b>	<b>Production (tonnes)</b>
Wheat	13.8 million hectares (2% increase)	24.6 million tonnes (decrease of 9%)
Canola	2.7 million hectares (3% increase)	7.5 million tonnes (decrease by 22 per cent)
Barley	3.8 million hectares (4 % increase)	3.5 million tonnes (decrease by 8 per cent)

Sufficient and timely rainfall over winter will be critical to the development of winter crops, particularly in those areas where soil moisture levels are presently low. Yields are likely to be lower than currently assumed if sufficient and timely rainfall is not received.

Total summer crop production is estimated to have fallen by 33 per cent in 2013-14 to 3.7 million tonnes. Production fell for all summer crops, particularly grain sorghum. The area planted to summer crops is estimated to have fallen by 20 per cent to around 1.1 million hectares.

Grain sorghum production is estimated to have fallen by 50 per cent in 2013-14 to 1.1 million tonnes, the lowest level since 1997-98. This reflects an estimated 35 per cent fall in the average yield and a 24 per cent fall in planted area. Grain quality was also adversely affected by unfavourable seasonal conditions throughout the growing season.

Rice production is estimated to have declined by 29 per cent in 2013-14 to 825 000 tonnes. This decline reflects a 29 per cent fall in planted area, which resulted from a fall in the supply of irrigation water available to rice producers.

The Australian cotton harvest declined by around 11 per cent to 910 000 tonnes of cotton lint and 1.3 million tonnes of cottonseed. While the area planted to cotton declined by 11

per cent, the average yield is estimated to have increased marginally because irrigated cotton comprised a larger share of the area planted to cotton compared with 2012-13. However, growth in the average yield of marketable cotton lint was constrained by rainfall in March 2014, particularly in the cotton growing regions of NSW.

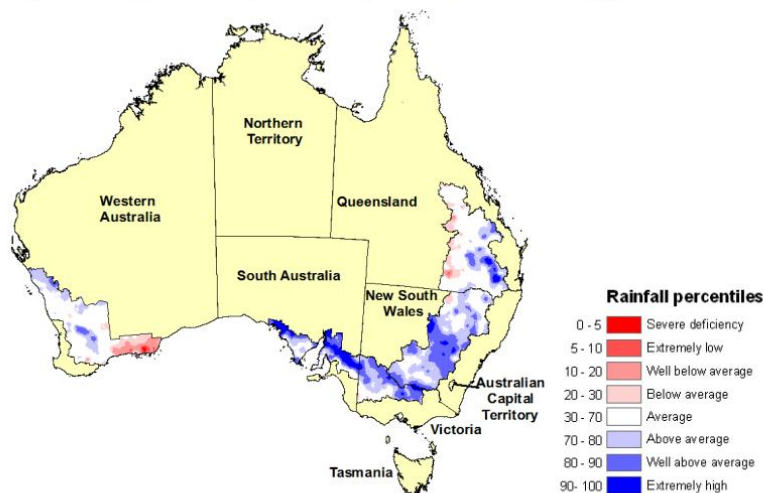
## Climate and Agronomic Conditions

Rainfall was largely above average in NSW, VIC and SA during autumn 2014. Most winter cropping regions in QLD and WA received generally average rainfall during this period.

March 2014 rainfall was at least average over most of Australia's winter cropping regions. However, parts of WA and western SA received below average rainfall. Most of Australia's winter cropping zone received above average rainfall during April 2014, resulting in increased upper layer soil moisture levels, particularly across southern and western Australia. May 2014 rainfall was generally average for cropping regions across Australia. Rainfall was below average in parts of western Qld and northern NSW.

Rainfall in excess of 25 mm was received in the first week of June 2014 across central and southern NSW and central and eastern VIC. These falls are likely to further increase soil moisture levels and help germinate and establish winter crops in these regions.

Map 3 Australian rainfall percentiles, 1 March 2014 to 31 May 2014

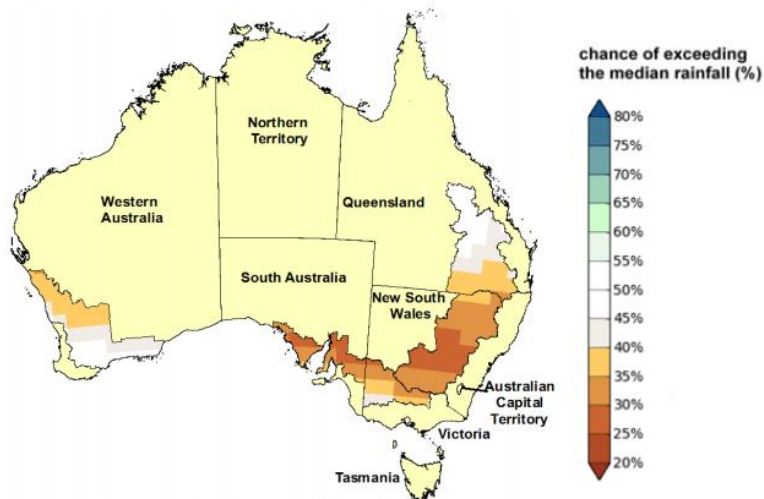


Note: Rainfall percentiles are displayed for cropping regions only.  
Source: Bureau of Meteorology

The BOM seasonal rainfall outlook for June to August (winter) 2014 indicates that a drier than normal winter is more likely for the southern mainland of Australia.

The temperature outlook for June to August 2014 indicates that warmer daytime and night-time temperatures are more likely across all cropping regions.

Map 4 Rainfall outlook, June to August 2014

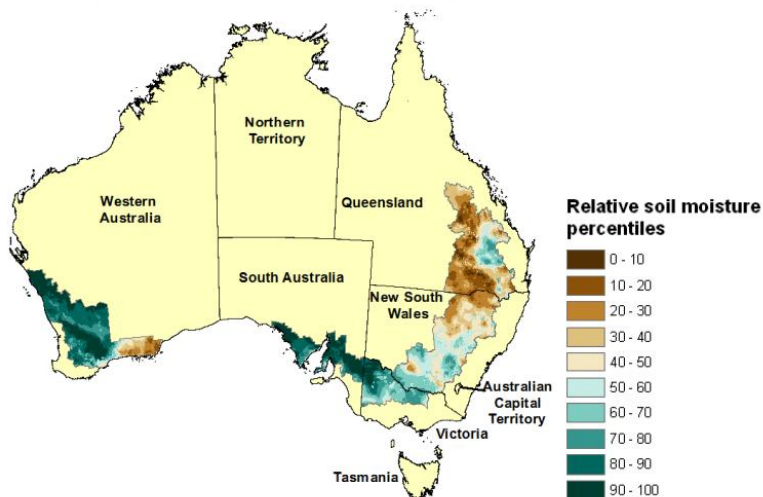


Note: Rainfall outlook is displayed for cropping regions only.  
Source: Bureau of Meteorology

## Soil Moisture

Recent rainfall during May 2014 resulted in an improvement in upper layer soil moisture to predominantly above average across most of the cropping regions in WA, SA and VIC. Parts of the cropping zone in southern and central NSW also had above average levels of upper layer soil moisture. In contrast, upper layer soil moisture was well below average across most parts of the cropping zone in QLD and northern NSW, largely as a result of below average rainfall and above average temperatures during May 2014.

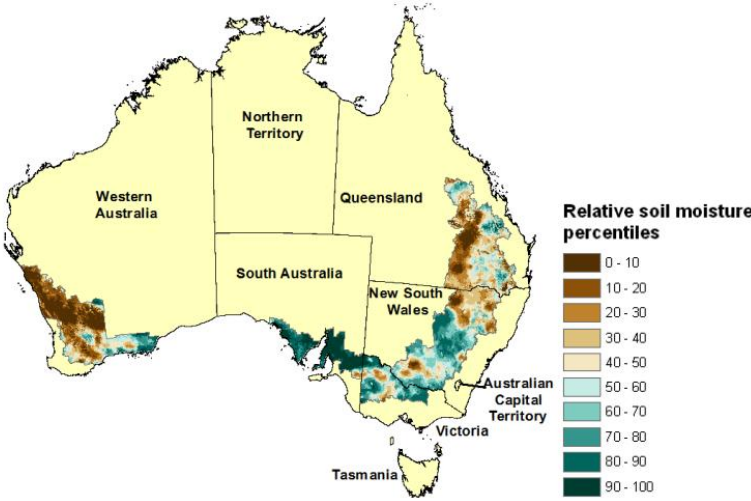
Map 5 Upper layer soil moisture, May average 2014



Note: Relative upper layer soil moisture displayed for wheat-sheep zone only.  
Source: ABARES; Bureau of Meteorology (Australian Water Availability Project); CSIRO

Soil moisture in the lower layer during May 2014 was largely above average across the cropping regions in SA, central NSW and parts of VIC. These above average levels of lower layer soil moisture mean that crop development in these regions will be less reliant on in-crop rainfall. There were below average levels of lower layer soil moisture in most of the cropping regions in northern and southern NSW, QLD and WA. Parts of the cropping

zone in western VIC also had below average levels of lower layer soil moisture during May. Crop development in these areas will be more reliant on in-crop rainfall.



Note: Relative lower layer soil moisture displayed for wheat-sheep zone only.

## NSW Forecast

Significant regional differences have marked the opening of the 2014-15 winter crop season in NSW. Average to well above average rainfall fell in the central and southern cropping regions in March and April, which raised soil moisture levels. Planting of winter crops proceeded quickly in these regions and is now largely finished. Additionally, rainfall received in late May and early June has benefited emerging winter crops.

Planting conditions have been less favourable in the northern cropping region of NSW. Following dry conditions during summer, March rainfall in the northern region was above average to well above average. However, rainfall was below average in the north east in April and across most of the northern region in May. Soil moisture is currently below average in some parts of the northern region.

In-crop rainfall will be critical to crop development this season, particularly in parts of the northern and southern regions where soil moisture levels are presently low. The BOM latest three month rainfall outlook suggests that the chance of exceeding median rainfall is below 35 per cent for most of the cropping zone in NSW and below 30 per cent across parts of the central and southern regions. However, the effect on winter crop prospects will depend on both the timing of rainfall received and the quantity.

The total area planted to winter crops in NSW is forecast to increase marginally in 2014-15 to 5.8 million hectares. This area is below the 10 year average to 2012-13, reflecting continued dry conditions in the northern cropping region. Average yields are assumed to increase from the below average levels of last season but be limited by the current soil moisture deficiencies and the outlook for below average winter rainfall. Yields are likely to be lower than currently assumed if sufficient and timely rainfall is not received during the winter cropping season. Total winter crop production is forecast to increase by 7 per cent to 10.2 million tonnes.

The area planted to wheat is forecast to increase by 3 per cent in 2014-15 to 3.9 million hectares because of expected favourable gross margins from growing wheat compared with production alternatives. Wheat production is forecast to rise by 10 per cent to 7.3 million tonnes.

The area planted to barley is forecast to fall by 4 per cent in 2014-15 to 640 000 hectares, with producers expected to increase the area planted to wheat at the expense of barley. Barley production is forecast to decline by 2 per cent to 1.2 million tonnes.

The area planted to canola is forecast to rise by 4 per cent in 2014-15 to 650 000 hectares, reflecting favourable conditions in the central and southern regions where canola is primarily grown and anticipated relatively favourable gross margins from growing canola. Canola production is forecast to rise by 5 per cent to 943 000 tonnes.

**Table 5 Winter crop forecasts, New South Wales, 2014–15**

<b>Crop</b>	<b>Area</b>	<b>Yield</b>	<b>Production</b>	<b>Area change</b>	<b>Prod. change</b>
	'000 ha	t/ha	kt	%	%
Wheat	3 900	1.86	7 250	3	10
Barley	640	1.81	1 160	-4	-2
Canola	650	1.45	943	4	5

Note: Yields are based on area planted.

Total summer crop production in NSW is estimated to have decreased by 33 per cent in 2013-14 to around 2.2 million tonnes, reflecting an estimated fall in the production of grain sorghum, rice and cottonseed. The area planted to summer crops fell by 23 per cent to 544 000 hectares.

Grain sorghum production is estimated to have declined by 67 per cent in 2013-14 to 250 000 tonnes. This reflects dry conditions during spring and summer that resulted in a 35 per cent fall in planted area to 140 000 hectares and significantly lower yields. The quality of grain sorghum is below average on the Liverpool Plains, where the grain size is small and there is shot and sprung grain because of rain during harvest.

Cotton production is estimated to have declined by 10 per cent in 2013-14 to 607 000 tonnes of cotton lint and 858 000 tonnes of cottonseed. This reflects a 10 per cent fall in the area planted to cotton to 256 000 hectares.

Rice production is estimated to have declined by 29 per cent in 2013-14 to 820 000 tonnes. This decline reflects a 29 per cent fall in planted area resulting from a fall in the supply of irrigation water available to rice producers.

**Table 6 Summer crop estimates, New South Wales, 2013–14**

<b>Crop</b>	<b>Area</b>	<b>Yield</b>	<b>Production</b>	<b>Area change</b>	<b>Prod. change</b>
	'000 ha	t/ha	kt	%	%
Grain sorghum	140	1.79	250	-35	-67
Cotton lint	256	2.37	607	-10	-10
Cottonseed	256	3.35	858	-10	-10
Rice	80	10.25	820	-29	-29

Note: Yields are based on area planted.