

APRIL 11, 2024  
ISSUE NO 33  
BLAKE MALLON

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**MALLON**  
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**NO.33**

# INTERNATIONAL Influences



Last night, inflation rates in the US were released showing an increase from 3.1% in February 2024 to 3.5% in March 2024. This is bad news for those wanting interest rates to fall as expectations of a rate cut by the US Fed will fall on this news. The US interest rate market is not the same as the Australian one, however, there is a positive correlation between US and Aussie interest rates.

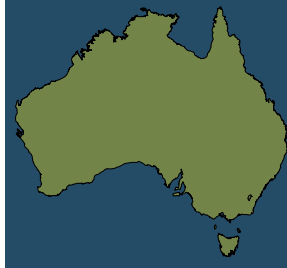
Stronger than expected US inflation data has caused an approx. 100 point drop in the Aussie currency overnight. This is good news for Aussie grain prices.

There have been disputes between the Russian Government and its private exporters relating to phytosanitary and grain quality issues. Large volumes of private exporter shipments of grain have been delayed causing heavy losses to private exporting companies due to these allegations. The move is seen by many analysts as a move to nationalise Russian grain export industry which will provide the Kremlin with the power to eliminate rogue discounting of grain prices and provide income to the government.

That being said, the Russian export program remains quite busy, Russian grain stocks are still plentiful and there are reports of some rain forecast to fall over the dry Russian wheat crop this week and next week.

Grain traders will be looking towards the USDA's WASDE report due overnight with a particular focus on South American summer crop estimates. With production estimates for Brazil's soybean and corn crops at 151.7 and 121.8 million tonnes respectively, you can see why these estimates are very influential to grain prices. For reference, Australia might grow 28 million tonnes of wheat in an average to above-average year.

# DOMESTIC Overview



Rainfall over the beginning and end of last week has put NSW and QLD in a great starting position for its winter crop program. Many would have already started on their early sowing programs with Canola, Barley, Oats and dual purpose crops going in as we speak. Happy planting to you all and may some timely follow up-rain arrive at its completion.

It's being reported that Aussie Canola plantings are going to be well down this year due to the price of Canola being too close to break even cost of production. Another factor is that given the proportions of canola grown in the previous two years, paddocks will need a break from canola for rotational purposes.

A large proportion of QLD and Northern NSW sorghum production is expected to be downgraded due to last weekends rain event. Analysts are estimating approx. 30% of Sorghum harvest was already complete across NSW and QLD before the rain and 3-400 000t of Sorghum will be downgraded due to sprouting or Test Weight issues.

## Key

**US FED:** US Federal Reserve System - the central banking system in the United States

**Phytosanitary Certificate:** Certificates used to attest that a consignment meets the phytosanitary (plant health related) requirements of the importing country.

**The Kremlin:** a fortified complex at the center of Moscow. It is informally used to refer to the Russian Government.

**WASDE:** World Agricultural Supply and Demand Estimates - report by the USDA.

**USDA:** Unites States Department of Agriculture

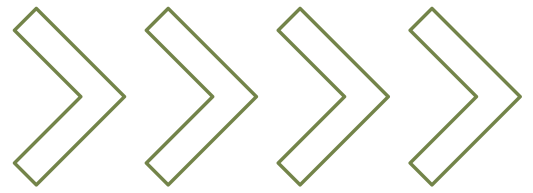


# INTERNATIONAL Futures Pricing

Contract Front Month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	591'2	269
US No 2 Soft Red Winter Wheat (SRW)	555'0	225
EU France Grade 1 Wheat (Rouen)	204.75	221
Russian 12.5 Milling Wheat		211
ASX East Coast Wheat Futures	324.00	255(Adelaide Track Basis)
AUD/USD	0.65155	
WTI Oil	86.32	



# DOMESTIC Pricing

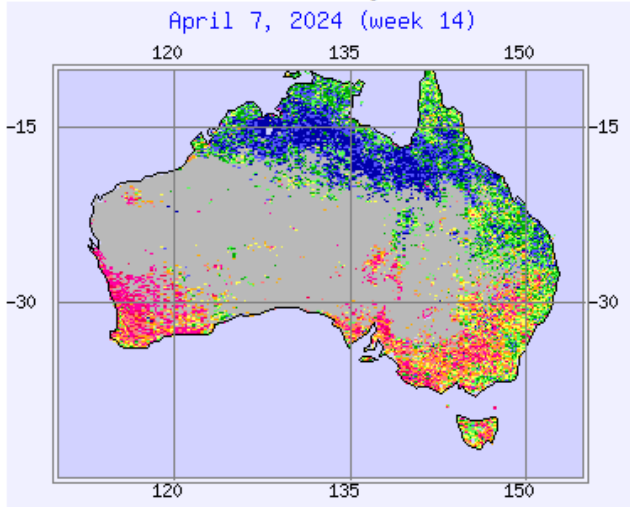


Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	380	390	365	
LLP	350	350	370	
Newcastle	358		380	
Griffith Market Zone	325 (asw1)	325		
Melbourne	337	345		
Moree				
Namoi Valley				
Macquarie Valley				455
MIA				495

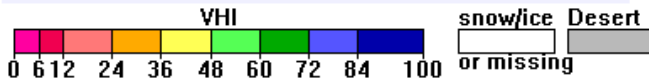
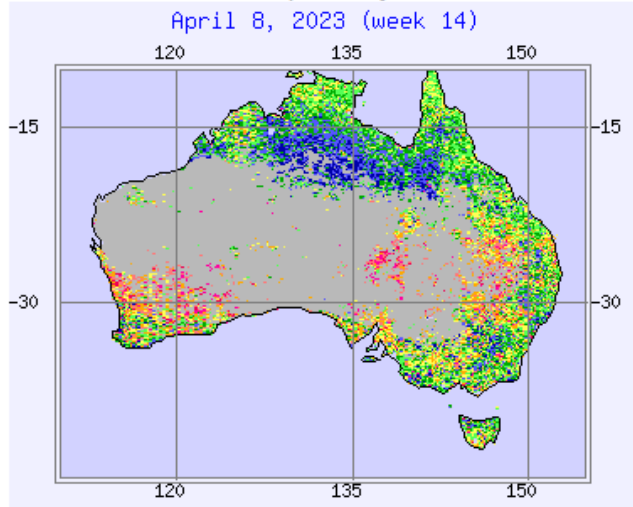


# Vegetation Health Index

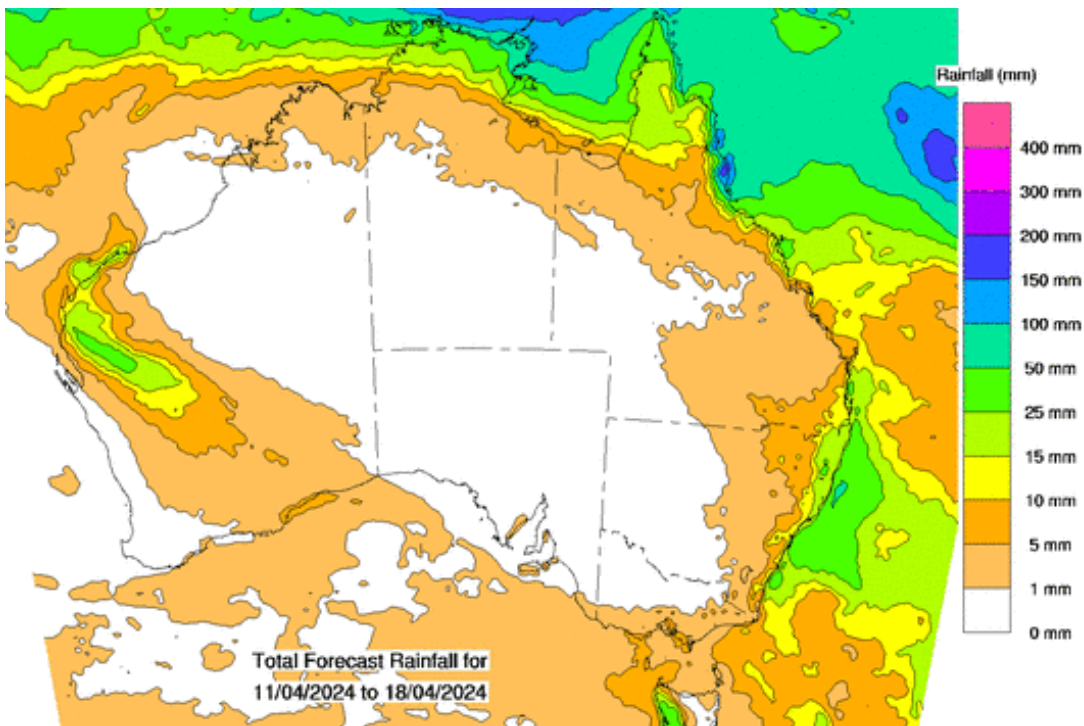
Australia - Vegetation Health Index (VHI): Current Week and One Year Ago, 2024 week 14  
VHI of current year



VHI of previous year  
April 8, 2023 (week 14)

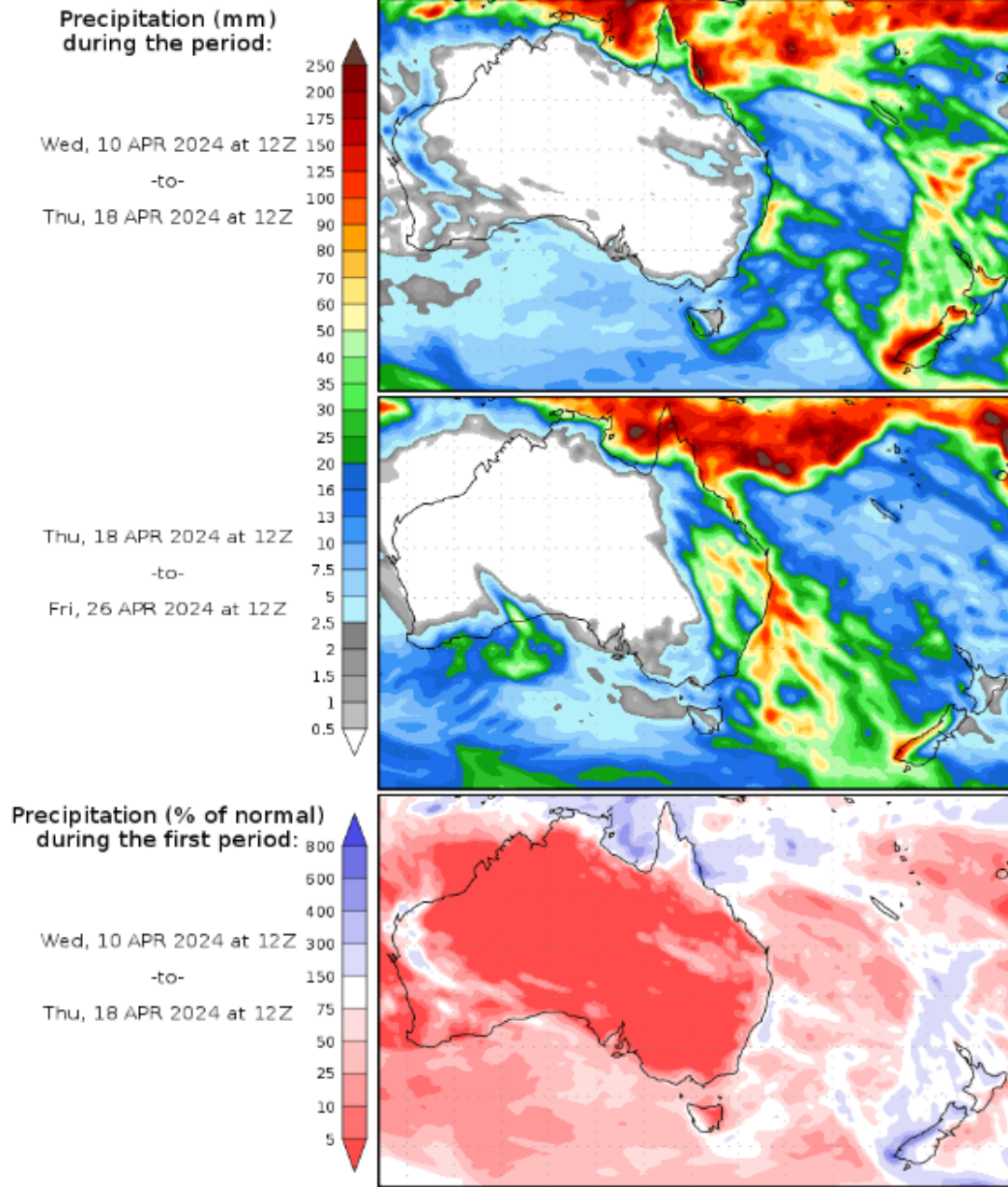


# 8 Day BOM Rainfall Forecast

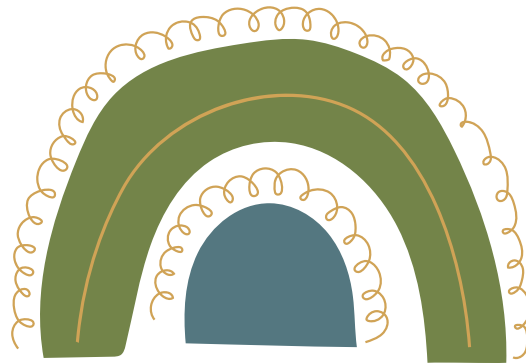


# WX Maps Precipitation Forecasts

## Precipitation Forecasts



Precipitation forecasts from the National Centers for Environmental Prediction.  
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.  
Forecast Initialization Time: 12Z10APR2024



# Bridging the Gap Between Farmers and Optimal Marketing Pathways

At Mallon AgCommodities, our primary goal is to connect farmers with the most promising marketing opportunities, while also catering to consumers who require grain for feedlotting, feed processing, or supplement feeding.

By taking on the complexities of commodity trading and logistics, we free you up to concentrate on what you do best. Contact us today for an outstanding and streamlined service experience.



**MALLON**  
AgCommodities

**Lets chat!**



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