

**MARCH 14 2024
ISSUE NO 30
BLAKE MALLON**



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This ISSUE.

MARKET REPORT

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INTERNATIONAL

Influences



Canola prices have had a small rally of \$15 or so pending location. Let's hope this keeps going. Price increases are due to the spillover effect of both recent sales of Canola to China by Canada AND the strength in soy oil and rapeseed futures prices. This lift in prices seems to be due to reduced canola planting forecasts in Canada, reduced Brazilian soybean crop forecasts as well as other international supply concerns. Another factor that will be weighing on canola prices is rising crude oil prices (due to Middle East tensions among other things). To explain this relationship, canola oil is a substitute for vegetable oils and vegetable oils are used in biofuel refineries, ie a substitute for crude oil.

There have been both rumours and confirmations of recent cancellations of a lot of wheat purchase contracts by China. Up to 500 000t of SRW wheat purchases are thought to have been cancelled from the US. It is also been rumoured that French and Aussie wheat purchases have been cancelled too but with volumes unconfirmed. Of course, the reports say cancelled, but what they mean is washed out, similar to how contract washouts occur in Australia. This is not a good price signal for Aussie grain.

Furthermore, midway through writing this report, a Reuters article reports the cancellation of 1 million tonnes of Aussie wheat purchases and the rolling of further contracts from 2nd quarter to 3rd quarter for shipping times. There seems to be no suggestion of this being a political move, just a financial one.

It seems Australia/China relations are thawing out a bit with China's foreign minister Wang Yi travelling to Australia for the first time since 2017. This is great news for Aussie Agricultural trade as we all remember the barley, beef and wine tariffs imposed on us in 2020. Some of those tariffs have been removed but others still remain.

DOMESTIC Overview



Sorghum harvest is underway sporadically on the LPP, Northern NSW and the Darling Downs, but real volume is yet to hit the market. Prices seem to be moving side-wards at the moment with not much movement in the past month or so in either direction.

There seems to be some rain in the forecast. Not before time! Growers and graziers alike have been reporting dry conditions for a couple of weeks or more now. If it eventuates, it would kick start the sowing of some early dual-purpose oats and wheat crops with winter plantings starting not long afterward (mid-April onwards).

There has been a slight increase in demand/lift in wheat and sorghum prices this week. Sorghum seems to be more of a short-term squeeze as container traders fill early positions. Wheat has been falling in price for some time now with traders selling into the falling market. It seems thin grower selling is now causing a few buyers to step into the market with earlier slots and slightly increased bids.

Barley remains soft and hard to find nearby demand for. This seems a bit odd as supply is a lot tighter for barley than it is for wheat overall. This may be due to the fact that feedlots favour barley in the hotter months and wheat in the cooler months due to lower energy levels in barley.

Key

SRW: Soft Red Winter Wheat, a type of winter wheat grown in the US. The Chicago SRW futures contract is the most traded contract in the world and is based off this wheat.

LPP: Liverpool Plains - a growing region between Gunnedah, Tamworth, Premer and Willow tree, give or take.

Wash Out: A financial means of settling a contract that can not or will not be honoured by one party.

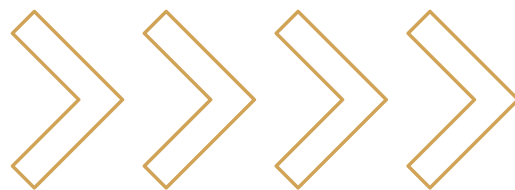


INTERNATIONAL Futures Pricing

Contract Front Month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	535'2	280
US No 2 Soft Red Winter Wheat (SRW)	571'0	231
EU France Grade 1 Wheat (Rouen)	194.50	216
Russian 12.5 Milling Wheat		199
ASX East Coast Wheat Futures	317.00	263(Adelaide Track Basis)
AUD/USD	0.6622	
WTI Oil	79.60	



DOMESTIC Pricing

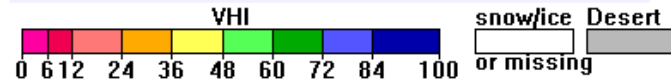
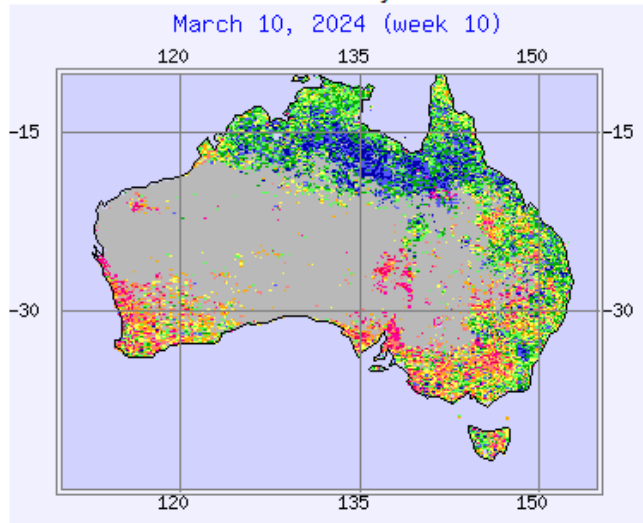


Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	360	365	350	480
LLP	335	335	340	
Newcastle	350		360	
Griffith Market Zone	320 (asw1)	310		
Melbourne	320	320		
Moree				440
Namoi Valley				430
Macquarie Valley				440
MIA				425

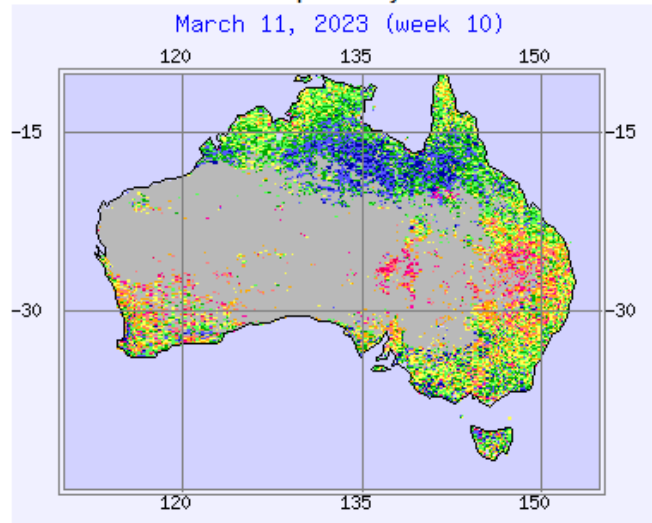


Vegetation Health Index

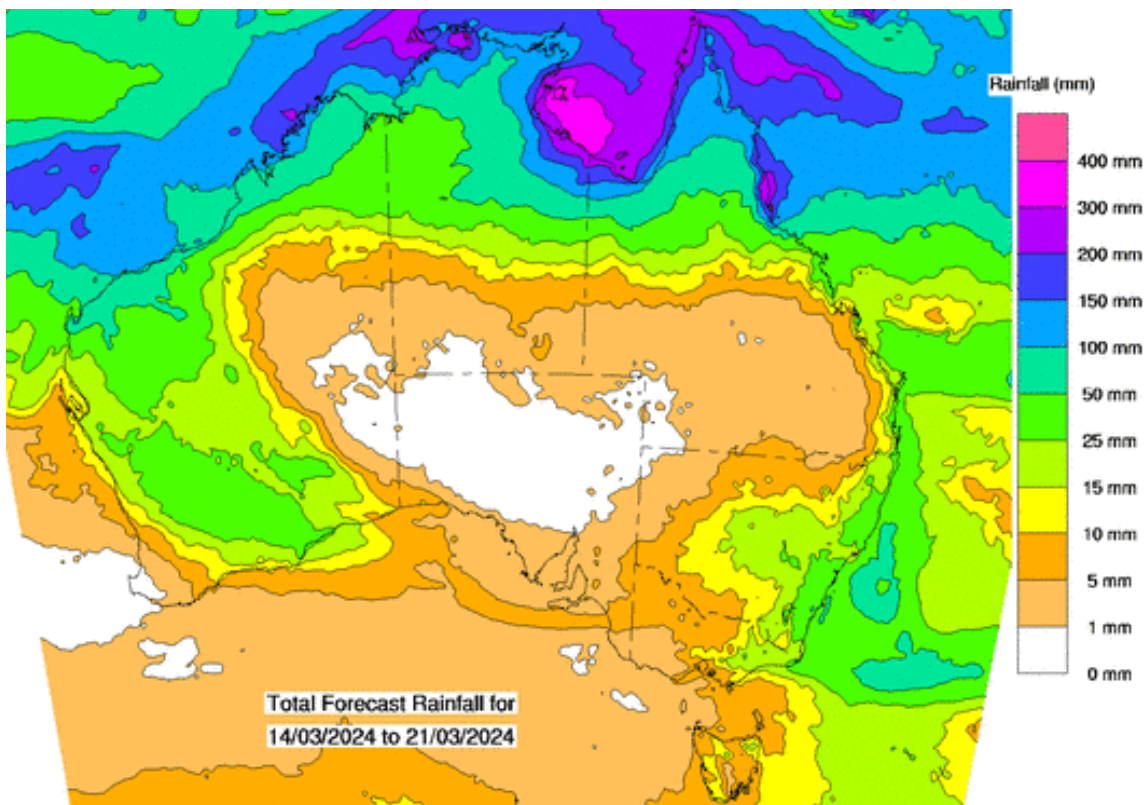
Australia - Vegetation Health Index (VHI): Current Week and One Year Ago, 2024 week 10
VHI of current year



VHI of previous year



8 Day BOM Rainfall Forecast

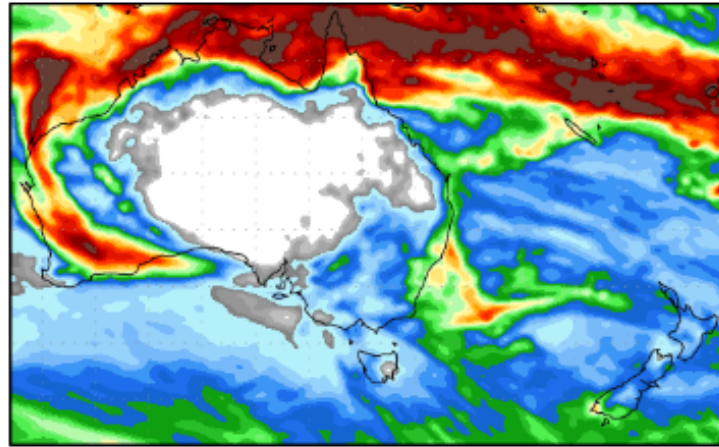
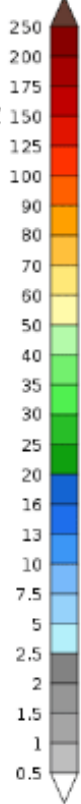


WX Maps Precipitation Forecasts

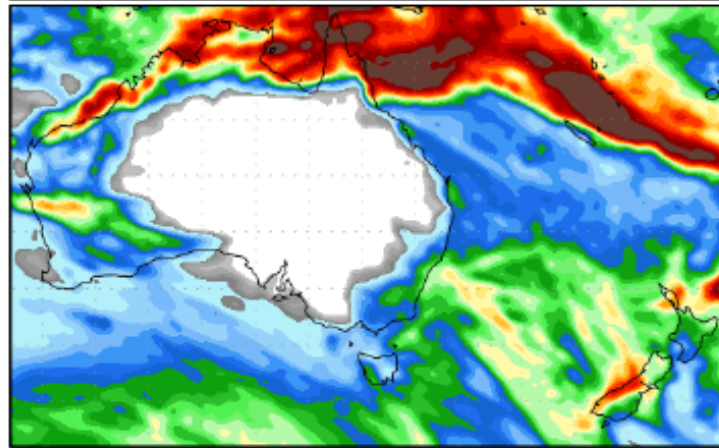
Precipitation Forecasts

Precipitation (mm)
during the period:

Wed, 13 MAR 2024 at 12Z
-to-
Thu, 21 MAR 2024 at 12Z

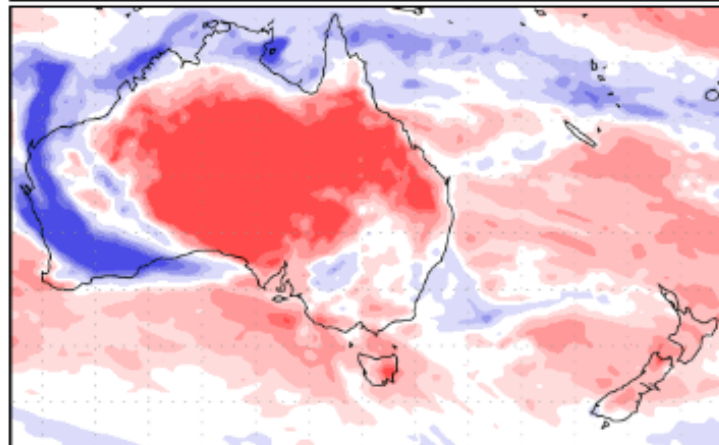
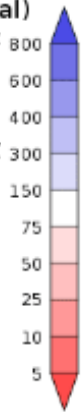


Thu, 21 MAR 2024 at 12Z
-to-
Fri, 29 MAR 2024 at 12Z

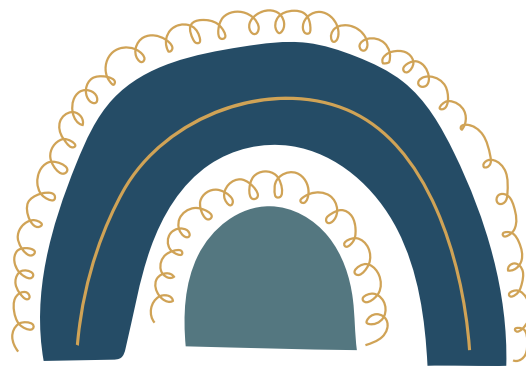


Precipitation (% of normal)
during the first period:

Wed, 13 MAR 2024 at 12Z
-to-
Thu, 21 MAR 2024 at 12Z



Precipitation forecasts from the National Centers for Environmental Prediction.
Normal rainfall derived from Xie-Arkin (CMAP) Monthly Climatology for 1979-2003.
Forecast Initialization Time: 12Z13MAR2024



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.

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