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BLAKE MALLON

MALLON

AgCommodities



NO.35

This  
ISSUE.

MARKET REPORT

INTERNATIONAL  
INFLUENCES

DOMESTIC OVERVIEW

INTERNATIONAL FUTURES

DOMESTIC PRICES

AUSTRALIAN  
VEGETATION HEALTH

WEATHER INFLUENCES

PRECIPITATION  
FORECASTS



# INTERNATIONAL Influences



The main focus in international grain news for the past month has been dry weather and frost damage for this years Russian wheat crops. On the 9th of May, Reuters reported that three of Russia's key grain-producing regions declared an emergency due to frost damage. The regional agricultural ministry wrote, "According to preliminary data, the area of dead or severely damaged crops has exceeded 265,000 hectares,". Before that trade was already concerned about dry weather in the region. The combined dry weather and frost concerns has coincided with an AUD 52/t rally in Chicago SRW wheat futures since 19th of April.

CME wheat futures seemed to respond most to this news, as it often does. In the same time period, Russian 12.5 (% protein) wheat responded with a US 22/t move (approx. 33/t AUD). The bigger response in CME wheat futures is likely a result of the greater liquidity present due to managed money funds buying in against their record large short positions.

On the flip side, the US hard red winter wheat-producing region of Kansas is well on track for an above-average production year. A recent crop tour suggested production in the region of 10.7 million tonnes, which is reportedly up 8.2% on the 5-year average.

# DOMESTIC Overview



Local grain prices are up across the board for current crop and new crop markets as they respond to a combination of domestic and international price influences.

Domestically, a big price driver is persistent dry weather in WA and SA. These regions are yet to receive any meaningful planting rain and are the origin of the majority of our country's exports. Another driver is low pasture levels in SNSW and Victorian colder regions heading into winter when grass growth halts. This has rekindled grazier demand.

Export demand for current crop supplies is quite strong. Remember, northern NSW grain stocks are quite low. If the Darling Downs feedlot region needs to start dragging grain from regions further south such as the Central West or the Riverina, but these areas are supported by export demand into local boxes or into Melbourne, this provides price support for the Darling Downs.

## Key

**Managed Money:** Investment companies who invest other people's money at a fee and invest it in a variety of financial products including wheat futures.

**CBOT:** Chicago Board Of Trade. US wheat futures exchange based on Soft Red Winter Wheat.

**CME wheat futures:** CME = Chicago Mercantile Exchange. A large financial services and derivatives market place. Parent company to some well known futures exchange such as CBOT and Kansas City wheat futures.

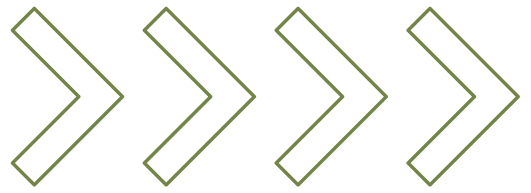


# INTERNATIONAL Futures Pricing

Contract Front Month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	684'0	290
US No 2 Soft Red Winter Wheat (SRW)	674'4	262
EU France Grade 1 Wheat (Rouen)	248.75	260
Russian 12.5 Milling Wheat		232
ASX East Coast Wheat Futures	375.00	278(Adelaide Track Basis)
AUD/USD	0.666	
WTI Oil	79.38	



# DOMESTIC Pricing

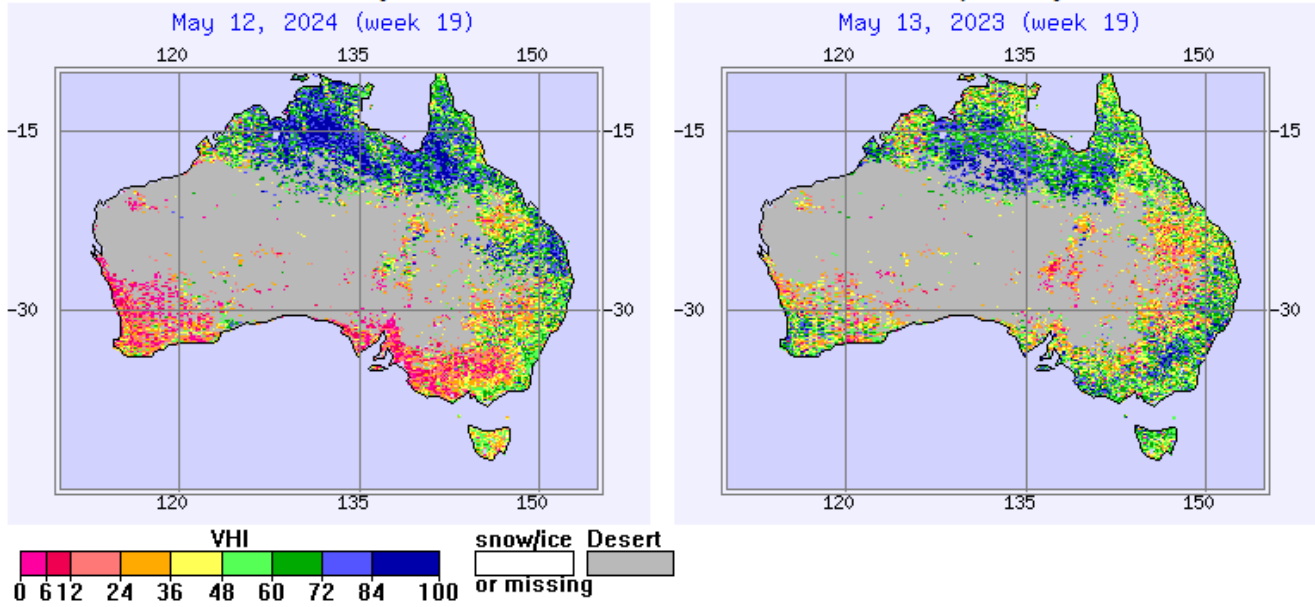


Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	415	415	360	
LLP	385	375	365	
Newcastle	390		385	
Griffith Market Zone	360 (asw1)	345		
Melbourne	375	360		
Moree				475
Namoi Valley				
Macquarie Valley				450
MIA				470

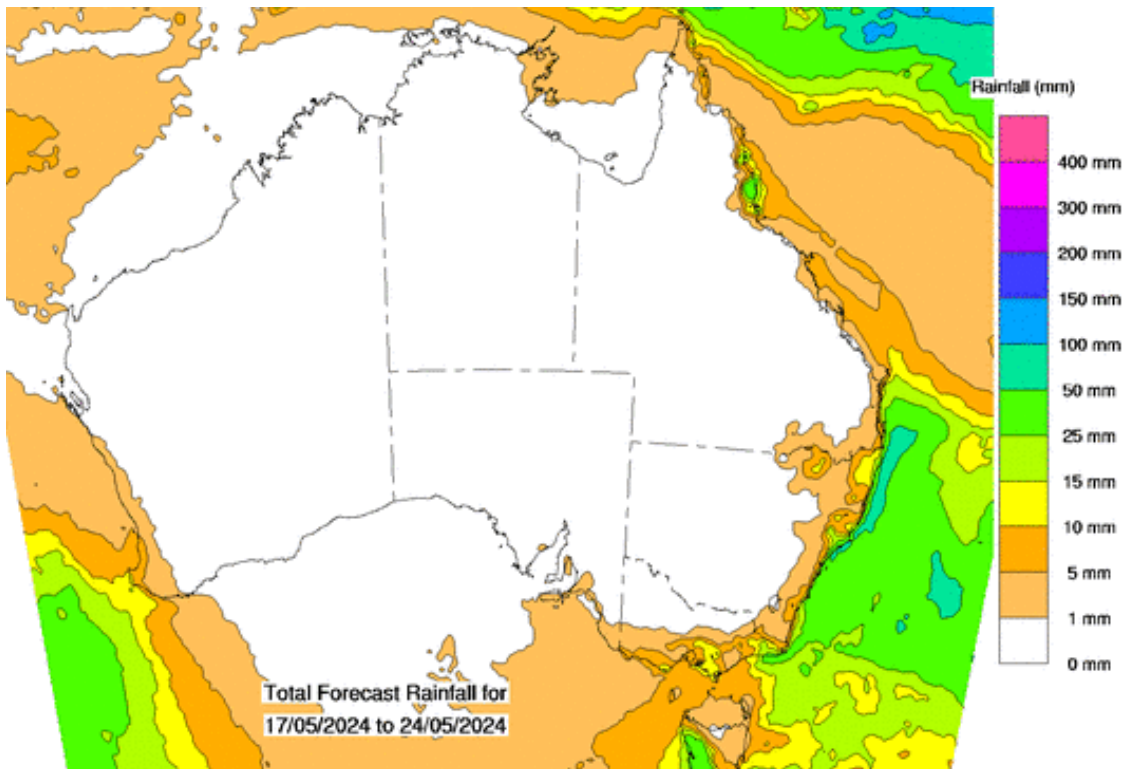


# Vegetation Health Index

Australia - Vegetation Health Index (VHI): Current Week and One Year Ago, 2024 week 19

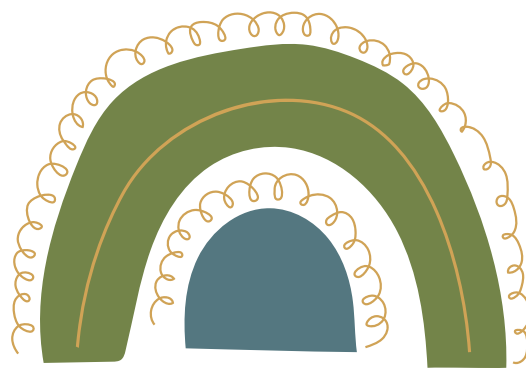
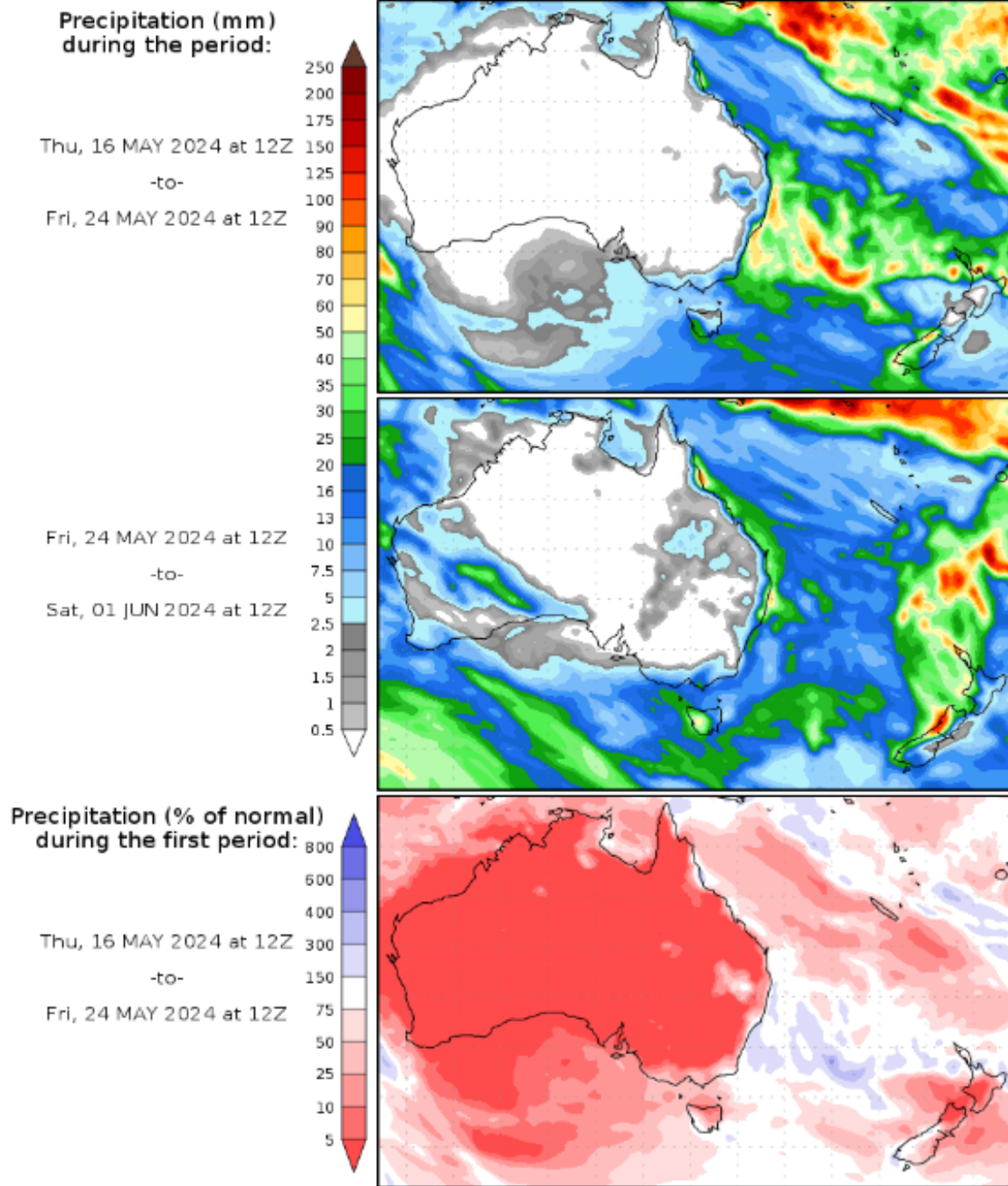


# 8 Day BOM Rainfall Forecast



# WX Maps Precipitation Forecasts

## Precipitation Forecasts



## 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.



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Lets chat!



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