



This issue:

- International Influences
- Domestic Overview
- International Futures
- Domestic Prices
- Australian Vegetation Health
- Weather Influences
- Precipitation Forecasts

Mallon AgCommodities Weekly Market Report

International Influences

East Coast ASW1 wheat is finding demand into Asia as reports emerge of The Philippines buying a 96,000mt cargo in the high USD \$280/mt CFR. With freight from Victoria to South East Asia reportedly at around US \$21/mt, this leaves the assumed FOB Victorian port price at high US \$260's. This comes after the reported purchase of a vessel into China last week at similar values. The Victorian ASW1 track Profarmer bid is \$330/mt across Geelong, Melbourne and Portland which equates to a FOB US price of about \$260/mt.

EU farmers have been protesting for some time now about not being paid enough for their produce and that they are choked by excessive bureaucratic red tape relating to environmental procedures.

The EU has waived quotas and duties for Ukrainian imports since Russia's invasion which has dropped the farm gate price of EU grain. This is despite the fact that production of Ukrainian grain does not meet the environmental obligations that EU farmers are expected to adhere to. In Germany, plans by the government to phase out tax breaks for farmers on diesel are contributing to already increasing costs of

diesel, fertiliser and transport. Also, examples of environmental red tape include an incoming EU requirement for farmers to leave 4% of land fallow and Frances over complicated implementation of EU agricultural environmental policy such as restoring hedges.

The protests have been largely peaceful however quite disruptive. Farmers have had tractor rallies, blockaded highways, sprayed manure at prefecture buildings and set tires on fire and it seems to be working with governments giving some concessions.

Domestic Overview

Sorghum harvest has kicked off in some parts of QLD, although it is far from in full swing. Over the past 7 days, rain filtered down from tropical cyclone Kirrily after it was downgraded to a tropical low as it moved inland. It dropped 50-100mm across much of the QLD cropping regions which will result in significant summer crop yield increases.

Sorghum is interesting as it has such a wide planting window. Expectations are that Sorghum will be harvested from February through to about June/July this year.

In other feed-grade commodity markets, domestic feed homes in northern NSW seem to have good cover until at least end of March. I think there are still large percentages of coverage well into the second quarter of 2024 too. This cover seems to have come from the major Australian trading companies. With the prospects grain prices being at or near the bottom, maybe we see some traders put their hand up to start filling some shorts?

Key

CNF: Cost and Freight, refers to the cost of goods delivered by bulk shipment to the port of destination.

Mostly quoted in USD.

FOB: Free On Board, refers to the price of grain once it is loaded on a ship at origin. Also quoted in USD.

Quota: a limit on the number or value of exports or imports allowed in or out of a country.

Duty: a tax on goods imported or exported.

Cover: In the context of this report, means buyers have covered their grain buying requirements. I.e, consumers have contracted grain from traders and producers.





International Futures Pricing

Contract front month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	621'4c/bu	291
US No 2 Soft Red Winter Wheat (SRW)	595'6c/bu	259
EU France Grade 1 Wheat (Rouen)	211 EU/mt	237
Russian 12.5 Milling Wheat	-	236
ASX East Coast Wheat Futures	367.00 AUD	289 (Adelaide Track Basis)
AUD/USD	.6570	
WTI Oil	76.16 USD/Barrel	

Domestic Pricing

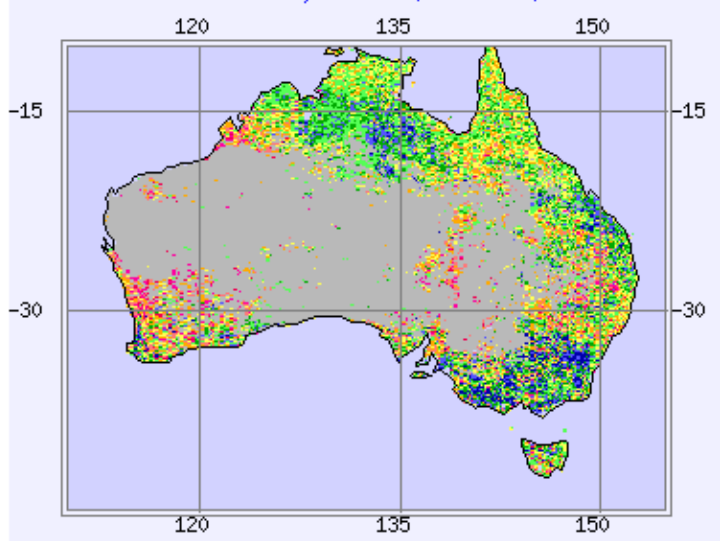
Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	393	398	375	
LPP	367	372	365	
Newcastle	375		380	
Griffith Market Zone	325	345		
Melbourne	355	340		
Moree				
Namoi Valley				
Macquarie Valley				
MIA				



Australian Vegetation Health Index

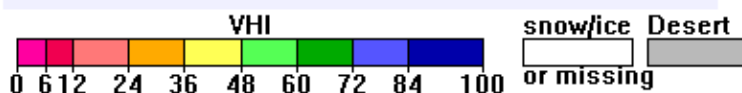
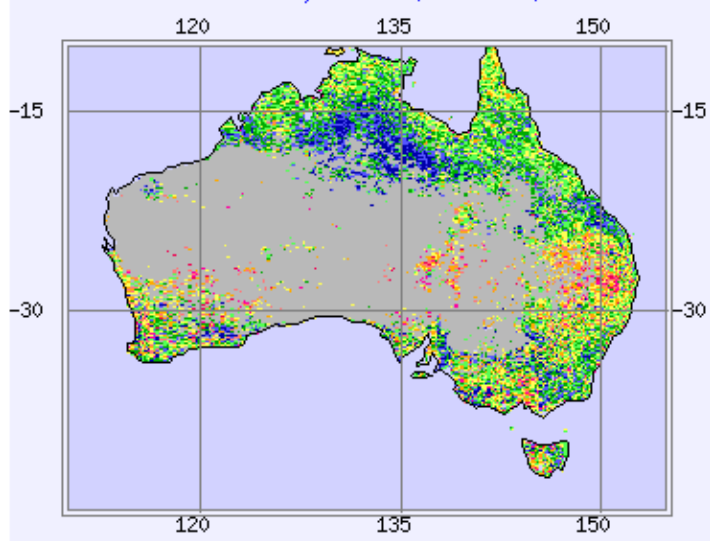
Australia - Vegetation Health Index (VHI): Current Week and One Year Ago, 2024 week 4
VHI of current year

Jan. 28, 2024 (week 04)



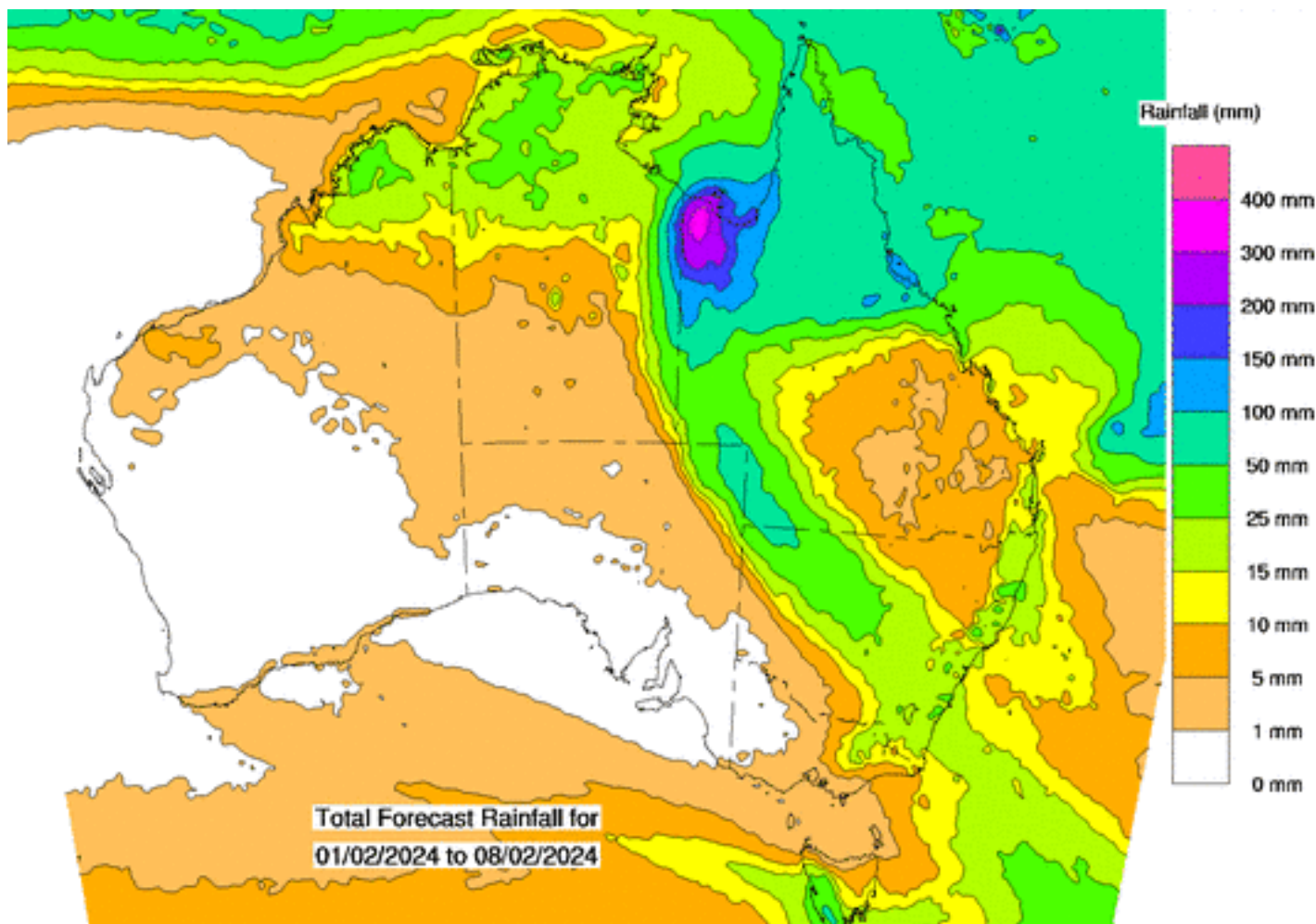
VHI of previous year

Jan. 28, 2023 (week 04)



Weather Influences

8 Day BOM Rainfall Forecast

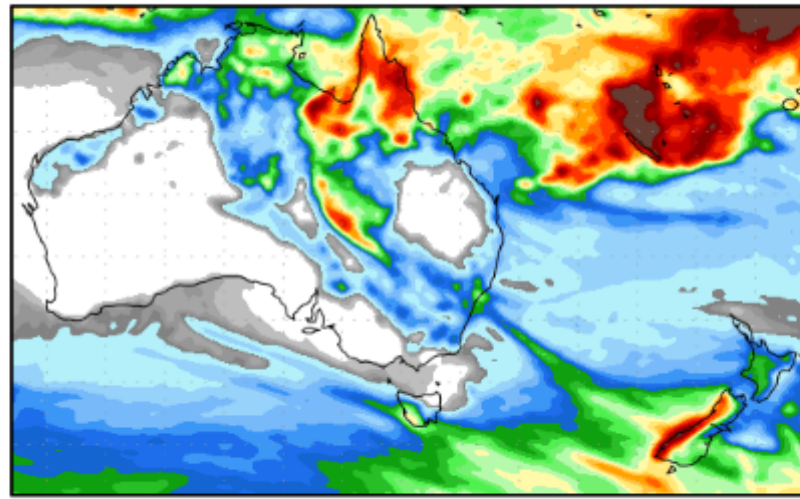




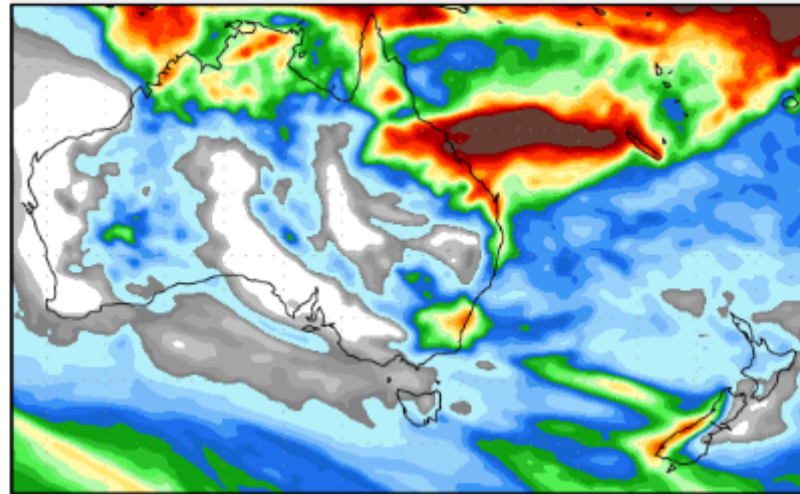
Precipitation Forecasts

Precipitation (mm)
during the period:

Wed, 31 JAN 2024 at 12Z
-to-
Thu, 08 FEB 2024 at 12Z

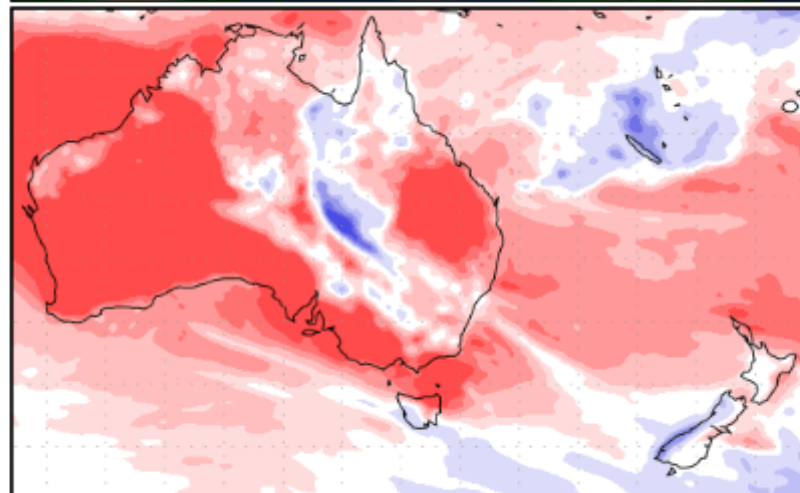
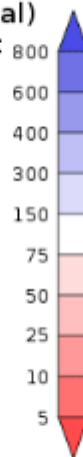


Thu, 08 FEB 2024 at 12Z
-to-
Fri, 16 FEB 2024 at 12Z



Precipitation (% of normal)
during the first period:

Wed, 31 JAN 2024 at 12Z
-to-
Thu, 08 FEB 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: 12Z31JAN2024