

This
ISSUE.

MARKET REPORT

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INTERNATIONAL

Influences



There have been reports of Chinese purchases of 3-400kt of Aussie barley in the last couple of weeks. At the reported sale price less approximately US 24/t freight back to Australia is around US 235 FOB Australia. This supports the Melbourne delivered barley market at around AUD 320.

Reports show that drought is causing production concerns in Northern Africa. Biomass yields are well down and there is a noted delay in planting. Current estimates are that yield forecasts are 15-19% below the 5 year average in Morocco and Algeria.

Farmer selling is low as grain prices approach cost of production. The position holders of the domestic feed market will eventually stop executing bulk hander tonnes and have to approach farmers to fulfill their requirements... but at what level?

DOMESTIC Overview



I went on a tour of the Port of Melbourne yesterday which was very interesting. There was a mixture of people aboard the charter, not many grain industry participants, but a few. It was a very impressive tour that cost \$36 (plus travel and accommodation of course) via Magic Charters and I would recommend it to anyone.

Some things I learned about Port of Melbourne (PoM):

- They own 500 ha of harbourside land and water.
- They handle 3.4 million TEU (containers) per year.
- They contribute 9200 full time equivalent direct jobs in Australia.
- For FY22, they handled 95 539 containers of cereal grain (approx. 2.2 million tonnes assuming 23t/container)
- They unload approx. 1000 cars per day (there were 3 car carrying ships in the port unloading when I went through).
- 2 x bulk shipments of cement are imported per day (I wish I heard how big, but I imagine between 30kt and 60kt)
- One of the three container terminals (VICT) is fully automated.

The notable feature in the above data was that there was more grain exported via containers than bulk at Port of Melbourne! This surprised me but is an anomaly as most ports/states export much less via containers than they do via bulk.

For anyone interested, I took some photo's/videos which I'll work on posting on social media over the coming days.

Key

TEU: Twenty-foot Equivalent Unit - a unit of measurement that standardises container trade. I.e a Forty foot container would be 2 TEU.

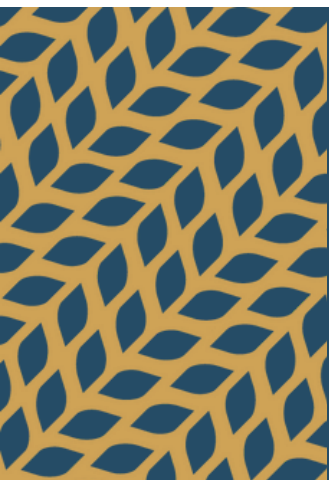
VICT: Victoria International Container Terminal

kt: thousand tonnes.

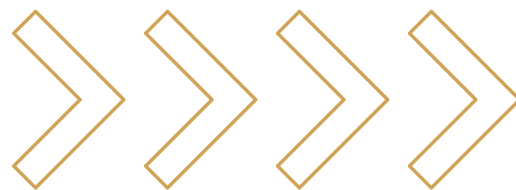


INTERNATIONAL Futures Pricing

Contract Front Month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	595'4	279
US No 2 Soft Red Winter Wheat (SRW)	571'0	254
EU France Grade 1 Wheat (Rouen)	195.00	224
Russian 12.5 Milling Wheat		212
ASX East Coast Wheat Futures	330.50	280(Adelaide Track Basis)
AUD/USD	0.64965	
WTI Oil	78.54	



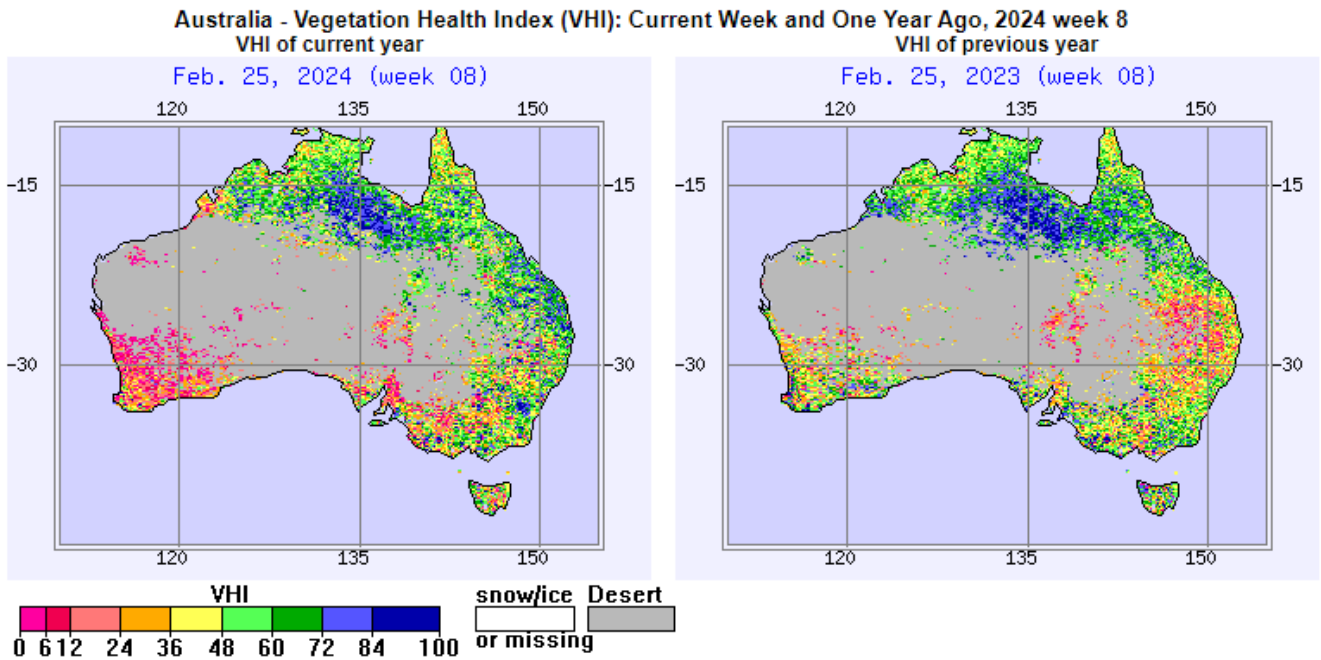
DOMESTIC Pricing



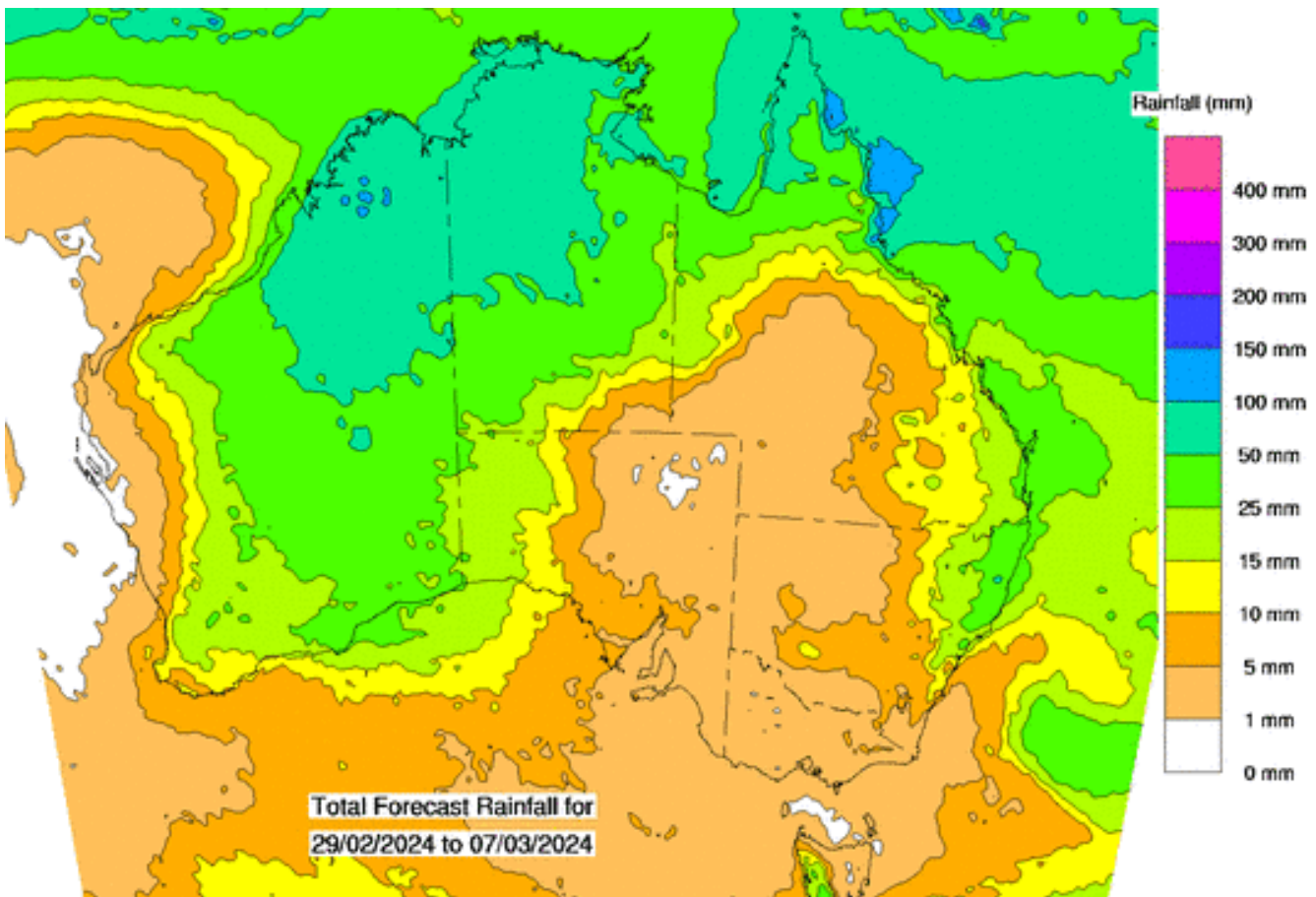
Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	365	362	355	
LLP	340	340	350	
Newcastle	350		365	
Griffith Market Zone	332 (asw1)	310		
Melbourne	337	320		
Moree				420
Namoi Valley				415
Macquarie Valley				420
MIA				425



Vegetation Health Index



8 Day BOM Rainfall Forecast

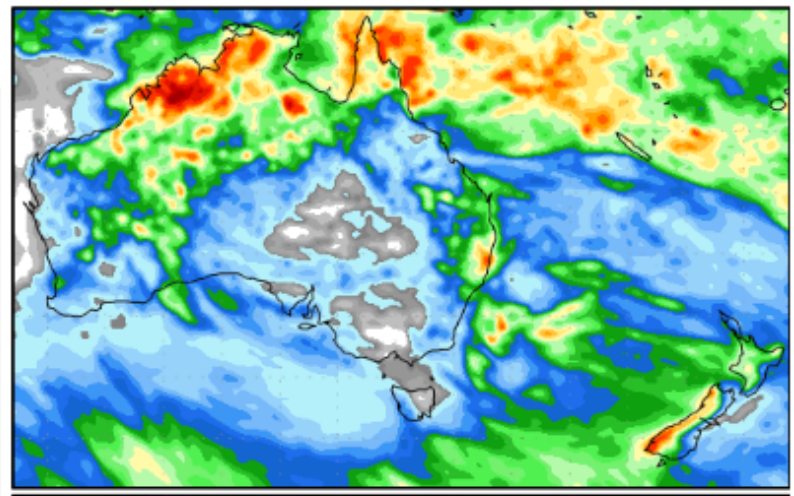


WX Maps Precipitation Forecasts

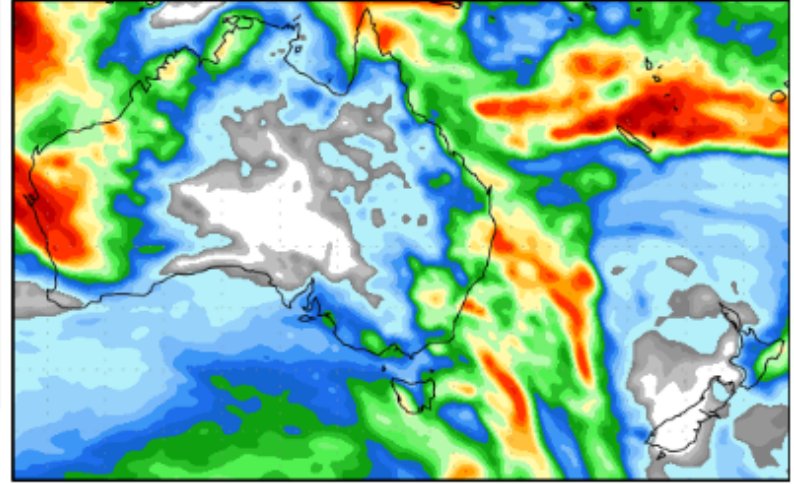
Precipitation Forecasts

Precipitation (mm)
during the period:

Wed, 28 FEB 2024 at 12Z
-to-
Thu, 07 MAR 2024 at 12Z

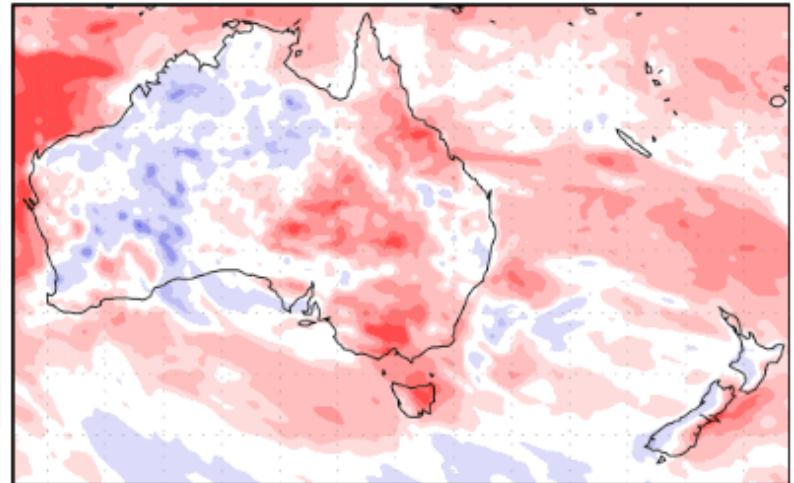
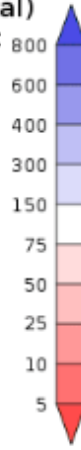


Thu, 07 MAR 2024 at 12Z
-to-
Fri, 15 MAR 2024 at 12Z

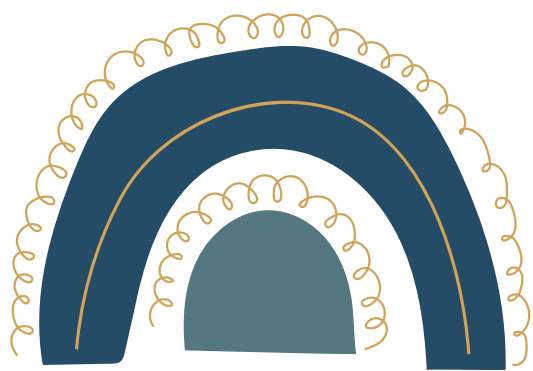


Precipitation (% of normal)
during the first period:

Wed, 28 FEB 2024 at 12Z
-to-
Thu, 07 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: 12Z28FEB2024



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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