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Mallon AgCommodities Weekly Market Report

International Influences

2024 Russian wheat production is forecast at 89.8 million tonnes, down from 91.5mmt in 2023. The reasons cited are declining input application due to declining margins in grain production.

The Black Sea region has seen record breaking storms over the past 3 days including tornadoes, blizzards and torrential rain. At least 14 people have died across Russia and Ukraine. Reports suggest up to 2 million people lost power and that 100 000 people are still without power. Grain and oil exports have also been majorly disrupted.

The Argentinian people have decided on the right-wing libertarian candidate Javier Milei as their next president. Argentina is in a deep economic crisis as it battles with triple digit inflation. This is stopping Argentinian farmers from selling agricultural produce as they wait to see what their new president can do to improve the situation. In inflationary times, it is better to hold a commodity than the money for the commodity, as money is eroding in value.

Domestic Overview

Rainfall in eastern areas of NSW and Victoria is likely to cause some down grades in wheat from milling grade to feed grade as test weight and falling numbers stop it from making spec. The Liverpool Plains, South West Slopes and Victorian areas are most at risk. Look for bids to be back in for SFW1 homes.

CHS Broadbent has entered into a memorandum of understanding to buy a section of land with port access to build an export terminal. This is good news for the grain industry as it increases competition and Australia's export capacity. This helps growers get best value for their grain in big years.

In big years, as some of you would have seen, Australian grain becomes very cheap on the world market. Major Australian grain traders were making sales overseas at world values, but buying grain in from farmers very cheap against these sales. This is possible when grain sites are full and grain sellers need to move their grain to make space for further grain harvest. This creates an over supply and forces the price down. The bottleneck occurs at the ports and due to rail capacity.

Key:

Libertarian: An advocate of a political philosophy of minimal state intervention in the free market and private life of its citizens.

Right Wing: a political philosophy advocating free enterprise, private ownership and typically favours socially traditional ideas.





International Futures Pricing

Contract front month	Price	USD FOB
US No 2 Hard Red Winter Wheat (HRW)	640'6 c/bu	279
US No 2 Soft Red Winter Wheat (SRW)	556'2 c/bu.	240
EU France Grade 1 Wheat (Rouen)	219.50 EU/mt	240
Russian 12.5 Milling Wheat	-	237
ASX East Coast Wheat Futures	390.00 AUD	288 (Adelaide Track Basis)
AUD/USD	.6622	
WTI Oil	77.71 USD/Barrel	

Domestic Pricing

Market/Commodity (\$/mt)	SFW1 Wheat	Barley 1	Sorghum	Cottonseed
Downs	435	437	420	630
LPP	405	405	390	570
Newcastle	415		410	
Griffith Market Zone	365	345		
Melbourne	390	368		
Moree				570
Namoi Valley				570
Macquarie Valley				570
MIA				570

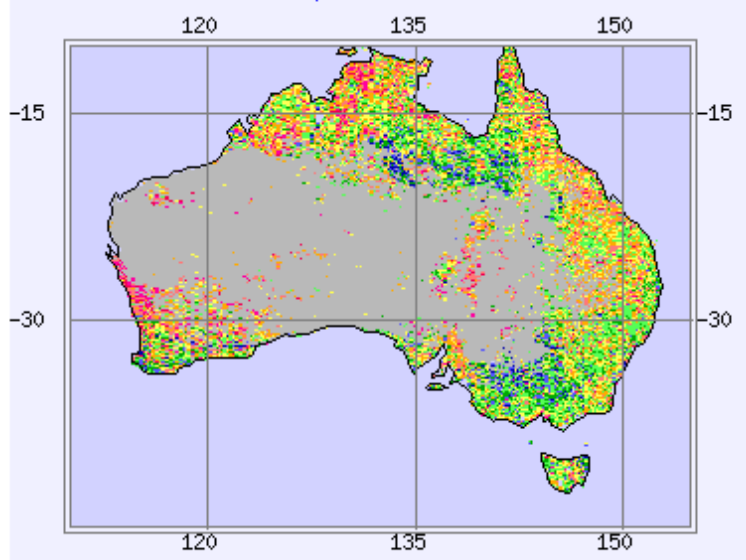


Australian Vegetation Health Index

Australia - Vegetation Health Index (VHI): Current Week and One Year Ago, 2023 week 47

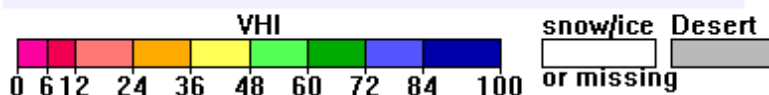
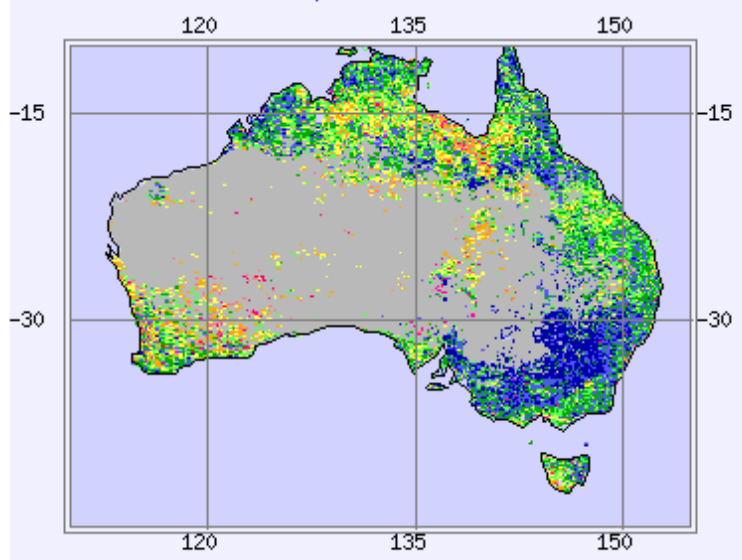
VHI of current year

Nov. 25, 2023 (week 47)



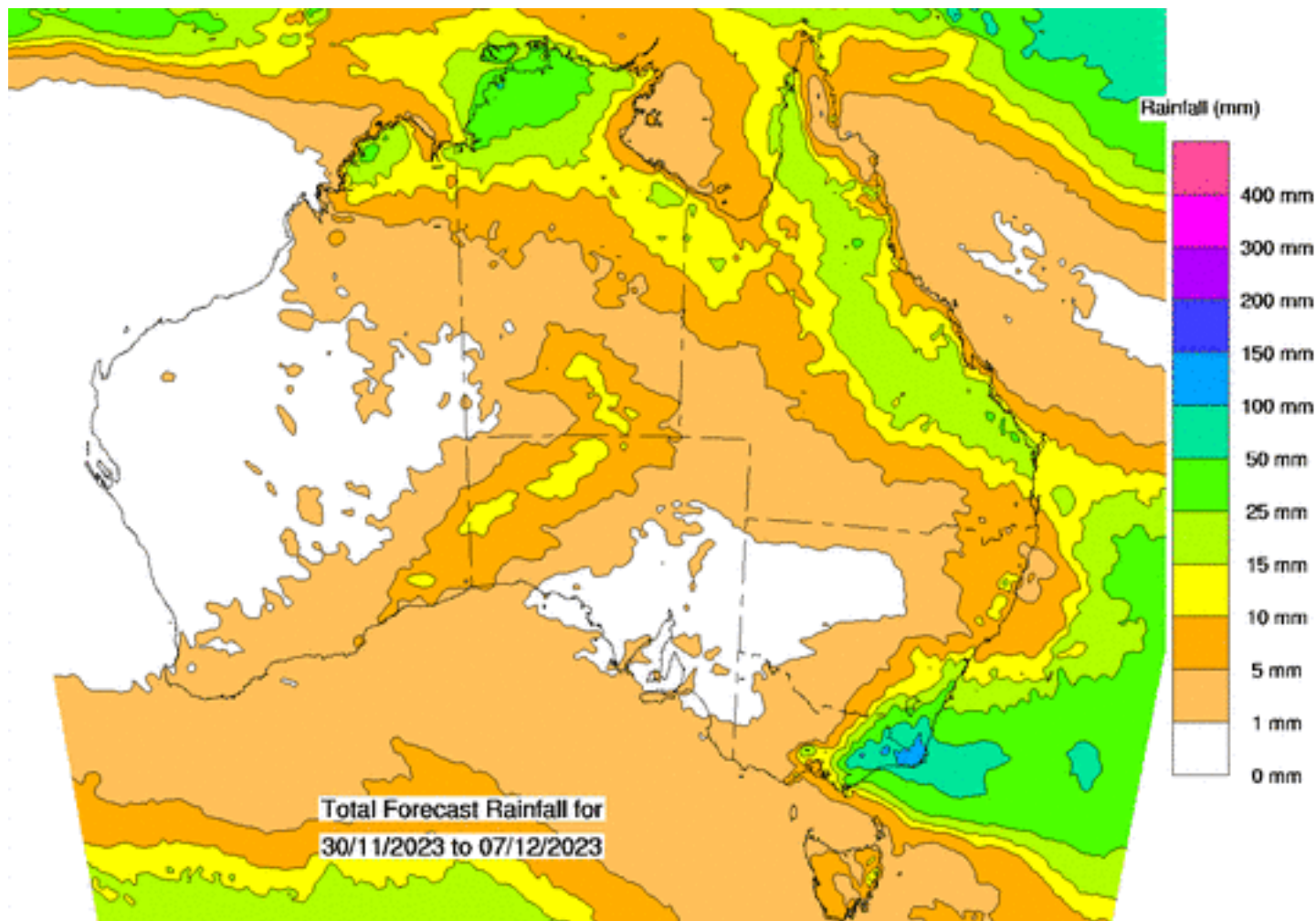
VHI of previous year

Nov. 25, 2022 (week 47)



Weather Influences

8 Day BOM Rainfall Forecast



Weather Influences

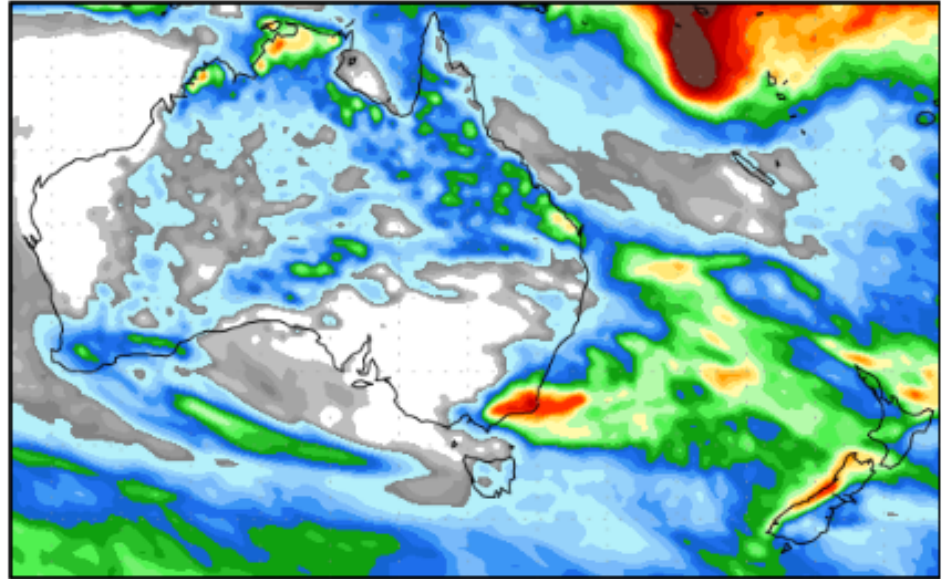
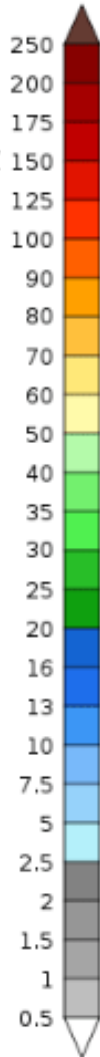
WX Maps Precipitation Forecasts



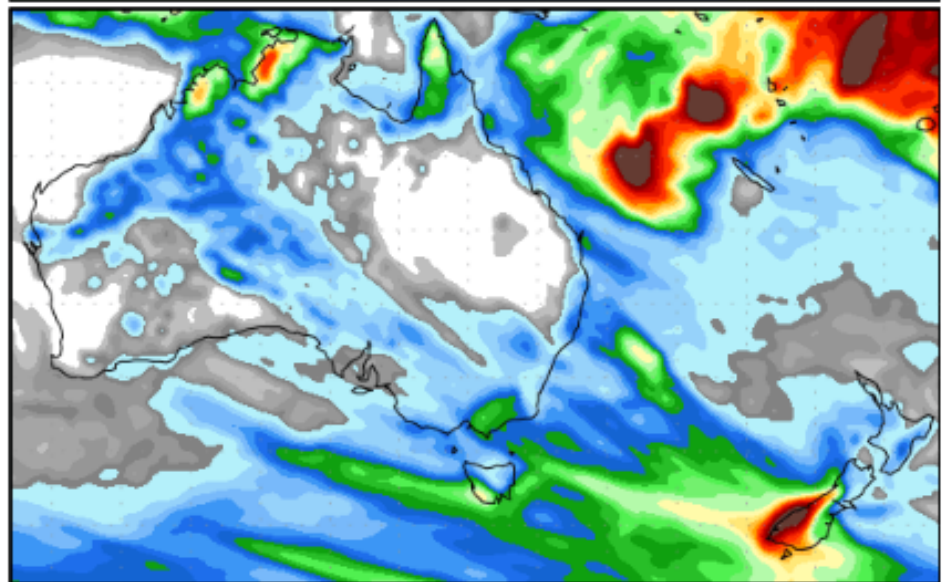
Precipitation Forecasts

Precipitation (mm)
during the period:

Wed, 29 NOV 2023 at 12Z
-to-
Thu, 07 DEC 2023 at 12Z

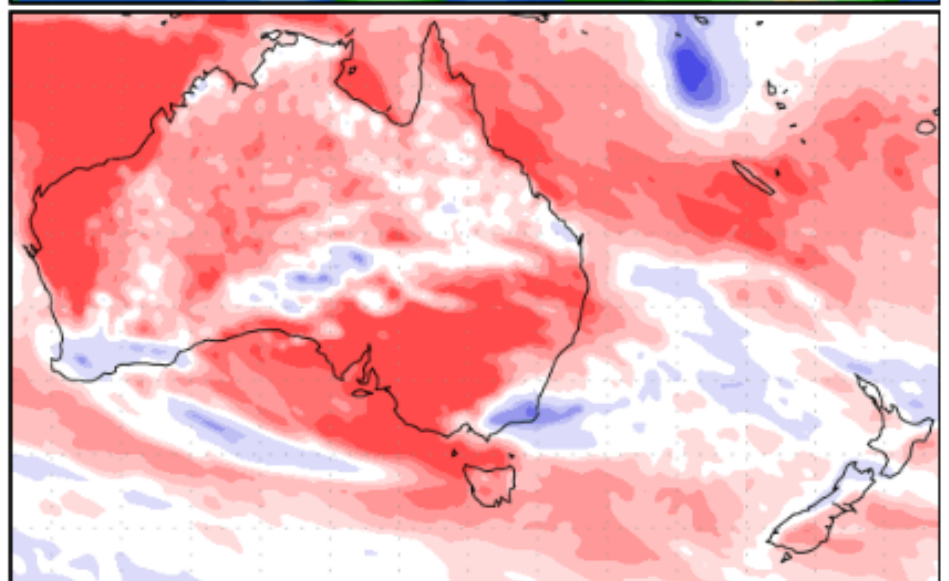
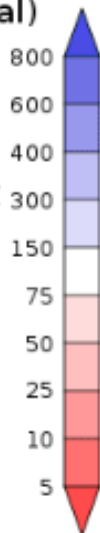


Thu, 07 DEC 2023 at 12Z
-to-
Fri, 15 DEC 2023 at 12Z



Precipitation (% of normal)
during the first period:

Wed, 29 NOV 2023 at 12Z
-to-
Thu, 07 DEC 2023 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: 12Z29NOV2023