



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

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## Australia

### Grain and Feed

### December Update

### 2008

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**Report Highlights:**

Recent weather events, which have arrived in the middle of the 2008/09 winter cereal harvest, have been seen as a cruel blow to Australia's winter cereal crop which is set to provide substantial rebound on last year's drought-affected crop, despite being grown on below-average rainfall.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Quarterly Report  
Canberra [AS1]  
[AS]

The month of November provided above average rainfall for most of the Australian continent, including cropping regions in southern Australia. Northern New South Wales and southern Queensland experienced some of the heaviest rainfall, and in these areas flooding and high winds were experienced. Southern NSW has also received significant rainfall.

Recent weather events, which have arrived in the middle of the 2008/09 winter cereal harvest, have been seen as a cruel blow to Australia's winter cereal crop which is set to provide substantial rebound on last year's drought-affected crop, despite being grown on below-average rainfall.

Heavy rains in November, arriving after harvest had begun, is likely to have caused damage to the remaining winter cereal crops yet to be harvested. At this stage, abandonment of winter cereal crops is yet to be realized; however downgrading of the remaining wheat and barley crops in the areas worst affected by rainfall is now likely.

Poor weather has also created large scale logistical issues for the Australian winter cereal harvest. Post is hearing reports of shortages of labor and harvesting equipment which has created a sense of urgency to harvest the remainder of the crop.

Post advises that, in the past, downgraded winter cereal crops have been utilized by the intensive feeding sector (dairy, lot fed cattle, pigs and poultry). Downgrading of significant quantities of winter cereal crops traditionally places downward pressure on exports of wheat and barley and boosted domestic livestock consumption.

On the positive side, widespread rainfall for the month of November has greatly boosted the prospects of summer crops such as sorghum and cotton. Sorghum, which can be planted from October through to early February, will likely receive a boost in area and yield (for the 2009/10 crop) following above-average rainfall in November. Falling grain prices, particularly for feed grains, may partially constrain increases in area planted to sorghum. Cotton, which largely had concluded planting when rainfall was received, has a greatly improved yield outlook (for the 08/09 crop) as a result of above average November rainfall. (For further information on improving cotton production prospects see report #AS8057).

As a result of above-average rainfall in November, post believes a decline in average crop quality for the 2008/09 winter cereal crop is highly inevitable. Lower crop quality may constrain exports of winter cereals on the east coast of Australia and boost domestic livestock consumption, although this remains to be seen. Post also expects some increase in area and yield for the 2009/10 sorghum crop (although somewhat constrained by falls in price) and significant increases in yield for the 2008/09 cotton crop as a result of above-average rainfall in November.

Going forward, post expects sustained downward pressure on feed grain prices. A record 2008/09 sorghum harvest and improved prospects for the 2009/10 sorghum crop combined with the much larger 2008/09 winter cereal crop is likely to increase grain supply generally. Moreover, increased supply of feed grain due downgrading of some winter cereal crops is also likely to boost supplies of feed grains for the foreseeable future and will likely benefit intensive livestock feeders going forward.

## Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:  
<http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

Report Number	Title of Report	Date
AS8057	Cotton Quarterly Update	11/26/08
AS8056	Western Australia lifts ban on GM Cotton	11/25/08
AS8055	Fresh Deciduous Fruit Annual	11/21/08
AS8053	Citrus Annual	11/14/08
AS8052	November Grain Lockup	11/03/08
AS8051	Final IRA for Chicken Meat released by Biosecurity Australia	10/31/08
AS8049	Dairy Annual 2008	10/20/08
AS8048	Grain and Feed October Update 2008	09/26/08
AS8047	Sugar Semi-Annual	09/26/08
AS8046	Exporter Guide	09/15/08
AS8044	FAIRS Export Certificate Report	09/04/08
AS8043	2008 September Voluntary Grain Report	08/28/08
AS8041	Cotton Quarterly Lock-up	08/27/08
AS8040	Competitiveness of Grocery Pricing in Australia Investigated	08/20/08
AS8039	2008 Livestock Annual	08/22/08
AS8038	FAIRS Country Report	07/31/08
AS8037	The Australian Emissions Trading Scheme NFF Policy	07/22/08
AS8036	Draft Organic Standard Released for Comment	07/22/08
AS8035	Biotechnology Annual	07/15/08
AS8033	Grain and Feed Quarterly Update	07/08/08
AS8032	Wheat Reform Legislation Passes in Parliament	06/25/08
AS8030	Grain and Feed Situation Update	06/13/08
AS8029	Response to the "Safeguards Inquiry Into The Imports of Pigmeat"	06/06/08
AS8028	New Wheat Marketing Legislation Progresses Through Parliament	06/05/08
AS8027	Biofuels Annual	06/04/08
AS8026	Aust Govt Expresses Disappointment Over Farm Bill	05/27/08
AS8024	US Farm Bill: Lost Opportunity – Minister for Trade	05/19/08
AS8023	Dairy Semi-Annual	05/19/08
AS8022	ABARE Report indicates GM crops will provide economic benefits to Australian regions	05/15/08
AS8020	Cotton Annual	05/01/08
AS8019	Draft IRA for Stone Fruit from the US Released for Comment	04/29/08
AS8017	Stone Fruit Annual	04/11/08
AS8016	Pork Safeguard: Productivity Commission Final Report	04/07/08
AS8015	Sugar Annual	04/08/08
AS8014	Grain & Feed Annual	03/28/08
AS8012	Livestock Semi-Annual	03/20/08
AS8011	Commencement of IRA for U.S. Apples Announced	03/19/08
AS8010	Wheat Industry Export Group Discussion Paper Released	03/18/08
AS8009	Call for Comments on Quarantine & Biosecurity Review	03/17/08
AS8008	Commencement of IRA for Stone Fruit Announced	03/14/08
AS8006	Draft Wheat Export Marketing Bill Released	03/06/08
AS8005	Wine Annual	02/26/08