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## OILSEEDS NEWS

### HOT SUMMER MEANS A BETTER YEAR FOR SOYBEANS

If the hot summer nights made it hard for northern Victorian soybean growers to get to sleep at night, they now have some news that should help them sleep soundly.



**Swept up: Dale Grey believes soybean growers are in for a bumper year in northern Victoria.**

This year's soybean harvest in the district will be the best in at least three years due to warm overnight temperatures in January according to Dale Grey, Cobram-based agronomist with the Victorian DPI.

Mr Grey said that soybean crops growing in northern Victoria are looking great and have high yield potential compared with the previous two seasons, predominantly due to cooler than average conditions during early 2004 and 2005.

He said that low overnight temperatures in January can cause flowers to die off and slow down the crop's growth rate, resulting in less pods.

"Last year, the best crop in the district was 3.2 tonnes per hectare. This year, there will be a few four tonne crops around, barring a hail storm," said Mr Grey during a disease survey near Katamatite this week.

"The growth this year has been so dissimilar to the two previous years that were cool," he said.

"I'm confident most crops should yield well this year".

The average minimum temperature for January this year was 18.4 degrees Celcius, almost akin to the tropical conditions in which soybeans evolved. This compares with only 15.4°C in 2005 and a cool 13.4°C in 2004. Like this year, 2003 was a bumper

year for soybean crops in northern Victoria, with a warm average minimum temperature at 16.3 °C,

“This year, only eight days in January had minimum temperatures below 15 degrees,” said Mr Grey. “This is in contrast with 21 days under 15 degrees in January 2004 and 14 days in 2005, when we had fairly poor soybean yields”. In 2003, the last good year for soybeans, the mercury fell below 15 °C in January on 12 days.

“During the last two years you could have done everything right, but you wouldn’t have had yields as good,” he said.

Mr Grey said that the two best soybean varieties for northern Victoria were Emphyle and the new short season variety, Djakal. The early maturity of Djakal meant that it performs more consistently than the other new variety, Snowy, in cooler years, he said.

For more information, please contact Dale Grey at Cobram DPI on (03) 5871 0600, or Felicity Pritchard, Oilseed Industry Development Officer on 0427 600 228.

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## MONITOR SOYBEANS NOW FOR INSECTS

Soybean growers in northern Victoria need to be on full alert for insects that can cause serious damage to grain quality.

Cobram DPI agronomist Dale Grey has found ‘green vegetable bugs’ and ‘heliiothis’ caterpillars attacking later-sown soybean crops in the district, and has warned growers to carefully monitor for these pests which can cause grain to be downgraded from human consumption markets to crushing quality.

“It’s too late to monitor crops on their final watering, as the insects can’t chew through the grains in the later stages” said Mr Grey this week. “But the later sown crops need to be monitored right now”.

He said that the ‘heliiothis’ moths, *Helicoverpa armigera*, are likely to have flown in from maize crops and laid eggs on nearby soybean crops. The newly-hatched grubs can cause damage as they chew through the pods and into the grain.

Human consumption crops are worth about \$100 per tonne more than crushing quality grain, and with yields of around two to four tonnes per hectare expected and the total price of spraying around \$16 to \$22 a hectare, it’s not hard to see that a missed spray may be a very costly exercise.



**Hole in one: ignoring insect pests in soybeans right now could be a costly exercise.**

Mr Grey said that the 'economic threshold' for spraying green vegetable bugs is one per 20 sweeps of a sweepnet, and for heliothis, it is four per ten sweeps.

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## **POSITIVE OUTLOOK FOR CANOLA**

There's good news for oilseed and grain growers as prices for these commodities are expected to rise in 2006-2007, along with a growing demand and a fall in world supplies, according to ABARE's Leanne Lawrence at ABARE's Outlook 2006 Conference in Canberra last week.

The biggest expected percentage change is in oilseed prices, with four percent rise forecast for canola for the coming season to \$348 a tonne delivered. The area sown to canola in the eastern states of Australia is also expected to recover this year, following a fall in the area sown last year following a late autumn break.

Ms Lawrence stated that the predicted price rise in oilseeds comes as a result of continuing strong global demand for oilseeds products and global supplies remaining largely unchanged

And oilseeds aren't the only winners: coarse grain and wheat prices are expected to rise by two per cent, with wheat prices potentially rising further if the current dry conditions in the US continue further. Barley is the exception, with prices expected to fall.

Ms Lawrence stated that, "Over the past two seasons in both north America and the European Union, seasonal conditions have been favorable and yields have been well above average."

ABARE have made the assumption that seasonal conditions will be consistent with longer term averages and, accordingly, yields are expected to be lower in some of the major producing countries, which will drive up grain and oilseed prices.

"As world demand for grains and oilseeds continues to increase, Australian exports are forecast to rise. Australian wheat exports are forecast to increase to just under 23 million tonnes in 2010-11, up from around 16 million tonnes in 2005-06. Coarse grains exports are forecast to increase to around 7.5 million tonnes in 2010-11 up from 5.1 million tonnes in 2005-06. "

"World oilseeds production is forecast to fall by 3 per cent to 377 million tonnes in 2006-07 as yields are expected to ease, reflecting a return to average seasonal conditions," she stated.

This is despite an expected increase in plantings of soybean in the US and greater production from Brazil and Argentina, three of the four major players in the oilseed markets, which dominates the global oilseed market

She said that canola accounts for 12 per cent of world oilseeds production, and production is forecast to be lower in Canada and the European Union, the two major canola producing countries. Last year, Canadian canola growers had an excellent season, resulting in bumper crops which have been pushing canola prices down.

“In the medium term, the outlook for grains will be significantly influenced by the increased importance of grains for industrial purposes, particularly ethanol and biodiesel, continued growth in China’s consumption, the expansion of production in the Russian Federation and oilseeds production in Brazil,” said Ms Lawrence.

She said that worldwide demand for both oilseeds and oilseed meals has increased significantly over the past decade, by around 40 per cent.

China is one of the world’s largest consumers of oilseeds and oilseed products (vegetable oil and oilseed meal). As the Chinese become more affluent and diets change, the demand for vegetable oils has risen strongly, and is expected to continue to do grow.

In fact, consumption of vegetable oil in China has doubled since the mid-1990s — rising from around 8 kilograms to an estimated 16 kilograms per person in 2005-06 (compared with 30 kilograms per person in the United States).

China is now a significant importer of oilseeds. In the mid-1990’s, China imported less than 1 million tonnes, compared with a whopping 28 million tonnes in 2005-06, with the major suppliers being the United States, Brazil and Argentina. China imposes tariffs on oilseeds, ranging from three per cent for soybeans and nine percent for canola to 15 per cent for other unprocessed oilseeds.

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