

Wheat signals bullish

InShort

MARKET signals are indicating that wheat prices will remain strong given a number of concerns about northern hemisphere crops, according to Glencore Grain's Australian trading manager James Maw.

Mr Maw, one of the speakers at the Durum Growers Association of SA pre-seeding forum at Blyth on Tuesday, said the world was entering a more sensitive period of wheat growing.

"Over the next three months we could see a swing in production estimates of 25 million tonnes," Mr Maw said.

"At the moment, the hard red winter crop in the United States is in its worst condition in the past 40 years.

"It's estimated that the hard red winter crop might only be 21mt, compared with average production of 25mt, but some analysts are saying it could go as low as 17mt."

Very wet conditions in the US northern plains and Canada were set to cause delays in seeding.

"Germany, Europe's second largest wheat producer, is experiencing one of its driest winters and it's the same in France," Mr Maw said.

"In China, there's a drought in northern grain-growing regions. While China is still saying they're on track to produce 115mt, analysts are finding that hard to believe given the current weather situation."

Mr Maw said high-quality wheat was in tight supply and there was a lot of money going into soft commodities such as wheat and corn.

"Global wheat area is forecast to increase by 13 per cent in the 2011-12 season, with very strong prices boosting plantings," he said.

"While wheat production is forecast to be 672mt, and consumption just under this figure, I think 672mt is really the maximum number. That figure could swing by 25mt and with consumption expected to be 670mt, that would certainly support the market."

Mr Maw said world durum stocks were down 1.5mt tonnes on the previous season but remained at a comfortable level.

"Durum stocks, to use percentage, went down to 4.4 in the 2007-08 season, which was incredibly tight and led to high prices," he said.



GETTING THE LOWDOWN: Durum association chairman John Green, on-farm storage expert Peter Botta and Hart farmer David Maitland attended the forum.

"The stocks went up to 9.8pc in 2010-11, with large carryover stocks in Canada."

Other topics covered at the

forum included durum research, area contracts and on-farm storage.

• More stories from the durum forum in next week's *Stock Journal*.

CFS reminder: The Country Fire Service is urging property owners to be vigilant when carrying out burn-offs on their land by reminding them to regularly check the area even several weeks after the activity has been completed. This follows numerous responses by the CFS to grass and stubble fires on rural private properties in various locations in South Australia that were ignited from unattended burn-offs. CFS state coordinator Brenton Eden said that outside of the fire danger season, which officially ended last Friday, landholders needed to be aware of their local council's code of practice for burning-off and follow their guidelines. Neighbours should also be given at least 24 hours notice of an intention to burn and that those conducting the burn-off must ensure there is a sufficient supply of water for fire fighting as a precaution.

Landcare awards: Nominations are now open for the 2011 State and Territory Landcare Awards, giving everyone across Australia the opportunity to honour the people who make a positive difference to their local environment. Landcare is currently encouraging people to nominate anyone they feel deserves to have their efforts recognised. All types of environmental and agricultural volunteers can be nominated for any type of on-ground work which includes a huge range of activities such as sustainable farming, community gardening, habitat restoration, caring for rivers and creeks and preserving coastal landscapes.

• Details: www.landcareonline.com.au

GPA in membership drive

By PAULA THOMPSON

GRAIN Producers Australia wants to boost its profile in South Australia as membership numbers are lower than those in other states.

The organisation took over the functions of the Grains Council of Australia in August last year and has taken on roles such as the oversight of GRDC and working with Plant Health Australia to determine appropriate responses to biosecurity incursions.

GPA southern region director and Victorian Farmers Federation grains group president Andrew Weidemann, while hesitant to release membership figures, said the number of growers coming on board from other states, especially from the north and west of Australia, was pleasing.

"In the south, because we've pretty much been working with state farming organisations through their membership, we haven't done an active membership drive," he said.

"We're hoping to be out talking to growers in SA very soon and do a

Key points

- Southern regional forum scheduled
- More members join in other states
- Promise of structure, greater accountability

full membership drive."

The GPA has ramped up its efforts to attract members. It has advertised for a membership officer, and the appointment is to be made shortly.

"We see it as the only way to boost numbers, as people want to talk to someone and understand what they're signing up for," Mr Weidemann said.

At GPA's first southern regional forum in Horsham last week, Mr Weidemann and SAFF grain committee chairman Michael Schaefer were appointed southern regional directors.

The GPA is looking to hold another southern regional forum in SA in the near future.

"We're trying to work this out with existing industry bodies," he said.

Mr Schaefer said SAFF's grain committee endorsed and fully supported the GPA. He said it was important for national representation to move away from politics and have more of a commercial focus.

"I think the GPA is covering its role better than the GCA did, even though it still has a long way to go," he said.

"I think the way the state farming organisations ran the GCA was one of reasons for its death and I think the GPA's structure offers greater accountability.

"The relationship between the GRDC and GPA is a much healthier one, with greater discussion."

Mr Schaefer said it was issues such as spray drift regulations that highlighted the need for strong national representation.

"It's an important issue that I think more growers need to be aware of," he said. "It shows why it's so important for GPA to get as many members as possible. The organisation needs to be financially viable and have the resources to act in the interest of growers."

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