

AAco says outlook for beef market good 25 Sep 08

Australian Agricultural Co Ltd (AAco) has acquired a Wagyu stud herd for about \$1 million and says the outlook for the beef market is strengthening.

The nation's largest beef producer said Thursday that over the past month cattle market conditions had continued to improve, with beef prices remaining high, a softer Australian dollar exchange rate and falls in oil prices and interest rates.

Chief executive Stephen Toms said beef prices are still at 18 months highs of 360 cents a kilo, while export receipts have benefited from the steep decline in the Australian and US dollar exchange rate to about 80 US cents, from 98 US cents in July.

"The decline will boost Australian dollar receipts, particularly on sales into the USA over the next 12 months," he said.

"Upward pressure on beef prices is expected to be sustained by the continued shortfall in supply globally with breeding herds in China, Russia and the USA either in decline or flat and evidence that the growth in Brazilian beef exports has peaked."

Mr Toms said recent rainfalls across central Queensland had encouraged graziers to restock to make good use of feed pools.

"The three-month outlook shows an even chance of seasonal rains on AAco's northern stations and an even better outlook for those in South East Queensland," the company said.

Meanwhile, AAco announced it had bought the 4JS herd, increasing its Wagyu full blood and purebred production capacity by 50 per cent.

The 850-head herd, which is currently based in North Queensland, will be re-located to AAco's Surat property, Wylarah, where the primary focus is Wagyu.

The 4JS herd consists of a mix of pure blood and full blood Wagyu cows and calves, replacement heifers, steers and full blood bulls.

"This acquisition, while not material in dollar terms, provides AAco with additional resources to cement its position as the market leader in premium Wagyu brands worldwide," Mr Toms said. (AAP)

Spring rain: One more good fall could seal the deal 24 Sep 08

It's a long time until harvest but one more solid fall between now and November would be cause for massive celebration on the Liverpool Plains, according to one of Tamworth's leading authorities on farming.

NSW Department of Primary Industries technical farming specialist John Kneipp said falls of between 20 and 50mm on the Plains and adjoining areas since Monday afternoon would keep winter crops ticking along nicely through spring.

"Another 25mm in a month's time would almost seal the deal," he said.

"This rainfall has firmed up yield potentials and should give farmers a lot of confidence."

Kevin Tongue at Loomberah was certainly one encouraged by the timely rain. Having announced his retirement from Tamworth Regional Council in the lead up to the elections, recent rains have been the perfect parting gift as he concentrates his efforts on the farming operation, Glenwood.

"It's magnificent," Mr Tongue said of the 31mm that fell on his barley plot at Loomberah from Monday night. "I'm just glad we didn't get all that strong wind that was forecast."

The added moisture will help winter cereals push up heads in some of the later sown crops and fuel the grain filling stage, while giving farmers some insurance against the warmer weather to come. In good news for irrigators falls of about 30mm in the Chaffey and Keepit catchments were also tipped to deliver handy inflows.

"The rain's ideal, another week to 10 days and people would have started getting a bit down," Mr Tongue said.

Though farmers face many variables between now and November, including stripe rust, more rain should help farmers' hopes continue to grow.

"It just depends on what happens in the coming days. We don't want to get a week of stinking hot weather," Mr Tongue said. (Northern Daily)

Commodity prices force sale of Australia's biggest biodiesel plant 24 Sep 08

Administrators appointed to the company that operates Australia's biggest biodiesel plant in Darwin say they're reasonably confident it can be sold without job losses.

The directors of Natural Fuels Australia Limited decided to appoint administrators after one of the parent companies, Babcock and Brown Environmental Investments Limited, withdrew funding support.

One of the administrators, Peter Walker, from Ferrier Hodgson, is still investigating the reasons why that's happened, but says commodity prices have been an issue for the company.

Mr Walker says he's continuing talks with overseas and Australian companies who've expressed interest in buying the plant.

He doubts any of the plant's 15 employees will lose their job when the sale happens.

"I believe that if the sale can be put into place I would doubt that there would be any job losses."

"They're all experienced, they've been involved in the processes up there during their development and they've got a skills base and a knowledge that I think a purchaser would be looking to take on."

An alternative fuels expert from the CSIRO says he's not surprised the plant has run into financial difficulty.

Tom Beer says biodiesel plants around Australia have been shutting down because of the rising cost of food stocks required to produce the fuel. (ABC News)

AWB rules hit growers 24 Sep 08

AWB Limited can knock back growers' grain deliveries to its pools, according to new receival rules. AWB's pool arrangements for this season give the company "absolute discretion" to reject grain within 30 days of delivery.

The seller has no claim against AWB if grain is rejected.

The delivery rules are detailed in AWB Pool Payment and Finance Options dated August 22, 2008.

AWB spokesman Peter McBride said clause 2.1 (b) (iv), which allowed the company to knock back grain "for any other reason in its absolute discretion", was designed to protect grower interests.

He said the clause gave AWB the right to reject deliveries by traders and bulk handling companies, which might dump large amounts of grain into the pool when world prices plummet.

"We don't want to disadvantage those who delivered early, diluting grower equity," he said.

"The intention is not to knock back growers' grain."

Mr McBride said other companies were likely to have similar contract clauses.

But WAFarmers grains council president Derek Clauson said the rule meant that if AWB was putting together an export cargo it could reject grower deliveries, should it fall well short of receiving enough grain to fill a ship.

"It just shows there is no differentiation between small growers and large traders," he said. "It adds risk to growers.

"AWB should redefine the clause and exclude growers from it applying to them." (Weekly Times)

Frost may cut WA grain harvest 23 Sep 08

Western Australia's grain handler says this year's harvest could be severely reduced by widespread frost in the great southern and south coast.

Temperatures across the region dipped below zero over the weekend, potentially damaging cereal crops such as wheat.

Co-operative Bulk Handling (CBH) is expecting a nine to 11 million tonne harvest, but admits that could change depending on the level of crop damage.

Michael Musgrave from CBH says there is some good news for growers, with a cold front expected to bring heavy falls later this week.

"If the front that's predicted on the weekend comes through as it's currently forecast, it has the potential to increase the yields, and it'll be just what's needed, but before we change our yield estimates, we need to understand the full impact of the frost," he said. (ABC News)

Grain futures drop on low investor confidence 23 Sep 08

Meanwhile the effect of the global credit crisis is beginning to affect United States grain futures markets. Superannuation and index funds have invested heavily into grain futures markets over the last two years and have been responsible for some spectacular rallies.

But with other investments souring the funds are taking profits away from grain futures, and that says grain marketer Mae Connolly is forcing the market down.

"Fundamentally shouldn't be much of a drop in grain prices" she says.

"Because the funds are dropping out because of the crisis at the moment, we're seeing that having a direct effect on grain futures prices." (ABC Rural)

DPI wants mutant sheep for better meat 23 Sep 08

Victorian scientists are using data from a breed of mutant American sheep to develop an extreme lamb suited to Australian conditions.

The Callipyge sheep develop double muscling in their hind quarters, producing more meat for the same quantity of feed.

Callipyge is a Greek word meaning "beautiful buttocks".

Ben Cocks from the Department of Primary Industries says he is hoping to develop a feed supplement to trigger the mutation in Australian sheep.

"So they can be managed to have a larger amount of muscle and a lower amount of fat," he said.

"This means that for the same amount of feed we can get, farmers would be able to get more lamb, better quality lamb to the market."

Mr Cocks says tests are being carried out to evaluate the suitability of the meat for consumption.

"Just to see if we try and do something similar in Australia that we don't end up with meat that's too tough," he said. (ABC News)

New exporters announced 18 Sep 08

Wheat Exports Australia recently accredited two Australian Wheat Board subsidiaries for bulk wheat exports.

Other grain companies accredited last week included ABB Grain, Concordia Agritrading (Australia), Glencore Grain, GrainCorp, Louis Dreyfus Australia and Marubeni Australia.

WEA acting chief executive officer Peter Woods said AWB Harvest Finance and AWB (Australia) brought the total number of accreditations under the Wheat Export Accreditation Scheme to 13.

"The AWB subsidiaries, like the other accredited exporters, have met the eligibility criteria in the bulk scheme," he said.

"WEA has other bulk wheat export applications under consideration and is still receiving applications.

"The fact that we have now accredited 13 exporters will provide greater confidence to wheat growers and the industry for marketing and exporting the coming wheat harvest."

More details on accredited companies and any conditions of accreditation can be viewed on the WEA's online registry at www.wea.gov.au (Fairfax)

China new frontier for lamb 18 Sep 08

Australian sheep meat producers have a tremendous opportunity to corner the growing premium meat market in China, without much competition.

As China's wealth and demand for meat increases, Australia's main sheep meat competitor, New Zealand, is producing less because of drought and a shift to dairying.

Market analyst Wendy Voss says the door's open for Australian producers to supply sheep meat to both ends of the market.

"We're already sending a lot of sheep meat to the Chinese market, mainly at the lower value end, things like breast and flap, some of the cheaper cuts," she says.

"But there's definitely potential for growth at the premium end as well.

"There's a huge tourist industry going in China, a big hotel sector, so there's a lot of demand there potentially for your higher value cuts." (ABC Rural)

Wheat fungus at work on Eyre Peninsula 18 Sep 08

One of Australia's earliest wheat diseases is re-emerging in South Australia on the Eyre Peninsula.

Flag smut was first seen in 1868 with the fungus producing grey-black lines of spores in certain varieties. Plant pathologist Doctor Hugh Wallwork says the fungus can be controlled with certain treatments, if farmers choose to use them.

"The spores on the leaves re-infect the seeds, so it is a seed-borne disease and it comes through and it can cause quite significant yield losses," he says.

"The problem we've had this year is that because of the drought and costs of inputs people have been cutting back on using some seed treatments and so the fungus is now re-appearing."

Meanwhile, the devastating fungus, stripe rust, is spreading through wheat crops in northern NSW.

The outbreak has appeared in crops of hard and durum wheat that were believed to be rust-resistant.

There are also fears that the agricultural supply companies are running short of the chemicals used to control rust. (ABC Rural)

Can our lamb fill the gap? 17 Sep 08

Lamb production across the Tasman is in free fall, lifting prospects of new market opportunities for Australia to chase – including access to some of New Zealand's big European lamb quota.

With eastern Australian trade lamb prices already 63 per cent dearer than this time last year, NZ has revealed its export lamb production will be down 23 per cent to 20.3 million lambs this year.

The NZ sheep flock is expected to fall by 11pc or 4.3m to 34.2m head as dairy farming and cropping expand into traditional lamb producing areas such as on the South Island's Canterbury Plains.

Unseasonably dry conditions have also contributed to the rapid drop in production, according to Meat and Wool NZ economic service executive director, Rob Davison.

In NSW this week, lamb prices surged another nine cents a kilogram, with Tuesday's average values for trade lambs steady at 468c/kg after prices made big gains at the end of last week as processors struggled to fill orders from the mixed quality offerings.

And it wasn't just the new season lambs in hot demand, according to the National Livestock Reporting Service, which reported old lambs up to seven dollars a head dearer.

Illustrating just how strong the market remains for this time of year, the Eastern States Trade Lamb Indicator is now tracking at about 457c/kg – 63pc better than last year.

And it's not just in the saleyards that prices are higher.

Rates for lambs sold direct to works dipped last week, but the market launched a recovery this week, taking back all the lost ground and some more.

Light lambs were up by a significant 30c/kg and the tops hit 420c/kg, while 18kg to 20kg lambs were 10c/kg dearer and topped at 480c/kg.

In Australia judging at this week's Australasian Dorset Championships at Bendigo, NZ lamb producer, Selwyn Boon, said he was amazed at the change away from lamb production back at home.

"The dairy industry has taken over and the price of land is so high you can't afford to farm sheep on it," he said.

"Everybody is selling out because land prices are upwards of \$10,000 an acre and with irrigation, cow sheds and staff, the lamb industry is not expected to get that land back. Lamb simply can't keep up with the returns." (The Land)

Australia cuts wheat crop forecast 5% to 22.5 mln/T 16 Sep 08

The Australian government cut its forecast for the 2008/09 wheat crop by 5 percent to 22.5 million tonnes on Tuesday, citing a lack of rain across the cropping belt.

The cut from a previous forecast of 23.7 million tonnes by Australian Bureau of Agricultural and Resource Economics (ABARE) is in line with other estimates by private consultants.

Last week Australian Crop Forecasters lowered its 2008/09 estimate to 22.6 million tonnes, while Rabobank Group RABN.UL put the crop at 20.9 million tonnes but warned there was a danger of it dropping below 20 million tonnes unless more rain fell in key growing regions in September and October. Drought last year reduced Australia's wheat crop to 13 million tonnes. Australia is normally the world's second-biggest grain exporter.

This year's crop is the first since the government deregulated Australia's wheat export industry on July 1. That forced the long-running monopoly exporter AWB Ltd (AWB.AX: Quote, Profile, Research, Stock Buzz) to compete against all-comers, including global grain-trading giants such as Cargill [CARG.UL] of the United States. (Reuters)

ABB Grain to name price under freight deal: SAFF 16 Sep 08

The grains council of the South Australian Farmers Federation (SAFF) says ABB Grain will be able to charge what it likes for grain freight once it signs a deal with rail freight operator Genesee and Wyoming Australia.

The organisations have already signed a memorandum of understanding on the five year agreement, with the deal set to start in November.

Jamie Smith, the acting head of the grains council, says AWB is usually included in freight deals but this time its been cut out.

"ABB would have control of the rail freight and they will charge AWB what they like and then that will be then passed onto growers. So certainly ABB will be in a very strong position," he said.

Ian Desborough from AWB says the organisation was not in a financial position to be involved with the deal. (ABC News)

Australian Wheat Growers Rush to Buy On-Farm Storage, AFR Says 16 Sep 08

Australian wheat growers are rushing to buy on-farm storage units on concerns poor rail, road and port infrastructure will cause a grain backlog, driving down prices, the Australian Financial Review reported. Storing grain on-farm gives growers the flexibility to hold back sales if prices are low at harvest time in November and December, the Review said, citing Bill Cordingley, head of food and agribusiness at Rabobank Group.

This is likely to be Australia's first "reasonable" crop after two drought years and is the first since AWB Ltd. lost its export monopoly, the newspaper said. (Bloomberg)

USA forecasts flood of lower quality wheat 15 Sep 08

The US Agriculture Department has lowered its forecast for Australian wheat production and exports.

USDA World Ag Outlook Board chair Gerald Bange says tight supplies of Australian and other high quality wheat is supporting prices that wheat gets in the US, in the face of a global flood of lower quality wheat.

"We've reduced our estimate in Australia by three million tons, we've reduced our estimate in Argentina by a million tons," he says.

"Both of those countries produce a higher quality wheat.

"Given the fact that that supply has tightened, it is supporting prices, particularly here in the US."

USDA now pegs wheat at a season average price of \$7.25 cents a bushel, with Australian production at 22 million tons, exports at 14 million tons. (ABC Rural)

Record dairy farm prices hold up rural market 15 Sep 08

Dairy farm prices hit a new record in August, according to the latest Real Estate Institute of New Zealand (REINZ) rural market report.

The median price for a dairy farm reached another record this year of \$4.65 million for the three months to August, compared with the previous record of \$4.25m to January 2008.

Dairy farm prices have risen 34.7 percent in the last year, from the August 2007 median of \$3.45m and 86 percent from the August 2006 median of \$2.5m.

REINZ national councillor and rural spokesperson for the Institute Peter McDonald said confidence in the dairy sector seemed to know no bounds and there continued to be greater demand for dairy properties than what's on offer .

Returns were holding up very well and weakening commodity prices were being offset by the recent drop in the dollar which was providing a buttress against any possible reduction in farm returns, he said.

But Mr McDonald said that the record dairy prices had to be seen in the context of transactions relating to the previous dairy season, whereas the new season, beginning June 1, was likely to see some easing of returns and possibly a more stable market than the extremes of last season.

"The latest sales are mostly from last season and the dairy sector is expecting the new season to bring a few more challenges and a more moderate market for farm sales. "Nevertheless, the fundamentals of the dairy industry remain very sound and aggregation is another one of the key drivers of rising farm prices as existing farmers seek to reinvest their returns by enlarging properties through acquisition." (NZPA)

Australian Grain-Growing Regions Likely to Remain Dry 15 Sep 08

Grain-growing regions in Australia, the world's sixth-largest wheat exporter, may get little rain this week, threatening the potential size of the crop as the harvest season approaches.

Western Australia, South Australia, Victoria and southern New South Wales may get fewer than 5 millimeters (0.2 inch) of rain this week, said Shoni Dawkins, climatologist with the National Climate Center. No rain is forecast for central and northern New South Wales and Queensland, while an area in south-west Western Australia may get more than 15 millimeters, he said.

"There's no features that look they're going to bring any broad rain to any regions this week," Dawkins said by phone from Melbourne.

Australia needs widespread rainfall throughout September to avoid another production failure in the 2008-09 harvest after drought slashed output the past two years, Rabobank Group analyst Luke Chandler said in a report last week. The Australian Bureau of Agricultural and Resource Economics, the government forecaster, will give its next crop estimate tomorrow.

Growing regions in Western Australia, South Australia, Victoria and southern NSW mostly got less than 5 millimeters of rain last week, Dawkins said. Northern NSW and southern Queensland had 25 to 50 millimeters of rain last week with some areas getting more than 50 millimeters, he said. (Bloomberg)

AWB wins bulk exports bid 11 Sep 08

Former monopoly wheat exporter AWB has won the right to bulk export the grain under new federal laws. Subsidiaries AWB Harvest Finance and AWB Australia, have been accredited to export wheat by the regulator Wheat Exports Australia.

The company was stripped of its monopoly on international sales following the scandal over illegal payments to former Iraqi dictator Saddam Hussein. (ABC News)

Muslim festivals boost live cattle sales 11 Sep 08

Wealthy South-East Asians, including the Sultan of Brunei, are buying up large numbers of Northern Territory cattle in the lead-up to the big religious festivals of Ramadan and Korban.

Sid Parker, from South-East Asian Livestock Exporters, says demand is so strong live export ships have been called in from the Middle East to help fill orders.

He says the cattle head out before the festivals to fatten up at feedlots, before the feasting begins.

"They are all buying up for Ramadan, which is early October when they have the big festival," he says.

"Then Korban is in December and that is the thing where all the rich people give meat to the poor.

"And in Brunei, that's when the Sultan opens up the palace to all the people and they all come there and eat meat." (ABC Rural)

Brazilian beef expansion good news for Aussie cattle sales 10 Sep 08

The world's largest beef processor, Brazil's JBS, will increase its daily kill to 79,000 head a day.

JBS owns operations in 16 countries, including the US and South America, and last year it bought Australia's largest beef processor, Australia Meat Holdings

Cattle analyst Steve Kaye says the purchases in Australia and America will see JBS expand its operations even further.

"Now they can sell North American beef, they can sell Australian beef and I think that is a tremendous

positive for the Australian industry, because as you know JBS is sending product to Brazil. Who could have imagined that a few years ago?" (ABC Rural)

SA vote get AWB reforms over the line 10 Sep 08

SOUTH Australia played a key role at last Wednesday's AWB vote to do away with farmer-voting rights. More than 90 per cent of the State's A-class voters supported the change, ending a nine-month battle between protagonists.

Last Wednesday's meeting in Melbourne saw 77 per cent of the A-Class vote choose to remove Article 2 of the company's constitution and see it move to a normalised business model.

The end of the dual-class share structure means that all A class directors, will now retire at an extraordinary general meeting to approve a new commercial constitution later this year.

AWB's triumph comes after the meeting was adjourned a fortnight earlier with the A-Class vote only 0.3pc away from the 75pc hurdle mark.

A solid two weeks of lobbying and promotion saw the participation rate from eligible voters rise from 27pc to a whopping 44pc, a figure AWB chairman Brendan Stewart described as "unprecedented".

General participation rates in company votes are about 10pc.

A jubilant Mr Stewart said he was ecstatic to get the reform through. It will be his final major legacy as chairman before he stands down once the constitution is officially normalised, after a shareholder vote at an extraordinary general meeting, likely to be in late October.

"It takes the structure of the company into the 21st century and away from the petty agropolitics that have plagued it in the past," he said.

Mr Stewart said SA wheat growers voted "overwhelmingly" to support reform.

"In SA the 'yes' vote achieved by SA A-class shareholders was 93pc, up from 82pc at the initial constitutional reform vote at AWB's annual general meeting in February," he said. (FarmOnline)

AWB cuts 2008/09 pools by \$15/t 9 Sep 08

AWB has followed the lead provided by the US wheat futures markets and cut its 2008/09 Estimated Pool Returns by \$15 a tonne due.

The EPR range for APW wheat now stands at \$365-\$385/t (FOB, GST exclusive) and the Western Australian noodle grade wheat is \$370-\$390/t.

AWB Australia commodity division general manager, Mitch Morison, said US wheat futures had dropped significantly over the last fortnight in response to a range of factors.

Mr Morison said that although the Australian dollar was also weaker, it was not enough to offset the futures decline.

"The market is showing a lot of volatility and responds rapidly to changes," he said.

"US wheat futures and cash sales prices had been rallying strongly on the back of solid export sales of US wheat to Iran, but once the prices went up, the sales rapidly dropped off and US wheat futures went into decline.

"The US futures market has also taken some encouragement from recent rain in parts of Australia.

"Crop estimates in the EU, Russia and Ukraine have all been revised significantly higher in recent weeks, placing further downward pressure on the market."

Mr Morison said the market will would for direction in the next few weeks from the US Department of Agriculture's September 12 report of World Agricultural Supply and Demand, and ABARE's Australian crop report due on September 16. (Stock & Land)

Spring rain may tempt farmers to try planting 9 Sep 08

The spring break might have been just what the farmer ordered for flagging cereal crops but it's the added moisture approaching summer that could truly boost North West NSW economies.

Namoi Cotton, Australia's leading cotton ginning and marketing organisation, has forecast a national crop about twice that of last year even though water remains tight in 2008.

Drought-breaking rain may not have fallen over the dams but for those considering their summer cropping options the healthy price of cotton could tempt more than a few farmers to tap into a full subsoil moisture profile.

"I think we will see an increase in dryland cotton where we have seen very little planted in the past couple of seasons," Namoi Cotton grower services general manager David Lindsay said.

"Prices aren't huge but cotton is still quite attractive at the moment. At \$530 to \$560 per bale including seed value (ginning inclusive) that's quite respectable compared to sorghum at \$220 per tonne."

Increased soil moisture and stronger international cotton prices lead Namoi Cotton to expect a national harvest of about 1.2 million bales, or about double the 2008 harvest of 580,000 bales. Though still well short of the 3.2 million average, Mr Lindsay said this would still be a strong result, given the short supply of water across NSW.

"The good falls around the place recently have caused renewed interest in dryland cotton," he said.

"We've only got about the same amount of water in the major storages as last year and only a little more

in the Queensland regions of St George, Emerald and Dirranbandi."

Mr Lindsay said cotton growers would love to see substantial rain above Copeton and Keepit Dams, both hovering on 20 per cent.

"The rain has saved the wheat crop. That 50mm to 100mm across the region has really lifted people's spirits," he said.

"But you can't really plan to plant much cotton unless you have something substantial in the dams. (Northern Daily)

CBH wins right to control grain supply chain 8 Sep 08

Bulk grain handler CBH has been given the green light to tie-up control of WA's grain supply chain, after the competition watchdog gave the all-clear to its controversial plan to bundle freight with its grain storage and handling services.

The Australian Competition and Consumer Commission this morning confirmed it would not oppose CBH's Grain Express proposal, which required ACCC approval because it involves a form of third-line forcing, where growers who use CBH's storage and handling system will also be forced to use its nominated transport system, rather than having the option to organise their own freight.

"The ACCC believes there are likely to be significant efficiency benefits under Grain Express as a result of the central coordination of grain storage, handling and transportation in Western Australia," ACCC Chairman Graeme Samuel said today.

"Following the recent deregulation of bulk wheat exports the number of accredited exporters attempting to make their own storage, handling and transport arrangements within the grain supply chain could substantially increase. This may create inefficiencies, placing additional costs on all participants in the Western Australian grain supply chain."

On the basis of information currently before it, the ACCC is satisfied that the introduction of Grain Express is not likely to lead to a substantial lessening of competition in relevant markets.

The ACCC concluded Grain Express did not limit the ability of grain growers and grain marketers to make their own grain storage, handling or transport arrangements.

"Grain Express also does not foreclose potential competitors to CBH entering the market. Further, grain marketers will continue to be able to take advantage of niche marketing arrangements that provide extra financial value to grain growers," the watchdog said in a statement.

The decision means CBH can now implement Grain Express in time for the 2008 harvest. (The West Australian)

Falling US beef prices cancel out lower dollar's benefits 5 Sep 08

While the Australian dollar fell to its lowest level in a year this week, it's not all good news for the export cattle market.

Angus Brown, from Ag Concepts, says low prices being paid by the US will cancel out any export market benefits from the falling Aussie dollar.

He doesn't expect cattle prices to lift until the first half of next year.

"Over the last couple of weeks, the price of our beef going to the US and into Japan, which are our main markets, has fallen significantly," he says.

"So the price of cow beef to the US has fallen 12 per cent in US cents a pound terms, which translates to even with the dollar coming back." (ABC Rural)

AWB still not accredited to export wheat 5 Sep 08

The Wheat Export Authority has accredited six more companies to export bulk wheat this year, and again AWB is missing from the list.

The latest exporters to be accredited by WEA are: ABB Grain; Concordia Agritrading (Australia); Glencore Grain; GrainCorp; Louis Dreyfus Australia; and Marubeni Australia.

This brings to 11 the total number of accreditations under the Wheat Export Accreditation Scheme in the nine weeks since the Wheat Export Marketing Act 2008 came into effect on 1 July 2008.

"The 11 exporters accredited to date have met the eligibility criteria in the Bulk Scheme and will provide greater confidence to wheat growers and the industry for marketing and exporting the coming wheat harvest," WEA acting chief executive officer, Peter Woods.

"WEA is currently considering other applications as they are submitted by exporters.

"While all companies are being treated equally in this process, it should be noted that some applications are more complicated than others and will naturally take longer to process." (Stock & Land)

Aus beef not profiting from anti-American beef furore in South Korea 3 Sep 08

Australian producers and exporters are not profiting from the anti-American beef furore still gripping South Korea.

Right now both producers and exporters are making little and, in some cases, no profit because of overall

spiralling costs combined with consumer inability to pay higher prices.

However, sales of chilled Australian beef to South Korea are up from last year on a five-year ascending trend, Meat and Livestock Australia's Korea regional manager, Glen Feist, says.

"Frozen beef is down as importers are trying to keep stocks to a minimum in the hope the Australian dollar continues to go down and prices follow, coupled with the uncertainty surrounding US prices and accompanying consumer interest," Feist said.

So far, most sales of US beef have been limited to neighbourhood butcher shops because major grocery chains, hypermarkets and restaurants weren't stocking it because of ongoing public health concerns related to mad cow disease.

But they were now starting to feel uneasy as they were about to lose out on one of the hottest selling holidays of the year, Chuseok (Korean Thanksgiving Day on September 14), The Korea Times has reported.

Industry sources said the most popular hypermarket chains like E-Mart, Homeplus and Lotte Mart, as well as department stores, had already completed their Chuseok orders in June with Australian beef. (Stock & Land)

Wheat futures warning 2 Sep 08

December wheat futures have suffered one of their biggest drops for almost a year.

Prices have come off by US90 cents a bushel over the last week on both the Chicago and Kansas exchanges.

Futures trading websites blame high global production and slow export demand as reasons for the price falls.

AWB grain marketer Michael Wallace says the big dip has made the market nervous.

"It's certainly put a straight line on a chart which has been up and down over the last six to twelve months," he says.

"Without putting fear into people, it's a little bit scary in the fact that it is doing this.

"We'd like to start to see it do some kind of movement upwards, just to reassure us that it can go back up again."

But a grain marketing specialist says wheat futures could halve in the next three weeks.

John Williams, from Melbourne University, says international wheat futures are currently overvalued at US\$8 a bushel on the Chicago Board of Trade.

He says once traders have factored in Australia's recent rains, we should expect prices to drop further.

"The two previous years, the traders have not factored in the drought situation early in Australia and that's caught them badly in late September," he says.

"This year, two months ago they claimed that they were not going to factor in anything from Australia's perspective until the end of September, which means if we've had rain now it really means that the Chicago and Kansas prices are really overvalued at the moment." (ABC Rural)

Call for rail upgrade 2 Sep 08

AWB GrainFlow is still trying to convince the Victorian Government to include the Oaklands line in plans to standardise the major northeastern railway between Seymour and Wodonga.

Grain growers fear they will be marooned when the main line is upgraded and the Oaklands line is cut off this year.

But AWB said it would move the grain by road if it couldn't get it out of north-eastern Victoria and southern NSW.

AWB announced a new rail freight agreement with El Zorro and the commissioning of 84 new rail wagons to ensure maximum advantage is taken of rail freight.

AWB GrainFlow (the company that operates the grain storage sites) spokesman Peter McBride said the agreement indicated the company's commitment to rail and should demonstrate to the Victorian Government that it was serious about continuing to use the Oaklands line.

"We will be continuing to make representations to the government," Mr McBride said.

He said AWB had spoken to local government and VFF about the issue.

AWB managing director Gordon Davis said last week the agreement with the El Zorro company provided the use of four trains for moving grain from the network's storage and handling sites in Victoria and NSW and other bulk handling country grain storages.

In addition, he said the new contract would include the use of 84 new rail wagons commissioned by the company, which demonstrated AWB's ongoing commitment to invest in strategic assets that supported the company's ability to provide solutions to growers and customers from the east coast of Australia.

The new rail freight agreement with El Zorro, a specialist rail freight operator, will ensure AWB can continue to provide its customers with an integrated storage, handling and freight service. (Country News)

Dairy Farmers profit surges, innovation to drive future growth 2 Sep 08

Following the announcement of the National Foods proposal to acquire Dairy Farmers last week, the

Australian dairy co-operative has posted strong double digit earnings growth at the higher end of earnings guidance despite incurring an additional \$170 million in costs during the period.

Dairy Farmers Chief Executive Rob Gordon said a 25 per cent surge in earnings before interest, tax, depreciation and amortisation (EBITDA) during fiscal 2008 to \$71 million was achieved in a particularly hostile operating environment. "During fiscal 2008, Dairy Farmers needed to absorb an additional \$170 million in costs - primarily as a result of record farm-gate milk prices," Mr Gordon reported. "The lift in earnings can be primarily attributed to Dairy Farmers' turnaround strategy of investing behind high-margin branded products across key channels - which has been underpinned by a strong innovation pipeline, sustained cost-out initiatives and continued price recovery from the marketplace."

"During the period, Dairy Farmers posted an 11 per cent increase in sales revenue from \$1.18 billion in fiscal 2007 to \$1.31 billion in fiscal 2008. This trend was particularly evident in the retail channel, where sales increased by 17 per cent and in the route channel where an 11 per cent uplift was achieved," Mr Gordon added. "In fiscal 2008, Dairy Farmers achieved double digit value growth in each of the four retail categories in which it participates - cheese by 15.5 per cent, flavoured milk by 15.3, everyday yogurt by 14.6 per cent and white milk by 10 per cent."

Innovation in packaging and dairy products is set to ensure the coming year is as positive as the last. "In fiscal 2009, Dairy Farmers will launch a number of exciting new products and innovations including a new dairy drink, Rise, as well as a significant packaging advance in the cheese category," Mr Gordon advised. The Board of Dairy Farmers last week recommended a takeover offer from National Foods, which valued the dairy co-op at \$910 million. The deal is still to be approved by Dairy Farmers shareholders, with a formal announcement expected at the end of November. (AFN)

AWB future to be decided this Wednesday 1 Sep 08

The future of AWB's board should be resolved this Wednesday.

The company wants to remove grower shareholders from its board, but with the heatgrowers who voted against proposed changes are angry they've been sent new voting forms.

AWB adjourned the original vote two weeks ago, when it appeared support for the proposed changes would fall short of the required 75 per cent.

New South Wales wheatgrower Mark Dwyer says he got a new form even though he's already voted no.

"I probably would have been among the first people to have filled out the ballot and sent it back," he says.

"If they've only sent ballots out to people who haven't voted, I'm wondering what happened to my previous vote."

AWB's Peter McBride says the company did send new voting forms, but it was a mistake that growers like Mr Dwyer received one.

"There's no lying here," he says.

"What we did was we looked through the register at the time of the last vote and we went through and we sent everyone who hadn't voted a letter and a postal or proxy voting form.

"If some had already voted, we apologise and there's nothing they need to do, they just need to bin it." (ABC Rural)

Over the hooks cow prices hit yearly high 1 Sep 08

Direct to works cow prices have reached a yearly high, with 240-280kg cwt cow prices averaging 267¢/kg cwt, according to MLA's market indicator.

Over the hooks cow prices usually peak at the end of winter as a result of tighter supplies and the US summer demand period.

At the same time last year, prices peaked at 263¢ before falling rapidly to a low of 217¢/kg cwt at the end of October.

Prices have been rising since the beginning of the year despite the appreciation of the A\$ - due to increased demand for manufacturing product from both the US, Russia and South Asia.

Prices are still well below those of 2006, when they peaked at 285¢/kg cwt for medium weight cows.

Over the past week, all states except Tasmania and WA registered increases to over-the-hooks cow prices. The highest quoted prices for heavy cows over 320kg cwt were:

- 260¢ in WA,

- 285¢ in Tasmania and

- 310¢/kg cwt in SA, Victoria and NSW.

In Queensland, southern prices were as high as 305¢ and northern prices up to 285¢/kg cwt. (MLA)

Erratic lamb price trend 1 Sep 08

Over the past few weeks, lamb prices at MLA's NLRS saleyards have been erratic and have varied from centre to centre.

Prices fell three weeks ago, rose again the following week, but fell again last week.

Heavy lambs registered the greatest decline - the national indicator dropped 19¢/kg from last week's, to average 434¢/kg cwt by Friday last week.

This variability is due to uncertainty surrounding supply and quality.
New season lambs are appearing in larger numbers and currently account for 34pc of all lambs, although most are either light or trade lambs.
Following a few very cold and dry weeks and limited feed supplies, total numbers yarded are expected to increase further, as producers look to offload larger numbers.
This may lead to the quality and maturity of new season lambs being substandard, which will have a negative effect on prices.
The national restocker indicator gained \$3, to \$49/head. The national trade lamb indicator rose 2¢ this week, to 451¢/kg cwt.
The national Merino lamb indicator fell 2¢ from last week's, to finish at 338¢/kg cwt.
However, this week's indicator price was 15¢/kg cwt above that of a fortnight ago.
Victoria had a 7¢ gain, registering the highest price at 350¢/kg cwt.
SA and WA recorded losses of 27¢ and 35¢, to average 317¢ and 288¢/kg cwt, respectively.
When compared with results from the same time last year, Merino lambs have gained 46¢/kg cwt.
Total Merino lamb yardings for this winter to date have increased by 33pc when compared with numbers from the same time last year. (MLA)