

OVERVIEW

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A very mixed bag of the 2008–09 season cropping results best sums up the fortunes of growers across the national grainbelt. South-eastern Australia ran into a very dry spring, and then a wet harvest, which forced grain and oilseed yields downwards. But there were areas in Western Australia, northern New South Wales and Queensland that enjoyed excellent growing and harvest conditions resulting in some of the best crops on record.

The northern cropping region has been particularly productive for several seasons in terms of both summer and winter crops. By April 2008, more than 3 million tonnes of summer crop (mainly sorghum) had been harvested. This was our biggest ever tonnage of sorghum – by more than 30 per cent – and by far the most valuable with on-farm sorghum prices nearing \$300 per tonne, or about double historical prices.

The good times kept rolling in most northern areas throughout the year with well above average winter crop production and then another excellent '08–09 summer crop.

The NSW 2008 winter crop figures tell of an amazing production turnaround in that state. Total wheat and barley production was around 8.4 mt – or six mt more than the previous season.

In Western Australia, the 2008 winter crop was produced under considerable seasonal variation but growers in that state managed to deliver around 13.4 mt – this was 3.7 mt more than 2007. WA's Northern Agricultural Region had one of the best seasons on record.

All up, an extremely variable 2008–09 season resulted in excess of 36 mt of national grain production – one of our highest ever totals. And although world grain prices retreated in the second half of the year, the total crop had a gross value of production of more than \$11 billion. This was the most valuable grain crop the nation has produced.

By Lloyd O'Connell
EDITOR, *AUSTRALIAN GRAIN*



Clocking up a few firsts in 2008

From July 2008, the Australian wheat industry entered a new era. AWB Ltd lost its government-sanctioned export wheat monopoly and by May 2009, more than 20 companies, including AWB, had been accredited by the Wheat Export Authority to export bulk Australian wheat. The 2008–09 wheat harvest came and went with some logistical problems, not to mention a fair degree of grower apprehension. But the general consensus was that the marketing sky hadn't in fact fallen in.

In 2008 we also saw the very closely monitored production of Australia's first GM broadacre crop. After the lifting of state moratoria, 'Roundup Ready' canola was grown in both Victoria and NSW with limited production also planned in WA for 2009. The GM canola generally performed well in extremely dry and challenging conditions with growers looking forward to the agronomic advantages offered by the GM traits.

Opportunities ahead

With record production and income figures being bandied about, you could be forgiven for thinking that the grain industry is a great place to have your money invested. Even the ABARE-calculated terms of trade index for grain farmers has been in positive territory for the past two seasons and is projected to remain there in the coming season.

The current volatility in global financial and international currency markets makes any business forecast fraught with danger. But there remains a fundamental need to feed an ever-increasing world population from a given amount of productive agricultural land.

Our innovative, non-subsidised, lean and mean grain sector is well-placed to weather any financial or seasonal storm and to take full advantage of the enormous opportunities ahead.