DELTA
GRAIN MARKETING

OUTLOOK

April 2025

Independent Brokers. Smart Advice.

DELTA GRAIN OUTLOOK – *Monthly Analysis and Strategy*

Introduction

The international grain markets continue to be over-shadowed by factors beyond it's control. Of course, the imposition of tariffs by the US Administration is by far the most disruptive, but their arbitrary nature makes forecasting the effects both in the short medium and even long terms almost impossible to fathom. Fortunately, Australia is better placed than most nations because of our location as well as the nature of our exports. We will keep coming back to this important distinction throughout this month's report.

Reciprocal tariffs are also extremely likely, especially by Canada, the European Union and already from China. These three groups are big players in the grain markets, while the US is a giant in corn, soybean and cotton exports. Hopefully the degree of tariffs is better known by our May report.

In the short term though, we see the US/China trade war being broadly positive for Australian grain prices as China will be come more reliant on us a trading partners. However, we strongly caution taking this analysis as cause for holding off on old and new crop sales for too long, because the longer term outlook for world economic growth is surely lower, with commodity prices likely to soften as the world's consumers gradually have less money to spend.

As we analyse the forward pricing of the Australian Winter crop, it will be through the lens of risk, rather than absolute returns. In this environment, it may well prove to be better safe than sorry.

Wheat Outlook

INTERNATIONAL

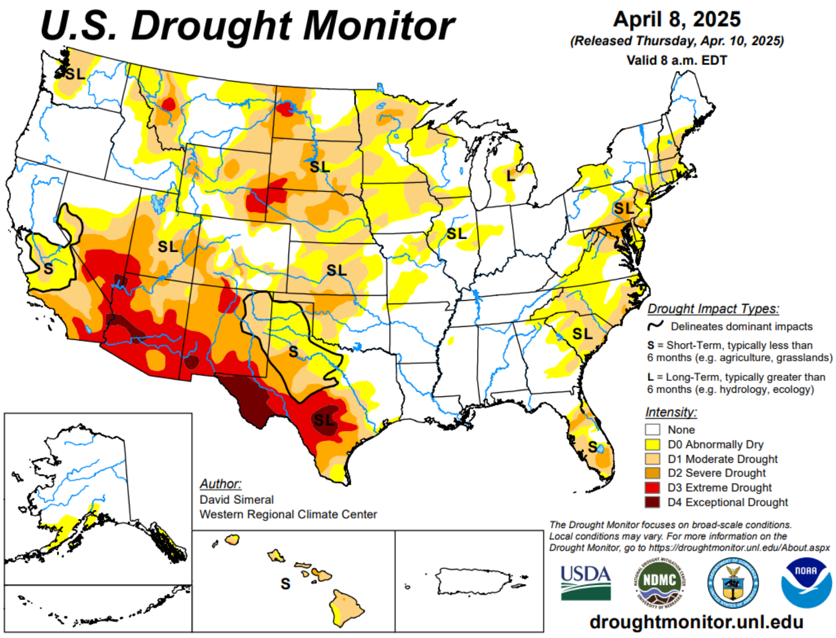
- The 2024/25 global wheat outlook this month is for smaller supplies, consumption, and exports and larger ending stocks.
- Supplies are lowered 0.8 million tons to 1,065.9 million primarily on reduced production estimates for Saudi Arabia and the EU, as well as lower beginning stock estimates for Uzbekistan and Israel.
- World consumption is forecast 1.4 million tons lower to 805.2 million, primarily on lower food, seed, and industrial use for India and China.
- Projected 2024/25 global trade is cut 1.3 million tons to 206.8 million, mostly on lower export forecasts for Russia, Australia, and the EU that are only partly offset by increases for Canada and Ukraine.
- Exports for 2024/25 are expected to be 7 percent lower than the previous year.
- Projected 2024/25 world ending stocks are increased 0.6 million tons to 260.7 million as higher stocks for India, Russia, the United States, and the EU are partly offset by a decrease for China.
- Global stocks for 2024/25 are now three percent below the previous year and the lowest since 2015/16
- *Source: USDA WASDE Report*

The USDA reiterates a smaller world carryover position for wheat, but we also would like to add that the quality of that carryover is better than average, given a dry finish in Russia, Canada and Australia. There was no mention of tariffs and their expected negative effect on US grain sales, but given up to USD $10 Billion through the Emergency Commodity Assistance Relief allocated to the USDA to hand around, it is not surprising that they are keeping their head down!

The European wheat value is shown on the chart below, which illustrates the sideways pattern in the market as it bangs along the bottom of the range it has been in since this time last year. The rally from March to June was based on weather concerns early in the crop year, but eventually the market succumbed to an improvement in the crop by their harvest.

The uncertainty now is centred around tariffs and their impact, with little focus on the Norther spring crop conditions which are said to been above average, though more rain is needed in Central and Eastern Europe to sustain the good yield potential.

The Russian crop is struggling with a combination of below average rainfall as well as a late arrival of Spring weather. Last week saw widespread hail and a cold snap in the Stavropol Region which accounts for about 8% of the national crop. It is way too early to get too excited, but the risks are elevated and rain will be needed over the next month to really get their crop up and growing.

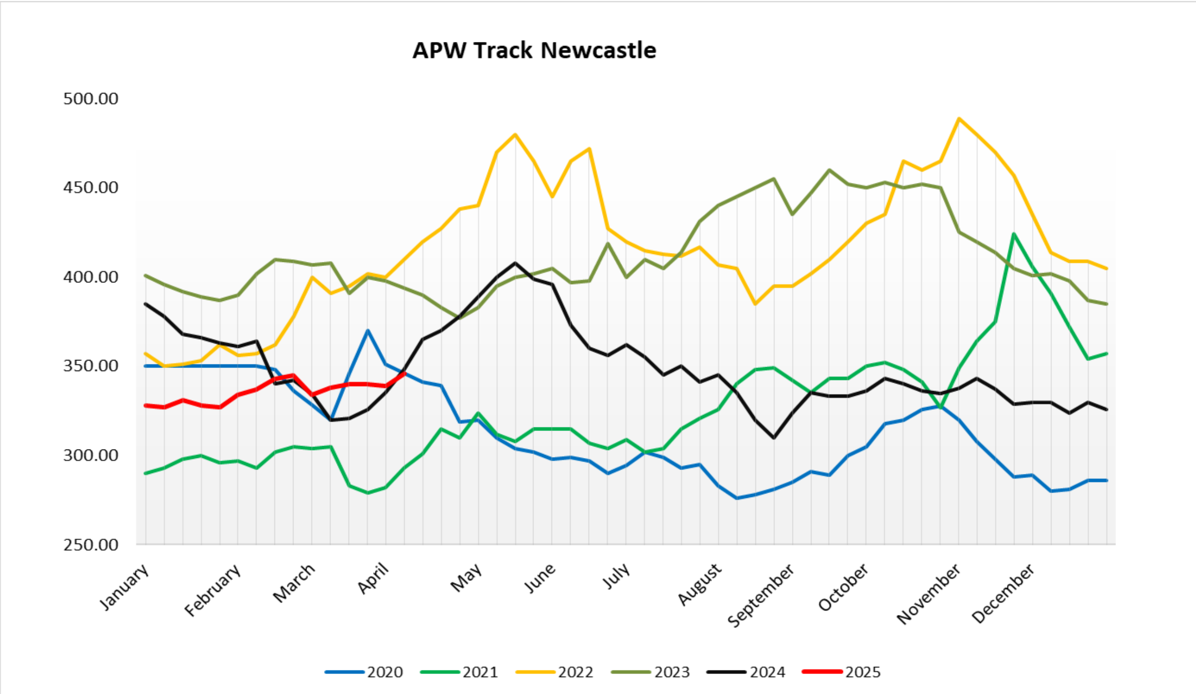


Some handy rains through the US Midwest improved conditions in the corn and soybean belt, though dryness continues to persist across a very wide area, including the High Plains where hard wheat grown, while the western third of the mid-west is also drier than normal.
While the world does not depend on US wheat exports, their crop conditions will create market movements because they are large consumers and will need to remain self-sufficient moving forward.

DOMESTIC

The local wheat market has been impressively resilient throughout the recent upheaval, assisted by a weaker Australian Dollar. Unfortunately, the AUD has rallied hard since last Wednesday's low of 59.15 US cents, to be back above 62 cents at the time of writing, though this has only caused a very slight drop in upcountry bids in the bulk storage system.

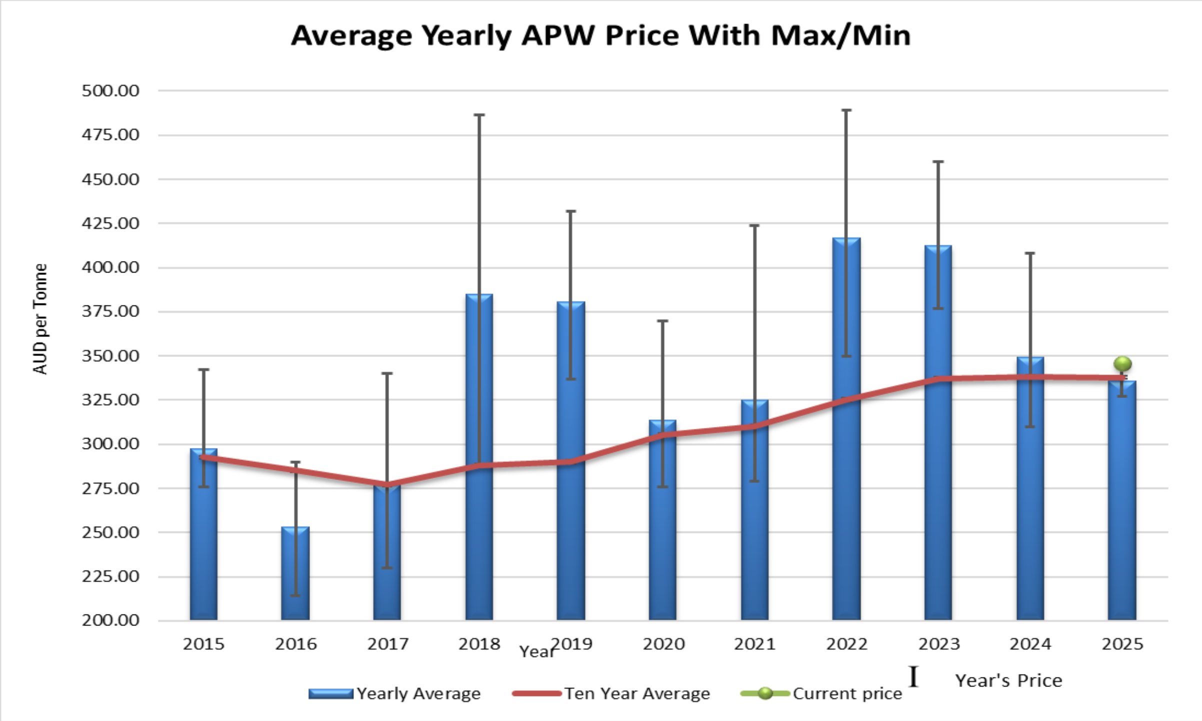
From and export perspective, demand is slowly improving despite the uncertainty surrounding tariffs and global trading conditions. We would love to see the type of interest that exists in sorghum to flow into wheat and barley, but for now we should be buoyed by the knowledge that local buyers still want to engage with growers, keep logistics channels full and keep those trucks and trains moving to port or the feeder mills.



We note with interest that the price trajectory is starting to mirror the lift in values that we saw last season between late march and the May/June peak. (see the red line of 2025 as it lines up with the black line, representing last year's price action).

We expect old crop wheat values to push higher into mid-year, especially if the south remains dry waiting for an Autumn break, which looks like mid-May at the earliest if the models are correct. Victoria and South Australia continue to draw grain out of Southern New South Wales and will continue to do so through the winter, with stocks very low until harvest in that zone.

Feedlots remain near capacity across the East Coast, driving feed demand. While it is true that feedlots have good coverage through April and May, traders are already looking for June and July deliveries at strong values.



Note the very tight range in the price of APW wheat this year, shown by the thin black line, and the price at or near the top of that range, shown by the green dot on the graph above.

See the huge range last week of the Australian Dollar (shown below). If the US sharemarket falls away agin, which to our analysis looks likely, we would expect another selloff in the Aussie (or Pacific Peso, depending on your point of view).

DELTA GRAIN MARKETING

Finally, it is again worth noting that price risk has risen significantly with Donald J Trump wielding the axe on world trade. It is foolish to think otherwise and should be a catalyst for those who have not been selling any wheat to lighten up a little. Yes it looks good for Australia, but export conditions could change with the stroke of a pen, and we see the imposition of tariffs and reciprocal tariffs as being overall erosive to the price of commodities in the medium term.

Wheat Strategy

CENTRAL QLD

Old crops in the Graincorp system is hard to get a good read on with values around $360 track. Not a lot of volume left, and most Growers are happy to wait until the new financial year. Farm parcels are down to fumes with replacement stock wheat moving north from SE Qld and Northern NSW. Offer up if cash flow is required.

New crop wheat gyrating with the broader market but still showing a healthy $20.00/mt premium over old crop. If you have a full profile, it will be worth locking in some volume based on your minimum crop estimate.

SQLD/NSW

It can be difficult to see good value selling for wheat locked in the Graincorp system, especially for "road only" sites. However, gyrations in currency and grain markets have and will continue to offer opportunities from time to time.

Exporters are keen to keep their logistics channels full and are prepared to pay a premium when they are at risk of running short of product, so setting targets above the current market is advised.

New crop values are showing great value at up to $35/t over old crop in some sites. If you have a full profile, it will be worth locking in some volume based on your minimum crop estimate.

Canola Outlook

Global Soybean Supply and Use (2024/25):

- Global soybean production for 2024/25 is lowered 0.2 million tons on lower production for Bolivia partly offset by higher output for South Africa, the United Arab Emirates, and the European Union.
- Ample global soybean meal supplies, lower prices, and lower supply of alternative oilseed meals, led to increased use of soybean meal consumption globally.
- Despite increased soybean crush, global vegetable oil production for 2024/25 is lowered 0.9 million tons to 228.1 million as gains in soybean oil production are offset by lower palm oil production.
- Palm oil production is reduced 1.3 million tons to 78.2 million on lower output for Indonesia, Malaysia, and Thailand.
- Global soybean exports are raised 0.2 million tons to 182.1 million. Exports are raised for Canada and Nigeria but lowered for Ukraine.
- Global soybean ending stocks are raised 1.1 million tons to 122.5 million, mainly on higher stocks for Brazil and the EU.

  Source: USDA WASDE Report

INTERNATIONAL

The past month has certainly been eventful. As we noted in our previous report, the introduction and implementation of new tariffs are making it increasingly difficult to forecast price movements with any confidence. While tariffs themselves are nothing new, the current scale and global reach of these measures are unprecedented, placing us in largely uncharted territory.

Since "Liberation Day" on Tuesday, April 2nd, the oilseed market has reacted positively, with futures prices climbing across the board. Soybeans are up by 28 cents per bushel, Canadian canola has surged by C$96 per tonne, and EU rapeseed on the MATIF rose €55—though it has since corrected by €15.

What's behind this rally in oilseed prices? Several factors are at play. A stronger U.S. dollar has weakened the Canadian, EU, and Australian currencies, potentially making their exports more attractive to international buyers. Additionally, the trade appears to be actively exploring alternative supply channels for oilseeds. Looking ahead, early projections suggest a decrease in acreage for both U.S. soybeans and Canadian canola in the 2025/26 season.

The new Canadian Prime Minister Carney has already agreed to negotiations with Trump, which is certainly a positive step in the right direction. Canada is a major supplier of fertilisers to US farmers, giving them a strong bargaining chip with the US Administration. Whether this is enough to sway the US remains to be seen.

The latest USDA report delivered a mixed message for soybean markets. The agency surprised traders by trimming its projection for U.S. soybean ending stocks for the 2024/25 season to 375 million bushels, down from the previously forecast 380 million. Meanwhile, domestic crush demand was nudged up slightly to 2.42 billion bushels, compared to 2.41 billion in the prior estimate, while export expectations remained steady at 1.825 billion bushels. The projected average farm price was left unchanged at $9.95 per bushel.

MATIF MAY 25 WEEKLY DATA - with Canadian canola futures shown as the blue line

On the global front, USDA raised its forecast for 2024/25 soybean ending stocks to 122.27 million metric tonnes, marking a 0.9% increase from the 121.41 MMT reported in March. This revision came in slightly above analyst expectations, which were around 122.07 MMT.

Is it feasible that the export of key US agricultural commodities remain unaffected by the imposition of tariffs and reciprocal tariffs, we think not. We expect downward revisions in exports and upward revisions in US stocks in the coming months.

As for South America, the USDA held firm on its projections, maintaining Brazil's output at 169 MMT—a number it's kept unchanged since September—despite growing consensus among private analysts who see the crop reaching 170 MMT or higher. Argentina's numbers were also left unchanged, contrary to some expectations for a modest downward revision.

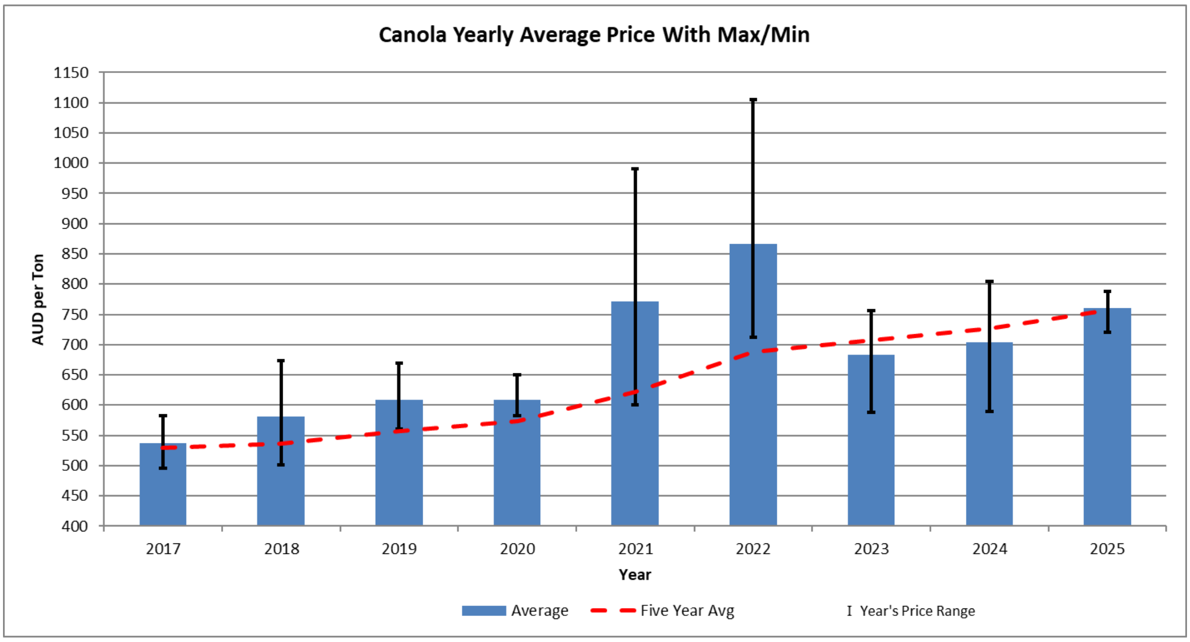
If the USDA's estimate for Brazil proves accurate, it would represent a nearly 11% increase over last year's production and mark a record harvest for the country.

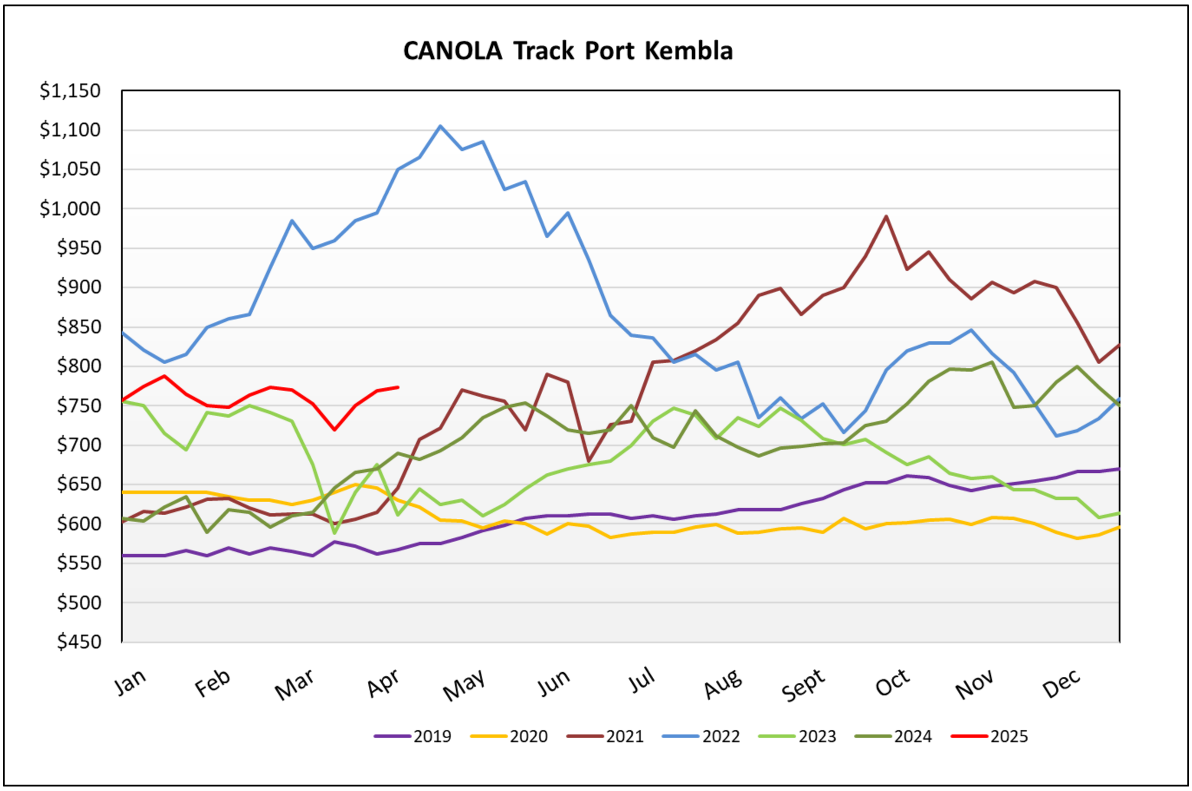
DOMESTIC

Unpredictable and volatile are perhaps the most fitting words to describe current domestic canola prices. As traders work to assess the potential impact of tariffs on canola trade, the market has experienced significant price swings—sometimes as much as $54 in a single day.

While futures have shown some strength, attention is now turning sharply to weather conditions as we approach the typical start of canola planting around Anzac Day. In southern NSW, conditions are becoming increasingly dry, and timely rainfall will be critical. Much of the region is in need of a widespread autumn break to restore confidence, but unfortunately, the two-week forecast offers little optimism. Some areas in the east and even as far west as West Wyalong have received decent rainfall, but many other regions remain in desperate need of moisture. Conditions appear more favourable in the Central West and northern areas.

On the pricing front, the recent drop in the Australian dollar contributed to strong values last week, with old crop canola reaching $797 Port Kembla and new crop quoted at $822 Port Kembla Track. While there has been some limited buying interest from major buyers for both old and new crop, most seem well covered on old crop, with shipping programs already booked through July.





Canola Strategy

OLD CROP 2024/25 Most canola growers have completed their old season sales, but for anyone carrying stocks, we view the most recent rally to $800 Track as a selling opportunity. Any spikes from here are just another chance to find an exit.

NEW CROP 2025/26: Big increases in new crop values since the last report. A season high of $822 Track Port Kembla and Melbourne last week was a good opportunity to make forward sales. However, production confidence will be the decider in this year's forward selling program, so for those happy with moisture levels, anything above $800/t Track is a great starting point.

Barley Outlook

INTERNATIONAL

- This month's 2024/25 U.S. corn outlook is for greater exports, reduced feed and residual use, and smaller ending stocks.
- Feed and residual use is cut 25 million bushels to 5.8 billion based on disappearance during the December-February quarter as indicated in the March 31 Grain Stocks report.
- Exports are raised 100 million bushels reflecting the pace of sales and shipments to date and relatively competitive U.S. prices. With no other use changes, ending stocks are down 75 million bushels from last month to 1.5 billion.
- The season-average corn price received by producers is unchanged at $4.35 per bushel.
- Global coarse grain production for 2024/25 is forecast 0.4 million tons lower to 1.495 billion.
- This month's foreign coarse grain outlook is for reduced production, virtually unchanged trade, and larger ending stocks relative to last month.

- EU corn is higher reflecting larger crops for Poland, Croatia, France, and Germany that are partially offset by reductions for Romania and Bulgaria.
- Major global trade changes for 2024/25 include higher projected corn exports for the United States and a reduction for Pakistan.
- Corn imports are raised for the EU, Mexico, Turkey, and Peru but lowered for Vietnam.
- Foreign corn ending stocks are higher relative to last month, reflecting increases for South Korea and Pakistan.
- Global corn ending stocks, at 287.7 million tons, are down 1.3 million.
  Source: USDA WASDE

International Coarse Grain Market

The USDA finally published a US corn export number that reflects what is happening on the ground and at the ports. After 2 months of keeping exports well below trade estimates, the volume was increased by a realistic amount at 2.5 MMT. Most of the increase in demand has come from Mexico, which has taken almost 500,000mt over the past 4 weeks. The "on again-off again" nature of the trade war seems to have stabilised with Mexico, and with an on-going drought they have been keen to purchase as much US corn as they possibly can.

As of the 3rd of April, the USA had sold 55 MMT of corn for the marketing year, the second most corn sold for the date in at least 25 years and possibly ever.

While the US increased exports, they also lowered domestic usage by about a third of the increase, leaving carryout at 37 MMT. The old crop corn's stock to use ratio has now fallen below 10% and this is considered to be in "bull market" territory. However, with 95 million acres potentially going in at an average yield of 180 bu/ac possible, the stocks to use ratio could swing back towards 14% by the end of the season. We need to see some serious crop issues for prices to continue to lift.

Corn	2022/23	2023/24	2024/25 Proj	2024/25 Proj	Change
39.36		Est	Mar	Apr	
				Million Metric tonne	MMT
Area Planted (mil. acres)	88.2	94.6	90.7	90.7	
Area Harvested (mil.acres)	78.7	86.5	82.7	82.7	
Yield (bushels/acre)	173.4	177.3	183.6	183.8	
Beginning Stocks	34.98	34.55	44.79	44.79	0.00
Production	346.82	389.79	377.72	377.72	0.00
Imports	0.99	0.76	0.64	0.64	0.00
Supply Total	**382.77**	**425.10**	**423.15**	**423.15**	0.00
Feed & Residual	116.51	146.72	146.72	146.09	-0.64
Food, Seed & Industrial	166.62	173.78	175.05	175.05	0.00
Ethanol & by-products	131.50	138.47	139.74	139.74	0.00
Domestic Demand Total	**306.02**	**321.27**	**321.77**	**321.14**	-0.64
Exports	42.20	57.16	62.25	64.79	2.54
Use, Total	348.22	377.67	384.02	385.92	1.91
Ending Stocks	**34.553**	**47.434**	**39.13**	**37.22**	-1.91
Avg.Farm Price ($/bu)	$4.53	$6.00	$4.75	$4.35	

US CORN DAILY CHART – weekly data

As we can see, US futures have held up extremely well over the past two weeks despite all the turmoil in the equity markets. Lower stocks and plenty of demand has cut through the noise and it is good see a market trading on it's fundamentals.

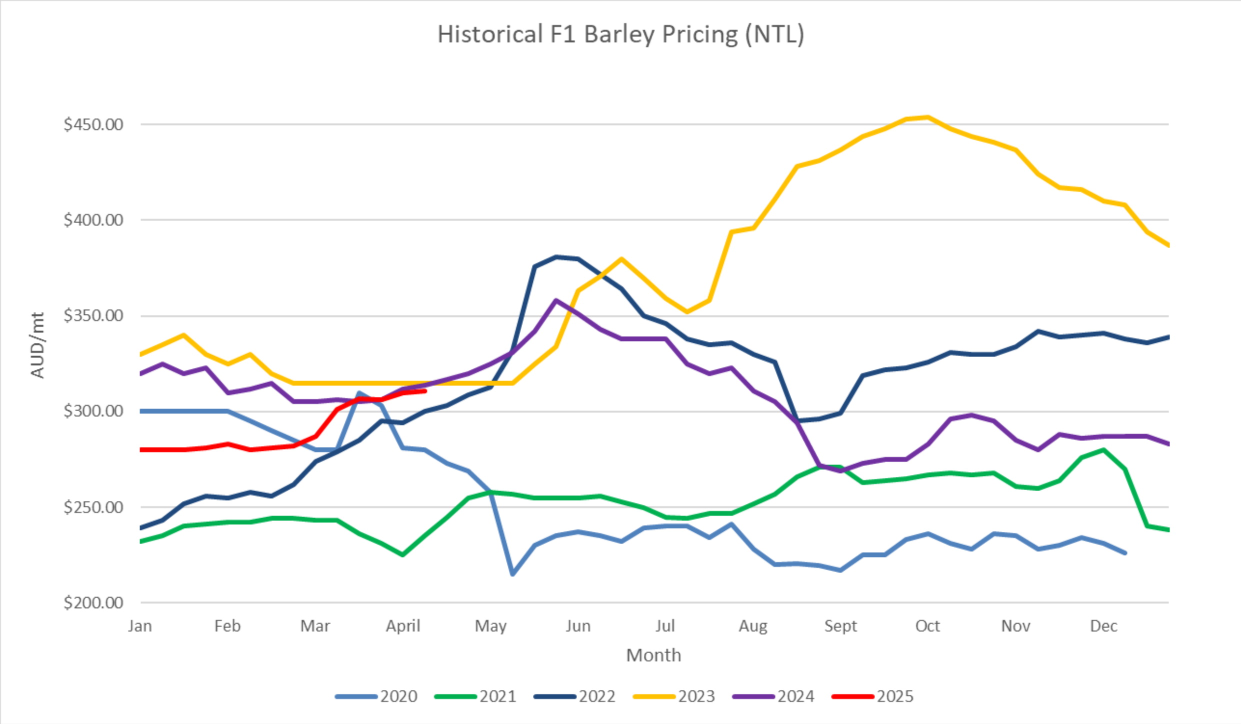
Looking further ahead we do see some potential headwinds, with Chinese demand and the escalation of the US trade war. Chinese commodity buying is on a serious downtrend due to a slower economy and a string of good seasons in mainland China. The tariff strategy of the US is designed to cripple Chinese GDP even further and this may have far reaching implications for demand for our wheat, barley and sorghum.

Current Chinese combined imports of corn and wheat in 2024/35 are seen plunging nearly 70% on the year, hitting six-year lows. This will take China from roughly importing 11% of the world total to just around 3%. We hope that barley may be insulated somewhat from this downturn, and this appears to be the case with Australian barley exports for February almost 1 MMT. China has taken 2.4MMT up to the end of Feb and is forecast to purchase another 1.4MMT by the end of April. The Chinese may also look to replace US feed sorghum imports with barley, further bolstering Aussie sales.

Saudi Arabia, Iran, Mexico, Japan and Thailand all have increased imports of Australian barley over the last month. The return of the Middle East as a buyer of Aussie barley is welcome and reflects the tightness of EU and Black Sea stocks. Hopefully this continues and we can make hay while the sun shines.

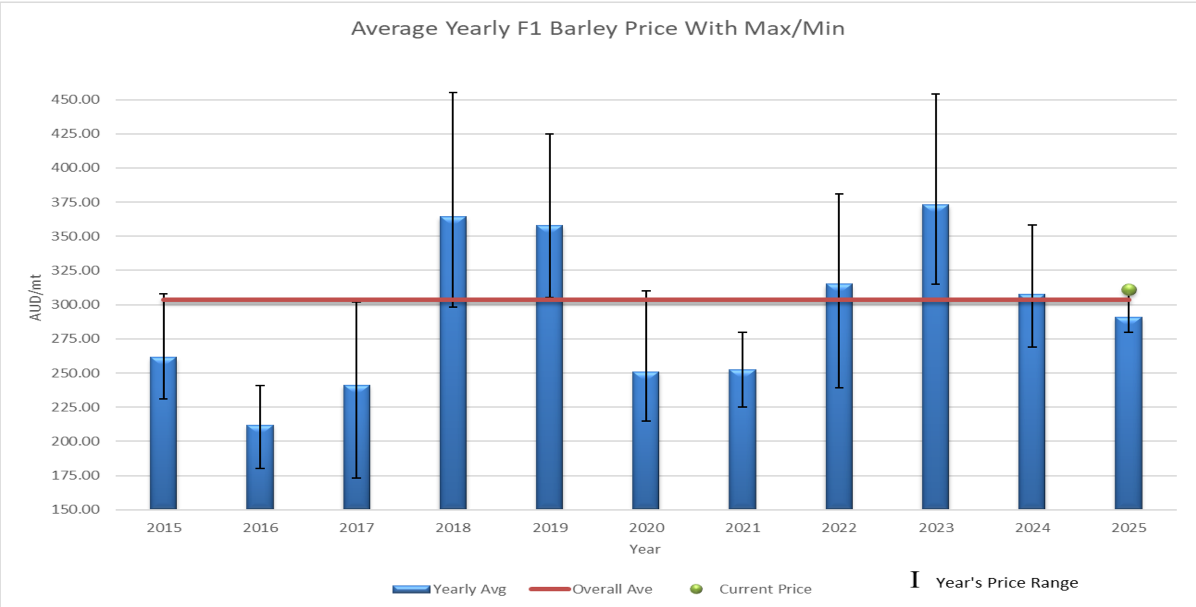
DOMESTIC

Despite the continuation of solid exports, east coast Bar1 prices have only seen slight increases since last month. The market appears to be focussed more on sorghum and wheat, leaving barley on the sidelines. Feed buyers are inferring they are comfortable with current purchases and available supply. There is a lot of un-priced barley in the north of NSW and plenty of Growers are waiting for the new financial year to sell.



Southern markets have been solid without looking spectacular. The drain on WA and Vic tonnages for exports and the on-going drought in SA that both Melbourne and Port Kembla zones is increasing demand, lifting in store values by up to $50/tonne since harvest. It has been a relatively dry start to Autumn in the south and this should also continue to add value.

WA has shipped 70-80% of production and exporters must look east to supply markets from here until new crop. Barley prices have gained against wheat in Northen New South Wales and Southern feeder markets, but less so than in the south.



Since the last report prices have moved slightly above the long-term average in the Newcastle Zone and sit at the top of the range for the year. This is encouraging and we see values continuing to improve. Most Grower ideas are $15-$20.00/mt away from making sales worthwhile. If demand remain high from an export perspective, we should bridge the gap easily.

Barley Strategy

Central and Northern NSW

Prices continue to keep pace with carry costs, but we are not yet seeing numbers that would excite us too much. Maybe we will have to wait a little longer in order to see a decent rally. Now that it has rained, we are looking at a decent plant area again this year so this may prompt Growers to start marketing barley from here out. We are not averse to sales and offers above the market bids are well worth putting up. Sell for cash flow or as storage management dictate.

New Crop: We have started a new crop sales program on farm in the Northern NSW zone at about $300.00/mt ex-farm for Bar1 for Jan delivery. Given the potential size of the crop and the good start to the season we feel values around this mark are a good starting point.

SNSW and the Riverina

Prices are at levels close to or on $300-$310 ex farm and present a good opportunity to sell. Market looks like it will keep rising. With dry weather south of Wagga Wagga demand should start to lift for feeding. Sell into the rising market with offers above bids and into time frames that suit loading trucks.

Sorghum Outlook

INTERNATIONAL

No change from the USDA in this month's WASDE report leaving both domestic demand and exports at March levels. This despite a massive reduction in sorghum sales for the month compared to last year. By April 2024 the US had shipped over 4MMT of sorghum predominately to China. As of last week, the US had only shipped about 1MMT. Total forecast exports for the US this year are only 2.7 MMT compared to 6MMT in 2024. The numbers don't lie and provide the background for the demand we are seeing for Aussie sorghum into Asia. Current weekly shipments of sorghum out of the US are only around 20,000mt predominately as food aid to Africa and importers other than China while Aussie sorghum shipped for the month is around 100,000mt.

The US trade war with China has continued to escalate with "tit for tat" increases from both sides. Effectively China has now placed a 44% tariff (10% initial plus 34% increase last week) on US Ag commodities entering China, effectively killing demand for US sorghum which is now being replaced with Australia and Argentinian origin.

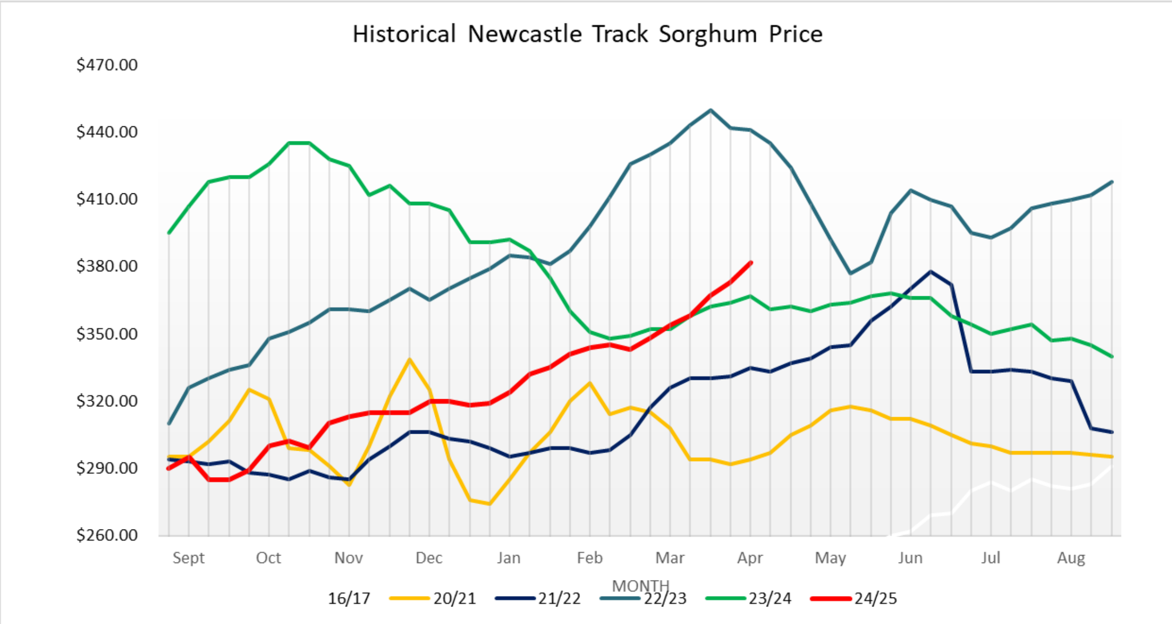
As with all things connected with the US and specifically on Trump's behaviour, the advantage we have in the sorghum market should not be assumed to be fixed or long term. While we have all the running at present, it would not take much to swing back to US demand if China and the US come to some sort of agreement. Growers with more sorghum to sell should be conscious of this especially CQ growers who have a longer marketing window in front of them.

DOMESTIC

Harvest has continued to roll on after the major wet system at the start of the month. This pulled headers out of the paddock and caused some concern over quality. Darling Downs harvest is all but done with a few quality concerns at the end, but it does not appear to have caused any real issues. There is more than enough Sor1 to blend with, and this seems to be what is occurring.

Liverpool Plains sorghum was about 50-60% done before the rain and there was some real concern that falls of 75-125 mm had done some real damage. As we go to print it appears that there are some Sor2 segregations opening at Graincorp with field fungi and sprouted levels just over Sor1 levels. Hopefully as with Qld there is enough Sor1 to blend away the problem.

CQ may see some early harvest this month and with the recent rain topping up profiles the crop now looks to be on average in good condition. Lower planted area will still have an effect on the overall volume out of CQ. At this stage we think 250-275,000mt. This number is lower than the ABARES forecast and will keep supply tight in a high demand situation.



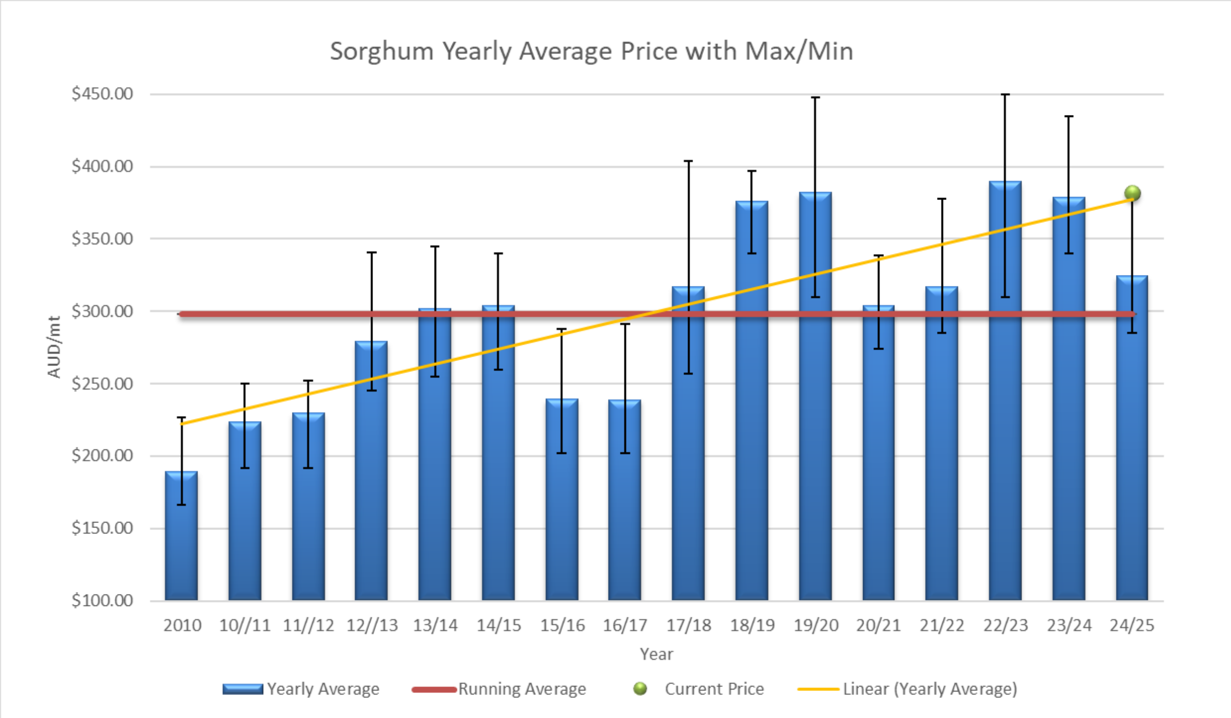
As we can see prices have accelerated since mid-Feb when Trump ramped up his tariff rhetoric, then implemented and announced reciprocal tariffs on everyone, finally singling out China with 145% and the China return serve on US imports. As it stands today there is a 44% tariff on US sorghum into China or approximately $125.00/US mt. The US/Chinese sorghum trade has effectively stopped.

Prices are at the highs of the year well above the long-term average and approaching the average price in 22/23 when the US had a major drought and supply issues.

Sorghum Strategy

CENTRAL QUEENSLAND- It is **t**ime to start a sales program for the coming crop as values are at historically strong levels above $300 ex-farm. This has been the target all year and we think that 20-30% should be sold at these levels. In this fluctuating tariff environment, we are nervous that demand could change without notice and are therefore more aggressive than usual on pre-harvest sales. Production risk should be taken into account as always.

NNSW – Prices continue to lift, particularly for the late April/May/June crop. Delivered port markets look the best with Brisbane bid $400 while Newcastle is now $395.00/mt delivered Apr/May. Ex farm Liverpool Plains for April approaching $360.00/mt. These values are $30-$35.00/mt over current SFW1 numbers. Sell as you harvest.



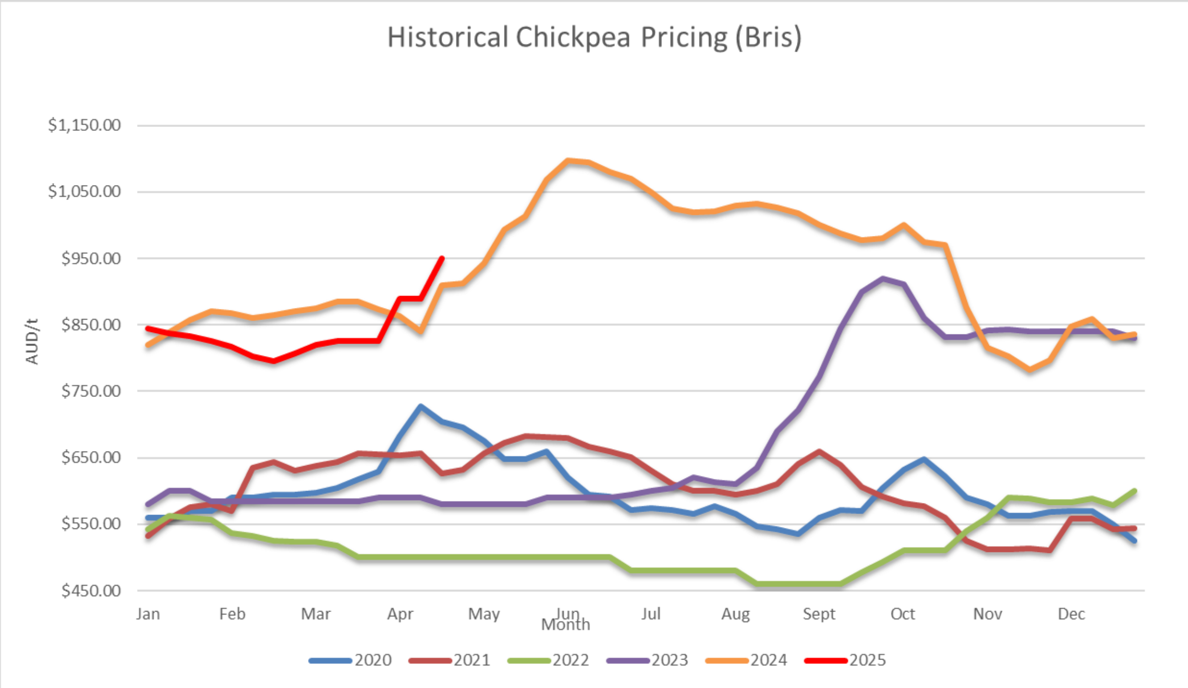
Chickpea Outlook

The Chickpea market has once again gained momentum over the last month. The Indian tariff free deadline came and went with a new 10% import duty applied to Australian Chickpeas from April 1. This new level while annoying, is a much better outcome than many expected following that the 66% tariff the Australian industry faced from 2018 until 2024.

The pulse market has continued to evolve as well, as the completion of the bulk vessel program swung demand back into containers for the remaining un-sold portion of the crop. Bangladesh, Pakistan and the UAE are all participating in post-Ramadan sales and are looking to cover requirements due to their lower-than-expected domestic crops. This demand comes against a backdrop of falling available Australian supply with Growers selling approximately 95% of the crop into the Indian demand.

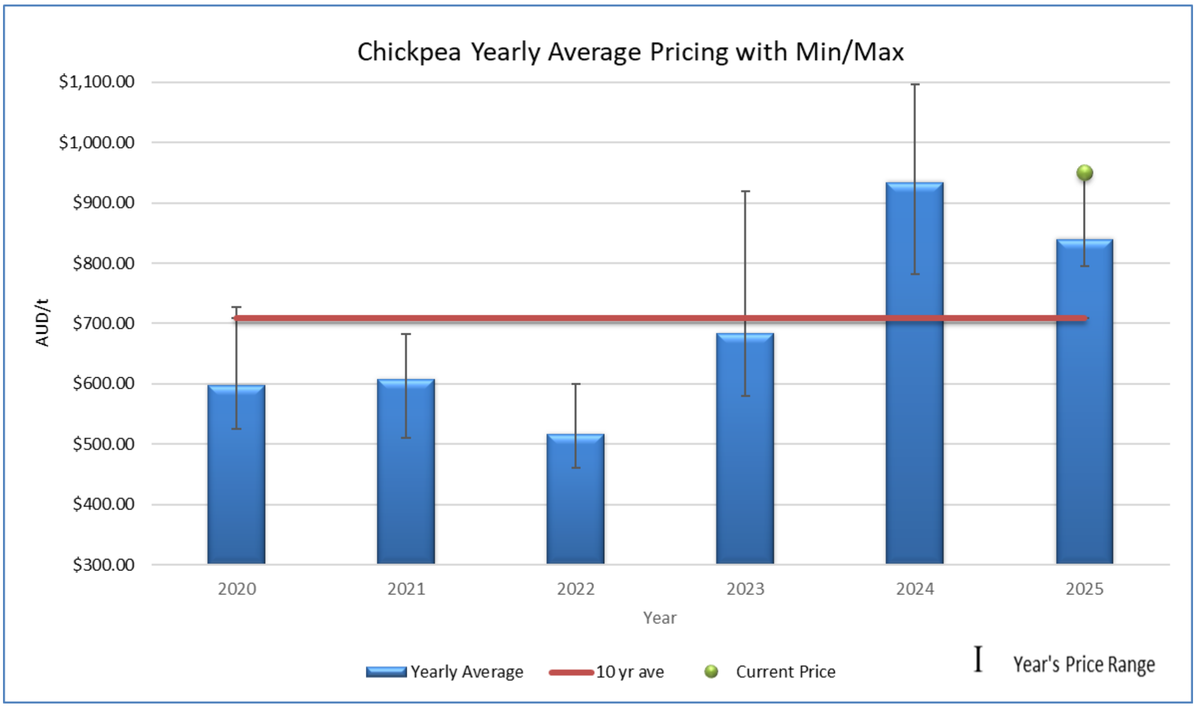
Meantime the tariff war the US is raging and has created currency swings with the Australian dollar depreciating rapidly as the world looked to traditional safe havens such as gold and the US currency. This was enough to spike demand for Aussies chickpeas as importers scrambled to take advantage of the move. The dollar has now swung back up above 64 US cents but there is still plenty of demand and prices have once again surged this week, such that $1000 Brisbane looks with striking distance.

Exporters are fighting over the last scraps of the crop that seems to have been oversold and under delivered a far as volume is concerned. There may be a few traders caught short?



Demand is already spilling over into new crop as well with more certainty in the market. Prices remain well bid around the Mid $800's into Brisbane whilst Downs packers are around $20-$30.00/mt lower. The rain in northern NSW and QLD has profiles full and Growers looking at rotation decisions. Wet ground is not necessarily beneficial to chickpea establishment, and this may push some Hectares away from early planting. Prices on the other hand look very good again and should encourage Chickpeas into the rotation.

The Faba Bean planting window is open, but it may be too wet to plant in some areas, such that chickpeas may gain some area later in the planting cycle.



Chickpeas have been a great value proposition for the past year and now that India has confirmed their involvement in the new crop, prices should remain well over the average and near the top of any gross margin analysis.

Chickpea Strategy

Central Queensland- Very little old crop left so nothing really to comment on. New crop prices have started in the low to mid-700's. Growers are hinting that there will be another large chickpea plant again this year. Forward sales are on hold until sowing is complete in and the early harvest premium is better understood.

Northern NSW- Prices above $900 ex-farm are again available for old crop, creating another excellent opportunity to sell the remaining stock.
New crop numbers look good, but not quite good enough to start a sales program, especially when compared to old crop prices.

Cotton Outlook

- In this month's 2024/25 U.S. cotton balance sheet, the only changes are a 100,000-bale reduction in exports to 10.9 million bales and an increase in ending stocks of the same amount to 5.0 million bales.
- The projected 2024/25 season average upland farm price is unchanged at 63 cents per pound. Production, consumption, and trade are reduced in this month's 2024/25 world cotton balance sheet while stocks are raised.
- Lower production in Argentina, Cote d'Ivoire, and other countries more than offsets an increase in China, for an overall decline of 69,000 bales.
- Global textile mill use is down 520,000 bales this month, primarily because of reductions for China and Indonesia that more than offset an increase for Turkey.
- Similarly, imports are lower this month as reductions for China and Indonesia more than offset an increase for Turkey, with small changes elsewhere.
- Exports are reduced for Australia, Brazil, the United States, Cote d'Ivoire, and other countries, more than offsetting increases for Turkey and Kazakhstan.
- Beginning stocks are increased 25,000 bales following back year adjustments to imports, consumption, and ending stocks for Egypt.
- World ending stocks for 2024/25 are raised over 520,000 bales, with increases for China, Australia, Brazil, Egypt, and the United States that more than offset reductions for Turkey and Argentina, with largely offsetting changes elsewhere.
- *Source: USDA WASDE Report*

US COTTON weekly data

We really thought the low in cotton last month would stick for quite a while, but it did not. Our reasons were an ongoing drought in California and Texas, a lift in usage and a decrease in carryover bales, and US Dollar that look way too expensive.

Step in a new Administration who has started a trade war with the world's largest Cotton importer, fears of a global recession, and a rising US Dollar and the tables have turned again for cotton from a global perspective.

Locally though, southern Queensland and Northern New South Wales crops have suffered from too much rain. Picking is underway in Northern and western areas, but the bulk of the crop has not yet started to come in with volume, so it is too early to estimate the level of discolouration that we are facing.

Fortunately, the Central West and Riverina cotton belts are largely unaffected, as too will Central Queensland crops, barring a late rain event before ethe end of picking.

Good quality cotton should attract a pricing premium, so we are not keen sellers below $600/bale. Further, there is a shortage of water in storages across the Border Rivers and most of New South Wales reservoirs are low enough to restrict next summers water allocations unless we get big falls through the winter in the catchments.

Therefore, we are inclined to wait for a selling opportunity over $600/bale in the coming months.

SUMMARY

The global grain and oilseed markets continue to face uncertainty based on the ups and downs of the US Tariff Policy, and the subsequent reaction from other major trading nations. Though these fluctuations look far from over, some trends will develop over the coming months which will guide us in our marketing decisions.

The strength in the US Dollar has been a surprise, but the corresponding weakness in the Australian Dollar has acted as a buffer to falling US wheat and feed grain values. This has insulated us from the cheaper market signals offshore, but we also think those falling offshore values will eventually reverse on poor crop conditions in the US and Russia. If they do reverse, it will give a major boost to local wheat and barley values, but it is not a yet a "done deal". That is why we continue to recommend some old crop sales when prices spike and give us opportunity.

New crop values are showing a full carry at about $25-30 over old crop. For growers with a full profile in the northern half of NSW and Queensland, this looks like a selling opportunity.

Pulses look set for a strong year with a current spike in old crop chickpeas and strong faba bean interest likely for the new crop.

Oilseeds are at risk of being caught up in the US/Canada trade war, but European non-GM demand drive the East Coast market and looks solid at the moment. We cannot help being a bit nervous about the market as whole, so some forward selling is advised if your moisture profile allows.

We could keep updating this report daily but feel we need to press send, but will continue to update you as and when another material shift occurs.

For any questions, comments or alternate views, do not hesitate to call us!

All the best,
Mick Parry and The Delta Grain Team

CONTACTS:

Delta Grain Armidale Office
Suite 7, 165 Beardy Street
Armidale NSW 2350
Phone: 02 6772 0000

General Manager & Grain Marketer - NNSW, CWEST & SNSW
Mick Parry
Licenced Financial Services Officer
AFSL. No: 301796
Mobile: 0414 347 330
mparry@deltaag.com.au

Grain Marketer – NNSW, Liverpool Plains, Central QLD
Tom Vanzella
Mobile: 0429 022 726
tvanzella@deltaag.com.au

Grain Marketer – SNSW Region & Riverina
Graham Martin-Dye
(Delta Ag Harden)
Graham Mobile: 0417 055 619
gmartindye@deltaag.com.au

Delta Grain Administration
Libby Parry
02 6772 0000
lparry@deltaag.com.au

DELTA GRAIN MARKETING