

**27 November 2009**

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GrainCorp**

# **BARLEY & OILSEEDS UPDATE**

# Overview

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- World Oilseeds
- World Canola
- Oils demand
- World barley
- Australian barley
- Currencies

# International Oilseed S & D

## 7 OILSEEDS : World Supply & Demand ( Mn T )

	09/10F	08/09	07/08	06/07	05/06
<b>Opening stocks . . . .</b>	<b>60.3</b>	<b>70.3</b>	<b>83.0</b>	<b>72.6</b>	<b>64.3</b>
<b>Production . . . . .</b>	<b>415.0*</b>	<b>386.3</b>	<b>383.0</b>	<b>399.2</b>	<b>384.0</b>
<i>thereof: Soybeans</i>	246.9*	212.2	220.9	237.6	222.3
<i>Cottonseed . . . . .</i>	38.4*	40.4	44.5	45.4	43.0
<i>Groundnut,shelled</i>	22.5*	24.2	23.3	23.1	24.2
<i>Sunflowerseed . . . .</i>	31.3*	34.5	29.3	30.2	30.3
<i>Rapeseed/canola</i>	58.3*	58.2	48.7	47.7	49.3
<i>Palmkernels (b) . . .</i>	12.3*	11.6	11.3	10.1	9.7
<i>Copra (b) . . . . .</i>	5.3*	5.2	5.1	5.1	5.1
<b>Total supplies . . . . .</b>	<b>475.3*</b>	<b>456.6</b>	<b>466.0</b>	<b>471.8</b>	<b>448.3</b>
<i>thereof soybeans</i>	294.4*	272.4	292.5	297.2	274.7
<b>Disappearance . . . . .</b>	<b>402.6*</b>	<b>396.3</b>	<b>395.7</b>	<b>388.7</b>	<b>375.7</b>
<i>thereof: Soybeans</i>	232.2*	224.9	232.3	225.6	215.0
<i>Sunseed</i>	32.0*	34.5	28.5	30.9	30.1
<i>Rapeseed</i>	59.3*	55.8	50.6	48.6	48.5
<i>Other . . . . .</i>	79.1*	81.1	84.3	83.6	82.1
<b>Ending stocks . . . . .</b>	<b>72.7*</b>	<b>60.3</b>	<b>70.3</b>	<b>83.0</b>	<b>72.6</b>
<i>thereof soybeans</i>	62.2*	47.5	60.2	71.6	59.6
<b>Stocks/usage(a) . . . .</b>	<b>18.1%</b>	<b>15.2%</b>	<b>17.8%</b>	<b>21.3%</b>	<b>19.3%</b>
<i>thereof soybeans</i>	28.6%	21.1%	25.9%	31.7%	27.7%

(a) Stocks in % of annual disappearance. (b) Calendar year or 2<sup>nd</sup> of split year. Source: Oil World

# International Canola S & D



## RAPESEED & CANOLA: World Supply & Demand (Mn T)

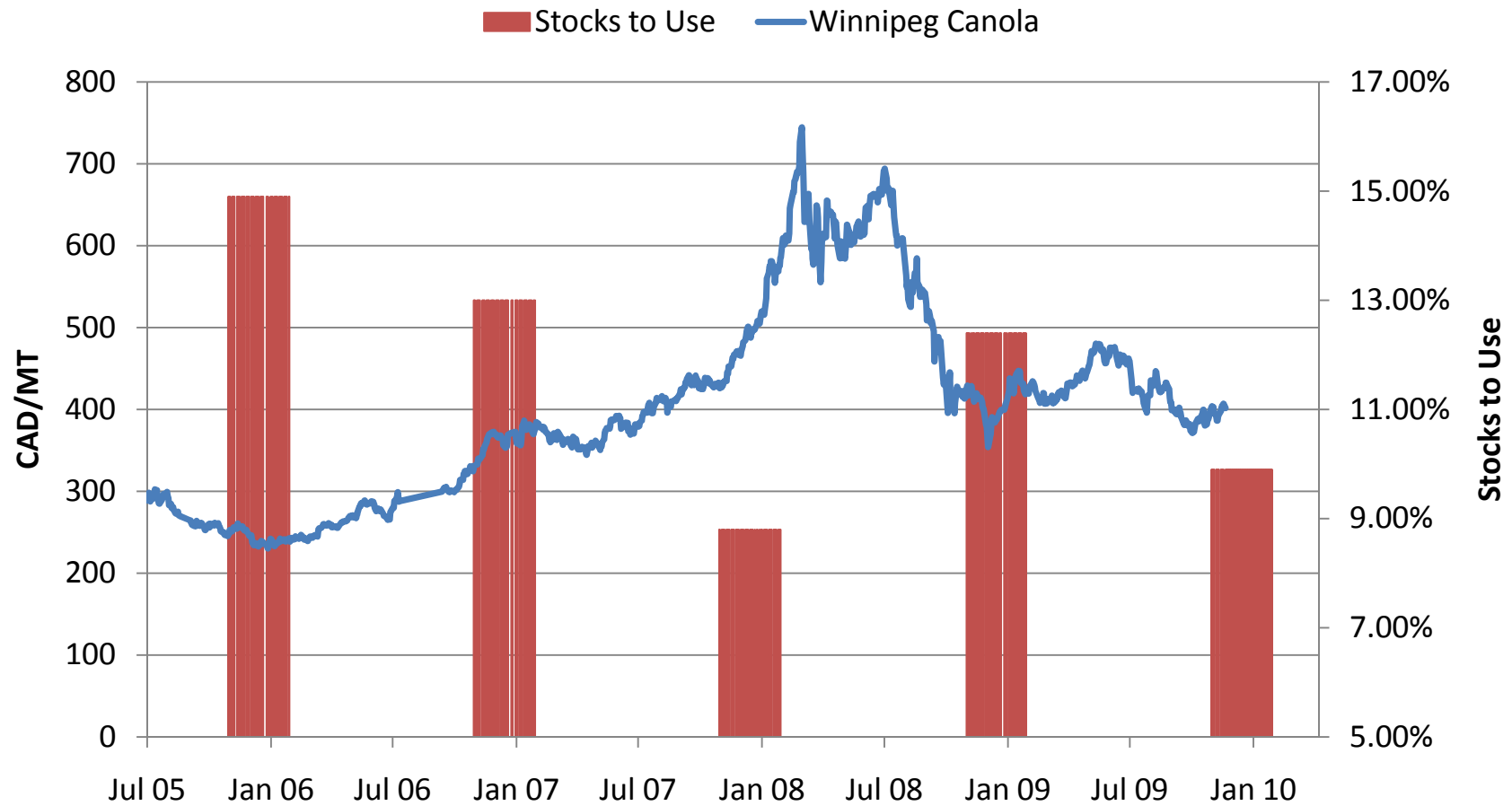
	<b>09/10F</b>	<u>08/09</u>	<u>07/08</u>	<u>06/07</u>	<u>05/06</u>
<b>Open'g stocks</b>	<b>6.90</b>	<b>4.44</b>	<b>6.31</b>	<b>7.24</b>	<b>6.37</b>
<b>Production</b> . . . . .	<b>58.32*</b>	<b>58.21</b>	<b>48.69</b>	<b>47.70</b>	<b>49.32</b>
<i>EU-27</i> . . . . .	<b>21.22</b>	<b>19.04</b>	18.44	16.12	15.66
<i>Russia</i> . . . . .	.77*	.75	.60	.52	.30
<i>Ukraine</i> . . . . .	<b>1.78*</b>	<b>2.87</b>	1.06	.60	.28
<i>Canada</i> . . . . .	<b>10.50*</b>	<b>12.64</b>	9.53	9.00	9.48
<i>U.S.A.</i> . . . . .	.68	.66	.66	.63	.72
<i>South America</i> . . . . .	.38*	.43*	.35	.25	.24
<i>China</i> . . . . .	<b>12.80*</b>	<b>11.80*</b>	10.57	12.65	13.05
<i>India</i> . . . . .	6.30*	6.20*	4.85*	6.20	7.02
<i>Australia</i> . . . . .	<b>1.75*</b>	<b>1.88</b>	1.07	.55*	1.44
<i>Other countries</i> . . . . .	2.14*	1.94*	1.56	1.18	1.13
<b>Total supplies</b>	<b>65.22*</b>	<b>62.65</b>	<b>55.00</b>	<b>54.94</b>	<b>55.69</b>
<b>Disappearance</b>	<b>59.34*</b>	<b>55.75</b>	<b>50.56</b>	<b>48.63</b>	<b>48.45</b>
Crush(Jly/June)	56.21*	51.76	48.28	45.93	44.72
Other use . . . . .	3.13*	3.99	2.28	2.70	3.73
<b>End'g stocks</b> . . . . .	<b>5.88*</b>	<b>6.90</b>	<b>4.44</b>	<b>6.31</b>	<b>7.24</b>
<i>EU-27 (Jun 30)</i> . . . . .	1.33*	1.52	.71	1.29	1.35
<i>Canada (July31)</i> . . . . .	1.20*	1.66	1.46	1.82	2.01
<i>Other countries</i> . . . . .	3.35*	3.72	2.27	3.20	3.88
<b>Stocks/usage</b>	<b>9.9%</b>	<b>12.4%</b>	<b>8.8%</b>	<b>13.0%</b>	<b>14.9%</b>

Source: Oil World

# Canola Stocks to Use Ratio



## World Rapeseed Stocks to Use vs Winnipeg Canola

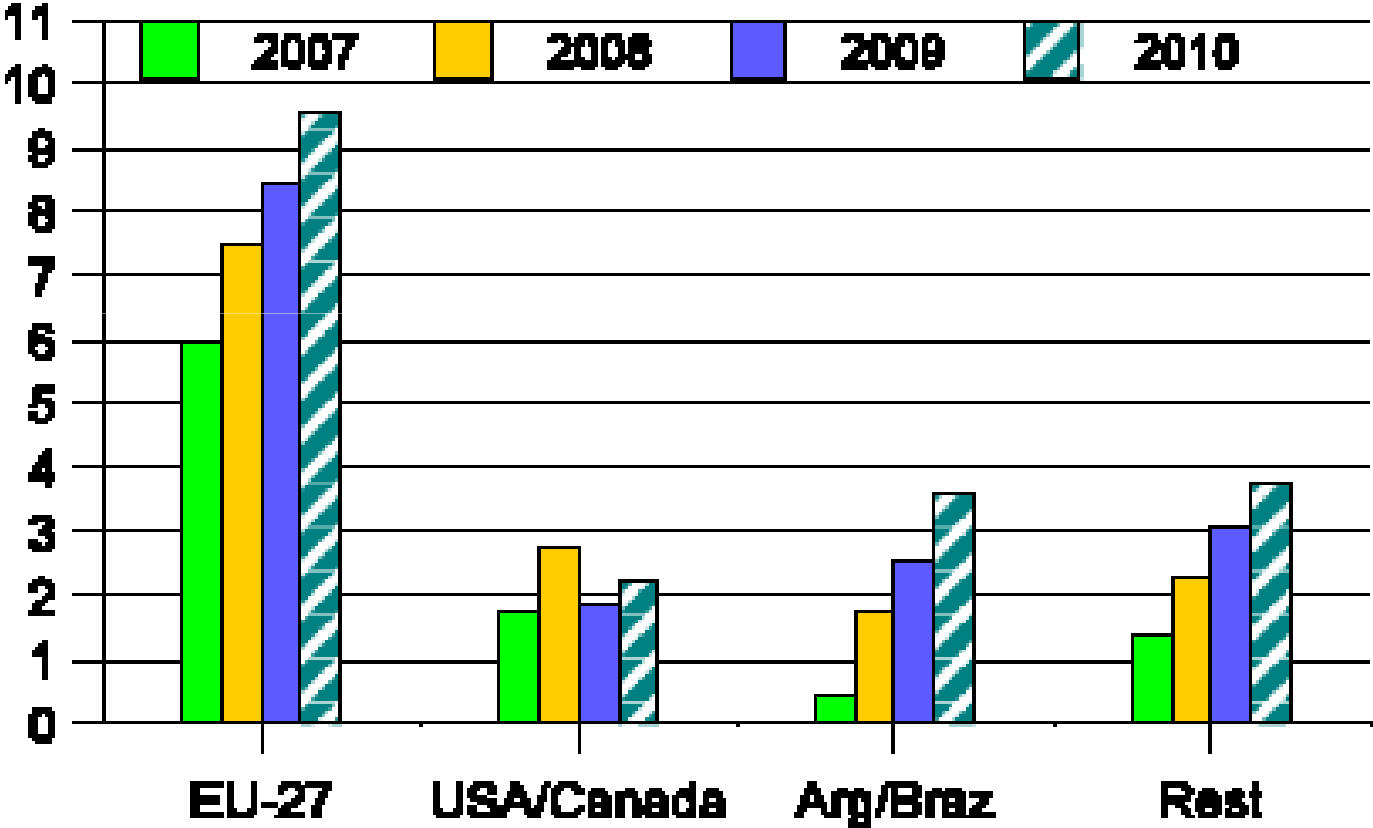


Source: FutureSource, Oil World

# Biodiesel Production



## World Production of Biodiesel, Mn T

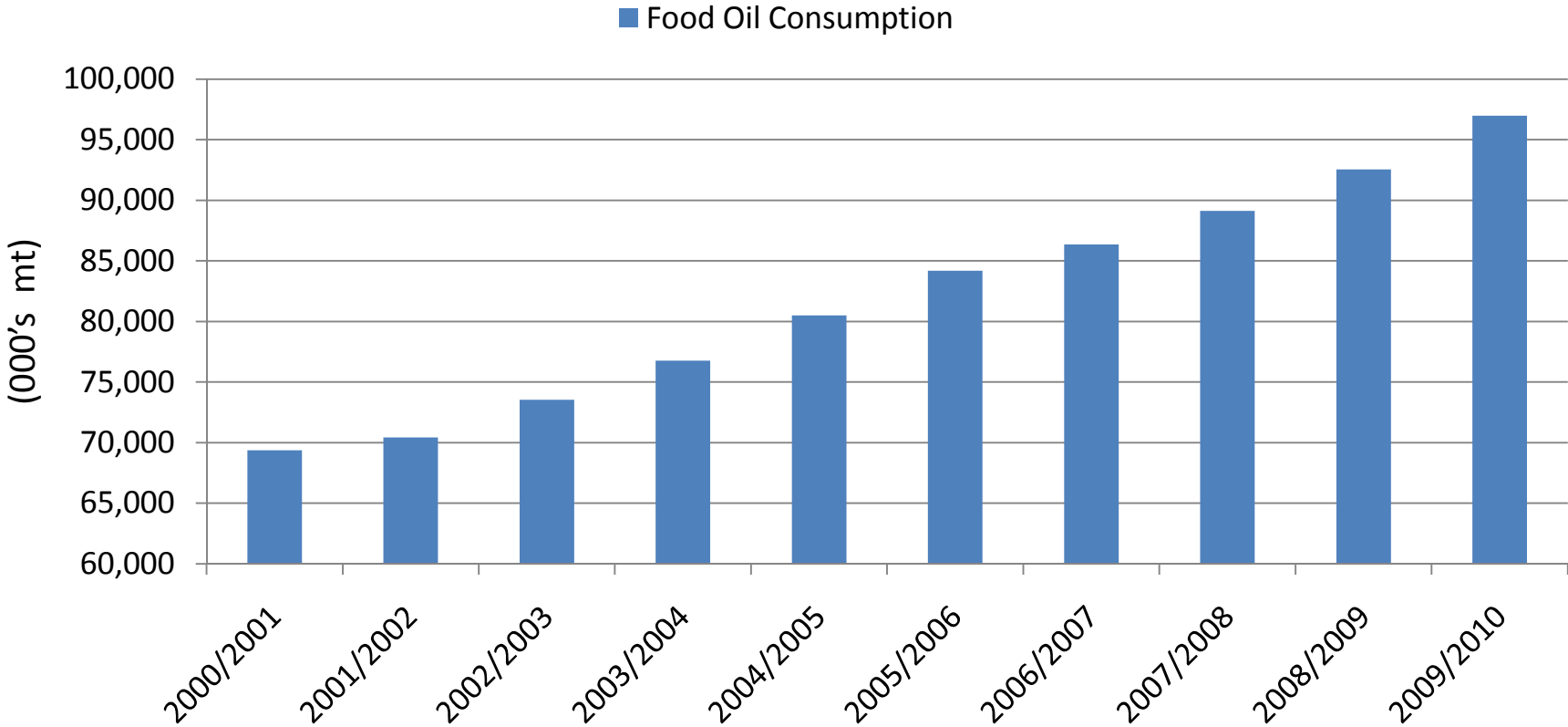


Source: Oil World

# Growing Food Oil Consumption



## Food Oil Consumption



Source: USDA



# Oilseed Summary

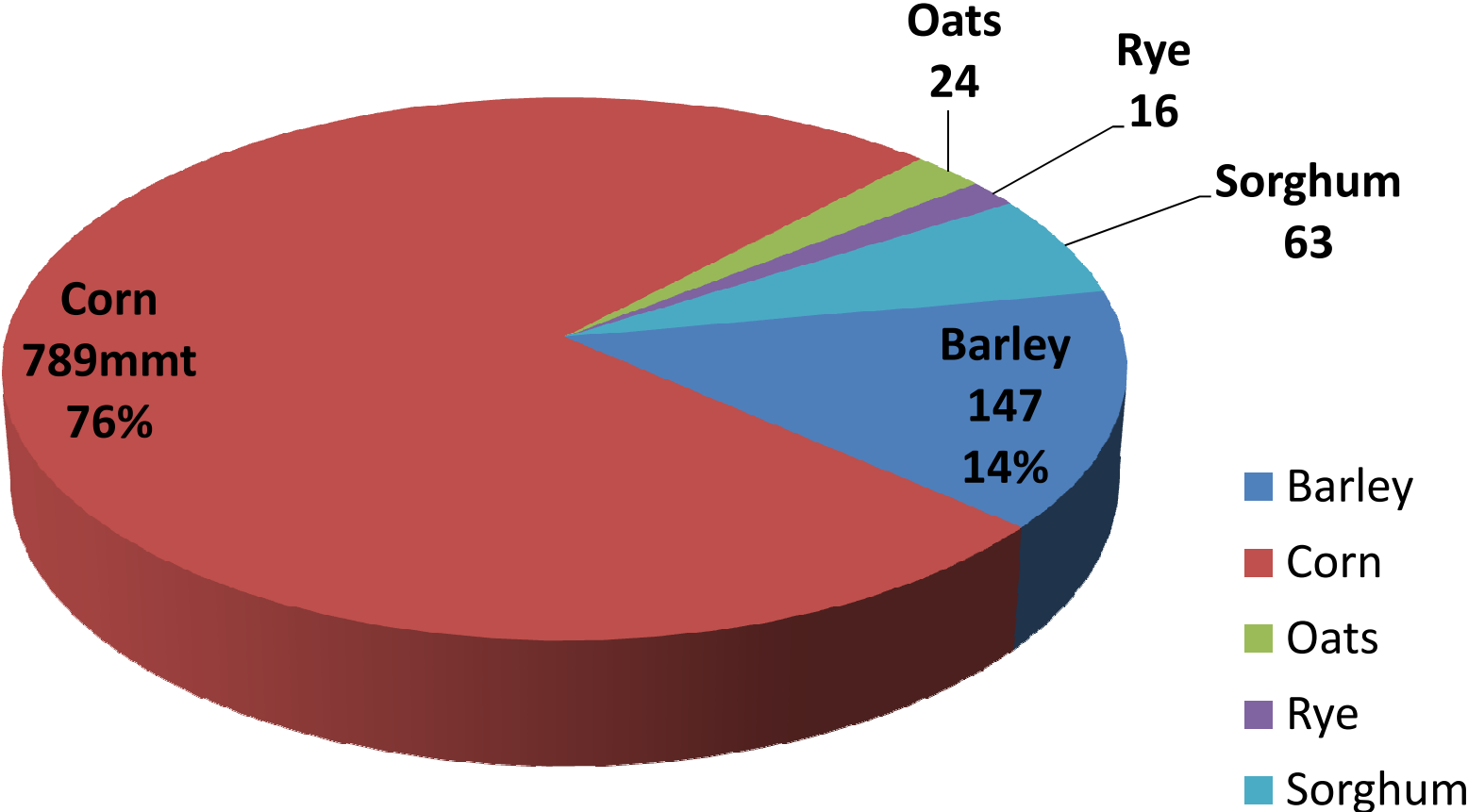
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- Strong demand underpinning current values
- Focus will be on the South American bean crops
- Oilseed production recovery from last year likely
- The increased rapeseed plantings this year are needed to support growing demand
- Major exporting nations are watching the Chinese Blackleg issues

# Global Feed Grains



## Major Global Feed Grain Production Breakdown



Source: USDA

# Global Barley Supply & Demand



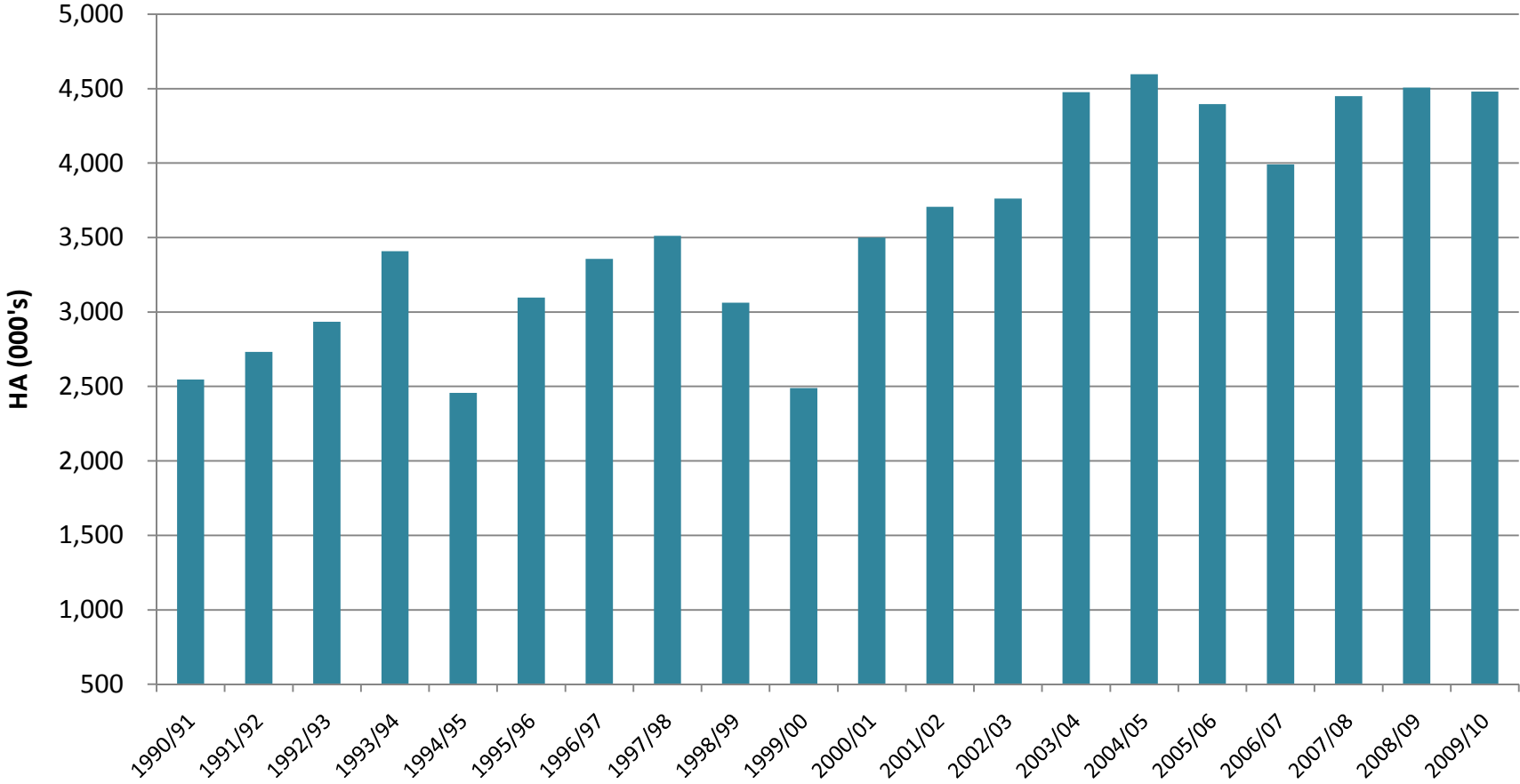
<b>Global Barley Supply and Demand</b>			
<b>Attribute</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
<b>Beginning Stocks (1000 MT)</b>	21,283	19,775	30,214
<b>Area Harvested (1000 HA)</b>	57,242	55,447	55,142
<b>Production (1000 MT)</b>	132,838	153,734	147,824
<b>MY Imports (1000 MT)</b>	15,649	19,646	16,831
<b>MY Exports (1000 MT)</b>	15,465	20,096	17,243
<b>Feed and Residual (1000 MT)</b>	92,204	99,495	101,424
<b>FSI Consumption (1000 MT)</b>	42,326	43,350	44,199
<b>Total Consumption (1000 MT)</b>	134,530	142,845	145,623
<b>Ending Stocks (1000 MT)</b>	19,775	30,214	32,003
<b>Stocks to Use</b>	<b>15%</b>	<b>21%</b>	<b>22%</b>

Source: USDA

# Barley Production Area

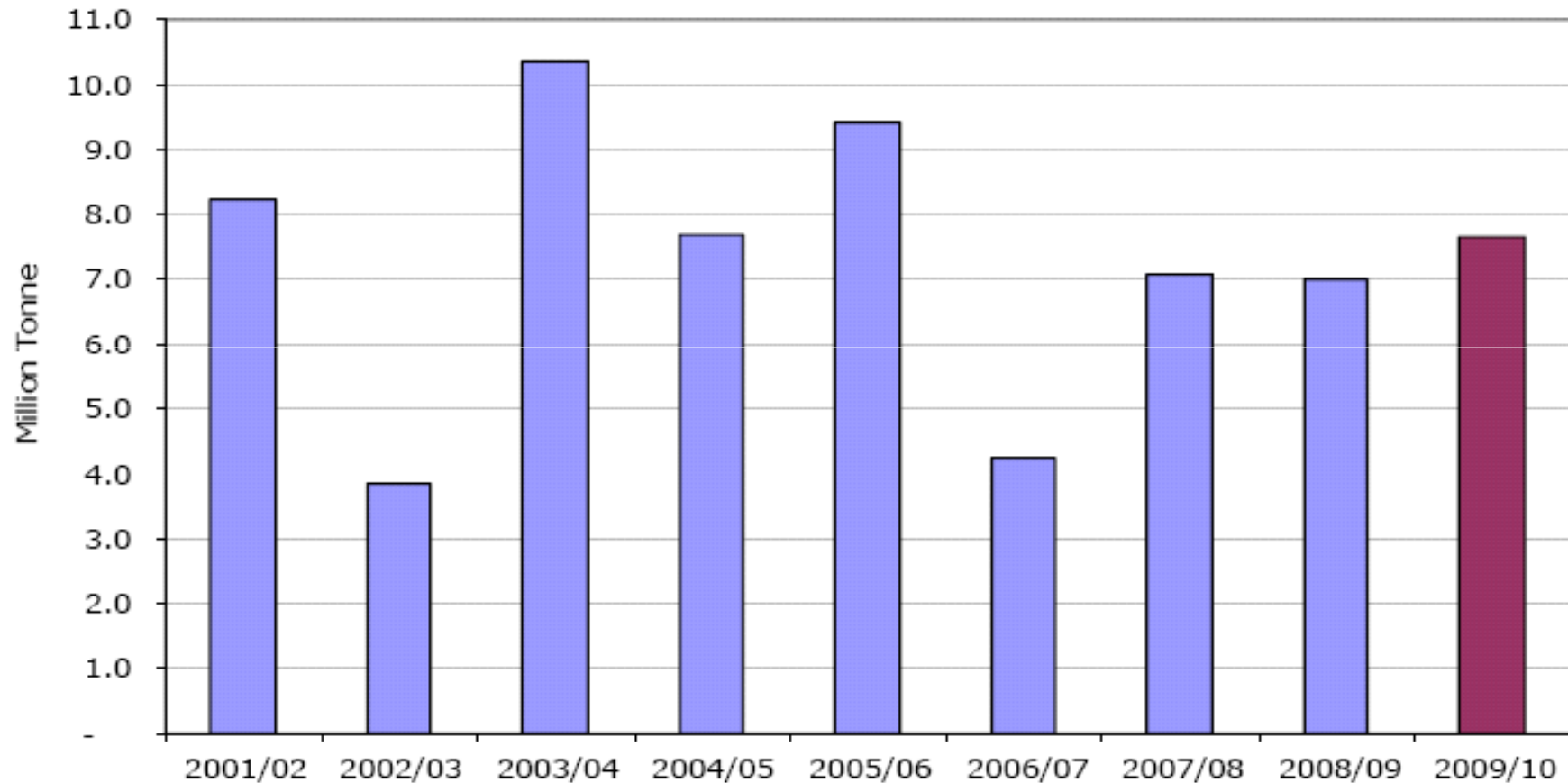


**Australian Barley Area**  
1990 - 2009



Source: ABARE, ABS

# Australian Barley Production

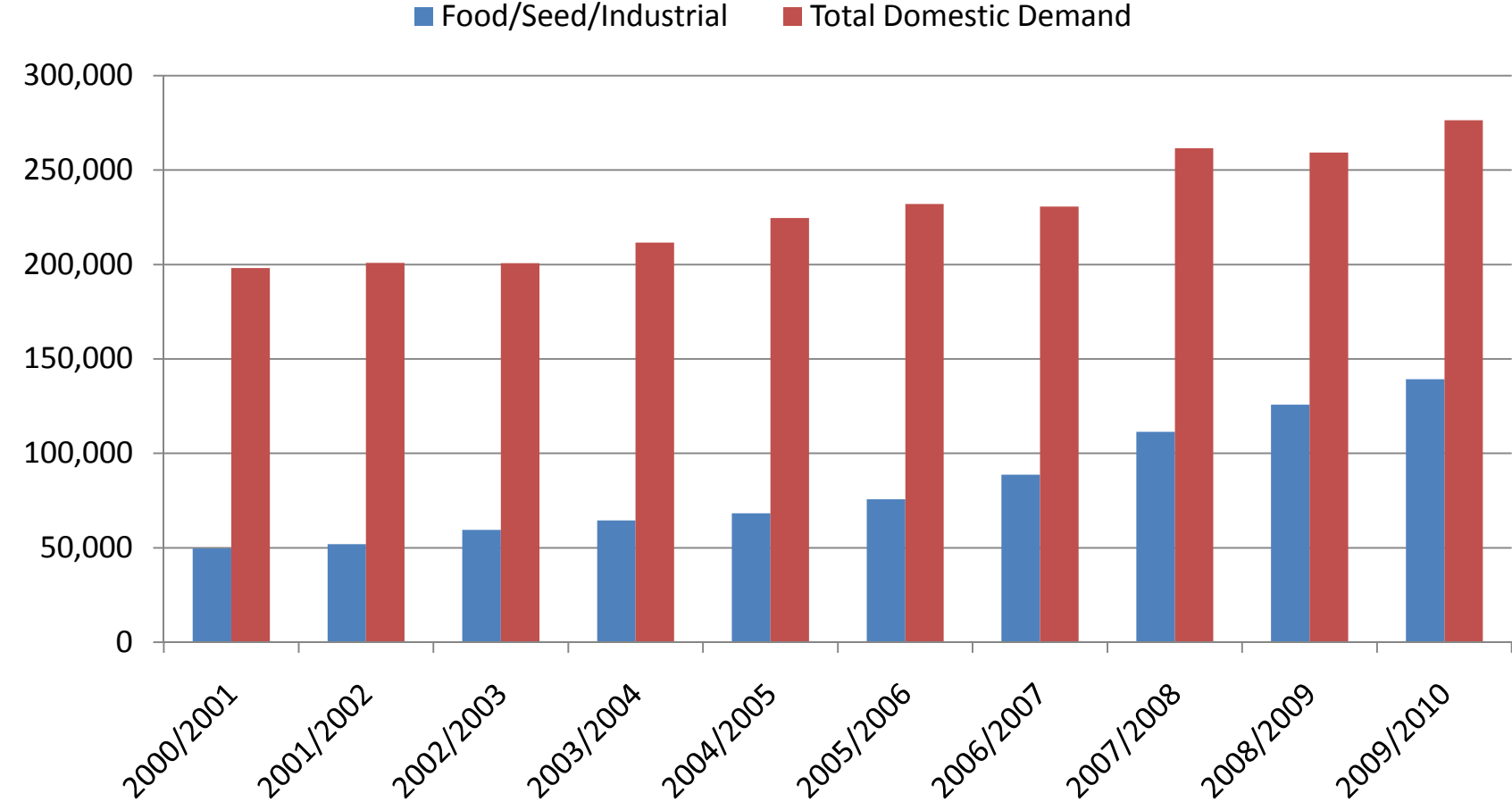


Source : ACF, ABS

# US Corn Demand

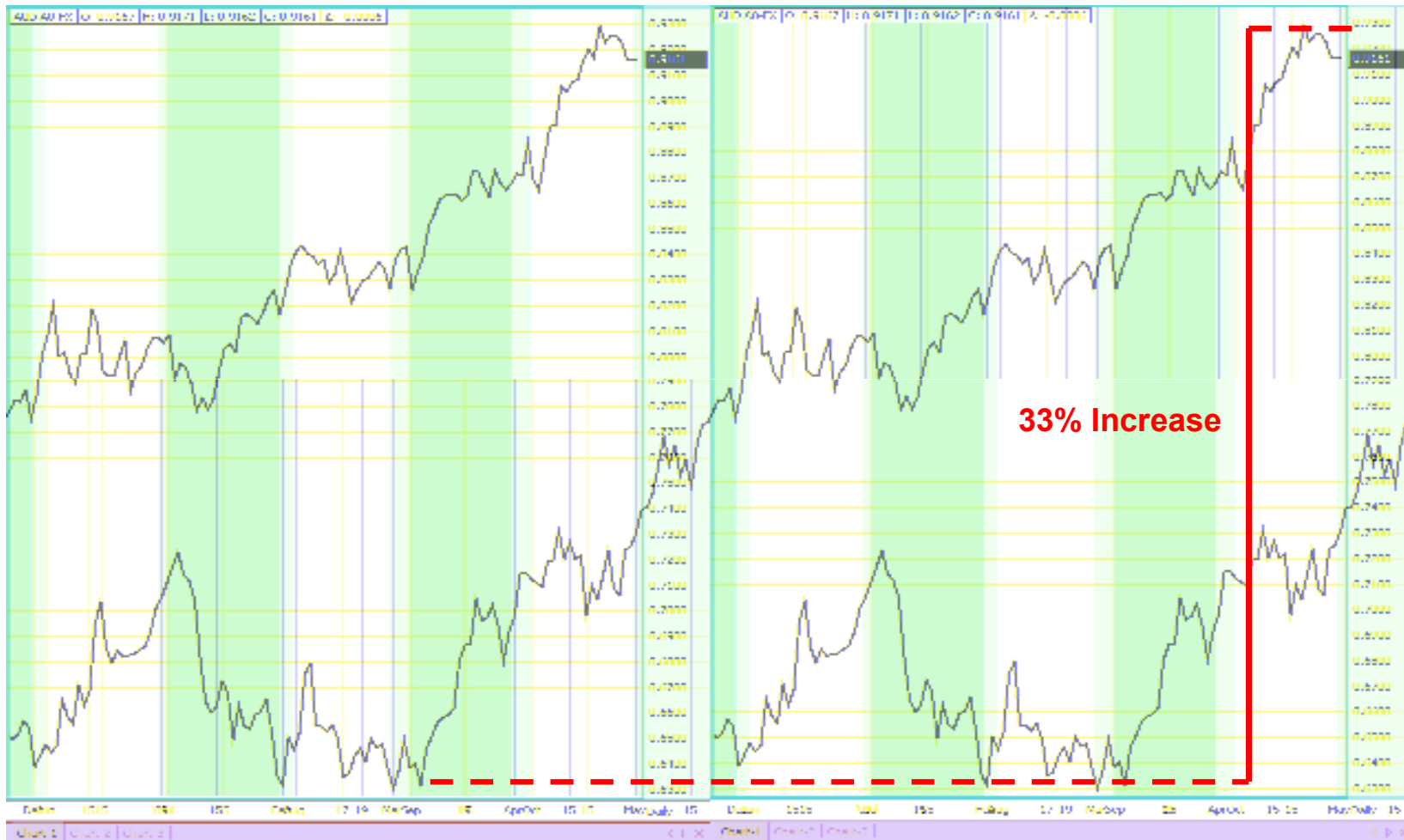


## US Domestic Corn Demand



Source: USDA

# The Australian Dollar

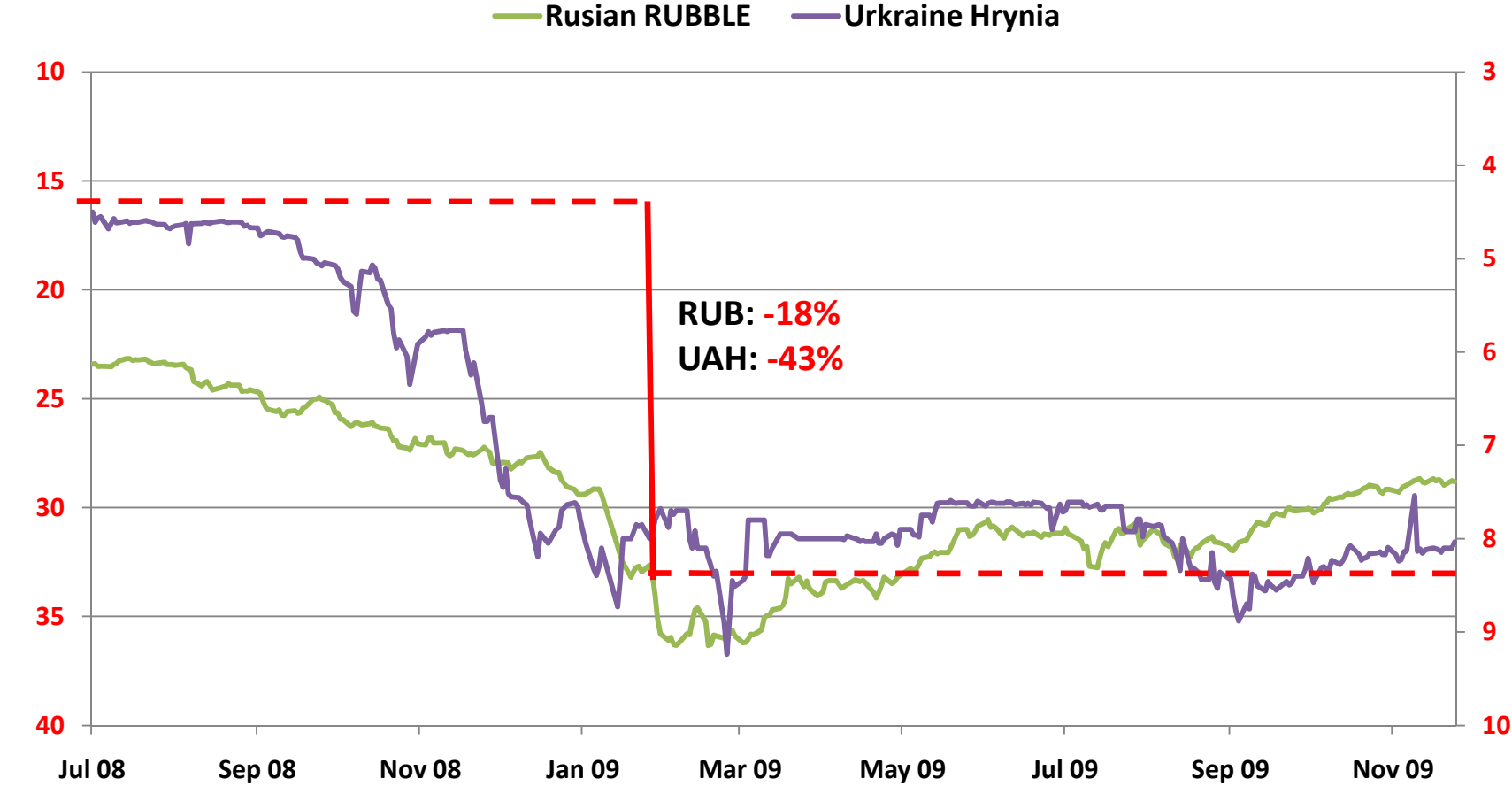


Source: FutureSource

# Ukraine & Russian



## Russian & Ukraine Currencies



Source: FutureSource

# Questions

