

Sorghum

Wow! The Australian Sorghum market has jumped in the last 2 weeks as we see a combination of a slower late harvest and lower than expected yield pushing traders cover their shorts (delivered Brisbane \$330 to \$333/mt and Newcastle \$329 to \$332/mt). We are starting to see tight buying spreads widen from “June only” to now June to end of July. The wider spread is also a good thing for growers as they harvest the last of the sorghum and can take advantage of higher prices. I still have a few reservation about these prices being sustainable as they don’t work into any markets today internationally or domestically however you look at them. If you still have sorghum to sell I think it is not a bad time to sell at season highs!

Chickpeas

Chickpea prices have taken a bit of a breather for the last few weeks as traders liquidate long positions so they can have another bite of the cherry. We are seeing del Brisbane around \$850/mt. Since prices have dipped we are seeing big variations in price from one trader to another as much as \$100/mt delivered the same site.

Area contracts seem to still be the flavour of the month as growers are happy to forgo over \$100/mt to let someone else take some of the risk. Please call us if you are concerned about your delivery option during harvest as we are seeing a few gaps in the market and good delivery terms will be hard to find later.

- **Be careful of your counterparty** in this market! (A big priced contract may not be worth the paper it is printed on if you get the counterparty wrong).

Wheat

The Northern Wheat market has taken a turn for the better with delivered downs price for Old crop \$340/mt and New crop \$330/mt. These levels maybe a good place to start selling if you haven’t done anything yet for new crop as long as you are happy with your moisture profile etc. The move higher is a result of 2 main things:

- **Chickpea plantings** are taking acres away from the wheat area this season making feedlots start to build long positions for the next 6 to 12 months.
- The **El Nino** forecast for this season has made traders start building long positions earlier than normal with the view that the crop will be much lower due to potential widespread dry conditions later in the season.

For More information call Ian Grellman on 0448 333 959



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