

Sorghum

The Australian Sorghum market remains strong historically based on Chinese feed demand (delivered Brisbane \$3011 to \$314/mt and Newcastle \$311 to \$316/mt). This is great for growers as they harvest the remainder of this year's crop. All of the trade buyers are staying away from bidding on second half July Sorghum as the market factors in a discount to domestic feed prices vs Chinese export price. There is some talk the discount could range between 15/mt and \$30/mt.

- There seems to be a squeeze on May **Newcastle track** prices with some traders being trying to cover shorts. The track prices have been trading above delivered Newcastle prices due to the lower sorghum receivals into the system. If you have grain in the system don't look at the sheet prices as most traders will bid higher on firm parcels.

Chickpeas

The New crop Chickpea market has rallied quickly over the last few weeks with prices Delivered Brisbane as high as \$880/mt Oct/Nov last week and some area contracts quoted as high as \$770 delivered Downs Last week. This week the market is much softer with prices as much as \$70/mt lower as the chickpea complex takes a breather while traders reduce their positions to manage risk.

- **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).
- The Pulse complex is still tight with lower chickpea yields in India. The next area to keep an eye on is the substitution on chickpeas with other crops (Such as Yellow peas, Faba Beans ETC).
- We are seeing less liquidity in the market as price move higher. Most of the trade have been bidding very sporadically as they pick their trade seller very carefully. Don't forget we saw this type of market in Cotton in 2011. Mills walked away from contracts and merchants lost hundreds of millions of dollars. Make sure the merchant you trade with has some support behind them.

For More information call Ian Grellman on 0448 333 959



Ian Grellman

Director – Rain Agribusiness

igrellman@rainag.com.au | 0448 333 959 | www.rainag.com.au