June 2021 Australia Market Update

Peter Semmler, Agrisemm Global Brokerage

Pulse exports from Australia remained strong in the first five months of 2021 as is evident in the June 2021 table in this report. The problems with shipping companies over the last three months have not changed either in availability of containers, reliability of performance, and regular freight increases, all which have made the lot of container shippers frustrated. Similarly the buyers are equally as frustrated with extended transit times, reduced free time at destination ports, and higher prices. Bulk shipments of chickpeas, lentils, and faba beans have been much more common this year. This has meant improved transit times, reduced cost and freight (CFR) price, and lower destination discharging costs compared to containers.

The final estimates seem to be reasonably close to the consensus view. Prices remain firm. Desi chickpeas last reported around $700 USD CFR Karachi, lentils at around $800 USD CFR Karachi, and faba beans at $430 USD CFR Damietta. The elephant in the room is what India plans to do with current tariff levels in view of rumours that further pulse imports will be necessary. There is a belief that some traders are accumulating red lentils in the expectation this will happen, hence the current firm price for red lentils. In Australia many farmers have had a good year and are not forcing sellers who have already sold their cereals, canola, etc., which means the traders are having to bid higher to buy product. Last week bids for nugget-type lentils were around $740 USD free-on-board (FOB) Adelaide for prompt delivery and new crop was bid around $690 USD FOB.

While last season turned out extremely well, the coming season is not shaping up all that well in some Australian states.

Western Australia

The season has opened very well with good rains over most of the cropping country. The only area that is not as fortunate is north of Geraldton. Some area will be lost to pulses and barley due to the very high prices offered for new crop canola contracts, peaking last week at around $650 USD delivered port.

South Australia

Traditionally Anzac (Memorial) Day marks the start of the growing season with a break usually happening by then. This year it has been a very dry start. Thankfully there were some good rains over most of the cropping areas last week, but this will bring short-term relief as there is minimal moisture in the soil profile. Planting is well underway and already completed in some areas. Based on our research there will not be any major changes in pulse areas as agronomics are a prime driver in crop choice as well as price. The general view was that lentil area will increase by around 10% and there would be a similar drop-off in faba beans. Rain forecasts for the next three months are fairly normal.

Victoria

Victoria has not really had a traditional break and will need more rain soon to keep crops alive into winter. Planting is well underway and close to 75% complete. In terms of crop choices there will be an increase in canola area due to the high contract prices on offer. Faba bean area is expected to decline around 10% and lentil area increase a similar amount. Like in South Australia moisture in the soil profile is minimal. Lentils are better able to handle lower rainfall. For these two states everything now depends on at least average winter rainfall and good spring rains.

New South Wales

There have been good rains in this state and planting is well underway if not completed. Chickpea area is expected to be similar to last year, maybe up a bit. Last year, with a very good opening to the season, there was a major increase in area planted to faba beans. The crop progressed well until part was decimated by an aphid-borne virus. How this will influence grower planting intentions should become known once the Pulse Australia forecast is completed. New South Wales is still in the midst of a mice plague which has caused much damage to growing crops, stored fodder, and stored grain. It is hard to predict what the impact may be on this year's crops.

Queensland

Rainfall in this state to-date has been reasonable but a bit patchy in some areas. Planting of winter crop cereals is pretty much complete and as is the case in New South Wales, farmers can plant Desi chickpeas as late as July 31 if they decide to wait for more rain. Plantings in Central Queensland will be lower this year as farmers opt for a break crop like wheat or barley. Due to the good prices, some farmers have grown Desis on the same land for six consecutive seasons.

In summary there are two states off to a good start, one around average, and two starting with a shortage of moisture. Yet again it will be a very interesting year.

Peter Semmler is the Principal of Agrisemm Global Brokerage. He can be reached at peter@agrisemm.com.

June 2021 Australia Pulse Market Update

Estimated Planted Area, June 2021 (hectares)	**Desi Chickpeas**	**Faba Beans**	**Dun Field Peas**	**Red & Green Lentils**
New South Wales	238,000	59,000	40,000	2,000
Victoria	37,000	92,000	74,000	161,000
Queensland	275,000	8,000		
South Australia	11,000	78,000	86,000	123,000
Western Australia	4,000	8,000	8,000	18,000
Pulse Australia Estimated Planted Area, June 2021	562,000	245,000	238,000	304,000
Pulse Australia Estimated Production (tonnes), June 2021	662,000	407,000	270,000	454,000
ABARES September 2020 Production Estimate				
Agrisemm Total Area Estimate (hectares), June 2021	500,000	270,000	241,000	297,000
Agrisemm Estimated Production (tonnes), June 2021	700,000	385,000	300,000	386,100
Agrisemm Estimated Production (tonnes) 2020 (Final)	**900,000**	**730,000**	**370,000**	**950,000**
Export Data (tonnes)				
November 2015 to September 2016	1,145,140	263,349	129,831	193,151
October 2016 to September 2017	2,269,864	414,692	253,035	858,954
October 2017 to September 2018	821,235	295,263	130,464	507,958
October 2018 to September 2019	334,296	283,125	79,415	361,072
October 2019 to September 2020	357,904	325,352	52,488	697,960
October 2020 to March 2021	558,159	390,665	46,907	474,276

Source: Bureau of Statistics, Pulse Australia