



Australian bulk wheat stocks, ABS

Bulk wheat stocks nearly 2 ½ million tonnes higher than a year ago.

- According to the ABS, bulk wheat stocks in Australia as at 31st May 2010 were 11.2mt, up 2.4mt from May 2009 levels. The build in stocks reflects increased production in the past few seasons and slower than desired export demand in 2009/10. Nearly all the growth in stocks is accounted for by milling grade wheat (see figure 2).
- The sharpest growth in stocks in the year to May 2010 has been in South Australia (+2.2mt), Victoria (+0.75mt) and Western Australia (+0.63mt). The results for SA and Vic reflect big crops last season. Bulk wheat stocks in New South Wales and Queensland are comparatively tighter, reflecting smaller crops and handy east coast demand.
- The year-on-year increase in stocks is likely to maintain pressure on Australian wide wheat prices; however southern origins should remain under the most pressure. If current seasonal conditions improve in WA, old crop and new crop WA wheat prices may fall back compared to NSW values.
- Our tentative estimates suggest that Australian bulk wheat stocks at the end of the current marketing year (30 Sept 2010) may exceed 5mt verse 3.4mt in September 2009 and 1.5mt in September 2008. Figure 3 indicates that SA may account for nearly all this growth, with a small increase in WA stocks offsetting a decline in east coast stocks.

Figure 1: Australian bulk wheat stocks

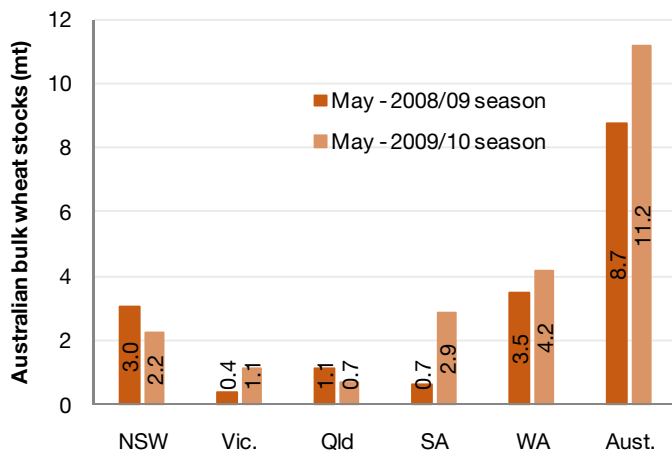


Figure 2: Australian bulk wheat stocks, feed vs milling

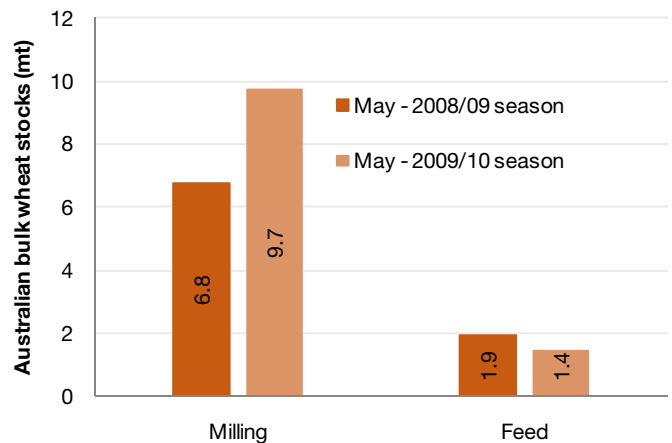
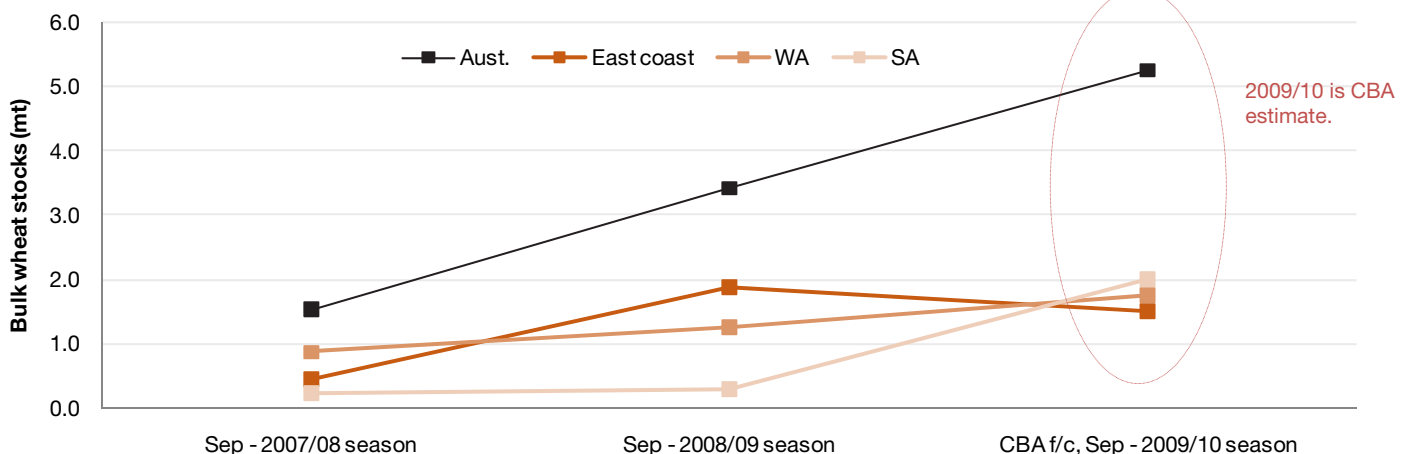


Figure 3: Australian bulk wheat stocks, end of season estimates.





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