

## Sorghum

The Sorghum market remains firm as we see a handful of the trade covering shorts for last few shipments to China in July. (delivered Brisbane \$335 to \$340/mt and Newcastle \$335 to \$338/mt). The biggest issue facing growers and merchants at the moment is high moisture grain with a large amount of contracts being rolled out to July in the last week. We have seen grain drying equipment working flat out to meet the July window. Some merchants have started to offer prices into as late as August with no discount which tells me that the shipping window is starting to widen out. A large amount of the high moisture homes have started to disappear as more sorghum is being delivered at the limit. This has forced some of the Sorghum back into the domestic market to those homes that have a better tolerance for moisture. If you still have sorghum to sell I think it is not a bad time to sell at season highs but make sure your moisture is right or that the buyer has some flexibility.

## Chickpeas

The Chickpea market is at a very interesting point with good rains falling across the East Coast we have seen buyers step back from the market to take a breath. This crop is big and seems to be getting bigger. The talk in the trade is that the crop is at least 1mmt which will fill the chickpea shortage gap, so be careful on the downside risk.

Will we see higher prices or can we ring the bell at the top? I don't like trying to pick the highs but we need to see some more bad news from the sub-continent or Australia to see this thing go higher. We are seeing softness with the merchants offering area contracts, at the start of the marketing cycle we saw a \$50/mt discount for area contracts compared to fixed now it is as much as \$150/mt. If you ask me we are seeing better value in fixed prices with delivered track homes as high as the \$800/mt plus, alternatively delivered packers are \$30 to \$40/mt less.

- **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 weakened in the past few days with the threat of a large El Nino event being forgotten this week as healthy rainfall events start to appear across the wheat belt from Victoria to Southern Qld. Delivered Downs prices are softer as a result to \$328/mt for old crop and New crop \$318/mt. These levels are still OK historically due to the El Nino sitting at the back of trader's minds. Things to be mindful of are:

- If the rain is as good as it looks on the map we may see more late crops go in as there is still a large amount of country west of the Newel highway which was too dry on the first planting.
- If we see good moisture across the East Coast we should see further softening in the market as we have factored in "El Nino conditions" into the price not "international pricing". Prices delivered Adelaide are around \$270/mt at the moment (Indicative of international prices) where delivered Newcastle is closer to \$305.

***For More information call Ian Grellman on 0448 333 959***

