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Pearson's Grain and Transport

Swan Hill Stockfeeds

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"A conservative is a man with two perfectly good legs who, however, has never learned to walk forward"

Weatherwatch

Autumn rainfall (mm)

Location	March	April
Swan Hill	26.2	61.8
Balranald	22.2	81.2
Ultima	21.6	81.2
Cocamba	17	81.4

This is clearly the strongest break since 2017, and this builds elevated confidence for the year ahead. In addition to this, the most recent seasonal summary and outlook adds to this confidence. It's not quite 1983 (Swan Hill rainfall was 116 and 16 for March and April), but the current trend is clear

Current SOI (26/4): -2.1 (NEUTRAL)

Current IOD: (26/4) -0.01 (NEUTRAL)

SOI outlook: 3 out of 8 models surveyed suggest La Nina thresholds will be approached or reached in June

IOD outlook: 2 of six models indicate positive levels between May and June. All six models reach negative IOD levels at some point in July or August

Grain markets around the globe

India had a fairly normal ***rabi*** crop in yield, with expected lentil and chickpea harvest around 12 MT. However, the population's COVID response was to buy pulse stocks aggressively due to the possible impact on the new season ***kharif*** crop as there is a heavy reliance on labour for planting and harvest.

US corn plant as of 27/4 was 27% complete, ahead of the 5-year average of 22%. The eventual corn area is expected to be higher than average, due to the high acreage of soybeans planted last year. Around 130 million tonnes of corn is normally used in ethanol production- leaving a 60 odd million tonne surplus to go into feed

Ethanol production for the week ending April 24 was 48% below the same week last year.

US Winter wheat conditions took a hit last week; 54% of the nation's winter wheat was rated "good-excellent" (down 3%), and "poor to very poor" rose by 2% to 15%.

Russian export quotas were meant to be in place until July 1. These quotas will be shipped in May and June to countries like Egypt, whilst unrestricted trade to Eurasian countries continues.

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Is Scepter wheat more vulnerable to stripe rust this year?

Stripe rust outbreaks are like bushfires in that three factors are involved. With fires it is fuel, conditions and ignition source. With stripe rust it is green bridge, conditions and a change in virulence relative to the varieties grown.

We wonder about Scepter, which is currently rated at MS-S for stripe rust, and is the most popular conventional wheat in SA (including Mallee) and Vic Mallee.

Stripe rust is an ever-changing organism; here is a brief summary of "breakdown" in stripe rust resistance through recent history.

Variety	Year released	Year of outbreak	Years to breakdown
Millewa	1978	1986	8
H45 Galaxy	1995	2003	8
Yitpi	1999	2005	6
LRBP Trojan	2014	2019	5
DS Bennett	2018	2019	1

Do you see the pattern? Interestingly Trojan was a Yitpi selection x Sentinel cross. Sentinel was a European wheat with robust stripe rust resistance, but over time Trojan still broke down, and in a dry year to boot.

Hence my concern about stripe rust outbreaks.

The other part of the equation has been the low level of flutriafol use this year due to budget concerns; this again feeds into the "ignition source" part of the risk model.

If Scepter gets through this year unscathed it will be because of luck- if so, be extra careful about next year.

Back off on barley, sow lentils

The market signals are like smoke on the horizon- the warning signs are for barley values to drop dramatically over the coming months.

If you lack storage capacity, and if you like fast cash, do consider lentils strongly.

Barley values took 18 months to break the $200 barrier following the 2016 harvest. We recognise that the weak $AUD is supporting all grain values, however the fundamentals point to oversupply of feed grains in Australia and worldwide.

Aside of Indian pulse tariffs, Bangladesh have continued to buy small red lentils all the way through with not tariffs.

History tells us that the May price for lentils becomes a base until the Canadian crop is harvested in September/October. If there is a production shortage in either one of India, Canada or Turkey, there is support for increased values. If there is a production shortage in two of those countries, those bulls will run.

Indicative cash prices today delivered Wimmera: Medium red $800, Small red $900

Adam 0447 320904 Tore 0438 324591 Doug 0418 527849 Shop 50 332880