Lupin Logic Number 7

Peter Nelson

Follow this and additional works at: https://researchlibrary.agric.wa.gov.au/newslupin

Part of the Agribusiness Commons, Agronomy and Crop Sciences Commons, Horticulture Commons, and the Other Plant Sciences Commons

Recommended Citation

This book is brought to you for free and open access by the Grain and other field crop research at Research Library. It has been accepted for inclusion in Lupin Logic by an authorized administrator of Research Library. For more information, please contact jennifer.heathcote@agric.wa.gov.au, sandra.papenfus@agric.wa.gov.au, paul.orange@dpird.wa.gov.au.
On target for 1991?

The festive season is over. 1991 is a reality. Remember the motto for 1991? Getting everything right - where do you stand on the following points?

1. I know that I will plant high quality lupin seed. I have graded the seed, the seed has been germination tested, and tests have shown it to be free from Cucumber Mosaic Virus (CMV). Remember the deadline for the CMV test is February 28, 1991.

2. I have made fertilizer decisions for the crop. Through experience backed up by soil testing I know how much phosphate will be available to my crop from previous applications, and therefore can make an informed decision on how much to apply with the crop for optimum economic yields. Would you deposit more dollars in your bank account without being aware of the current balance? If my financial resources are limited I know that I can contact my fertilizer supplier, consultant, or local agricultural adviser and they will be able to tell me, if I reduce fertilizer rates, what yield loss potential I can expect.

3. There are no summer weeds growing on cropping paddocks. My boom spray is serviced and ready to tackle this problem should it occur.

Receivals lower than expected

Apart from the Northern Agricultural areas, lupin yields were generally disappointing in 1990. The following table shows the quantity delivered in each zone, against growers’ estimates of hectares sown for delivery. A comparison with 1989/90 season is included, in brackets.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Growers estimates of area sown for delivery 1990/91</th>
<th>Quantity delivered to the pool 1990/91</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1989/90)</td>
<td></td>
</tr>
<tr>
<td>Geraldton</td>
<td>174,970 ha (175,837)</td>
<td>174,624 t (157,762)</td>
</tr>
<tr>
<td>Fremantle</td>
<td>234,490 ha (233,123)</td>
<td>154,385 t (153,418)</td>
</tr>
<tr>
<td>(Fremantle also includes Bunbury Zone)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albany</td>
<td>25,611 ha (17,408)</td>
<td>18,593 t (10,195)</td>
</tr>
<tr>
<td>Esperance</td>
<td>28,377 ha (21,110)</td>
<td>17,549 t (12,326)</td>
</tr>
<tr>
<td>Total</td>
<td>463,448 ha (447,478)</td>
<td>365,151 t (333,702)</td>
</tr>
</tbody>
</table>

Fremantle zone is virtually identical to last year, which clearly demonstrates the very ordinary results achieved by many growers in this zone, due to difficult seasonal conditions.

Growers’ intentions may also have changed between seeding and harvest, due to greater demand for on-farm storage, or alternative disposal of lupins.

If you would like to comment on lupin yields or disease problems, ring Hugh Morison at the Grain Pool on (free call) (008) 19 9083.
Japan re-establishes No. 1 market status

The 1990/91 lupin sales campaign has resulted, thus far, in the pricing of over 70 per cent of receivals. Allocations have been made for the remainder with pricing to follow closer to shipment. Lower than expected receivals are a concern and may require a re-allocation of tonnage in order to preserve high returns for growers.

A representation of current season's sales is shown with this graph.

Sales to Japan are concluded quarterly with a mutually agreed formula based on Yen/USD exchange rates. The Grain Pool was successful in amending this formula which should result in increased returns, over those achieved in the previous season, for the 120,000 t allocated to this market.

The Korean Government has liberalised the importation of soybean real, albeit on a trial basis. Initial expectations were for a 20 per cent tariff to be applied, allowing lupins to continue as the preferred option for compounders and also maintain a favourable price comparison with European markets. Unfortunately, a 3 per cent duty has been applied as from January 1, 1991 but will be revoked at the end of June this year should the tariff result in "Industrial Damage" to the Korean soybean crushing industry. The major crushers are reported to be "most upset" at their government's action and will be filing for damages with a view to having the duty adjusted to 25 to 30 per cent.

Although no firm tonnage allocations have been made to Korea, sales negotiations are ongoing, and the Grain Pool is of the opinion that Korea will remain a buyer of lupins from Western Australia.

Finalisation of details for the first shipment of lupins to Saudi Arabia have been delayed with the uncertainty of the Middle East situation. Readers will recall the Grain Pool has been developing this market over a number of years culminating in the appointment of a leading Saudi compound feed company as import and distribution agent for the next three years.

A recent sales agreement has been concluded with an Indonesian company and will see lupins included in tempeh, a fermented cake for human consumption.

<table>
<thead>
<tr>
<th>Indonesia (1.4%)</th>
<th>Europe (15.9%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia (2.0%)</td>
<td>Japan (32.9%)</td>
</tr>
<tr>
<td>Korea (23.2%)</td>
<td>Spain (24.6%)</td>
</tr>
</tbody>
</table>

World protein market

World protein prices have historically been linked to the Chicago Soy Futures exchange.

The other significant factor pushing the market in recent months has been the absence of the world's largest grain buyer, the Soviet Union. With its current economic difficulties, the USSR lacks cash resources to purchase grain and it has been forced to rely on credit packages from exporting nations. The US has delayed the granting of credit and therefore little or no sales have occurred, thus placing pressure on the Futures market.

Grain prices generally have fallen due to increased world production but cereal prices have fallen more than protein material. Obviously the price of alternative protein material will impact on lupin prices, but buyers recognise the specific value of lupins and the advantages of dealing with a stable organisation like the Grain Pool of W.A.

The direction of lupin prices in 1991/92 will to a large degree be determined by the success of new season's soybean and oilseed crops in the major exporting countries, including Argentina, Brazil, USA, China and India. South American crop prospects will become apparent in March/April, with the critical phase for Northern Hemisphere crops commencing in the middle of the year.

Cropping options - Strategies for 1991

February 20 .................. Geraldton
February 25 ............... Wongan Hills
February 26 .................. Cunderdin
February 27 .................. Katanning
February 28 .................. Lake Grace
March 1 ........................... Esperance

1990/91 Pool payments

| Harvest advance | $140.00 |
| Top-up - January 1991 | $15.00 |
| Equity (estimated) | $20.00 |

Sales and allocations as representation of receivals to date — Season 1990/91