

Battling With Bears and Inflation

Australia Agribusiness Monthly









June 2023

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June Commodity Outlooks

 <p><i>Grains & Oilseeds</i></p>	Local wheat prices are holding up well despite the rapid decline in global prices. The current vortex of bearish news that is causing global wheat prices to decline is masking an accumulating number of bullish factors in the background.	p. 6-7
 <p><i>Dairy</i></p>	New season milk prices have been announced. Minimum offers are broadly in line with Rabobank expectations. Milk prices will start off as much as 10% lower than 2022/23 levels. However, with some diligent budgeting and input cost relief, the outlook for 2023/24 is for ongoing profitability.	p. 8-9
 <p><i>Beef</i></p>	Cattle prices continue to drift down, with all now tracking below the five-year average. These prices have drifted lower than we had expected given all the market indicators. Maybe the market is looking for the confidence of good seasonal conditions in spring before it starts heading back up.	p. 10-11
 <p><i>Sheepmeat</i></p>	A jump in lamb slaughter numbers in May saw lamb prices fall further. We are now approaching record lamb production and volumes are depressing prices. Until this volume of old lambs moves through the system and demand picks up prices will remain soft.	p. 12-13
 <p><i>Cotton</i></p>	The Australian cotton harvest is progressing well. Global prices in May moved slightly higher. The USDA's first estimate for the 2023/24 season is showing a 6% increase in global use, which would be positive for farmers. Planting in the US is underway and key state Texas is again dry.	p. 14-15
 <p><i>Wool</i></p>	Wool prices soften as China clips demand. And locally, a significant increase in unsold and pass-in rates was noted, with growers reluctant to sell. China's most recent Purchasing Manager's Index has dipped as factory output is lagging amid weaker global growth in market demand.	p. 16-17

June Commodity Outlooks



The latest monthly numbers reinforced the stickiness of food inflation in Australia. On a year-on-year basis, food inflation eased from 8.1% to 7.9%. The most comforting aspect for consumers were the much lower rates of inflation recorded across meat and fresh produce.

[p. 18-19](#)



The upward correction in urea prices in April all but disappeared in May, and new elements around the natural gas supply in Europe are in place. In the meantime, phosphate and potash continued their bearish trend, waiting for a burst in demand, which might require more time than expected.

[p. 20-21](#)



Australia's cash rate was increased by 25 basis points to 4.1% and one more increase over the coming months is likely. This rate hike follows the Fair Work Commission's larger-than-expected increases of the minimum wages by 8.6% and award wages by 5.75%.

[p. 22-23](#)



Saudi Arabia announced a new production cut of 1m barrels of oil per day following the June OPEC+ meeting. While this has caused a jump in prices, weaker global growth weighs on demand. The global container shipping market is on track to return to pre-pandemic conditions.

[p. 24-25](#)

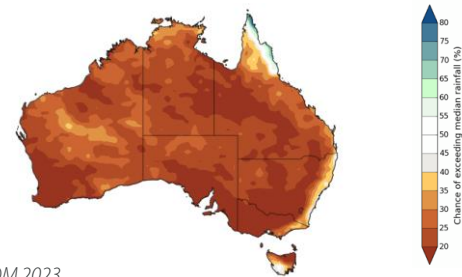
El Niño Is Brewing and About To Begin

BOM has certainly made a sobering illustration of Australia's winter rainfall outlook.

Although the El Niño-Southern Oscillation (ENSO) remains neutral for now, the ENSO outlook has shifted to 'El Niño alert' and all international climate models forecast El Niño will begin by July. For almost all of Australia, the chance of exceeding median rainfall is very low (<30%) for the period from June to August.

The Indian Ocean Dipole (IOD) model depicts positive values being reached from June and remaining positive until September. However, BOM advises these outlooks to be viewed with caution as long-range forecasts made in the autumn period have lower accuracy.

Little to no chance of exceeding median rainfall over winter June-August rainfall outlook



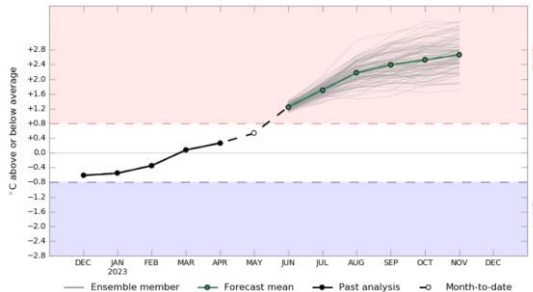
Source: BOM 2023

IOD forecast to become positive in 2H 2023

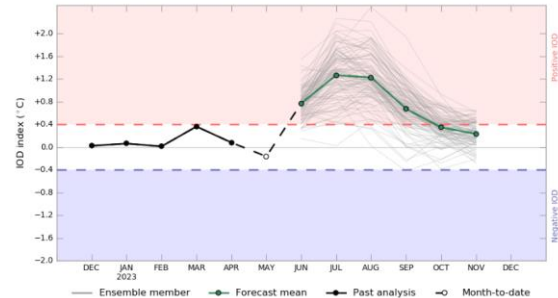
Monthly sea surface temperature anomalies for Indian Ocean

Risk of ENSO entering El Niño in June 2023

Monthly sea surface temperature anomalies for central Pacific Ocean



Source: BOM 2023



Source: BOM 2023

Soil Drained by Second Driest May on Record

The month of May saw little rainfall for most parts of Australia, with WA in particular recording the lowest rainfall in May on record.

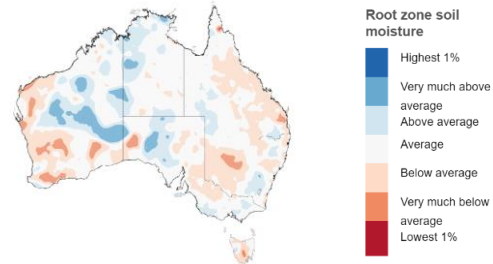
What little soil moisture was left from April has for the most part evaporated, with soil moisture in key growing regions below average.

While there have been some showers along the east coast and south-eastern Australia, drier conditions were more widespread.

If it wasn't wet, it certainly was cold, as Australia's mean temperature for May was the lowest since 2011.

Soil moisture quickly evaporating across Australia

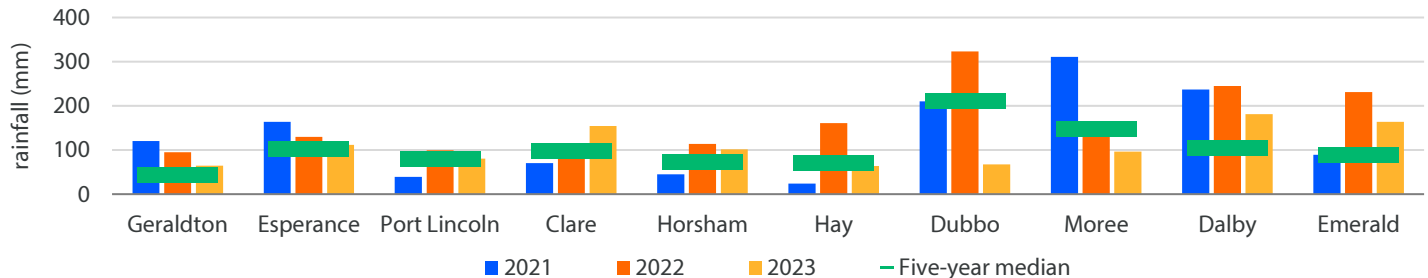
Relative soil moisture, May 2023



Source: BOM 2023

Rainfall Has Levelled Off to Average Levels After Dry May

March to May rainfall



Source: BOM 2023

How Low Is Too Low for Wheat?



Global crop prices continue to see aggressive downward pressure over May. CBOT Wheat's most active contract declined 3% MOM as of 1 June. CBOT Corn declined 6.8%, while CBOT Soybeans declined a considerable 8.8%.

Global wheat prices continue to be pressured by near-term oversupply, but bullish factors continue growing in the background. Significantly higher year-on-year wheat exports out of Russia and high seaport exports out of Ukraine versus last year, a record Brazil corn crop being shipped out of the country (corn plays into the same feed rations as wheat), in addition to EU/Black Sea harvest coming up are all putting downward pressure on wheat prices. In the background, however, crop prospects are deteriorating. The USDA assumes that Australia will produce 29m tonnes, but with a weak El Niño production could turn out closer to 24.5m tonnes. They also assume the Canadian wheat crop will be a record 37m tonnes, but in reality it is dry and that could come down closer to 33m tonnes. Their EU output number is also very optimistic given a very dry May has worsened crop conditions in key producers France and Germany. Aggregating all those declines together, the reduction is around 10m tonnes to 15m tonnes reduction. Currently, the USDA assumes global ending stocks in 2023/24 to only decline 1.9m tonnes. If you add the above-discussed lower crops, global ending stocks decline by over 10m tonnes, the biggest deficit in a decade and a reason for prices to strengthen in an attempt to ration demand.

ABARES estimates Australia's 2023/24 wheat production down 34% YOY at 26.2m tonnes, barley down 30% at 9.9m tonnes and, canola down 41% at 4.9m tonnes. For a further analysis of global and local markets, check out Rabobank's recently released [AU crop outlook](#).

What to Watch

- **Local wheat prices swimming against the current** – Despite the global decline in prices, Australian APW1 track prices have risen by an average of 2% MOM across the country. Australian markets are digesting the drier conditions encroaching on cropping areas, farmers remain reluctant to sell, and buyers – with fresh memories of desperately low stocks during the three-year drought that saw wheat imports from Canada – are surely thinking twice about how long to wait before setting some 'just-in-case' stocks aside. APW1 track wheat prices are on average trading at AUD 41/tonne above CBOT wheat, versus AUD 37/tonne last month and –AUD 78/tonne this time last year.



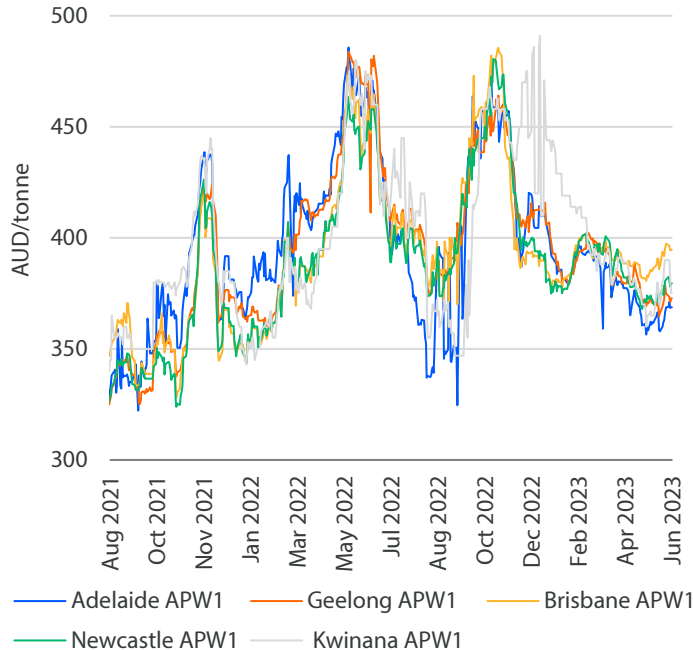
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Grains & Oilseeds

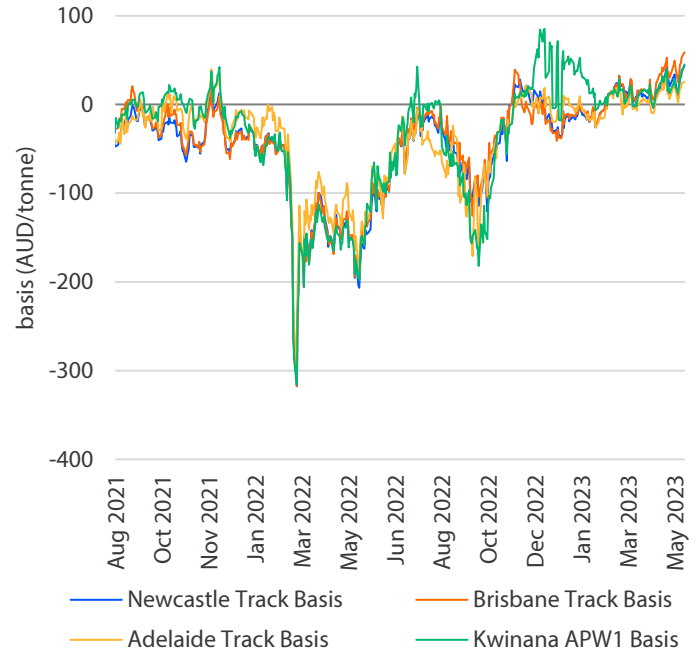
Swimming Against the Current: Local Prices Hold Up Compared to Global Decline

Local wheat prices hold up despite global decline as market digests drying Australian conditions



Source: Bloomberg, Rabobank 2023

Australian APW1 prices continue to rise above global CBOT wheat levels



Source: Bloomberg, Rabobank 2023

New Season Milk Prices Lowered

Rabobank was forecasting minimum price offers for new season milk in southern Australia to be between AUD 8.50/kgMS and AUD 9.00/kgMS. The 1 June deadline has provided the latest minimum price offers for 2023/24 milk prices. Across southern Australia, prices are broadly in line with Rabobank expectations, with a formal bandwidth of AUD 8.60/kgMS to AUD 9.10/kgMS. While generally lower than 2022/23 full-year prices, these signals ensure another season of historically elevated milk prices, which will support farmgate margins.

Global milk production is still growing but losing momentum. After a prolonged five-quarter contraction ended in Q3 2022, global milk production began expanding modestly (against weak comparable numbers). Growth is attributed to gains in the EU and the US, while Oceania and South America continue to see lower output in 1H 2023. Dry weather in South America and parts of Europe must be monitored and could be a key factor impacting production, particularly in Europe, during Q3.

Signs of weakening dairy demand are spreading across some markets. The cumulative effects of high food price inflation over the past 24 months, in most cases significantly higher than salary growth, along with slowing economic activity in 2023 (under tight monetary conditions) have translated into slower dairy demand in developed and emerging markets.

Chinese milk production growth continues while imports decline. Data from China's National Bureau of Statistics shows that milk production increased by 8.5% in Q1 2023. Farm expansions and continued gains in milk yields are driving domestic milk production higher.



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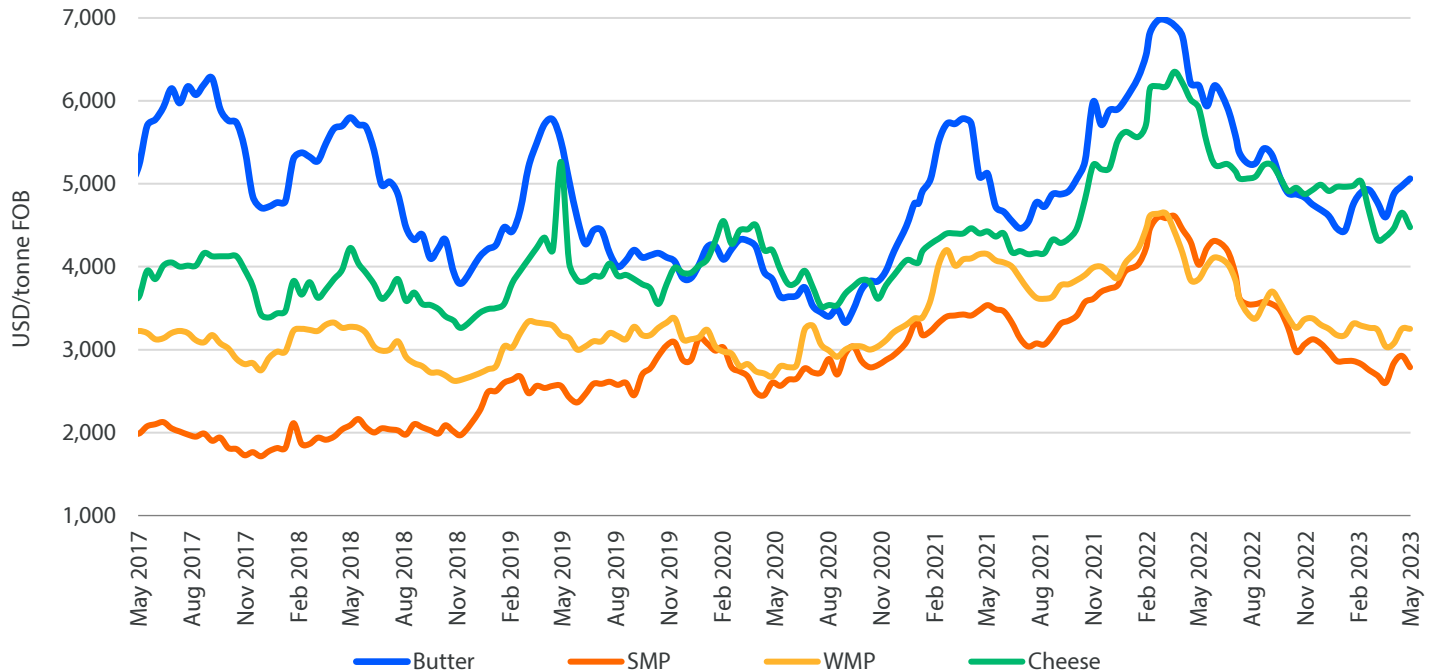
Dairy

What to Watch

- **China's market rebalancing** – In China, dairy demand recovery has not, to date, offset strong domestic milk production growth. Supply may take longer than previously forecast to respond to weakening milk prices and comparatively higher feed costs. Rabobank does not expect a reversal in farmgate milk prices to occur quickly. As has been the case since the current commodity market downturn began, China's re-entry into global markets is key to any price rally.

Mixed Results Across Commodity Basket in May

Oceania spot dairy commodity prices, May 2017–May 2023



Source: USDA, Rabobank 2023



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Beef

When Will It Stop?

Cattle prices continued their slide downwards through May. All are now below the five-year average and are approaching the lows we saw during the last drought of 2019. It is difficult to find a reason for such a decline in prices. Cattle supplies are higher but not at herd liquidation levels. We believe that processing capacity is accommodating current numbers and that global markets – while volumes are a little difficult to move – are still showing healthy prices. April import prices to Japan were about 30% higher than 2019 levels, and May US import prices were about 15% higher than 2019 levels. We can understand that feedlotters and processors don't want to bid up prices – there's no need to with increasing supplies – but are seasonal conditions influencing producers buying activity? Last year we saw cattle prices drift down until August, when confidence in a good spring and summer stimulated the market. Perhaps the talk of El Niño has taken the confidence out of the market. Either way, **despite the fundamentals suggesting that prices shouldn't fall any further, maybe we just need that change in season to give the market the confidence to lift again.**

Weekly cattle slaughter numbers remain strong. East coast weekly slaughter for May was up 28% YOY and national weekly slaughter for the year-to-date (week 22) is up 32%. Numbers across all states are up, with Queensland showing the largest increase (up 40% YTD) and south Australia showing the smallest increase (up 8% YTD).

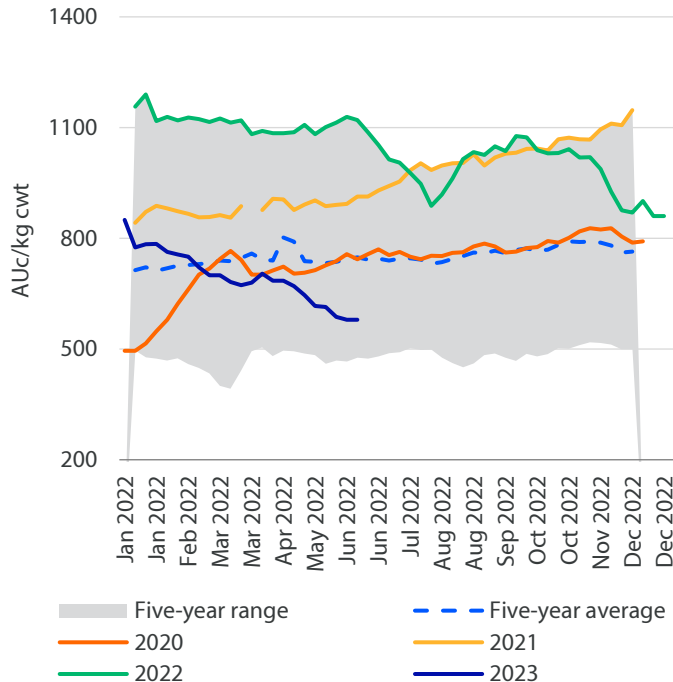
Australian beef exports for the month of May (91,479 tonnes swt) were up 14% YOY, reflecting the ongoing high production volumes. Live cattle exports were up 47% YOY for the month of April, with volumes to Vietnam (20,721 head) up 295% YTD (April).

What to Watch

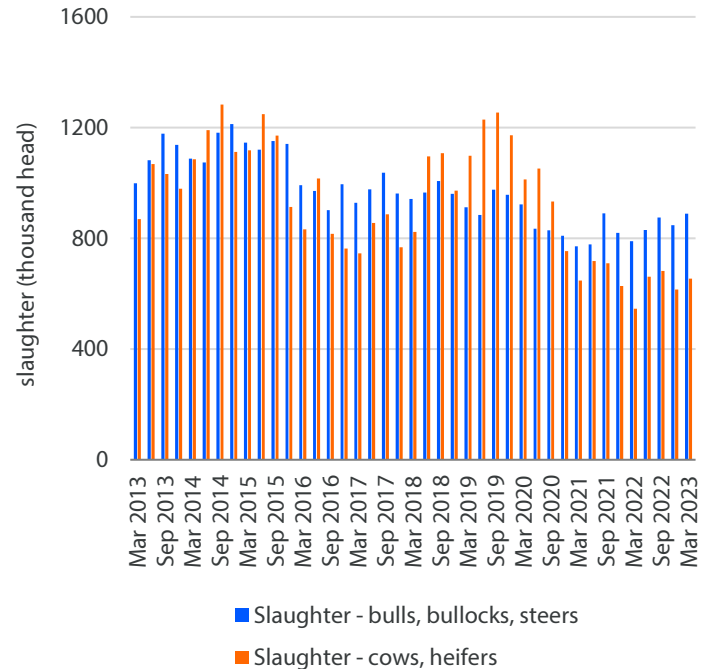
- **Cattle slaughter lifting** – Q1 cattle slaughter numbers were released in May. They showed a 16% increase in slaughter – in line with our projections – and a 15% increase in production – up on our projections given higher slaughter weights (323kg). A state of rebuild continues, with females only accounting for 42% of total slaughter – the second lowest proportion (behind Q1 2022) since 2012. This proportion suggests that we have not reached our natural breeding herd limit yet, with restocking activity still ongoing.

Cattle Prices Continue To Drift as the Cattle Herd Continues To Rebuild

EYCI drifting lower, waiting for the seasons to change



Slaughter numbers rising off a very low base



Source: MLA, ABS, Rabobank 2023

High Volumes Depress Prices


Lamb prices continue to fall as volumes rise. Lamb prices across all categories fell further through May, with light and restocker-type lambs seeing the largest falls. National saleyard prices for restocker and light lambs fell 28% and 25% respectively through the month of May, while heavy lambs fell 10% to AUD 6.18/kg. These are some of the lowest lamb prices in over five years. Restocker lambs, at AUD 3.87/kg, are at the lowest prices since 2014. Mutton prices also fell 19% for the month, but these have been at a lower price point for most of the year. Higher slaughter volumes and softer end markets are believed to be the main reason for the lower prices, but the carry-over lambs, which have been finished late and are now being pushed on to the market before winter sets in and teeth start to break through, are thought to be the cause of the recent slump. **Once we work through these older lambs and move toward spring, prices are expected to lift.**

Weekly lamb slaughter numbers jumped in May. After tracking close to 2022 levels for the first four months, volumes were up 9% YOY in the month of May. These numbers are believed to be the carry-over lambs that have not been finished in the normal time and are now being pushed on to the market. Sheep slaughter remains high, up 59% year-to-date (week 22). It is unclear how long these numbers will persist, but we believe they will start to decline over the coming months.

Lamb and mutton exports rose in May in line with increased production. Lamb volumes (28,508 tonnes swt) were up 7% YOY and mutton (19,590 tonnes swt) was up 68%. The Middle East and China saw large increases in sheepmeat volumes, both up 83% YOY, which we believe is a result of the lower Australian prices.

What to Watch

- **Lamb and sheep numbers rise** – Q1 ABS production figures were released in May showing a 54% increase in sheep slaughter and a 12% increase in lamb slaughter. Production volumes were up 55% and 12% respectively, with a slight drop in lamb carcass weights down to 24.28kg. Lamb production was down less than 1% on the Q1 2019 volumes, which were the highest in history. Until consumer demand recovers, these historically high volumes will weigh on the market.



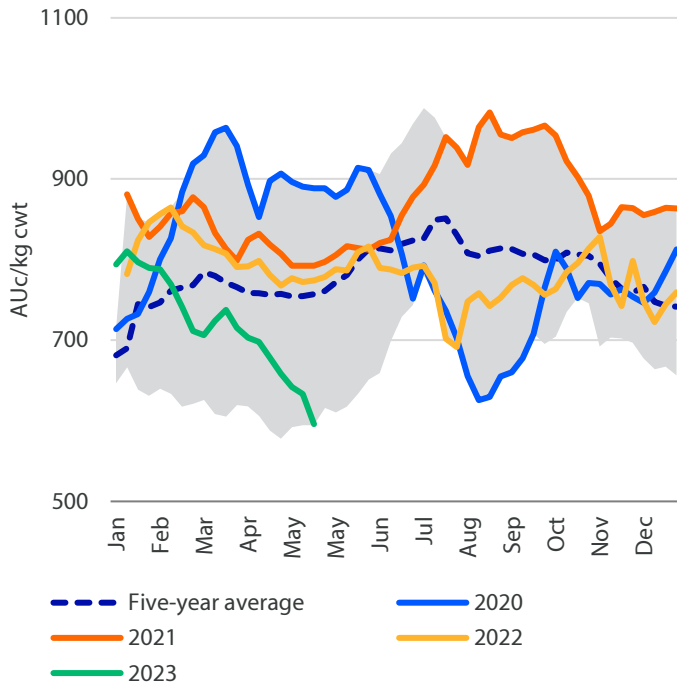
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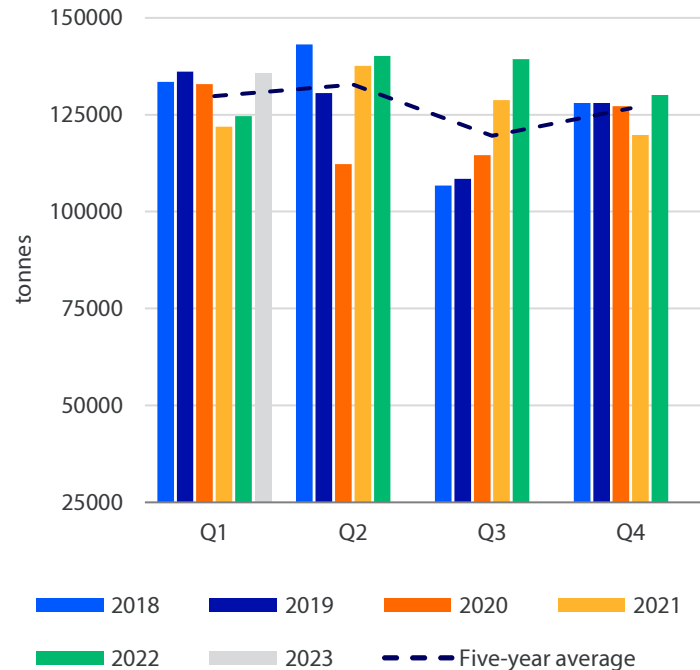
Sheepmeat

Lamb Prices Fall Further as Production Pushes Toward Record Territory

ESTLI falls to its lowest point in five years



Lamb production pushes very close to record territory



Source: MLA, ABS, Rabobank 2023

Demand Forecast Weaving Hope

ICE #2 Cotton prices in May showed signs of pushing higher, climbing above USc 85/lb during the middle of the month before settling slightly to USc 82.94/lb as of 30 May 2023, finishing up 4% MOM. Cotton prices continue to trade in a relatively close range in 2023, remaining on par with opening prices in January. Local cash prices saw strong sales volumes as prices climbed above AUD 630/bale and currently sit at AUD 614/bale, ending 1% higher for the month.

The USDA released their first forecasts for the 2023/24 season earlier this month, which showed promising signs with global consumption forecast to rebound by more than 6.6m bales. This would mark a 6% increase YOY and while economic headwinds and recessionary fears are front of mind, the recent softening of producer price inflation and a drop in global yarn stocks along the supply chain are set to drive the expected increase. Another factor is margin improvement for mills as lower energy costs have boosted their interest in the market.

US cotton production for the upcoming crop is forecast to jump by around 800,000 bales, and with planting well underway in several growing regions in the southwest, cotton crop condition is looking strong. The primary production state of Texas has seen continued dry conditions across the northern and southern plains, with planting progress to date down 7% YOY, however recent rainfall over the past week has set the stage for a strong finish to planting, with market prices factoring this in late in the month.



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Cotton

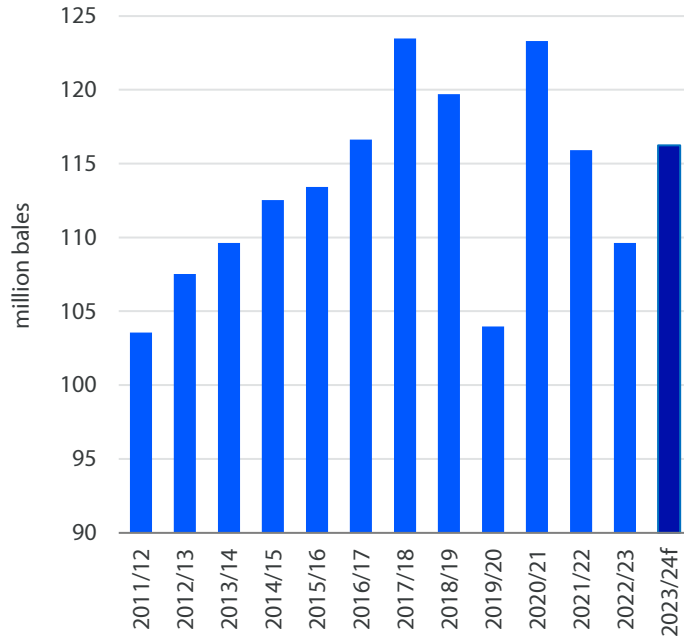
What to Watch

- **Australia's ongoing harvest** – The cotton harvest is progressing well across the cotton producing regions, with growers experiencing good picking conditions. Southern Queensland is seeing good irrigated yields, with dryland on the lighter side, while northern NSW is seeing above-average irrigated yields. For the most part logistics are good with gins running well, the exception being central NSW with recent disruptions to the Queensland Cotton Gin in Warren delaying the turnaround for cotton within the region.

While Continued Economic Headwinds Persist, Demand is Expected To Bounce Back in 2023/24

Early forecasts point to increased global consumption

ICE #2 Cotton prices look set to push higher after reaching USc 87/lb high in May



Source: USDA, Rabobank 2023

Source: Bloomberg, Rabobank 2023

Prices Soften as China Clips Demand

Wool prices declined further in May, with the Eastern Market Indicator dropping to AUC 1,214/kg as of 25 May, down 6.8% MOM. The 25 and 23 micron classes maintained relatively stable price levels throughout the month, while prices for the 19, 18 and 17 micron classes slid downward more than others. The largest drop was observed for the 20 micron class, dipping 7.5% MOM. With increased volumes across the sales floors and demand interest taking a hit in recent weeks, we saw a significant increase in unsold and pass-in rates, with growers reluctant to sell.

China's most recent Purchasing Manager's Index has fallen to 49.2 in April, after showing very strong signs of growth at the start of the year. The index indicates a contraction in activity when it falls below 50, highlighting that factory output is lagging amid weaker global growth in market demand. Looking at services consumption, retail sales volumes remain strong with a 33% YOY increase seen in April, with China's consumption-led growth driving the push for economic rebounds in 2023. The UK remains the only key global retail market to maintain positive YOY growth, up 9.5%, while Japan has now dipped to levels on par with last year. The US has seen its second consecutive month of negative YOY growth in retail clothing sales, down 4% in April, although total retail sales were up marginally, suggesting that consumer resilience remains, albeit underpinned by caution given the current economic uncertainty.

Australia's wool tested volumes bounced back in May, up 15.9% YOY. Victoria (+17% YOY) and NSW (+6% YOY) both increased with Tasmania jumping significantly, up 72% YOY. With the increased pass-in rates recently we may see stock being held until clearer indications of stronger demand surface.

What to Watch

- **Wool export volumes** – After wool export volumes jumped up in March we have seen softening demand on the sales floor in May lead to reduced clearance rates and a drop in prices. With a large number of bales on offer through recent months, it will be interesting to see if export volumes are remaining steady or if this will coincide with a reduction in export totals to key markets.



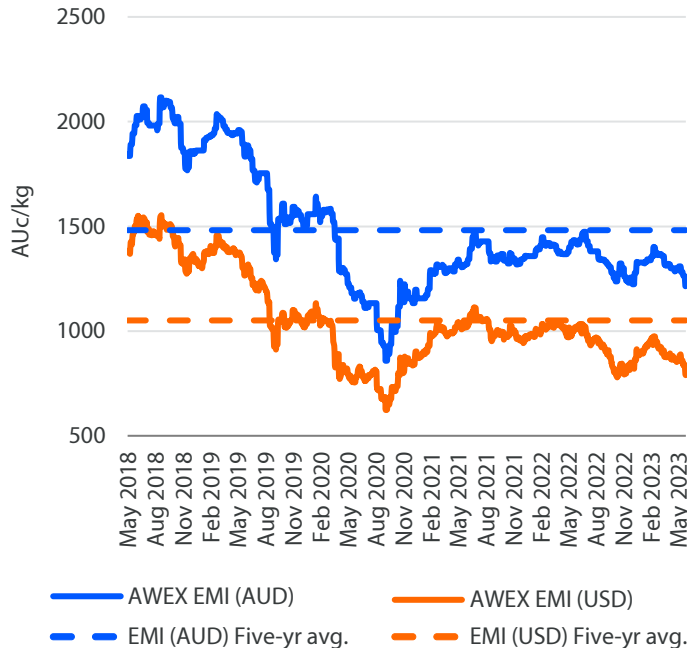
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Wool

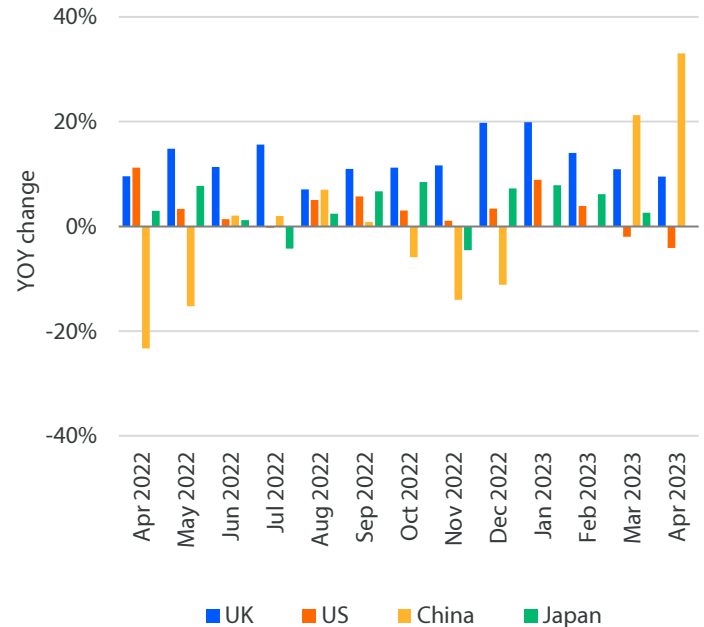
Wool Prices Dropped in May as Market Is Searching for Clear Direction on Demand Growth

Australian EMI softens further amid uncertain demand direction



Source: Bloomberg, Rabobank 2023

China's retail clothing sales growth continues while other markets drop



Source: ABS, Rabobank 2023

Discretionary Spend Slows Further

There were no real surprises in the latest monthly Consumer Price Index (CPI) data from the Australian Bureau of Statistics with respect to the food basket. Inflation eased to 7.9% YOY (versus 8.1% in March). However, consumers are still paying more for food across the supermarket aisles. The price of fresh produce and meat is providing consumers less of a headache, but dairy products and cereals were still leading to levels of sticker shock.

April retail trade data provided a glimpse into consumer purchasing behaviour. Overall, retail trade was flat in April 2023 versus the previous month (seasonally adjusted). Consumer spending has been moderating since the start of the year. Purchases of household goods have been the hardest hit.

Looking at the food market performance, the story of a channel shift is becoming more apparent, as eating in/at-home meal preparation becomes more prominent. Retail sales were down slightly in April versus the previous month. In contrast, performance of the out-of-home channels were down 3.5% in April versus March.

The pressure on consumer households will continue to build in the coming months, and Rabobank has upgraded the forecast for the terminal cash rate to 4.35%. It is not all bad news: There was wage inflation in the March quarter and minimum wages will rise by 5.75% from July.

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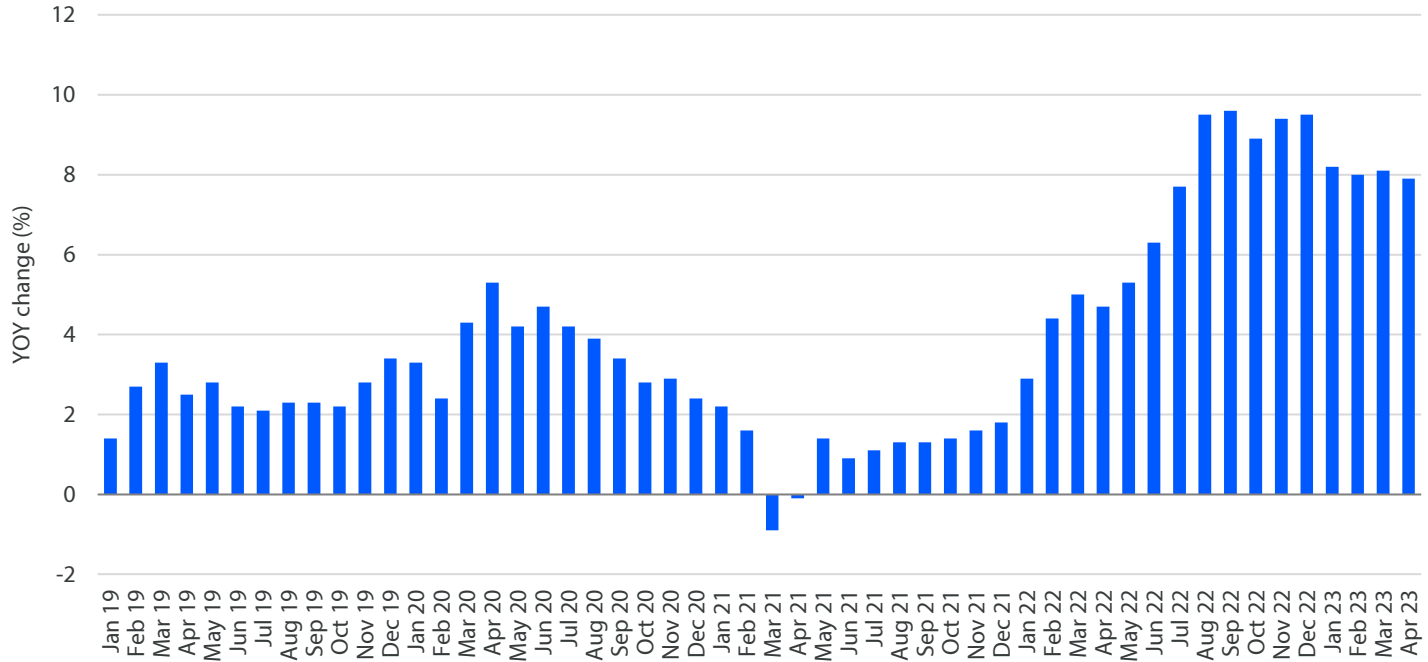
Consumer Foods

What to Watch

- **Consumer confidence** – In a measure Australian consumer confidence remains in the doldrums. The weight of cost-of-living pressures and uncertainty around future interest rate rises has kept Australian households on edge. This weak sentiment is driving consumer reluctance to purchase discretionary items, and will negatively impact the performance of some food categories.

Food Inflation Continues To Be Sticky

Australian Monthly Consumer Price Index, food and non-alcoholic beverages*



*Note: Original (not seasonally adjusted)

Source: ABS, Rabobank 2023

Back in the Doldrums

Nitrogen prices are back on a downward trend following the bearish correction for natural gas and the completion of the bulk of the US crop. The May hiccup is over and the story for phosphate and potash remains the same: global oversupply or feeble demand. Depending on what side you're on.

European manufacturers current face a much better situation for natural gas sources than six months ago. Storage levels are high, around 60% of capacity, this time of year when demand is weaker, and there are attempts to expand imports of seaborne Russian gas via the Baltic Sea. This is leading to market correction and a bearish forecast until October. European nitrogen fertiliser manufacturers downstream are reflecting this in their prices, as ammonia prices can represent 70% of urea production costs. The situation may appear to have been resolved for the moment, but plant curtailments are underway. Around 8% of global urea exports have been mothballed due to energy price hikes compared to 2021 figures. And they will continue so as long as profitability is tested by market volatility. Another expectation that could end up in the bin is the improvement in demand for phosphate and potash fertilisers by late 2023. The recovery in fertiliser affordability is clear and undeniable, but so far not enough to bring application rates back to pre-Covid and pre-Black Sea crisis levels. It is likely that that will be the case in 2024.

We are still in the aftermath of Covid and Black Sea conflict shocks and it is unclear who holds the ace.

What to Watch

- **Grains and oilseeds prices** – The coming weeks will be crucial in determining the demand from South America for the 2023/24 summer crop. Soybean prices are offsetting the massive yields in Brazil and are not prompting Argentine farmers who have been hit hard by drought.
- **Russian ammonia exports** – In order to keep the grain corridor agreement valid, the Russian government demands that ammonia be allowed to pass through a pipeline to the Pivdennyi port in the Odesa region, and that the Swift banking system ban on the Russian Agricultural Bank be reversed.



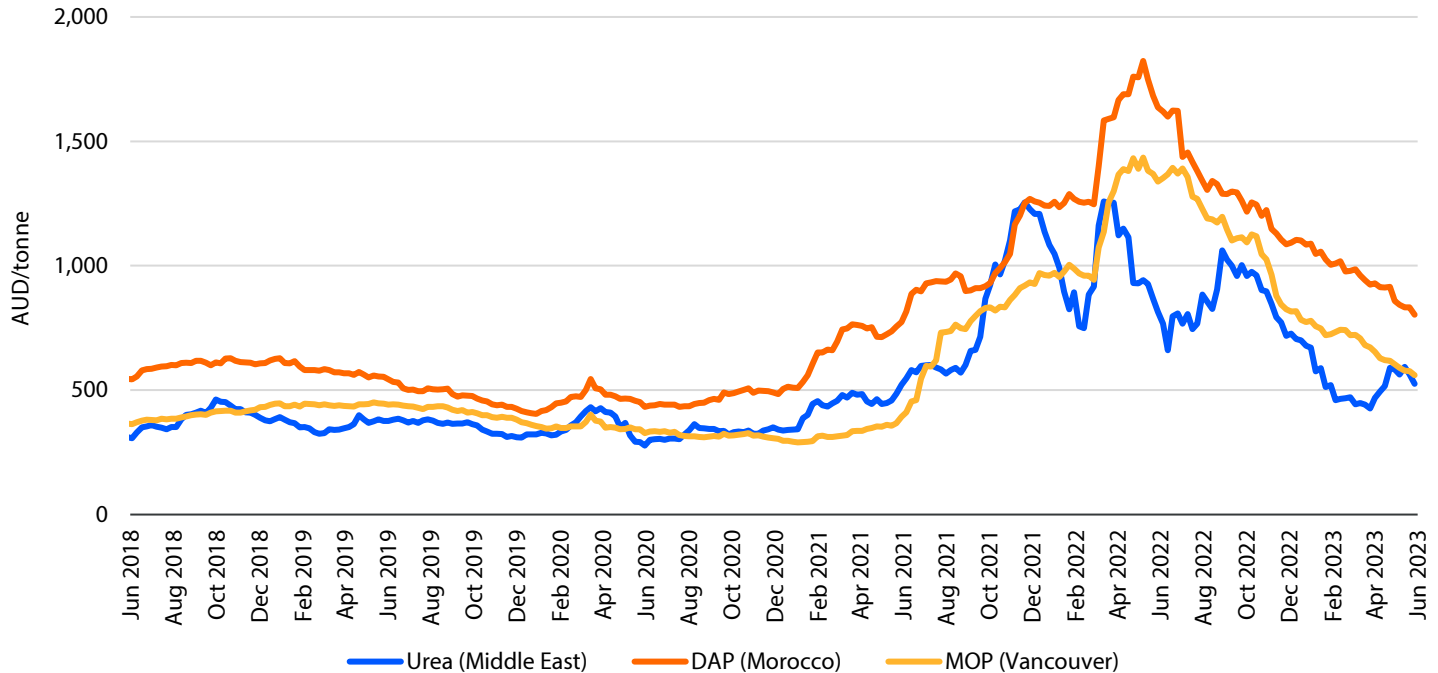
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Farm Inputs

It Is a Long Way to the Bottom

AUD-adjusted monthly global fertiliser prices



Source: CRU, Bloomberg, Rabobank 2023

More Hikes on the Way

RBA increased the cash rate by 25 basis points to 4.1%, not a total surprise given recent challenging data including the higher-than-expected monthly CPI print for April of 6.8% YOY, while the market was only expecting 6.4%. The increase was partially driven by the effects of the cut in the fuel excise implemented by the previous government before last year's election, but economists had already factored this into their expectations and were still surprised.

The second big-ticket item that will have a large influence on the RBA was the Fair Work Commission's (FWC) annual decision on minimum and award wages. The FWC decided to increase award wages by 5.75% and to up the minimum wage by an effective 8.6% (after classification changes). These changes affect somewhere between a fifth and a quarter of the total Australian labour force. So, they have a large bearing on aggregate wage outcomes in the economy.

That's a concern for the RBA, because neither the RBA nor Treasury were expecting the FWC decision to be so generous. Both institutions had projected the wage price index to peak at 4%, and if aggregate wages are rising faster than that, then we may need to have higher interest rates in order to get back to 2% or 3% inflation.

Indeed, in testimony before the Senate in late May, RBA Governor Philip Lowe warned politicians that unit labour costs were rising at a worrying pace, and that Australia needed to improve its productivity performance for the current pace of wage growth to be sustainable. He noted that Australia had experienced precisely zero productivity growth over the past three years, and that in the long run the only way to have real income growth is to have gains in productivity. That means creating more outputs with the same level of inputs. We expect two more rate hikes by the end of the year to take the cash rate to 4.35%.



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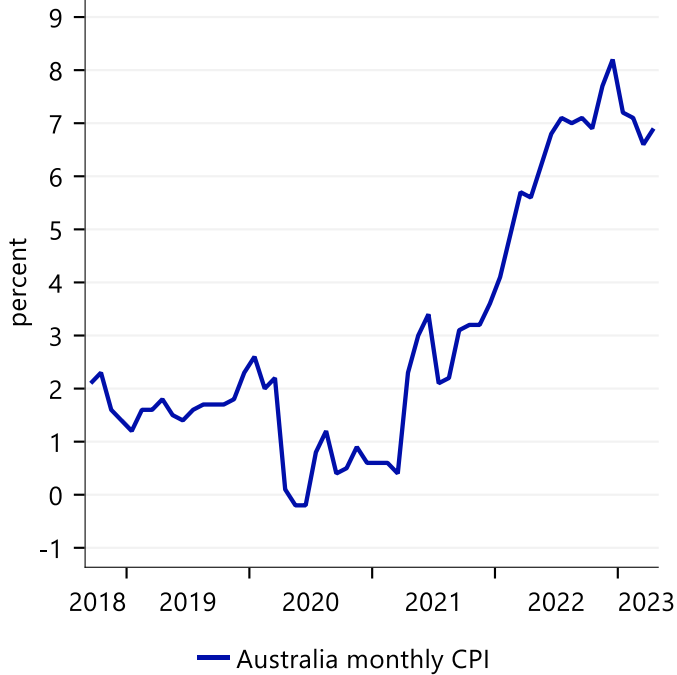
Interest Rate & FX

What to Watch

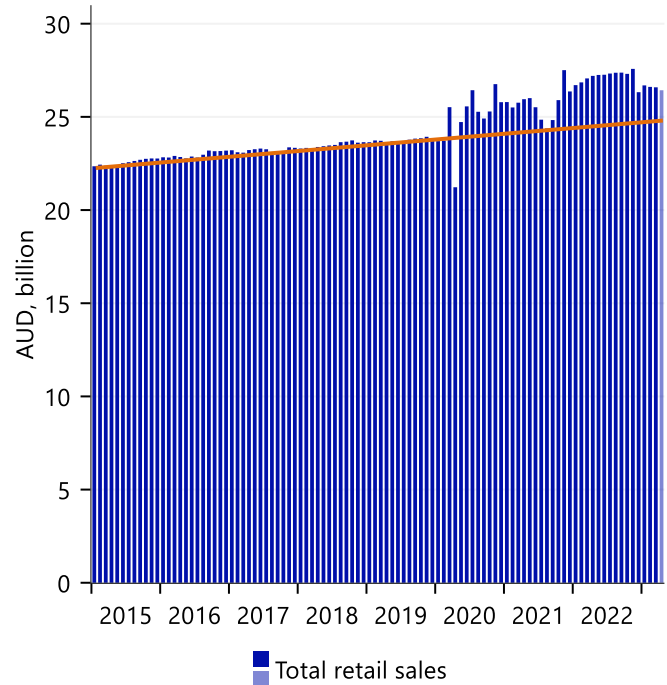
- We expect one more cash rate hike in the coming months, to 4.35%.
- National accounts (GDP) figures to be released on 7 June.
- Labour market data to be released on 15 June.
- Retail sales data to be released on 29 June.

Monthly CPI Unexpectedly Higher in April

An unexpected lift



Consumer spending gradually returning to trend



Source: Macrobond, Rabobank 2023

Source: Macrobond, Rabobank 2023

Is the Global Container Shipping Market Back to Normal?

Oil futures fell 11% in May, even as OPEC+ cuts took effect, prompting Saudi Arabia's announcement over the weekend of an additional output cut of one million barrels per day beginning in July. While prices jumped on the news, concerns around depressed oil demand remain with the slowdown of the global economy. China's reopening may be running out of steam, while questions remain about the possibility of a US recession in the second half of the year.

The global container shipping market is on track to return to pre-pandemic conditions. Drewry's May 2023 report on effective ship capacity indicates green signals for major routes including the Transpacific, Asia to North Europe & Mediterranean, and Transatlantic Westbound routes. Effective ship capacity on these routes is expected to further increase in Q3. The number of vessels waiting, and waiting times for a berthing window have fallen back to pre-pandemic levels for most ports, except for a few high-volume ports in North America, such as Los Angeles/Long Beach, which remain moderately congested. Global schedule reliability, as indicated by the percentage of on-time arrivals of container ships, continued to rise from 52.6% in January to 64.2% in April 2023. Weaker demand for goods in Europe and the US and newly delivered ships contribute to these improvements. As a result, dry container spot rates are expected to stay depressed while contract rates continue to decline. However, the current low freight rates are set to rebound in the future because of rising operating costs for ocean carriers.

The Baltic Panamax index (a proxy for grain bulk freight) has tanked due to ample inventory at ports. The recent decline was driven primarily by capsize vessels, but the impact is being felt across the board. We continue to believe that the Baltic Panamax index will fluctuate around the lower end of the spectrum as the global economy enters turbulent waters.



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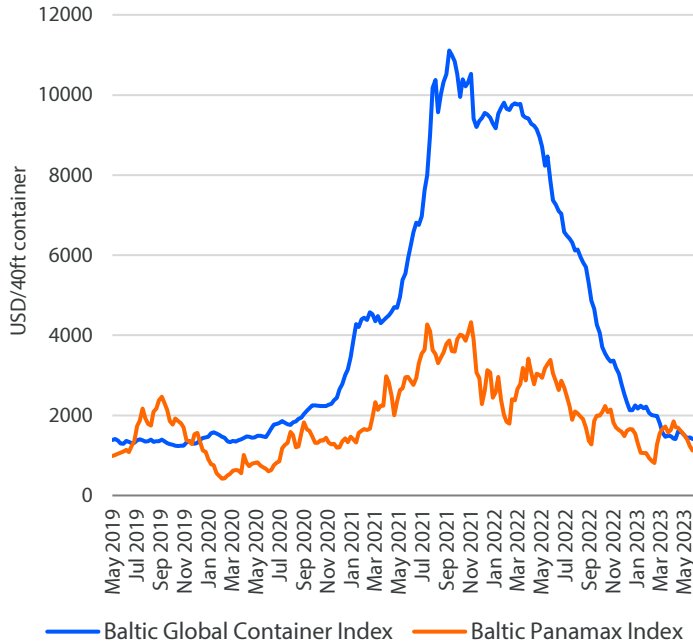
Oil & Freight

What to Watch

- Oil demand in 2H 2023 to hinge on growth in jet fuel demand from China.
- Will weaker economic growth continue downtrend in container rates?

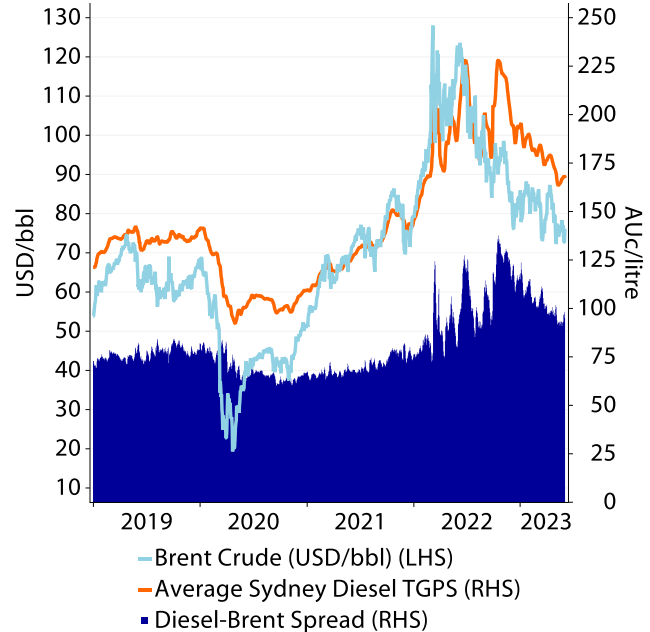
Prices Fall on Uncertain Global Outlook

Baltic Panamax Index and Dry Container Index, May 2019 - May 2023



Source: Baltic Exchange, Bloomberg, Rabobank 2023

Brent Crude Oil and average Sydney Diesel, Jan 2019-May 2023



Source: Macrobond, Rabobank 2023

Agri Price Dashboard

1/06/2023	Unit	MOM	Current	Last month	Last year
Grains & oilseeds					
CBOT wheat	USc/bushel	▲	611	604	1,041
CBOT soybean	USc/bushel	▼	1,330	1,455	1,690
CBOT corn	USc/bushel	▼	593	640	731
Australian ASX EC Wheat Track	AUD/tonne	▲	379	375	466
Non-GM Canola Newcastle Track	AUD/tonne	▼	596	620	900
Feed Barley F1 Geelong Track	AUD/tonne	▼	323	324	426
Beef markets					
Eastern Young Cattle Indicator	AUc/kg cwt	▼	580	672	1,130
Feeder Steer	AUc/kg lwt	▼	316	360	568
North Island Bull 300kg	NZc/kg cwt	•	590	590	595
South Island Bull 300kg	NZc/kg cwt	▲	540	530	575
Sheepmeat markets					
Eastern States Trade Lamb Indicator	AUc/kg cwt	▼	540	670	777
North Island Lamb 17.5kg YX	NZc/kg cwt	▲	755	735	855
South Island Lamb 17.5kg YX	NZc/kg cwt	▲	760	730	855
Venison markets					
North Island Stag	NZc/kg cwt	•	885	885	795
South Island Stag	NZc/kg cwt	•	885	885	800
Oceanic Dairy Markets					
Butter	USD/tonne FOB	▲	5,063	4,875	6,188
Skim Milk Powder	USD/tonne FOB	▼	2,788	2,838	4,025
Whole Milk Powder	USD/tonne FOB	▲	3,250	3,075	3,850
Cheddar	USD/tonne FOB	▲	4,475	4,463	5,913

Source: Bloomberg, MLA, Rabobank 2023

Agri Price Dashboard

1/06/2023	Unit	MOM	Current	Last month	Last year
Cotton markets					
Cotlook A Index	USc/lb	▲	93.8	93.2	157
ICE No.2 NY Futures (nearby contract)	USc/lb	▲	86.4	79.5	136
Sugar markets					
ICE Sugar No.11	USc/lb	▼	24.9	25.5	19.4
ICE Sugar No.11 (AUD)	AUD/tonne	▼	835	849	582
Wool markets					
Australian Eastern Market Indicator	AUc/kg	▼	1,209	1,302	1,414
Fertiliser					
Urea Granular (Middle East)	USD/tonne FOB	▼	328	331	688
DAP (US Gulf)	USD/tonne FOB	▼	520	610	1,090
Other					
Baltic Panamax Index	1000=1985	▼	1,030	1,586	2,851
Brent Crude Oil	USD/bbl	▼	74	79	116
Economics/currency					
AUD	vs. USD	▼	0.657	0.663	0.718
NZD	vs. USD	▼	0.607	0.617	0.648
RBA Official Cash Rate	%	▲	3.85	3.60	0.35
NZRB Official Cash Rate	%	▲	5.50	5.25	2.00

Source: Bloomberg, MLA, Rabobank 2023

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