

Market Report

APRIL 2025

KEY HIGHLIGHTS

DOMESTIC:

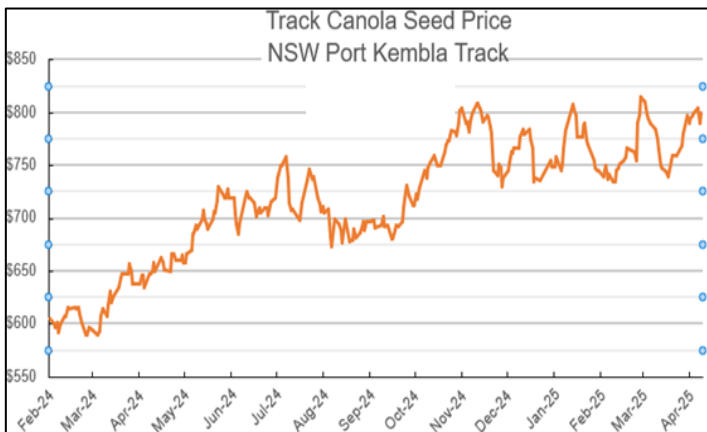
- Australian canola prices higher over past month
- East Coast southern states dry, rain in south west WA
- RBA leave rates on hold for now at 4.10%

INTERNATIONAL:

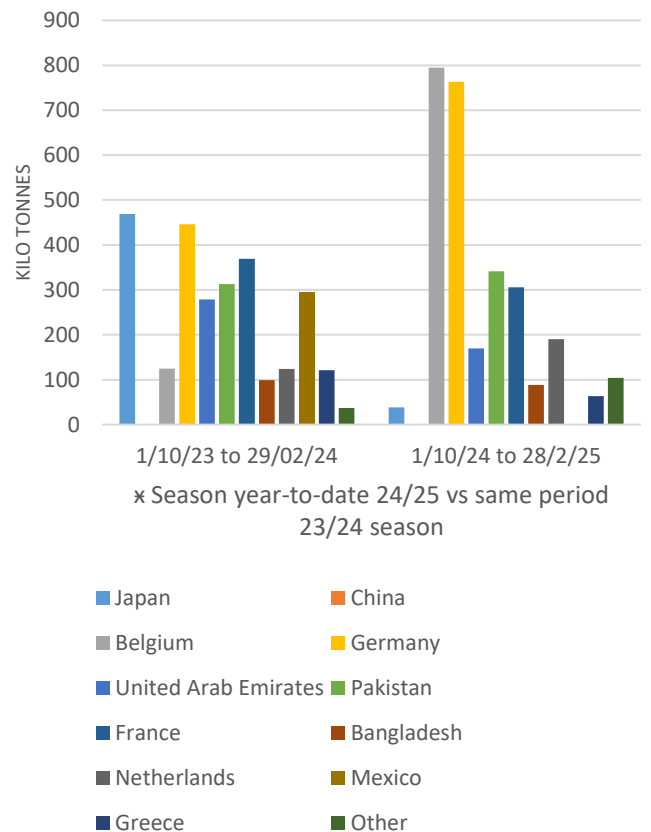
- US tariffs ignite global trade war
- AUD drops to 5-year lows against the USD
- Global economic uncertainty due to US tariffs

AUSTRALIAN CANOLA MARKET

Australian canola values have pushed AUD20/mt higher over the past month on higher offshore futures markets and a lower AUD. Track Kembla values AUD810/mt yesterday for April while new crop values AUD815/mt track Port Kembla for December 2025/January 2026. Winter crop conditions are excellent in northern NSW after plenty of rain over the past couple of weeks. Dry weather elsewhere is threatening early canola crop production estimates of between 6 mmt to 7 mmt for 2025/26. This figure is likely to be substantially less unless rain across the southern cropping belt of eastern Australia materialises in the next few weeks. Good rain has been received in south western regions of Western Australia of between 30-40mm and canola planting is well underway.



Comparison Season Year-to-Date Australian Canola Exports by Destination
Data Source: ABARES



Canola exports for this season 2024/25 year-to-date are sitting at 2.8 mmt compared to 2.67 mmt for the same time last year 2023/24 season. We have seen a significant increase in Australian canola exports to Belgium and

Germany and a notable decrease in exports to Japan and Mexico versus the same time frame for the previous season 2023/24. Exports to Belgium to date for this season are sitting at just over six times the volume exported in the previous season as Europe has had a huge appetite for non GM canola imports due to a smaller European rapeseed crop this season. However we will see exports drop off to the EU over the next few months due to the availability of French new crop rapeseed in July 2025.

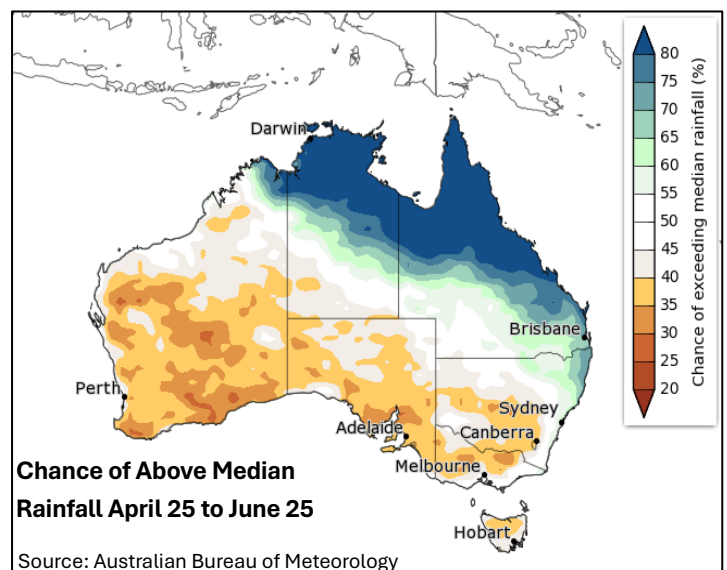
GLOBAL OILSEED MARKET

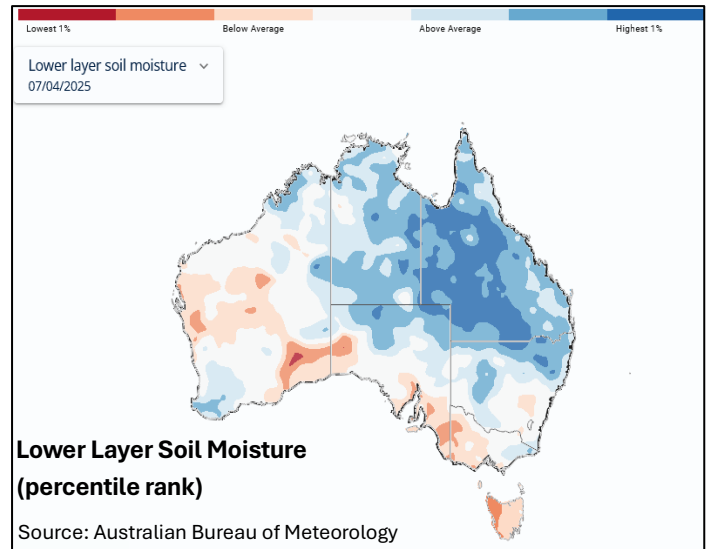
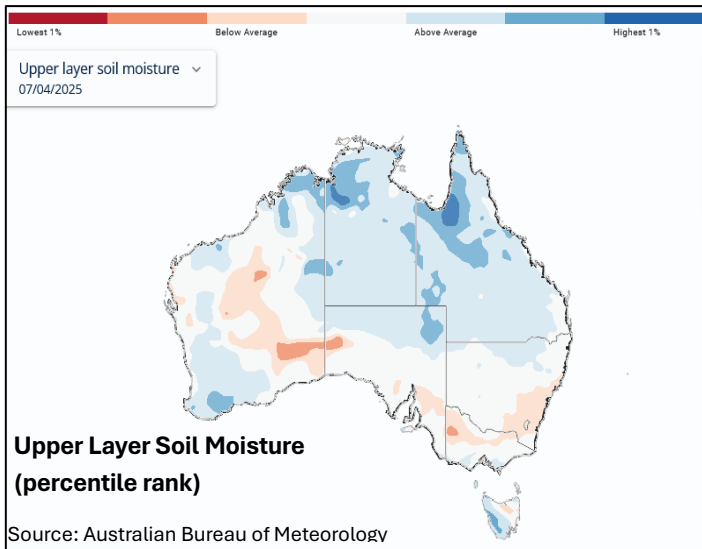
Global tit-for-tat tariff wars continue to dominate global markets. While the US has implemented widescale tariffs on a lot of countries, China has come in for particular attention with the tariffs raised to 125% overnight. China has retaliated with their own tariffs of 84% on all US goods imported from the 10 April 2025. Economic thought is that once tariffs hit 35% it is enough to stop trade, so whether it 50% or 100% it becomes incidental. The EU has also instigated tariffs of 25% on US goods but has deferred it on US soybeans until 1 December 2025 leaving time for negotiation. The US is the largest supplier of soybeans to the EU at over 5 mmt annually. China imports 105mmt of soybeans per annum with near 70% now coming from Brazil, and this percentage will likely only increase due to tariffs on US soybeans imports. What does it all mean for Australian canola growers? To date the impact has been relatively minimal but a lot will depend on the economic impact of the tariffs, the AUD and the outcome of US oil and biofuel policies and mandates. At the moment the North American biofuel industry is in crisis, and biofuel demand has fallen sharply. If demand falls, less Canadian canola oil will be exported to the US and more Canadian canola will hit the export market which will negatively impact Australian canola values. Oil World is forecasting that US biodiesel/HVO production for January 2025 to December 2025 will fall by approximately 1 mmt to 15 mmt, however they also note that this could be optimistic. Worldwide Oil World is forecasting total global production of biodiesel/HVO to fall to 61.9 mmt in 2025, down 1.8 mmt from the previous year.

This means more Australian canola will need to be exported to Asian countries where it will have to compete with Canadian canola into these destinations. Any exports will be coming from Western Australia which is the only state with an exportable surplus remaining. Canola stocks across the east coast states are tight and there will be little available for export.

WEATHER UPDATE

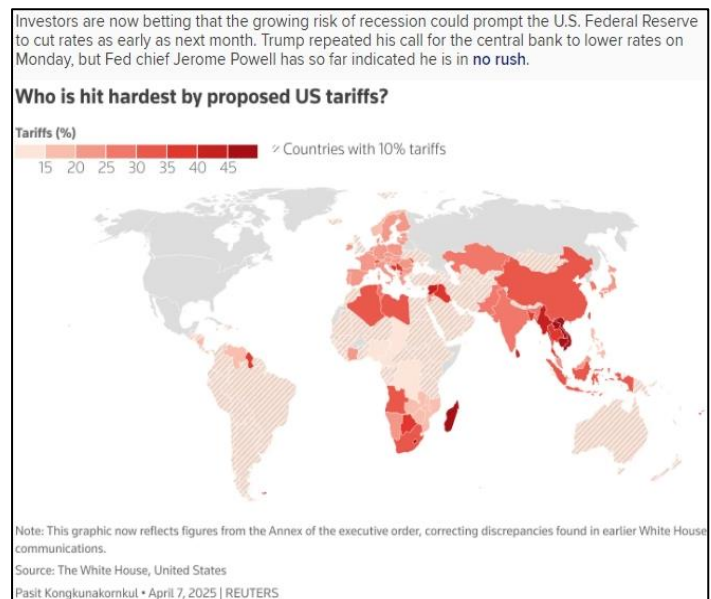
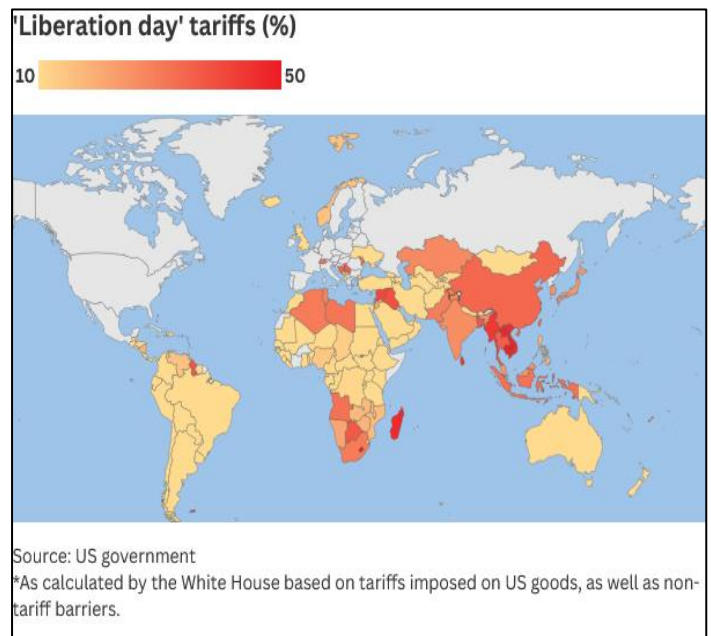
April 2025 is forecast to be wetter than average in the north and east and drier than average in the west, followed by a drier than average May 2025 across much of Australia according to the latest updates from the Australian Bureau of Meteorology. It is expected that the likelihood of rainfall will vary significantly across the individual months April 2025 to June 2025. For example, April 2025 rainfall is likely to be above average across most of northern Australia, extending down into north-east NSW whilst below average falls are predicted for the southern half of WA and most of SA. May 2025 rainfall is likely to be below average across much of northern Australia and the eastern mainland west of the Great Dividing Range and parts of South Australia and Tasmania.

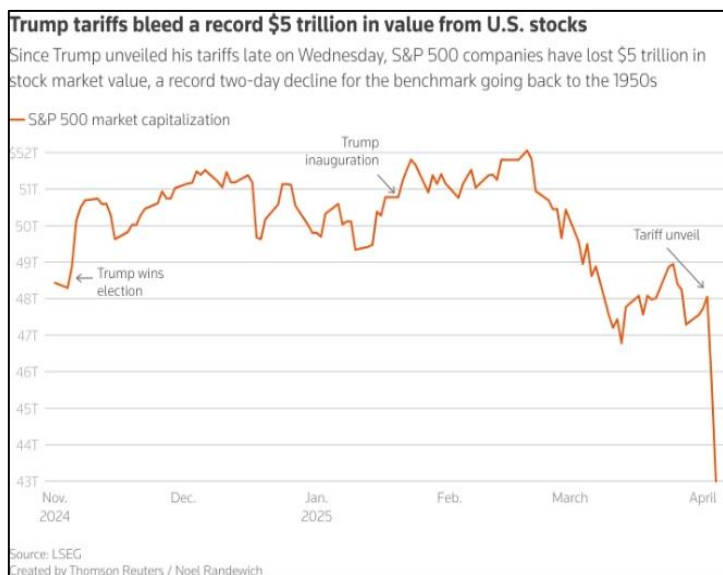
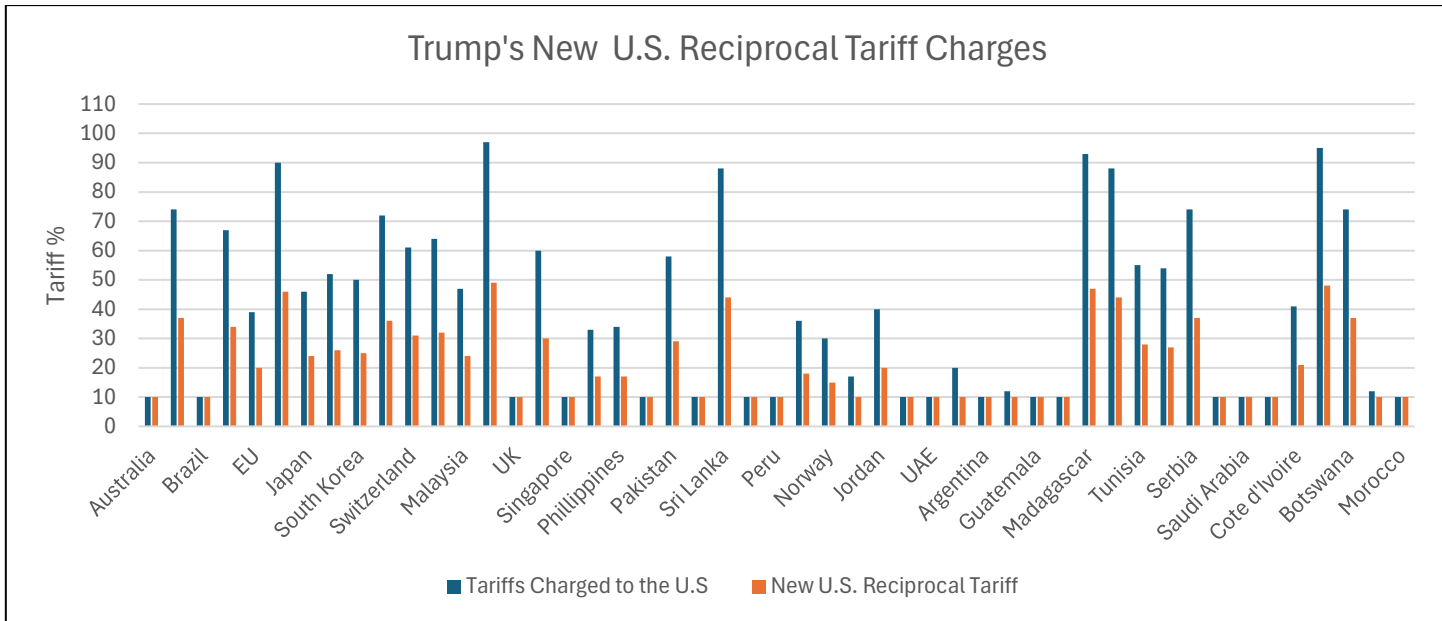




ECONOMIC OUTLOOK

The RBA left interest rates on hold at their April 2025 board meeting leaving the official overnight cash rate at 4.1%. Since then, global tariff wars causing massive trade uncertainty, fears of lower global GDP rates, and a looming recession in the US have caused Australian markets to build in four rate cuts here by the end of this year, with some speculating on as much as a 50-basis point rate cut at the May 2025 RBA board meeting. The AUD has weakened significantly against major currencies including USD, GBP, and EURO. The Australian government has responded to the 10% tariff imposed on Australia by Trump with the announcement of AUD 50 million fund to help agricultural and other sectors to move their products into new markets. Canada and Mexico already face 25% tariffs tied to drug trafficking and illegal migration and these are set to remain in place and will not be subject to the new tariff regime, as long as these are in effect. Worldwide trade wars marked by tit-for-tat strikes are feared leading to destabilisation of supply chains, rising inflation, an emboldening of America's economic rivals, and encouragement for foreign powers to form new alliances that exclude the U.S. Some are speculating that economic hurt from the tariffs could come quickly for the U.S whilst any gain in the form of a restructured U.S. economy could take many years to materialise.





The Australian Dollar has hit five-year lows against the USD. Whilst there seems to be some indications that Trump's tariffs are up for negotiation there are still fears of global recession caused by the uncertainty ahead for

international trade activity, and this has prompted domestic financial markets to build in a number of anticipated rate cuts for the rest of 2025.

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