

Market Report

SEPTEMBER 2025

KEY HIGHLIGHTS

DOMESTIC:

- Significant rain across the top 2/3 NSW of 20-50 mm
- ABARES increases canola crop to 6.4 mmt
- AUD firmer against the USD

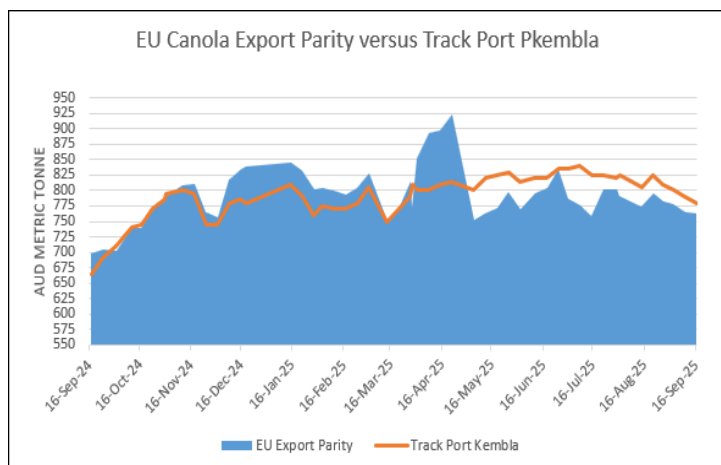
INTERNATIONAL:

- Global canola production prospects improve
- Canadian canola price falls relative to Europe
- Ukraine imposes 10% export tax on rapeseed

AUSTRALIAN CANOLA MARKET

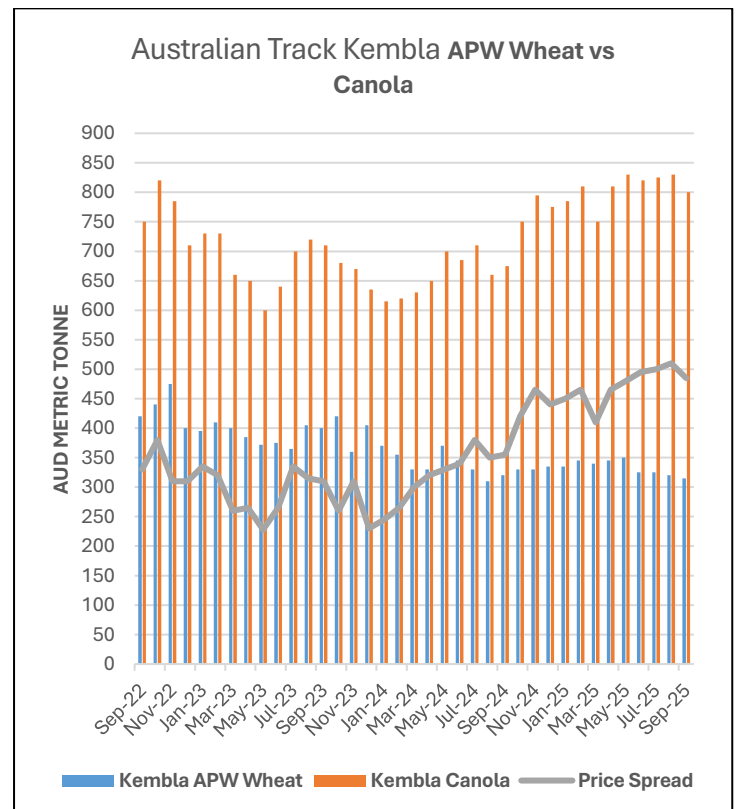
Australian canola crop prospects have improved over the past month due to timely rain across most states. NSW and Western Australia have benefited the most with NSW receiving a much needed 20-50mm of rain across the cropping belt this week. Victoria missed this rain event, while South Australia picked up a lesser amount.

The combination of positive rains, an increased crop in Europe and improving global supply have resulted in a softening of canola values over the past month. Canola today is bid at AUD 775/mt track Port Kembla zone.



While the price is down on last month, it still presents good value for the grower compared to wheat and barley

values. Canola is still around 2.8 x the value of APW wheat, historically high as per the following price chart.



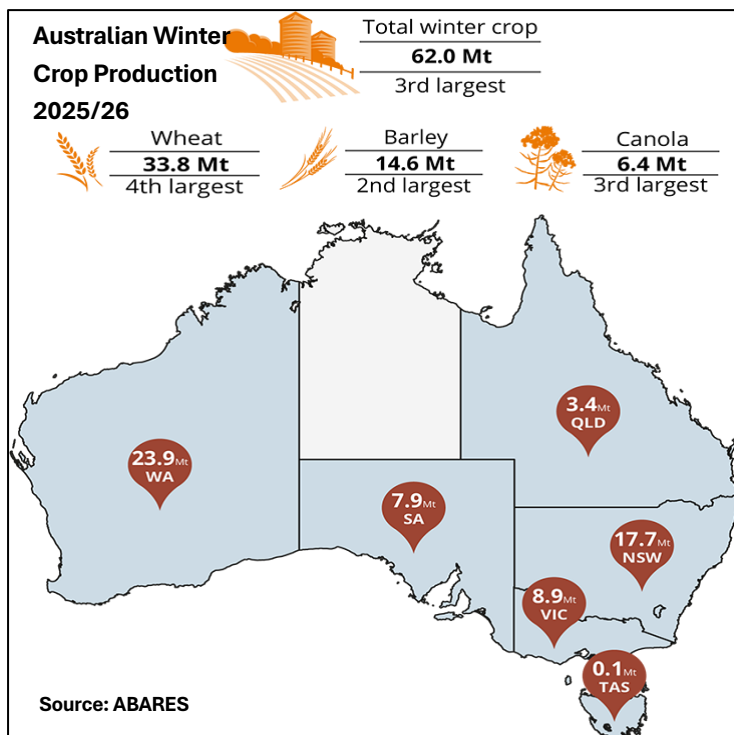
ABARES recently released their September 2025 national crop production estimates and increased the canola production estimate from 5.7 mmt to 6.4 mmt for the 2025/26 season. The report also pegged national wheat production at 33.8 mmt; barley 14.6 mmt; sorghum 2.4 mmt; chickpeas 2.1 mmt and lentils at 1.7 mmt.

ABARES SEPTEMBER 2025 REPORT

ABARES September 2025 crop report highlights that the 2025/26 winter cropping season has improved throughout winter with timely rainfall in most major cropping regions.

The latest crop size forecasts reflect improvements in WA, SA and VIC with above average production for northern NSW and QLD. Despite an unfavourable start to winter cropping season in SA, western VIC and southern NSW many crops were dry sown with limited soil moisture.

Above average July rainfall in SA and VIC, combined with follow up in August has provided enough moisture for crop emergence and establishment, and although 3-4 weeks late, good spring rains with determine final yield potential.



GLOBAL CANOLA MARKET

Canola production prospects have improved over the past month across Canada, Europe and Australia. The recent Statscan report pegged the Canadian canola crop higher at 19.94 mmt, up from 18.5mmt earlier in the season. Most trade estimates have it even higher at over 20 mmt.

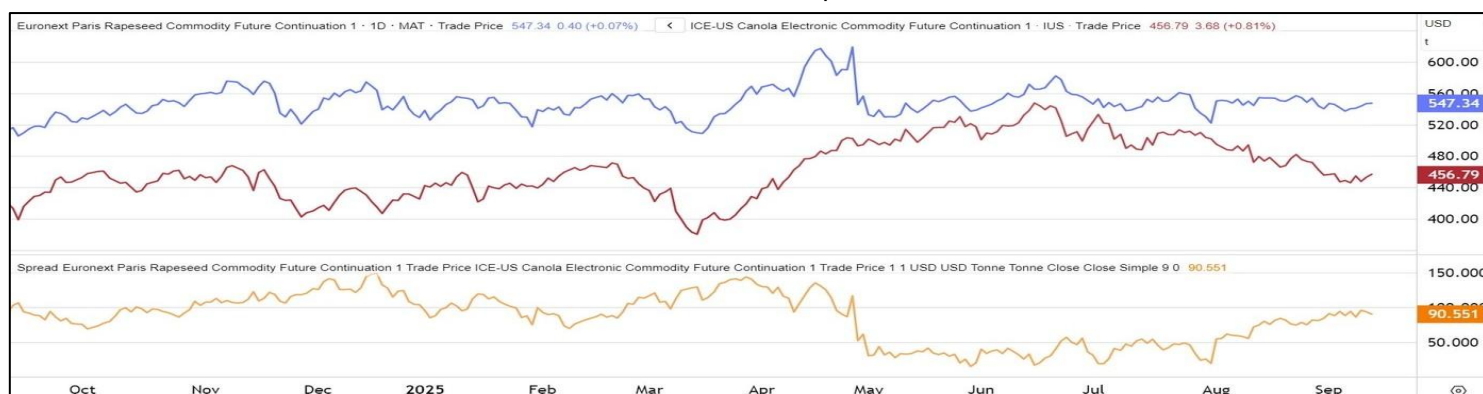
Expana raised their EU rapeseed crop production estimate from 19.6 mmt to 20 mmt, while at the same time reducing the EU sunflower crop by 1.1 mmt to 8.3 mmt.

Ukraine recently announced a 10% export duty on soybeans and rapeseed, aimed at raising funds to finance the war effort and increasing domestic crushing in the Ukraine.

The big-ticket item however has been the anti-dumping levy imposed by China on Canadian canola imports, which has effectively stopped imports of Canadian canola. China imports 4 mmt of Canadian canola per annum from Canada and the loss of this market means Canada will have to find alternate export homes.

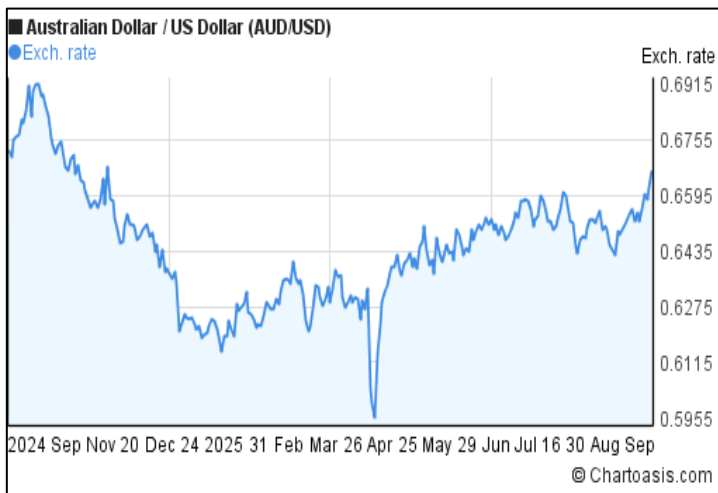
This won't be easy and some of this canola will find its way into Europe.

As a result of the China ban the price of Canadian canola has fallen relative to European and Australian values. As per the below chart the price spread between Euronext rapeseed futures and ICE canola futures has widened from USD50/mt to USD91/mt. We expect this price spread to stay wide unless China and Canada can resolve their ongoing trade dispute.



ECONOMIC UPDATE

Recent strong Australian economic data is diminishing interest rate cut expectations according to a number of economists. In the US unemployment has hit 4-year highs at 4.3%. A US interest rate cut of between 25-50 basis points is now expected by most economists. The USD weaker against the AUD. The USD is at 7-week lows against major currencies.



AUSTRALIAN WEATHER OUTLOOK

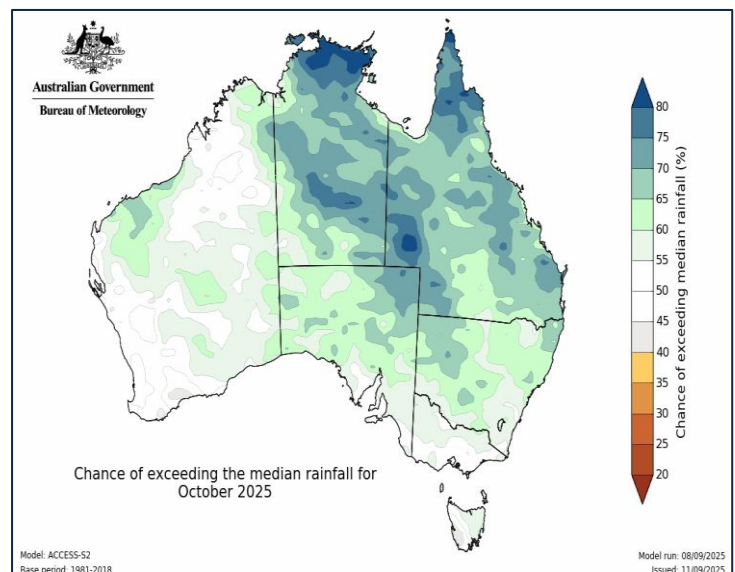
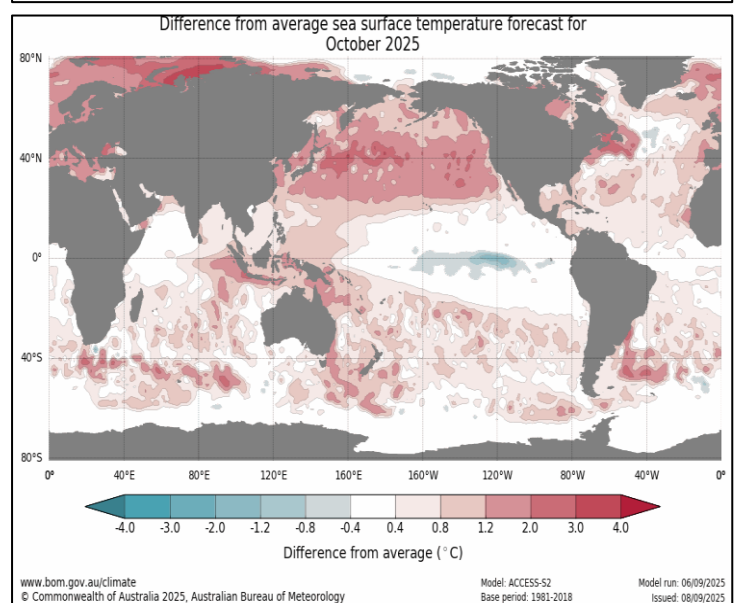
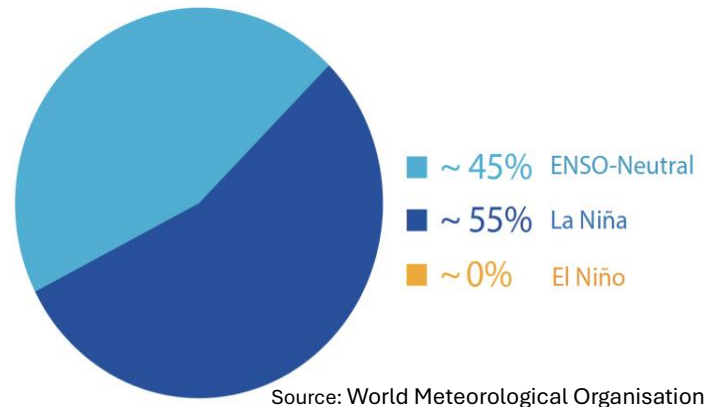
Rainfall Outlook (Sep–Nov 2025)

According to the Bureau of Meteorology, most of eastern Australia has a 60–80% chance of above-average rainfall, with October showing the strongest signal. Northern Australia is shifting from the dry to wet season, bringing more storms and showers. However, parts of central WA may see below-average rainfall.

A **negative Indian Ocean Dipole (IOD)** has been active for seven weeks and is expected to continue into spring, typically bringing wetter conditions to much of Australia. Sea surface temperatures around Australia are at record highs, and global SSTs remain well above average.

While **ENSO** remains neutral, some models suggest a brief **La Niña** could develop in spring before returning to neutral in summer.

ESTIMATED ENSO PROBABILITIES FOR SEPTEMBER - NOVEMBER 2025



CANADIAN CANOLA IN FOCUS

The ICE Canadian canola futures discount versus EU Euronext rapeseed futures continues to widen. It is expected that with the Ukrainian export tax, and the Canadian trade conflict with China, that EU imports of Canadian canola will increase in 2025/26.

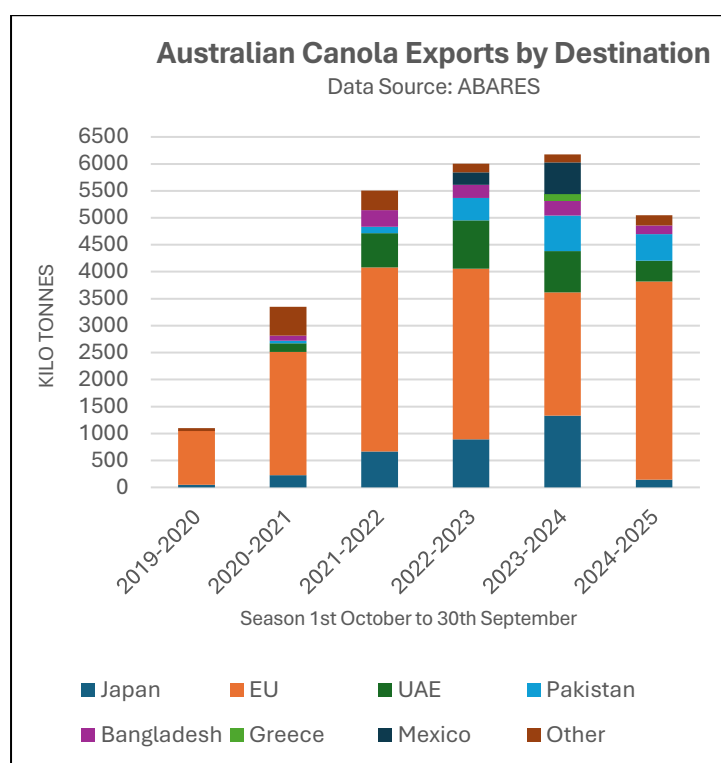
Australia is a major exporter of canola to the EU and a larger than expected Canadian crop together with projections of a large Australian crop may see pressure on pricing into the EU. However, on the bright side China may look to Australian canola to fill the gap from Canada which would be supportive for prices, particularly for GM canola in Western Australia.

The Canadian canola harvest is progressing well with Manitoba over 10% harvested with yields between 45-60 bushels per acre. Alberta is 5% harvested and according to Canadian Grain Commission data farmers nationally have delivered 624,000 mt of canola in August 2025, so still a long way to go given a crop of 20 mmt expected.

Canola exports are behind last year with just 481,000 mt exported in the month of August 2025 compared to over 1 mmt in August 2024. This lower export figure no doubt reflecting the loss of the China market. Much of the country is expected to experience stretches of good harvest weather from mid-September 2025 through October 2025 which should allow for a relatively smooth harvest. Forecasters are warning that November 2025 could see a sharp return to stormier and colder weather in

many regions with western Canada forecast to be the first to experience the slide into early winter. Mild temperatures should stick around for longer across eastern Canada before colder-than-normal conditions at the end of the month.

The federal agency Statscan pegged national canola stockpiles as of July 31, 2025 (ending stocks for the 2024/25 crop year) at 1.597 mmt representing a decrease of 50.5% from the previous year's total of 3.225 mmt, and the lowest since the 2021/22 crop year. Because of the high domestic crush and large export program over the last 12 months this is not a surprise however stocks are likely to rebuild.



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