

The overall production forecast has declined due to continuing the dry conditions across most of Australia. The forecast area planted to chickpeas has risen in Queensland but fallen in NSW. The yield forecast for beans and lentils in SA and Victoria has declined and the field pea area in WA has fallen due mainly to very dry conditions in the Esperance region. In contrast, the lupin production forecast has risen with the northern region of WA experiencing good conditions forcing a rise in yield potential. The forecast production targets provided are conservative estimates at this stage, and could change dramatically in response to spring conditions.

Seasonal comment

Seasonal forecasts from the National Climate Centre continue to point to above average rainfall for the northern region of NSW and into Queensland, and remain pessimistic for the southern states with only a 35-40% chance of achieving average rainfall to September 30.

South Australia, Victoria and southern New South Wales

Following an exceptionally dry June (decile 1-3), as well as April to June, wide-spread rain fell across SA, Vic and southern NSW in July. Medium and high rainfall regions in the cropping areas have received between 25 and 50mm, with more coastal areas receiving even higher totals. This has provided renewed confidence in pulse crop prospects. The lower rainfall regions received only 10 to 25mm, but also have a smaller area of pulses sown.

There is still not a great deal of moisture in soil profiles, and the continuation of timely rainfall from August to October is going to be essential to achieve respectable pulse yields.

Conditions have improved in central New South Wales on the back of several rainfall events in June delivering 20-50 mm, and recent falls of 10-25 mm in the west, increasing in the east. Prospects in south eastern areas are looking good following 30-50 mm of rain in several falls during June and further rain during July. Conditions are much poorer in the western areas extending south into the Victorian Mallee with very little rain in June result-

ing in poor emergence, moisture stress and delayed sowing.

The total area planted to pulses in New South Wales is similar to last season's record planting with most of the crop sown by the end of June, with the remaining chickpea and field pea area sown by mid-July. Much of the northern pulse crop was sown deep using moisture seeking techniques.

Queensland and northern New South Wales

The last week of June saw reasonable rainfall across the majority of the Northern grain belt ranging from 15 to 30 mm. All crops that had been deep sown onto moisture prior to this have established well, and benefited greatly from this post seeding rain and have average yield prospects. This represents 40% of the chickpea crop. This rainfall enabled considerable plantings to take place, although some growers switched back to completing their cereal program before returning to plant chickpeas. This has resulted in some crops being sown into surface moisture that has failed to join up with subsoil moisture. This will significantly reduce their yield potential if good soaking rains are not received by the end of July. To date, isolated rainfall events during the second and third weeks of July delivering 10 to 15 mm have helped some crops, but many areas have missed out. Rainfall, or lack thereof, in the next 6 weeks will greatly determine the yield potential of this season's crop.

Western Australia

Crop conditions vary greatly across Western Australia after a mostly dry June. The northern wheatbelt is in good shape where lupins are outstanding and may rival cereals for yield. The mid west region has had a late start but conditions are promising if the remainder of winter is wet. The great southern region is exceptional due to no waterlogging and warmer than average temperatures. The central wheatbelt and lakes region is fair, while the Esperance region, eastern and south eastern wheatbelts are poor with no real prospects of an average season.

**The next crop forecast from Pulse Australia is due on
September 16 2008**

Forecast Pulse area in Australia for 2008 (Hectares)

State	Chickpea		Beans		Field Pea	Lentil	Lupin		Total	% from 2007
	Desi	Kabuli	Faba	Broad	Dun	Red & Green	Narrow leaf	Sweet White		
New South Wales	188,550	8,000	24,700	-	46,000	200	24,300	31,000	322,750	-3%
Victoria	8,000	18,000	24,500	1,500	54,000	48,000	28,000	-	182,000	-17%
Queensland	83,000	2,000	-	-	-	-	-	-	85,000	+29%
South Australia	100	11,000	61,000	15,000	130,000	49,000	70,000	-	336,100	-3%
Western Australia	700	200	1,000	-	52,000	150	270,000	350	324,400	-5%
Total	280,350	39,200	111,200	16,500	282,000	97,350	392,300	31,350	1,250,250	-5%
% from 2007	-1%	+65%	-5%	+3%	-4%	-25%	-7%	+6%	-5%	

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Chickpeas

The forecast area has decreased in NSW and increased in Queensland leading to an overall increase in the total planted area. The crop is still quite big in relative terms, notably in the north of NSW with southern areas also on the increase. Good indicative prices, combined with a later sowing window and ability to handle hot dry spring conditions are maintaining great interest despite another

late start in most southern areas.

Good stored moisture in the northern regions indicates that yield potential is at least average at this stage. The production forecast has declined slightly from last month despite the larger sown area.

Growers have been alerted to the risk of ascochyta blight after recent rain, but in general, pests and diseases have not caused any problems.

Desi Chickpeas

Region State	Western	Southern				Northern			Australia 2008
	WA	SA	VIC	S/NSW	Subtotal	QLD	N/NSW	Subtotal	
Production	1,000	120	9,600	12,000	21,720	94,200	211,280	305,280	328,000
Area (Ha)	700	100	8,000	9,000	17,100	83,000	179,550	262,550	280,350

Kabuli Chickpeas

Region State	Western	Southern				Northern			Australia 2008
	WA	SA	VIC	S/NSW	Subtotal	QLD	N/NSW	Subtotal	
Production	350	13,200	21,600	4,000	38,800	3,200	6,200	9,400	48,550
Area (Ha)	200	11,000	18,000	3,000	32,000	2,000	5,000	7,000	39,200

Field peas In SA, there have been some disease reports following the July rain, but yield impacts should be minor at this stage

- blackspot in field peas (as a result of minimal summer rainfall),
- downy mildew in Kaspia field peas because it is no longer resistant to this disease.

Sowing is now ended in eastern regions of southern and central New South Wales. The sown area has decreased

in western regions due to the dry conditions at sowing time. The total area is comparable to the past three years with approximately 70% of the field pea crop in the south.

In WA, very dry conditions have halved the forecast area in the Esperance region. Elsewhere field peas have average to good yield potential with no disease problems for now. Central and south central regions will need substantial rain in August to maintain their yield potential.

Region State	Western	Southern				Northern			Australia 2008
	WA	SA	VIC	S/NSW	Subtotal	QLD	N/NSW	Subtotal	
Production	62,000	182,000	72,200	50,000	302,200	-	5,000	5,000	369,200
Area (Ha)	52,000	130,000	54,000	42,000	226,000	-	4,000	4,000	282,000

Beans Broad bean prospects remain good with rainfall in the lower south east of SA. Cercospora has arisen in traditional faba bean areas of SA and Victoria, but this can be controlled.

In NSW, final sowing estimates are down with most of this reduction occurring in the south where both dryland and irrigation plantings were reduced due to a dry May at sow-

ing time and a lack of irrigation water. Plantings in the north were also reduced due to a dry April/May, with many growers having to sow deep to get crops sown at the optimum time. Some crops have established with low plant populations but have improved with early June rains. About 90% of the crop is in the north with major districts being Walgett, Moree and Narrabri.

Faba beans

Region State	Western	Southern				Northern			Australia 2008
	WA	SA	VIC	S/NSW	Subtotal	QLD	N/NSW	Subtotal	
Production	1,500	85,400	29,400	7,000	121,800	-	29,340	29,340	152,640
Area (Ha)	1,000	61,000	24,500	4,000	89,500	-	20,700	20,700	111,200

Broad Beans

Region State	Western	Southern				Northern			Australia 2008
	WA	SA	VIC	S/NSW	Subtotal	QLD	N/NSW	Subtotal	
Production	-	37,500	2,700	-	40,200	-	-	-	40,200
Area (Ha)	-	15,000	1,500	-	16,500	-	-	-	16,500

Lupins

Lupin establishment was patchy in the Mallee areas of Victoria because of non-wetting sands and poor rains at germination and later.

Actual sowings in SA are down considerably on intended area due primarily to the dry sowing month of May. Seed shortages of newer varieties may have curtailed plantings in northern Victoria and southern NSW.

In WA, lupin area in Esperance has declined but the production forecast has increased due to excellent conditions in the Geraldton region, showing again how well lupins are adapted to the sandy soils in the area.

Albus varieties comprise 60% of NSW plantings. The future albus area is likely to increase with the release of two new higher yielding varieties and strong premiums for human consumption markets. Overall, the forecast is similar to last month.

Narrow-leaf lupins (*Angustifolius*)

Region State	Western	Southern				Northern			Australia 2008
	WA	SA	VIC	S/NSW	Subtotal	QLD	N/NSW	Subtotal	
Production	350,000	84,000	30,800	28,000	142,800	-	300	300	493,100
Area (Ha)	270,000	70,000	28,000	24,000	122,000	-	300	300	392,300

Sweet White Lupin (*Albus*)

Region State	Western	Southern				Northern			Australia 2008
	WA	SA	VIC	S/NSW	Subtotal	QLD	N/NSW	Subtotal	
Production	500	-	-	23,000	23,000	-	13,500	13,500	37,000
Area (Ha)	350	-	-	19,000	19,000	-	12,000	12,000	31,350

Lentils

There has been a significant reduction in lentil areas in SA and Victoria due to the prolonged dry spell in June. Growers have swapped some intended lentil areas to barley.

The planted area forecast is now 8,000 ha smaller than last month. Lentil area sown is however now more concentrated in the more reliable lentil growing areas, where the sowing time was relatively early.

A wet August and a good spring is required to give lentils good height to maximise harvesting efficiency.

Red & green lentils

Region State	Western	Southern				Northern			Australia 2008
	WA	SA	VIC	S/NSW	Subtotal	QLD	N/NSW	Subtotal	
Production	200	68,600	62,400	250	131,250	-	-	-	131,450
Area (Ha)	150	49,000	48,000	200	97,200	-	-	-	97,350

Where will pulse plantings go in 2009?

Alan Meldrum, Pulse Australia– WA

Is it too early to talk up the prospects for pulses in 2009? Several factors can be used to surmise that pulse plantings in 2009 will rise from the current level, provided the 2008 season is at least average. How much is difficult to forecast just yet, however grower talk is all about fertiliser costs and the financial risks in growing cereals next year.

Fertiliser: We all know that fertiliser costs have gone skyward. The record oil price, speculator activity and declining nearby phosphate stocks are combining to drive record prices. Grower budgets for normal production for 2009 are scary with at least double the normal cost of fertiliser. Urea prices are causing growers to again value the rotational value of pulses. At current urea prices, the residual nitrogen value from pulses is between \$60 and \$80 per hectare.

Pulse markets: All pulses are currently being traded at strong values, and market indications point to these strong values being maintained in the medium term. Gross margins on all pulses show robust profitability; quite an improvement on the values of 2005 when some farm consultants questioned their value to the farm bottom line. You can get current indicative prices for Australian pulses by visiting the Pulse Australia website, www.pulseaus.com.au, for a comprehensive list of Australian marketers and their contact details.

Drought recovery: Rotations are the first casualty of consecutive droughts. The sowing window for any seeding operation is limited, cashflow is low and the need for conservative farming means pulses are dropped from the rotation. In 2009, many growers will be faced with paddocks that have been over-cropped with cereals for 4 or maybe 5 seasons. Reducing the impact of disease, utilising different herbicides available in pulses and reducing the need for nitrogenous fertiliser will be important planning considerations.

Australia June 2008 rainfall

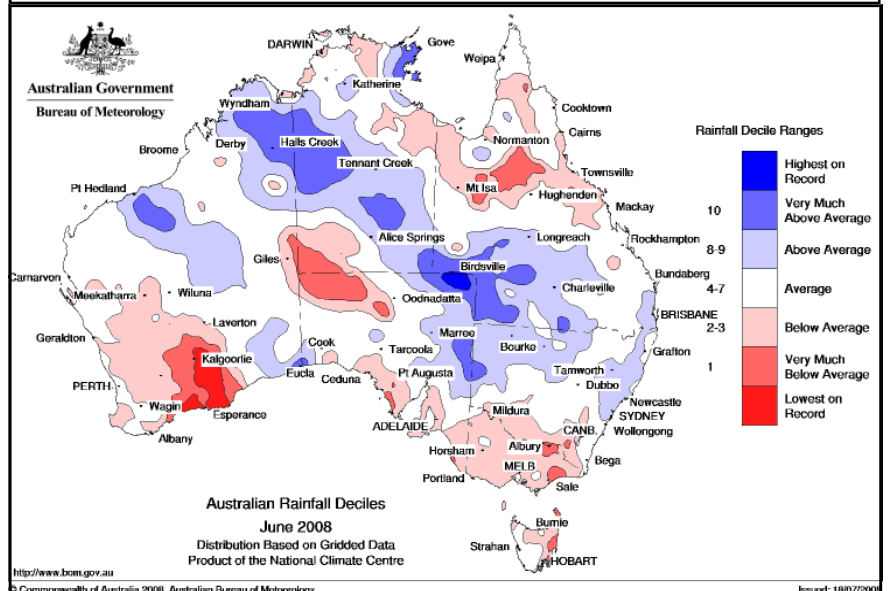
June was dry for most of Australia with late rain in WA, SA, NSW and Victoria relieving crops. Most southern areas had below average rainfall totals with NSW generally receiving average totals.

Most rain occurred at the end of June, which was generally more useful than a similar total from smaller falls throughout the month. Distribution is usually more important than totals to crop growth and stored moisture levels.

Temperatures were generally above average.

Areas of continuing concern include the south east of WA, the eastern wheatbelt of WA, the Upper Eyre Peninsula of SA, western NSW and most of Victoria.

June 2008 rainfall deciles (courtesy Bureau of Meteorology)



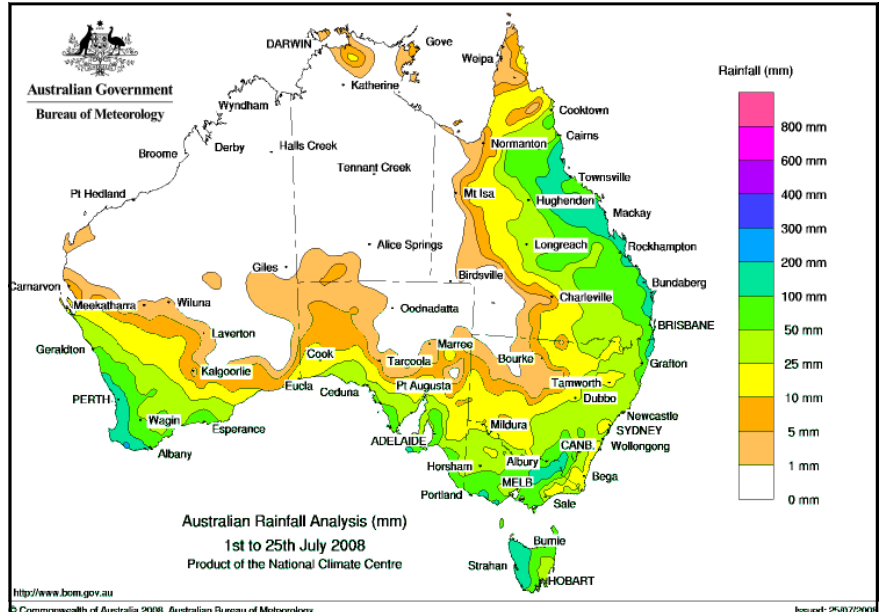
Australia July 2008 rainfall

July rainfall to date has been good across the southern half of Australia and a vast improvement on the May and June totals.

In WA, the east south coastal region, eastern and south eastern wheatbelts received their first decent rain of the year on the 16th July. Southern regions have received adequate rain to maintain crop growth.

North east Australia has been seasonally dry with enough rain to allow growers to complete their programs.

July rain across SA, Victoria and into southern NSW has lifted prospects after the dry May and June.



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