



Overview

- 2013/14 Growing season overview
- 2013/14 Wheat Crop by state
- Production and Exports
- Quality expectations
- Barley and Canola update
- Logistics
- Conclusions

2013/14 Australian Growing Conditions



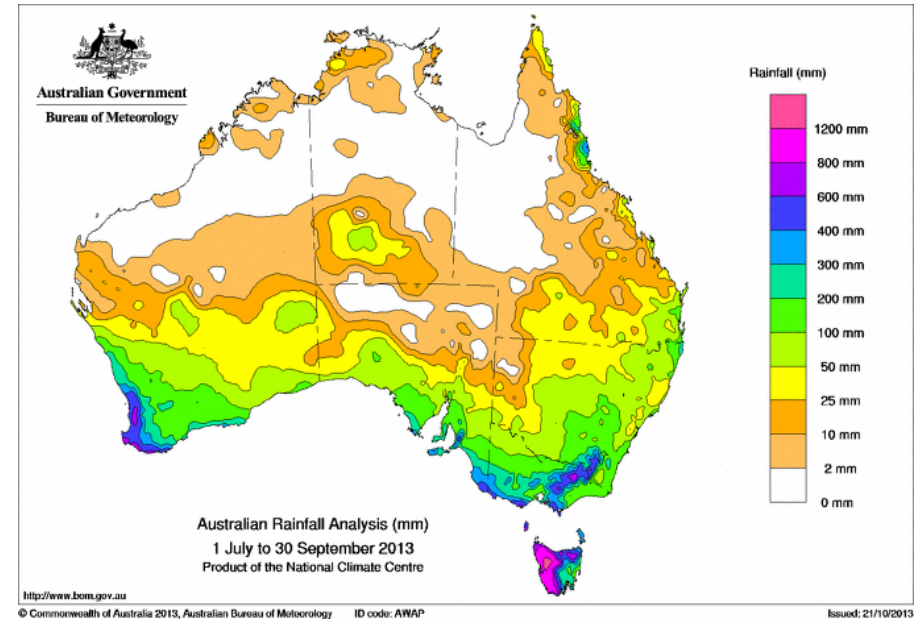
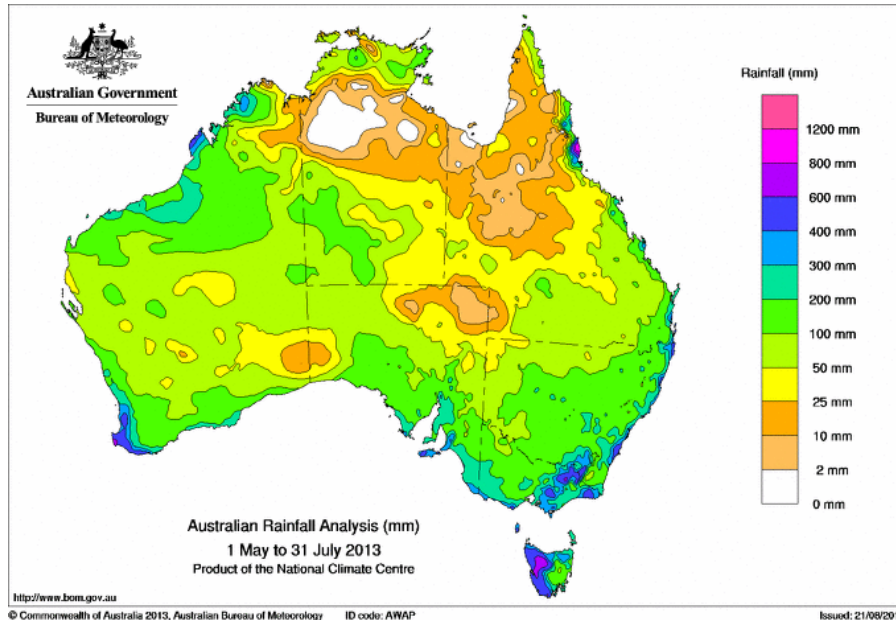
- Wide variations of in crop rainfall between production regions
 - Very low in crop rainfall in Queensland and northern New South Wales
 - Central/Southern New South Wales, Victoria and South Australia have all received excellent in crop rainfall. Hot/dry finish has limited yield potential.
 - Western Australia received slightly above average rainfall across the season.
- Wheat harvest slightly earlier than last year
 - Northern New South Wales and Queensland quality has returned to higher proteins due to hot, dry finish and lower average yield.
 - Central/Southern New South Wales, Victoria, South and Western Australia all expecting mid to low proteins due to higher average yields.
- Quality of the 13/14 crop not yet confirmed
 - Queensland Harvest 90% complete with yields down due to poor rainfall but protein high (>13% - APH grades)
 - New South Wales and Victoria harvests 20-30% complete but expecting to see majority of receivals in APW-AH11.5% protein range
 - South Australian harvest 10-20% complete. Record yields expected, majority of receivals expected to be in the APW-AH11.5% range
 - Western Australian harvest 10-20% complete with average yields expected and a return to historical protein averages of ASW-APW qualities.

2013/14 Growing Season Rainfall



1 May – 31 Jul 2013

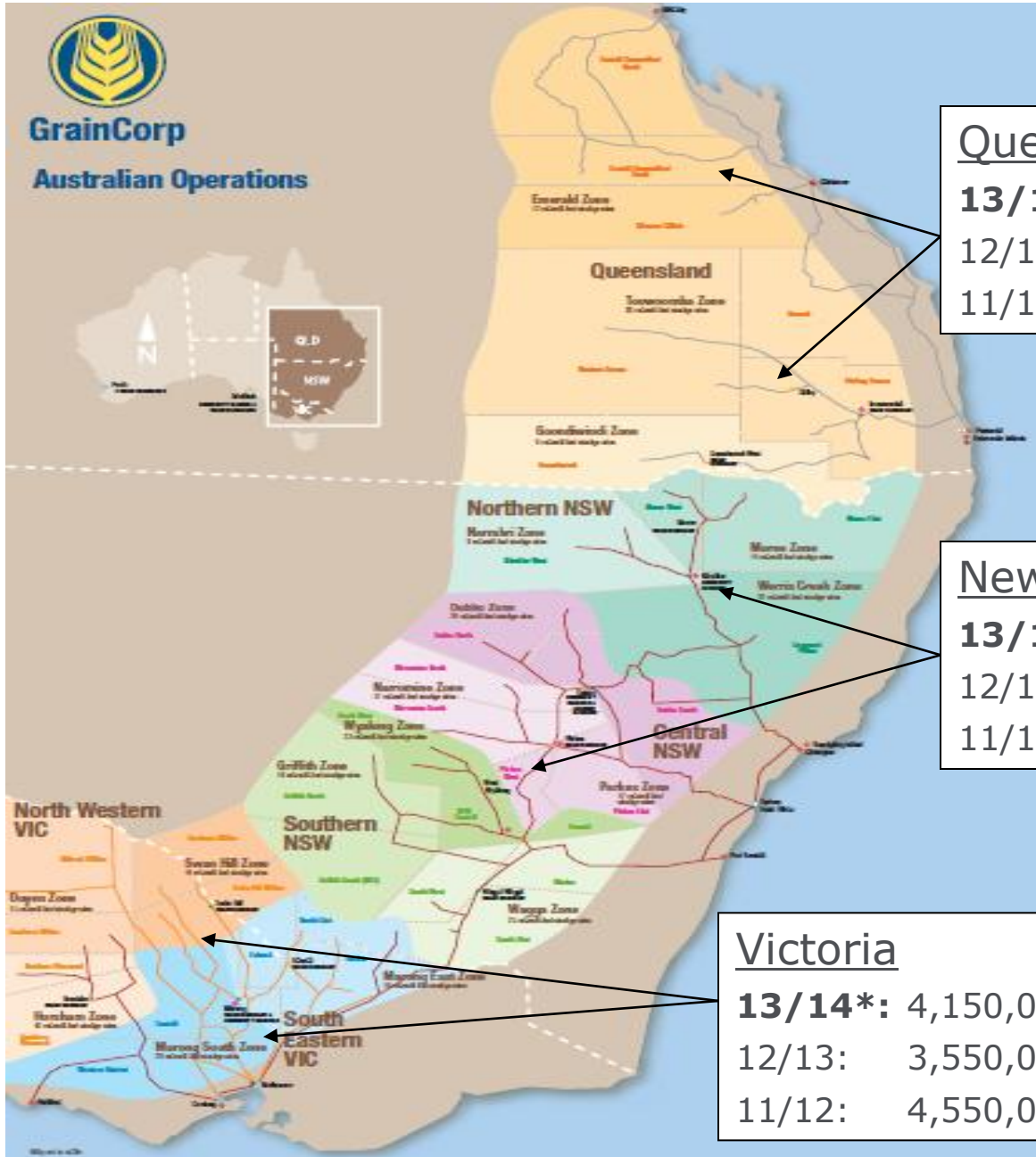
1 Jul – 30 Sept 2013



East Coast Australia Wheat Crop



GrainCorp
Australian Operations

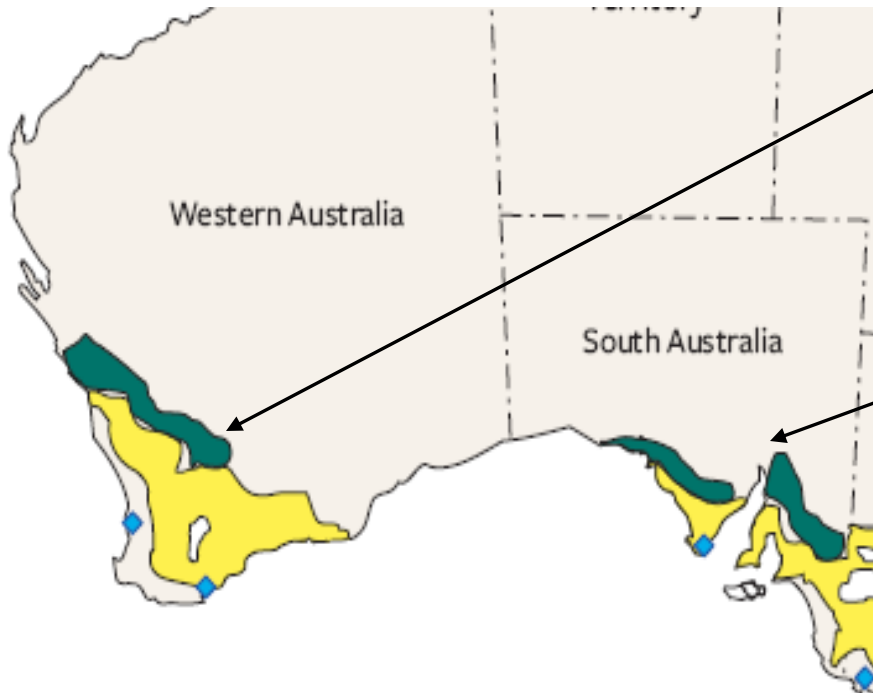


Queensland
13/14*: 1,000,000 mt
12/13: 1,500,000 mt
11/12: 1,911,000 mt

New South Wales
13/14*: 6,750,000 mt
12/13: 6,600,000 mt
11/12: 8,000,000 mt

Victoria
13/14*: 4,150,000 mt
12/13: 3,550,000 mt
11/12: 4,550,000 mt

Western & South Australia



Western Australia

13/14*: 8,950,000

12/13: 5,950,000

11/12: 10,800,000

Southern Australia

13/14*: 5,150,000

12/13: 3,750,000

11/12: 4,650,000

Total Australian Crop
2013/14 Est. 26,000,000mt

ABARE: 24,500,000mt

ACF: 24,700,000mt

USDA: 25,500,000mt

Australian Wheat Production and Exports (Containers and Bulk)



2003/04

- Exports 18.03mmt.
- Record high under single desk.

2011/12

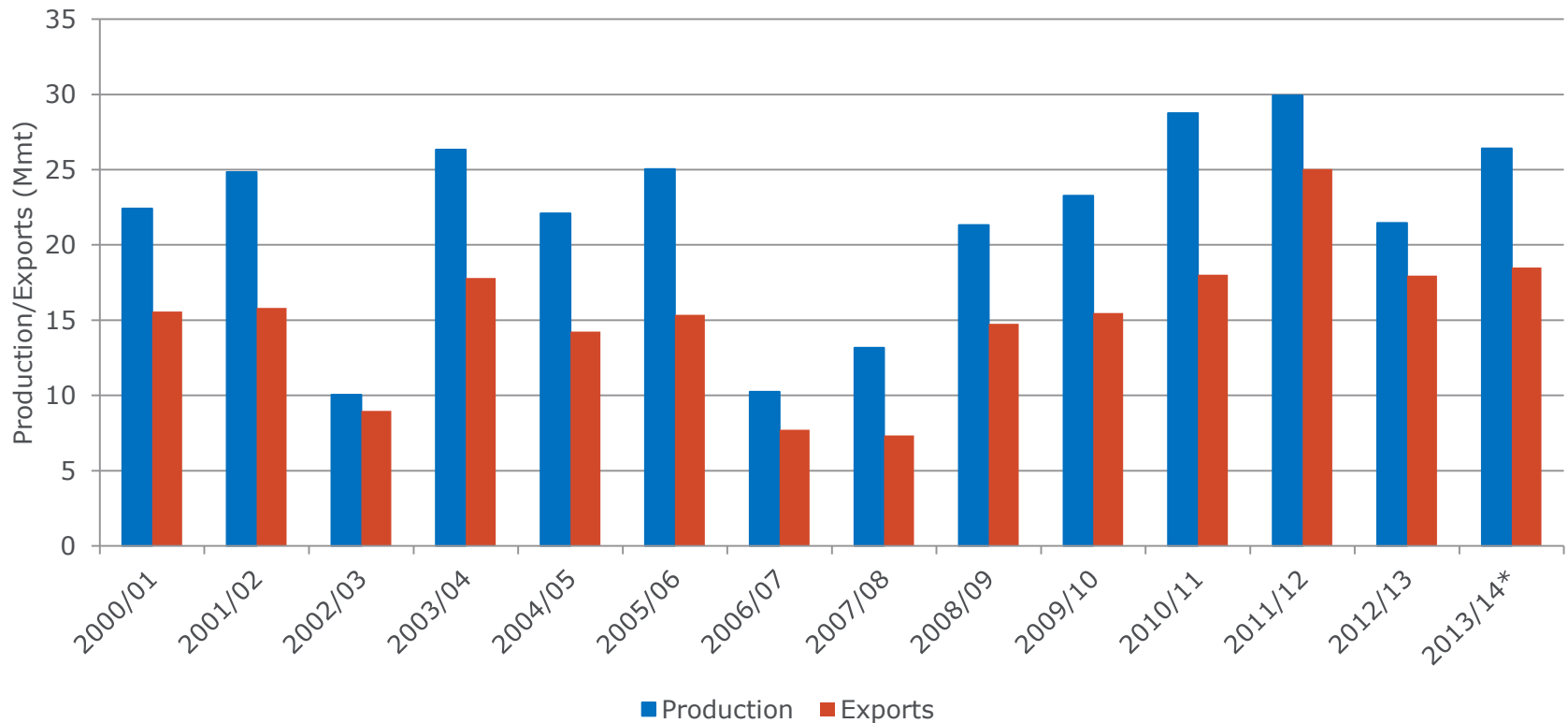
- Production 29.5Mmt.
- Large Carry-in.
- Record large exports 24.7Mmt.

2012/13

- Production 21.5Mmt.
- Less carry-in.
- Lower exports 17.9Mmt.

2013/14*

- Production 26Mmt.
- Pipeline carry-in 3.7M (USDA).
- Larger exports 18-19Mmt.



* Estimate

Source: USDA and GrainCorp

Australian Barley and Canola 13/14



Barley

- Australian barley production up 1.5-2mmt to 8.5-9mmt.
- Slight increase in exportable surplus however barley will compete for limited logistical capacity against other commodities with more attractive export economics in the first half of the year.
- Strong Chinese malt and domestic feed demand maintaining value of Australian barley.
- Quality appears to be sound as expected at this early stage of harvest.

Canola

- Production 3.5Mmt Vs 4Mmt last year.
- Quality expected to be good – Vic, WA & SA oil contents should be >44% with New South Wales around or just below 44%
- Expecting 13/14 exports of 2.5Mmt vs 3.3Mmt in 12/13
- Opening of China as a destination for Australian canola significantly changed Australian export profile
- 13/14 exports to EU not as large as 12/13 – once EU demand covered Australian will need to compete against Canadian into China, Sub-Continent and the Middle East
- Canadian oil content currently demanding a premium over Australian.

Eastern Australian Logistics



Challenges

- Strong competition for elevations with barley and canola
- Shipping stem is heavily booked to June / July
- Shipping Program already front loaded due to advanced Chinese and South-East Asian purchasing program – upwards of 3.5Mmt booked (wheat and barley) and first new crop vessels already loading.
- Rail and road transport to port continues to be critical for exporters
- Need for efficient planning
- Buyers should consider supply requirements 60-90 days out from execution
- Spot demand may be difficult to accommodate with current dynamics.

South Australia & Western Australia



South Australia

- The stem in SA has been allocated for the 2013/14 season with only a small amount of residual volume available
- A large portion of the stem was allocated via First in First Served as not all the capacity was taken in the two auctions
- Large number of exporters on the stem

Western Australia

- A large portion of the stem in WA has been allocated through the Auction system after the first two auctions
- Less demand compared to the previous year to early and mid season production issues
- Premiums paid for the stem were significantly less than the previous year

Regulatory Environment



- GrainCorp Port Protocol improvements:
 - Currently 3.816MMt confirmed under Long Term Agreements to 7 exporters
 - GrainCorp Marketing has booked 1.92MMt of the above capacity
 - Provides enhanced security of supply for international customers
 - Encourages additional exporter investment in rail infrastructure
- Wheat Export Deregulation:
 - Industry to move away from 'Access Undertaking' with ACCC to a 'Code of Conduct'
 - Expected to allow enhanced flexibility of export arrangements from Oct 2014
- ADM / GrainCorp Takeover Update:
 - Australian FIRB decision to be made by 17 December 2013
 - Still awaiting MOFCOM approval
 - Remain absolutely focussed on our customers and business

Conclusion



- 2013/14 in-line with historical overall average production
- Crop profile weighted more towards lower protein wheats
- Limited high protein available on East Coast
- Competition for elevations will be high
- Forward purchasing required in order to secure stem space

Thank you

