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AUSTRALIAN OUTLOOK

Annual IAOM Middle East & Africa District Conference
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Overview

- 2012/13 Growing Conditions
- 2012/13 Wheat Crop by state
- Australian Production and Exports
- Quality expectations
- Logistical Considerations
- Regulatory Update
- Summary

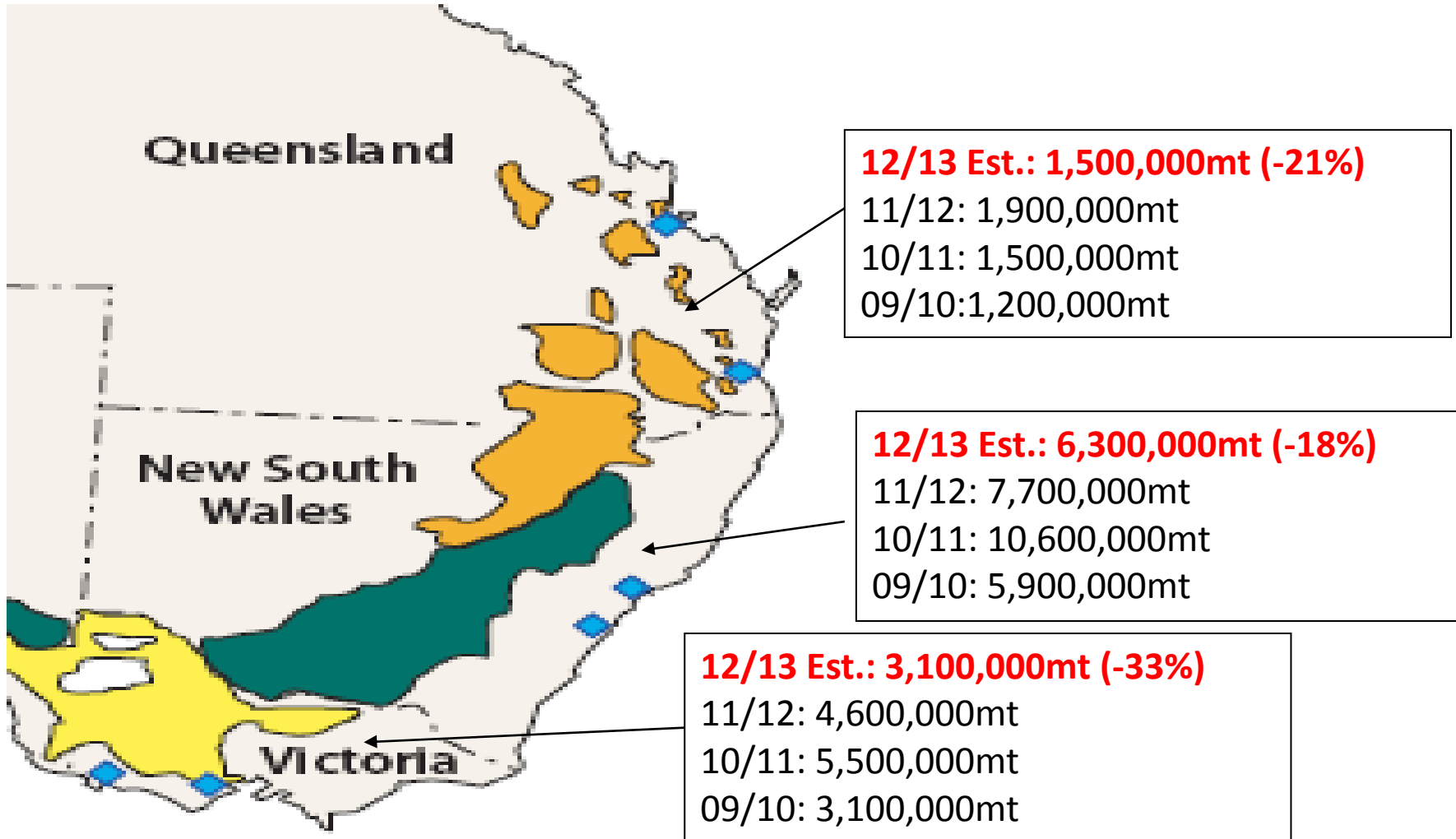


2012/13 Australian Growing Conditions

- In crop rainfall has varied between production regions
 - Good in crop rainfall in Queensland and northern New South Wales
 - Central NSW, Victoria and South Australia all received mostly average rainfall
 - Western Australia experienced below average rainfall
- Wheat harvest is approximately 70-80% complete
 - Potential for minor weather damage from harvest rainfall in Western Australia
- Quality of the 2012/13 crop is now known
 - Australia's 2012/13 crop is more aligned with historical milling wheat percentages
 - Nitrogen deficiencies and mild growing conditions have reduced the average crop protein profile in eastern states (less APH and AH1)
 - Western Australia experienced hotter and dryer growing conditions so it's protein profile is higher than normal (more AH1 and AH2)
 - ASW and APW grades in eastern states are a higher percentage this season



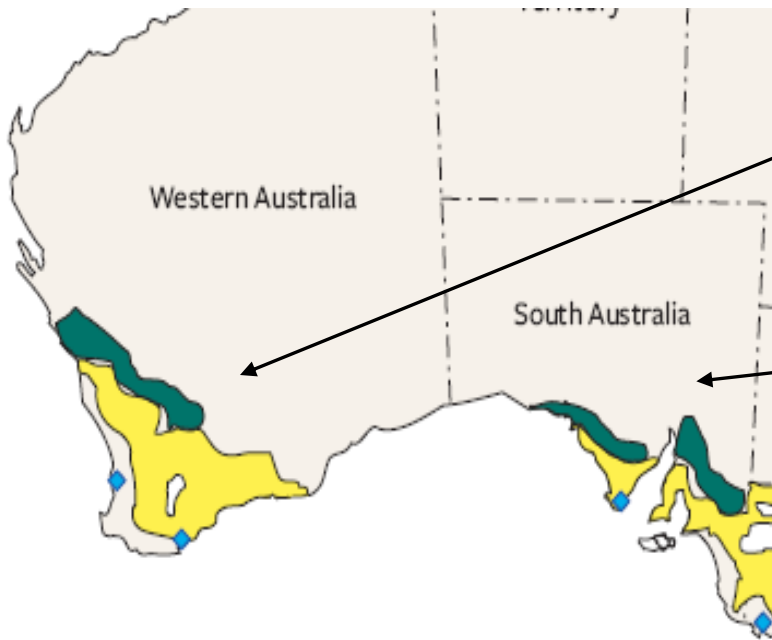
East Coast Australia Wheat Crop





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Western & South Australia



12/13 Est.: 6,000,000mt (-45%)
11/12: 10,800,000mt
10/11: 4,800,000mt
09/10: 8,400,400mt

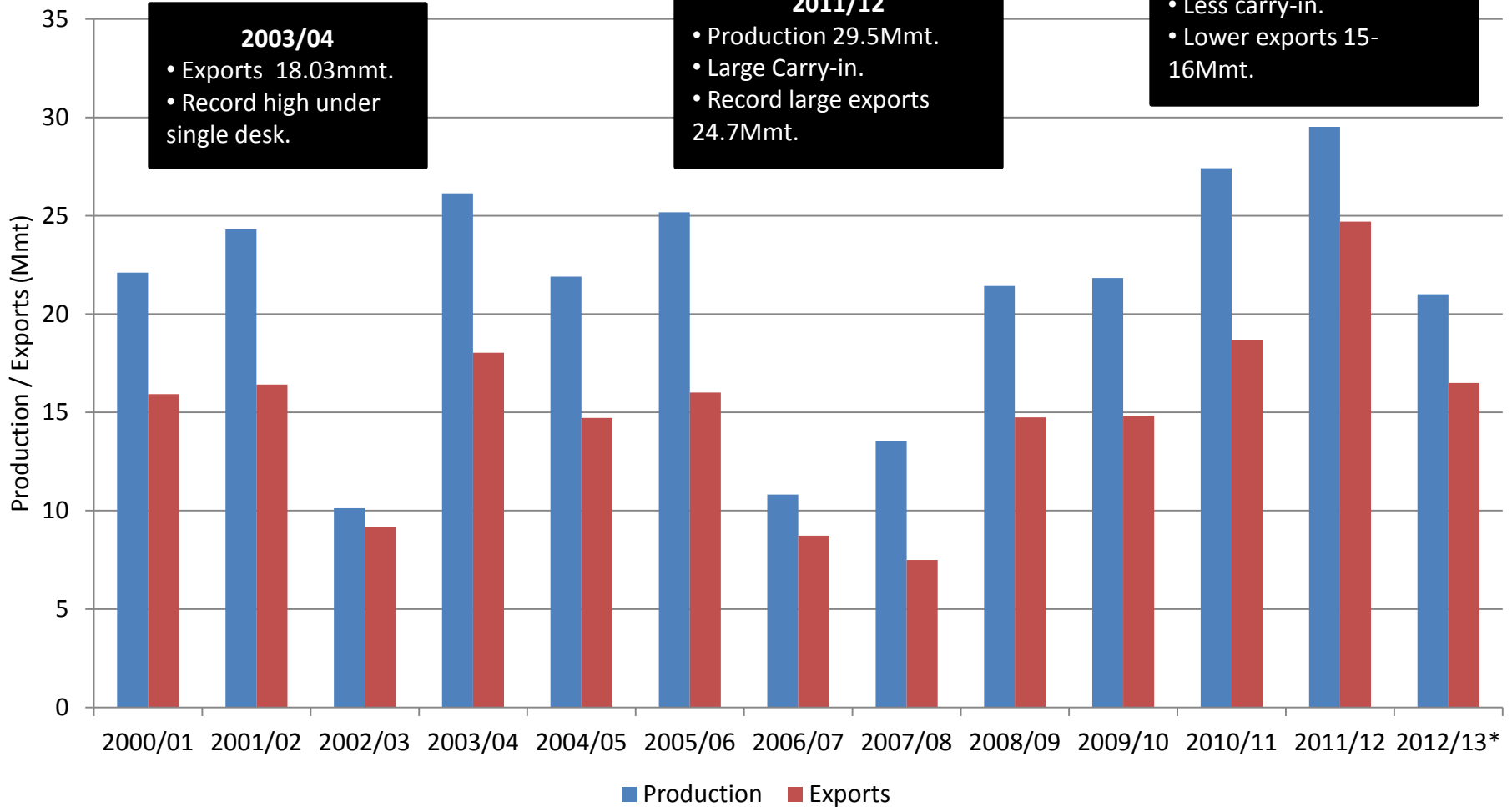
12/13 Est.: 3,400,000mt (-28%)
11/12: 4,700,000mt
10/11: 6,500,000mt
09/10: 4,600,000mt

Total Australian Crop
2012/13 Est. 20,300,000mt
ABARE: 22,500,000mt
ACF: 20,145,685mt
USDA: 21,000,000mt



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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 20.5-21Mmt.
- Less carry-in.
- Lower exports 15-16Mmt.

Source: USDA and GrainCorp



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Australian Protein & Demand Distribution

High Protein Wheat

> 13% (11% moisture basis)

>14.6% (DMB)

2012/13 ECA Season 7% (approx 700,000-800,000mt)

SA 15%; WA 20% (1,500,000mt-1,600,000mt)

Domestic Demand 200,000-250,000mt

Mid Protein Wheat

11.5% to 12.9% (11% moisture basis)

12.9% to 14.5% (DMB)

2012/13 ECA Season 20% (approx 2,000,000-2,250,000mt)

SA 30%; WA 35% (3,000,000mt-3,250,000mt)

Domestic Demand 2,000,000-2,500,000mt

Low Protein Wheat

< 11.5% (11% moisture basis)

<12.9% (DMB)

2012/13 ECA Season 63% (approx 6,500,000-6,900,000mt)

SA 55%; WA 45% (4,500,000mt-4,750,000mt)

Domestic Demand 4,000,000-4,500,000mt



Eastern Australian Logistics

Considerations

- Strong competition for elevations with barley and canola
- Ports are heavily booked to June / July
- We expect the majority of exports to be shipped in the first half of 2013
- Supply is likely to be limited post June/July
- Sufficient rail transport to port continues to be critical for exporters to meet their supply obligations
- Spot demand may be difficult to accommodate therefore there is a need for efficient planning



South Australia & Western Australia

South Australia

- Auction process for port capacity not yet complete.
- Uncertainty remains until capacity commitments become known.
- Outer Harbour of Pt Adelaide out of action due to repairs until late January / early February.
 - Reduces elevation capacity.

Western Australia

- Heavily booked port capacity.
- This competition led to higher auction premiums for port capacity.
- Reduced crop due to dry growing conditions.
- There may be potential for port commitments to be larger than the size of export task.



Recent Changes to Export Protocols

- Wheat Export Deregulation:
 - Passed 29/11/2012
 - Industry to move away from 'Access Undertaking' with ACCC to a 'Code of Conduct'
 - Expected to allow enhanced flexibility of export arrangements from end of 2014
- GrainCorp Port Protocol improvements:
 - ACCC confirmed not to oppose
 - Allows for Long Term Agreements (LTA's) forward-booked 3 years in advance
 - Provides enhanced security of supply for international customers
 - Encourages additional exporter investment in rail infrastructure
 - Provides increased ability to shift capacity if issues arise within the supply chain (eg. Natural disaster).



Summary

- 2012/13 wheat crop will not be as large as 2010/11 and 2011/12, more in-line with historical average
- Crop profile weighted more towards lower protein wheats
- Competition for port capacity in the first half of 2013 will be high
- Supply post June/July should be tight
- Changes to regulations should further help exporters meet customer's needs



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Thank you

