



AUSTRALIAN GRAINS PERSPECTIVE
2007 – 2008
Todd Lees – Marketing Manager

Where is Australia?

AUSTRALIAN WHEAT

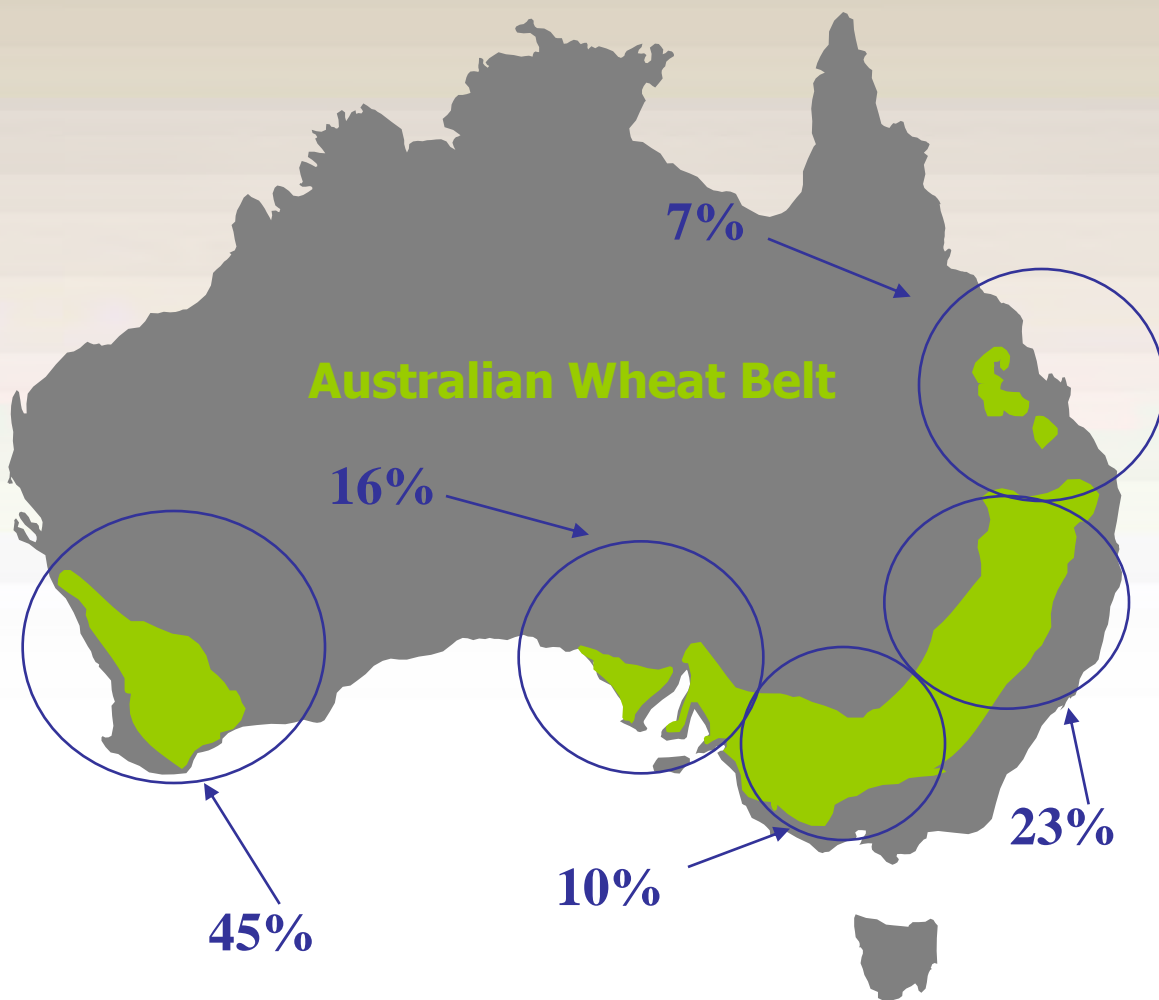
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Australian Grain Production

- Grain grown in all states
- 200 to 400 mm rain pa
- Up to 600km inland
- White 'spring' wheats
- Planting - May/July
(Autumn/Winter)
- Harvesting - Oct/Jan
(Spring/Summer)



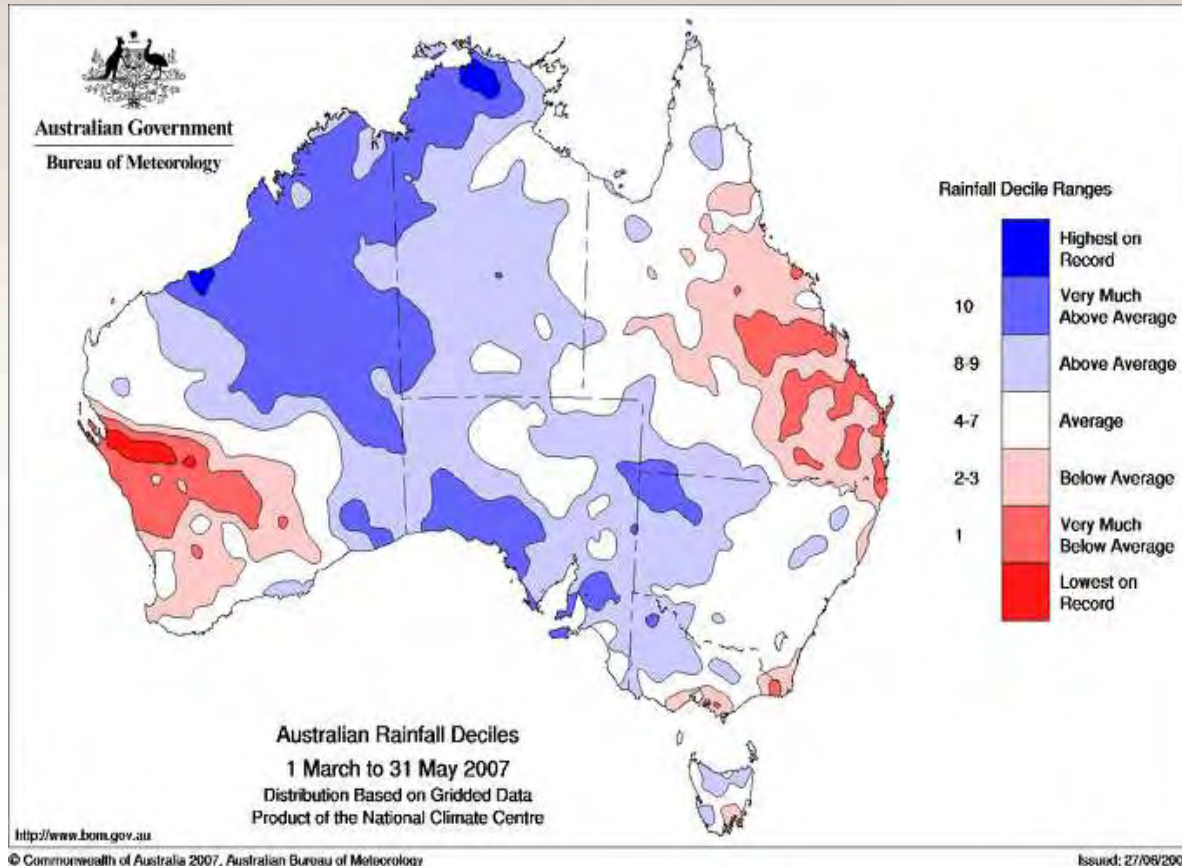
2007 Season Begins



- **May/July – planting completed**
- **Winter crops - near record area**
- **Wheat – 12.0 -13.0m Ha**
- **Barley – 3.5 – 4.0m Ha**
- **Potential for Record Production**

Summary of 2007 Seasonal Conditions

Seasonal Overview: Pre-planting



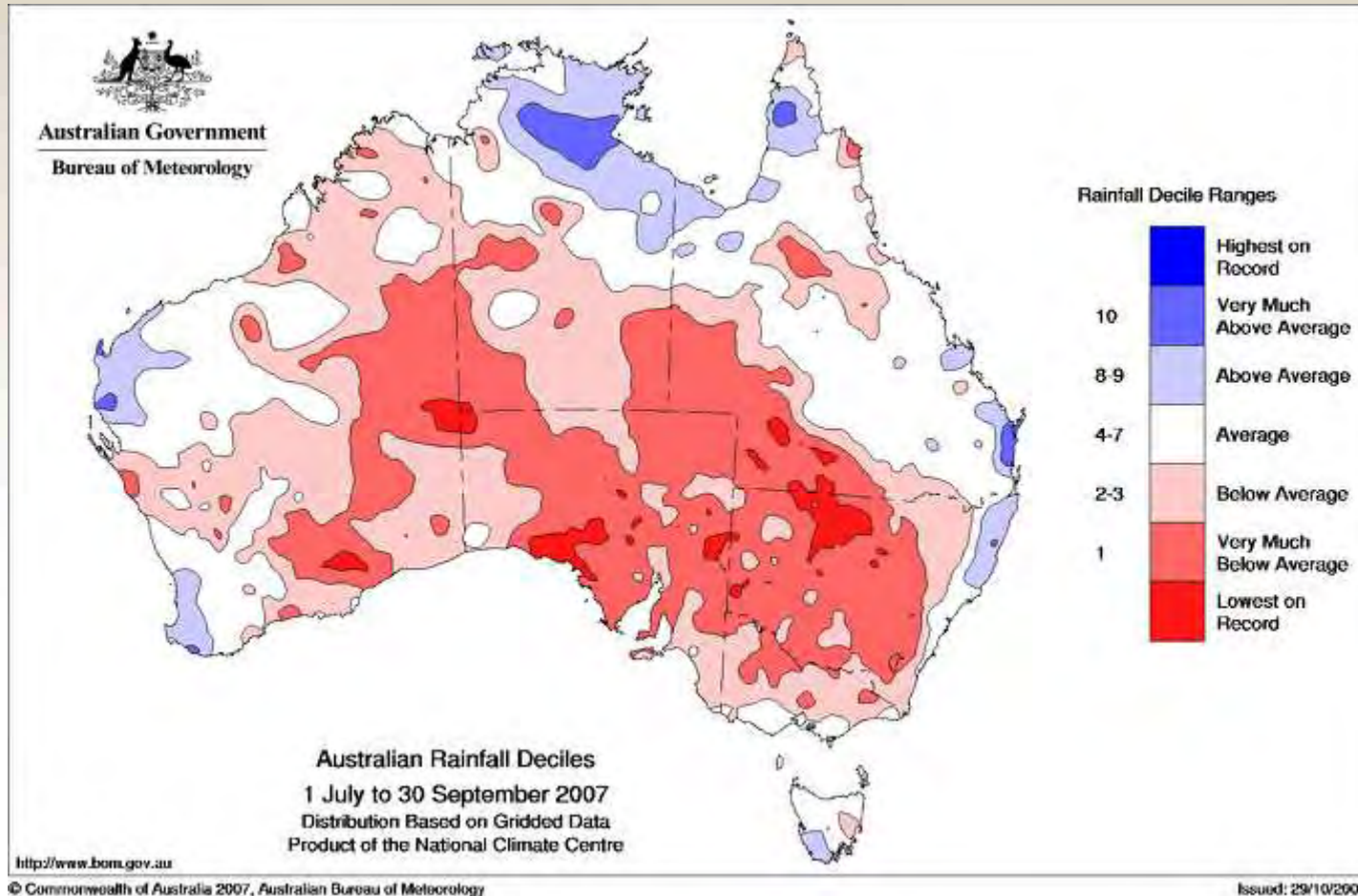
SAVIC Above Average

NSW Neutral

QLD / WA – Below average start

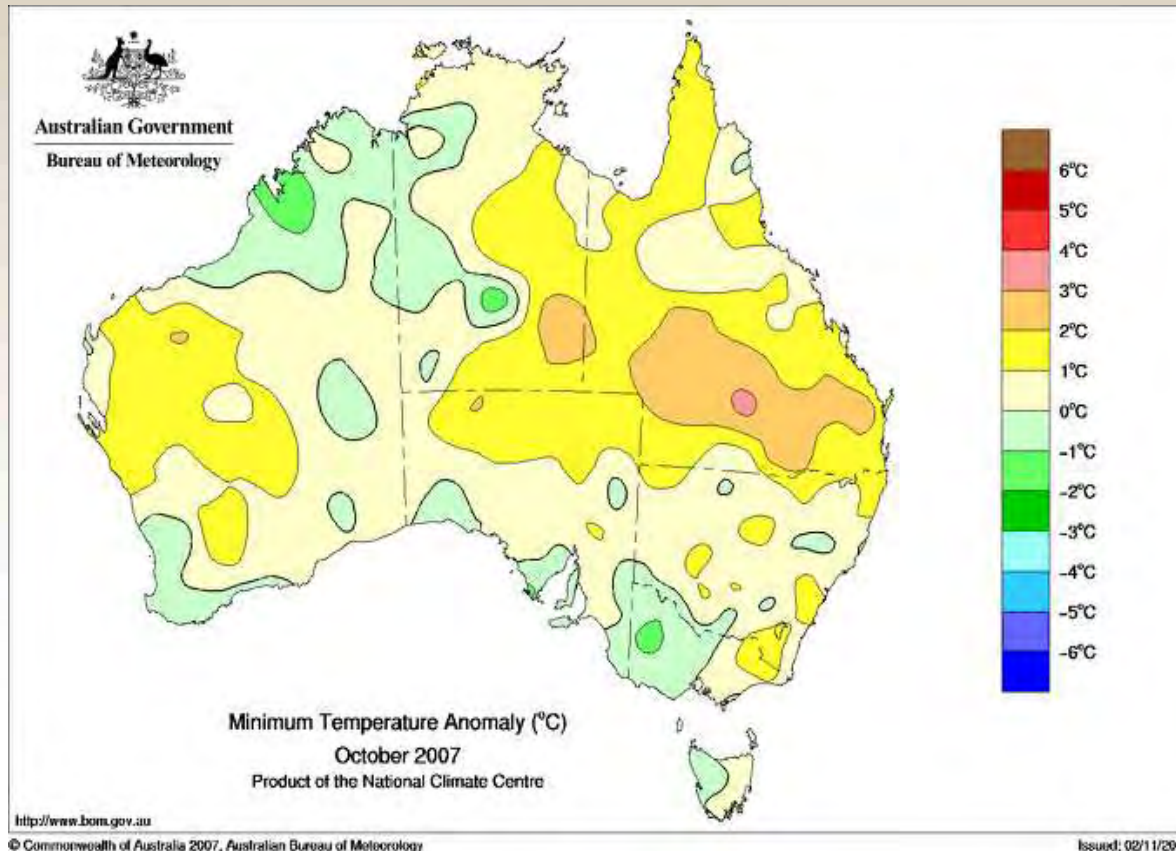
Summary of 2007 Seasonal Conditions

Seasonal Overview: Growing Season



Summary of 2007 Seasonal Conditions

October Overview: **Growing Season**



Temperatures **WERE** critical to final yield outcomes.

Normal too slightly below normal temperatures significantly diminished stress on the plant reducing plant moisture requirements and increasing plant maturation.

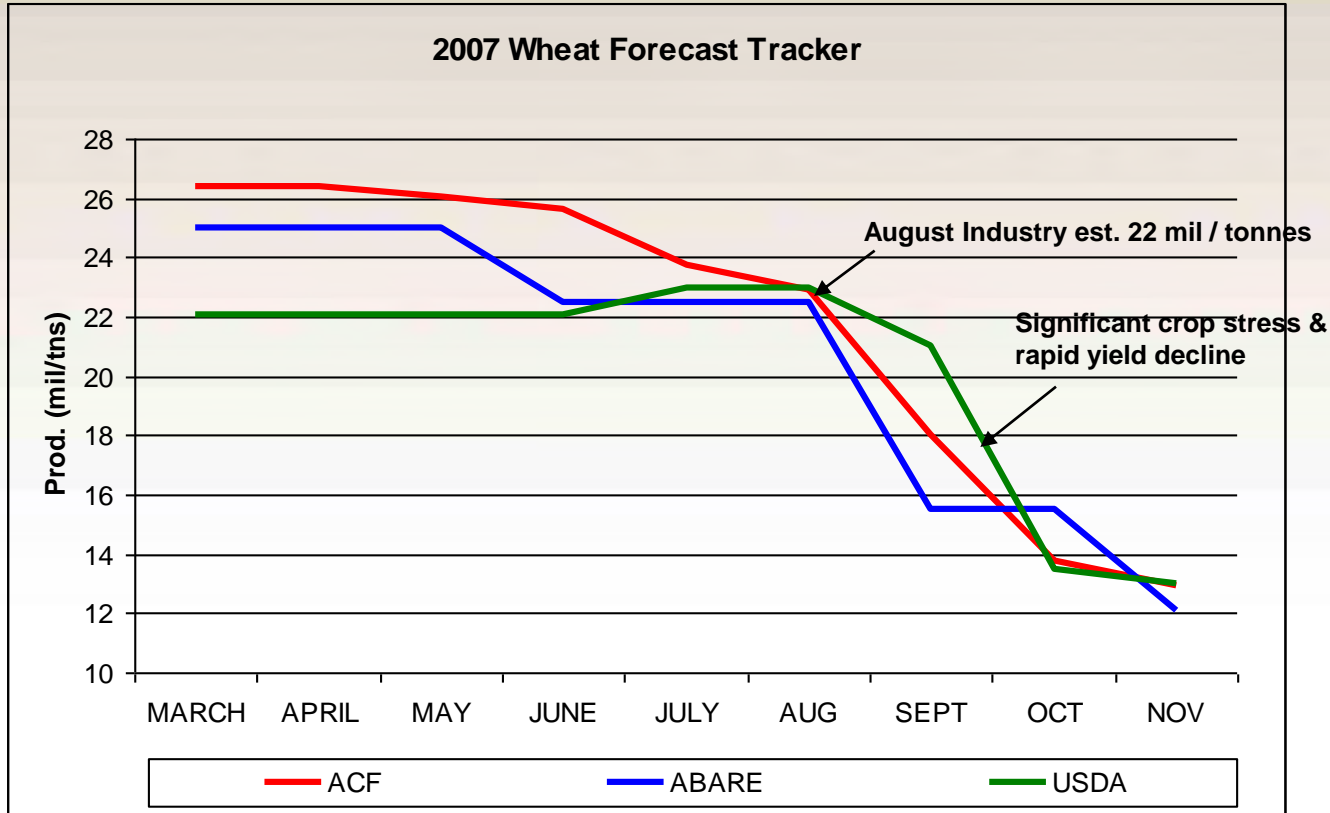
October temperatures have been the key to **slightly better than expected yields** across WA/ SA & VIC.

Seasonal Summary

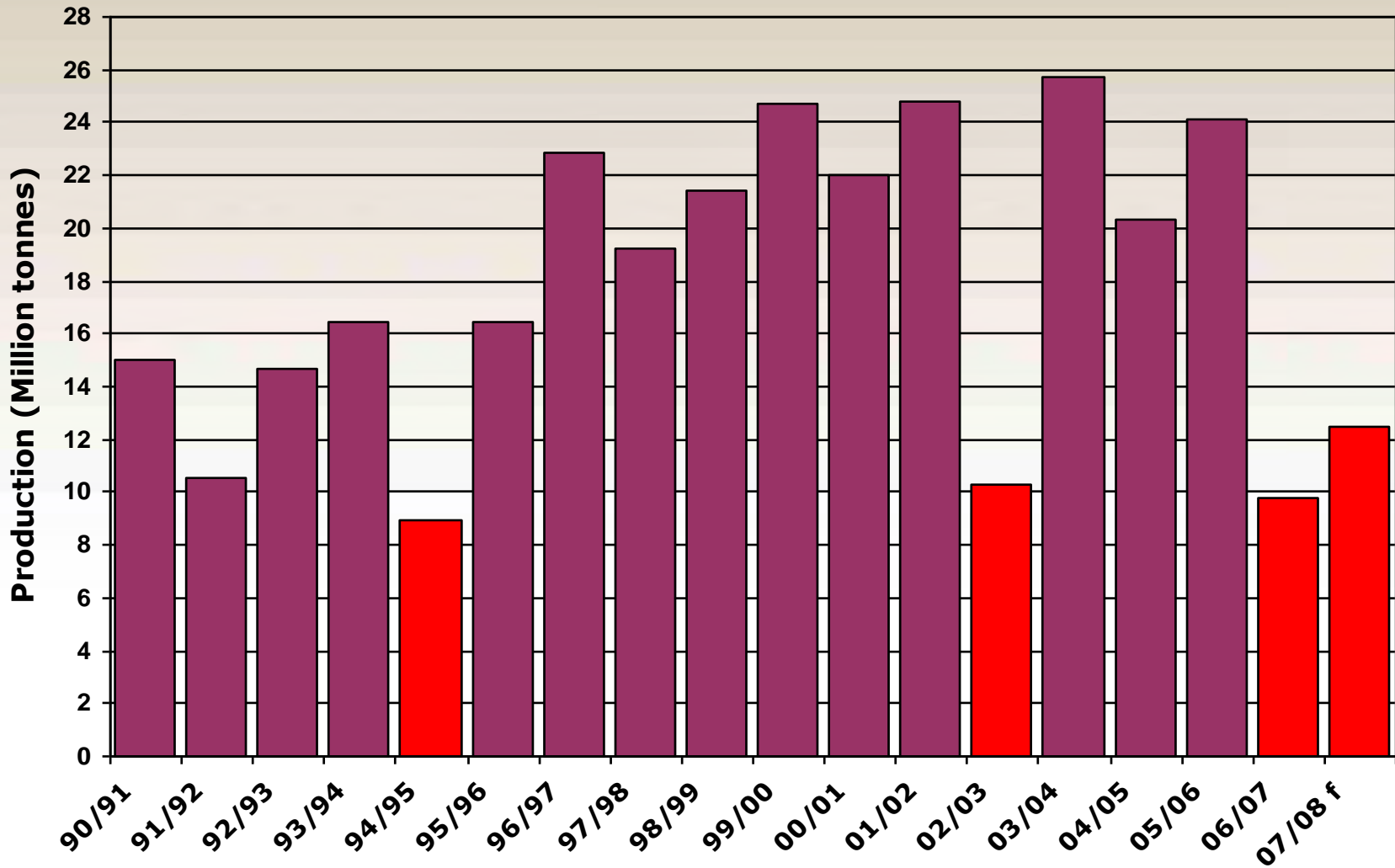


- **Dry conditions during July to early September reduced production to 12.0 – 13.0mmt.**
- **Export volume expected 6.5 – 7.0mmt**

Harvest Expectations



Australian Production – Perspective

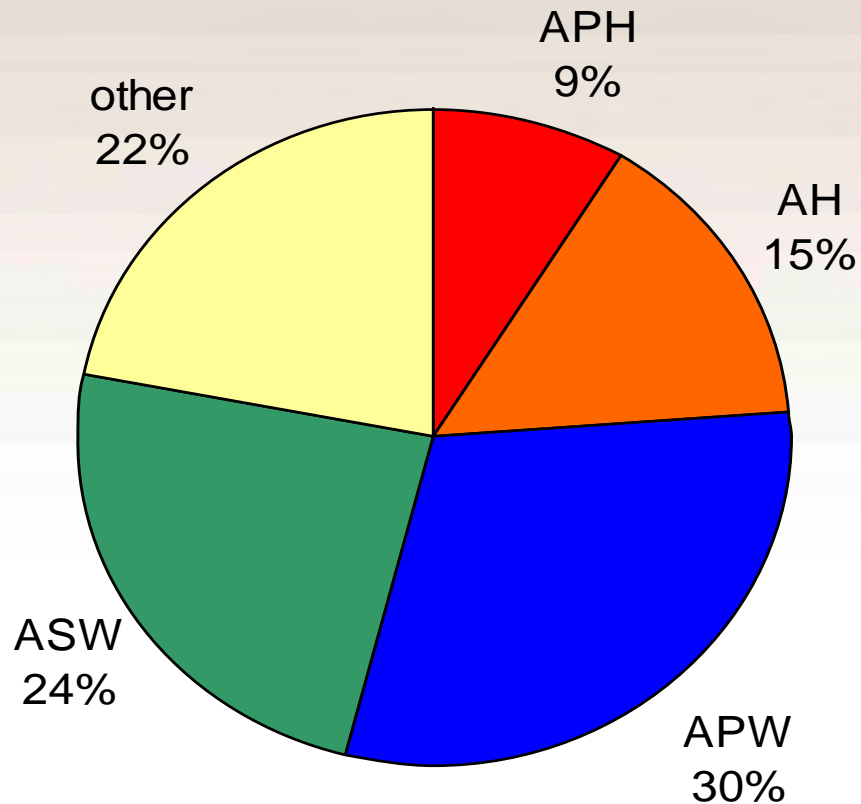


Harvest Progress – To Date

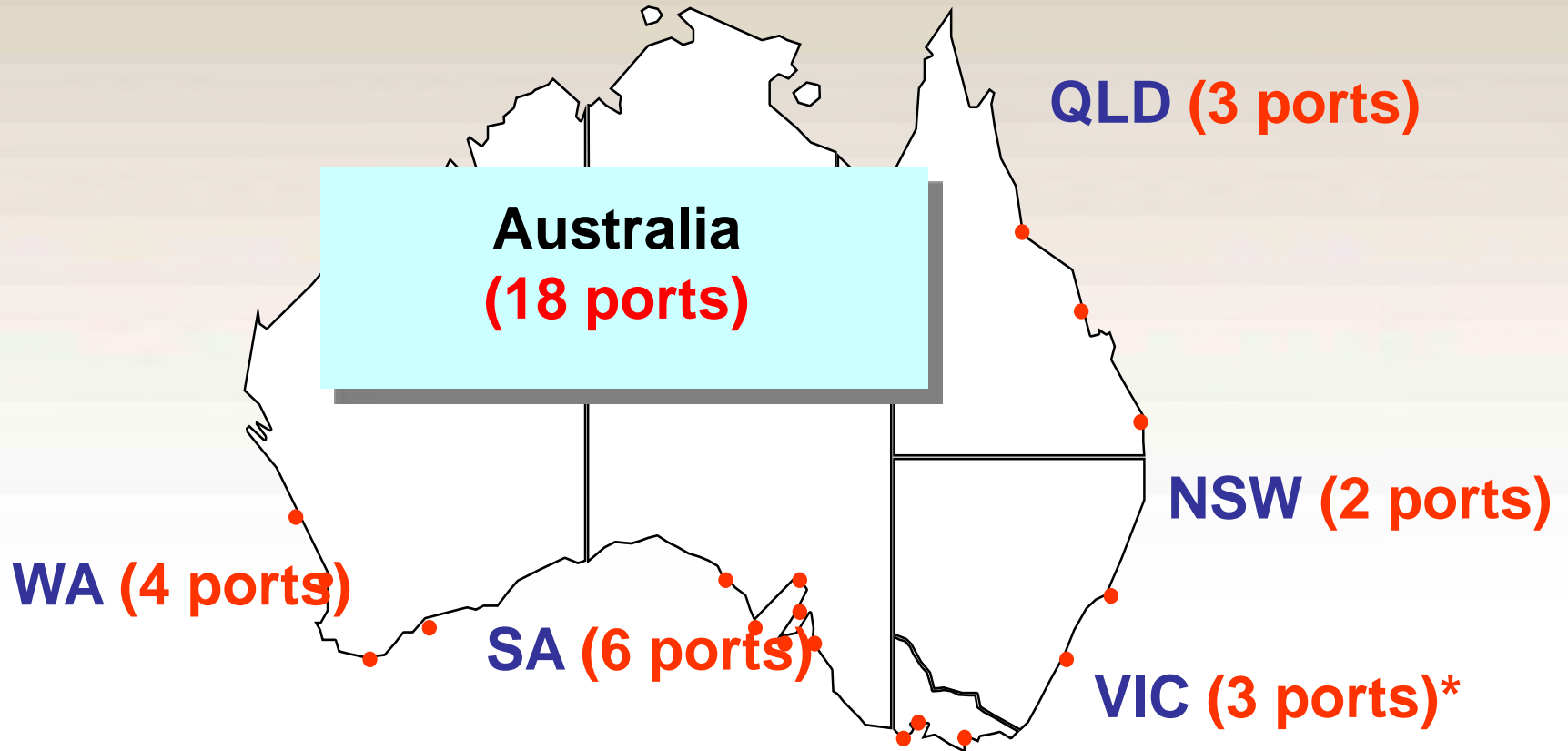
Percentage Hvst	Area Sown	9-Nov	13-Nov	19-Nov	26-Nov	30-Nov	7-Dec
QLD	682,000	64%	72%	90%	97%	97%	99%
NSW	3,623,164	30%	36%	55%	73%	81%	91%
VIC	1,462,000	7%	10%	25%	35%	52%	67%
SA	2,050,000	6%	18%	31%	52%	67%	77%
WA	3,940,000	7%	13%	24%	40%	54%	62%
Area	11,757,164	1,995,558	2,828,708	4,560,016	6,466,481	7,881,390	8,970,356
National % Hvst		17.0%	24.1%	38.8%	55.0%	67.0%	76.3%

Quality Profile

Quality Profile – major grades (5yr ave)



Wheat Export Profile



Australian Wheat Balance Sheet

USDA AUSTRALIAN WHEAT BALANCE SHEET OCT/SEPT - 0809 FCST				
Attribute	2005/2006	2006/2007	2007/2008	2008/2009 est:
Beginning Stocks	6,698	9,728	3,321	1,696
Area Harvested	12,543	11,200	12,200	?
Yield	2.02	0.88	1.07	?
Production	25,367	9,900	13,000	?
MY Imports	75	93	75	?
Total Supply	32,140	19,721	16,396	?
MY Exports	16,012	9,000	9,000	?
Feed Consumption	3,700	4,700	3,000	?
FSI Consumption	2,700	2,700	2,700	?
Total Consumption	6,400	7,400	5,700	?
				?
Ending Stocks	9,728	3,321	1,696	?
Stocks to Use Ratio	43%	20%	12%	?

Marketing Arrangements - 0708



- AWB to manage and market the 0708 NP
- Bulk export permits may be granted by MOA
- Container exports fully deregulated
- These arrangements effective till 30/06/08

Coalition Government

1996-2007

Marketing Arrangements – 0809.....



- New legislation to be introduced allowing multiple accredited exporters
- Companies must comply with strict reporting conditions and meet 'Probity and Performance' test
- To apply from 01/07/08

Labour Government

November 2007 -

Australian Wheat - A New Marketing Environment

- Due to dry growing conditions production between 12.0 – 13.0mmt
- Total exports between 6.5 – 7.0mmt
- Exports predominantly ex WA and SA
- 0708 - bulk wheat marketed by AWB
- 0809 – multiple, accredited sellers (Probity & Performance test applies)

Quality Grain made to order!

