

The GrainCorp Advantage



GrainCorp
100 YEARS OF GROWTH

Integration. Innovation. Partnership.

A leading international agribusiness and agrifoods processor with ownership of unique assets spanning the grain and oilseed supply chain.



Accumulation

Largest regional accumulation network



Storage

Over 20mmt of country storage and handling capacity



Ports

7 bulk grain ports with 15mmt elevation capacity
14 bulk liquid terminals



Marketing

Marketing to local and global markets



Oils

Australia's largest integrated oils business



Malt

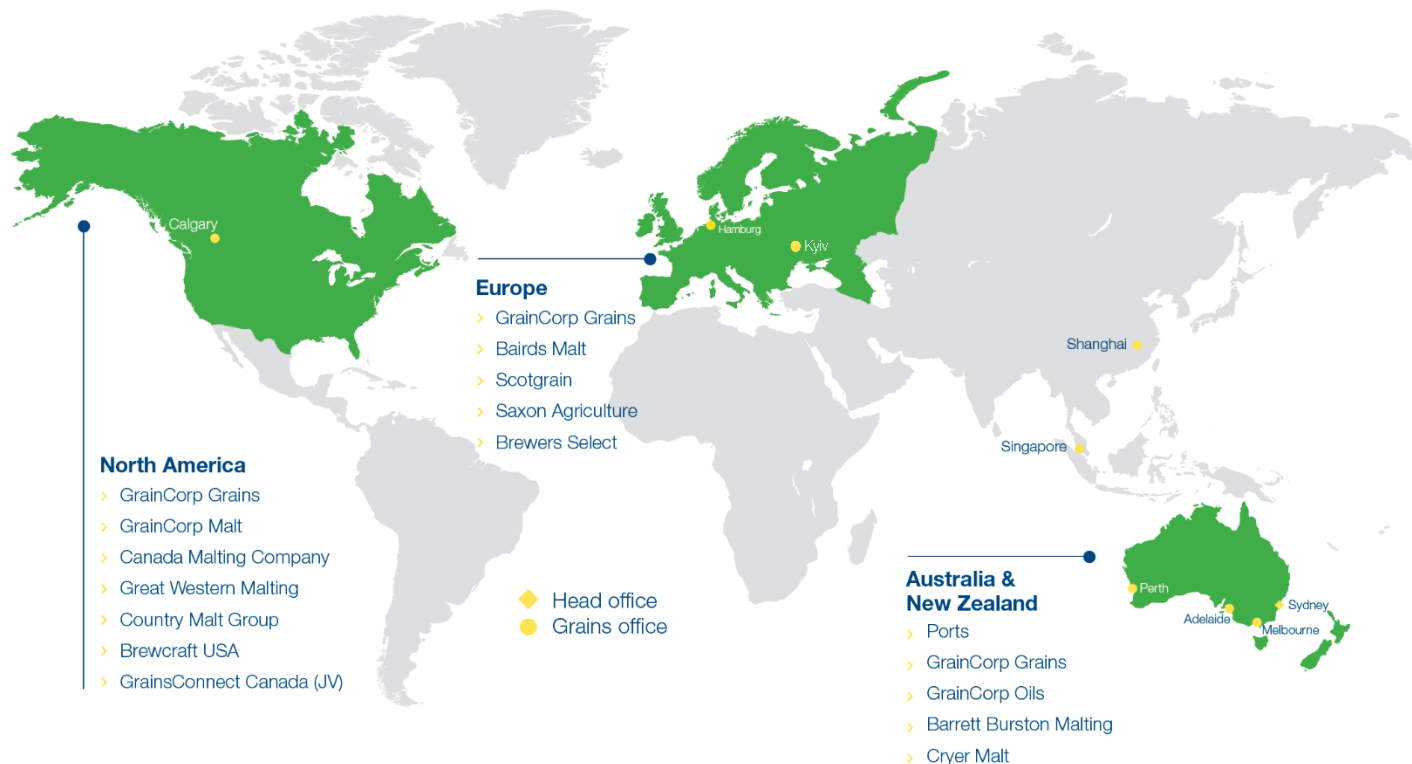
Top 4 global malt producer

**Connecting and creating value
for customers around the globe.**

Our operations at a glance

Australia's largest
listed agribusiness

Our international portfolio of premier grain storage, handling and processing assets are ideally positioned to meet demand from the world's most rapidly growing regions.



The GrainCorp Advantage

- Management and ownership of an end-to-end supply chain
- Competitive marketplace for grain
- Quality assurance
- Connection with local and global markets
- Agrifood processing expertise



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AUSTRALIAN WHEAT MARKET OUTLOOK

29TH ANNUAL

IAOM

MIDEAST & AFRICA
CONFERENCE & EXPO

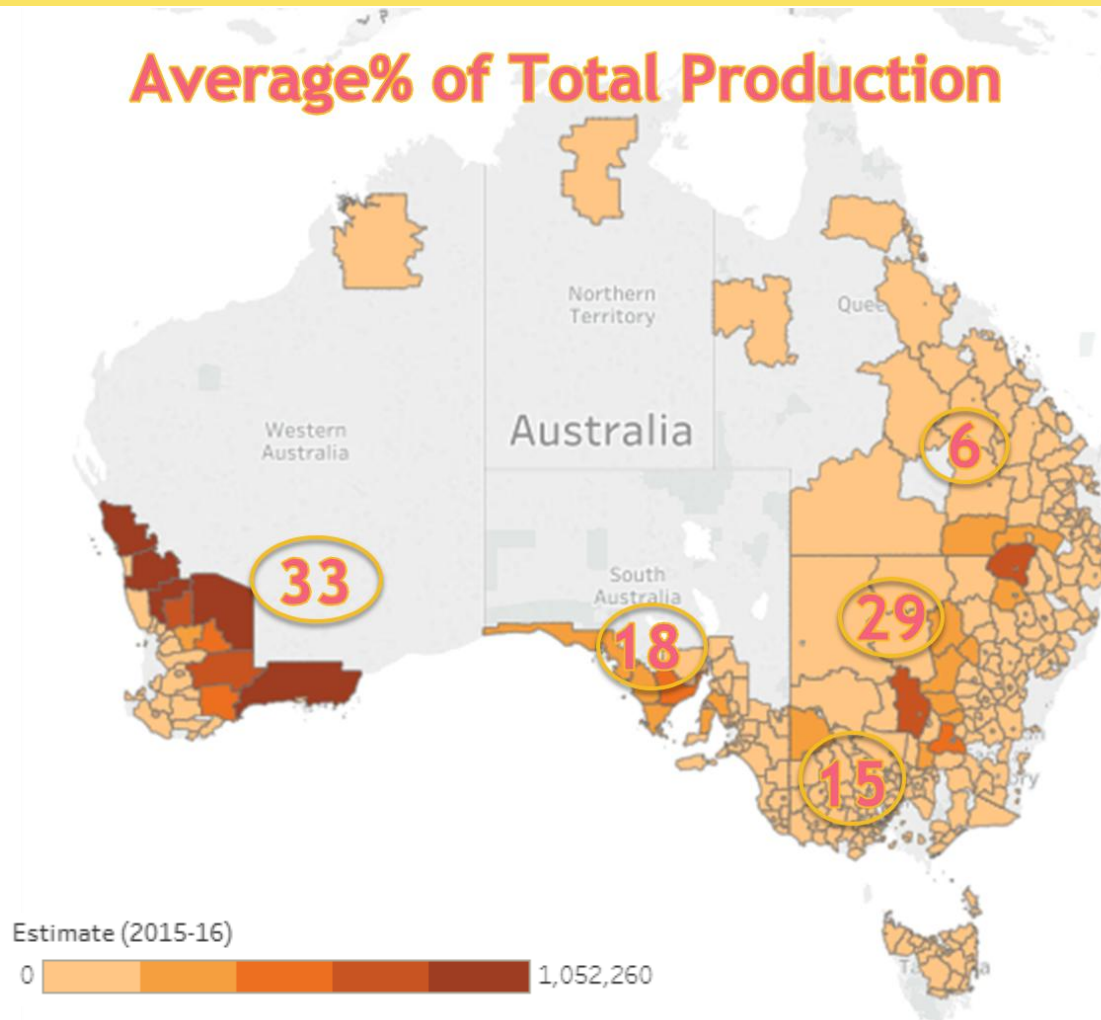
Nairobi - Kenya 2018



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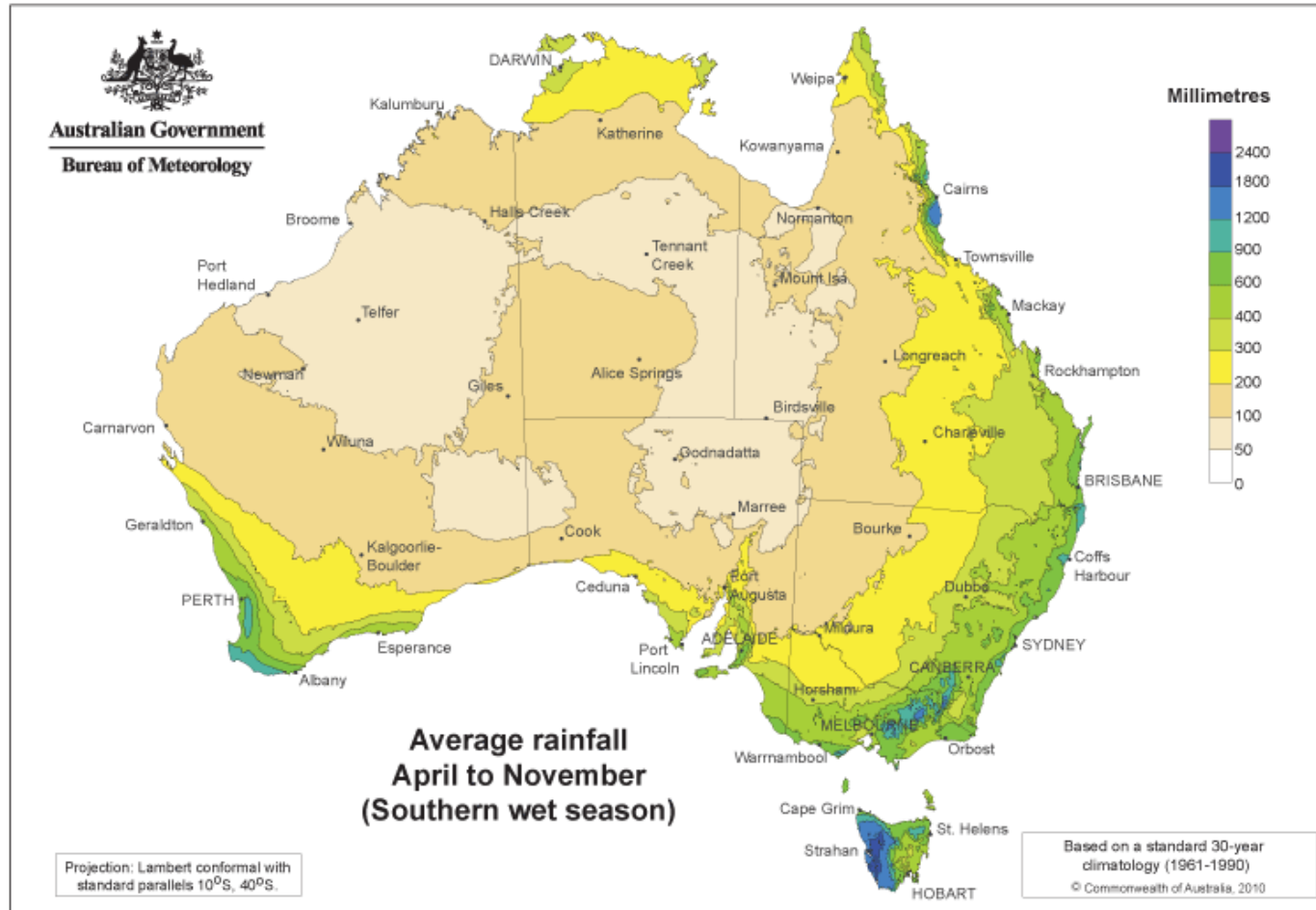
WHERE IS AUSTRALIAN WHEAT GROWN?



10 Year Average Production contribution by State 2008-17

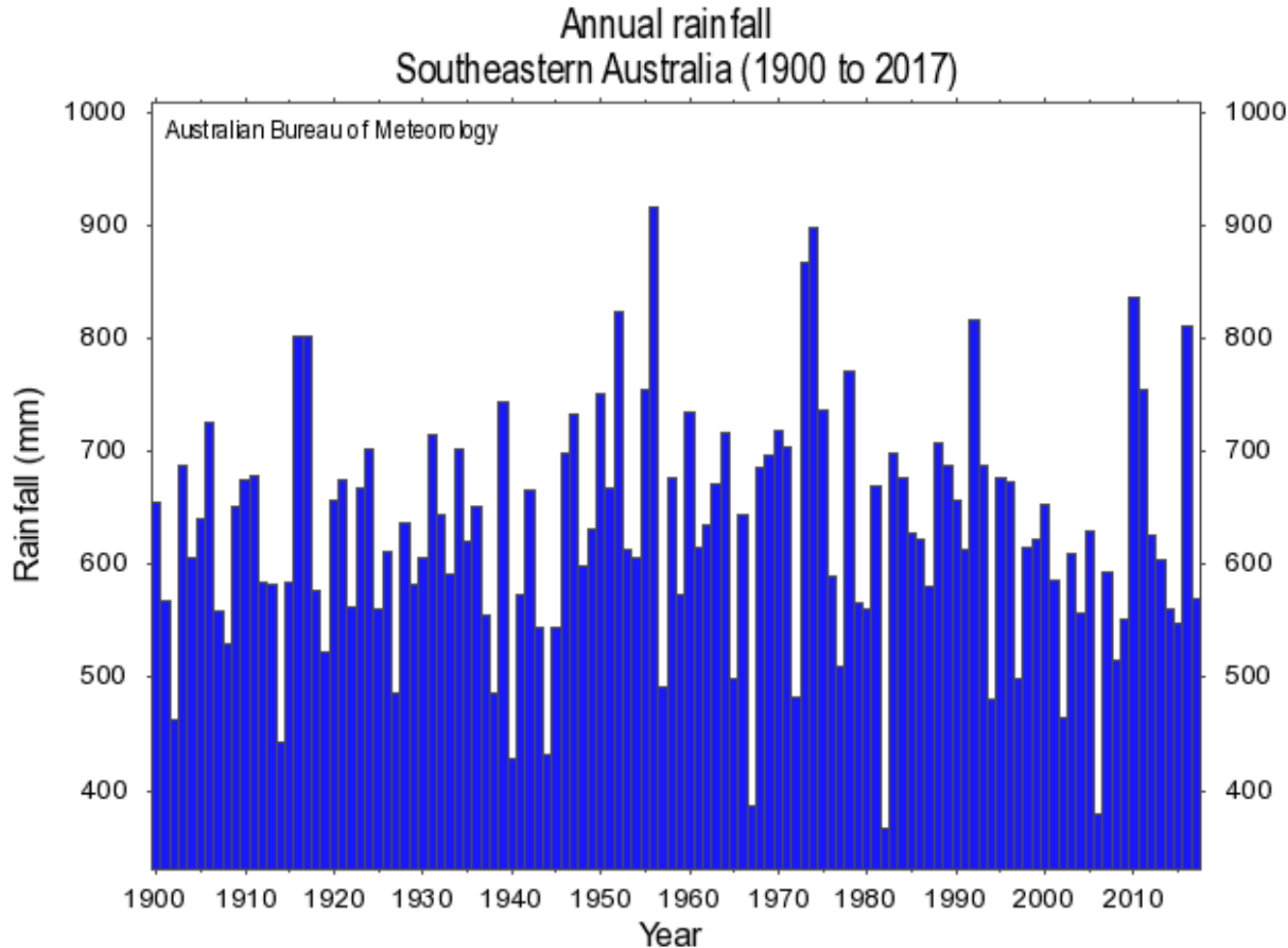
DATA SOURCE: ABS

WHERE DOES IT RAIN FOR WINTER CROPS?



Seasonal water need ranges around 400 to 600 mm

RAINFALL IS VARIABLE AND SEASONAL



ENSO

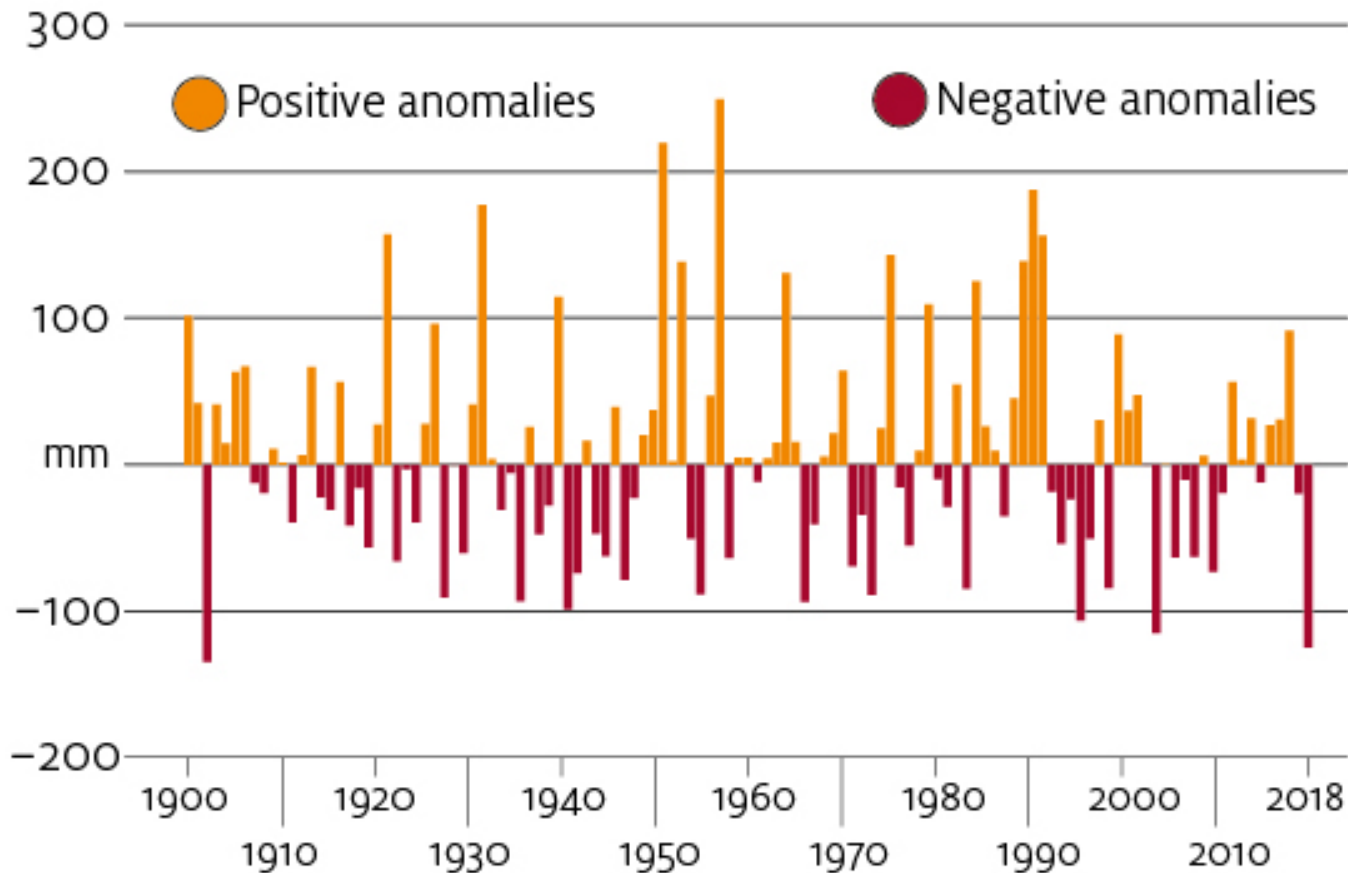
El Nino Southern
Oscillation

IOD

Indian Ocean
Dipole

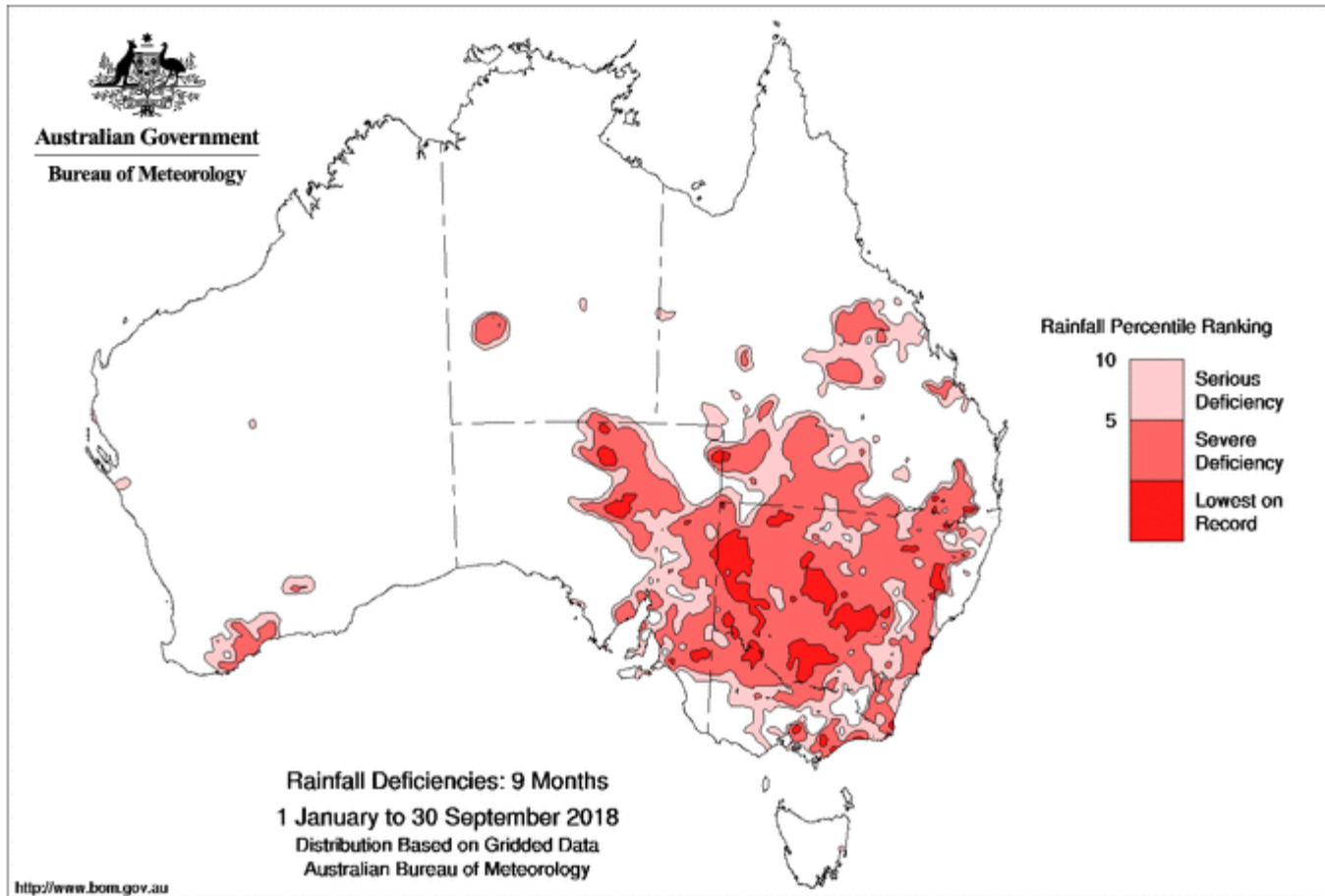
Strong Influences include **ENSO** and **IOD**

Autumn and Winter (April – August) Rainfall Anomalies, NSW 1900 - 2018



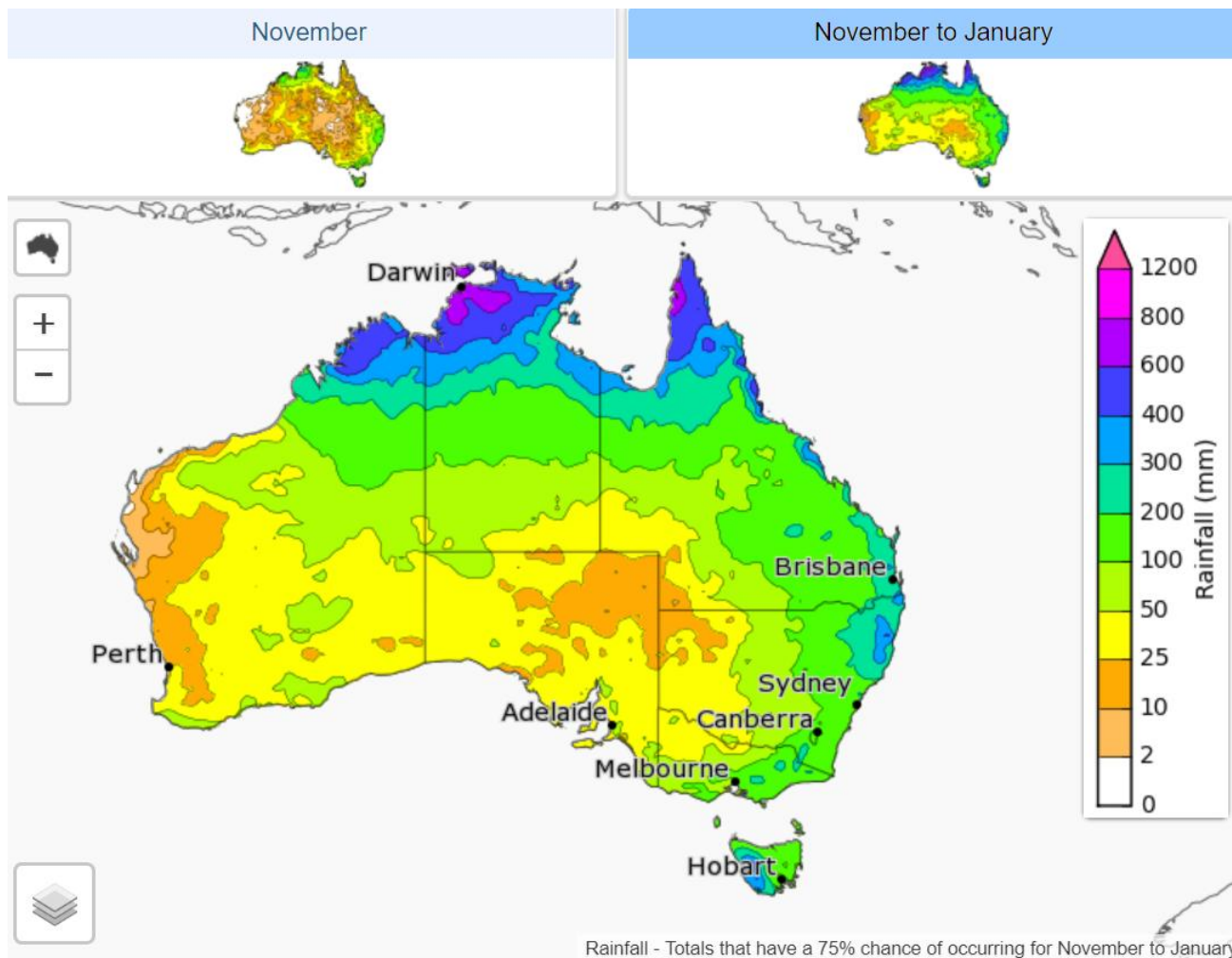
Anomalies at +/- 100mm are a 25% swing to average water need

RAINFALL DEFICIT JAN-SEP 2018



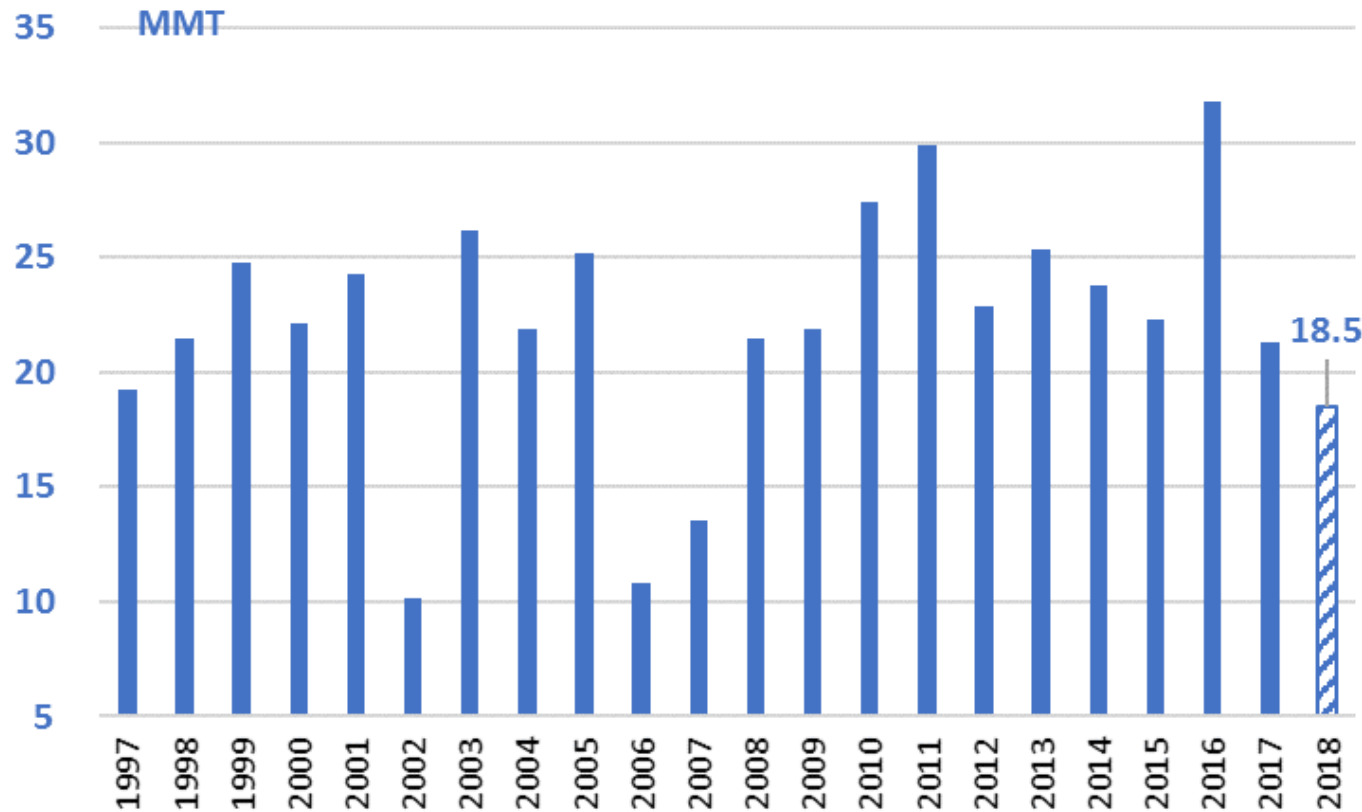
Drought principally located in Eastern Australia crop region

RAINFALL OUTLOOK NOV18-JAN19



Totals that have a 75% chance of occurring : Nov to Jan

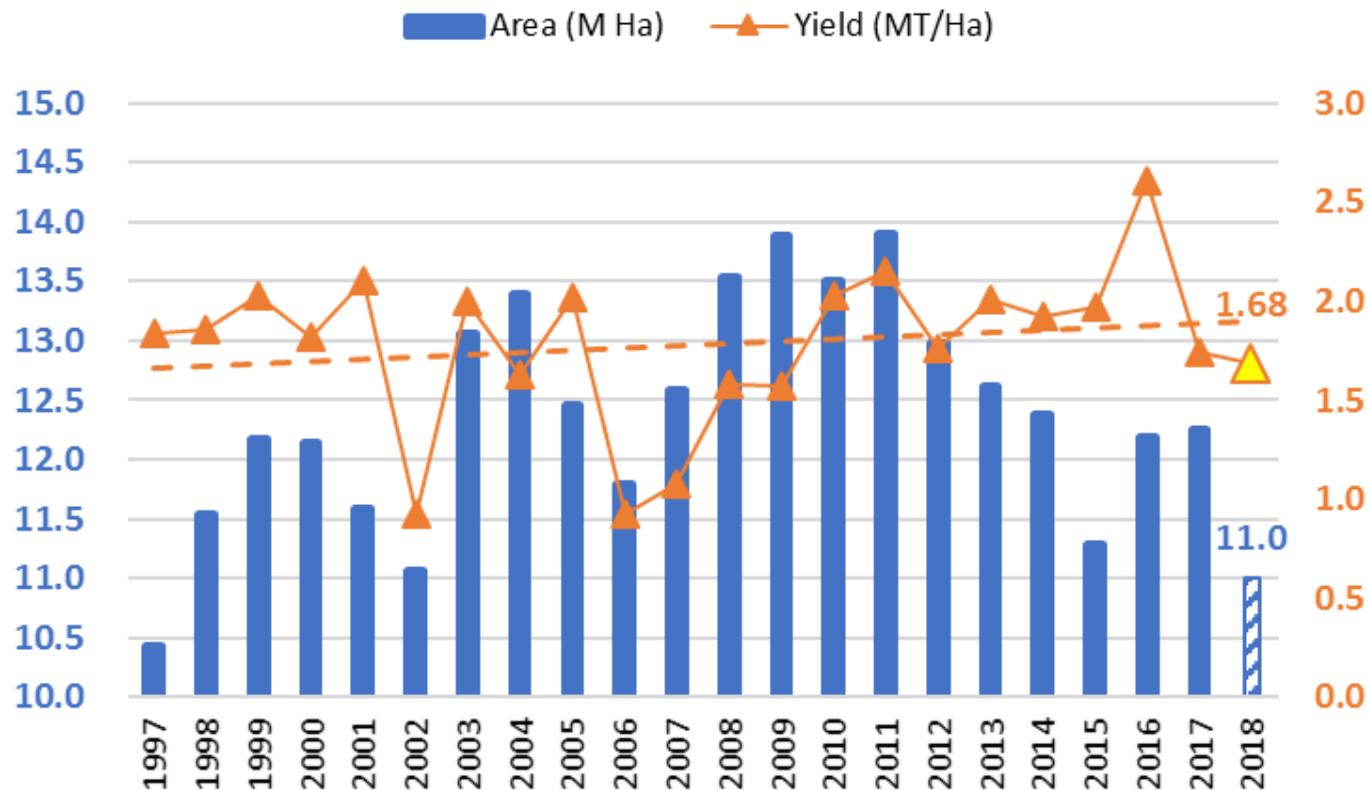
WHEAT PRODUCTION SEASON 2018/19



Private Estimates range between 16 to 18 MMT for 2018/19

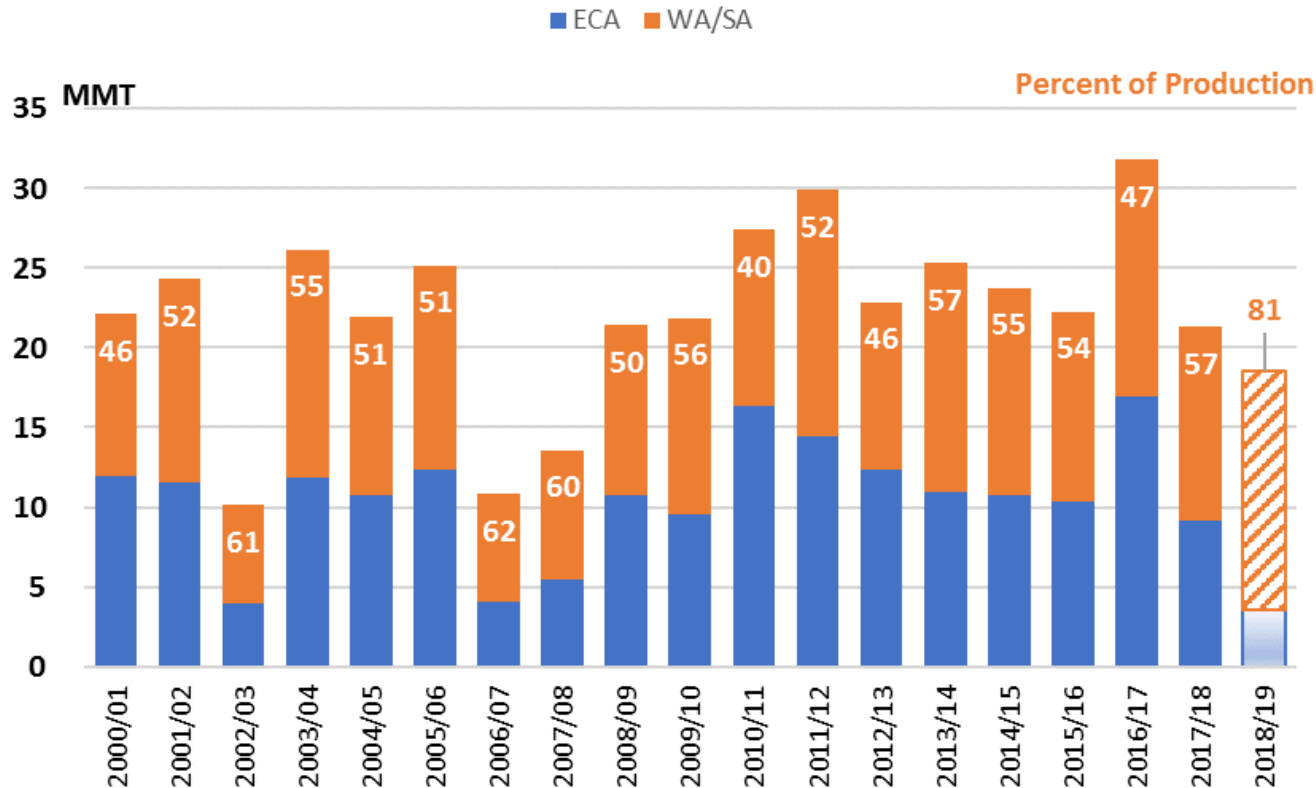
DATA SOURCE: ABARE

HARVESTED AREA AND YIELD 2018/19



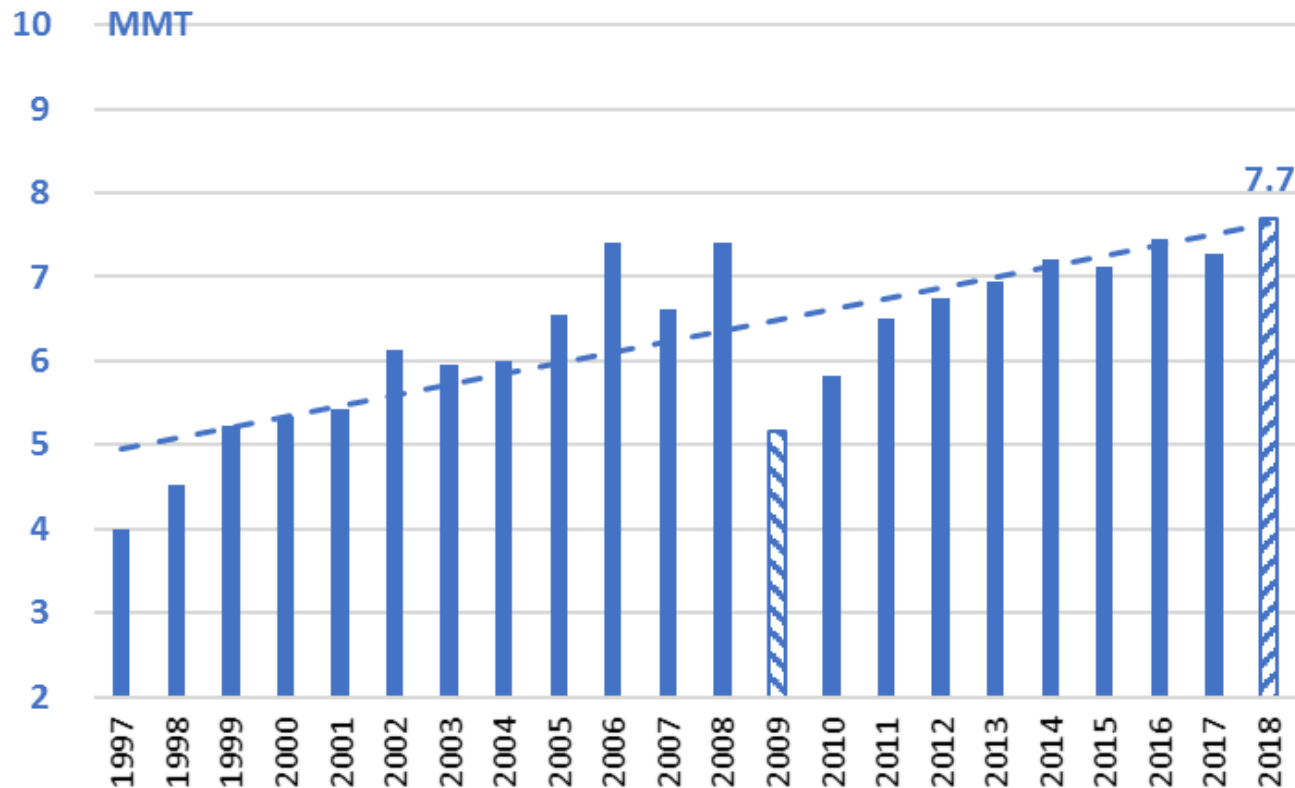
Fodder demand high, accelerating crops cut for Hay

DROUGHT IMPACT TO WHEAT HARVEST?



Production → 80% in South Western region for 2018/19 harvest

DOMESTIC CONSUMPTION FORECAST AT A RECORD HIGH

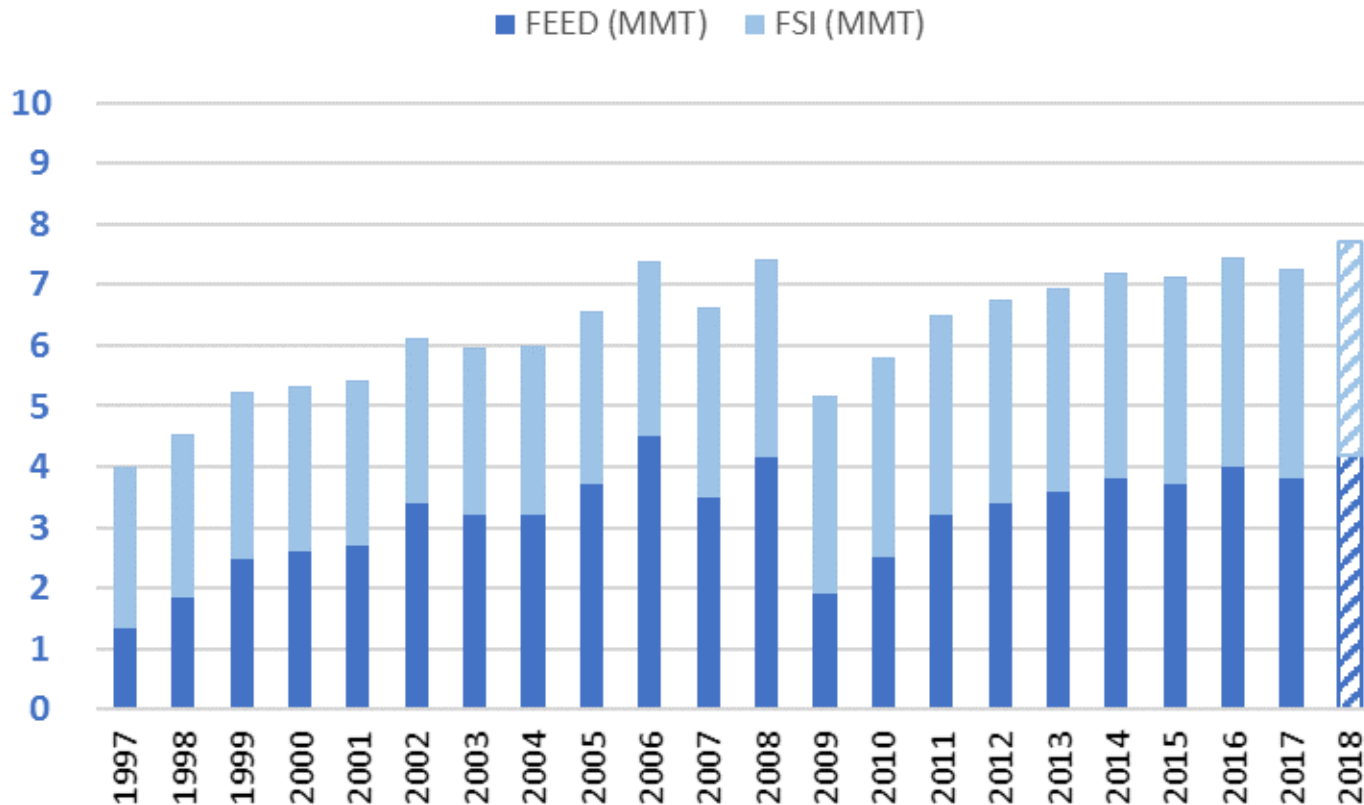


Drought feeding to underwrite feed demand during 2018/19

SOURCE: USDA



FSI + FEED DEMAND

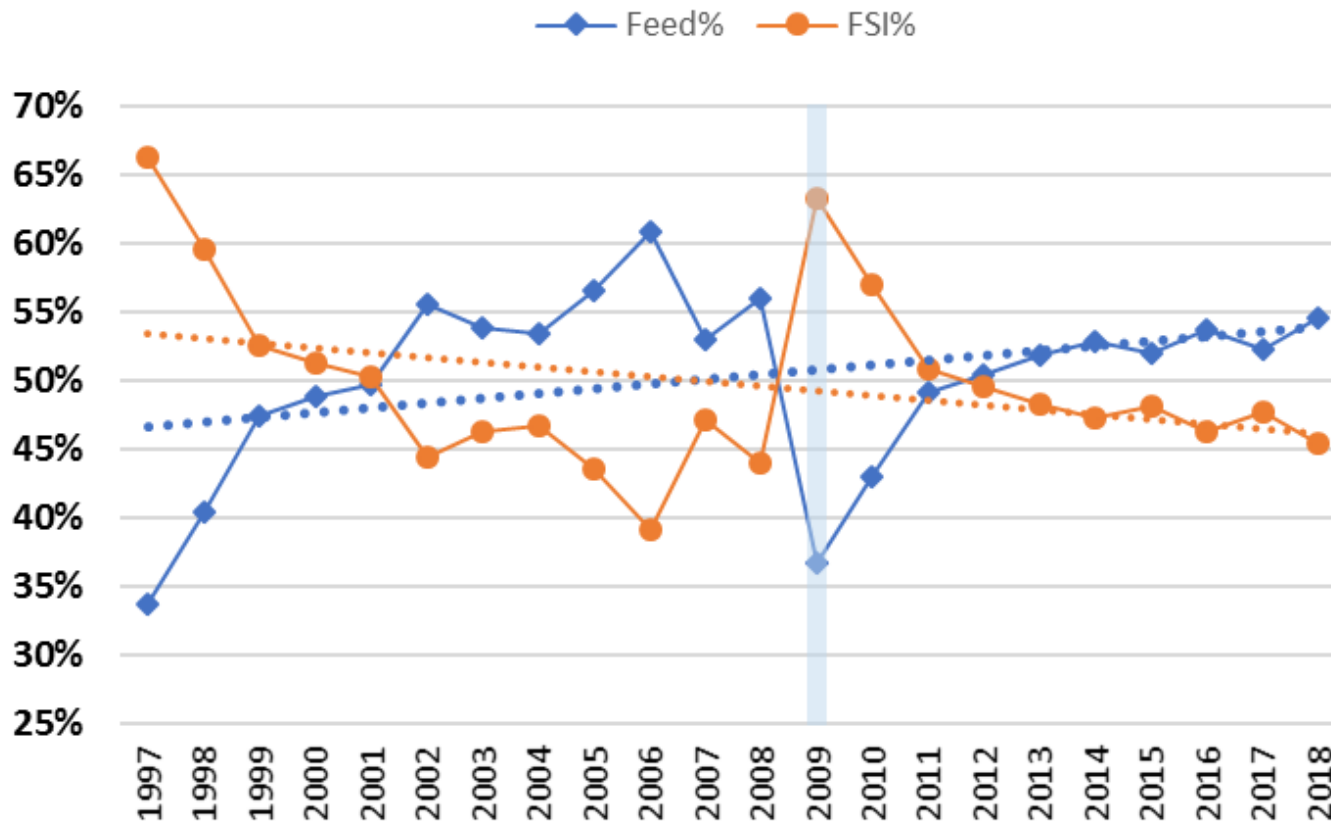


Domestic Consumption forecast at a record high - 18/19

DATA SOURCE: USDA



FEED OUTPACING FSI DEMAND

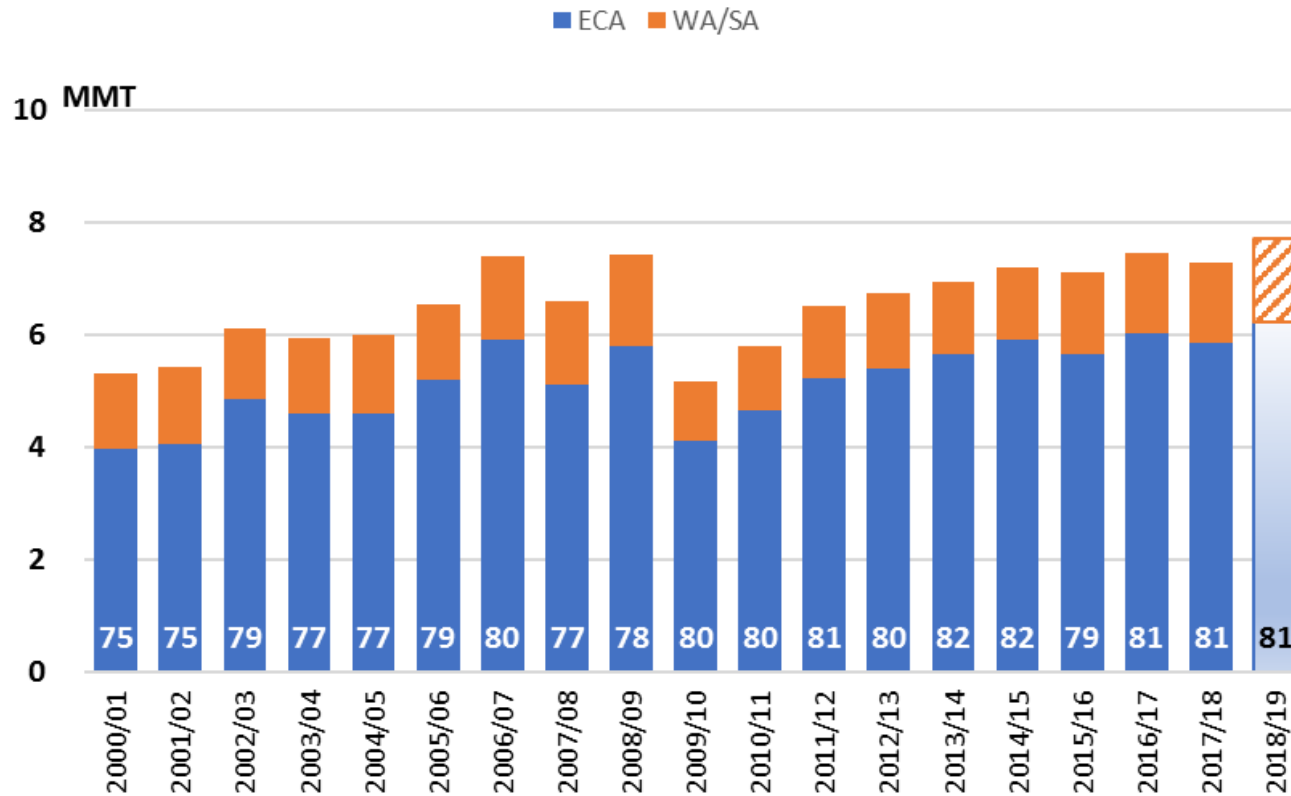


Consumer demand for animal protein shaping demand

DATA SOURCE: USDA



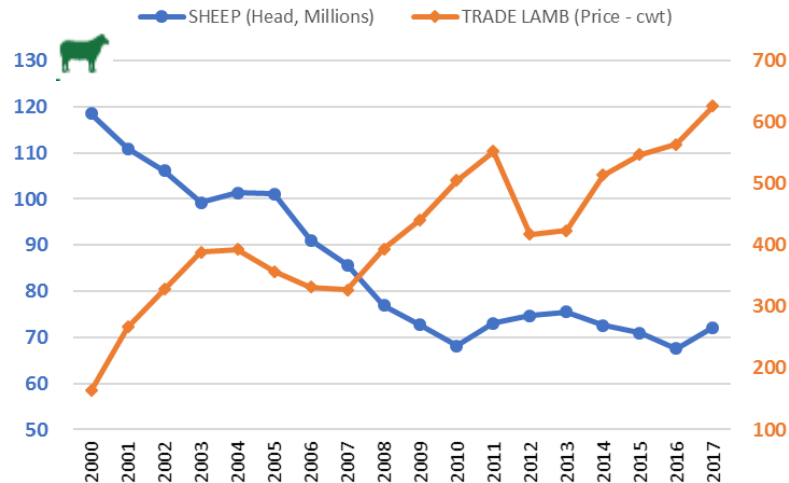
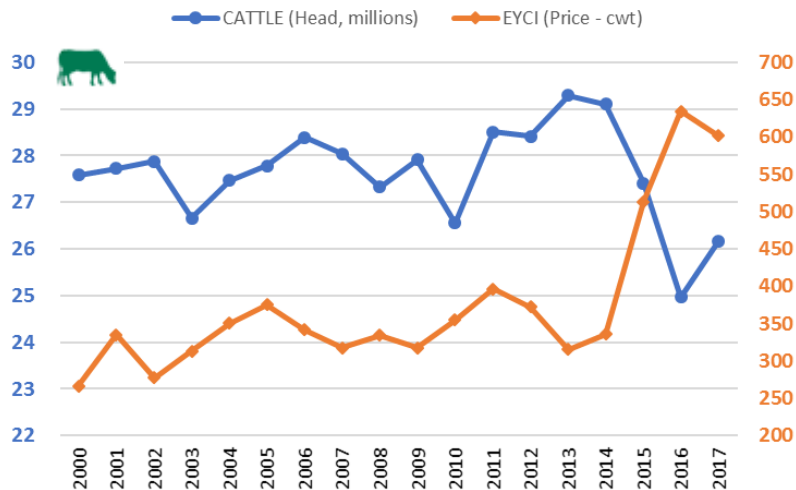
WHERE IS DOMESTIC DEMAND LOCATED?



FSI + FEED Demand expected to increase

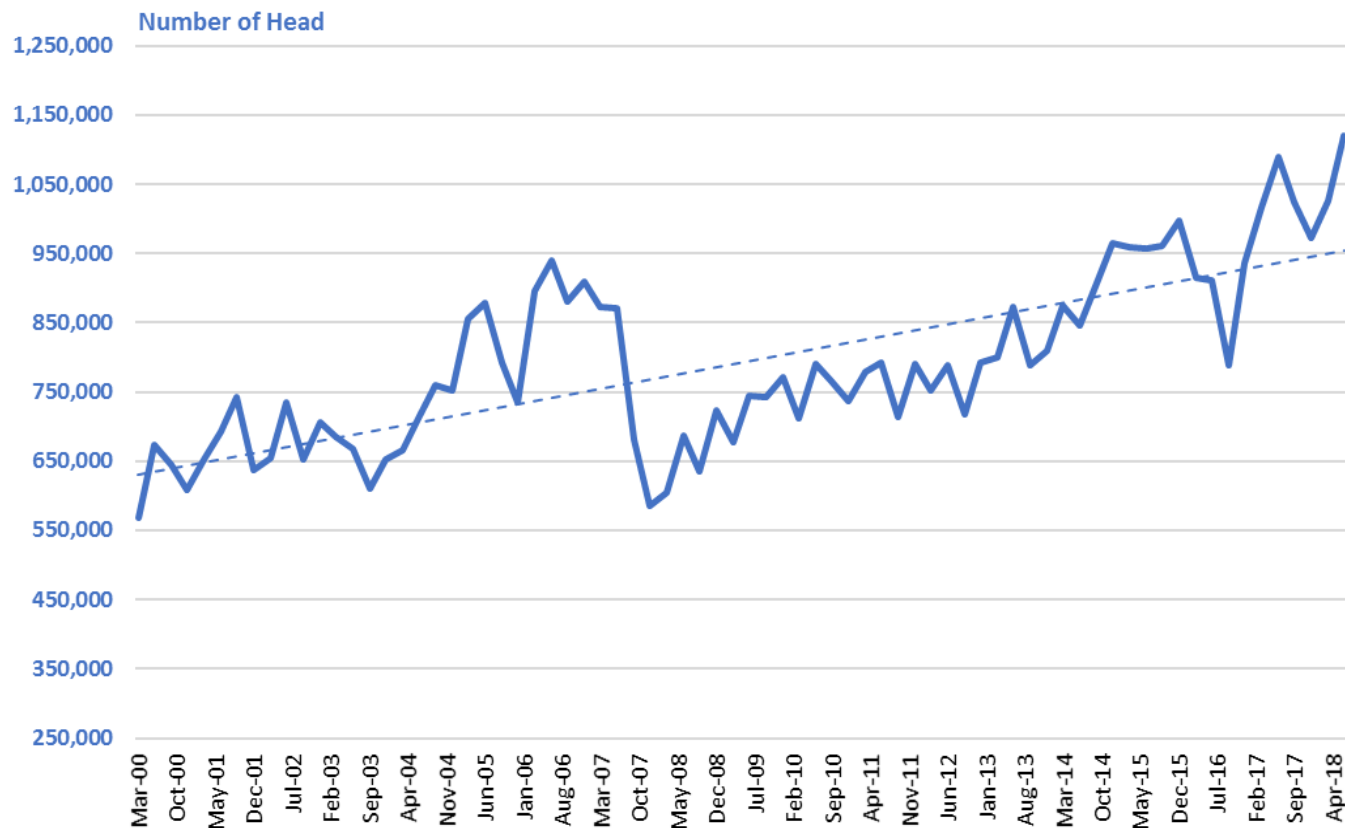
DATA SOURCE: ABARE, USDA

AUSTRALIAN LIVESTOCK INVENTORY



Herd Numbers have increased as livestock prices rally

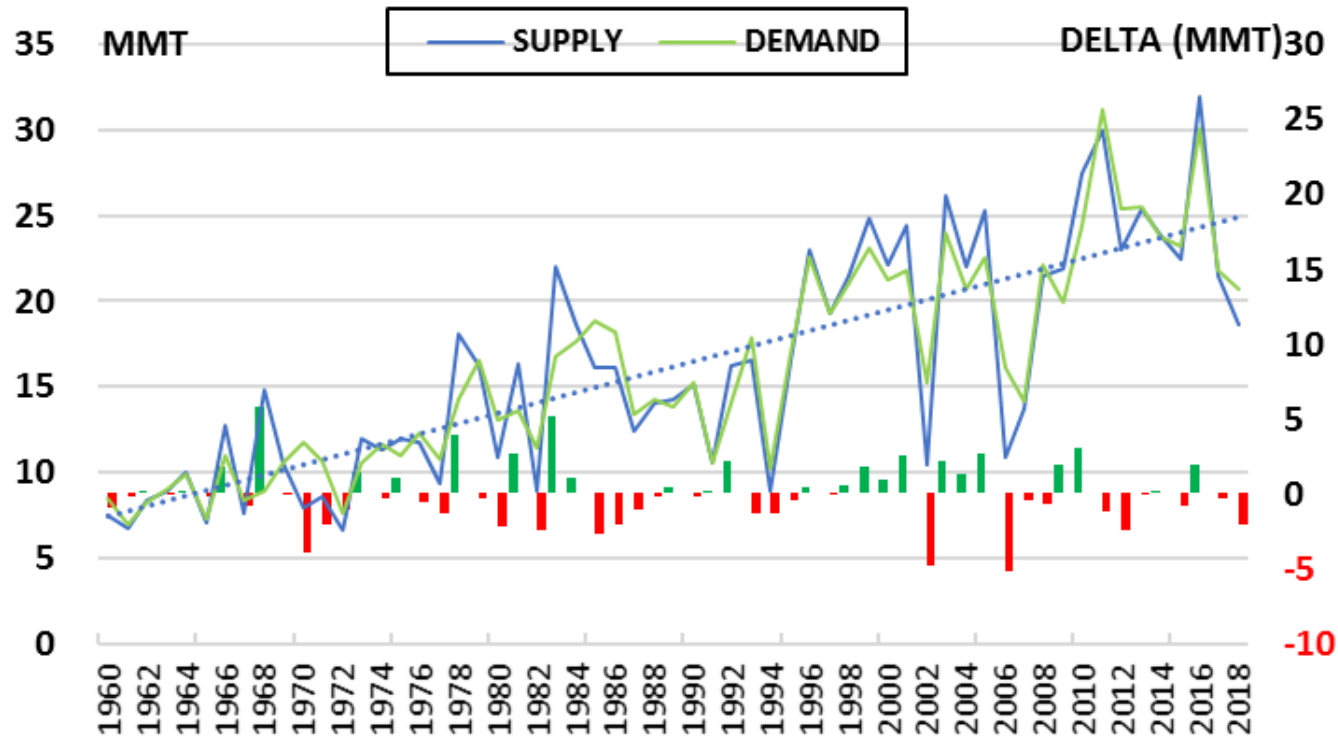
CATTLE ON FEED – AUSTRALIA



Feedlot Cattle numbers at a record high

DATA SOURCE: ALMA

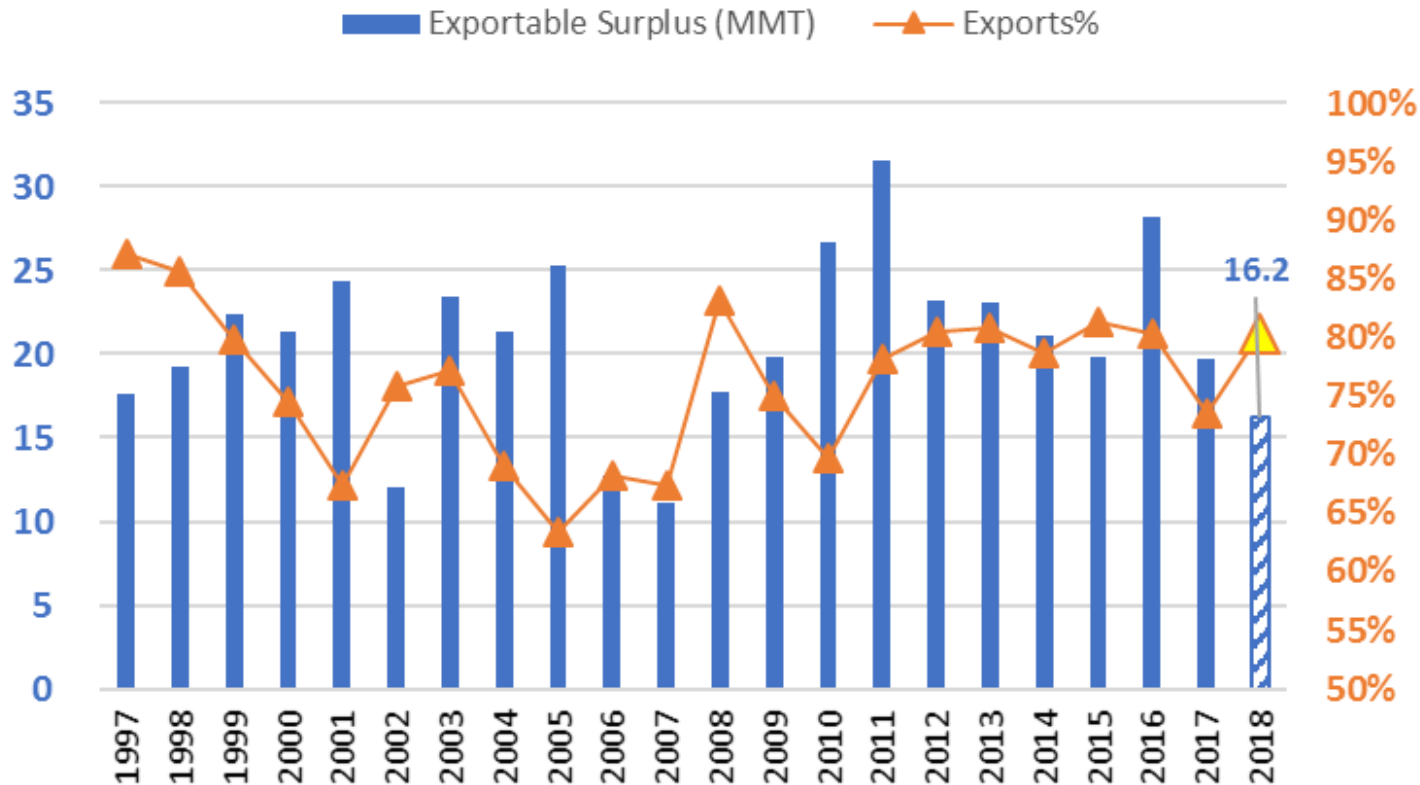
SUPPLY and DEMAND CORRELATE



Production Surpluses drive the export agenda

DATA SOURCE: USDA

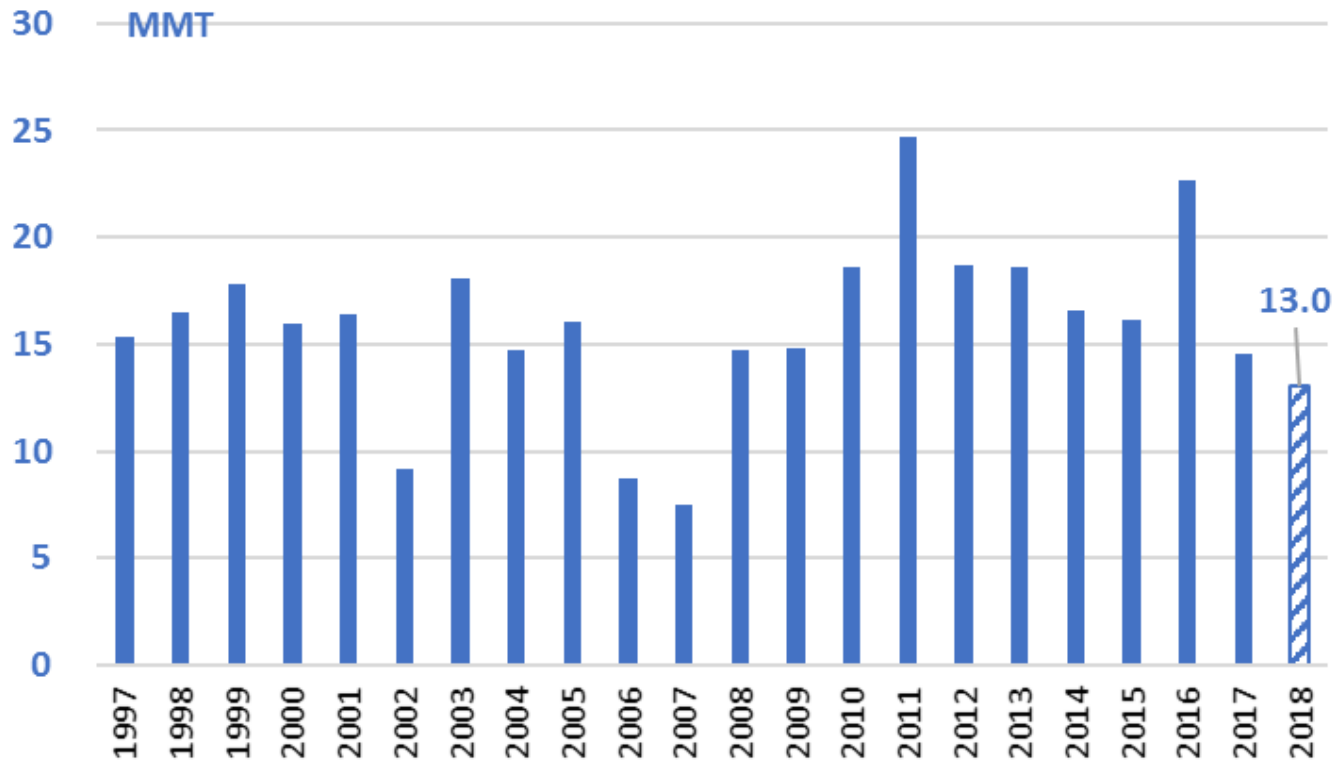
WHAT IS THE EXPORTABLE SURPLUS?



Supply less **Domestic Demand** = **Exportable Surplus**

DATA SOURCE: USDA

WHAT IS LIKELY EXPORT TASK?

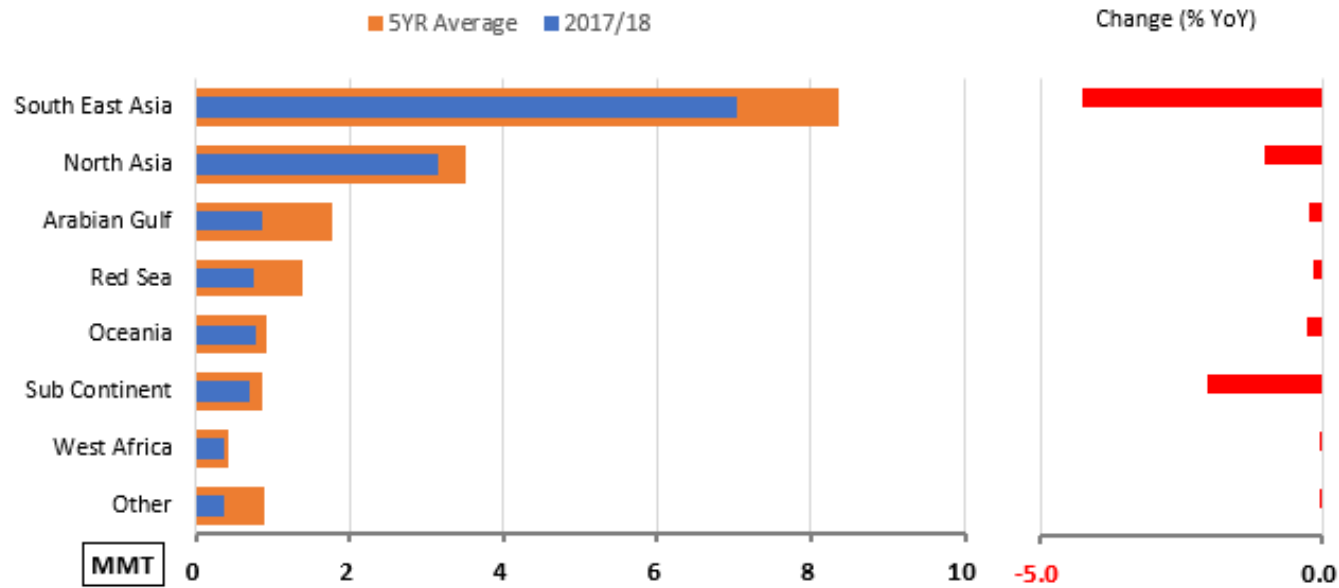


EXPORTS are a function of domestic supply security

DATA SOURCE: USDA



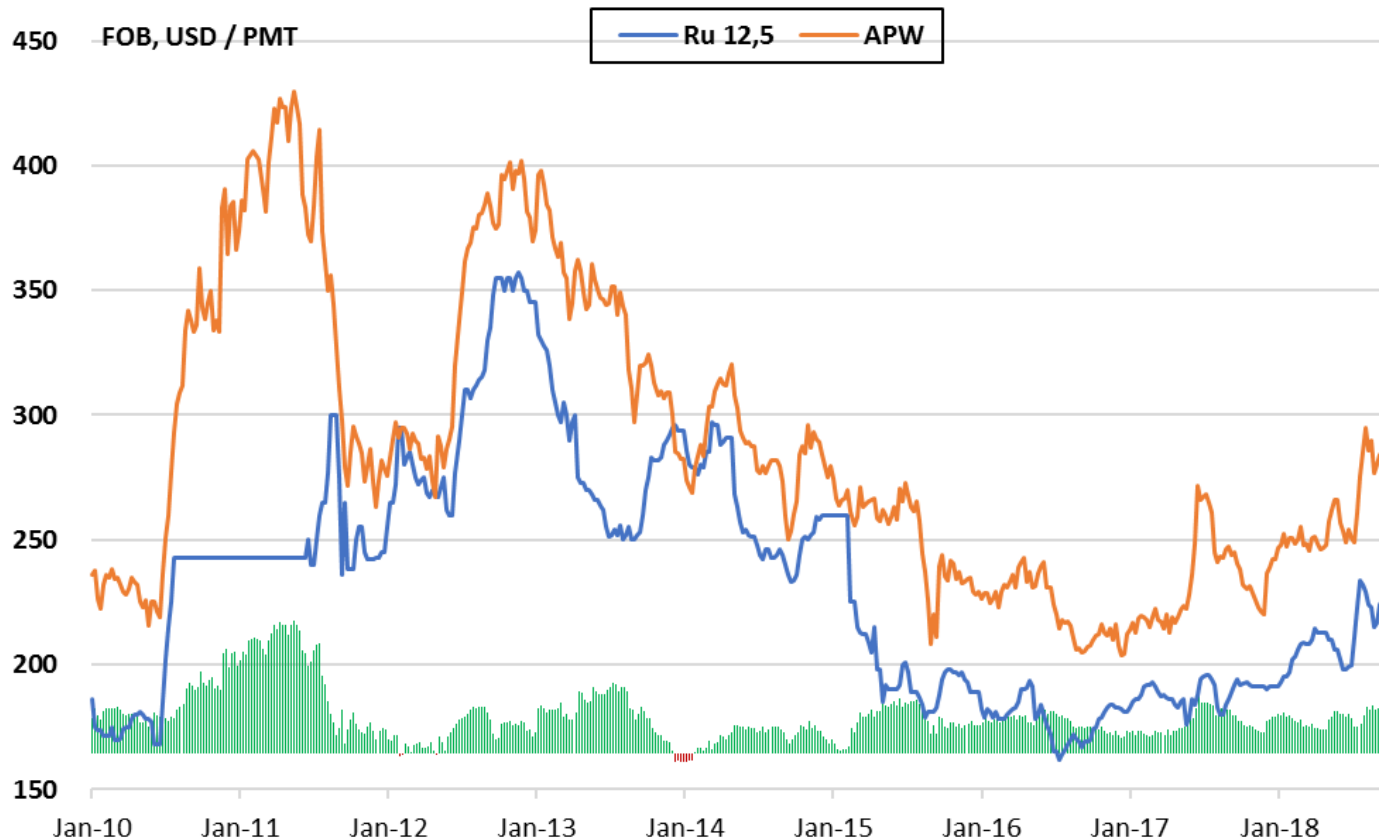
WHO ARE AUSTRALIA'S WHEAT EXPORT CUSTOMER?



KEY CHANGES from Indonesia and India

DATA SOURCE: GTIS

GLOBAL WHEAT VALUES ARE CLIMBING



FOB Values bottomed in Q3 2016

DATA SOURCE: Bloomberg, Profarmer



Thank you for your time.



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