

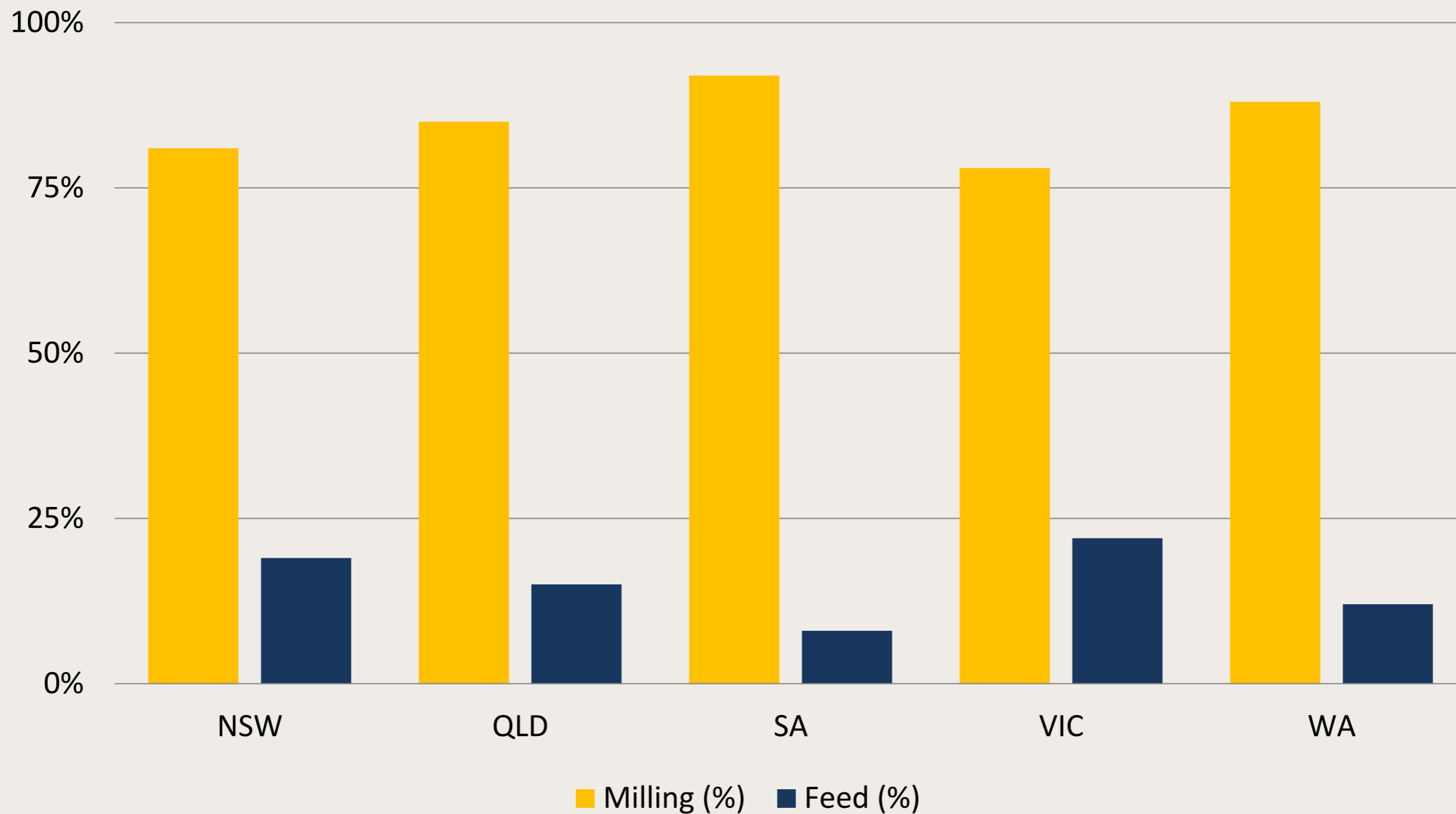


Critical Australian and Global issues – ahead of the 2011//2012 harvest

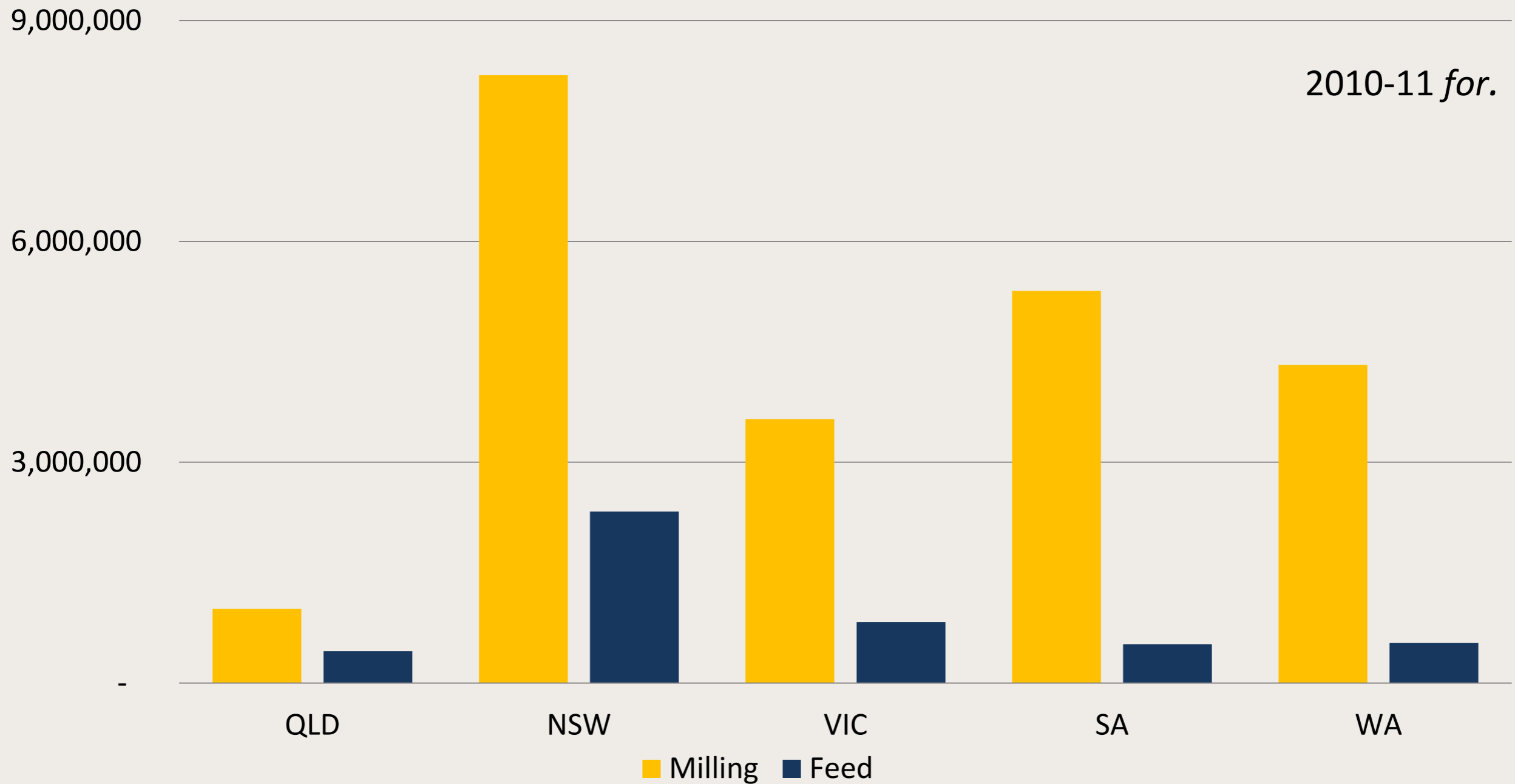
Malcolm McMahon – GM Merchandising



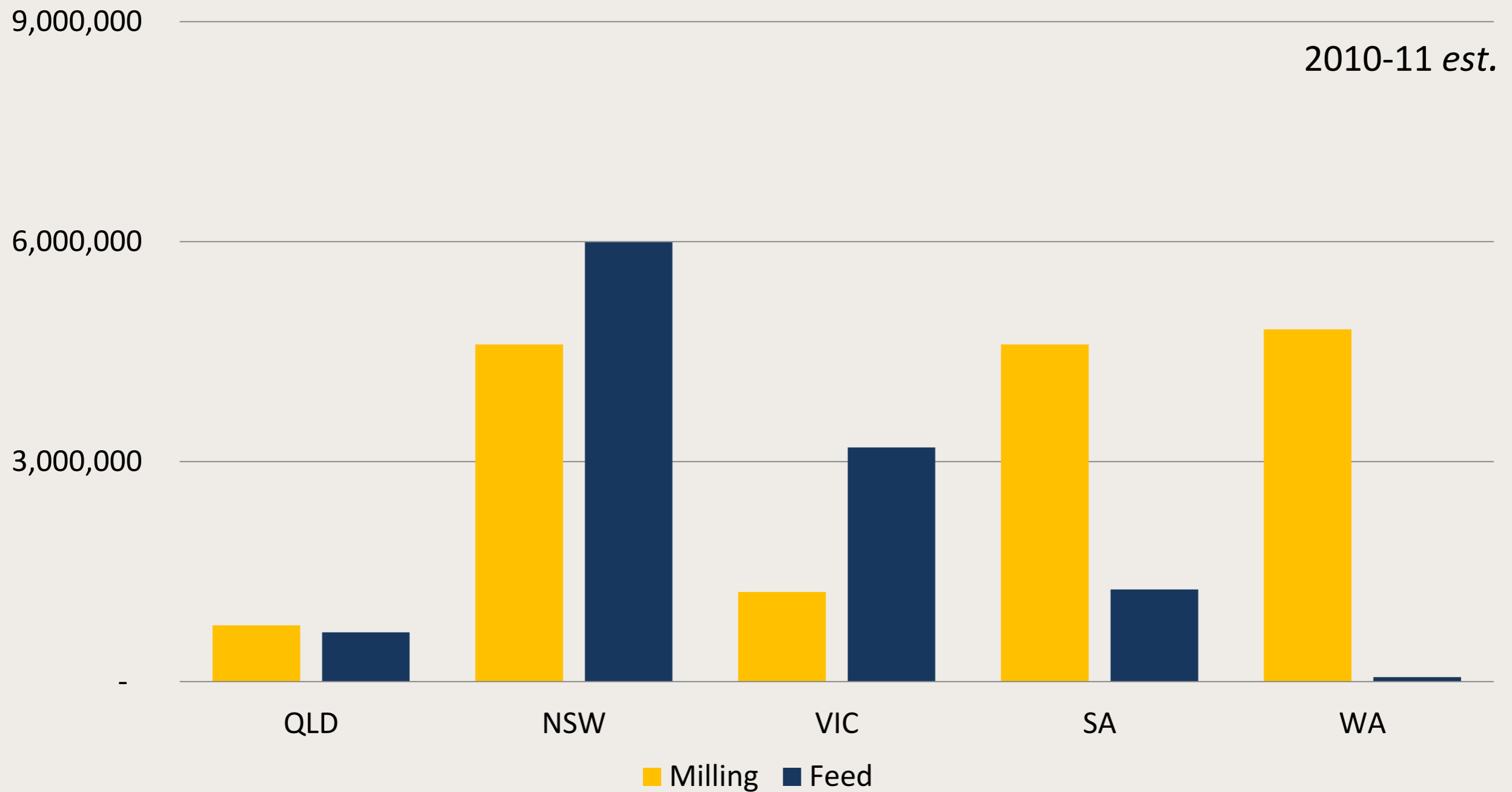
Australian Wheat Production Expected Quality



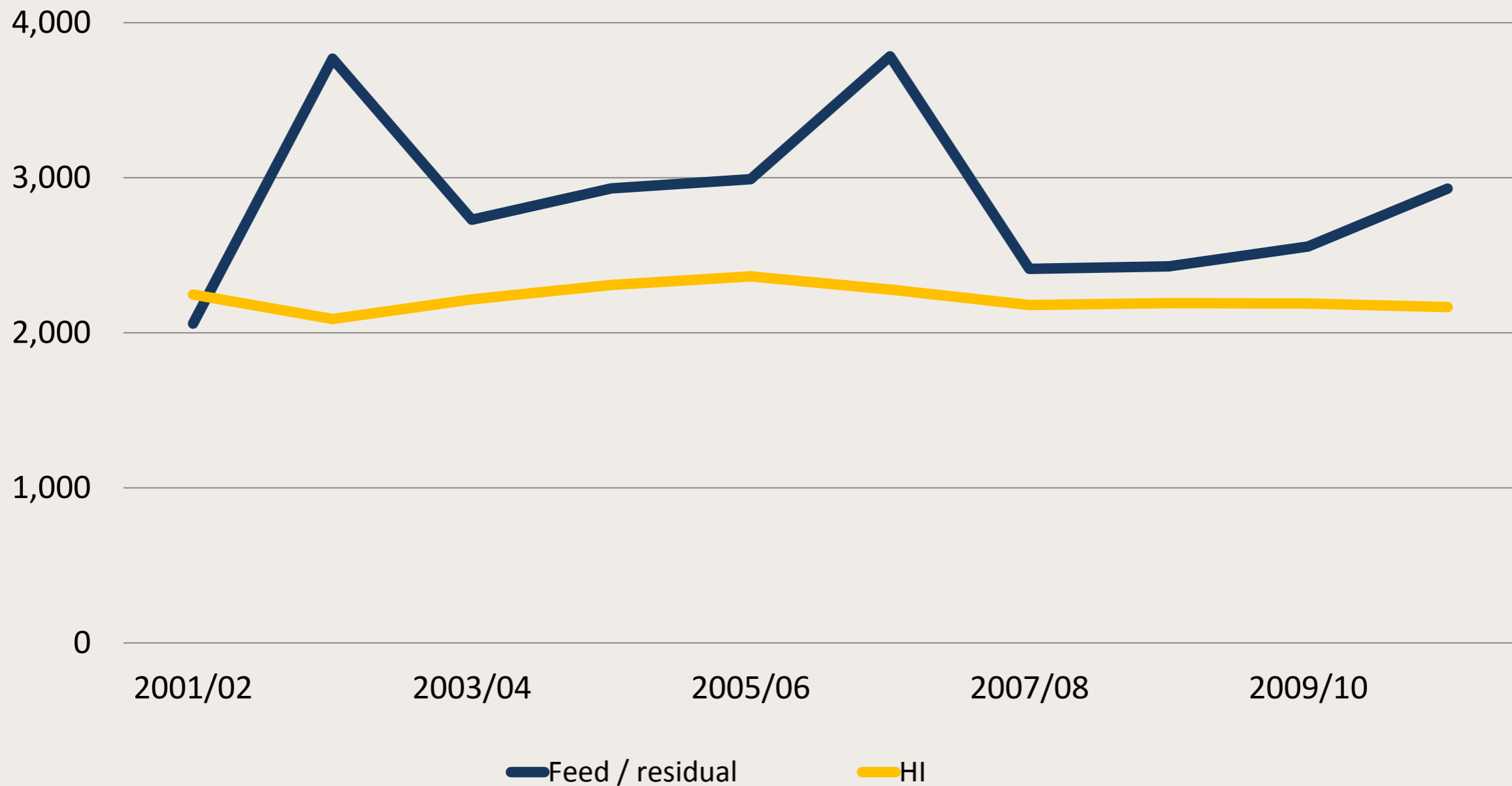
2010/11 Australian Wheat Production Pre Harvest Forecast



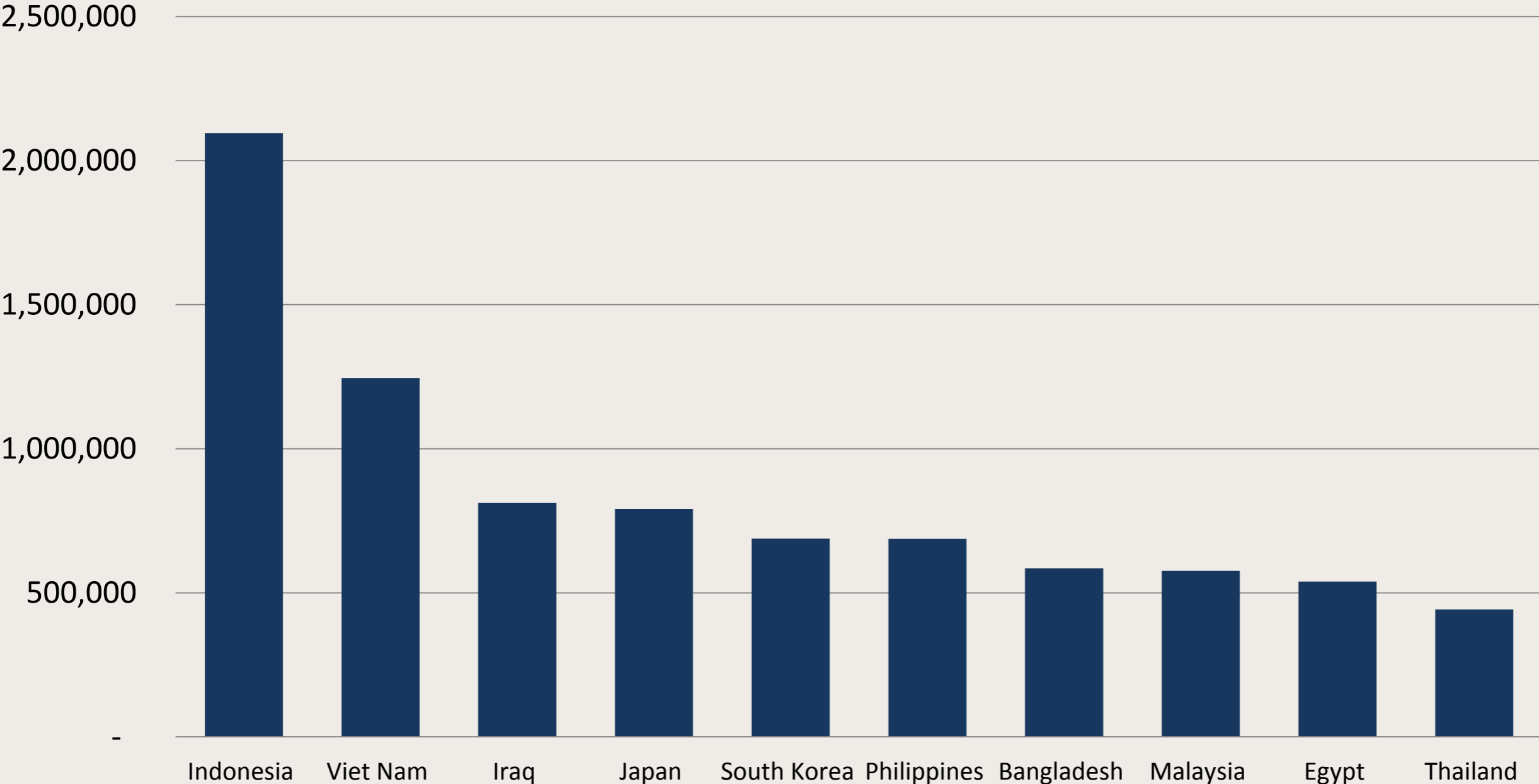
2010/11 Australian Wheat Production - Post Harvest Estimate



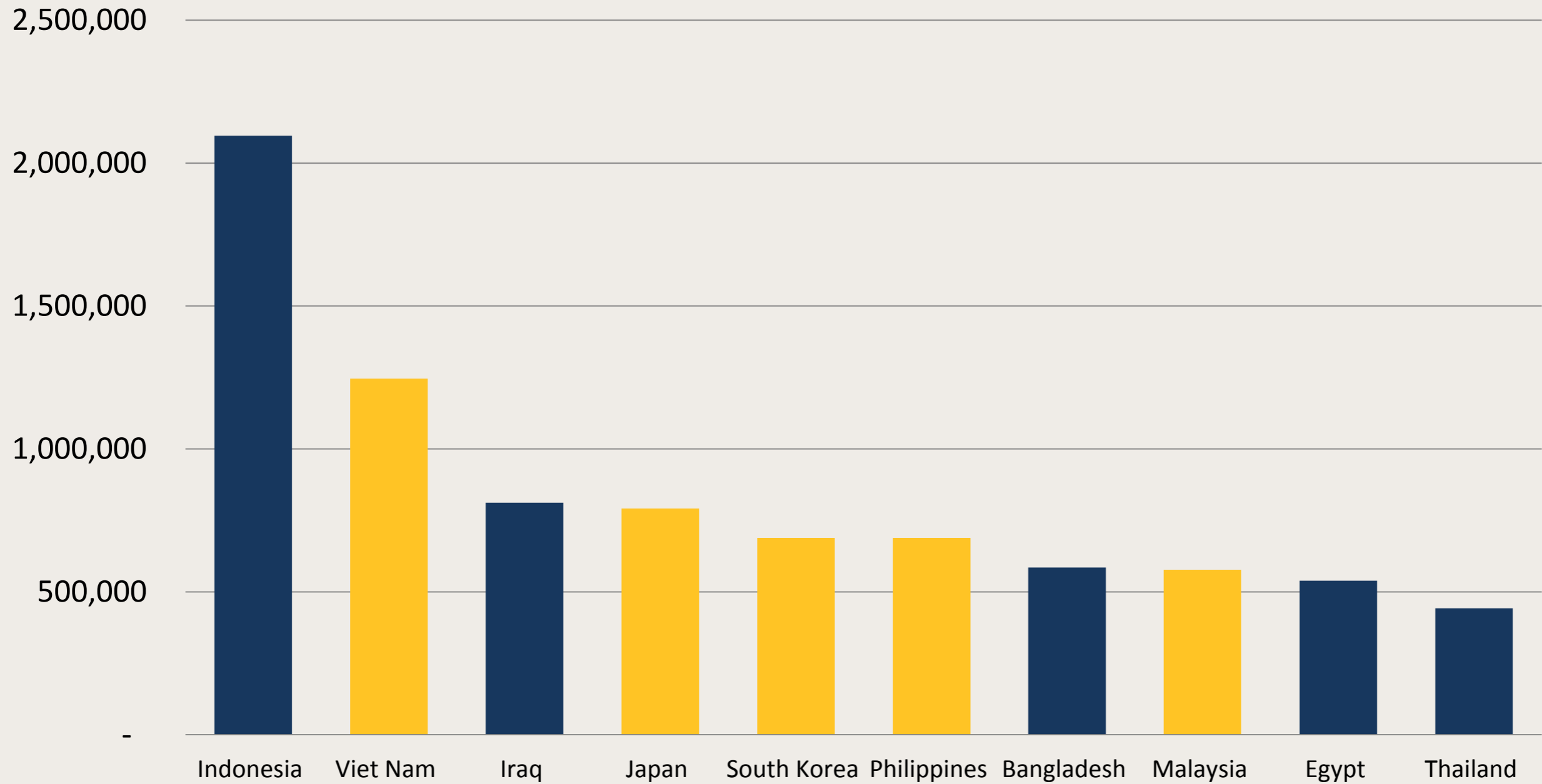
East Coast Domestic Feed and Milling Demand



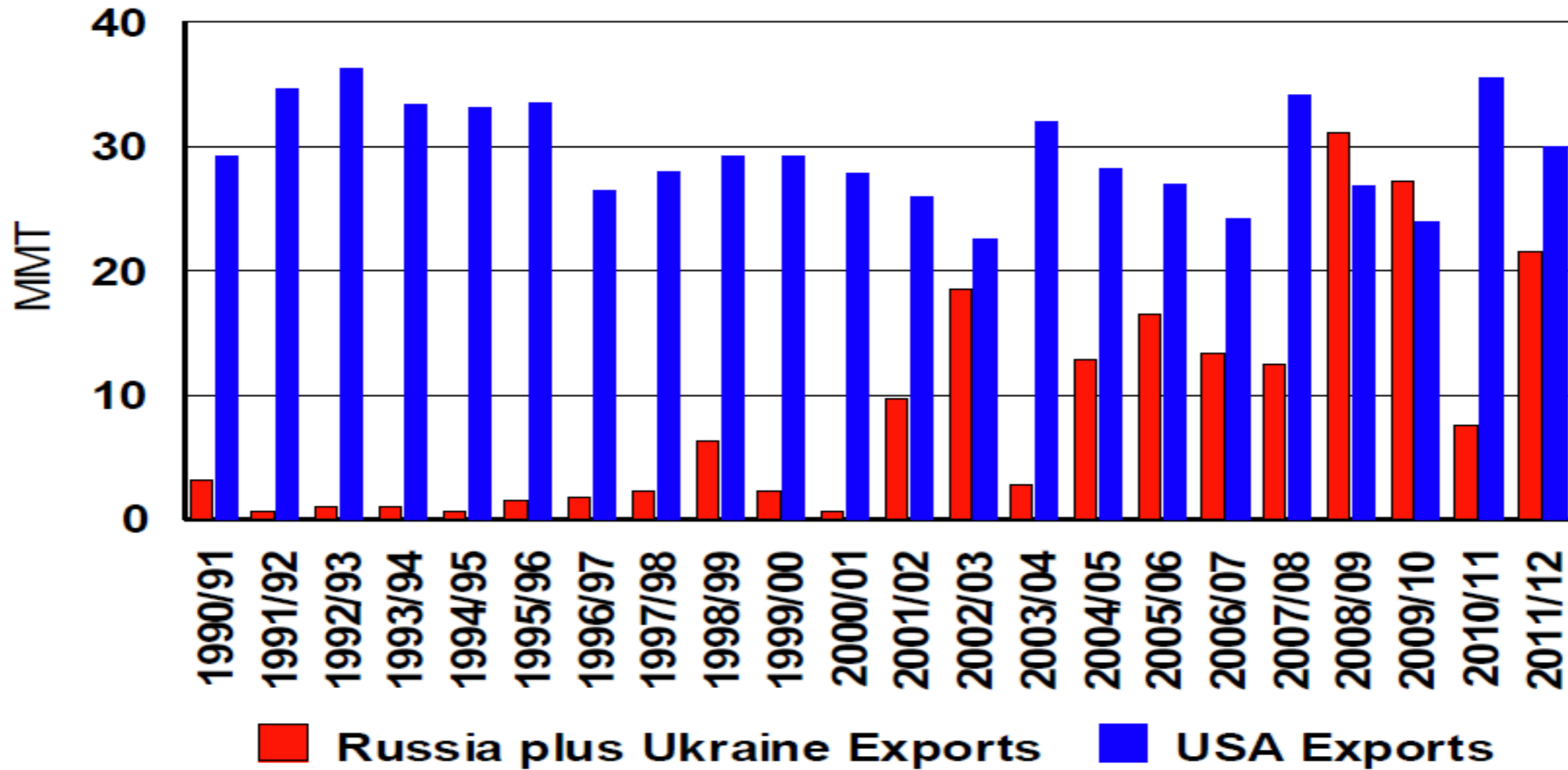
Top 10 Destinations - Dec '10 to June '11



Top 10 Destinations - Dec '10 to June '11

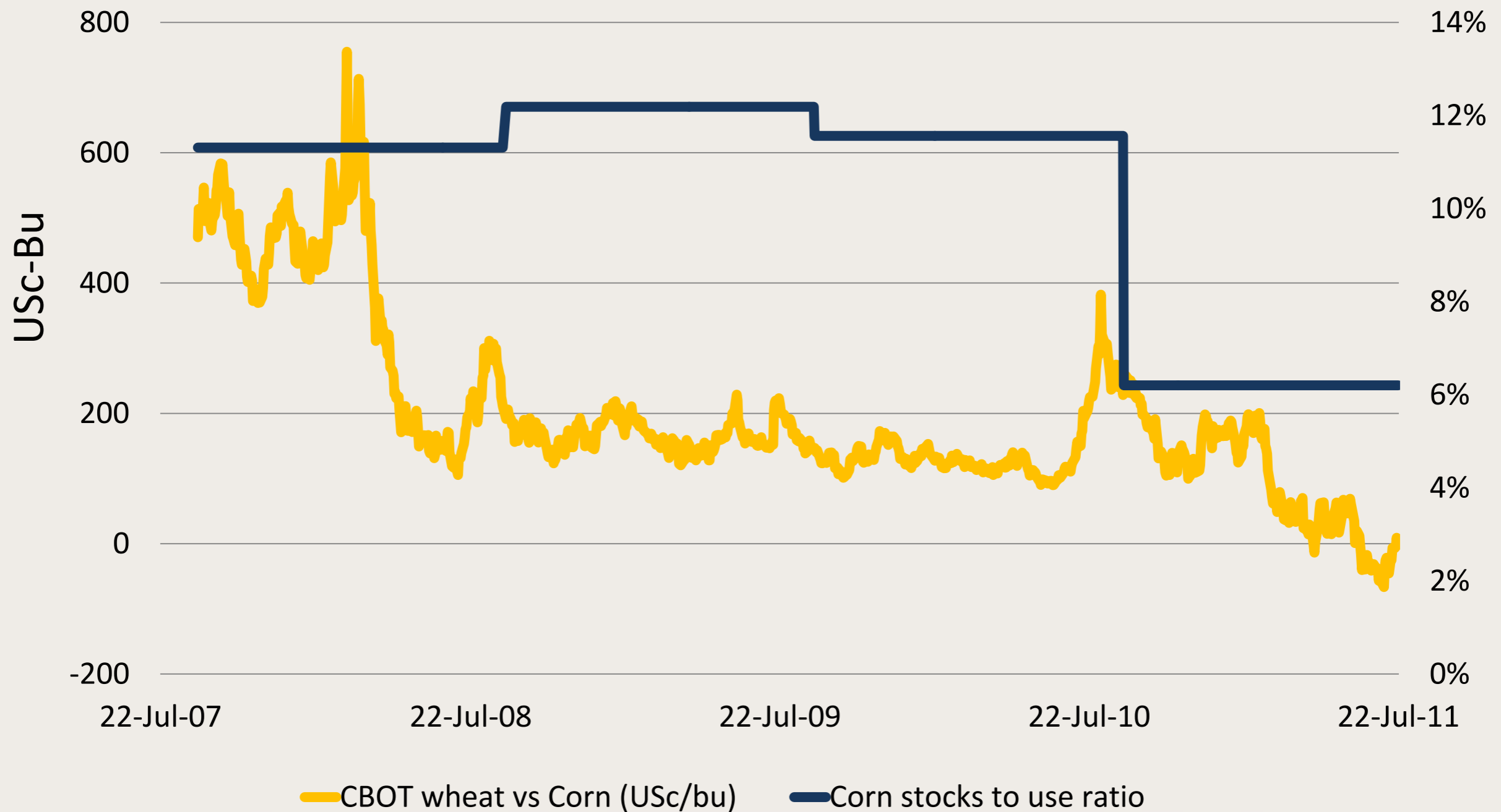


Comparison of US and Russian & Ukraine Wheat Exports



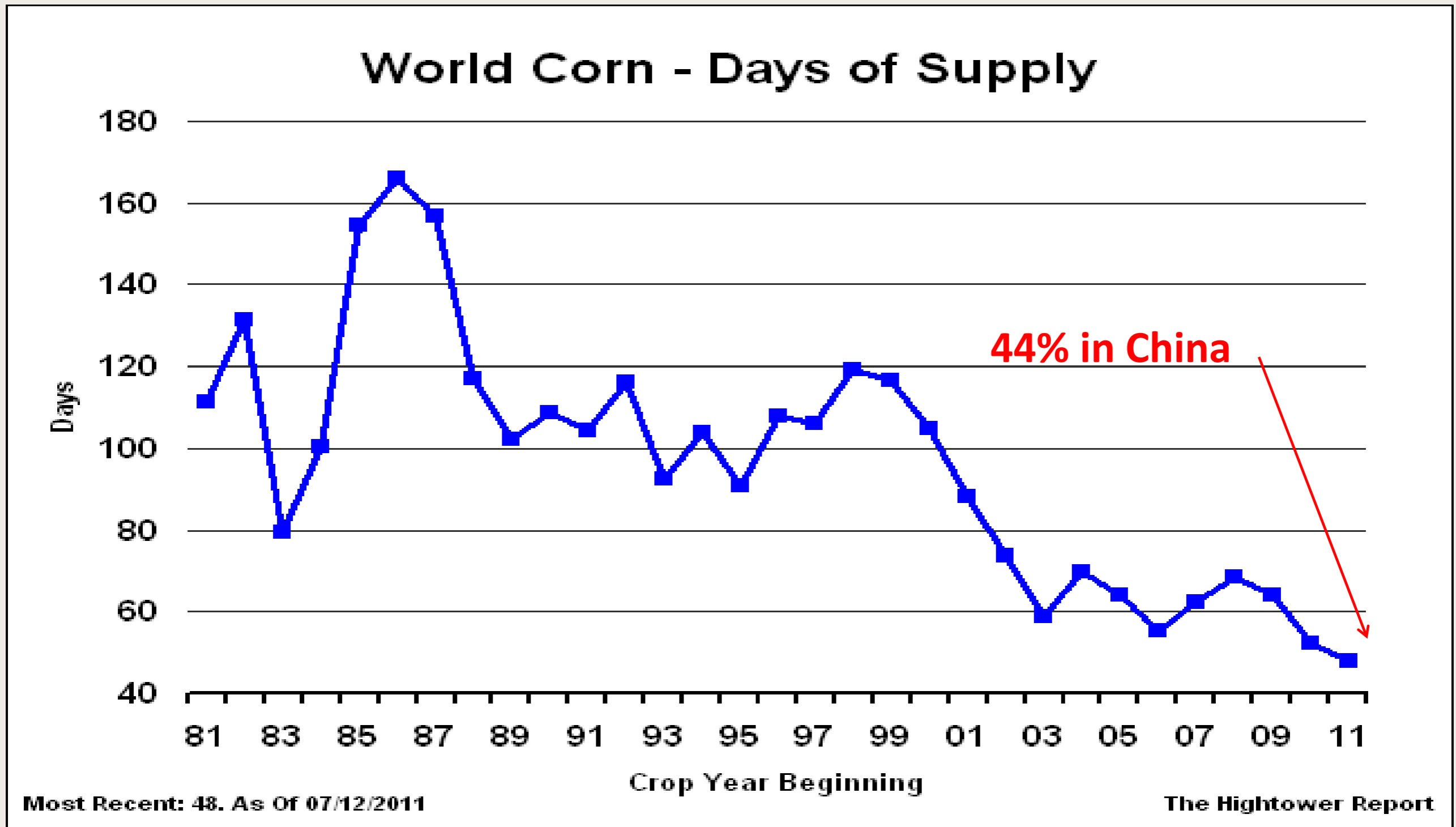
Source: McAuliffe, WCAC

CBOT Wheat V Corn (USc/bu) & Stocks to Use Ratio



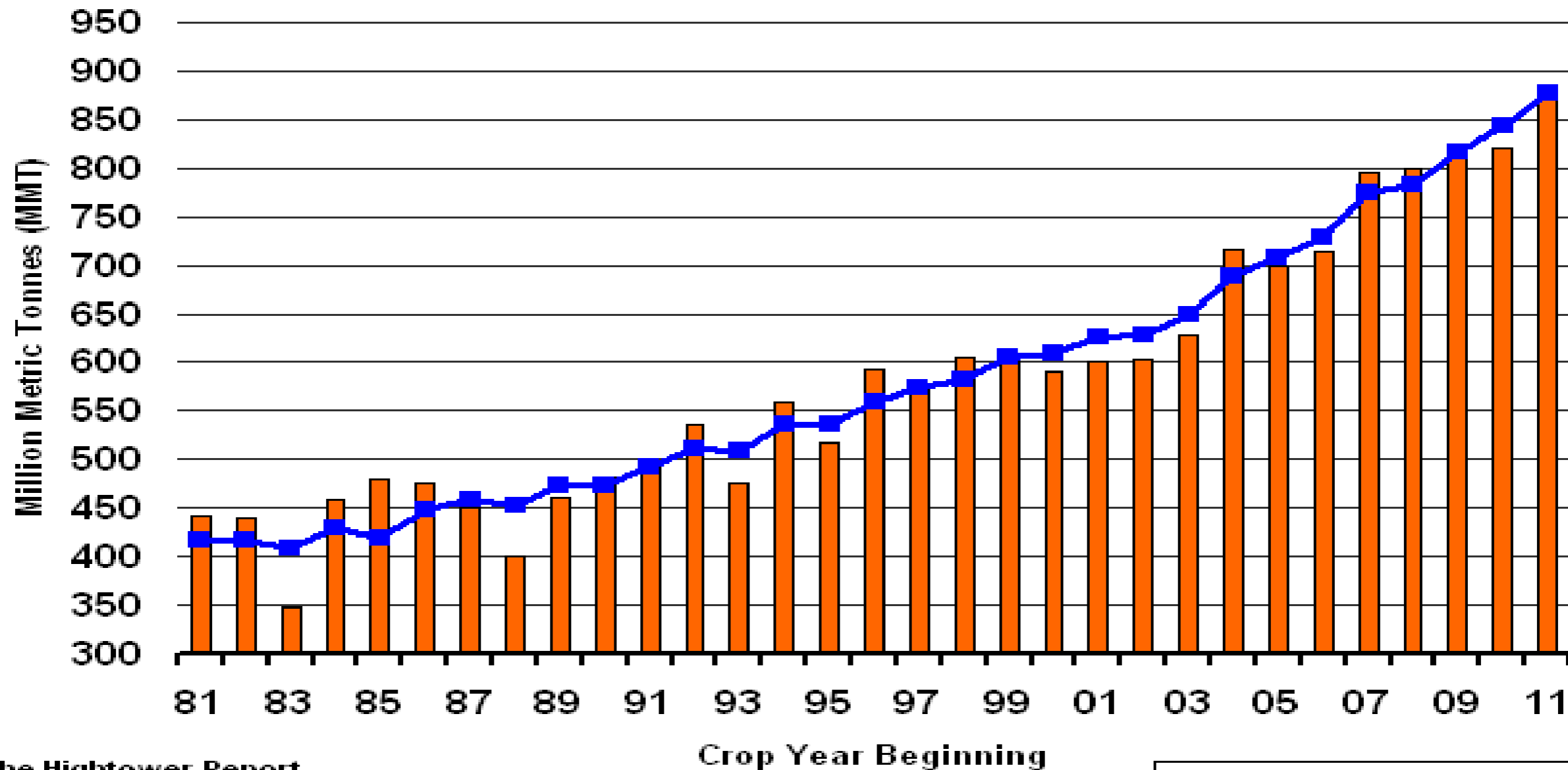
- The quality profile of Australian wheats will ensure its relevance into milling markets for the foreseeable future
- There will be openings for feed exports into freight advantaged Asian markets in the future however this will be limited to export orientated port zones that lack domestic demand and only in the event that we see downgraded quality from the norm.
- The events of 2010-11 represent one of the largest feed wheat events experienced and a return to average rainfall during harvest will see higher quality profile delivered.

Scarcity



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World Corn - Production vs Usage

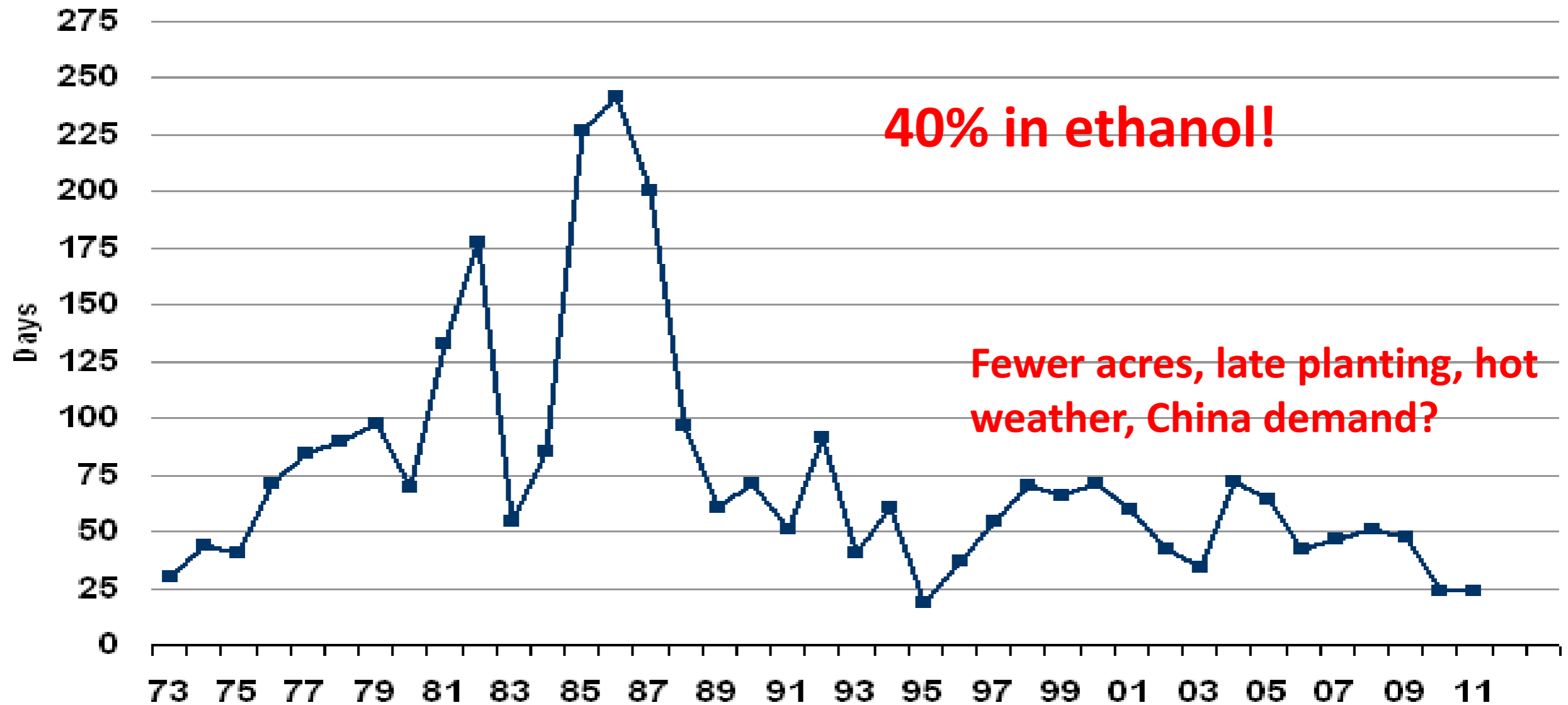


The Hightower Report
Most Recent: As Of 07/12/2011

Production Usage

Scarcity

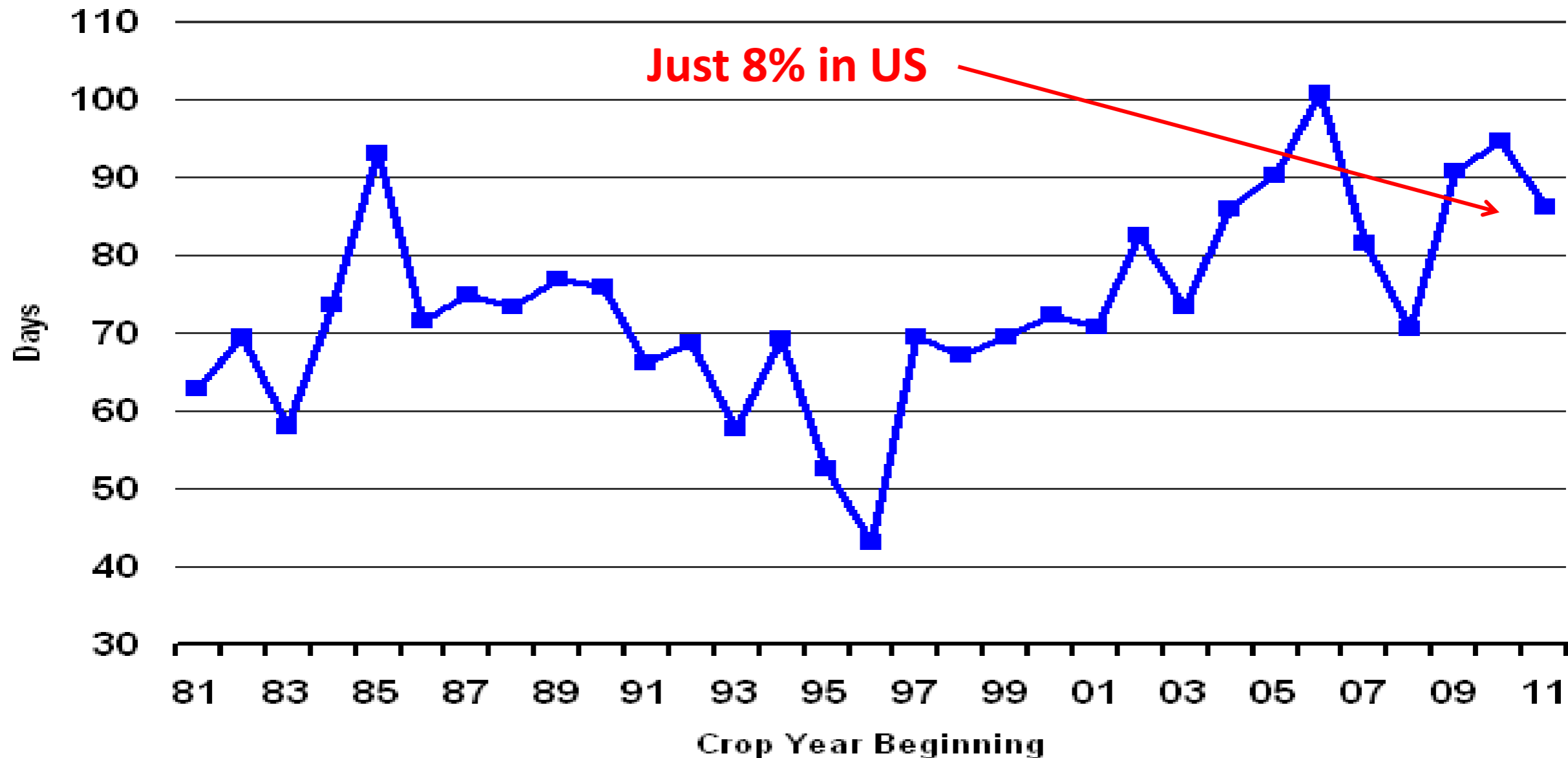
US Corn Stocks: Days of Supply



Updated: 07/12/2011

The Hightower Report

World Soybean - Days of Supply

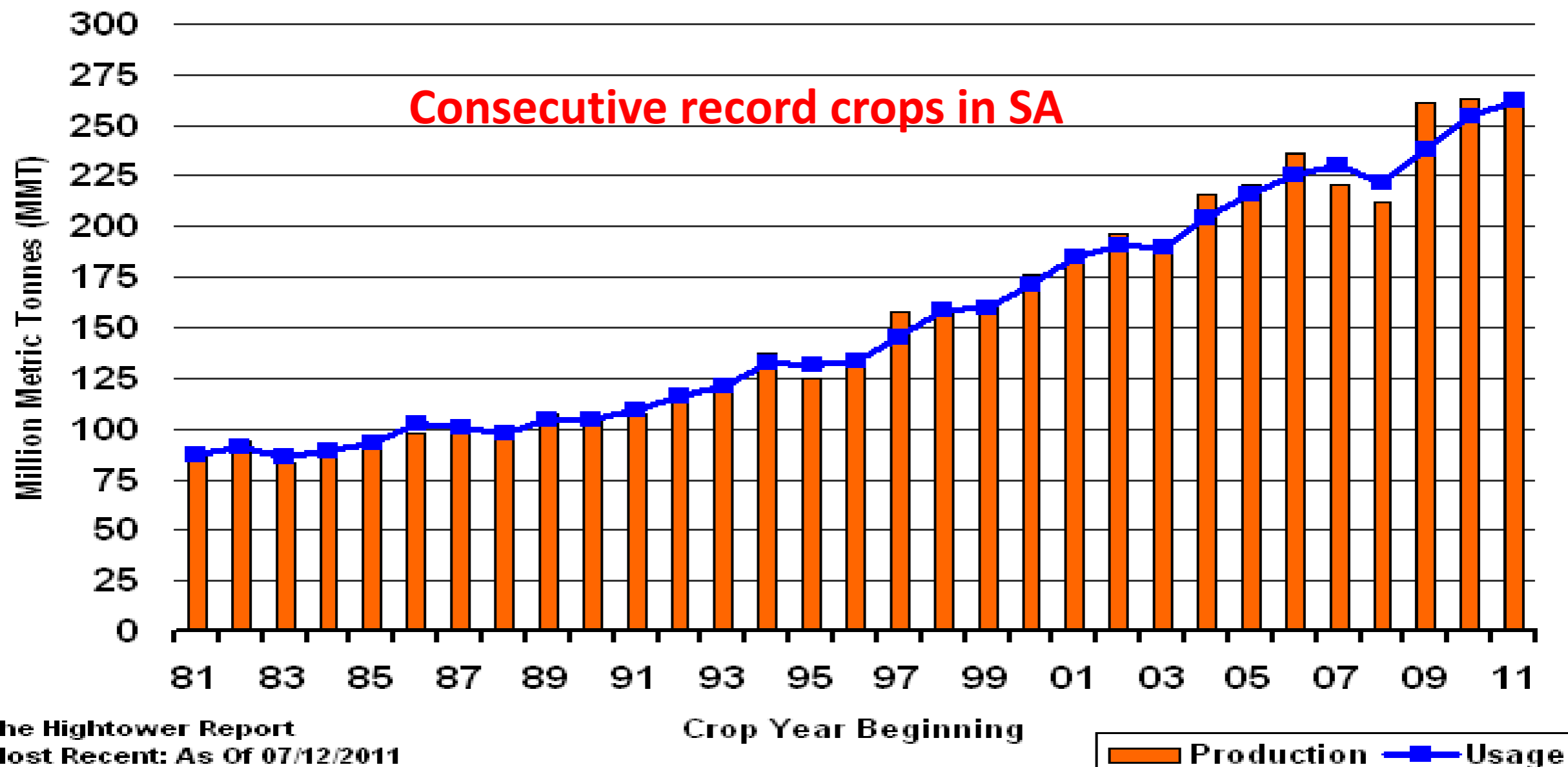


Just 8% in US

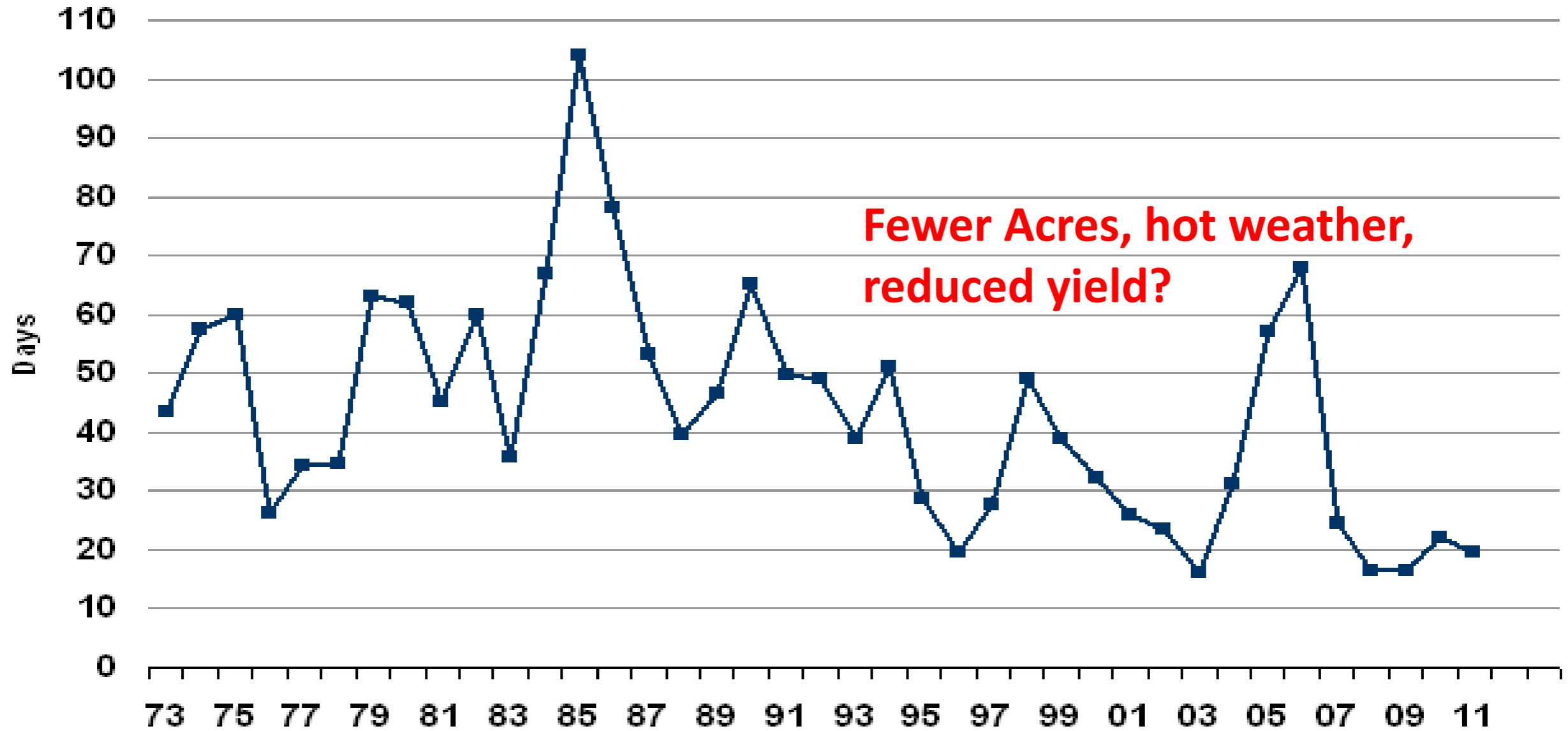
Most Recent: 86.11 As Of 07/12/2011

The Hightower Report

World Soybean - Production vs Usage



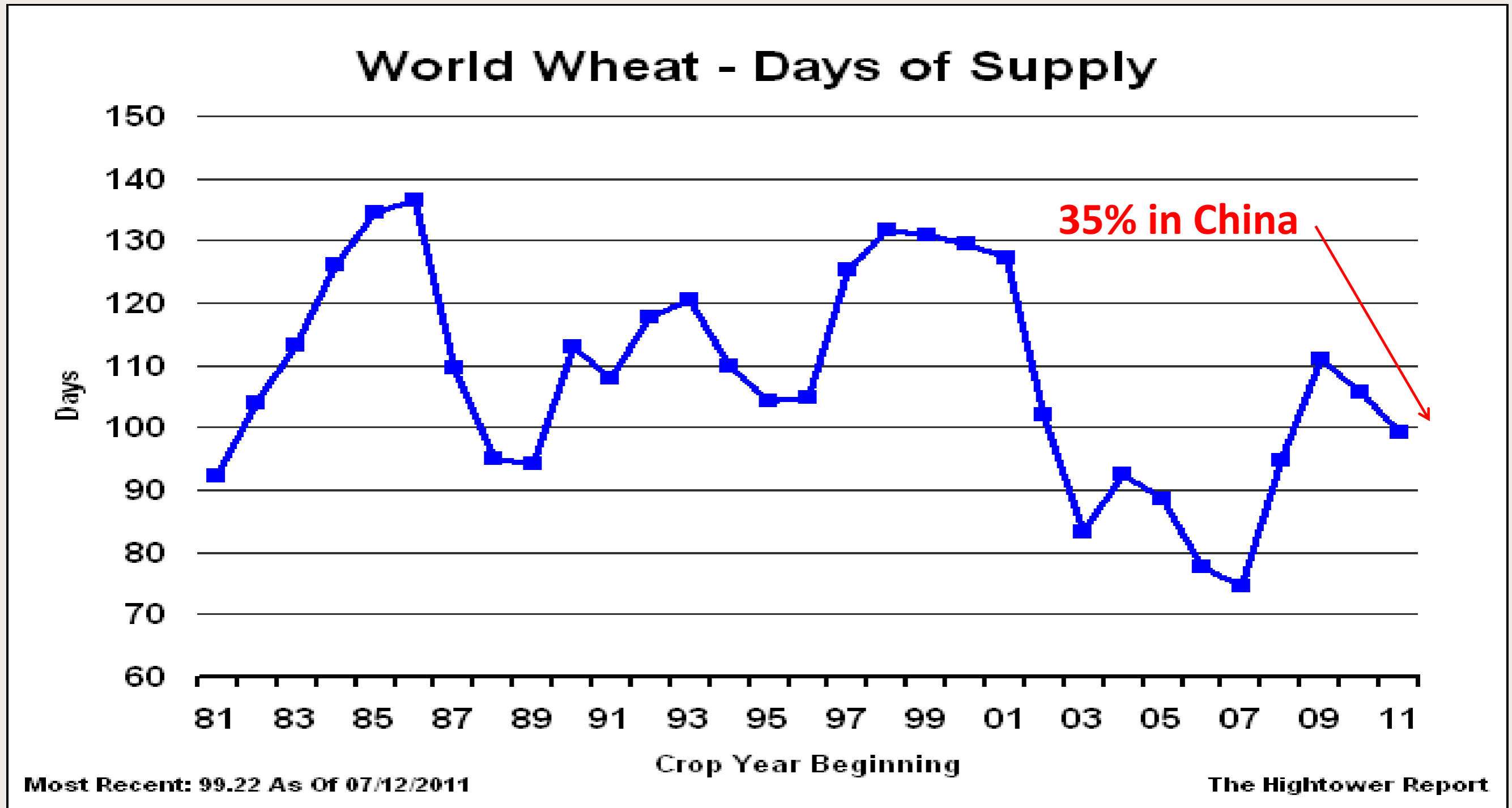
US Soybeans Stocks: Days of Supply



Updated: 07/12/2011

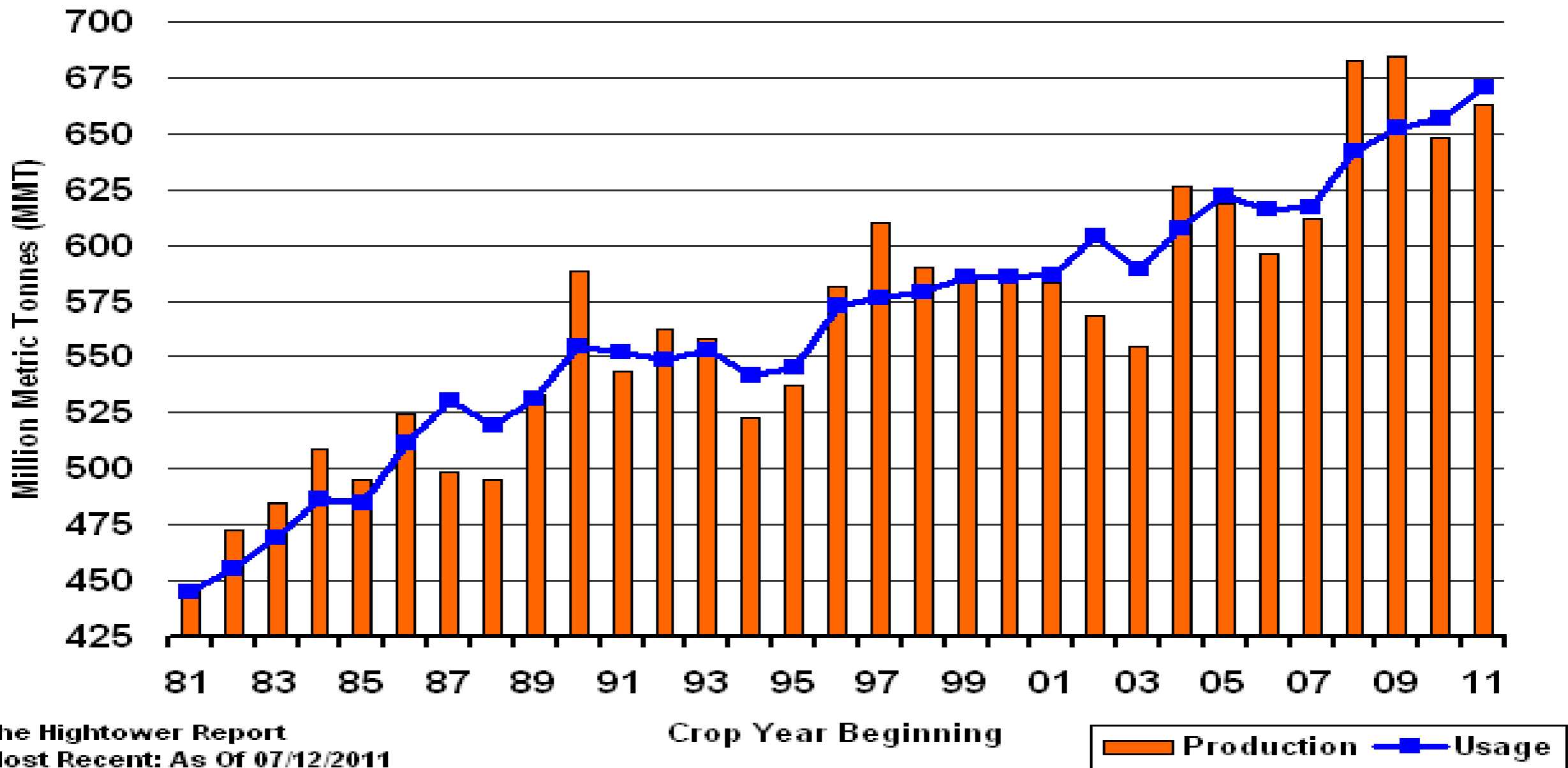
The Hightower Report

Scarcity



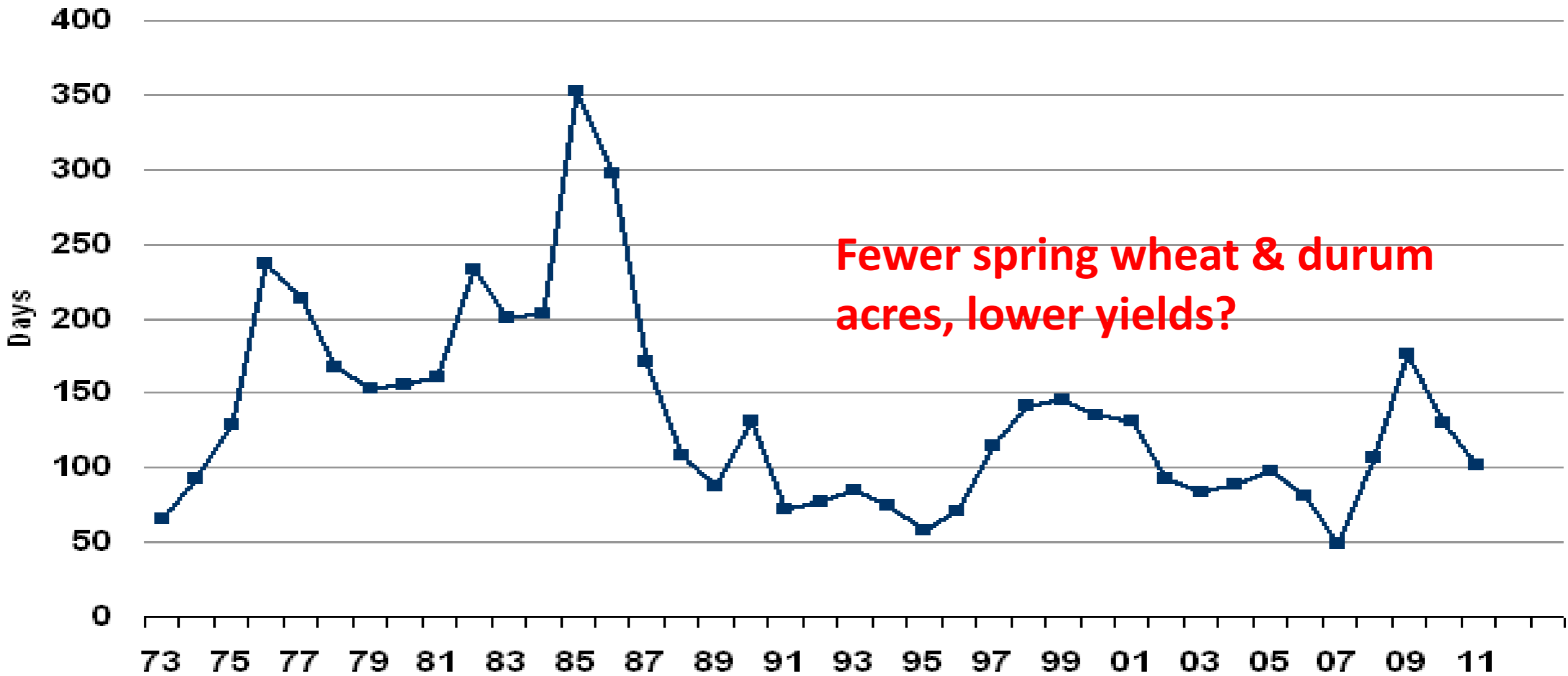
Scarcity

World Wheat - Production vs Usage



Scarcity

US All Wheat Stocks: Days of Supply



Updated: 07/12/2011

The Hightower Report



PLANTING CONDITIONS

North Central North Dakota Mid May



PLANTING CONDITIONS



Eastern Montana June 8

PLANTING CONDITIONS

Southeast Saskatchewan Early June

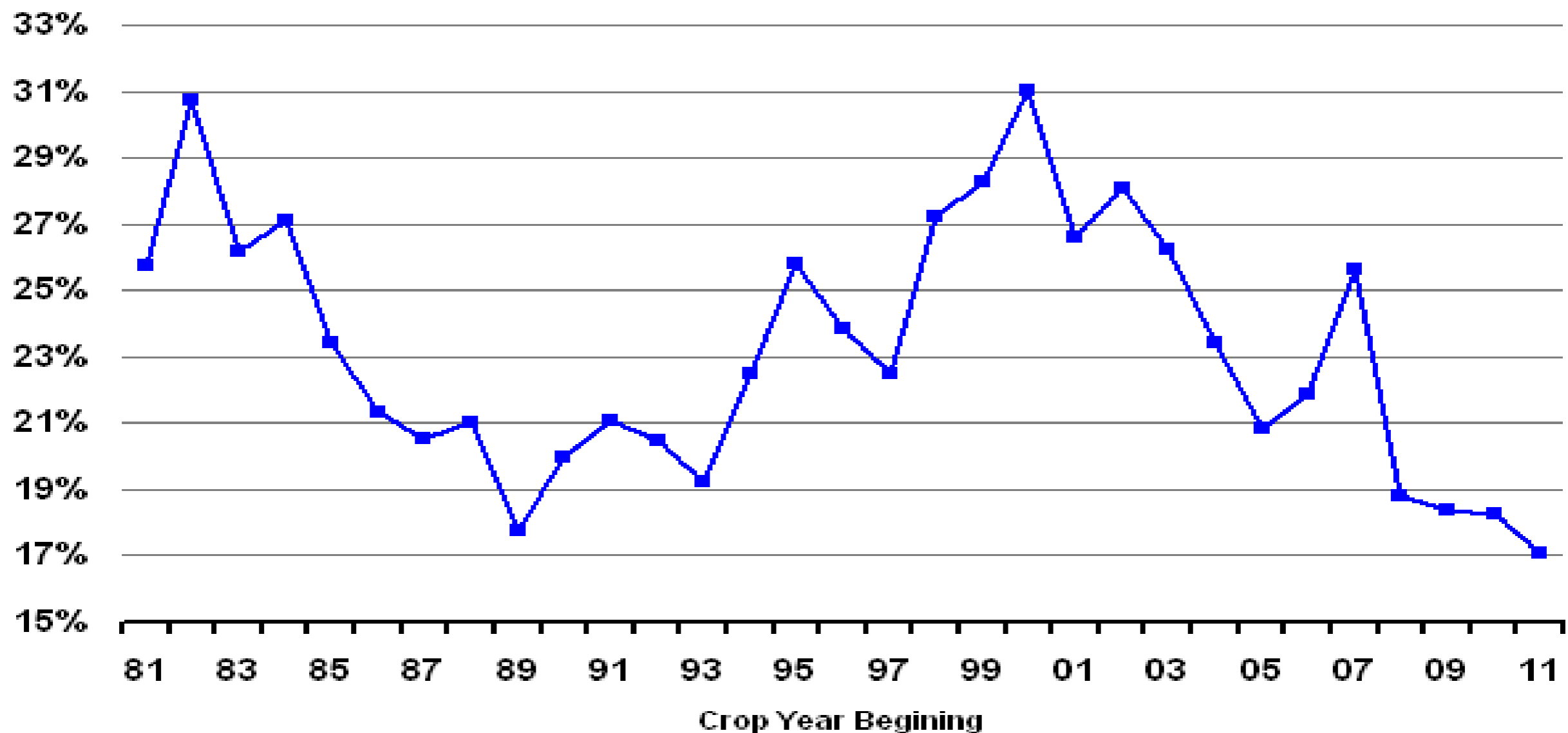


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World Sugar Stocks / Usage Ratio



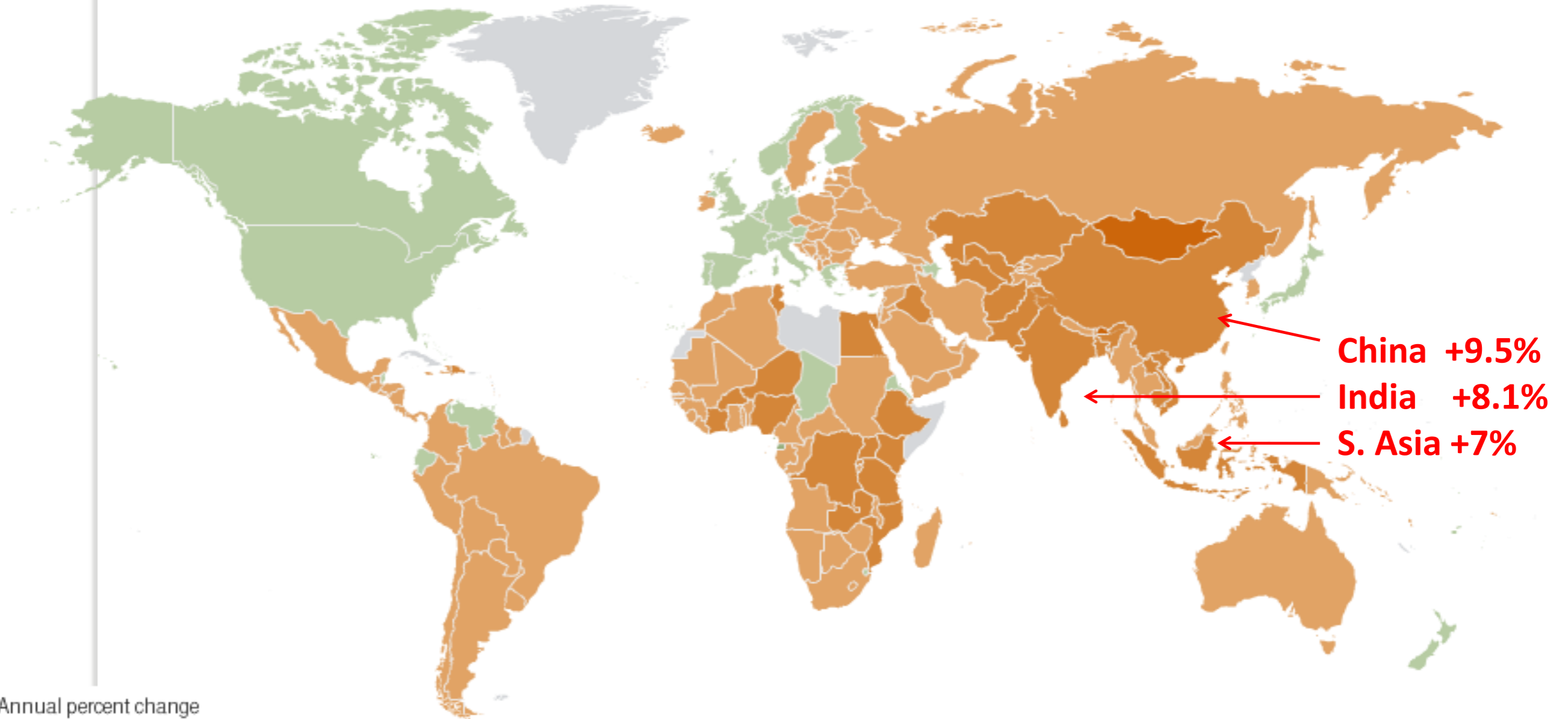
Most Recent: 17.06% As Of May 2011

The Hightower Report

IMF Data Mapper [®]

Real GDP growth (2016)

Source: World Economic Outlook (April 2011)



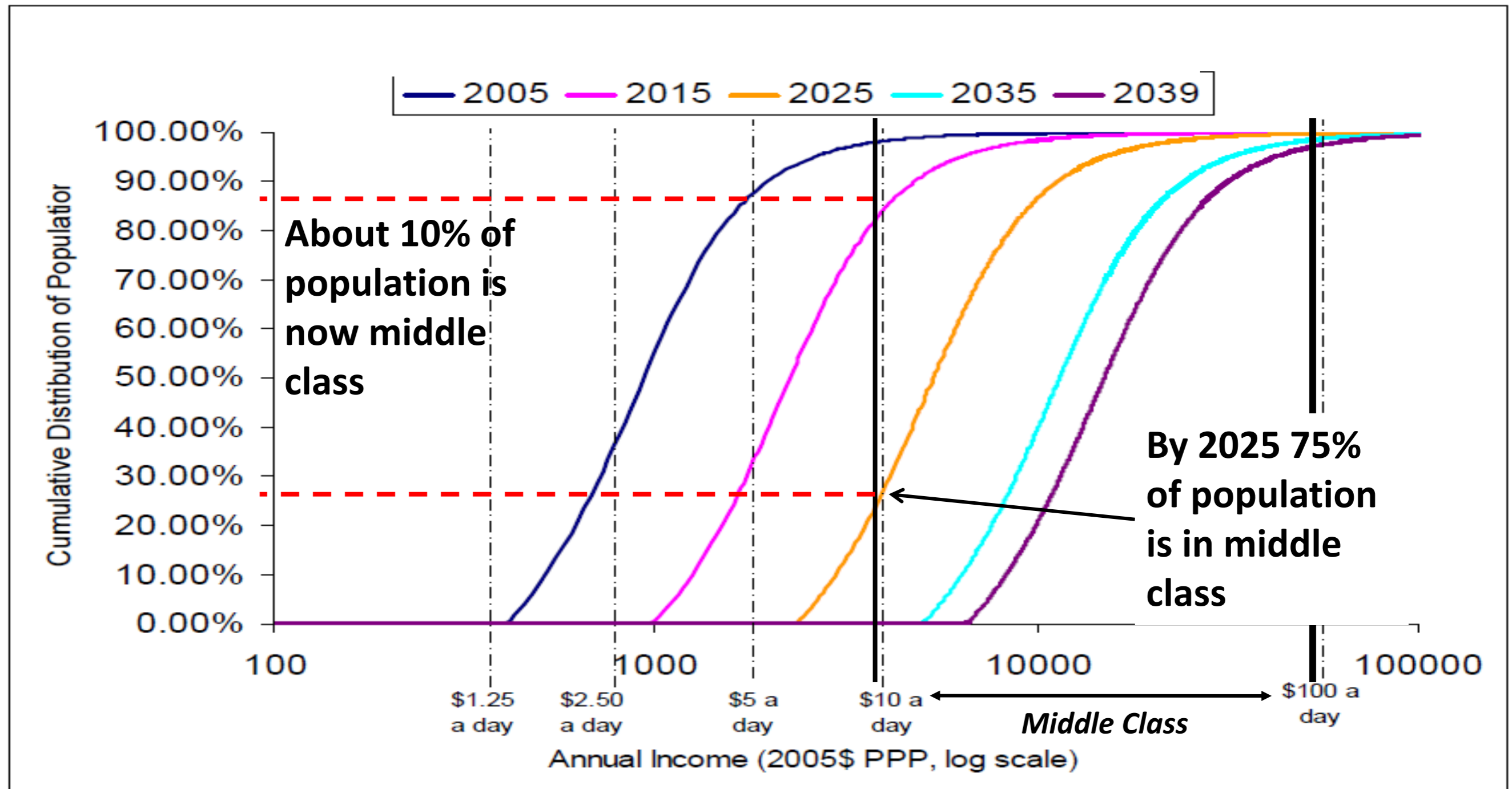
Annual percent change



India: 75% in Middle Class by 2025



India's Income Distribution



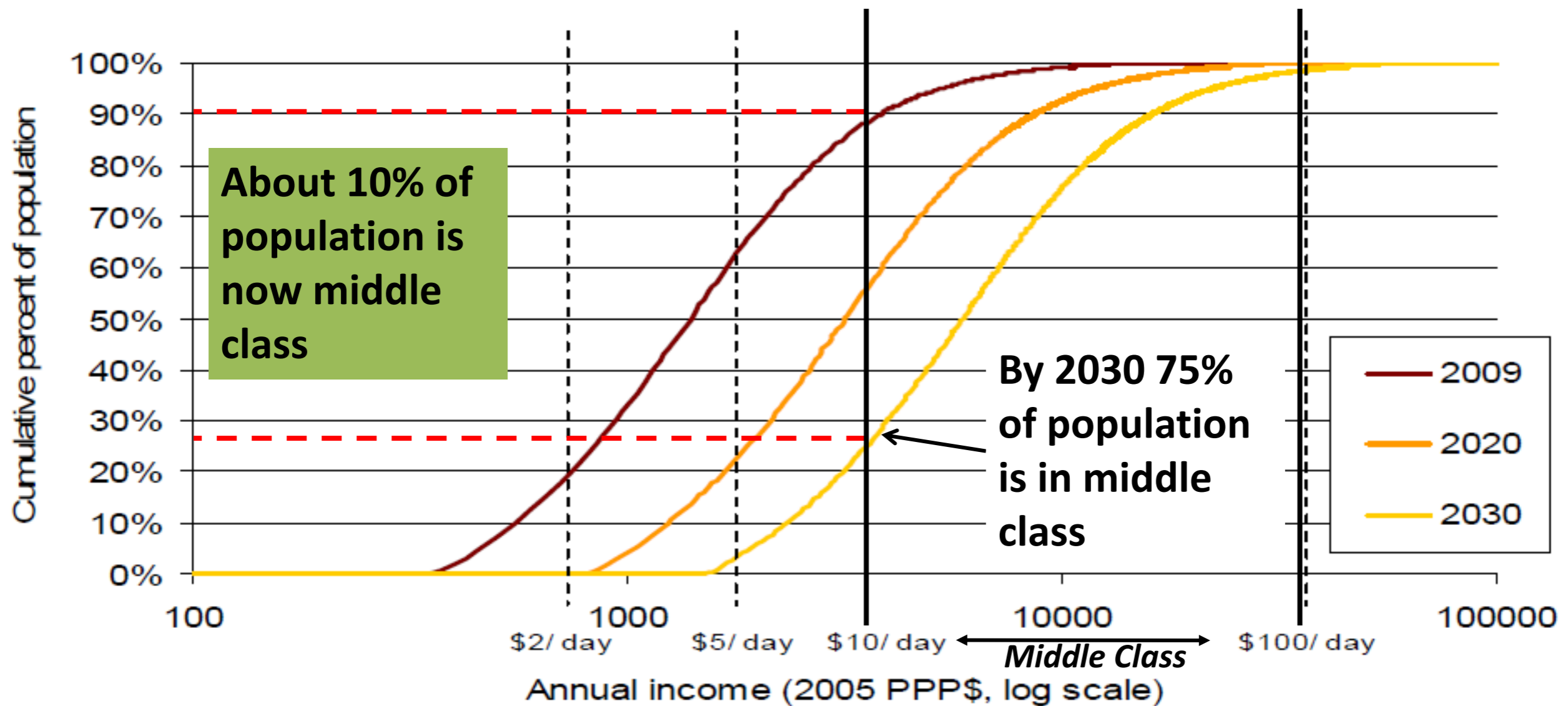
Source: OECD Working Paper No. 285, Homi Kharas, January 2010.

Chart source: Knowledge Exchange Division, CoBank, ACB (confidential and proprietary)

China: 75% in Middle Class by 2030



China's Income Distribution



Source: OECD Working Paper No. 285, Homi Kharas, January 2010

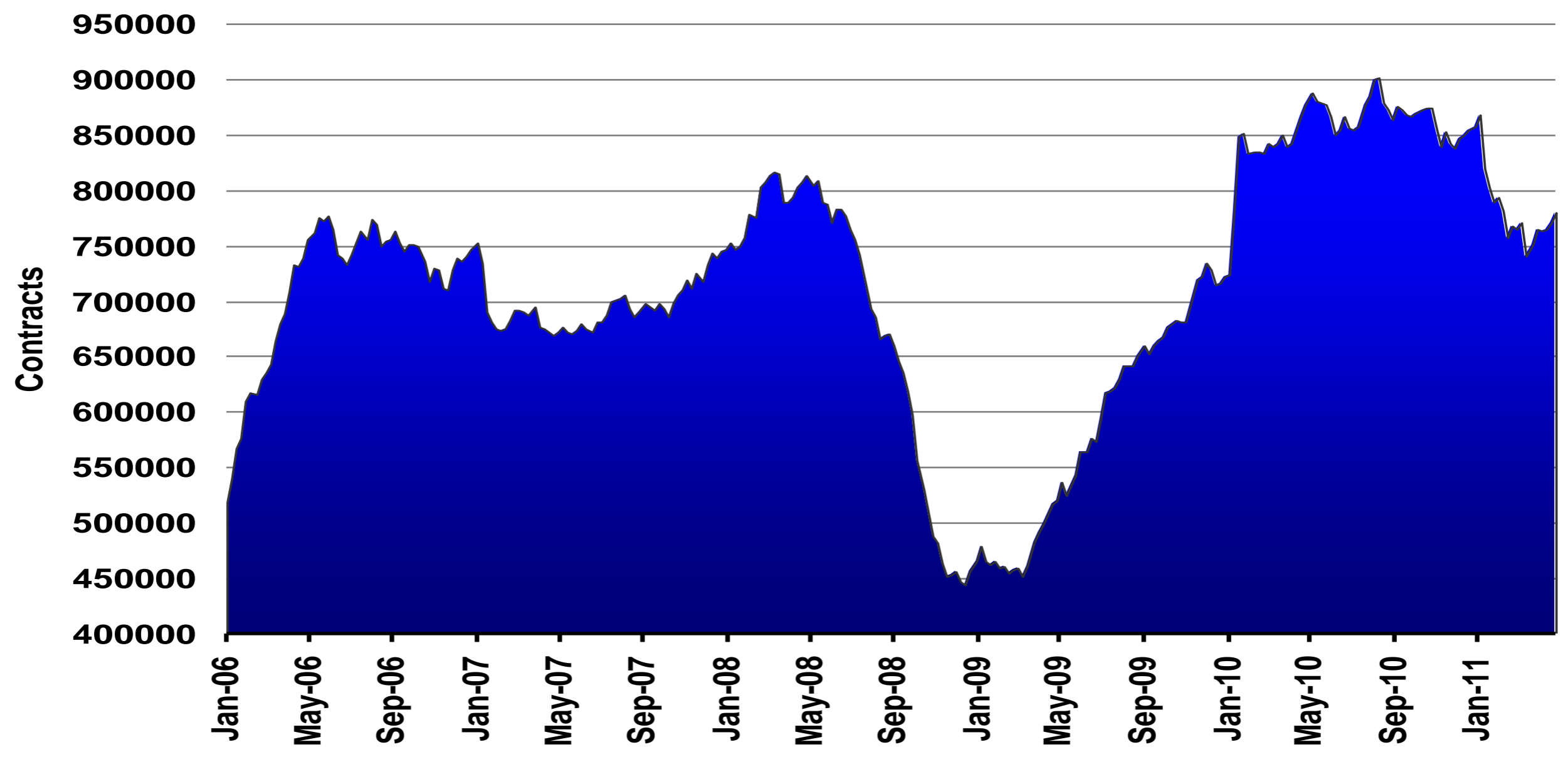
Chart source: Knowledge Exchange Division, CoBank, ACB (confidential and proprietary)

- + **Weather & world crop production**
 - **U.S. HRW drought**
 - **Very late planting U.S. corn, spring wheat & durum**
 - **Late planting in western Canada**
 - **Western Europe drought**
 - **Russia?**
 - **China (record drought/record flooding)**
 - **Northern Hemisphere growing season??**

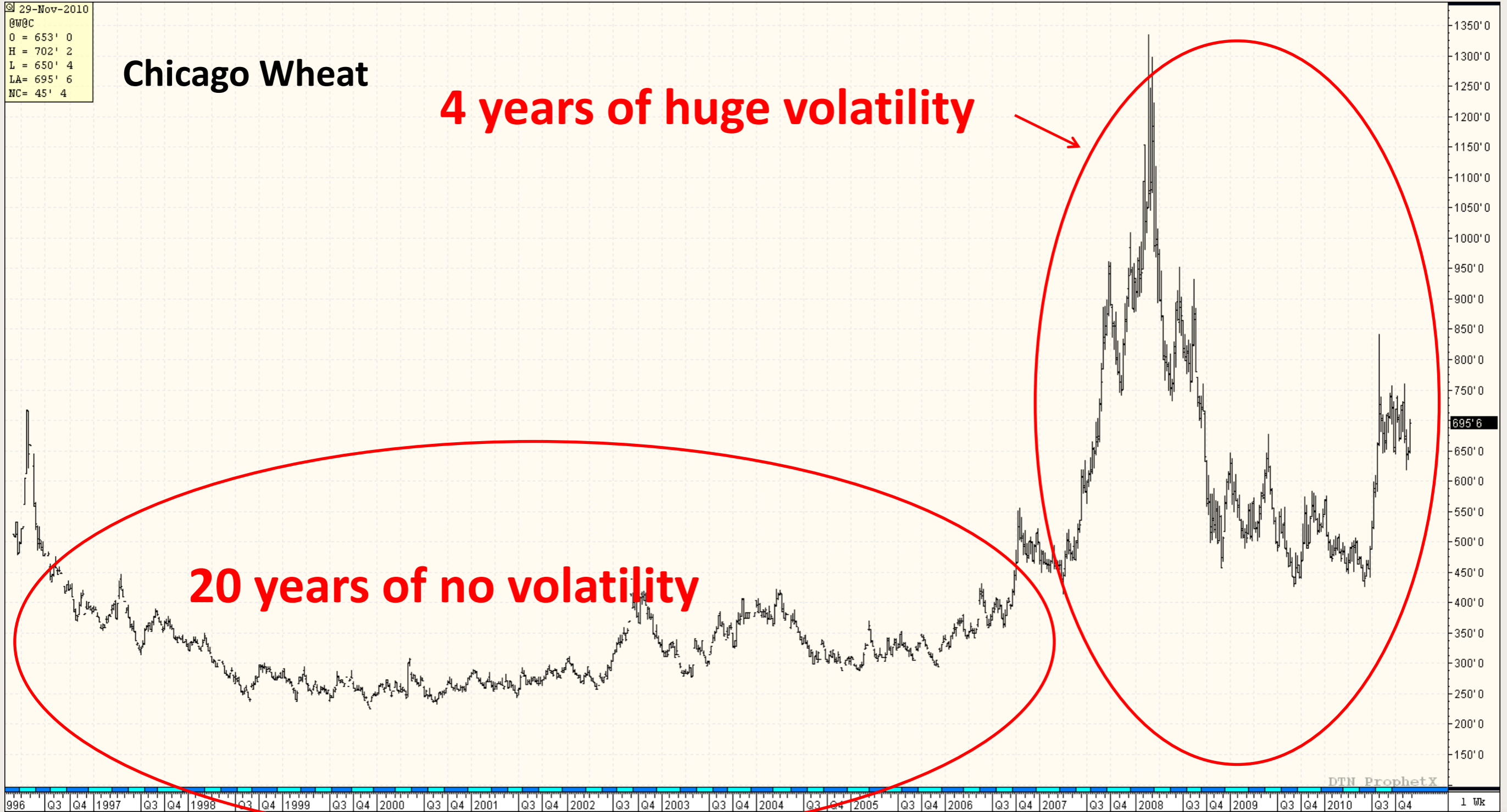
Speculative \$\$



Combined Net Position - Commodity Index Traders Combined Corn, Wheat & Soybeans



What does volatility look like?



- **Shipping slots – bookings required 18 months in advance of harvest**
- **SA in limbo after 6 million mt of advanced bookings on hold pending ACCC deliberations**
- **Road transport rates from some sites as much as \$20.00 mt premium over rail**
- **More and more we will see product moving from premium sites only as site differentials price against particular sites**
- **Real concerns regarding “regional” supply chain monopolies**

- **Rail assets – approximately 12 month lead time**
- **Turn-around time critical**
- **Advanced road and rail contracts essential**
- **Lack of government assistance and general interest a real concern**
- **Market liquidity reflecting logistics**

Questions ??

Many thanks.