



MEDIA STATEMENT: 10 May 2013

Growers welcome rain but crop outlook falls

Emerald Grain has downgraded its outlook for the 2013/14 winter crop following a drier than usual start to the season.

Emerald Grain Group General Manager Trading & Marketing Brian Dalitz said farmers in Western Australia had received much needed rainfall over the past few days and South Australian growers also looked set to benefit.

"But sowing area in the east of Australia remains dry. We've dropped our Australian wheat forecast to 23.7 million tonnes.

"The outlook for Canola is falling more dramatically because it requires early sowing."

He said the rain-carrying front moving across the continent is due to reach Victoria and New South Wales on Sunday or Monday.

"There's still enough time for wheat plantings if we get a good break. But if farmers don't receive decent rainfall by June we could start to see some real reduction in acreage."

Mr Dalitz said international grain markets were being driven by weather and presented an opportunity to growers who had received some rainfall.

"We're seeing plenty of volatility out there. United States corn and wheat production is still experiencing weather related volatility which is helping to support prices.

"Meanwhile, export programs for the upcoming season in Europe, the Black sea and India are being confirmed.

"There's an opportunity for growers to price a portion of their crop now and capitalise on prices while they remain relatively strong."

He said growers in dry areas who were concerned about production risk could use structured cash products to participate in early pricing.

"Emerald has launched a structured cash contract which offers a strong forward price but allows you to roll over into the following season, with a new price, if you experience production issues.

"It's a good solution for growers that haven't had that decent Autumn rainfall but still want to participate the market," Mr Dalitz said.

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For more information, please contact Emerald Communications Manager, Danielle Buller – **0400 949 065**

Background information

Emerald is an Australian company that commenced operations in 2004, today it is the fifth-largest and fastest growing grain marketing business in Australia as well as the third largest storage and handling network in eastern Australia. It has a 10 per cent overall national market share and up to 25 per cent share in some regions.

Emerald's focus is to enhance financial returns to growers through innovative products and supply chain solutions. With a continually expanding national accumulation and storage footprint in Australia's key grain growing regions, Emerald is fast evolving to be a globally competitive grain marketing and logistics company.



Emerald's shareholders include one of the world's leading trading companies Sumitomo Corporation of Japan. The partnership with Sumitomo, and its offices in 66 countries, gives Emerald and its customers unrivalled access to a range of grain consumers throughout the world, particularly into rapidly growing markets in East and South Asia.

The unique Emerald grain accumulation network is about local partnerships working with growers. In southern NSW and Victoria, Emerald trades under commercial joint venture partnerships with grower organisations, including Southern Quality Produce Co-operative, trading as SQP Grain in Victoria; and Southern Ag Venture, trading as Southern Ag Grain in Southern NSW. Emerald operates in its own name in Western Australia; in Queensland and Northern NSW it operates as Philp Brodie Grain; in eastern South Australia as Sturt Grain and in the Eyre Peninsula region of SA as EP Grain. Key to Emerald's strategic vision is its recent acquisition of South Eastern Australian storage and handling network Australian Bulk Alliance, comprising 14 storage sites and the grain shipping facilities at the Port of Melbourne.

Recently *Business Review Weekly* ranked Emerald # 28 in its listing of Australia's Top 500 Private Companies for 2012, after being named as BRW Regional Business of the Year in 2010.