

EMERALD HARVEST BARLEY POOL 2010/11

MARKET & STRATEGY

Market

- Australian feed barley prices have stabilised and improved through July 2011 as weakening prospects for US Corn production squeeze world coarse grain supplies. Late planting dates and mid-season heat have affected the development of the important US corn crop.
- Demand expectations for Australian feed barley have been improved with the renewed participation of Saudi buyers. Saudi importers have signaled a desire to rebuild stocks through a gradual increase in shipments after a lean year of purchases through 2010/11
- As we are at export parity for feed barley, the market is directly influenced by Black Sea barley offers into our Middle East markets. The heavily discounted Black Sea barley has effectively capped Australian markets at this point.

Strategy

- Over the past month Malt Barley prices have dropped \$5/mt whilst Feed Barley prices have rallied \$5/mt domestically. The pool has been able to maintain current EPR's through a volatile macro-economic environment.
- The strategy going forward is to concentrate residual length in export pathways, as it is expected that the export market will show significantly more demand than domestic consumers.

HIGHLIGHTS

KEY INFORMATION

Pool return based on Feed Barley	Current EPR	Inc. EOP*
Current Pool Return	\$261	\$277
March 2011 Pool Opening	\$295	\$310
December 2010 Return	\$265	-

OTHER KEY GRADES

Grade	Current EPR	Inc. EOP*
Baudin	\$287	\$303
Gairdner	\$271	\$287
Stirling	\$283	\$299
Hamelin	\$287	\$303
Buloke	\$286	\$302
Vlamingh	\$284	\$300
Feed Barley 1	\$261	\$277

**EOP based on March figures.*

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