

EMERALD HARVEST WHEAT POOL 2009/10

Pool
Finalisation

The Emerald 09/10Wheat harvest pool has now been finalised. The wheat pool achieved a final return of \$237.84/mt FOB (APW2) + quality rewards in excess of \$16/mt on average for APW2 – higher for some other grades. Early Order Premiums of up to \$18/mt were also paid to many growers on top of the final results. Below is short summary of the pools performance, along with key market points from the season, and final returns by grade.

Pool Wrap Up

Market Comments:

- > The 2009/10 Season was one of extremes. The global wheat markets were considerably volatile with tight global stocks creating strong market reactions from any production news during 2009/10. The pool participated in markets that were affected by many factors including the GFC, wheat exports bans from the Black Seas region and a firmer Australian Dollar. Upon finalising the pool, there has been a slight reduction in the final wheat pool returns between \$3 and \$5/mt for most grades, however there is a larger of \$9/mt for ANW2.
- > During 2009/10, the main WA storage and handling system saw the introduction of the 'Port Capacity Auctions' program. This was a direct result of the congestion experienced during the previous season. While the Auction system posed some minor problems, it was a vast improvement on the events of 2008/09 shipping program.
- > WA again experienced strong demand from Korea and Japan for noodle wheat. APW and ASW demand was consistent throughout the season from Asian destinations such as Indonesia and Malaysia.
- > Emerald with Sumitomo continued to increase its strong direct links into the Japanese Noodle market. This partnership began to form one the largest single supply chains into the Japanese noodle market. As a result of this Emerald and Sumitomo were successful in shipping one of the first Noodle wheat cargoes loaded from Albany bound for Japan.
- > With Emerald and Sumitomo having partnered into this market since 2008/09, our experience allowed us to expand into the Korean Noodle market. This added further to our noodle wheat market penetration and delivered greater value to our relevant pools.

Final 2009/2010 Pool Returns by Grade

All Pool values quoted FOB, and on a per mt basis.

Grade	Final Pool Return	Quality Reward*	Final Return inc. Quality*
AH1	\$254.12	\$18.30	\$272.42
AH2	\$245.87	\$13.60	\$259.47
APW2	\$237.84	\$16.45	\$254.29
ASW1	\$222.56	\$13.30	\$235.86
AUH2	\$221.68	\$7.05	\$228.73
ANW1	\$250.09	\$17.15	\$267.24
ANW2	\$230.15	-	\$230.15
AGP1	\$219.66	-	\$219.66
AUW1	\$201.85	-	\$201.85
FEED	\$187.54	-	\$187.54

The above Pool Returns DO NOT include Early Order Premiums. Early Order Premiums of up to \$18/mt were paid on top of the final pool return.

** Quality rewards based on average quality delivered to the pool.*

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