

EP Grain Wheat Pool Update: Wheat pool steady as EP Grain interest rate falls

Port Lincoln 14 November, 2008: EP Grain has left 2008/09 wheat pool estimates unchanged as international commodity futures halted their decline and the Australian dollar remained at similar values.

2008/09 wheat pool estimated returns for the benchmark APW grade remains at \$330/t FOB (plus *EP Grain Rewards* quality premiums).

EP Grain General Manager, Tim Burrow, said international wheat futures had shown some upside since the last pool update two weeks ago and while the Australian dollar remained volatile it was trading at similar levels which helped maintain wheat values.

“Continued strong export demand for Australian wheat from South East Asia and the middle east is lending support to local wheat prices,” Mr Burrow commented.

“Wheat harvest is underway in the North West around Wudina and Kimba and yields, as expected, are disappointing which is a result of the dry spring. However, on the flip side there is quite a bit of high protein wheat being delivered so at least growers can take advantage of the protein premiums EP Grain are offering outlined in *EP Grain Rewards* quality matrix.

Mr Burrow said the recent announcement by joint venture partner, Emerald Group, regarding changes to harvest cash flow and reduced interest rates would mean EP Grain customers receive additional value.

“Emerald’s announcement affects all EP Grain’s wheat pools, so our interest rate of 7.75 per cent is now among the lowest on offer anywhere on the market. We pass all the benefits of reduced financing costs directly through to our customers as we do not charge a margin on finance so Eyre Peninsula growers will get the full benefit of this reduced rate.”

“The increase in EP Grain’s wheat pool loan and advance harvest payments to 80 per cent and 70 per cent respectively is more good news for local growers and means that despite the gloomy economic outlook, our customers are assured they will have strong cash flow at harvest.”

EP Grain’s quality reward matrix and the changes in interest rates and harvest payment percentages can be found on the company website at www.epgrain.com.au.

For more information on EP Grain’s pool returns call the office in Port Lincoln on 08 86824955 or visit the web site at www.epgrain.com.au

Media Inquiries: Tim Burrows, General Manager, EP Grain - 08 86824955 or 0417868036

Emma Field, Communications Coordinator, 0439974490

EP Grain 2008/09 No.1 Wheat Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade

APW1	\$330	ASW1	\$318
H1	\$344	AGP1	\$318
H2	\$336	AUW1	\$290
AUH2	\$333	FEED	\$280

Note: Estimated Pool Return (EPR) is as at date of release and at a defined level of protein, screenings and moisture for each pool pay grade. Prices are net of management fees. Wheat base grade is APW and all prices are Free On Board (FOB) and deductions associated with payment option choice and location need to be taken into account. All prices are in Australian dollars (AUD) unless otherwise indicated and are estimates only and subject to change over the life of the pool as a result in changing market conditions and management performance. All terms and conditions of EP Grain pools plus EP Grain Reward quality payment matrices are published on our website at www.epgrain.com.au. PLEASE NOTE: EP Grain pools operate via a disclosed principle agreement between EP Grain Pty Ltd and Emerald Group Australia Pty Ltd. The EP Grain pool is operated and managed by Emerald Group Australia Pty Ltd.

EP Grain Pty Ltd is a joint venture between FREE Eyre Ltd and Emerald Group Australia Pty Ltd