

EP Grain Pool Update: Global canola dive leads pools lower

Port Lincoln 4 December, 2008: EP Grain has adjusted their canola pool values as the worldwide canola market suffered a negative week plunging C\$30 per tonne on the back of falling crude oil and harvest pressures.

Despite the global and local market canola price reduction of up to \$50 per tonne EP Grain's number one 2008/09 canola pool has only slipped \$10/t to \$630/t FOB largely protecting pool participants from these falls. The number two pool, which opened last week, has been revised to \$580/t FOB.

Tim Burrow, General Manager EP Grain, said canola harvest in the Eyre Peninsula was past the half way point with deliveries indicating reasonable yields and quality.

He said the EP Grain pool revision was on the back of the worldwide canola market which had fallen C\$30/t in the past week, as a result of continued global market pressure due to an overflow from falling crude oil and equity markets.

"Increased levels of farmer selling in Australia and Canada have added to this pressure, along with improved weather across Argentina as they finalise soybean plantings," he said.

"Local prices have been impacted by a number of other factors. The thanksgiving holiday in the States meant many traders were away and markets closed, reducing global liquidity and the aggressive selling by WA growers at this time have hit local prices.

"Pressure from lower freight rates and increased competition from Canadian canola imports, has reduced local basis by \$20/t on top of the broader global market fall, pushing local cash prices down \$50/t.

"EP Grain customers have been partly cushioned from this dramatic fall in the canola market due to our forward selling and risk management strategies with only a \$10 per tonne fall in the number one pool and a reduction in the number two pool of around six and a half percent."

Mr Burrow said in the short-term he believed the lead on canola prices will be taken from outside markets, mainly crude oil and equities, along with local Australian harvest progress.

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 Burrow, General Manager, EP Grain - 08 86824955 or 0417868036

Emma Field, Communications Coordinator, 0439974490

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

Can1	\$630*
-------------	--------

EP Grain 2008/09 No.2 WA Canola Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade

Can1	\$580
-------------	-------

*Closed pool

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. 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