



Media Statement

30 January 2012

EP Grain 2011/12 harvest pools – ASW and feed jump

EP Grain has lifted its 2011/12 season estimated pool returns (EPRs) for ASW wheat by \$6 a tonne and feed wheat by \$10 a tonne, with similar lifts to all grades in between, declaring it wants wheat for international stockfeed customers.

EP Grain general manager, Tim Burrow said the company was making sales and accordingly had raised EPRs for all grades of wheat, but was particularly looking for growers on Eyre Peninsula to deliver wheat in feed grades right through to ASW.

“Quite simply, we have shipping opportunities to feedgrain customers in March and April, so we are seeking growers holding stocks of wheat to deliver to our pools,” Mr Burrow said.

“There’s been a big harvest just about everywhere in Australia; domestic buyers know this and are well satisfied, so that means there are large quantities that must be exported.

“Shipping opportunities, port schedules and transport to ports are now the driving factors that will limit spot market opportunities for growers holding unsold grain. Export shipping slots are heavily booked or completely full at all Australian ports, so growers holding unsold grain and looking for additional export opportunities risk waiting a very long time, further delaying their cashflow.

“We have transport, so we encourage growers to establish their export pathways by committing to our pools now. I can’t emphasise enough that the opportunity for wheat is for Australian exporters with shipping slots, and we are in a strong position to capitalise and deliver benefits to our grower clients.

“We are now moving into the best shipping period for Australian exporters, ahead of new season stocks starting to hit the market from northern hemisphere suppliers from July-August onward.

“Our barley EPRs are holding steady for all grades. Canola 2011/12 pool EPRs are unchanged, as are EPRs for all grains in 2010/11 season pools.

“We are seeing stronger demand for malting barley and improved prices appearing from China as their buyers seek to secure Australian supply. As always we would encourage growers holding malting barley to deliver soon to offset the risk of malt quality suffering in farm storages.

“With market reports of Ukraine removing its export tax on barley there will likely be an impact on Australian feed barley markets, which already face a US\$30 a tonne price drop mid-year as buyers are already pricing in the supply of new season northern hemisphere barley. Once again, the opportunity for Australian feed into world markets is over the next six months.

“The canola market continues to be relatively quiet, however we have shipping slots available and will be targeting markets for maximum benefit.

“I would encourage growers holding unsold stock of any grain to fully appreciate the logistics challenge facing the industry after the second big year in a row for this region and the opportunities currently available through EP Grain,” Mr Burrow said.

For further information on EP Grain’s pool returns or distributions call 08 8682 4955 or visit www.epgrain.com.au

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Background information

EP Grain is a joint venture between Eyre Peninsula grower based and unlisted public company FREE Eyre Ltd and leading Australian grains manager Emerald Group Australia Pty Ltd.

EP Grain services the very specific needs of Eyre Peninsula grain farmers. Proudly local and farmer focused, this unique organisation provides a transparent, competitive suite of marketing products to grain producers in the Eyre Peninsula region of South Australia.

Headquartered in Port Lincoln, EP Grain joint venture partners maintain regional and joint venture offices in Adelaide, Melbourne, Ballarat, Horsham, Swan Hill, Wagga Wagga, Tamworth, Toowoomba, Perth, Albany, Esperance, Geraldton and Merredin.