

# Pool update



1 April 2010

## Emerald 2009/10 April pool update

Emerald Group Australia (Emerald) today announced some changes to the Estimated Pool Returns (EPR) for the Northern Quality Wheat pool.

### Wheat

Emerald has reduced returns in the 2009/10 wheat pools by \$4 per mt in the benchmark APW1 grade.

The reduction is due to sluggish export demand in the face of increased wheat competition from Black Sea, EU and Canadian marketers, who have been aggressive sellers of 2008/09 carry in stocks, as they anticipate ample new season wheat supplies in the absence of any real weather events during the 2009/10 crop production cycle.

While the top five wheat exporters' supplies have increased dramatically from the proceeding seasons, demand has been subdued from importing nations due to their domestic production rebounding from drought in previous years.

We have seen an absence in demand from Iran this year, as their local production bounces back. At present, Iraqi demand is being met by Canadian and Black Sea suppliers, as US, and to a lesser extent Australian wheat, remain uncompetitive.

We are also seeing Black sea wheat increase sales into Asia, as they push to market extensive wheat supplies. So much so, that the Black Sea area has now eclipsed the USA as the largest global wheat exporter. This represents a fundamental shift in global wheat trade.

We have a committed FOB marketing plan that will see our pools export wheat throughout the remainder of the 2010 calendar year, as shipping capacity has been secured in WA and SA. Eastern ports remain open to access due to a smaller crop and premiums in domestic track markets that have diminished eastern states' competitiveness to the FOB point.

Emerald NQWP 2009/10 wheat pool estimated pool return (EPR) base rate (\$AUD/t) by grade delivered FOB			
Grade	EPR	Grade	EPR
APW1	\$254	AUH2	\$244
APH2	\$276	AGP1	\$239
H1	\$271	HPS1	\$232
H2	\$262	AUW1	\$224
ASW1	\$244	FEED	\$199

*Note: Estimated Pool Return (EPR) is as at date of release and at a defined quality level for each pool pay grade. Prices are net of management fees. Early Order Premiums (if applicable) need to be ADDED to the quoted returns. Wheat base grade is APW and all prices are Free On Board (FOB) and deductions associated with payment option choice and location to be taken into account. All prices are in Australian dollars (AUD) and are estimates only and subject to change over the life of the pool as a result of changing market conditions and management performance. All terms and conditions of Emerald pools are published on our website at [www.emerald-group.com.au](http://www.emerald-group.com.au) and more detailed information in relation to returns and deductions can be found on each pools 'fact sheet' which can be downloaded from the web site.*

For more information on Emerald's pool returns call 1300 880 432 or visit [www.emerald-group.com.au](http://www.emerald-group.com.au)

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### **Background information**

Emerald is one of Australia's leading grain marketing companies. Working directly with producers and producer organisations, Emerald provides a range of marketing and risk management products that seek to maximise returns and minimise risk for grain producers.

Emerald has developed and maintains a number of alliances and joint ventures with producer organisations nationally and has offices in Melbourne, Ballarat, Horsham, Port Lincoln, Perth, Esperance, Narrogin and Geraldton. Emerald holds an Australian Financial Services License, is authorised for the export of bulk wheat by WEA and for the export of bulk barley from South Australia by ESCOSA.

For more information visit [www.emerald-group.com.au](http://www.emerald-group.com.au)