

# Pool update



17 April 2009

## Emerald 2008/09 pool update

Emerald Group Australia (Emerald) today announced changes to its 2008/09 estimated pool returns for barley and wheat amid a strengthening Australian dollar, decreased demand for barley and a weakening futures market in the United States. Canola pool estimates have remained unchanged.

### Wheat

Emerald's 2008/09 estimated pool return (EPR) for wheat has been adjusted slightly lower - by \$2 per metric tonne (mt) across all grades to \$330 FOB (APW1). This follows an easing of international milling wheat values over recent weeks as a result of a continuing weakness in US wheat futures. In addition, there remains significant supplies of old crop wheat still to be marketed and new crop wheat in the northern hemisphere is close to being harvested, further adding to stocks in EU and FSU-12 countries which has resulted in aggressive pricing. Despite the current state of the Chicago Board of Trade (CBOT) futures market and the strengthening Australian dollar, which has seen a considerable drop in overall wheat prices, Emerald's hedging and pool marketing program has meant only a \$2 per mt reduction in milling wheat grades for the 2008/09 pools.

#### Emerald 2008/09 Wheat Pool Estimated Pool Return (EPR)

APW1	\$330
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### Barley

Emerald has maintained all feed barley pool returns despite the rising value of the Australian dollar, with spreads to malt barley narrowing by approximately \$5 per metric tonne. An aggressive marketing campaign has contributed to the pool price stability. Malt barley market prices have declined following the withdrawal of Chinese buyers from the market coupled with the ongoing financial downturn and subsequent decreased demand. There is now a substantial surplus of malt barley in Western Australia following high levels of malt graded barley being produced in spite of unfavorable harvest conditions. These factors, combined with a strengthening Australian dollar, have seen a downward revision of malt barley pool returns by approximately \$5 per mt. (See tables below and overleaf)

#### Emerald Northern NSW & QLD 2008/09 No.2 Barley Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade

Feed 1	\$240
Feed 2	\$220

#### Emerald Northern NSW & QLD 2008/09 Malt 1, No 1 Barley Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade

Feed 1	\$250	Malt 1 (Gairdner)	\$355
Feed 2	\$230	Malt 1 (Fitzroy)	\$345
		Malt 1 (Grimmett)	\$325

#### Emerald Southern NSW & QLD 2008/09 Malt 1, No 1 Barley Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade

Feed 1	\$260	Malt 1 (Schooner, Baudin & Gairdner)	\$355
Feed 2	\$240	Malt 1 (Buloke & Flagship)	\$355

Emerald NSW & QLD 2008/09 Malt 1, No 2 Barley Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade			
Feed 1	\$240	Malt 1 (Schooner, Baudin & Gairdner)	\$355
Feed 2	\$220	Malt 1 (Buloke & Flagship)	\$355
Feed 3	\$190		

Emerald SA 2008/09 Malt 1, No 1 Barley Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade			
Feed 1	\$240	Malt 1 (Gairdner)	\$315
Feed 2	\$220	Malt 1 (Baudin)	\$315
Feed 3	\$210	Malt 1 (Schooner)	\$300

Emerald SA 2008/09 Malt 1, No 2 Barley Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade			
Feed 1	\$225	Feed 3	\$195
Feed 2	\$205	Feed 4	\$175

### Canola

Emerald's canola pool returns have been maintained. The firmer Australian dollar has countered recent positive gains made by soybean and Canadian canola futures. Unlike barley, Chinese canola demand has been strong for the first quarter, but is expected to steady as China approaches its domestic rapeseed harvest. Moving forward, markets will increasingly focus on weather conditions with Canada, Australia and the United States about to plant their respective canola and soybean crops. Europe and the Black Sea crops move out of dormancy and through key development stages prior to harvest in July.

Emerald 2008/09 No. 1 Canola Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade	
Can 1	\$610

Emerald 2008/09 No. 2 Canola Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade	
Can 2	\$550

*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 need 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 website.*

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 Group Australia Pty Ltd is a leading independent grain marketing company and specialist pool manager offering a range of products to assist growers and agribusiness maximise returns and manage grain market risks.

As a specialist pool manager Emerald has significantly changed the pool marketing landscape in Australia. Emerald broke new ground with the establishment of the pool based contract premiums as well as forced the industry to maintain payments for quality by enhancing the quality payments matrix applicable in the 2008/09 season. Emerald also offers a range of fixed price alternatives and other products.

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