

Emerald Pool Update (WA): Canola up by \$10 and wheat steady

Melbourne 20 October, 2008: Emerald Group has increased 2008/09 canola and held wheat pool values steady despite the tumultuous market activity over the past two weeks, while malt and feed barley have fallen on the back of global market uncertainty.

The falling Australian dollar has been one factor keeping canola and wheat values steady, off-setting to some degree, the high volatility in global markets over past weeks.

Emerald's 2008/09 Canola pool estimate increases \$10/t to \$600/t - \$620/t FOB and APW wheat is steady at \$320/t FOB (plus *Emerald Rewards* quality premiums). Feed barley has eased to \$245/t - \$265/t FOB while malt barley is also lower at \$290/t - \$310/t FOB.

Emerald Managing Director, Mick Cattanach, said wheat futures markets have been under severe pressure over the last month but there is still good demand in traditional Australian wheat export markets such as South East Asia and the Middle East.

"While global production has seen a large increase it has been mostly in soft wheat. Hard protein wheats have not had the same production increases so values are showing some support," he said.

Mr Cattanach said the weakening dollar has also impacted canola offsetting the decline in global oilseed markets as supply increases in the US and the global financial crisis weighs on demand.

"Australian canola crop conditions have continued to deteriorate across the eastern states, leading to firmer basis levels and while export markets remain quiet, European demand is strong at current local levels given the sharp decline in bulk ocean freight values.

"Another significant factor driving current market dynamics has been the collapse of bulk freight markets. This will be a factor to watch going forward due to the impact this issue has on the relationship between bulk and container exports" he added.

All growers delivering to an Emerald wheat pool (including the WAFarmers Wheat Pool) are encouraged to download the Emerald Rewards quality premium matrix which pays premiums for test weight as well as protein, moisture and screenings. The matrix (attached) can be found on the Emerald website www.emerald-group.com.au.

Emerald 2007/08 pools remain unchanged, APW wheat at \$410/t FOB, malt barley at \$405/t FOB, feed barley at \$355/t FOB and canola at \$595/t FOB.

Emerald will update estimated pool returns on 29 October and will commence weekly updates in November and December. For more information on Emerald's pool returns call **1300 880 432** or visit the web site at www.emerald-group.com.au

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

APW2	\$320	ANW1	\$310
H1	\$336	ANW2	\$300
H2	\$328	AGP1	\$310
AUH2	\$325	AUW1	\$290
ASW1	\$310	FED1	\$270

Emerald 2007/08 No.1 Wheat Pool Estimated Pool Return (EPR) Base Rate (\$AUD/t) by grade

APW	\$410	APN	\$424
AGP	\$400	ASW	\$407
AH	\$414	ASWN	\$410
AHP	\$419	AUH	\$414
APH	\$425	APWT	\$416
APHP	\$430	AUW	\$400
		FEED	\$360

Returns continued overleaf...../2

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

Feed WA & SA	\$245 - \$265	Feed NSW & Qld	\$245 - \$265
Malt WA & SA	\$290 - \$310	Malt NSW & Qld	\$290 - \$310

Emerald 2007/08 No.1 Barley Pool Estimated Pool Return Base Rate (\$AUD/t) by grade

Malt 1 – WA	\$405	Malt 1 – SA & East Coast	\$405
Feed 1 – WA	\$355	Feed 1 – SA & East Coast	\$355
Feed 2 – All states	-\$10 (less \$10/t from feed 1)	Feed 3 – All states	-\$20 (less \$20/t from feed 1)

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

Can1 – WA & SA	\$600 - \$620	Can 1 - NSW	\$600 - \$620
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Emerald 2007/08 No.1 Canola Pool Estimated Pool Return Base Rate (\$AUD/t) by grade

Can1 – WA	\$595	Can 1 – SA & East Coast	\$595
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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) 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 Emerald pools plus Emerald Reward quality payment matrices are published on our website at www.emerald-group.com.au

Please note: Emerald has applied to the WEA for accreditation as a bulk wheat exporter, and is yet to have its application fully assessed. Emerald is not in a position to export bulk wheat without accreditation, however can access containerised export channels and wholesale trade and domestic markets for wheat. Emerald is accredited for the bulk export of barley from South Australia by ESCOSA.