

Emerald increases high protein wheat values

Melbourne 18 December, 2008: Emerald Group has lifted high protein wheats values for the 2008/09 WA wheat pool. Feed wheat and industrial grade wheat returns have been adversely affected by competition from the Black Sea which continues to put the international feed wheat market under pressure.

WA 2008/09 wheat pool estimates for H1 quality have been raised to \$345/t and H2 is at \$337/t FOB. The benchmark APW grade estimated pool return has been lowered marginally to \$325/t (plus *Emerald Rewards* quality premiums).

Emerald Managing Director, Mick Cattanach, said the increase in the higher protein wheats reflected the strong international and domestic demand for good quality milling grades.

“We are seeing while good demand for APW grades but the recent erosion in Australian basis levels has led to the adjustment in our base grade.”

Emerald’s ANW1 for 2008/09 WA wheat pool is down \$4/t to \$313/t and ASW slipped to \$307/t.

“The global feed wheat complex has been dragged down by very cheap Black Sea feed wheats and discounted low protein wheats from the EU which has led to the change in our pool values for Feed wheat and ASW quality wheats,” Mr Cattanach said.

Feed pool values for Emeralds WA 2008/09 wheat pool are estimated at \$225/t, AGP1 at \$303/t and AUW at \$285/t FOB.

Mr Cattanach said this years’ harvest had been marred by problems including the delay of harvest and quality issues brought on by the unseasonal weather which are now starting to affect the West Coast. He believes, however, that much of the bad news is in the market and there are some positive signs emerging longer term which may see values recover.

“With international markets back so aggressively this year we are already seeing signs of reduced plantings in the northern hemisphere – and it remains unlikely the Europeans and Americans will have as good a year next year. The Canadians have recently entered the market aggressively and this is impacting values in the near term” he said.

Emerald’s wheat quality rewards along with harvest payment percentages and other information on the pools can be found on the company website at www.emerald-group.com.au.

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

APW2	\$325	ANW1	\$313
H1	\$345	ANW2	\$303
H2	\$337	AGP1	\$303
AUH2	\$330	AUW1	\$285
ASW1	\$307	FED1	\$225

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