



## Media statement

11 January 2011

### Emerald's short term feed pool closing this week.

Emerald today announced contracting to its Short Term Feed Wheat Pool will close this week.

To date this pool has received strong support from growers across the East Coast of Australia with the product assisting Emerald's customers in what has been a tough harvest. The Short Term Feed Wheat Pool has been developed by Emerald this year in response to one of the largest feed wheat production years the country has seen.

Emerald's General Manager, Trading – Chris Kochanski said the pool has a specific strategy to deliver higher returns to feed wheat growers than those presented at harvest.

"The combination of export bans in the black sea, due to drought, and a tightening of the US corn balance sheet, has underpinned global demand for feed grains and in particular Australian origin feed wheat's into South East Asia.

Whilst Black Sea origin feed grains remain locked out of export channels due to export bans, a window of opportunity exists for Australian growers to benefit from Black Sea's inability to supply Asian feed markets.

Given the tight balance sheet in corn and the impact on price, Asian Feed millers, who traditionally use US Corn in rations, are looking to switch into Feed Wheat. Given the Black Sea's current situation, Emerald are in a strong position to provide grain into these markets and we remain confident that our market structure, both domestically and internationally, will present opportunities for Australian feed wheat over the course of 2011," Mr. Kochanski concluded.

Delivery to Emerald's Short Term Feed Wheat pool is by contract only and is scheduled to be closed for contracting **Thursday 13<sup>th</sup> January**. Emerald reserves the right to close the pool prior to Thursday if volumes or market conditions warrant such action.

Contracting into Emerald's Long Term Strategic Pool is still open as is the option to contract or deliver directly into the Harvest Pool.

For more information please 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 Australian grain marketing company operating via 13 offices across all Australian states and offering a range of grain marketing products to assist grower customers maximise returns and manage grain market risks. Emerald offers a range of pool, fixed price and tailored hedging products to a national grain grower customer base.

Emerald's unique business model includes commercial partnerships with grower organisations that assist these local communities take greater control and directly benefit from grain market liberalisation. It operates with various brand names via these partnerships including in Victoria a joint venture, SQP Pty Ltd, with grower group Southern Quality Produce Co-operative. On the Eyre Peninsula in South Australia Emerald has a joint venture, EP Grain, with farmer owned company FREE Eyre Ltd. Southern Ag Grain (SAG) is a joint venture, between grower-owned Southern Agventure (SAV) and Emerald, it services the grain growers of southern NSW.

In Western Australia Emerald operates in its own name and is one of the major marketers in that state. It has strong alliances have also been formed with WA Farmers and Ravensdown United Farmers Co-operative. Philp Brodie Grains now operates as a subsidiary of Emerald and from its Toowoomba base services the southern and central Queensland grain growing regions.

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