

Media statement

19 October 2010

Emerald strengthen ties with Asian markets

Emerald today announced that a new noodle wheat alliance had been formed with strategic partners into the South Korean noodle wheat market. This new business relationship was confirmed last week with Emerald making its first sale into this premium market. The sale was made for a January shipment and the vessel is expected to load from the port of Geraldton early in the New Year.

Emerald's General Manager of Trading, Chris Kochanski, said Emerald was pleased to be entering this market which will underwrite premiums to WA noodle wheat growers delivering to the Emerald pools.

"Emerald has been working closely with Sumitomo over the last two years in marketing noodle wheat into the Japanese market. This relationship has seen Sumitomo maintain its position as a leading noodle wheat importer into Japan, with all of their noodle wheat being sourced exclusively from Emerald.

Given the new business into Korea, Emerald's upcoming pool update will reflect increased premiums for noodle wheat as well as a narrowing of the discount to ANW2. Emerald is working with the CBH Operations team to ensure all grades of noodle wheat affected by the drought can still be delivered to help maximise local grower's returns this harvest. Emerald anticipates that this grade of noodle will have only a minor discount from ANW1 which is reflective of seasonal conditions and highlight the desire to maintain noodle wheat as a viable planting option," stated Mr. Kochanski.

Mr. Kochanski suggested that following his recent visit to customers in Asia, keen interest in Australian noodle wheat from South Korean and Japanese consumers was confirmed.

Emerald's General Manager of WA – Rob Proud, suggested he was pleased to see stronger grain prices in the market place to help compensate local Western Australian growers who are suffering from drought this season.

"As Western Australia is facing a poor production season, we are seeing significant interest from Asian buyers wanting a reputable and trusted wheat marketer, such as Emerald, to offer them confidence their requirements will be met. Our history with not only these markets, but also our grower customers, is a strong one and we look forward to managing these relationships for our customers over the coming harvest.

Mr. Proud also said that Emerald's regional structure was a key factor in its volume growth over the recent seasons, "We are completely committed to Australian growers as our customers and our business model of partnering with local grower groups, and growers directly, is testament to this commitment. We are pleased that despite the poor seasonal conditions in WA we have recently strengthened this

commitment with two additional local WA offices opening in Merredin and Albany scheduled to open before harvest. Our national footprint has also recently expanded with the acquisition of long standing Queensland business – Philp Brodie Grains based in Toowoomba”, concluded Mr. Proud.

For further information call 1300 880 432 or visit www.emerald-group.com.au

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Background information

Emerald Group Australia Pty Ltd is a leading Australian grain marketing company 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 grower customer base.

Emerald’s unique business model includes commercial partnerships with growers own organisations that assist them in taking greater control.

In the western and Wimmera districts of Victoria we have formed a joint venture with grower group Southern Quality Produce Co-operative. On the Eyre Peninsula in South Australia Emerald has formed a joint venture, EP Grain, with farmer owned company FREE Eyre Ltd. In Western Australia, where Emerald is one of the major marketers, strong alliances have also been formed with WAFarmers and Ravensdown United Farmer Co-operative.