

Harvest 10

Barley

10/10



2019/20 Performance Insight

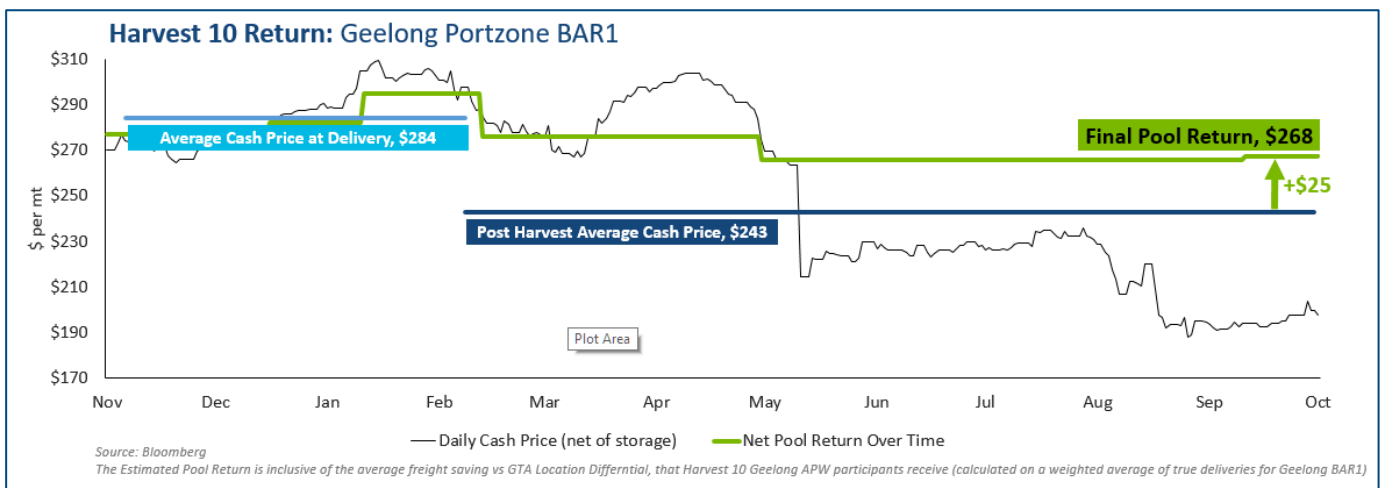
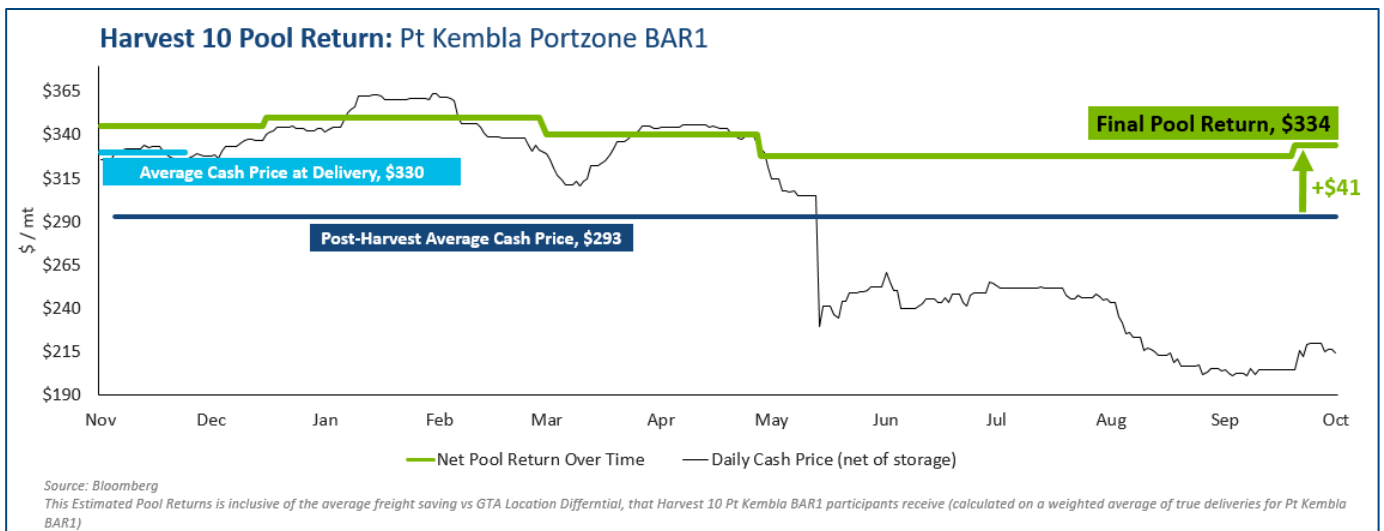
Key Objectives

GrainCorp's Harvest 10 (H10) Pool is designed to allow participation in the market over the 10-month marketing window, whilst reducing price risk exposure, and protecting equity.

Outcomes

The 2019/20 H10 Barley Pool returned an average of **+\$30/mt above** of the post-harvest average cash price, despite local barley markets softening \$80 to \$100/mt from harvest.

2019/20 Harvest 10 Performance



Estimated Pool Returns are quoted net of management fees and as a Track level equivalent

Pool Managers' Overview.

Access to key sales opportunities protected Pool returns from a softening market

Harvest 10 is proud to deliver you another strong final Pool return, an average of **+\$30/mt above** the post-harvest average cash price.

GrainCorp's leading presence in Australia's grain markets, together with its global trading offices gives H10 access to exclusive opportunities and in-house market intelligence to consistently return value to growers.

This is the advantage of GrainCorp Pools.

The 2019/2020 season saw Australian barley values weaken \$80-\$100/mt, driven by:

- East Coast rainfall and the ensuing reduction in drought feeding and domestic feedlot demand
- China's announcement of an 80% tariff on Australian barley

Harvest 10's strategically proactive sales program into key markets was essential to Harvest 10 protecting Pool returns.

Over harvest, Queensland and Northern New South Wales' drought affected feedlots were forced to pay premiums above the export market to secure barley supply from the Southern regions. The Pool sold substantial quantities early to capture these premiums, before they later eroded.

By February and March, large and widespread rainfall unwound significant Northern demand for barley. Already globally uncompetitive, local feed barley was forced to find alternative demand.

The Pool was also an active, early seller of its South Australian and Victorian malting quality barley. Ample local malt supply and narrow premiums meant prospects were limited. However, Harvest 10's exclusive access to GrainCorp's export sales opportunities, allowed the Pool to capture the limited malt export demand.

From here, the Pool continued to consistently exit feed stocks into the domestic channel, cognisant of the lingering uncertainty in global barley export markets.

By the end of April, the Pool had very limited barley exposure remaining. In May, China's announcement to impose an 80% Tariff on Australian Barley instantly sent local barley values more than \$50/mt lower.

The Pool proactively protected equity from this impact, to deliver increased Final Pool Returns, unscathed from the weaker market in the latter part of the season.

Thank you for entrusting GrainCorp Pools during the 2019/20 season. We are proud to deliver another strong result to all participants.

If you would like to discuss our results further or to access the Harvest 10 Pool again for 2020/21, please contact your local GrainCorp Marketer, or myself.



Theo Saroukos
Pools Manager



To find out more about Harvest 10, contact your local GrainCorp merchant or visit graincorp.com.au

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South Australia
08 8361 5601

Northern New South Wales
02 6826 5555

Victoria
03 5431 1206

Western Australia
08 9356 4616

Harvest 10 Barley: Final Pool Returns						
	Brisbane	Newcastle	Pt Kembla	Geelong	North Western Vic	Portland
BAR1	\$385 ▲	\$375 ▲	\$330 ▲	\$268 ▲	\$273 ▲	\$262 ▲
BAR2	\$365 ▲	\$355 ▲	\$312 ▲	\$258 ▲	\$264 ▲	\$253 ▲
BAR3				\$248 ▲	\$253 ▲	\$242 ▲
HIND		\$375 ▲	\$330 ▲			
PL1				\$273 ▲	\$278 ▲	\$267 ▲
CO1	\$395 ▲	\$385 ▲	\$335 ▲			
CM1				\$272 ▲	\$277 ▲	\$266 ▲
GA1				\$273 ▲	\$278 ▲	
LA1		\$385 ▲		\$273 ▲	\$278 ▲	\$269 ▲
SP1		\$380 ▲		\$270 ▲	\$275 ▲	\$265 ▲
WS1				\$276 ▲	\$281 ▲	

*EPR: Estimated Port Return, at a Track level, net of management fee

- ▲ EPR increased Month on Month
- ▼ EPR decreased Month on Month
- EPR unchanged Month on Month