

Harvest 10

Wheat

10/10



2019/20 Performance Insight

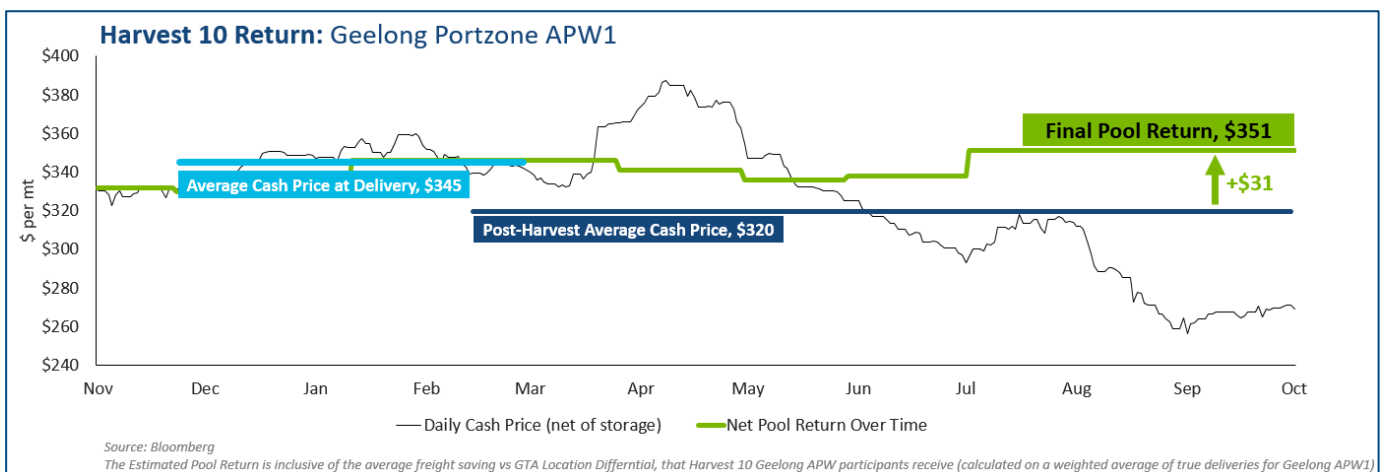
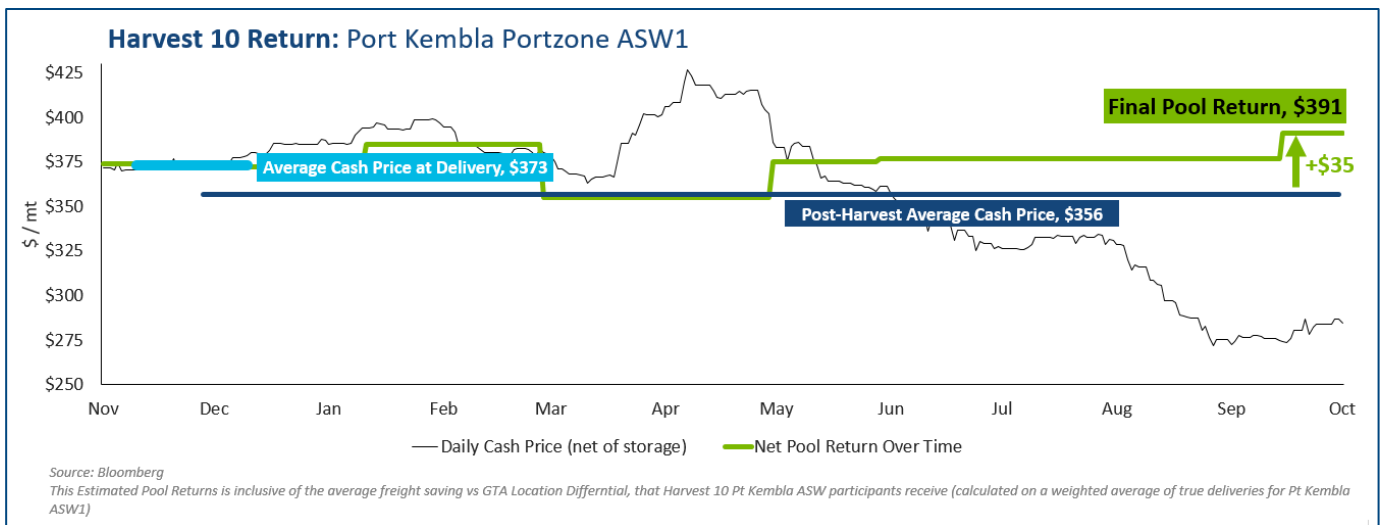
Key Objectives

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 Wheat Pool returned an average of **+\$30/mt above** of the post-harvest average cash price and **+\$9/mt above** the average cash price over harvest, despite local wheat markets softening over \$100 from April.

2019/20 Harvest 10 Performance



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

Pool Managers' Overview.

Proactive management trumped the weight of the impending, record large 20/21 East Coast crop

Harvest 10 is proud to deliver you another strong final return this year, an average of **+\$30/mt above** the post-harvest average cash price and, **+\$9/mt above** the average cash price at harvest.

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 increasing potential of a record 2020/21 East Coast Australian wheat crop, together with dwindling cattle on feed numbers were the key dynamics that drove Australian wheat markets lower through 2019/20. Harvest 10's strategically proactive sales program into key markets was essential to Harvest 10's above-market return.

From the outset, the Pool was proactive with harvest period wheat sales. The strong drag of wheat into Queensland and Northern NSW's feeding markets saw Australian wheat prices rally well above the export market. The Pool was a heavy, early seller into the Northern market, capturing available premiums before they later eroded. From here, the Pool strategically consolidated remaining ownership into Victoria to access broader sales opportunities.

The large and widespread rainfall event in February and March severely reduced Northern feedlot demand and drought feeding. Wheat was faced with having to price into the export market or discount itself to take share away from barley's inclusion into the domestic market.

From here the Pool maintained a brisk sales pace, exiting relevant parcels into premium paying Southern domestic

consumers, made possible by GrainCorp's leading presence in the domestic market.

As crop prospects continued to improve, the Pool was well positioned to be agile and selective in exiting its final major tranche of stock. Harvest 10's exclusive access to GrainCorp's export sales opportunities meant the remaining stock was sold into premium paying South-East Asian export sales by July.

From here, Pool's market exposure was very limited, and Pool returns were protected from the impact of China's announcement to impose a 80% tariff on Australian Barley in May. Pool Returns increased in the last portion of the year, despite local wheat markets following barley lower.

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 commit 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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