



HARVEST 10



Dear,

Harvest 10 Pools Market Update

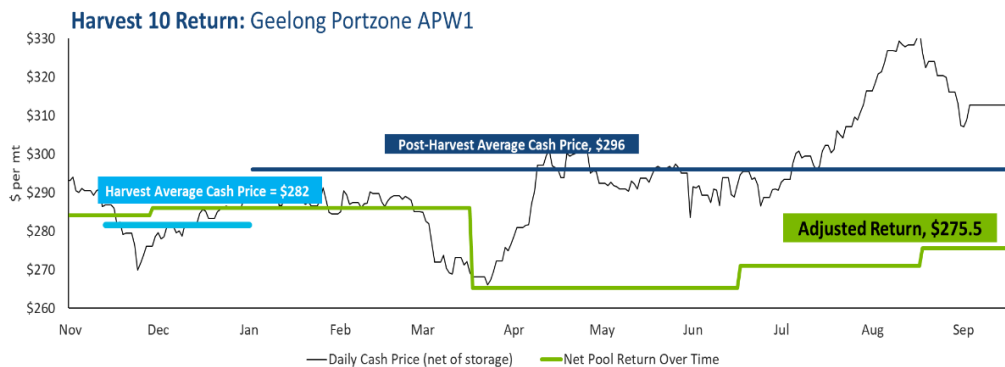
Key Objectives

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

Outcomes

The 2020/21 H10 Wheat Pool on average will provide a return of $-\$0.2/\text{mt}$ against the Harvest EPRs.

Initial Payment EPR		Current	
Initial EPR	\$284.00	Net EPR	\$275.50



Harvest 10 Wheat EPR Update													
	APH1	APH2	H1	H2	AUH2	AUH1	APW1	ASW1	AGP1	HPS1	FED1	SFW1	SFWR
East Coast	Brisbane	\$295 ▲	\$294 ▲		\$286 ▲	\$267 ▲	\$276 ▲	\$266 ▲	\$256 ▲	\$256 ▲	\$236 ▲	\$256 ▲	
	Newcastle	\$291 ▲	\$288 ▲		\$283 ▲	\$264 ▲	\$280 ▲	\$275 ▲	\$270 ▲	\$260 ▲	\$235 ▲	\$245 ▲	\$250 ▲
	Pt Kembla	\$284 ▲	\$283 ▲	\$283 ▲	\$277 ▲	\$261 ▲	\$271 ▲	\$266 ▲	\$256 ▲	\$243 ▲	\$238 ▲	\$243 ▲	\$243 ▲
	Geelong		\$286 ▲	\$286 ▲	\$284 ▲	\$266 ▲	\$276 ▲	\$276 ▲	\$271 ▲	\$261 ▲		\$241 ▲	\$236 ▲
	North Western Vic			\$286 ▲	\$283 ▲	\$266 ▲	\$276 ▲	\$276 ▲	\$270 ▲	\$264 ▲		\$241 ▲	\$236 ▲
South Australia	Portland			\$282 ▲	\$278 ▲	\$264 ▲	\$274 ▲	\$274 ▲	\$268 ▲	\$262 ▲		\$239 ▲	\$234 ▲
	Pt Adelaide			\$281 ▲	\$281 ▲	\$271 ▲		\$277 ▲	\$262 ▲	\$252 ▲		\$210 ▲	\$217 ▲
	Pt Giles			\$283 ▲	\$283 ▲	\$273 ▲		\$279 ▲	\$264 ▲	\$254 ▲		\$209 ▲	\$219 ▲
	Pt Lincoln			\$283 ▲	\$282 ▲	\$272 ▲		\$278 ▲	\$273 ▲	\$253 ▲		\$208 ▲	\$218 ▲
	Wallaroo			\$286 ▲	\$284 ▲	\$275 ▲		\$280 ▲	\$275 ▲	\$256 ▲		\$210 ▲	\$220 ▲

*EPR: Estimated Port Return, at a Track level, net of management fee
▲ EPR increased since last update
▼ EPR decreased since last update
■ EPR unchanged since last update

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



Charles Lockyer
Pools Manager

Pool Manager's Overview

Logistics constraints and favourable growing conditions restricted Australian wheat values.

The 2020-21 wheat harvest was a record for East Coast Australia.

Such high production drove Australian wheat values to parity with global markets, enabling exports to recommence after two years of drought.

GrainCorp Harvest 10 Pool's strategy is to mitigate risk against global markets, while providing upside to domestic Australian values.

With this in mind, we looked to hedge our risk early in the marketing window.

By participating in offshore futures, we limited risk to the downside in values and protected your equity.

But that also limited exposure to upside, which we saw later in the year.

Australian values weakened against global markets progressively through the year, which limited the Pools' opportunity to capture upside value.

The scale of the task required to move such a big crop put constraints on logistics, which also impacted domestic freight rates and heavily affected domestic values in the first half of the year.

Values were weakened further by ideal growing conditions post-harvest and predictions of another large crop for the second year in a row, both of which reduced supply risks going into the 2021-22 season.

Even with the rally through late July and August, Australian values lagged as a basis to global markets.

The rally did provide opportunity in the high-protein market, with protein spreads widening.

From this, we moved a portion of our remaining high-protein ownership to more strategic sites and locations to participate in the higher premiums transacting towards the end of the year.

Despite these challenges, the Harvest 10 Wheat Pool provided a discipline marketing strategy and was able to exit those positions that carried most risk.

I can advise our Final EPR performance relative to the Harvest EPR on average will show returns of $-\$0.4/\text{tonne}$.

We are able to provide EPRs on average similar to harvest values,
Please refer to the EPR performance table to confirm specific grades and port-zone EPRs.

We thank you for committing to GrainCorp Pools program for the 2020-21 season and look forward to working together again in the coming seasons.

Should you wish to discuss our results further – or to commit again for the 2021-22 Pool – please contact me direct via [email](#), call me direct on **02 9325 9110** or seek out your local GrainCorp marketer.

Charles Lockyer
Pools Manager



Need to know more? We can help.

We're waiting for your call on [1800 809 482](tel:1800809482).

Use the Pools Calculator and access the advantages of GrainCorp Harvest 10 Pool by visiting our [website](#).

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