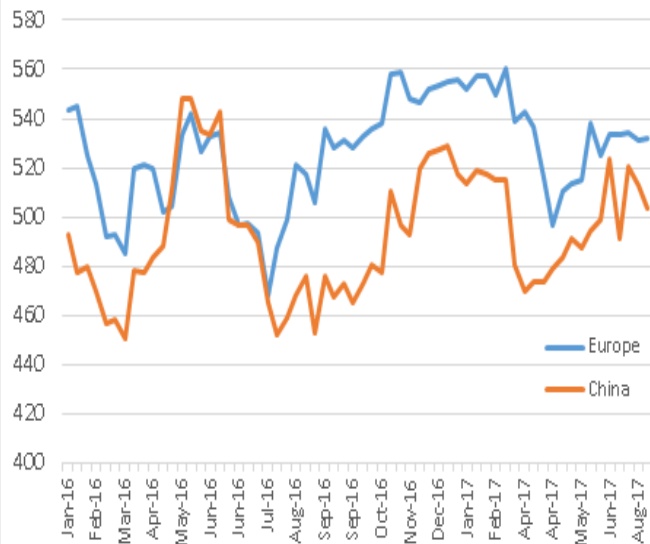


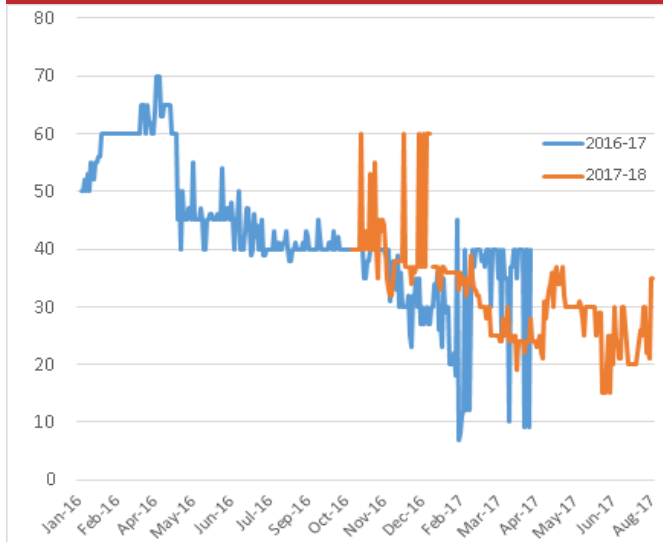
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GM CANOLA DATA DASHBOARD

EU-CHINA Prices (A\$ track eq.)



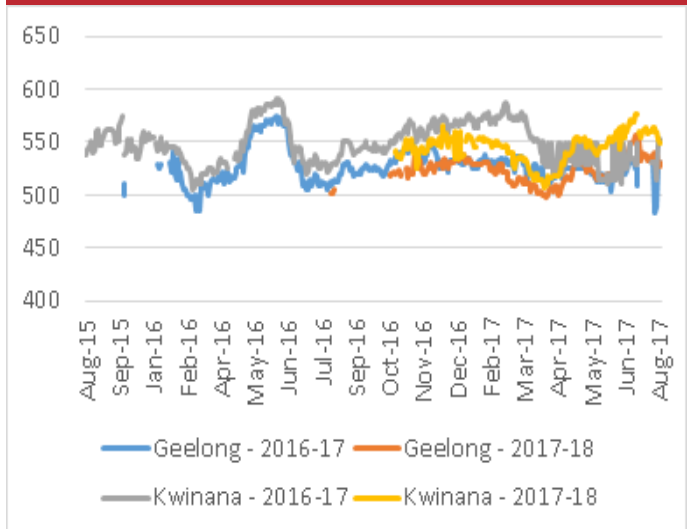
Kwinana GM Spread



17/18 Export Matrix

	Australia	Canada	Ukraine	Total
Bangladesh	0	150	0	150
China	0	4,000	0	4,020
EU-27	2,120	450	700	3,500
Japan	50	2,250	0	2,300
Mexico	0	1,400	0	1,400
Pakistan	0	500	500	1,000
UAE	0	400	400	800
Other	39	450	150	939
Total	2,209	9,600	1,750	14,109

Geelong/Kwinana Price



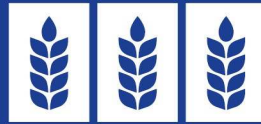
Production Matrix

Canola (MMT)	2016/17	2017/18	GM %
Australia	4.197	2.982	22%
EU-27	19.5	22	0%
Canada	19	19	97%
Ukraine	1.19	2.2	0%
World	68.701	71.08	27%

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GM CANOLA MARKET REPORT

GM SITE BID SHEET

Site	ADM	AWB	CBH	Riordan	Riverina	Wilmar Gaviola
Burrumbuttock	-	-	-	444	-	-
Esperance	-	523	518	-	-	-
Geraldton	-	-	518	-	-	-
Kwinana	-	523	518	-	-	-
Lakaput	-	-	-	467	-	-
Lara	-	-	-	489	-	-
Melbourne	-	-	-	-	-	504
Melbourne - Del	-	-	-	-	513	-
Newcastle - Del	-	-	-	-	525	-
Oaklands	466	467	-	-	-	-
Port Kembla	-	-	-	-	-	506
Riverina	-	-	-	-	489	-
Telford	-	-	-	449	-	-

*NB Limited site prices currently being posted for new season, most port based at this stage.

PORT EQUIVALENT BID SHEET

Port	ADM	AWB	CBH	Riordan	Riverina	Wilmar Gaviola
Burrumbuttock	-	-	-	478	-	-
Esperance	-	523	518	-	-	-
Geraldton	-	-	518	-	-	-
Kwinana	-	523	518	-	-	-
Lakaput	-	-	-	485	-	-
Lara	-	-	-	499	-	-
Melbourne	-	-	-	-	-	504
Melbourne - Del	-	-	-	-	513	-
Newcastle - Del	-	-	-	-	525	-
Oaklands	500	501	-	-	-	-
Port Kembla	-	-	-	-	-	506
Riverina	-	-	-	-	501	-
Telford	-	-	-	483	-	-

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GM CANOLA MARKET REPORT

LOCAL MARKETS

August has been a pretty good month for rainfall for much of the canola belt. Central NSW has continued to struggle picking up any meaningful rain events and the frost over the weekend will set crops back further unfortunately. We haven't got a lot on the forecast for the closing week of the month, we are hopeful that the "drought" doesn't continue to move south and we will be able to sure up a few southern crops with a finishing 25-40mm rain event during September.

WA: Our production forecast hasn't changed this week, with the rain the west we have generally seen crops stabilize. We are not in a position to increase yields, even in the southern areas yet because we need to get a bit more of a buffer as we hit the warmer spring days.

NSW/VIC: VIC continues to out-perform and Southern NSW also filled in a few spots with many southern and eastern areas receiving over 50mm of rain for August. Many of those areas could see us raising yields as we push through September, but we will need to see the rain continue and temperature not get too hot. Central NSW as discussed has had a tougher time and is going backwards. We are getting to a point where NSW will not have an exportable surplus for the first time in 8 years (after taking into account the natural draw across the river to Numurkah).

GLOBAL MARKETS

Conditions across the northern hemisphere have been pretty benign over the last couple of weeks. Harvest pressure has begun in Europe and whilst the German crop is back a fraction, it looks like over all the EU and Ukrainian crops will be bigger than what was initially expected. Canadian forecasts have crept back below 19mmt and with harvest now underway we will continue to see actual field reports flow in the market for judgement. Some areas starting off well below expectations and others out-performing. Still early days, September is the key month so lets wait another couple of weeks before we pass to much opinion on the crop from here.

Soybean conditions remain stable, but despite the deterioration in the grain pits at the CME, beans have been pretty resilient. We had a short blip in the futures markets last week with a 10c drop, but otherwise we have seen Nov futures settle within 1-2c of 939c/bu over each of the last 10 trading sessions.

We will soon start to move focus to South America as they make their planting decisions. It is likely we will see the tax changes there continue to encourage farmers to reduce their bean acres and increase corn at the fringes.

Demand has been pretty good and China remain a strong buyer with local domestic markets generally pretty firm there and opening up import margins. The China demand has by and large been a strong reason as to why CME futures have held up.

CASE STUDY— The Backyard

As conditions continue to pinch in parts of NSW and we are already seeing a lot of changes in where grain is being drawn from/to, what can we take away from the backyard?

We have talked before about how much influence the backyard can have over the global markets. Australia is an important cog in the global export trade flow but in reality is still a small fish and we need to remain connected to the global markets. However, the supply and demand dynamics this season, especially in NSW will show some different behaviors compared to the norm over the last 8 years. As growers we watch the backyard and rightly or wrongly make marketing decisions with what we see. However, more importantly, our domestic crushers will most certainly and correctly make a call on what they see in their backyard. For many the alternative to not owning your backyard in a tight year is not pretty. Imports from far and wide, even interstate, or shutting crush or plants down are not profitable endeavors. So you can expect to see competition continue to be fierce in NSW as it looks like the backyard is getting tighter and the competition for increasingly scarce product increases...

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