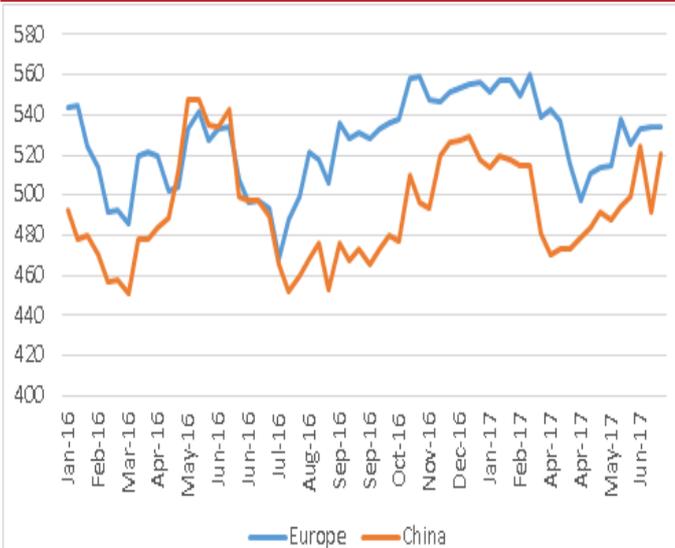




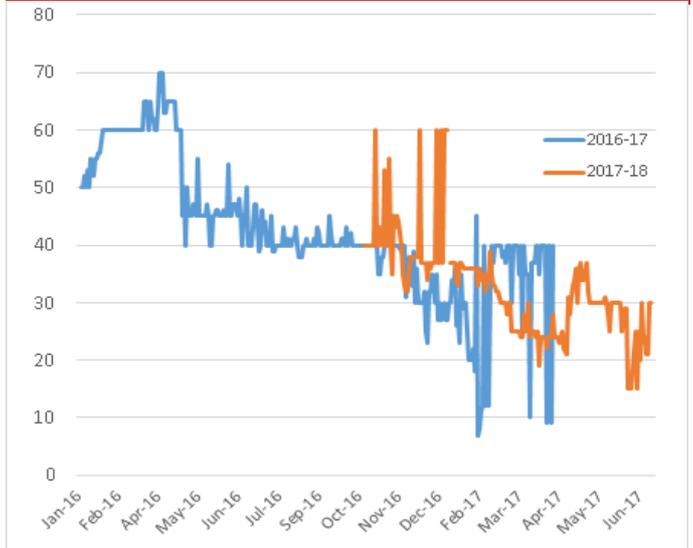
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GM CANOLA DATA DASHBOARD

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



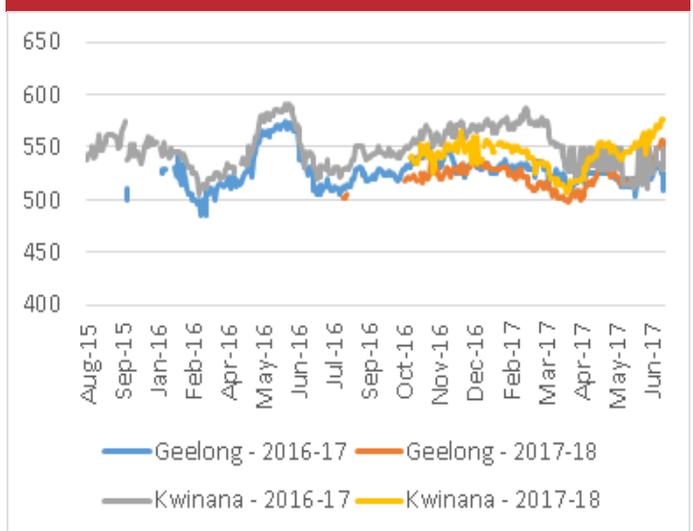
Kwinana GM Spread



17/18 Export Matrix

	Australia	Canada	Ukraine	Total
Bangladesh	0	150	0	150
China	0	4,000	0	4,020
EU-27	2,185	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	650	150	990
Total	2,274	9,800	1,750	14,160

Geelong/Kwinana Price



Production Matrix

Canola (MMT)	2016/17	2017/18	GM %
Australia	4.197	3.140	22%
EU-27	19.5	21.4	0%
Canada	19	19.4	97%
Ukraine	1.19	2.05	0%
World	68.694	70.665	28%

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GM CANOLA MARKET REPORT

GM SITE BID SHEET

Site	ADM	AWB	Bunge	CBH	Glencore	Riordan	Riverina	Robinson Grain	Wilmar Gavilon
Albany	520	-	533	534	534	-	-	525	-
Esperance	520	536	533	534	534	-	-	510	-
Geelong	500	515	-	-	-	-	-	-	-
Geraldton	-	-	540	534	534	-	-	525	-
Howlong	-	481	-	-	-	-	-	-	-
Kwinana	520	536	540	534	534	-	-	530	-
Lara	-	-	-	-	-	500	-	-	-
Melbourne	500	520	-	-	-	-	502	-	505
Melbourne - Del	-	-	-	-	-	-	522	-	-
Port Kembla	500	-	-	-	-	-	505	-	509
Riverina	-	-	-	-	-	-	493	-	-
Tatyoan North	-	498	-	-	-	-	-	-	-
Telford	-	485	-	-	-	-	-	-	-

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

PORT EQUIVALENT BID SHEET

Port	ADM	AWB	Bunge	CBH	Glencore	Riordan	Riverina	Robinson Grain	Wilmar Gavilon
Albany	520	-	533	534	534	-	-	525	-
Esperance	520	536	533	534	534	-	-	510	-
Geelong	500	515	-	-	-	-	-	-	-
Geraldton	-	-	540	534	534	-	-	525	-
Howlong	-	514	-	-	-	-	-	-	-
Kwinana	520	536	540	534	534	-	-	530	-
Lara	-	-	-	-	-	510	-	-	-
Melbourne	500	520	-	-	-	-	502	-	505
Melbourne - Del	-	-	-	-	-	-	522	-	-
Port Kembla	500	-	-	-	-	-	505	-	509
Riverina	-	-	-	-	-	-	505	-	-
Tatyoan North	-	520	-	-	-	-	-	-	-
Telford	-	519	-	-	-	-	-	-	-

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GM CANOLA MARKET REPORT

LOCAL MARKETS

Rainfall remains the #1 focus for the Australian market at the moment. The last couple of weeks have seen some of the drier areas receive some light rainfall and keep things going but large concern remains across the northern and central WA canola crops and parts of Central and Western NSW. The Eyre Peninsula received some welcome rain during the period but with crops starting from a long way back we need to see favourable weather over the next month to keep things moving forward.

WA: Still a tale of two areas, the north and south. South remain excellent, north not so. We have reduced our production forecast to 1.5mmt vs. 1.6mmt last report and 2.1mmt last year. Bias still remains to the downside unless we can get 25mm of stabilizing rain in the coming weeks. Prices remain similar to last report @ \$555 for Non-GM but we have seen a \$20 move up and down in the interim.

NSW/VIC: Conditions have stabilized in most areas, although Central NSW continues to be a concern and Southern NSW moisture levels are not deep. Non-GM prices remain \$530-535 port, firmer in NSW. Also off \$20 from the highs with the firmer AUD and softer Canadian market. August is always a critical month and with subsoil limited in many areas we will need to start seeing some forecasts build up to give some comfort that we can get through the inevitable warmer weather in September.

GLOBAL MARKETS

It has been a volatile old period in the global market space. The 10-11th of July highs had seen \$60 put on the Canadian futures over a three week period, only to see us give up \$30 of that since. A similar story in Soybeans has seen a 120c rally turn into a 30c fall. The Canadian market taking it a bit hard because we have also seen the USD index get trampled in the past week, this means strong AUD and CAD which weighs on local currency commodity prices. The AUD has rallied from nearly 5c in the past 6 weeks, most of which coming last week on the back of US economic concerns and the minutes of the most recent RBA meeting.

Weather continues to be the biggest factor in North America. Good rain was received in Canada that has helped stabilize conditions there, whilst in the US the heat ridge that was developing in the longer-term forecast seems to be less likely. The fund positions that were aggressively short in the bean bit have been reduced, taking away this overarching trigger for a short-covering rally that the funds are so good at getting themselves tangled up in.

Ukrainian harvest has started and yields are slightly below expectations and we might see 5% trimmed off crop estimates there. In Europe things remain stable for now as we get close to seeing some serious harvest pace. The order flow is likely to see a pick up in EU/ Black Sea farmer selling, the Aussie and Canadian counterparts will all be about how much rain we receive in the next two weeks.

CASE STUDY— Volatility

When markets are volatile like they are at the moment, should I be nervous or should I be taking advantage somehow?

For many traders and risk managers, volatility is a great thing. It arises from the changes in conditions and diverging opinions from market participants. It thrives on key human market psychology which sees us exit a period of despondency, see some hope, feel some relief, then we start getting optimistic and before we know it we are excited and greedy. Time goes by and we then look back at higher prices and start to get anxious, we deny the market is moving away from us before we then become increasingly fearful of what the price will do next and then panic and capitulation sets in and the game is over.

World consumers have tighter inventory levels (governments aside), there is less government influence in today's markets but more investor speculation, so we will see volatility stay. To use it as an advantage and not let the nerves add to the already crowded psych chart we need a plan. Take stock in volatile times and tick off your pre-determined decision tree; 1) Am I making money, 2) what is my objective production, 3) Proceed.

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