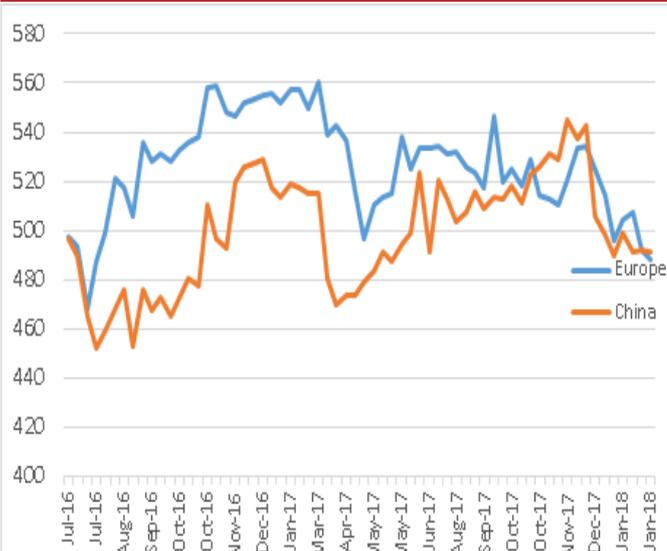




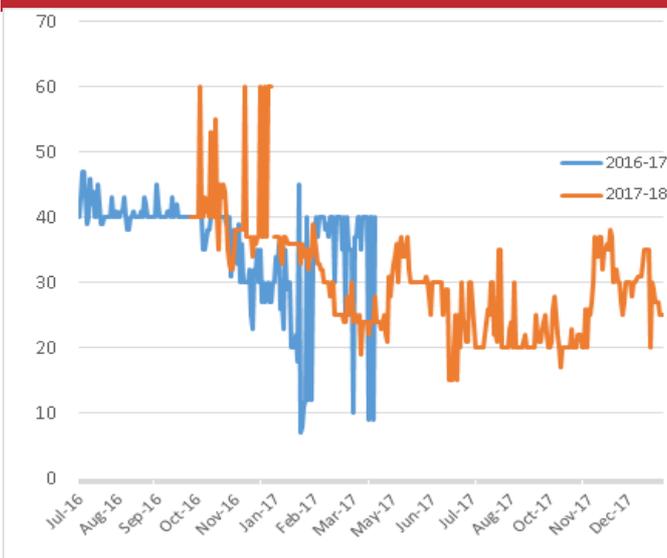
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GM CANOLA DATA DASHBOARD

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



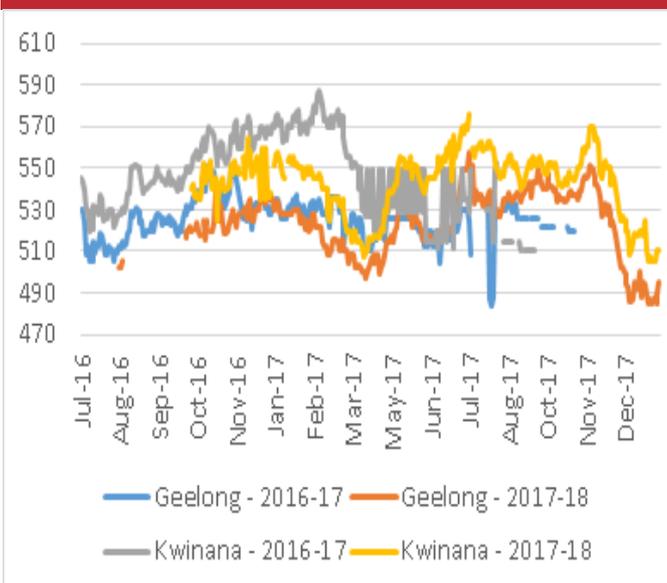
Kwinana GM Spread



18/19 Export Matrix

| | Australia | Canada | Ukraine | Total |
|-------------------|--------------|---------------|--------------|---------------|
| Bangladesh | 0 | 200 | 0 | 200 |
| China | 0 | 4,700 | 0 | 4,700 |
| EU-27 | 2,570 | 200 | 1,000 | 3,800 |
| Japan | 60 | 2,400 | 0 | 2,460 |
| Mexico | 0 | 1,550 | 0 | 1,550 |
| Pakistan | 0 | 550 | 400 | 950 |
| UAE | 0 | 600 | 350 | 950 |
| Other | 0 | 800 | 200 | 1,150 |
| Total | 2,630 | 11,000 | 1,950 | 15,760 |

Geelong/Kwinana Price



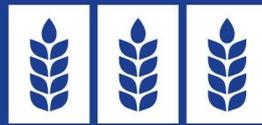
Production Matrix

| Canola (MMT) | 2017/18 | 2018/19 | GM % |
|------------------|---------------|---------------|------------|
| Australia | 3.295 | 3.548 | 22% |
| EU-27 | 21.8 | 22.8 | 0% |
| Canada | 21.31 | 21.3 | 97% |
| Ukraine | 2.1 | 2.2 | 0% |
| World | 73.380 | 74.848 | 29% |

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GM CANOLA MARKET REPORT

GM SITE BID SHEET

| Site | ADM | AWB | Bunge | Plum Grove | Riverina | ROBE | WA Grain Mer |
|--------------------------|-----|-----|-------|------------|----------|------|--------------|
| Albany | 485 | - | 470 | 490 | - | 470 | - |
| Central Vic - X farm | - | - | - | - | 444 | - | - |
| CW NSW - X farm | - | - | - | - | 487 | - | - |
| Esperance | - | - | 475 | - | - | - | - |
| Geraldton | - | - | - | - | - | - | 466 |
| Goulburn Valley - X farm | - | - | - | - | 453 | - | - |
| Grong Grong | - | 442 | - | - | - | - | - |
| Kwinana | 485 | 460 | 475 | - | - | - | - |
| Melbourne - Del | - | - | - | - | 477 | - | - |
| Riverina NSW - X farm | - | - | - | - | 468 | - | - |
| Southern NSW - X farm | - | - | - | - | 470 | - | - |
| Sydney - Del | - | - | - | - | 520 | - | - |
| Wagga Market Zone | - | - | - | - | - | 466 | - |

PORT EQUIVALENT BID SHEET

| Port | ADM | AWB | Bunge | Plum Grove | Riverina | ROBE | WA Grain Mer |
|--------------------------|-----|-----|-------|------------|----------|------|--------------|
| Albany | 485 | - | 470 | 490 | - | - | - |
| Central Vic - X farm | - | - | - | - | 444 | - | - |
| CW NSW - X farm | - | - | - | - | 487 | - | - |
| Esperance | - | - | 475 | - | - | - | - |
| Geraldton | - | - | - | - | - | - | 466 |
| Goulburn Valley - X farm | - | - | - | - | 453 | - | - |
| Grong Grong | - | 489 | - | - | - | - | - |
| Kwinana | 485 | 460 | 475 | - | - | - | - |
| Melbourne - Del | - | - | - | - | 477 | - | - |
| Riverina NSW - X farm | - | - | - | - | 468 | - | - |
| Southern NSW - X farm | - | - | - | - | 470 | - | - |
| Sydney - Del | - | - | - | - | 520 | - | - |
| Wagga Market Zone | - | - | - | - | - | 466 | - |

*NB Robe prices are for February - October 18 delivery
Riverina delivered prices are for May—September 18 delivery

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GM CANOLA MARKET REPORT

LOCAL MARKETS

Main focus in local markets seems to be around strategy and cash flow at the moment. Farmers are concerned with the lack of genuine confidence in the market or at a minimum the lack of clear direction in what is driving the market today. Many seem to feel more comfortable in the information and trend of the wheat and barley markets, which then leaves cash flow back to the canola market. We talk more about the global drivers below. In general we have seen export pace pick up a touch, there is some conjecture in the market about whether the crop is 3.5mmt or 4mmt and with farmer selling pretty quiet at the moment that is keeping both sides in check. The cash flow generation is creating more interest in price later type contracts, that allow farmers to take 60% of cash flow now but keep their exposure to price alive. Crushers remain competitive buyers and there is a little more competition at the ports as well, although with low farmer selling it is a bit of a catch 22 for shippers who want to price cargo's but don't want to be held to ransom by a farmer who isn't prepared to sell at these prices, whilst the farmer wants the export business but doesn't want to lock in these below budget prices.

WA: Prices are \$5 softer than we last looked (\$505-510 Non-GM), GM spreads narrowing a touch into \$25. New crop prices (18/19) showing \$535 FIS for Non-GM and \$505 for GM.

NSW/VIC: Likewise in the east, prices back under the \$500 mark, and new crop at \$520. GM spreads vary in the east depending on location.

GLOBAL MARKETS

The global market place has been very murky in recent weeks. We seem to be getting a lot of external news that is making it hard for sellers to chart a clear path. On the bullish front we have Argentine weather continues to be drier than normal (rain event in the 10-14day window is providing some respite). However, many of the other stories are negative. It started with the EU Parliament putting forward votes on capping food stocks for biofuels. This one is old news and nothing for us to be worried about. It needs to go through Two more parts of parliament and if they did cap Palm it would be supportive for canola. Of more importance was the news that the EU appeal at the WTO against anti-dumping on Palm and Soy biodiesel out of Malaysia and Argentina in particular had failed. Argentina had been blocked to export Soy biodiesel into the US, so they diverted it into the EU and it has taken 150kmt per month of demand in the process. This is what the EU reacted too. Then this week the EU lodged another appeal to the WTO anti-subsidy grounds, against Argentina. This is more likely to be upheld but won't happen until June/July. In the meantime more Soy Biodiesel gets pushed into the EU. EU margins remains strong and EU oil is pricing demand once more. We don't see EU as being the savior in the short term. Across to China and we see large margins and a tight canola oil market (large volumes of oil being imported), seems the crushers being very disciplined in keeping margins open, which bodes well longer-term.

CASE STUDY - Timing and Choice

"I am feel nervous in this market and its difficult for me to make heads or tales of it, maybe I should sell and be done with it?"

With farmers returning from holidays and looking at budgets and the best way to meet their short-term commitments, the answer to the question will ultimately vary between businesses. If you need cash flow you need cash flow. We talked about price alter options, they are not without cost either. So what do we know. 1) Prices are below budget, 2) it costs \$4/mt/mt to hold canola, 3) short-term demand is sluggish, 4) margins are strong in China, 5) the European situation looks like it will sort itself out better towards the middle of the year, 6) weather markets start to dictate more once we get into the end of March and beyond (out of dormancy in EU and planting in Australian and Canada), 7) farmer selling is low, 8) new crop 18/19 prices are pushing to full carry.

So the market is suggesting that the canola job is a longer-term play rather than something we can expect to pop during Feb. A Feb rally relies on a Argentine weather deteriorating further, or the AUD falling back (taken \$25 out of us so far). Need to balance your priorities within the business here.

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