



Media statement  
30 January 2012

### **Southern Ag Grain 2011/12 harvest pools – ASW and feed jump**

Southern Ag Grain (SAG) has lifted its 2011/12 season estimated pool returns (EPRs) for ASW wheat by \$4-7 a tonne in southeastern Australia and feed wheat by \$10-12 a tonne, with similar lifts to all grades in between, declaring it wants wheat for international stockfeed customers.

SAG general manager, Simon Wishart said the company was making sales and accordingly had raised EPRs for all grades of wheat, but was particularly looking for growers in New South Wales, Victoria and South Australia to deliver wheat in feed grades right through to ASW.

“Quite simply, we have shipping opportunities to feedgrain customers in March and April, so we are seeking growers holding stocks of wheat to deliver to our pools,” Mr Wishart said.

“There’s been a big harvest just about everywhere in Australia; domestic buyers know this and are well satisfied, so that means there are large quantities that must be exported.

“Shipping opportunities, port schedules and transport to ports are now the driving factors that will limit spot market opportunities for growers holding unsold grain. Export shipping slots are heavily booked or completely full at all ports, so growers holding unsold grain and looking for additional export opportunities risk waiting a very long time, further delaying their cashflow.

“We have transport, so we encourage growers to establish their export pathways by committing to our pools now. It can’t be emphasised enough that the opportunity for wheat is for Australian exporters with shipping slots, and we are in a strong position to capitalise and deliver benefits to our grower clients.

“We are now moving into the best shipping period for Australian exporters, ahead of new season stocks starting to hit the market from northern hemisphere suppliers from July-August onward.

“Our barley EPRs are up \$3 a tonne for several varieties of malt and Feed1 in the Port Kembla zone. Canola 2011/12 pool EPRs are unchanged, as are EPRs for all grains in 2010/11 season pools.

“We are seeing stronger demand for malting barley and improved prices appearing from China as their buyers seek to secure Australian supply. As always we would encourage growers holding malting barley to deliver soon to offset the risk of malt quality suffering in farm storages.

“With market reports of Ukraine removing its export tax on barley there will likely be an impact on Australian feed barley markets, which already face a US\$30 a tonne price drop mid-year as buyers are already pricing in the supply of new season northern hemisphere barley. Once again, the opportunity for Australian feed into world markets is over the next six months.

“The canola market continues to be relatively quiet, however we have shipping slots available and will be targeting markets for maximum benefit.

“I would encourage growers holding unsold stock of any grain to fully appreciate the logistics challenge facing the industry after the second big year in a row for this region and the opportunities currently available through SAG,” Mr Wishart said.

For further information on Southern Ag Grain’s pool returns or distributions call 02 6932 4400 or visit [www.southernaggrain.com.au](http://www.southernaggrain.com.au)

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#### **Background information**

Southern Ag Grain Pty Ltd (SAG) is a joint venture between independent grain marketing company Emerald Group and NSW grower group Southern Agventure Limited.