



## 2009/10 POOLS NOW FINALISED

The 2009/10 growing season was one of extremes, with the global wheat market considerably volatile given tight global stock positions.

The 2009/10 SAG Wheat pool operated in markets affected by many factors over the last 18 months, including the GFC, bans of wheat exports in the Black Sea, and a firmer Australian Dollar.

Upon finalising the pool, SAG announced an increase for most grades of \$1 to \$2/mt, and very minor drops of approximately \$0.50/mt for APH and H1. The Wheat pool achieved a final return

of \$255.61/mt FOB (APW), plus quality rewards in excess of \$20/mt on average for APW. Quality rewards for AUH and above were between \$7.65 and \$25.70/mt, depending on grade.

If you would like more information on the pool's performance, please call the SAG team on (02) 6932 4400.

Welcome to the winter edition of Insight for 2011 - and what a time it is in the Australian grains industry!

We are in a particularly volatile period for grain globally - with Russia's recent announcement that its export ban is to be lifted as of 1 July, and a delay in the Canadian plantings, which suggests that production levels may be reduced. Weather patterns, both locally and internationally, will also continue to be a major topic of conversation for our industry.

The Southern NSW sowing program is all but finalised, and with current conditions, it is shaping up to be another reasonable-sized crop this year. Wheat and canola plantings have increased this year, barley plantings are slightly reduced, and lupins have been cut significantly. Plantings have seen a few difficulties this year, with rodents damaging newly sown crops and replanting needed in conjunction with baiting programs.

In terms of varieties, we are still seeing substantial plantings of Lincoln in our region despite its poor performance under wet conditions last year. Barley sees a continual shift to Hindmarsh, and Canola a reduction in the GM acreage planted.

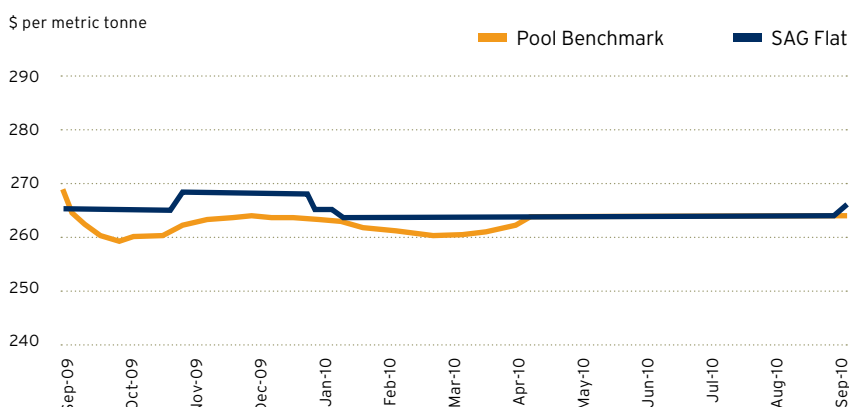
Yours sincerely



**Mike Chaseling**  
Chairman  
Southern Ag Grain



SAG's 2009/10 Wheat Pool Performance against the Pool Benchmark





## PRODUCT NEWS



From SAG's  
General Manager  
Simon Wishart



### 3 WINDOWS

Southern Ag Grain will again this year be running our popular 3 Windows product, with the launch date for contracting announced as late July 2011.

Like last year, a 3 Windows cash contract allows growers to minimise production risk by spreading it over two growing seasons. You can elect to roll over some or all of your contracted tonnage to the following harvest with ZERO washout fees.

The 3 Windows contract has three prices specified on the day of contracting for three different delivery periods: harvest 2011, July 2012, and harvest 2012. Towards the end of October 2011, growers simply nominate which delivery window and price they are going to execute, subject to their crop and cash circumstances at that time.

Priority access to the 3 Windows product will be given to those customers who participate in our 2011/12 Early Order Premium (EOP) program. Contact your local SAG representative for more info!



### EXPRESS POOLS

The Southern Ag Grain Express Pools are designed as an alternative to cash marketing and traditional FOB harvest pools, and have a shorter marketing and payment period than other marketing options. The SAG Express Pools will be opening for contracting at the end of August 2011 for a limited time only. More information will be released in the near future!

## Southern Agventure pays dividend

Southern Agventure, a 50% shareholder of Southern Ag Grain, is paying a 10 cents fully franked Interim Dividend for 2010/11.

Being paid in July to shareholders on the register as of 1 April, the dividend recognises the strong performance of the company since its establishment in October 2009.

### Five-fold increase in tonnages

The 2010/11 harvest produced substantially increased tonnages for growers across the region, and this resulted in a five-fold increase in tonnages over the previous year for Southern Ag Grain. Southern Agventure expects to see commensurate profit increases, resulting in a greater distribution from this joint venture.

'The interim dividend payment reflects our commitment to make a difference and return the benefits of our activity to our farmer shareholders,' said Dick Thompson, Southern Agventure's Chairman.

'Our aim is to be involved in the agriculture supply chain on a commercial basis, to facilitate competition, market access and to return a greater share of

the profits from agriculture production to farmers and their local communities.'

### New Shares and Options offer closing soon

Southern Agventure also has a Share and Options Offer for new investors and existing shareholders. The offer is to extend the farmer ownership of the company, widen the geographic spread of ownership in southern NSW and provide capital to take up new opportunities.

The Share and Options Offer closes on 7 July 2011. More information can be obtained from Geoff Breust on (02) 6932 4404 or [www.southernagventure.com.au](http://www.southernagventure.com.au)



### For more information

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WHEAT | BARLEY | CANOLA

