Aussie grain supplies and logistics

Lloyd George

Ag Scientia

GIAV & SFMA meeting

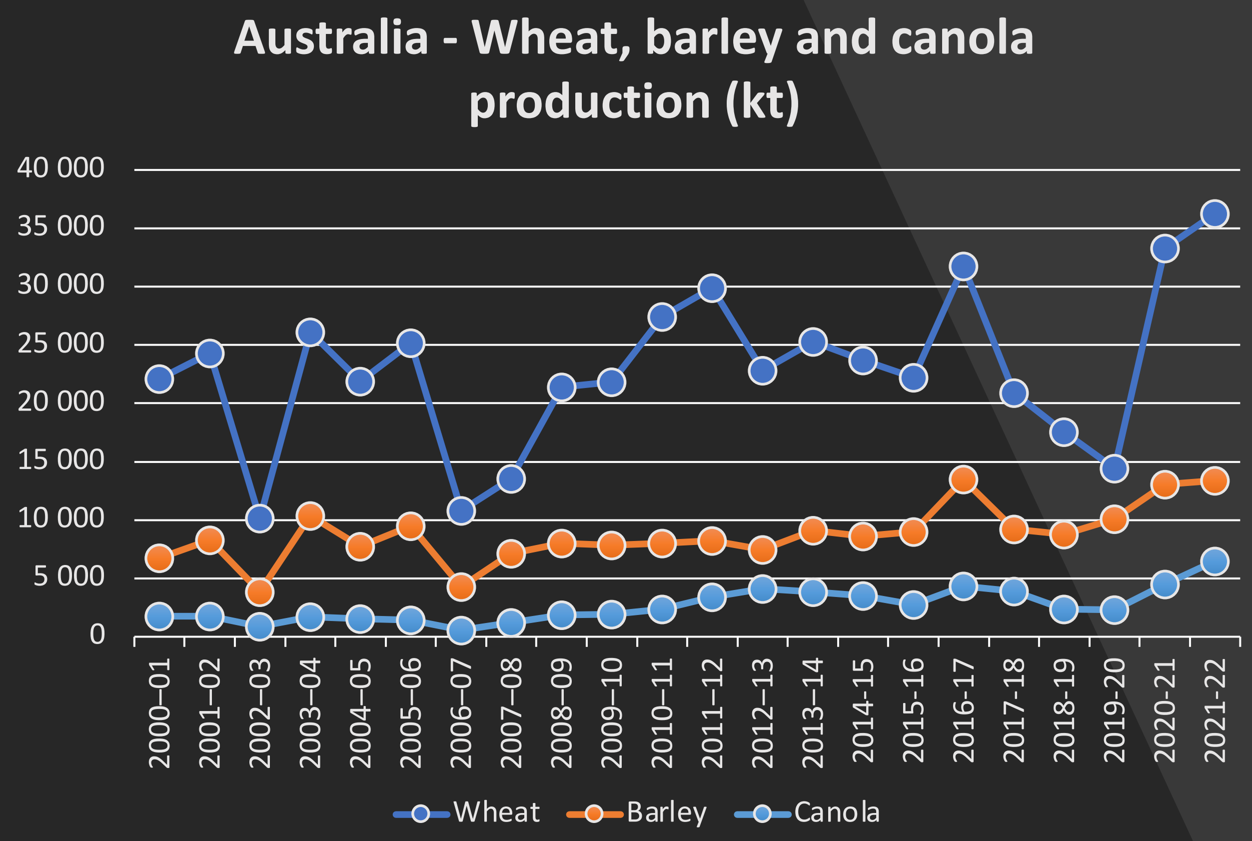
Moama meeting July 13, 2022

A season with a bit of everything

- Record large harvest
- Likely record exports
- Wet harvest and quality issues
- Ukraine war
- Record prices global prices
- Logistical constraints
- COVID
- Another 30 Mt plus wheat crop on the way?

Record harvest

- Record yields in WA, another massive east coast crop
- Wheat, barley and canola prices fall against global benchmarks to shift crop
- Focus turns to logistics and managing price risk on massive harvest
- Record large grain supplies complicated by wet harvest in NSW which leads to large quality downgrading
  - 40-50% of NSW wheat downgraded to feed quality
  - 45% of the WA wheat low pro ASW
- Below average harvest quality
- Large quality spreads
- Attracts export demand



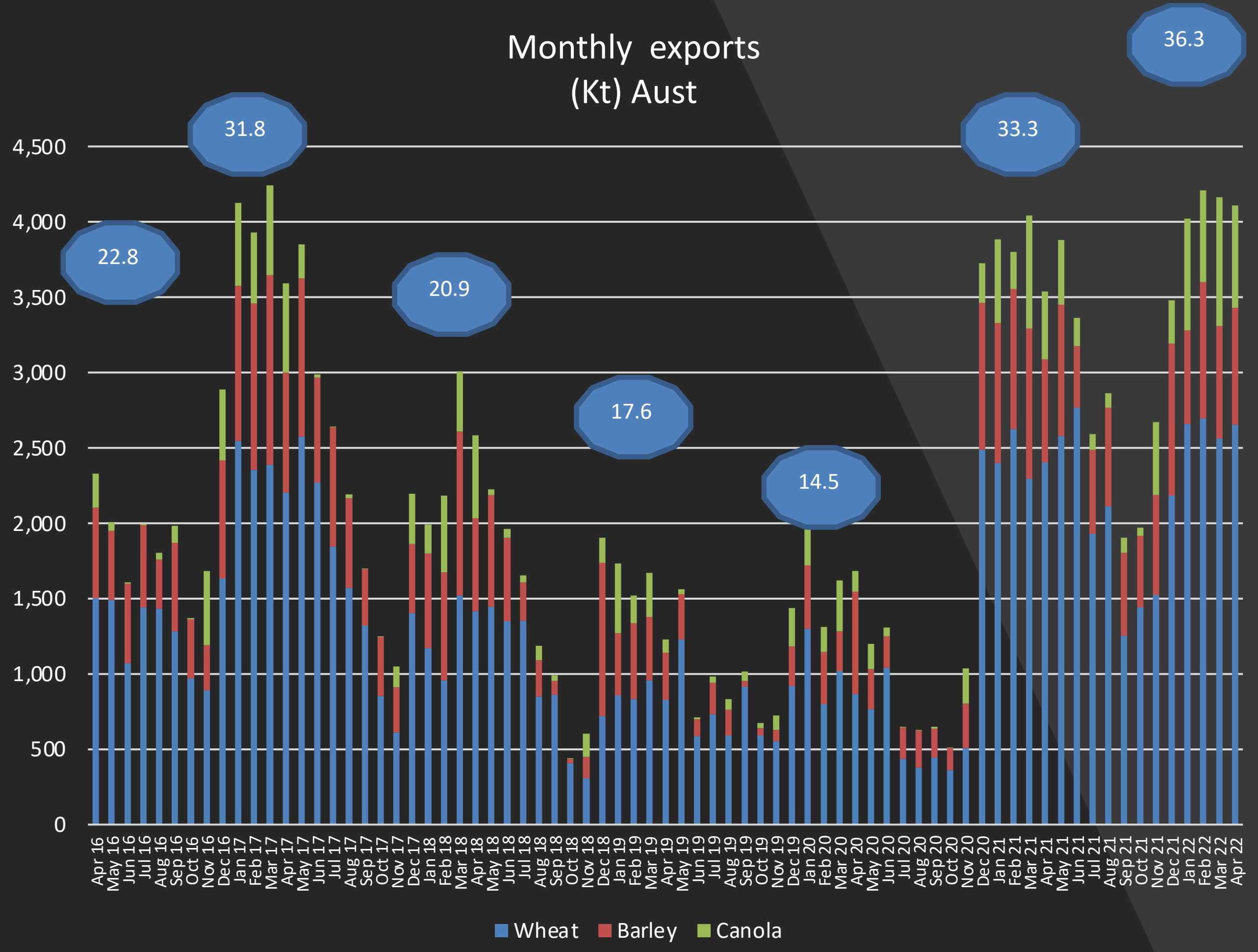
Record export pace

Big crops require large exports
- Either larger exports to existing customers
- Larger exports into more distant markets

Wheat
- Oct/May exports 18.1 Mt
- +2.6 Mt on LY…+15%
- Most increase on east coast
- China exports +1.2 Mt at 4.2 Mt

Barley
- Oct/Apr exports 5.9 Mt
- +0.2 Mt on LY…+4%
- Saudi exports down 15% LY, Japan, Phil, Mex, Jordan up

Canola
- Oct/Apr exports 4.3 Mt
- +1.3 Mt on LY…+45%
- Helped by Canadian drought



Logistics & port capacities

Difficult year for grain logistics & logistics personal

Shipping stem booked out early in all states on forecast bumper harvest

- Strong export demand / sales, export capacity fully committed and operationally stretched, no room for problems

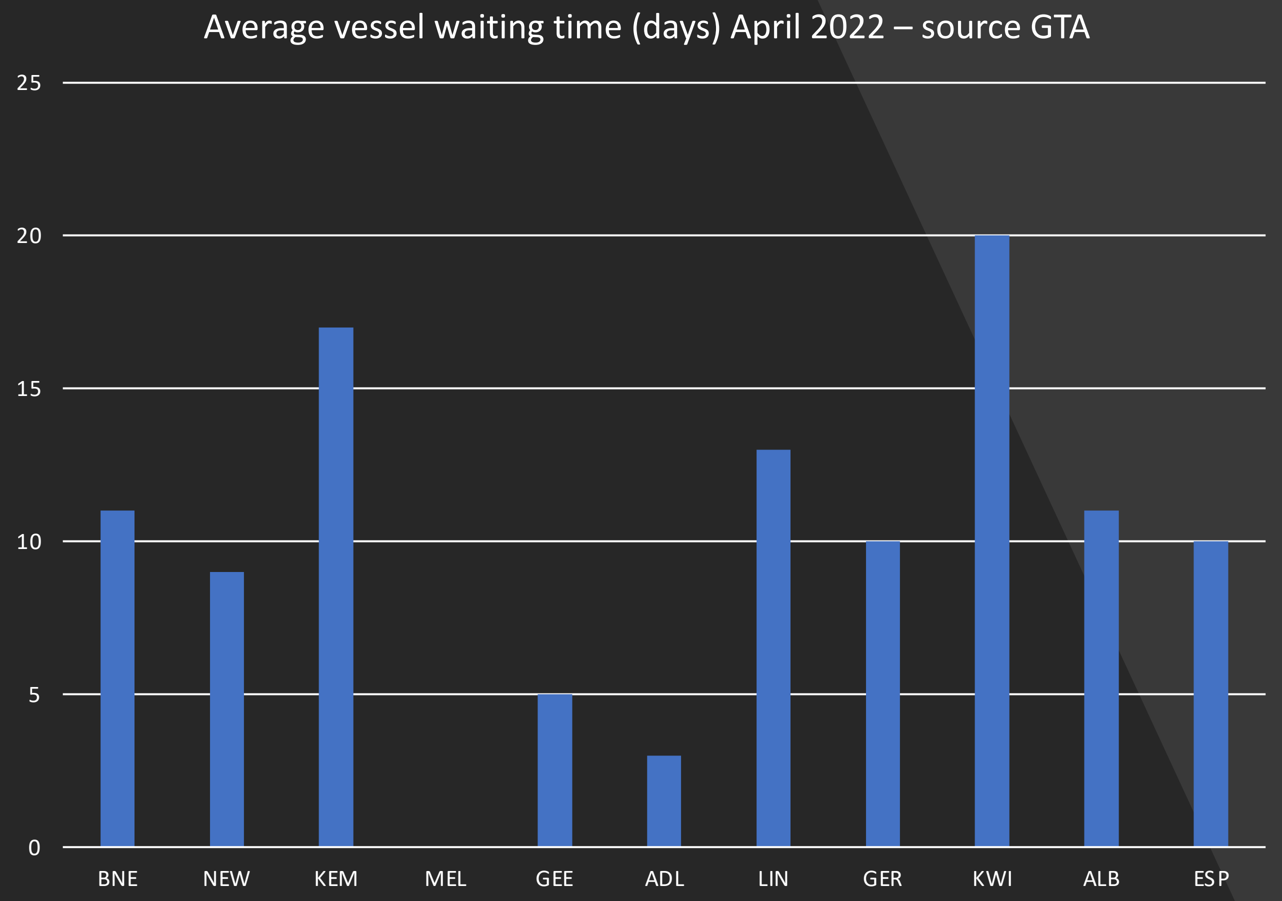
Major container exports difficulties continue

Rail problems

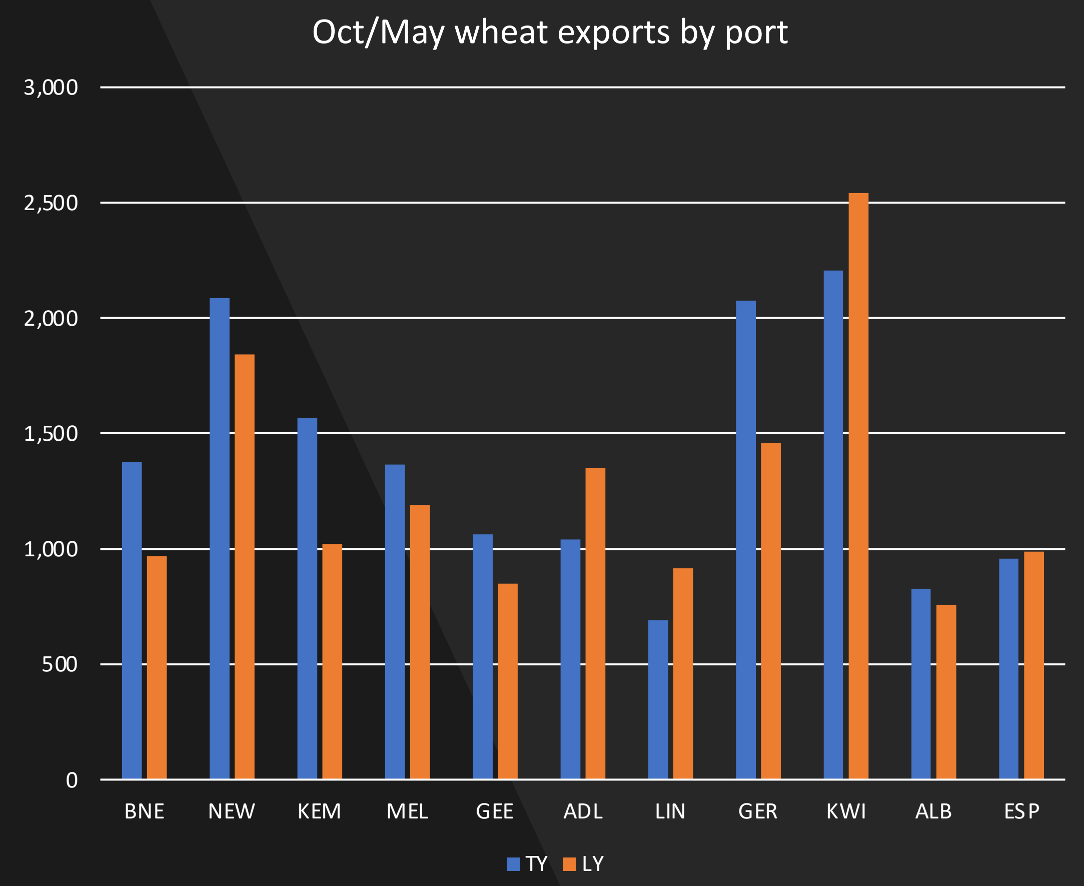
- Weather & floods major problem in NSW – main Pt Kembla line out for months after Feb
- Exacerbated by truck shortages & rocketing road rates
- Covid also creating staffing issues in both rail and road transport
- Shipping delays leading to hefty demurrage bills – US$36k/day x 20 = $0.72 mill

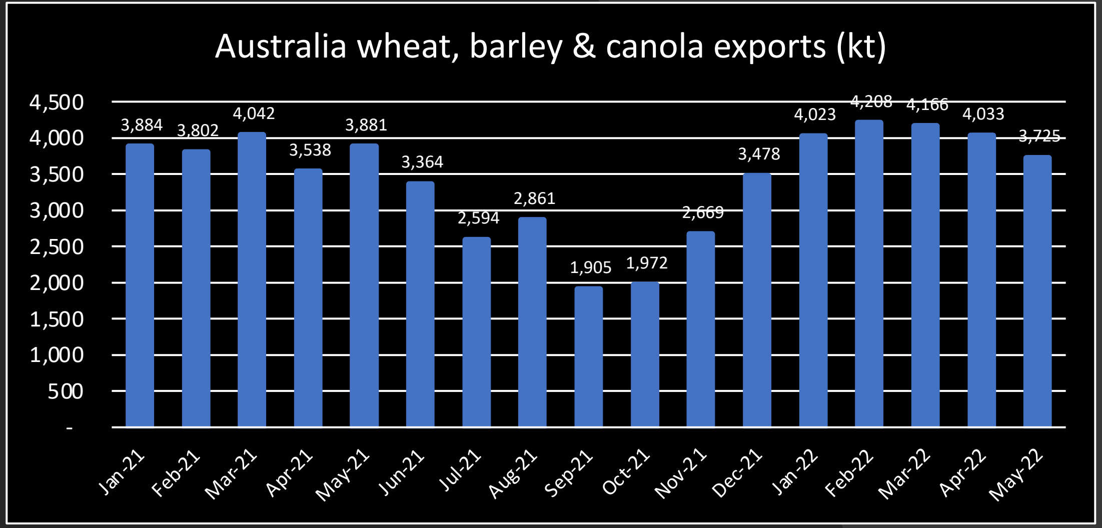
New export capacity eases pain

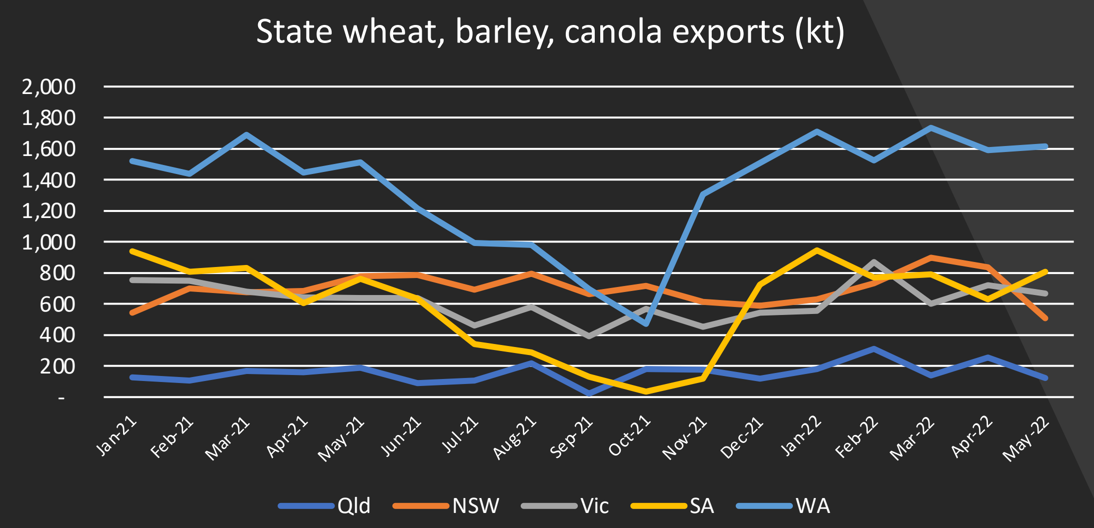
- Luck Bay, Adelaide (200-250kt/month)
- Bunge Bunbury (60-150kt/month)
- Riordan Geelong Portland (80-150kt/month)
- Quatro Kembla, NAT (200-300kt/month)
- QBT Brisbane (50-60kt month)
- More planned for SA



Let's not be too tough







Oct/May exports by state

	Wheat	Barley	Canola	Total	Last Year	change
Qld	1,412	76	0	1,487	810	184%
NSW	4,448	281	787	5,516	3,313	166%
Vic	2,847	1,266	870	4,983	3,191	156%
SA	3,029	1,372	423	4,824	4,142	116%
WA	6,344	2,911	2,208	11,464	8,729	131%
Aust	18,080	5,906	4,289	28,274	20,185	140%

Wheat ending stocks

AGSc Australia 2021/22 wheat S&D						
	Qld	NSW	Vic	SA	WA	**Aust**
CI	0.09	1.55	1.19	0.58	0.43	3.84
Prod	2.00	13.00	4.40	4.50	13.00	36.90
Impts/Inter	1.65	-2.75	0.75	0.35	0.00	-0.00
Supply	3.74	11.80	6.34	5.43	13.43	40.74
Food	0.34	1.86	0.38	0.18	0.14	2.90
Seed	0.05	0.22	0.08	0.11	0.24	0.70
Feed	1.34	1.46	1.26	0.56	0.41	5.04
Exports	1.89	6.51	4.22	4.29	10.20	27.11
Demand	3.62	10.06	5.94	5.14	10.99	35.75
CO	0.11	1.74	0.41	0.29	2.44	4.99

Wheat	**Oct-May**	Forecast AGS Oct/Sep	
Qld	1.41	1.89	75%
NSW	4.45	6.51	68%
Vic	2.85	4.22	67%
SA	3.03	4.29	71%
WA	6.34	10.20	62%
Aust	**18.08**	**27.11**	**67%**

Barley ending stocks

AGSc Australia 2021/22 barley S&D						
	Qld	NSW	Vic	SA	WA	**Aust**
CI	0.09	0.51	0.15	0.12	0.35	1.22
Prod	0.43	2.90	2.75	2.00	5.70	13.78
Impts/Inter	0.70	-0.88	-0.13	0.30	0.00	-0.00
Supply	1.22	2.53	2.77	2.42	6.05	14.99
Food	0.16	0.16	0.36	0.20	0.34	1.22
Seed	0.01	0.05	0.05	0.05	0.05	0.20
Feed	0.93	1.23	0.95	0.45	0.22	3.79
Exports	0.08	0.35	1.38	1.59	4.75	8.14
Demand	1.17	1.79	2.74	2.30	5.35	13.35
CO	0.15	0.74	0.03	0.12	0.70	1.74

Barley	**Oct-May**	Forecast AGS Oct/Sep	
Qld	0.08	0.08	95%
NSW	0.28	0.35	80%
Vic	1.27	1.38	92%
SA	1.37	1.59	86%
WA	2.91	4.75	61%
Aust	**5.91**	**8.15**	**72%**

Wheat ending stocks

Australia 2021/22 canola S&D						
	Qld	NSW	Vic	SA	WA	**Aust**
CI	0.00	0.02	0.03	0.07	0.07	0.19
Prod	0.00	1.90	1.30	0.45	3.20	6.85
Interstate	0.00	-0.20	0.20	0.00	0.00	0.00
Supply	0.00	1.72	1.54	0.52	3.27	7.04
Crush	0.00	0.40	0.40	0.00	0.10	0.90
Seed	0.00	0.07	0.05	0.02	0.00	0.14
Feed	0.00	0.10	0.05	0.00	0.00	0.15
Exports	0.00	1.00	1.00	0.45	2.85	5.30
Demand	0.00	1.57	1.50	0.47	2.95	6.49
CO	0.00	0.15	0.03	0.05	0.32	0.55

Canola	**Oct-May**	Forecast AGS Oct/Sep	
Qld	0.00	0.00	
NSW	0.79	1.00	79%
Vic	0.87	1.00	87%
SA	0.42	0.45	94%
WA	2.21	2.85	77%
Aust	**4.29**	**5.30**	**81%**