

10 February 2012

Philp Brodie rolling pool closures

Philp Brodie is closing its 2011/12 season wheat and barley pools in stages, with the stable option in its harvest pool to close at 5pm on Friday, 10 February.

Philp Brodie General Manager, Tom Howard, said rolling closures over the next few weeks were consistent with its marketing strategy and would also give growers maximum opportunity to deliver.

“Our harvest pool offers the flexibility of personalised pricing strategies based around different hedging levels and our rolling closures follow the options progressively,” Mr Howard said.

“Our stable option involves a heavy hedging strategy that we manage closely, which is being supported by our aggressive early shipping program, so it is appropriate to close this option off now.

“Our balanced option we plan to hold open until Friday 17 February, as it follows what might be classed as a more traditional spread of hedging over the life of the pool.

“For growers seeking to follow market movements further, we plan to hold our dynamic option open a little longer, unless circumstances dictate earlier closure. We developed the marketing strategy for our dynamic option after considerable discussion with growers seeking a pool product with higher market exposure, so it is appropriate to give them maximum opportunity.

“At this stage of the year growers holding unsold grain have many issues to consider as sales options close off and markets continue to move, which is why we seek to work with individual growers to help them resolve the most suitable options to meet their preferred strategy, cash flow options and appetite for risk.

“That means individual conversations, so we welcome calls to any of our merchants.

“There is no doubt that that with the large Australian crop this past season the export pathway will be at maximum effort in the months ahead.

“The Australian Bureau of Statistics yesterday indicated that wheat exports achieved in December had ramped up to 2.06 million tonnes, which was right on expectations. We actually expect that number to be even higher in January and February, as the first half of 2012 will be the peak shipping period for Australian grain ahead of the next northern hemisphere crop.

“Shipping opportunities, port schedules and transport to ports will be the driving factors that will limit spot market opportunities for growers as the year proceeds, which is why we have our own export pathways well established and running.

“We are focused on maximising the use of these pathways to benefit growers in our pools, although as can be seen by our pool closure dates the clock is ticking, so I’d encourage any grower looking to use our pathways to market to call us promptly,” Mr Howard said.

For further information on Philp Brodie Grain’s pool returns or distributions call 07 4690 6400 or visit www.pbgrains.com.au

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Background information

Emerald Group is one of Australia’s leading grain marketing companies, offering its grower customers a range of pool and fixed price products to assist them maximise returns and manage grain market risks.

Emerald’s unique business model includes commercial joint venture partnerships with grower organisations that assist these groups to directly influence both grower marketing options and grower incomes. These JVs include *SQP Grain* with Southern Quality Produce Co-operative in Victoria, *EP Grain* with FREE Eyre on Eyre Peninsula in South Australia and *Southern Ag Grain* with Southern Ag Venture in southern New South Wales.

Emerald operates in its own name in Western Australia and also has a strong alliance with WAFarmers, while in Queensland it operates as *Philp Brodie Grains* and in eastern South Australia as *Sturt Grain*.

Emerald is an Australian business founded in 2004. Originally fully owned by the directors and staff of the company, it now includes amongst its shareholders Sumitomo Corporation, which has offices in 66 countries. The alliance with Sumitomo has provided Emerald with unrivalled access to a range of grain processors throughout the world, particularly into rapidly growing markets in East and South Asia. During the 2010/11 harvest Emerald received 3.4 million tonnes of grains and oilseeds directly from Australian grain growers, with turnover of A\$1.2 billion.