

AWB Harvest Pool

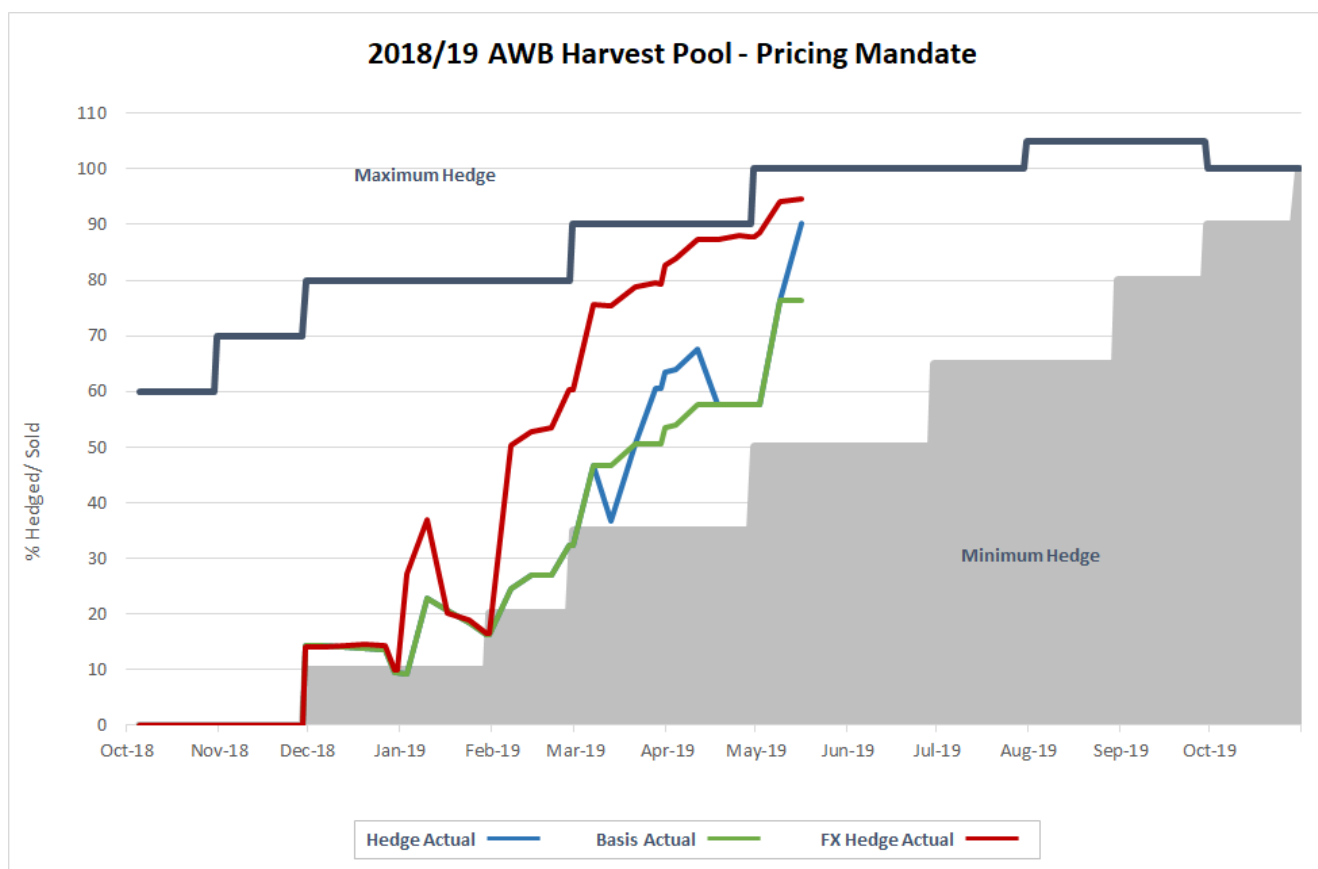
A smart tool for the modern farmer.



2018/19 AWB Harvest Pool Pricing Mandate

PROGRAM SUMMARY: Harvest Pool is an actively managed 12 month program designed for growers who want to begin to market their grain beyond harvest and who would like a program that is finalised prior to the following harvest.

AWB Harvest Pool Pricing Mandate Update - May



Current Pricing Mandate insights

- We have sold approximately 76% of our physical exposure versus a mandated minimum 50%, an increase from 58% last month.
- We have increased our wheat futures hedge level to around 90%, from 68% last month. The investment community had a large sold wheat position and as US producers struggle to get all their corn acres in due to wet weather, this has caused a short term buying panic in grain futures markets, with CBOT wheat futures now A\$25/tn off the lows.
- Since our last update we have increased our FX hedges to roughly 95% from 88%. Over the month AUDUSD has moved steadily lower firming expectations of interest rate cuts in Australia, to sit currently at around US69c.
- Today we are making top up payments to participants who selected the Advance payment or Harvest Loan options. Payments will be in the range \$5-\$19 per tonne depending on delivery grade and port zone.
- On Thursday 23/6/19, AWB will pay the second distribution to participants. This distribution payment will equate to 24% of current EPRs and brings cumulative pool payments to 56% in this program.