

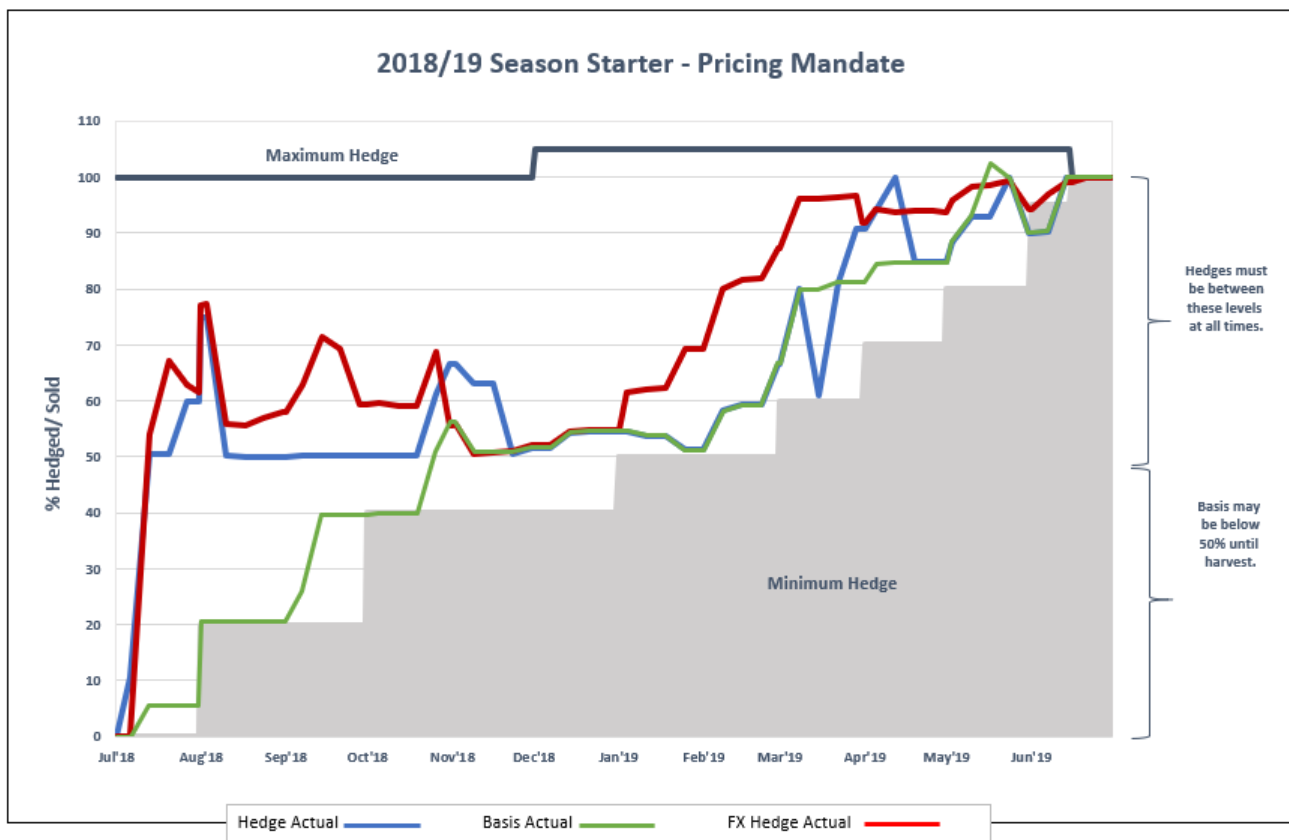
Season Starter



2018/19 AWB Season Starter Pricing Mandate

PROGRAM SUMMARY: Season Starter is an actively managed 12 month program designed for growers who want to begin to market their grain early in the season and who would like a program that is finalised within 6 months of harvest.

AWB Season Starter pricing mandate update - June



Program Recap:

- After contracting closed, we kept most of our hedge levels to the mandated minimum as the market rallied in the second half of 2018. By harvest, pool equity levels had increased strongly from starting values, and we continued to stay close to minimum hedge levels with both strong domestic demand and the threat of most major exporting countries running out of surplus stock.
- However, the Black Sea surprised markets and continued to export cheap wheat throughout the year and world prices tumbled. At the same time in Australia, the anti-dumping allegations from China ensured a large amount of barley needed to find a home domestically, causing Australian wheat prices to fall even faster than global prices. During the pullback in prices, finding liquidity proved an issue as buyers put their hands in their pockets, impacting some of the EPR gains generated prior to harvest. East Coast prices held up well compared to the large falls seen in WA and SA wheat prices. The result were final pool returns ranging between -\$23 and +\$79 per tonne from starting values, depending on grade and location.