

Australian Wheat Comeback



Agenda



- So how big was the Aussie crop actually?
- Is it too big to move?
- Has Australia regained its market share?
- What about the China issue?
- What will happen next year?

Who is IKON



- Futures brokering
- Physical cash brokering
- Track, delivered & DCT markets
- Wheat, barley, canola, sorghum, cottonseed, faba beans, chick peas etc.

- Detailed & tailored risk management plans
- Ongoing and comprehensive trading advice
- General education and 'up-skilling'
- Business/corporate strategy.
- Crop Forecasting

- Facilitating and managing investment
- Detailed scoping study work to justify M&A activity
- Building a long only wheat fund

Agenda



- **SO HOW BIG WAS THE AUSSIE CROP ACTUALLY?**
- Is it too big to move?
- Has Australia regained its market share?
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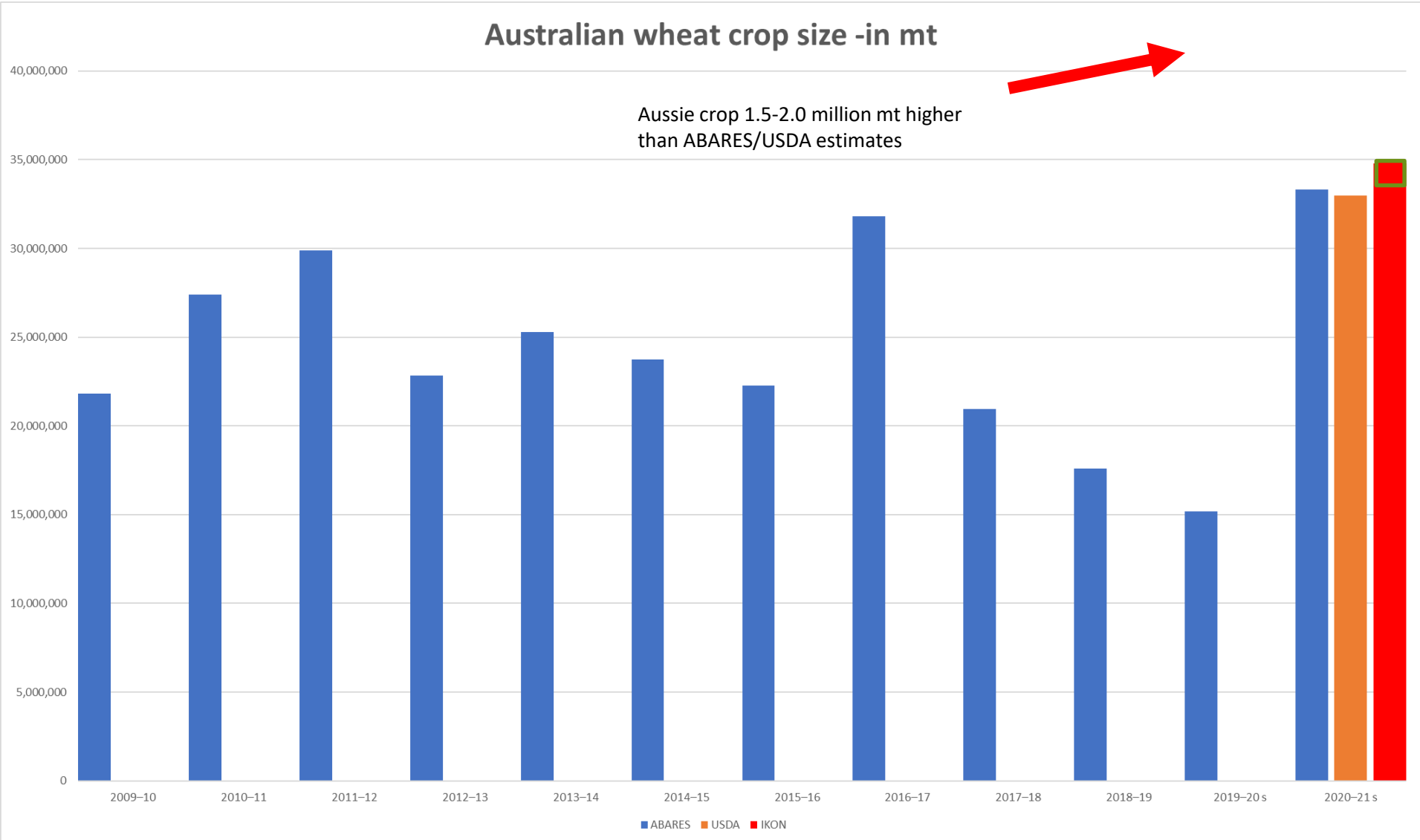
How big was the Aussie wheat crop



Australian wheat crop size -in mt



Aussie crop 1.5-2.0 million mt higher than ABARES/USDA estimates



■ ABARES ■ USDA ■ IKON

Agenda



- So how big was the Aussie crop actually?
- **IS IT TOO BIG TO MOVE?**
- Has Australia regained its market share?
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Australia Grains industry since deregulation in 2007



- Significant investment in infrastructure:
 - Low utilisation of existing storage and port infrastructure
 - 8 new ports added to Australia (at least one in every State) - Bunbury, Tport, Cargill, Semaphore, Riordans, Quattro, NAT, QBT.
 - Over 5 million mt of new storage has been built on farm and by regional operators
 - Bigger and better trains (*and road trucks*) – (initially most trains were on TOP deals)
 - Harvesters bigger now – more pressure at peak
- Teething problems around infrastructure allocation
- Supply Chain efficiency race, faster outloading and bigger trains.
- Market Share battle last 5 years has been particularly horrendous for the industry as a whole.

Can we move the crop

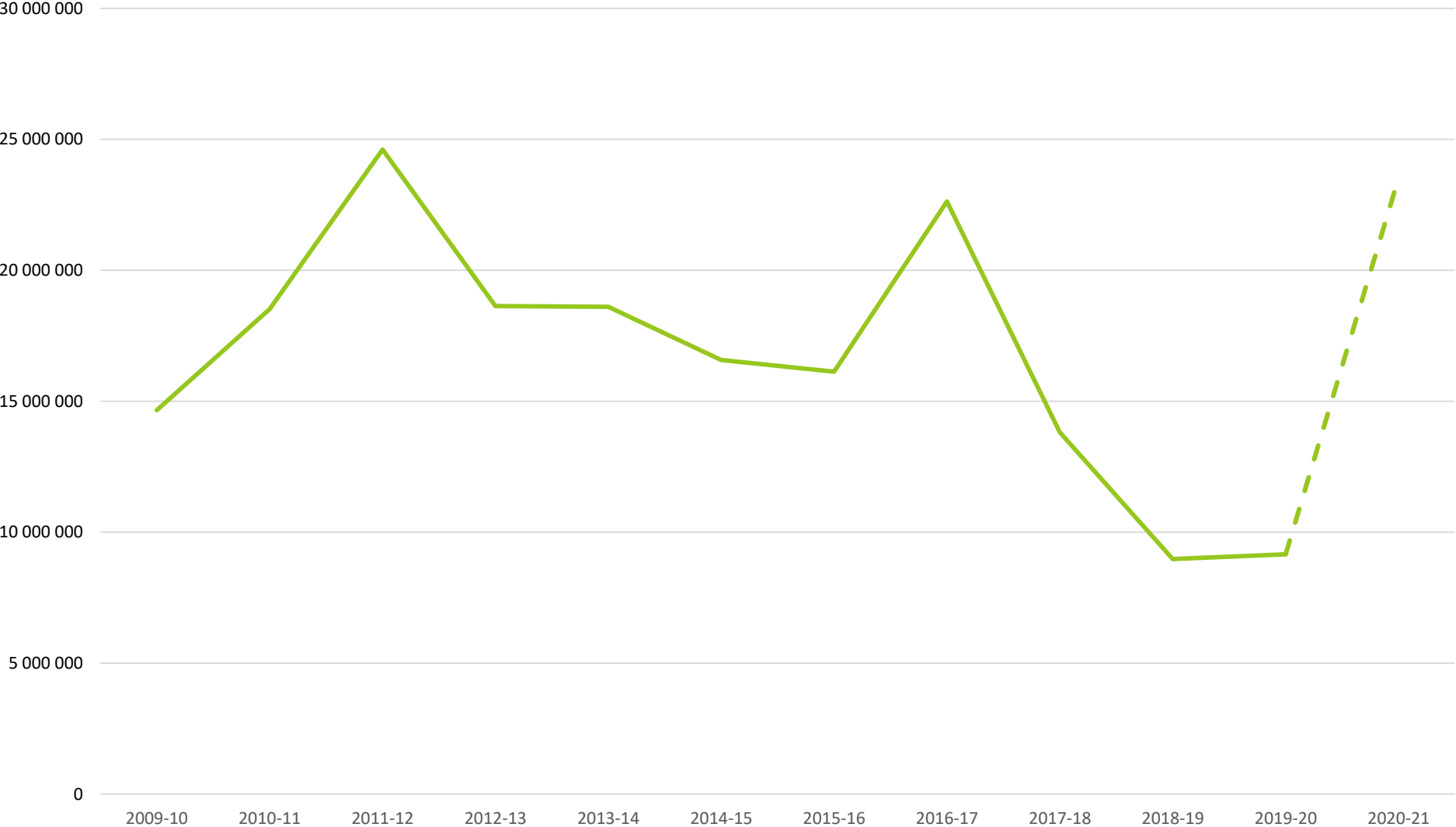


- Do we have to?
- Typical Aussie wheat ending stocks ~ 4 million mt
- Consecutive droughts has meant low starting stocks
- 19/20 wheat ending stocks after drought ~ 1.35 million mt
- 16/17 wheat ending stocks after last big crop ~ 6.4 million mt
- Available for export + stock build 21/22 ~ 26 million mt
- If we build stocks like in 16/17 then only 20 million mt to export
- If we build to typical stocks levels then 22 million mt to export

Can we move the crop?



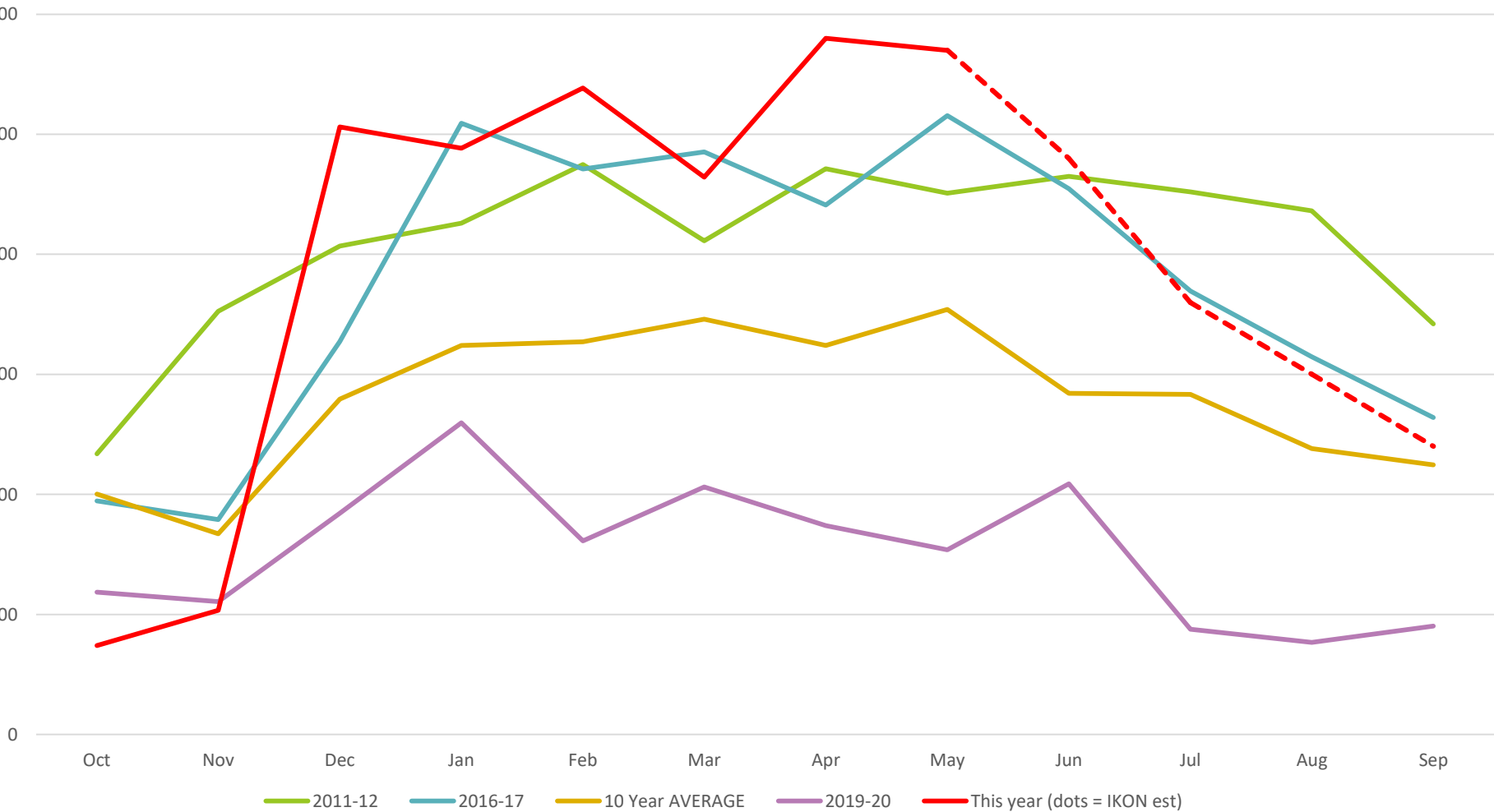
IKON historical and estimated Wheat exports



Can we move the crop



Australia Bulk and Container Exports of Wheat MT

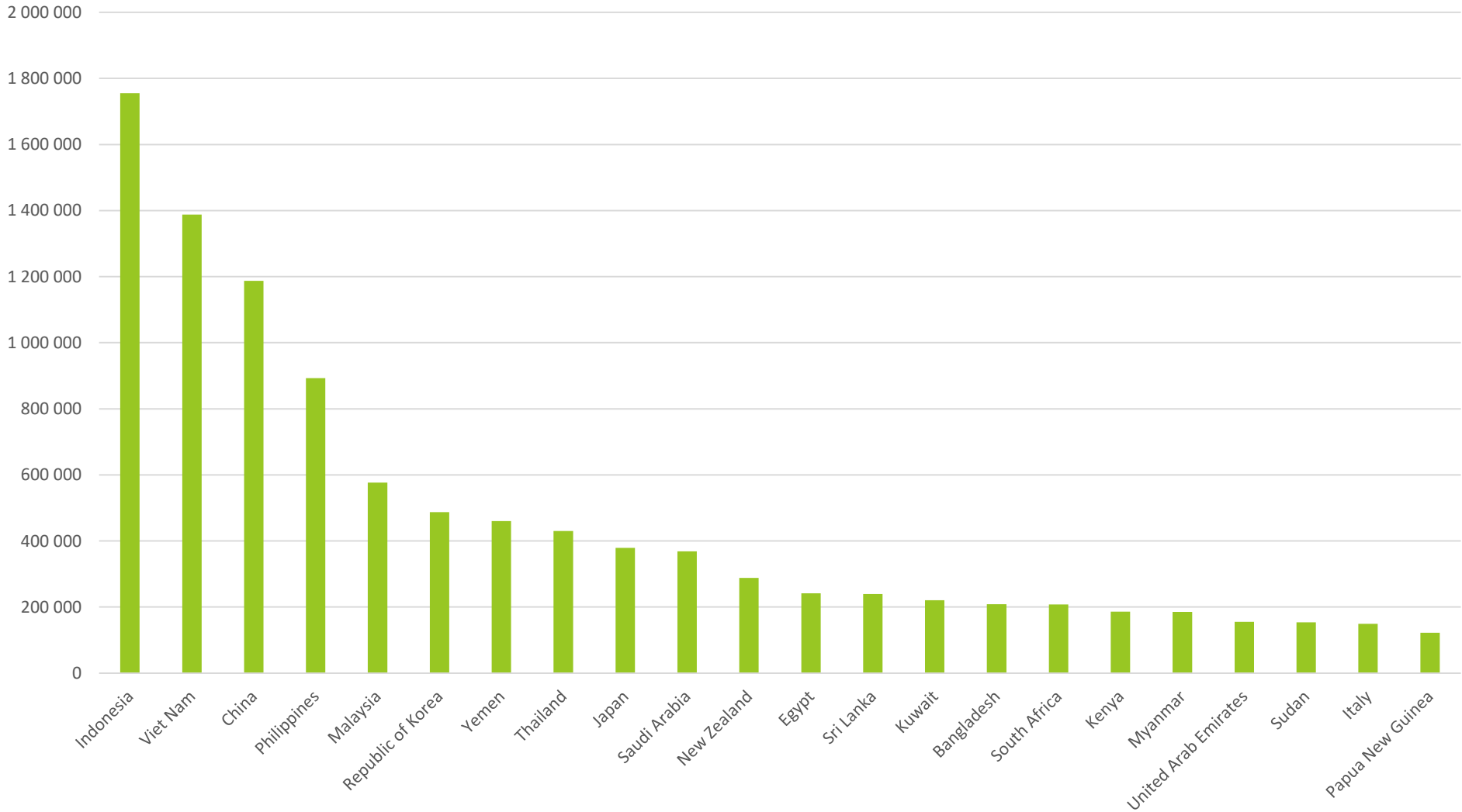


- So how big was the Aussie crop actually?
- Is it too big to move?
- **HAS AUSTRALIA REGAINED ITS MARKET SHARE?**
- What about the China issue?
- What will happen next year?

Has Australia regained its market share



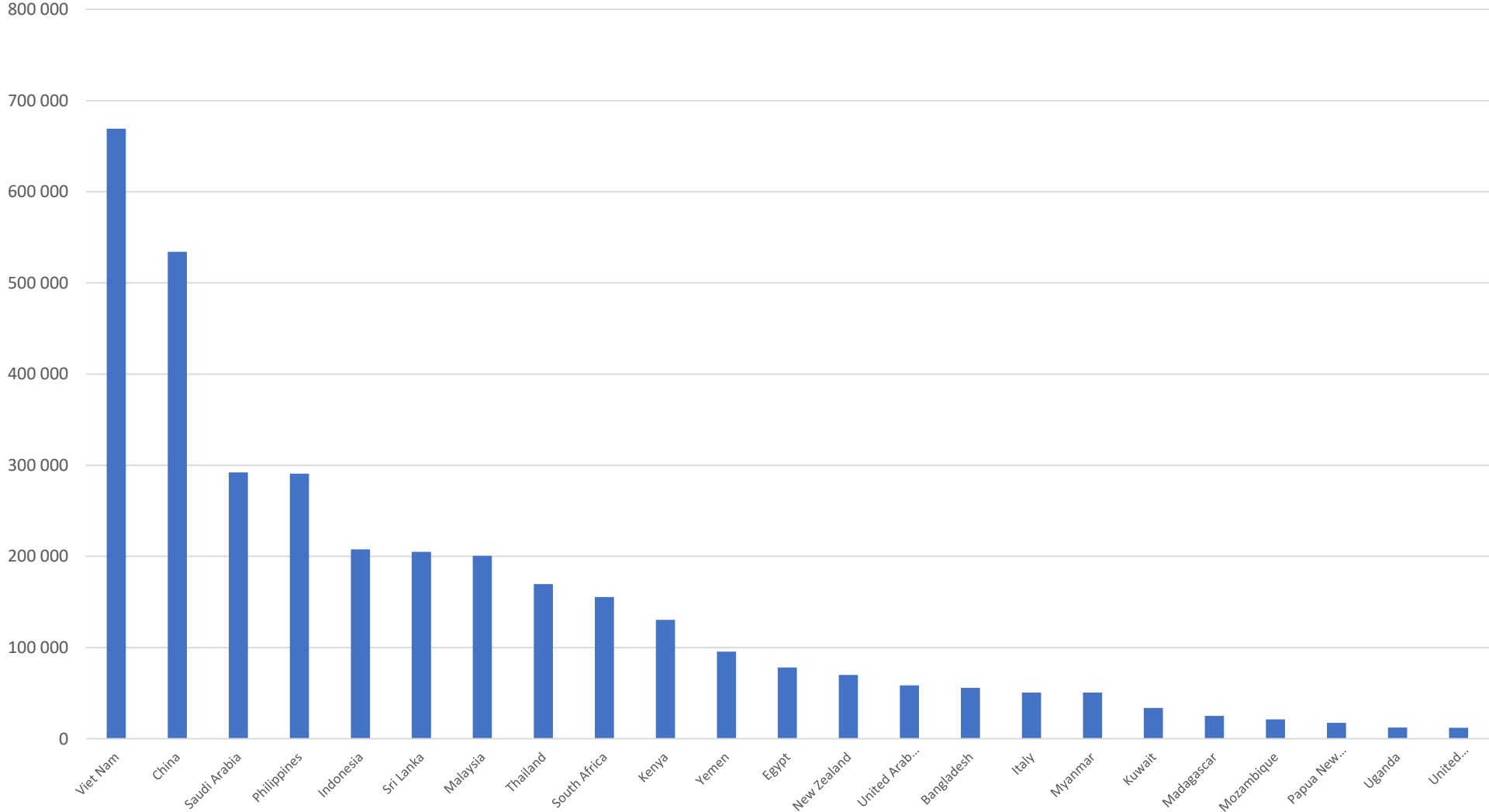
Aussie Wheat Export Destinations Oct-Mar 20/21 Season



Has Australia regained its market share



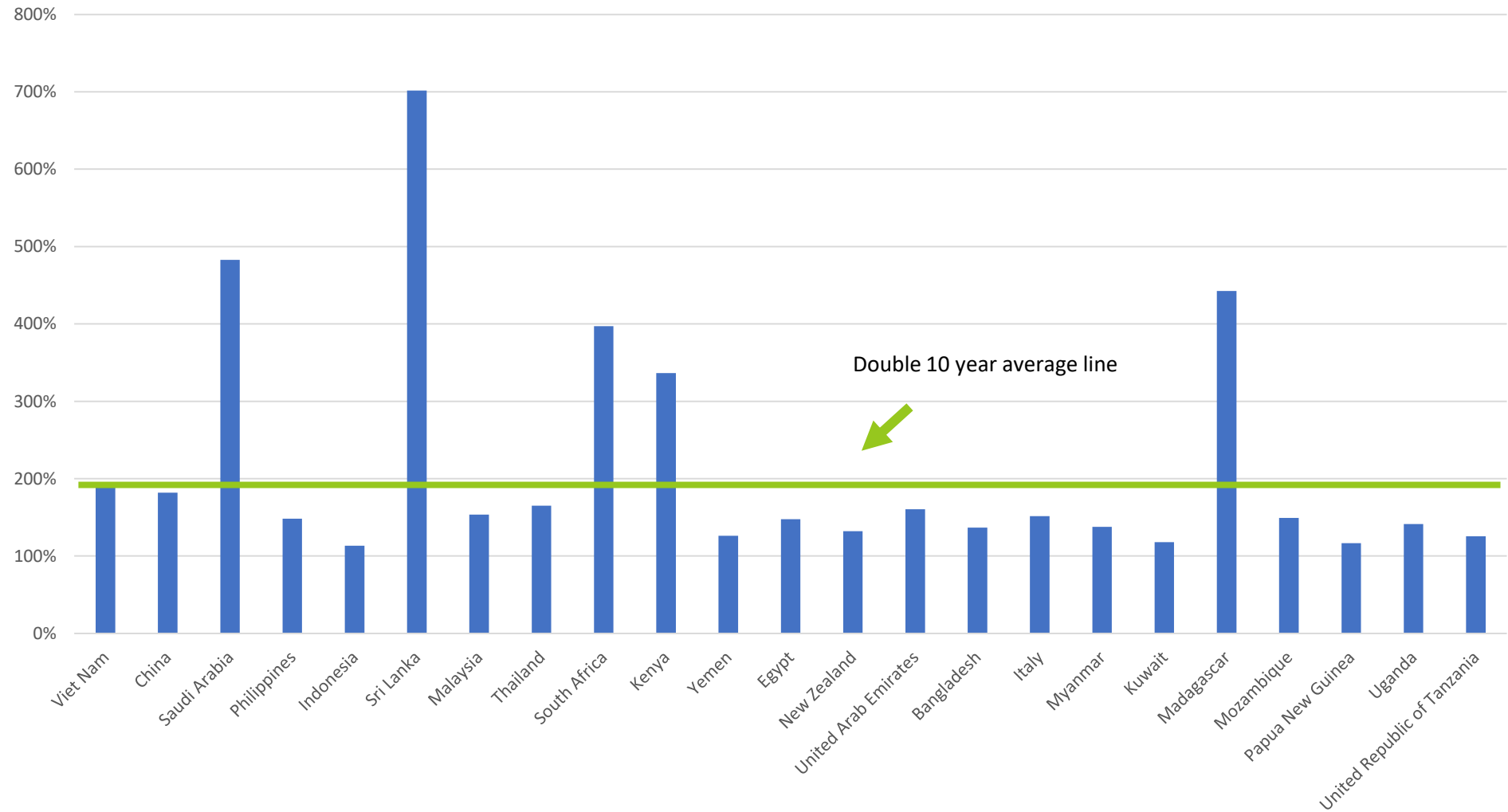
Oct-Mar export destinations for Aussie wheat - this year vs 10 year avg in mt



Has Australia regained its market share



Oct-Mar export destinations for Aussie wheat - this year vs 10 year avg in %



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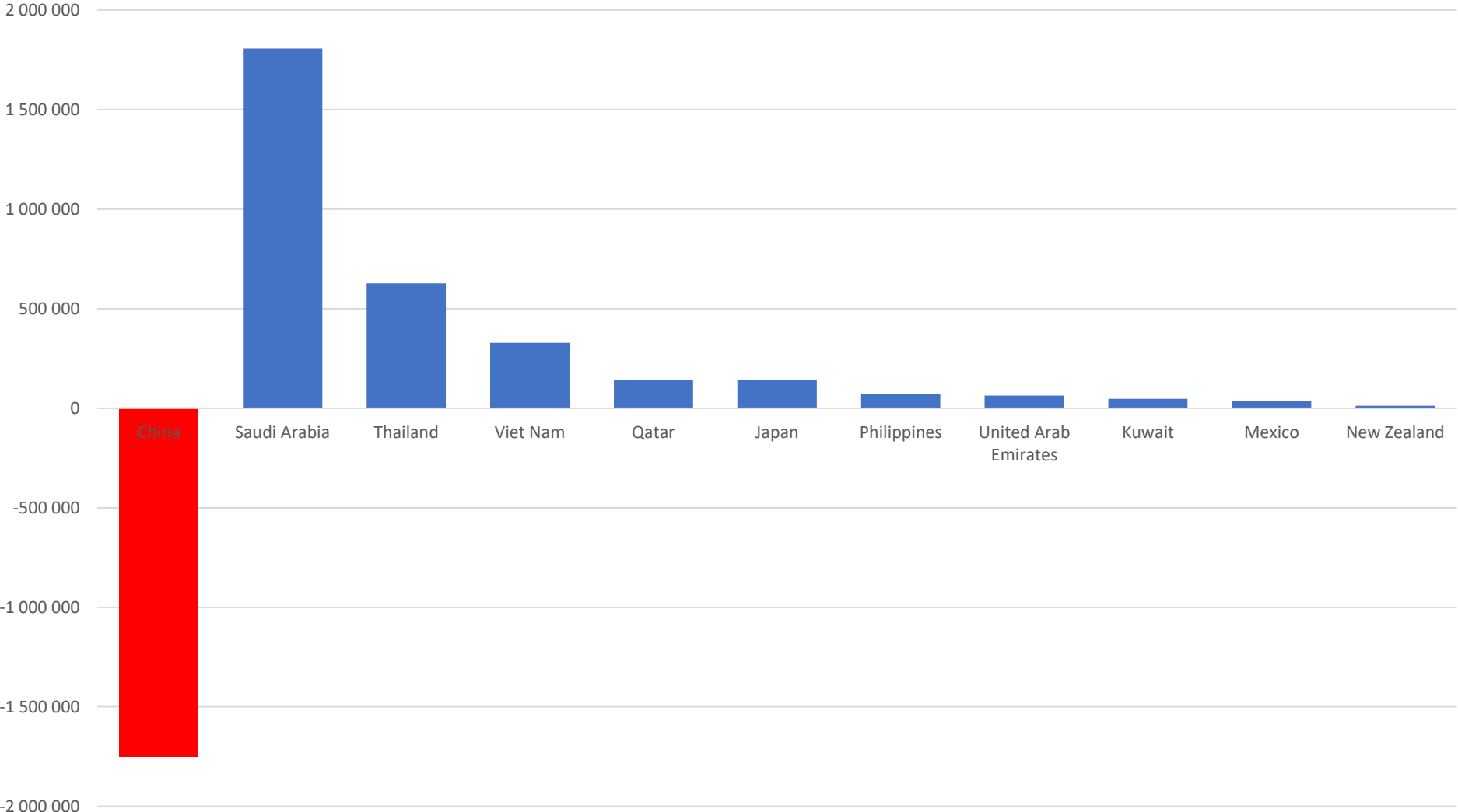


- So how big was the Aussie crop actually?
- Is it too big to move?
- Has Australia regained its market share?
- **WHAT ABOUT THE CHINA ISSUE?**
- What will happen next year?

What about the China issue?



Oct-Mar export destinations for Aussie barley - this year vs 10 year avg in mt



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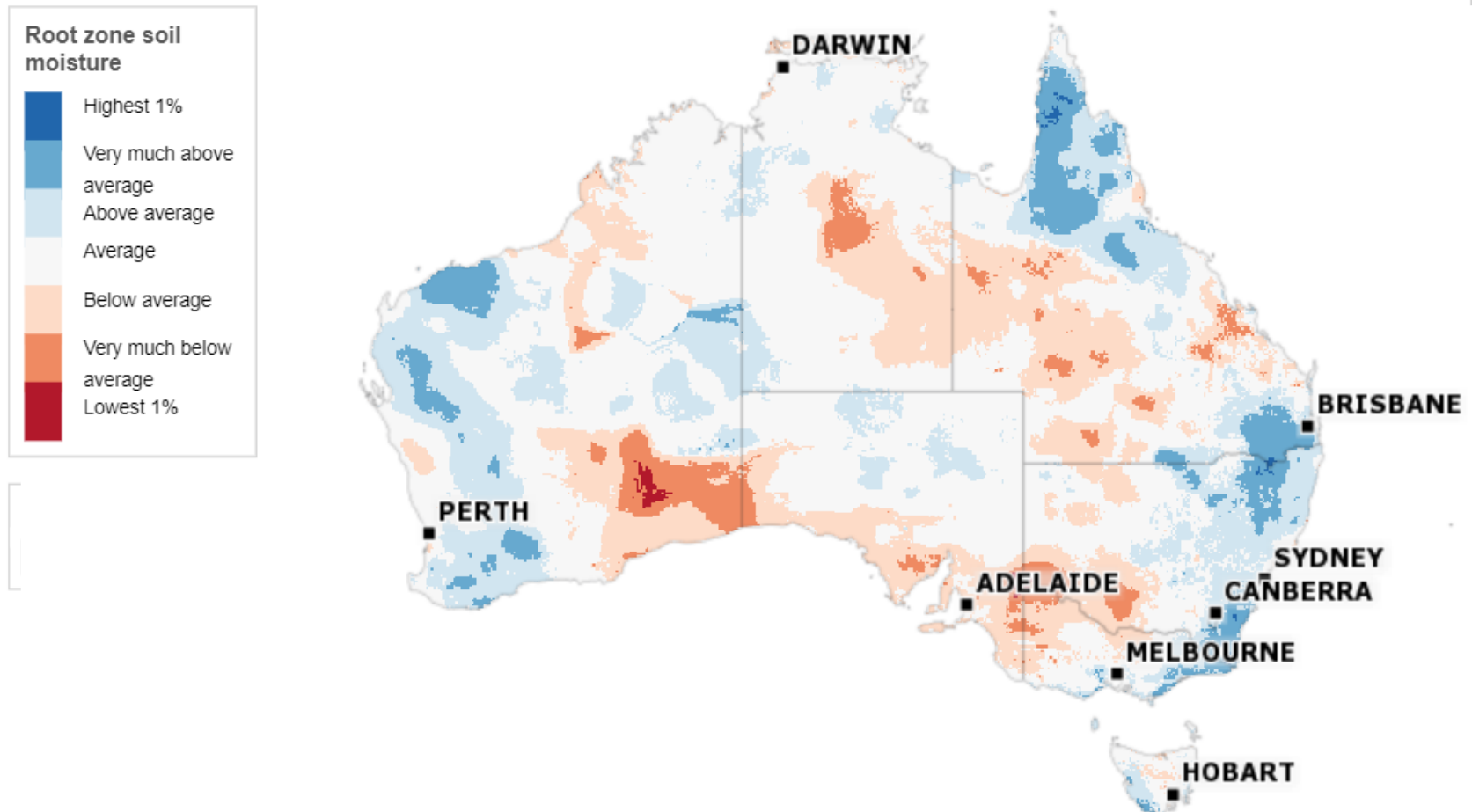


- So how big was the Aussie crop actually?
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- **WHAT WILL HAPPEN NEXT YEAR?**

Next Years Wheat crop



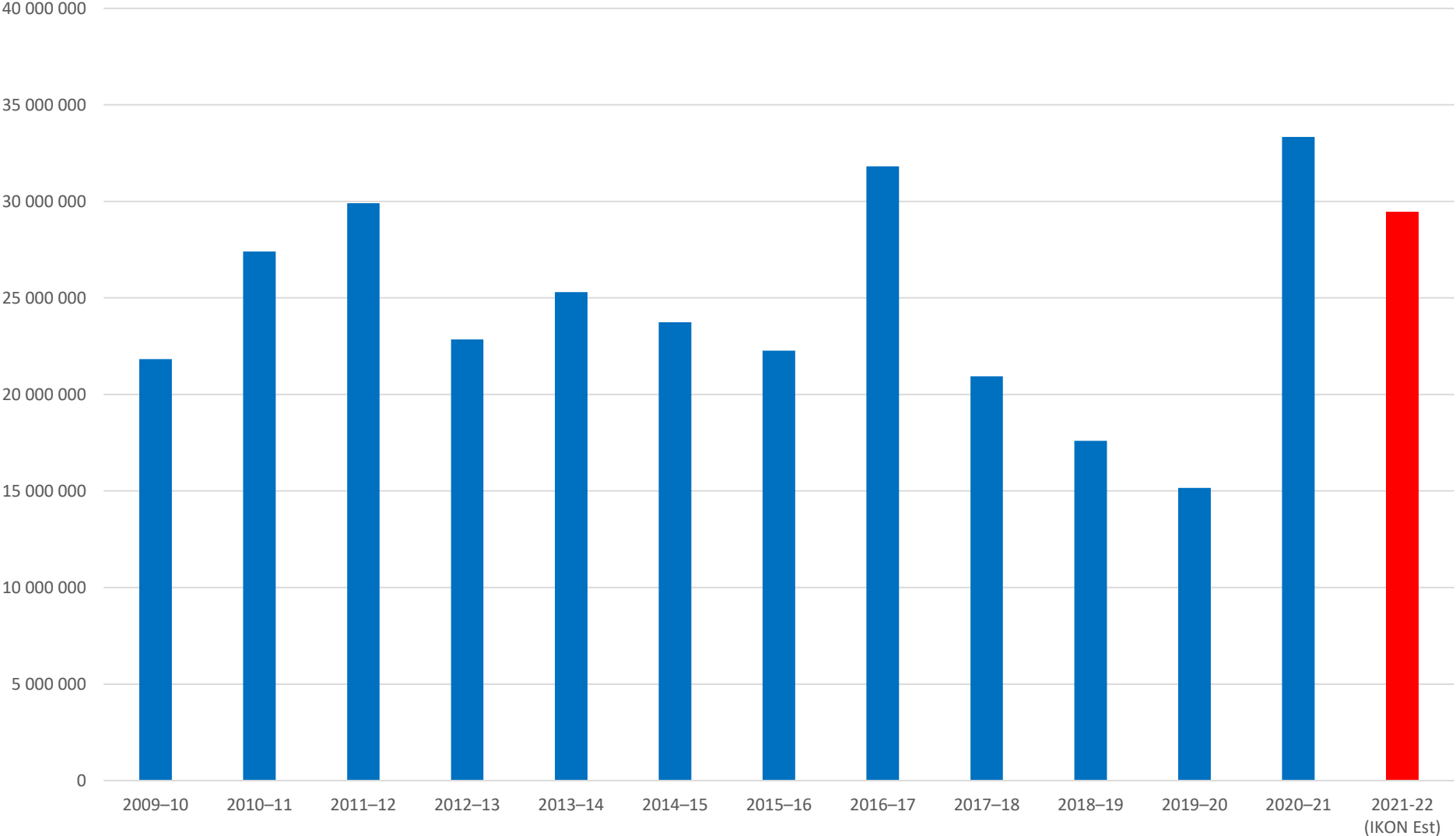
- Planting well under way
- Generally good conditions
- Area of crop likely large like last year



Next Years Wheat crop



Australia wheat crop size in mt (Abares + IKON est)



Next Years Wheat crop



Australia barley crop size in mt (Abares + IKON est)



Next Years Wheat crop



Australia canola crop size in mt (Abares + IKON est)

