



GrainCorp
100 YEARS OF GROWTH

2017-18 HARVEST IN REVIEW

Overview

The 2017 winter harvest was challenging across the eastern grain belt. Coming off a near-record previous year, there was hope for another large crop after a good start. However, dry conditions prevailed across most of Queensland and New South Wales during the winter, significantly impacting yield. This was reflected across the GrainCorp network, where receivals were down by 69 per cent year-on-year in some areas.

Weather events during the growing season and harvest, such as extreme heat, frost and untimely rain impacted the quality of grain in some areas. This did have an impact on quality but GrainCorp was able to respond with alternative segregations and off-grades to minimise disruption.

GrainCorp's ongoing investment to make our sites more efficient has delivered record turnaround times and allowed greater flexibility with segregations. Innovative solutions such as CROPTIMISER was also used throughout harvest with around 250,000 tonnes successfully CROPTIMISED to deliver added value for growers. The GrainCorp Supply Chain Stock Team handled over 12,000 calls during the harvest period.

The volumes contained in the below table are sourced from GrainCorp's last harvest update for the corresponding harvest. The updates are available on our website and should be used as indicative figures only. For more information please visit our website.

Zone	2017	2016	Percentage change YoY
QLD	557,250	1,787,000	-69%
NSW	2,078,500	6,566,100	-68%
VIC	2,944,500	3,739,400	-21%

Growers embrace technology

In 2017, GrainCorp's online marketplace, CropConnect was accessed over 330,000 times by growers and used to sell over 720,000 tonnes. The app provides a range of functionality such as site opening times and available segregations. During harvest, the number of active users online peaked at 5,911 on 11 December 2017 and over 250,000 push notifications were sent. We expect this to increase as growers explore the grower-offer and counter-bid functionality available through the app.

Queensland

Many growers battled dry conditions and limited soil moisture which affected acreage planted and overall yields. Other commodities such as chickpeas and other pulses performed well despite depressed export prices.

The biggest site in Queensland was Mt McLaren which received over 155,000 tonnes followed by Goondiwindi West, which received over 85,000 tonnes. Throughout harvest, volumes diminished as the crop missed out on in-crop and finishing rain. Thallon received over 285,000 tonnes in 2016 however in 2017 only received just over 5,000 tonnes.

Queensland is Australia's largest exporter of chickpeas with strong international demand increasing planted areas over recent years. GrainCorp worked with growers to ensure the appropriate segregations were available as weather events impacted quality.



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New South Wales

For the first time since at least 2011, New South Wales growers delivered less into the GrainCorp network than their Victorian counterparts. This reflects the extremely dry conditions across the western districts. For example, GrainCorp's Walgett site received over 285,000 tonnes in the 2016 harvest but didn't open for receivals this year due to lack of demand. Many growers only harvested enough for seed for the coming year. Overall, quality in northern New South Wales was good however volumes were drastically down. Wheat performed strongly with high protein levels demanding a price premium. Condobolin was the busiest site, receiving over 90,000 tonnes.

Southern New South Wales suffered from a combination of weather events and frost which compounded quality and quantity issues. There were a number of sites which received over 80,000 tonnes including Cunningar, Junee, Milvale, Parkes, Redbend and Temora. GrainCorp's flagship site at Calleen received around 15,000 tonnes – significantly down on the 130,000 tonnes received last year.

Victoria

Victoria enjoyed another strong year, only slightly down on last harvest. While harvest was interrupted by weather on a number of occasions, Victoria achieved a recent record, receiving over 150,000 tonnes being received in a single 24-hour period. In this case, many sites stayed open for 20 hours to enable growers to get grain into the system before a forecast storm. Significant frost events did take their toll on yields particularly through the Western Districts area however many sites performed strongly. Nhill enjoyed a record year with receivals of almost 180,000 tonnes, exceeding last year by 5 per cent. In addition to Nhill, many Victorian sites exceeded 100,000 tonnes including Elmore, Murtoa, Quambatook, Warracknabeal and Yarrawonga.

Australia's export program

GrainCorp operates seven ports along Australia's East Coast, offering a mix of container and bulk export capability. Australia's export program is considerably down on last year. Domestic demand is taking priority as local consumers secure supply. Domestic grain flows are being drawn north as supplies are under pressure across northern New South Wales and Queensland.

Geelong remains GrainCorp's busiest port, which reflects the strong production year Victorian growers have enjoyed. Over 600,000 tonnes have been exported this harvest through Geelong as Australian grain remains sought-after in our key export markets.

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