

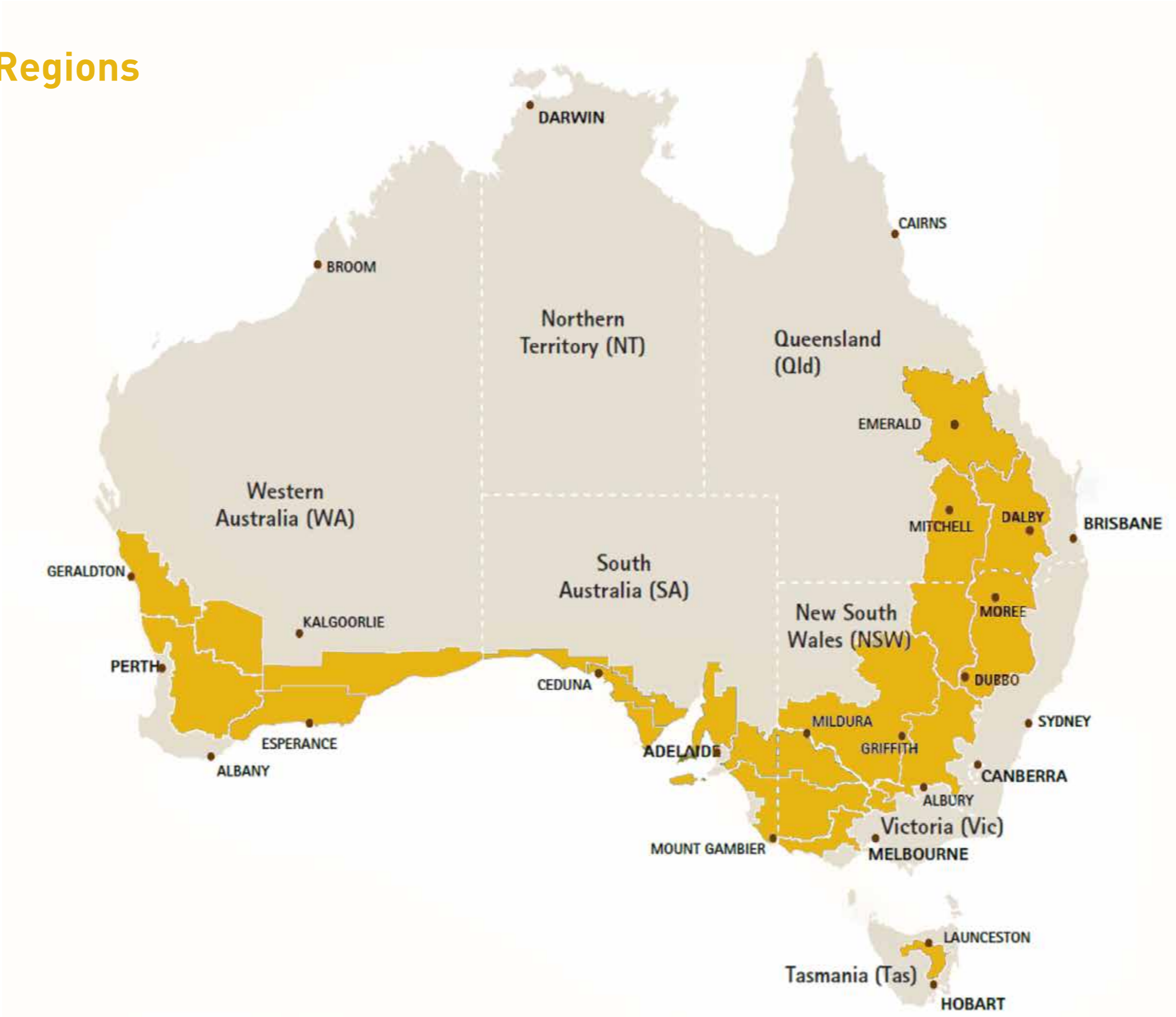
Snapshot Australian Grain Industry

- In 2016/17, Australia produced 45 million tonnes of grains from 22.9 million hectares, generating \$13.5 billion in revenue
- The Australian grain industry exports approximately 70% of this production, with the other 30% being consumed domestically
- Grain production is predominantly focused in New South Wales, Victoria, South Australia and Western Australia

Snapshot Australian Grain Industry

Industry Size	\$13.5 billion
Grain Products	Wheat, coarse grains, legumes and oilseeds
Ownership	60% non-employing enterprises
Area Harvested	22.9 million hectares
Production	45 million tonnes
Domestic Consumption	13.5 million tonnes
Exports	\$8.1 billion, representing 60% of Australia's total grain production (by value and 70% by volume)
Major Export Markets for Australian Grain Products (value)	North Asia 34% (China, Japan and South Korea) South East Asia 29% Middle East 22%
Industry Employment	Direct employment of approximately 26,300

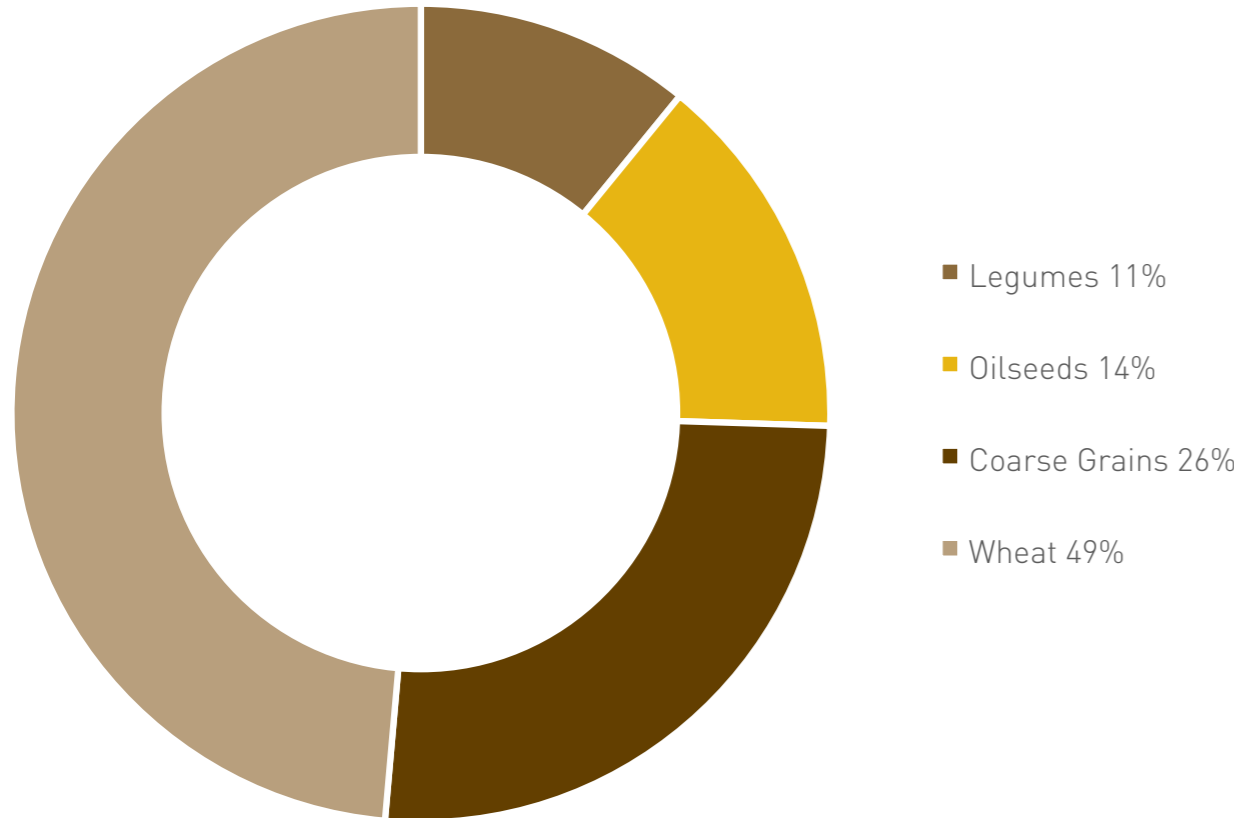
Australian Grain Growing Regions



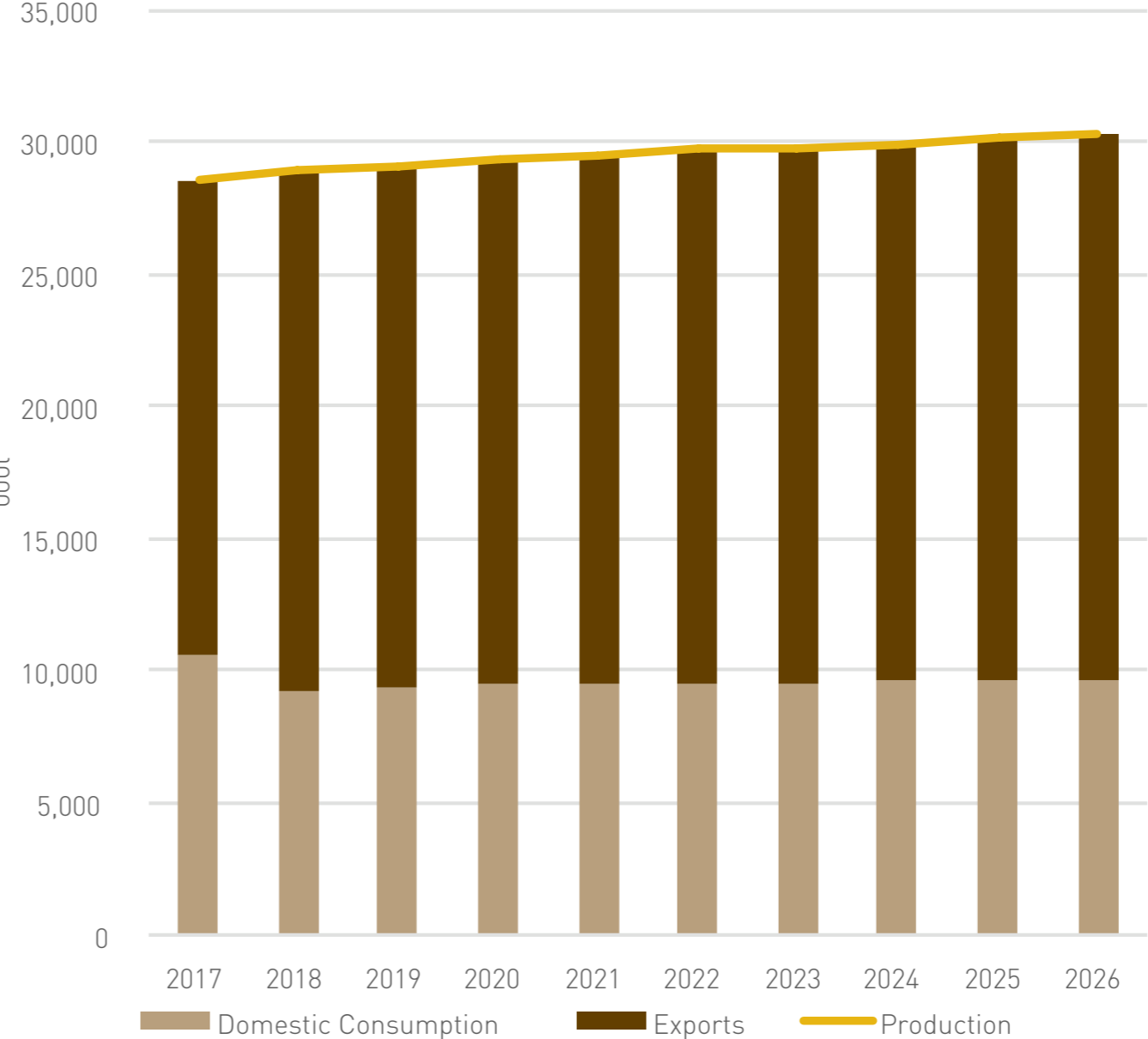
Source: AEGIC

Australian Grain Industry

Australian Grain Production by Commodity (2016/17)



Australian Wheat Expected Supply and Demand (2017 - 2026)



Source: IBISWorld, FAO-OECD

Why Australian Grain?

Global Demand

- Global grain consumption has consistently risen over the past 50 years and is expected to continue, driven by population growth and rising per capita incomes in emerging economies
- Grain consumption is expected to increase by 14% over its current level to reach 2.82 billion tonnes consumed by 2025

Low Cost of Production

- The inflation adjusted price of wheat per tonne (\$US) is currently near the lowest it has ever been on record (since 1866)
- The cost of Australian farmland per hectare to produce a tonne of wheat is among the cheapest in the world

Consolidation Opportunities

- The majority of Australian grain farms are family owned and operated with more than 60% comprising non-employing enterprises
- In 2015 only 10% of Australia's grain farms planted more than 2,400 hectares

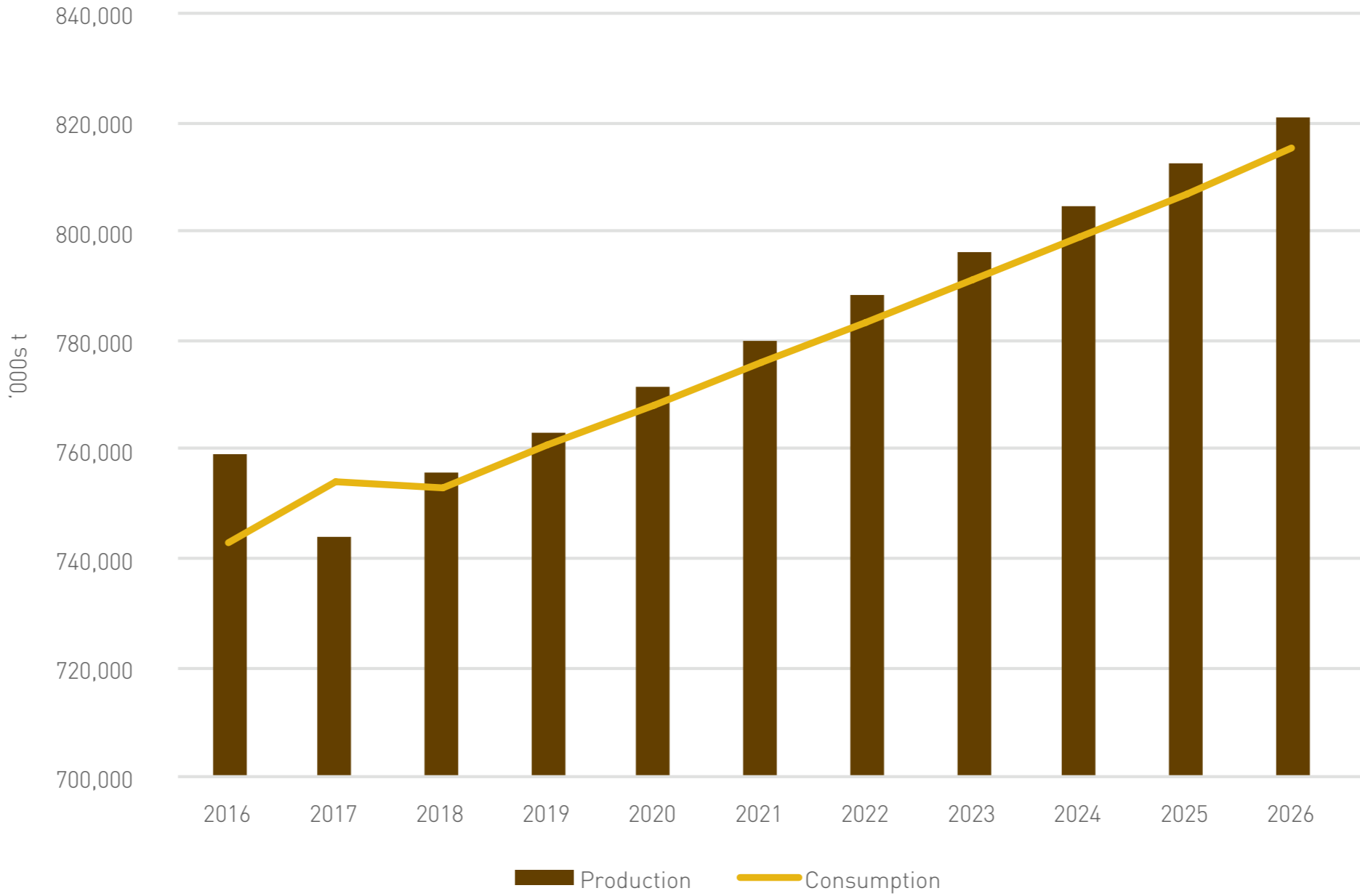
Low Regulation

- Australia is one of the few OECD countries that does not intervene in its agricultural sector with extensive subsidies, tariffs or quotas
 - Since deregulation of the industry in 2008, Australian grain farmers operate in an open and deregulated market with exposure to both the domestic and international grain markets
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Global Wheat Supply and Demand

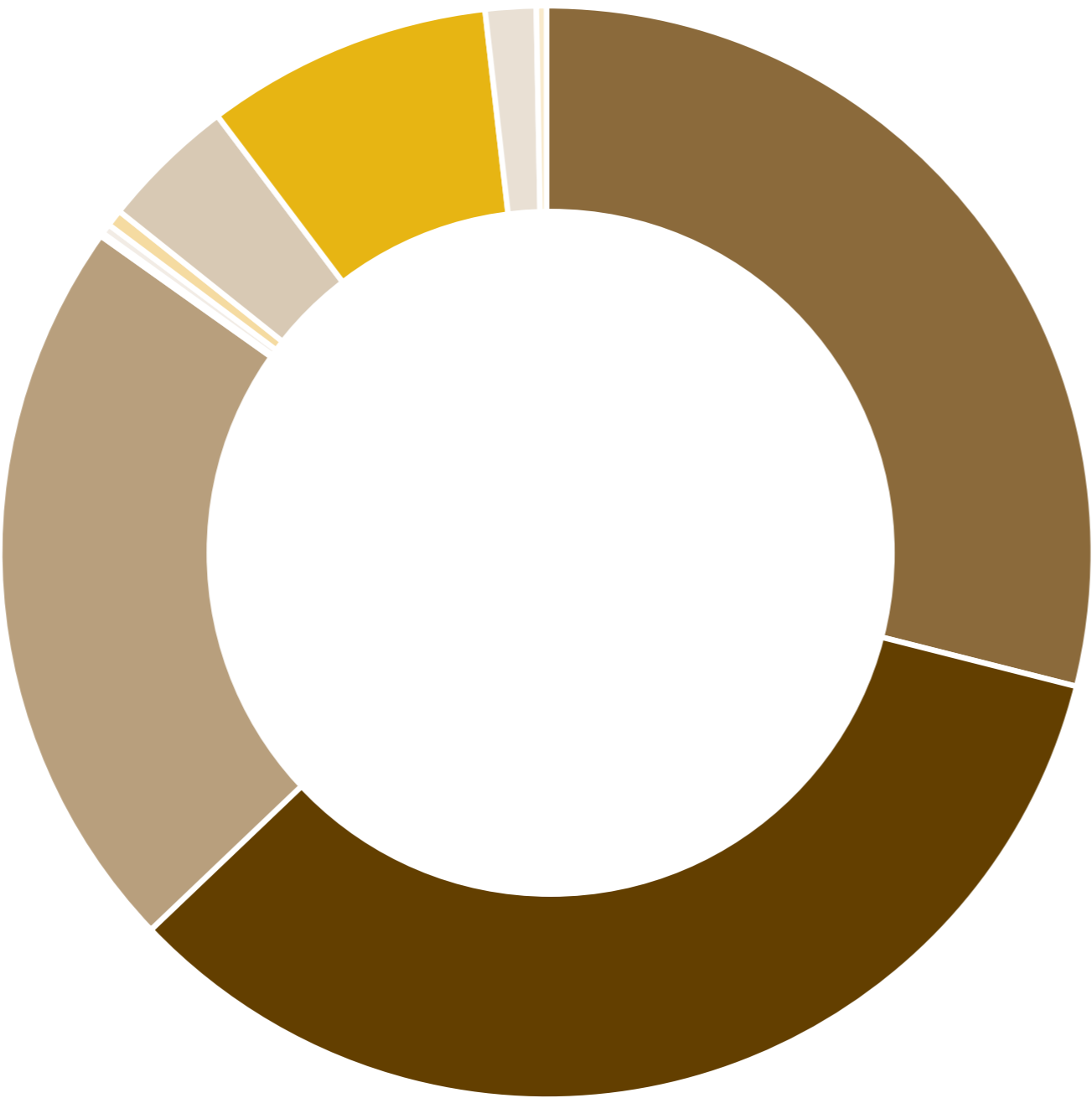
Expected Growth	
Production	0.79% p.a.
Consumption	0.93% p.a.

Global Wheat Expected Supply and Demand (2016 - 2026)



Source: FAO-OECD

Australian Wheat And Coarse Grain Export Markets (2016)

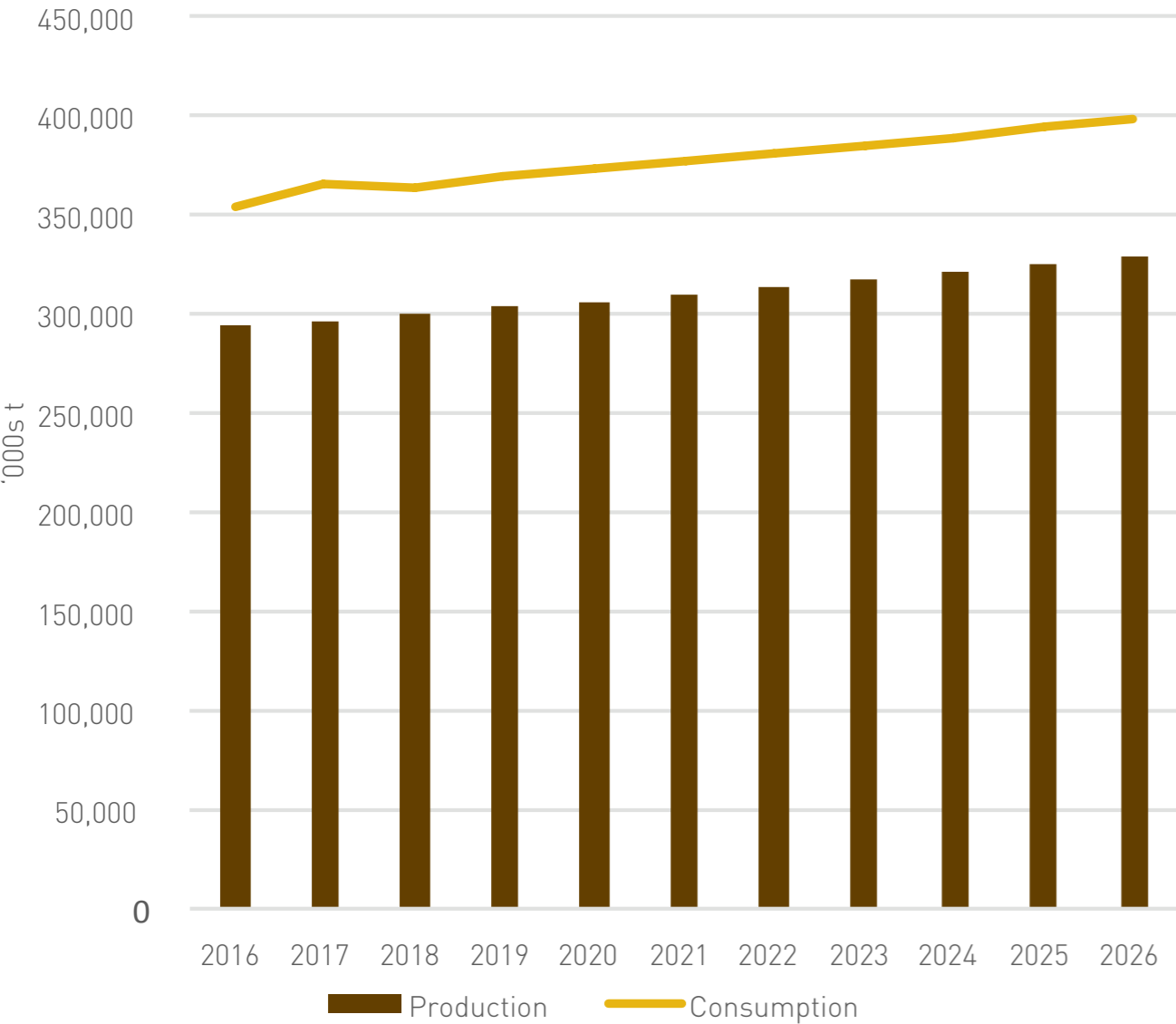


- South East Asia 29%
- North Asia 34%
- Middle East 22%
- South America* 0%
- North America* 0%
- Europe 1%
- Oceania 4%
- Sub-Saharan Africa 8%
- North Africa 2%
- South Asia 0%

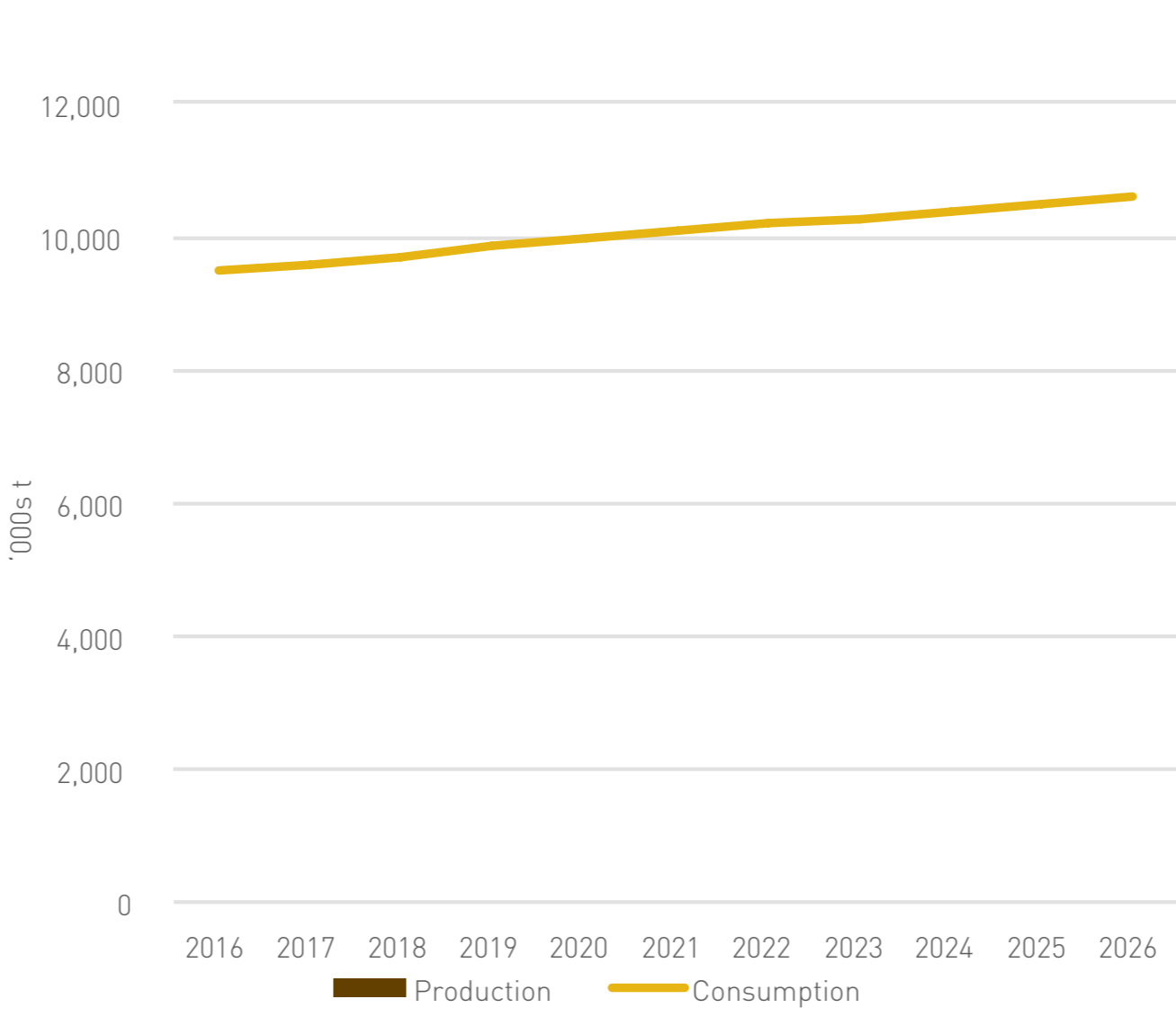
*Exports to North America and South America represent 0.3% and 0.1% of Australia's wheat and coarse grain exports, respectively.
Source: GrainGrowers

Australian Wheat Export Demand

Expected Wheat Supply and Demand in Asia



Expected Wheat Supply and Demand in Indonesia



Indonesian wheat production is expected to increase to 0.11 t in 2026. This demonstrates the significant expected imbalance between Indonesian wheat production and consumption. Australia is well positioned to meet the growing demand from this market.

Source: FAO-OECD

