



GrainCorp
100 YEARS OF GROWTH

HARVEST ALERT

5 December 2017

Quality, Operations and Segregation Update

GrainCorp is committed to protecting the quality of growers' grain and the integrity of our supply chain. Buyers in our network expect us to provide quality assurance so they can deliver confidently into domestic and international markets.

The purpose of this alert is to enable growers to plan their deliveries appropriately given the recent heavy rains across southern New South Wales and Victoria.

Market Update

The widespread rain over southern areas of the East Coast last week is expected to have quality impacts on wheat and barley crops. Far southern New South Wales, North East and Central Victoria are expected to be the worst affected with significant quantities likely to be downgraded to feed. Despite this, the volume of feed wheat is unlikely to exceed domestic feed demand on the East Coast.

The shortfall of winter crop production in Queensland means there is still a large draw of grain into northern feed destinations. Cattle on feed numbers remain historically strong with Australian Lot Feeders' Association (ALFA) reporting over 1 million head of cattle in feedlots across Australia in the September quarter while dairy conditions look to be improving. As the quality profile becomes clearer, it is possible to see domestic consumers switch from low grade milling wheat such as ASW into a higher proportion of feed grades.

Operational Update

Our operations teams are currently working to make room at their sites for multiple wheat and barley segregations. Once harvest recommences, GrainCorp will have a firmer indication of actual site-specific segregations and will inform growers via our text messaging service and CropConnect.

Canola

GrainCorp will be conducting routine load assessment of canola at the sample stand to ensure deliveries are in line with Australian Oilseeds Federation standards and within tolerances. Due to increased storage risk of contamination of grain already in the system, we will be unable to accept weather damaged, sprouted and green canola. These risks include moisture migration, development of mould and ultimately higher combustion potential.

We also remind growers who may be storing on farm of the special requirements of storing canola. More information can be found here:

http://www.australianoilseeds.com/__data/assets/pdf_file/0006/4110/Oilseeds_Flyer.pdf and
<http://www.farmingahead.com.au/wp-content/uploads/2016/10/FA103-51.pdf.pdf>

Other grains and cereals

After careful consideration, falling number machines will be introduced in weather-affected regions to protect quality. While we acknowledge this will impact turnaround times, this is a vital step to ensure growers' grain and export opportunities are protected.



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If you would like more information on the technical / quality standards please contact Grower Services on 1800 809 482 or for more information on site operations please contact your Area Manager.

We appreciate your understanding during this challenging time and we will continue to take action to support you and to protect the reputation of Australian grain exports this harvest.

Key contacts

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