



PICK OF THE CROP

KEEPING YOU INFORMED ABOUT YOUR GRAIN INDUSTRY | EASTERN AUSTRALIA

Reaching international markets

As the New Year commences in such a volatile market, it is essential for the CBH Grain team to keep connected with our growers and customers.

One subject that often is raised when chatting with growers across the country is what is CBH Grain doing to develop new international markets for Australian grain and service and retain existing markets.

As a grower-owned co-operative, CBH Grain is always looking for opportunities to create and return value to growers. We do not just buy and trade grain, year-round we work with the industry and customers to create and build long-term markets for grain growers.

Tom Puddy, Head of Marketing, CBH Grain said, "CBH Grain provides growers with access to some of the best paying grain markets in the world by marketing and shipping grain from Australia to more than 80 customers internationally."

CBH Grain has direct access to key international markets through our staff based in these regions.

"Our offices in Hong Kong and Tokyo provide a direct link to customers in these regions and give growers clear market signals direct from end-users," said Tom.

CBH Grain has the strongest marketing and technical team across wheat, barley, canola, oats and lupins selling Australian grain on the international market.

Dr Narelle Moore, Technical Marketing Manager, CBH Grain manages the Quality and Technical Marketing Team.

"With harvest mostly completed across the country, grain samples have been received and further post-harvest testing has been completed," Dr Moore said.

"Quality end users want to understand the seasonal impact on wheat flour dough properties, barley malt extraction levels, canola fatty acid profiles, oat milling quality and lupin alkaloid levels. These are just some very simple examples of a much more detailed amount of testing CBH Grain completes on harvest samples for our

CBH Grain International Markets



customers to ensure we deliver the quality of grain they are looking for.

With our marketing and technical team possessing a unique set of skills beyond selling grain on the simple receival data collected during harvest, we are able to give customers more confidence in the way our grain will perform in their processing factories.

"With this more customer focussed data our teams will head into the international marketplace to promote and sell the crops."

The CBH Grain Australian based team regularly travel to South East Asia, North

Asia and the Middle East, Australia's largest and strongest export markets, meeting up with CBH Grain's internationally based team to deliver and discuss our high quality crop reports that these markets eagerly await.

"In addition, our technical marketing team works with customers to test and develop new varieties and to establish new opportunities for Australian grain that aim to deliver value to growers," Dr Moore said.

"This ensures we retain valued customers through our service offerings and ensure they continue buying Australian grain from Australian growers," said Dr Moore.

50th Annual Wimmera Machinery Field Days

When: 6, 7 and 8 March

Where: Wimmera Events Centre, 37 Field Days Road, Longerenong. Site: S4

The Wimmera Machinery Field Days is an iconic three day event on the rural Australian calendar. The event is a showcase of the latest developments in farming practice, machinery, equipment, technology and services. The Field Days committee has maintained a long-term charter to foster innovation and development in primary production and agribusiness.



Locomotives roll off production line and wagons hit the WA shore

The first of the CBH Group's fleet of 22 new locomotives is about to roll off the production line in the north west of the United States of America in the next few weeks.

The locomotives have been manufactured and assembled at the MotivePower facility in Boise over the last 12 months.

They now have a journey across the American mainland to an east coast port to be shipped to Fremantle by mid-March. The voyage to Western Australia should take around seven weeks.

Once they are here and hit the track, Western Australian growers will benefit from the newest technologies fuelling faster journeys and turnaround times, meaning more tonnes to port on rail.

"These locomotives are more efficient and productive than the current fleet, they have better fuel efficiency and meet the highest environmental standards," CBH Operations General Manager Colin Tutt said.

"When we initially went to tender for the manufacture of the locomotives, MotivePower's engines were the best option for the task of moving grain on Western Australian rail lines. And they have delivered. The quality of the work in bringing these machines to life is exceptional.

"Having new equipment with more horsepower will enable us to optimise train lengths and journey times, and transport more grain to port by rail for Western Australian growers.

"It is an exciting time to be in the grain industry in this state. We are witnessing the birth of a sustainable and vibrant future for rail."

The rest of the fleet will be shipped to Western Australia in continuous batches until September.

Locomotive key features:

- 17 narrow gauge and 5 standard gauge locomotives
- More horsepower (3300 & 2700 hp engines)
- Distributed power
- Dynamic braking technology
- Tier 2 US emissions standard compliant



The new aluminium wagons arrived from China into the Port of Fremantle after sailing for just under a fortnight. These are the first of a number of shipments of wagons planned to arrive between now and July.

CBH General Manager Operations Colin Tutt said this was a milestone for the CBH Group and for the growers of Western Australia.

"This is the first tangible step in growers owning their own fleet of rolling stock. It is the first of many momentous arrivals for us to celebrate this year; 2012 will be filled with a lot of excitement and action in the rail field," he said.

Over 60 wagons are now being stored locally, ready to undergo final commissioning works ahead of moving out onto the network to pull grain. The next shipment of wagons is not far behind, with an estimated time of arrival set for mid-March.

"We are satisfied with the delivery schedule of the wagons and the quality of the product. These wagons will provide us with far better productivity and safety outcomes than the fleet we have access to under the current above-rail provider," said Mr Tutt.



"The light weight aluminium body allows us to load more grain into each wagon, meaning more tonnes to port per train movement and a more efficient rail system for everyone."

Last year the CBH Group contracted Bradken to build 574 rail wagons, to complete its fleet with 22 locomotives. Bradken is an Australian company with facilities in China, where the wagons have been manufactured.

What to do about barley?

Growers are becoming increasingly concerned with the future of malt barley in Australia. Growers regularly approach CBH Grain's Regional Managers to discuss the difficulties of growing a seemingly premium product without getting the premium price in return.

It is important to understand the existence of these issues and understand the reasons why the price for premium barley grades may be disappointing in comparison to feed barley varieties.

Currently China is Australia's biggest market for malt barley as demand rapidly grows for products like beer. However, the Chinese are willing to purchase lower quality barley from high quality producers such as Australia to blend with their own domestic produce.

Other factors could be highlighted as more of a coincidence than anything else. These include changes to the way that shipping slots are allocated to different companies. This has made it more difficult for exporters to plan for the coming season, forcing some exporters to re-consider their position on malt barley, possibly resulting in fewer buyers.

Another aspect to consider is the steady swing towards newer varieties over the past few years, some of which have not had the same quality aspects. A variety like Hindmarsh is very popular for the



agronomic reasons - it outperforms many other varieties, and therefore has a higher return per hectare. However, this also increases the supply of lower quality malt available, which export buyers can use instead of the premium quality malts. The same can be said for Schooner and Sloop, as these are no longer considered to be premium varieties, however, if they are available, exporters will continue to purchase them, but generally at a discount.

The difficult question is what needs to occur to turn things around? The demand

for malt barley may be increasing but it is not as volatile as what may happen if there is a supply issue somewhere else in the world. Europe and Canada are not sitting on large quantities of malt barley thus there are not endless supplies for end users particularly if crop issues arise in these regions over the next year, keeping in mind that this is speculating on what may happen.

Probably the best thing you can do is dunk another malt biscuit into your malted milk or have another beer to make sure that the domestic market remains strong!

CBH Grain's ENZ-BRU pale ale

Traditionally beer is made from malt and adjunct (sugar or starch). The malting process can be energy intensive and use a lot of water which increases the cost of the beer and consumes valuable resources during the process.

Ondea® Pro is a new technology which has been developed by Novozymes at its headquarters in Denmark.

This technology uses a unique set of enzymes to work with barley directly and as such replaces the need for enzymes contained in the malt in the brewing process. With the malting process taken away, benefits to the brewing industry include raw material cost savings, new options for beer branding and it is more environmentally friendly.

For CBH, it means there are potential opportunities of direct barley sales to breweries; however, there are many other factors to be considered such as acceptance of the new technology and potential market size.

CBH was lucky to have a Novozymes' brewing master visit and assist in a trial using the Edith Cowan University's pilot brewing facility in WA and learn first hand how the technology worked and which barley varieties are most suitable. Through this trial CBH have been able to produce our own beer, which has been named "CBH ENZ-BRU Pale Ale".

While this technology has been tried many times before, the trial product cannot be treated as a true reflection of what can be achieved through its use on the brewing front. According to the brewing master many different beer types can be made using this technology, depending on the skill of the brewing master and customer preference.



2011 Grower Competition

As part of CBH Grain's commitment to supporting rural communities, grain growers across South Australia, Victoria, NSW and Queensland were given the chance to win \$1000 for their local school or sports club plus a Waeco car fridge for themselves.

The 2011 Grower Competition winner is JS & VA Matthews from Kyancutta on the Eyre Peninsula.

Mrs Veronica Mathews won \$1000 for Wudinna & Districts Bowling Club and a Waeco car fridge for her family.

The Wudinna & Districts Bowling Club has put the money towards new score

flip boards, which needed replacing due to a new OH & S law.

"I have won a lot of kudos from the bowling club for putting their name down as the recipient for the \$1,000" Mrs Mathews said.

Veronica Mathews, from JS & VA Mathews Pty Ltd, accepting the Engel car fridge with Rick Will, CBH Grain Regional Manager, Eyre Peninsula.



Life on the Eyre Peninsula continues to reward

Even after 40 years on the Eyre Peninsula, two and a half years into his role as Regional Manager, CBH Grain, Rick Will finds it still adds a new level of reward.

Mr Will said it's the people, not just the growers that he likes about the Eyre Peninsula.

Mr Will was born on the Eyre Peninsula at Cummins, but his family moved away when he was four, before returning to Ceduna at age 16. He has well rounded experience across the agricultural industry working in areas such as a teller for BankSA, shearing, farming, as an agent for SACBH, as well as a stint running the Gladstone receival site for Ausbulk.

After two and a half years in the role as Regional Manager Eyre Peninsula, Mr Will said he enjoys his current role on the Eyre Peninsula, as it allows him the opportunity to speak to growers on a daily basis about how they can get the most from CBH Grain for their individual business.

"I really enjoy working with farmers, working out their best options when it comes to marketing their grain. CBH Grain is the only true co-operative out there, so I enjoy trying to return the best value back to Eyre Peninsula growers," he said.



Like most country people, sport has played a big part in Rick's life. He has played in 7 Mortlock Shields (The Eyre Peninsula's very popular and prestigious Inter-Association Football Competition), winning twice, with another one of those as coach. He has also played in 7 A grade Grand Finals, victorious four times and another win as coach. He has also enjoyed coaching various Under 17 sides to premierships.

Mr Will and his wife Julie are based at Cummins. Rick can be contacted for your grain marketing requirements on 1800 107 759.

Staff Profile - Dana Salamon

Dana Salamon has started in the role of Grain Services Administrator after a move from Western Australia to Victoria.

Ms Salamon brings with her an extensive knowledge of the CBH business from her years as a staff member with the WA Grower Service Centre team.

She worked with the Service Centre team for four years in a permanent and casual capacity whilst studying Bachelor of Commerce majoring in Marketing at Curtin University.

"I am looking forward to expanding my knowledge of the eastern states grain industry," she said.



Please submit any story ideas to:

The Editor, Corporate Affairs CBH Group, 30 Delhi Street, West Perth, WA 6005
 Email: Brianna.Peake@cbh.com.au Telephone: (08) 9237 9818 Facsimile: (08) 9322 3942
www.cbh.com.au

Disclaimer: Articles submitted, information provided and views expressed in this publication are those of the contributing authors and not those of the publishers. No representation is given, assurance made or responsibility taken as to the accuracy, completeness, appropriateness or validity of any information contained in this publication and neither the publishers nor their offices and employees will be liable on any account whatsoever (including negligence, defamation or otherwise for any loss or damage arising as a result of the inclusion of or any reliance on any such information - except in so far as any liability cannot be excluded by law) and both contributors and readers must make and rely wholly on their own enquiries and judgements.