

CHS[®]

The logo features the letters 'CHS' in a white, serif font. A thick, white, curved swoosh underline starts under the 'C', goes under the 'H' and 'S', and then curves back up under the 'S'. A small registered trademark symbol (®) is located to the upper right of the 'S'.



AAAC OUTLOOK DAY

Friday 28th November



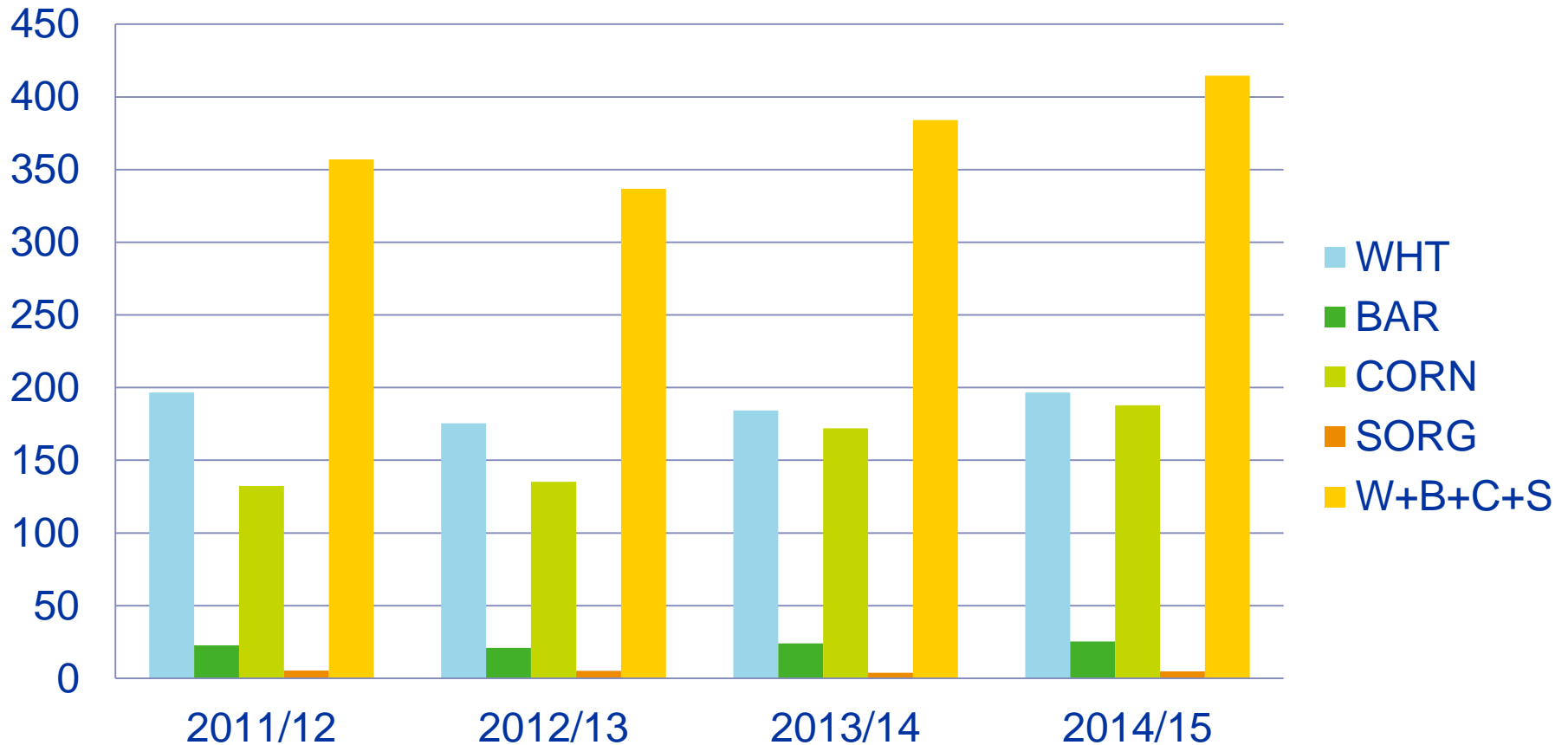
December 5, 2014

OVERVIEW

- **BROAD OVERVIEW WHT, BAR AND CAN**
- **CURRENT PRICE DRIVERS:**
 - RECENT MKT DRIVERS
 - AUS EXPORT VALUES
 - CNF PARITIES
 - VIEW ON FUTURE PRICE.
- **QUESTIONS**

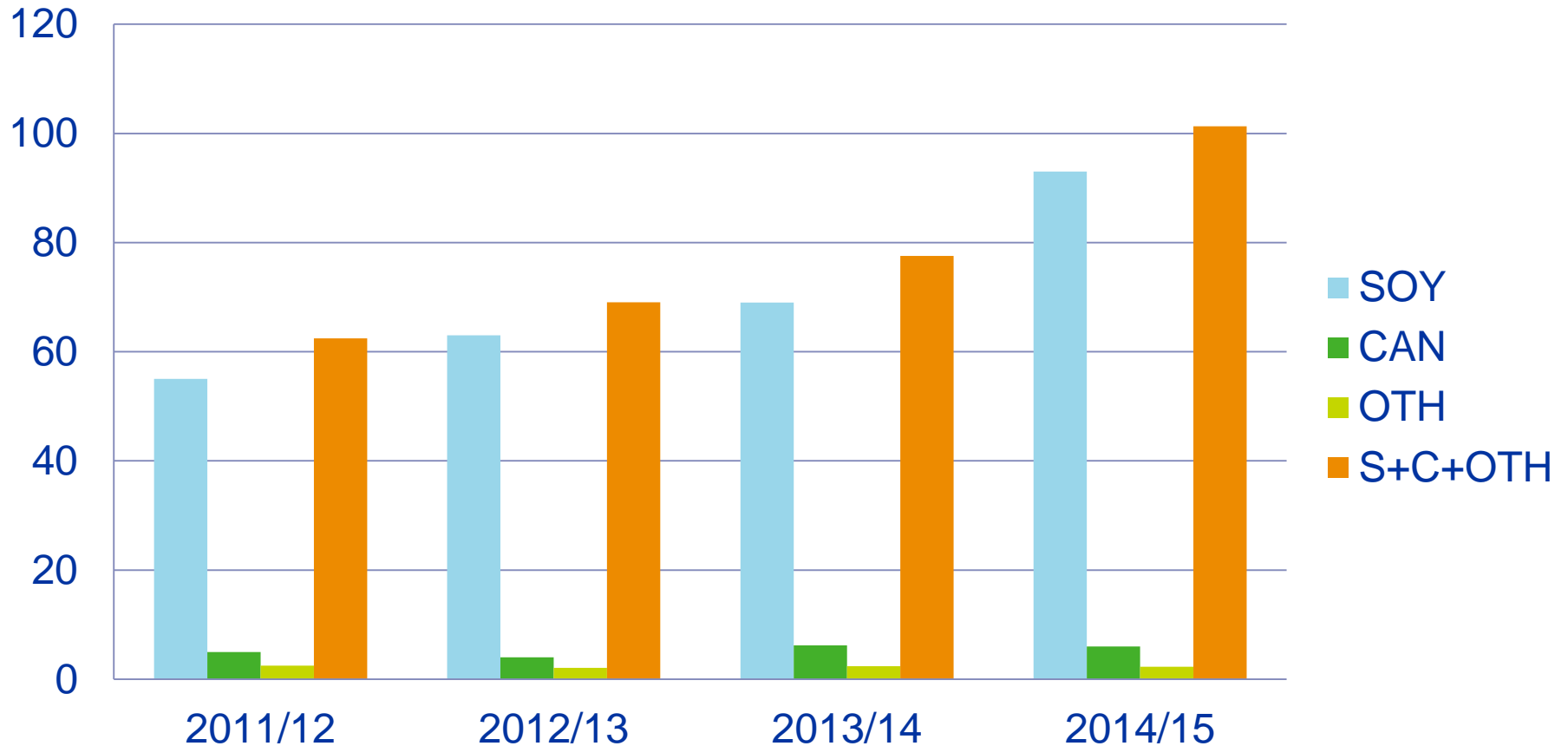
GRAINS-ENDING STOCKS

Ending Stocks



OILSEED-ENDING STOCKS

Ending Stocks



2015 PLANTED AREA'S-US

	2011	2012	2013	2014	2015	CHANGE
CORN	91,936	97,155	95,365	89,309	87,275	(2,034)
SOYBEANS	75,046	77,198	76,533	83,661	87,652	3,991
ALL WHEAT	54,409	55,666	56,156	56,596	57,009	413
COTTON	14,428	12,076	10,206	10,818	9,270	(1,548)
SUBTOTAL	235,819	242,095	238,260	240,384	241,206	822

Carry outs	2011	2012	2013	2014	2015
CORN	989	821	1,250	2,200	2,970
SOYBEANS	169	141	92	480	600
ALL WHEAT	743	718	590	675	650
MLN BU	1,901	1,680	1,932	3,355	4,220
MLN MT	50	44	50	87	110

WHT-COMMENTARY

- Aussie gaining support from export milling wheat values.
- Declining crop Aus crop size, concerns over domestic coverage.
- Take/pay structures in export/container logistics.
- Currently pricing exports in SEA, ME demand not far away.
- View on prices;
 - Medium term neutral
 - Longer term neutral/bearish.

WHT-AUS S&D

	1314					
WHEAT	QLD	NSW	VIC	SA	WA	National
Total Supply	1,465	6,859	3,904	5,818	11,771	29,818
Total Domestic	1,377	2,457	1,746	684	747	7,011
Total Exports	620	2,256	3,095	4,616	8,562	19,149
Carry Out - 30/09/2014	18	647	138	393	2,462	3,658

	1415					
WHEAT	QLD	NSW	VIC	SA	WA	National
Total Supply	1,063	7,097	3,138	4,493	10,762	26,553
Total Domestic	1,377	2,457	1,746	684	747	7,011
Total Exports	400	2,647	2,358	3,387	8,649	17,440
Carry Out - 30/09/2015	37	294	110	297	1,366	2,103

WHT-EXPORT VALUES

	WA	SA	VIC	NSW	QLD
Track AUD	292.00	283.00	295.00	305.00	340.00
AUD FOB	327.39	325.76	335.72	346.91	386.63
USD FOB	277.46	276.08	284.52	294.00	327.67
Freight Spread	0.00	4.00	5.00	6.00	6.00
Export Parity	277.46	273.46	272.46	271.46	271.46
Over(Undervalue)	0.00	2.62	12.06	22.54	56.20

WHT- CFR PARITIES

FOB	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
APW10.5			275	275	277	279	281	283	285	287	289
ASW			265	265	267	269	271	273	275	277	279
SRW		241	243	245	250	250	252	254	256	258	260
HRW USG		272	274	276	276	276	278	280	282	284	286
HRW PNW		278	280	282	282	282	284	286	288	290	292
SWW		266	266	266	266	268	270	272	274	276	278
GER 12.5			255	257	259	261	263	265	267	269	271
BS12.5			244	246	248	250	252	254	256	258	260
BS11.5			236	238	240	242	244	246	248	250	252

CFR Jakarta	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
APW10.5			295	295	297	299	301	303	305	307	309
ASW			285	285	287	289	291	293	295	297	299
HRW USG		328	330	332	332	332	334	336	338	340	342
HRW PNW		313	315	317	317	317	319	321	323	325	327
SWW		301	301	301	301	303	305	307	309	311	313
BS11.5			275	277	279	281	283	285	287	289	291

BAR-COMMENTARY

- Chinese feed grain demand is the primary driver of Australian feed barley values firming.
- Exportable surplus in Australia has declined around 2mmt year on year due to lower production.
- Lower malt production in US and Canada also holding up Malt 1 premiums in Australia.
- View on prices;
 - Medium term neutral at current values
 - Longer term bullish (if Chinese policy does not change)

BAR-AUS S&D

BARLEY	1314					
	QLD	NSW	VIC	SA	WA	National
Total Supply	171	1,331	2,098	2,366	3,878	9,844
Total Domestic	603	631	1,151	420	497	3,303
Exports	-	30	800	1,887	3,362	6,079
Carry out - 30/09/2014	36	109	274	24	19	462

BARLEY	1415					
	QLD	NSW	VIC	SA	WA	National
Total Supply	166	1,459	2,074	2,124	3,019	8,842
Total Domestic	603	631	1,151	420	497	3,303
Exports	-	30	900	1,600	2,500	5,030
Carry Out - 30/09/2015	30	238	151	69	21	509

BAR-EXPORT VALUES

	WA	SA	VIC	NSW	QLD
Track AUD	267	260	268	275	300
AUD FOB	303	305	311	319	349
USD FOB	258	259	265	271	297
Freight Spread	0	4	5	7	5
Export Parity	258	263	270	278	302
Over(Undervalue)	0	6	12	20	44

BAR- CFR PARITIES

CNF China offers	15-Jan	15-Feb	14-Mar	14-Apr
WA BFED1	275	277	279	281
SA GTA F1	279	279	281	283
US SORG	286	286	286	286
Canadian Feed	255	257	259	261
French Feed	267	269	271	273

CAN-COMMENTARY

- Overall oilseed view is bearish due to large soy stocks CY and NY.
- Aus and Canadian balance sheets are tight, Canola also gaining some support from the higher oil share.
- Aussie values nominally competitive with Canadian.
- Current values are not supported by current export bids.
- View on prices;
 - Short term support while exporters cover shorts.
 - Longer term bearish based on bearish soy outlook.

CAN-AUS S&D

CANOLA	1314				
	NSW	VIC	SA	WA	National
Total Supply	790	717	511	1,968	3,986
Total	420	276	30	60	785
Exports	194	633	442	1,610	2,878
Carry out - 30/09/2014	11	4	9	299	322

CANOLA	1415				
	NSW	VIC	SA	WA	National
Total Supply	836	689	474	1,709	3,707
Total Domestic	420	276	30	60	785
Exports	220	600	400	1,500	2,720
Carry Out - 30/09/2015	32	8	14	149	202

CAN-EXPORT VALUES

	WA	SA	VIC	NSW
Track AUD	478.00	474.00	474.00	474.00
AUD FOB	521.10	522.83	520.64	521.75
USD FOB	443.05	444.52	442.66	443.61
Basis + FEB5	11.11	14.81	16.10	15.45
CHINA CFR	431.94	417.12	415.83	416.49
Basis 44	472.72	478.73	479.44	477.53

CAN CFR PARITIES

	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
WA	458	458	461	465	469	473	477	481	485
SA	453	446	450	454	458	462	466	470	474
CAN	458	461	464	467	470	473	476	479	482
CFR Europe	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15
WA	482	482	485	489	493	497	501	505	509
SA	479	472	476	480	484	488	492	496	500
CAN	488	491	494	497	500	503	506	509	512

CAN-VNC EXPORT VALUES

	\$/Mt
Grower Bid	-10
Up country rec	15
Freight	35
Elevation Margin	42
FOB VNC	82
RSH5	435
CAD FOB/Mt	517
USDCAD	1.12
USD FOB	461.61

SUMMARY

- **Longer Term Bearish.**

- Due to large ending stocks and early projections on 15/16 production.
- Expect to see Soy and Corn lead the charts lower in Mar/Apr.

- **Short Term.**

- WHT- Neutral
 - Pricing into exports/Aus SnD tight/ take or pay structures.
- BAR-Neutral
 - Chinese feed/demand- need to understand reserve corn price.
- CAN-Bearish
 - Current values not pricing exports/ huge oilseed stocks.



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global connections**