From theory to practice – Mixing grain marketing knowledge with farming reality

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Professional Employment

- Accumulator for Cargill 10 years (last 3 of those as AGAS a joint venture with GrainCorp) 1997-2007
- Worked in 4 States of Australia. Started Toowoomba summer/winter cropping, NSW North Coast Beef and Beans project (soybean), Southern NSW logistics co-ordination, Victoria and SA winter crop accumulation.
- Covered the Wheat, Canola, Barley, Sorghum and Shipping desks at various times for Cargill and GrainCorp when traders were away.
- Seed Industry exposure. Established identity preservation protocols for the introduction of Hi-Oleic Canola seed in Australia.
- Lectured in Risk Management Longerenong Agricultural College 2008-2012

TS & JE Hausler Background

- 2000 Married. 3 Children 2003, 2005, 2007.
- 2000-2010 10 years of drought, broken by floods.
- Currently 2500ha cropping enterprise.
- Grow in rotation vetch, canola, barley, lentils, wheat. Have also grown faba beans, chickpeas and field peas in the past.
- Since 2009 increased on farm storage from 200MT to 1500MT, built new hay shed, rotated all machinery at least once and invested in a larger truck (B Double capable).
- Consolidated land holding from Parents and share farmers. Looking to buy more….

January 2011Flood

TS & JE Hausler Background cont.

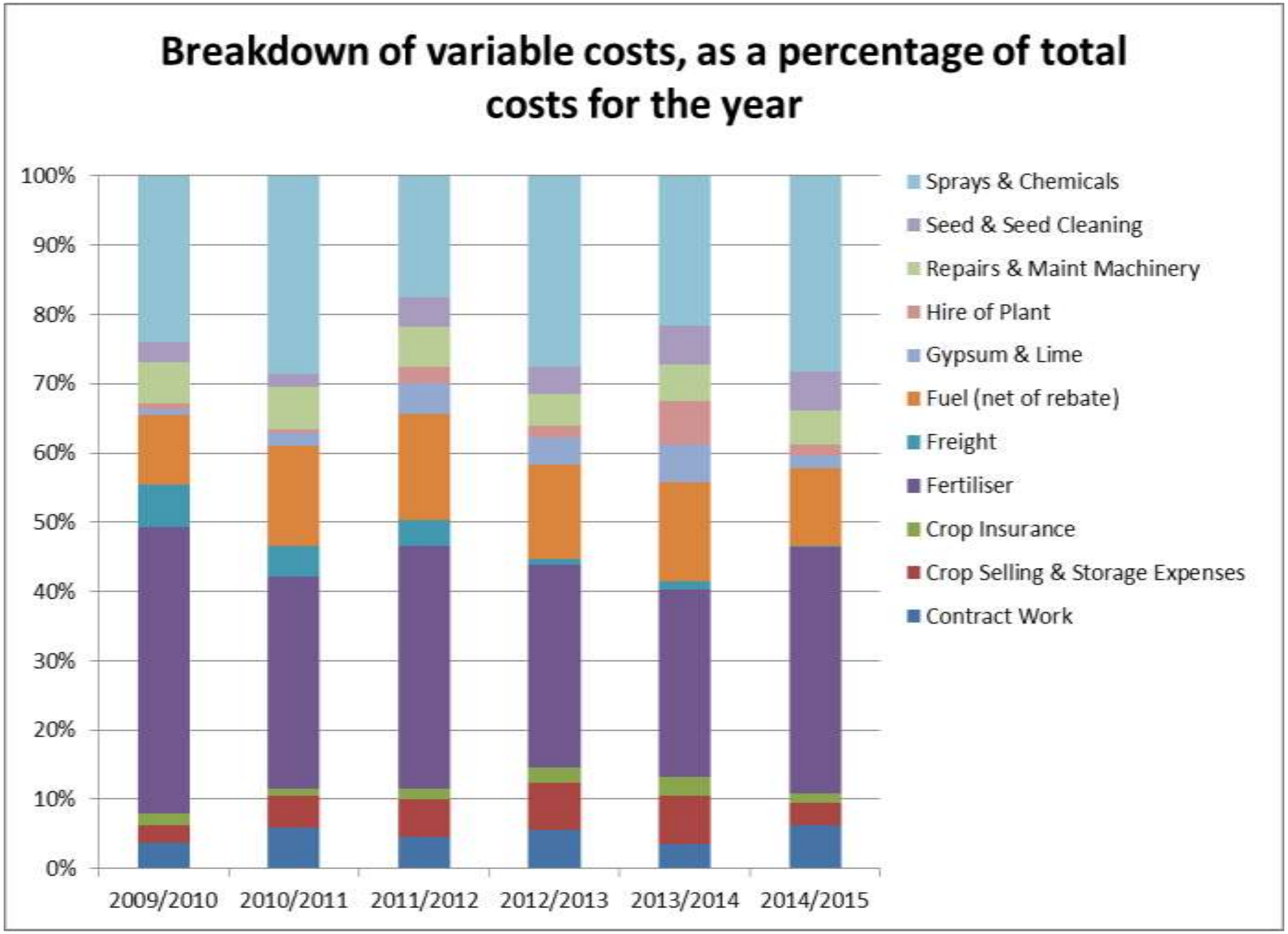
- Annual rainfall vs GSR in mm (Long term 365mm)

	2010	2011	2012	2013	2014	2015
Total	552.5	505.5	243.5	366.5	192.15	239.5
GSR	339	161.5	174.5	309	156	143.5

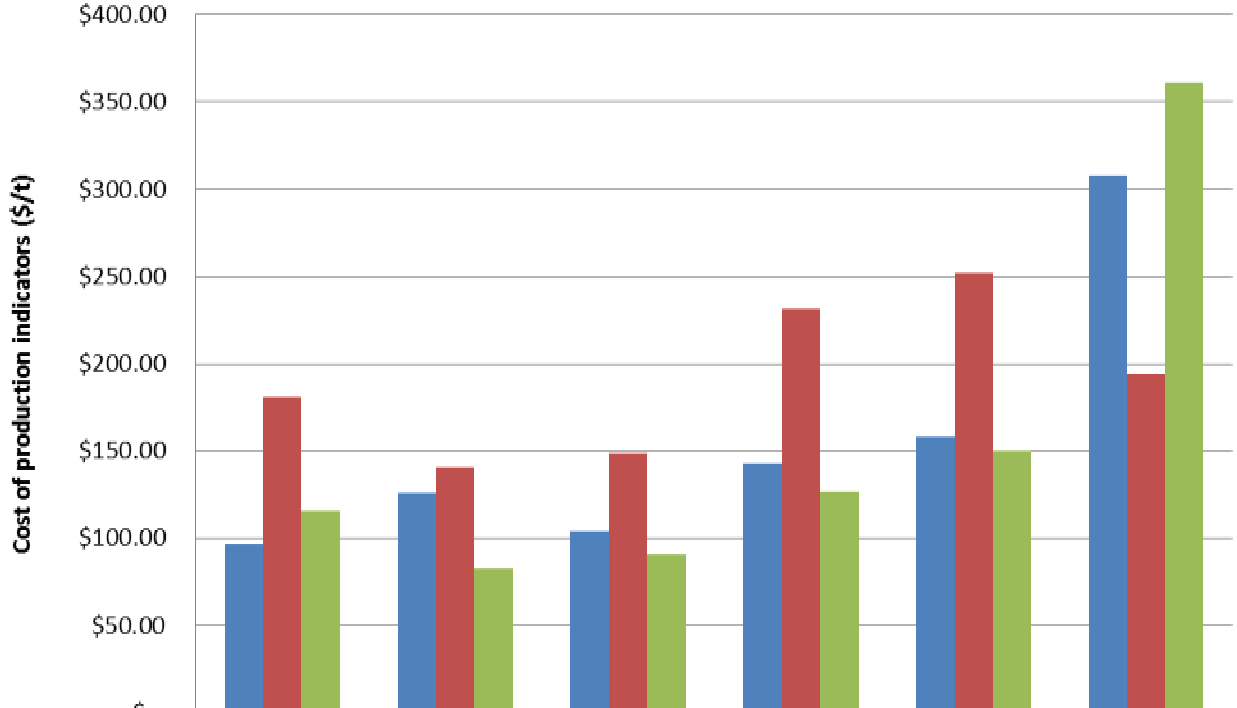
- Yield averages 2009/10 – 2015/16

Barley	Wheat	Canola	Lentils
3.11	3.31	1.83	1.25
	10.68% prot	41.96% oil	

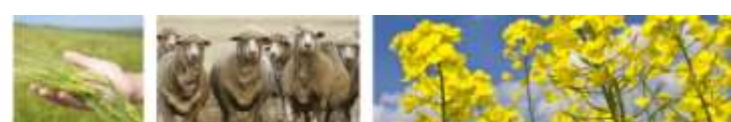
- Rural Directions charts


Breakdown of variable costs, as a percentage of total costs for the year
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
2009/2010
2010/2011
2011/2012
2012/2013
2013/2014
2014/2015
Sprays & Chemicals
Seed & Seed Cleaning
Repairs & Maint Machinery
Hire of Plant
Gypsum & Lime
Fuel (net of rebate)
Freight
Fertiliser
Crop Insurance
Crop Selling & Storage Expenses
Contract Work

Grain Cost of Production



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Barley	$97.00	$126.00	$104.00	$143.00	$158.00	$308.00
Canola	$181.00	$141.00	$149.00	$232.00	$252.00	$194.00
Bread Wheat	$116.00	$83.00	$91.00	$127.00	$150.00	$361.00



Grain Marketing Journey Parallels

- <u>Grain Accumulators / Marketers want</u>;
- Best quality
- At best price
- In best location (freight differentials)
- At the right time (shipping slots /feed output etc.)
- <u>Grain Farmers usually have;</u>
- Variable quality
- Highest price expectations
- Fixed location
- Harvest pressure to shift grain

Grain Marketing Journey
1. Managing Quality

- Understand what different markets want
- Generally don't want to store lowest quality
- Understand "the margins" that storage providers chase
- Be prepared for the "long game"

Grain Marketing Journey

2. Managing Price –Marketing or Pricing

- Are we as growers really marketing or are we merely pricing?
- Using the full selling window – from pre harvest (forward), harvest sales and post harvest (storage)
- Storage gives flexibility to enter AND MANAGE post harvest sales which we previously used pools for.
- What is a good price? If F2 is \$203, F3 \$188 locally at harvest not going to sit on it. If lentils are \$1300 not going to sit on them.

Grain Marketing Journey
3. Managing Location

- Farms are fixed on location, so how do you get your grain into other zones?
- RailCorp, Private store all within 20km and 2x AWB within 50km of our farms
- Delivered markets – 6 packer /processors within 70km, Stock feed mill 100km, Geelong port zone 350km = container exporters, flour miller, oilseed crush and dairy farms.
- All have different niches, or opportunities for our grain.

Grain Marketing Journey
4. Managing delivery logistics

- Back load freight – fertiliser, gravel
- Mass Management
- Consideration to time in store – lentil LR, malt barley 7 months, canola SR
- Stored pest management and MRL
- Want to increase storage capacity from 1500MT (900 sealed) to 2000MT next 5 years
- Future consideration – whether we are employing a farm hand or a truck driver

Pearls of Wisdom

- Are we grain marketing or are we merely grain pricing?
- There's money in the margins
- Understand what you know (be honest), seek help for what you don't know
- Your neighbour isn't the master of your destiny
- Just because we can store it doesn't mean we will
- FMDs game changer- overdraft, loan facility, MPCI

Social Media

- Purpose and intent?
- Who is watching / reading?
- SND information
- Early alert of disease / pest outbreak
- Twitter handle @grainvic
- Topics I like to contribute to #agchatoz #grain, #pulses, #homegrown, #community

Grain Industry Representation

- GrainGrowers National Policy Group – Red tape Ag, White paper outcomes, RO, State of the Industry report and Stocks reporting
- NFF Competitiveness Council – Tax, Infrastructure, FIRB
- GTA – Special Technical Committee No 3 Contract review
- GRDC MRZ RSCN
- Local community –CWA, School Advisory Council Chair

Questions