

### **AWB D-day vote looms... again** 28 Aug 08

AWB has seven days left to round up sufficient votes to push through its reform plans.

A grower vote on the proposed changes to the company's constitution was postponed at the 11th hour last week when it became clear it would go down to the wire.

A second meeting will now be held next Wednesday, September 3, to determine whether AWB can abolish its dual-share structure - a move the company says is essential for it to be able to compete in wheat's new marketing environment.

AWB chairman Brendan Stewart - who made the decision to adjourn the vote in response to a call from the floor by Victorian Farmers Federation Grains Group vice-president Andrew Weidemann - said it was important the company have a "very clear and concise result whether that is a result for or against reform".

"I would not like to see a vote swing either way on one or two votes," Mr Stewart said in a doorstep after the meeting.

"I don't think it's in the interests of the growers or the company for this to drag on, but it is in the interests of the company and growers to have a decisive result."

Mr Stewart said the company would be seeking to boost the participation rate by A-class (grower) shareholders - 27 per cent - by "whatever means we have available to us".

He blamed what he termed a "disappointing" participation rate on farmers being sick of AWB being used as an "agripolitical football".

"This is a publicly listed company. It is not a platform for agripolitical protagonists," he said.

"And the sooner we start treating it as a commercial company the better off we're all going to be - shareholders, staff, management and growers alike." (Stock & Land)

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### **Warning of wheat stem rust disaster** 28 Aug 08

A visiting grain expert has warned that wheat stem rust in Australia could cause food security disasters around the world. Dr Carey Fowler, the executive director of the Global Crop Diversity Trust, says it's not a matter of if wheat rust will arrive in Australia, but when.

And if we don't prepare for it, he says, we could have a disaster on our hands.

"The World Bank has already said that even now we have 33 countries that are a serious threat for social unrest because of food prices," he says.

"But if this wheat stem rust takes off and it hits India and comes to Australia, and we haven't prepared for it, then we've got serious global trouble." (ABC Rural)

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### **Stats Canada expects record canola crop** 28 Aug 08

Canadian farmers are expected to produce 10.37 million tonnes of canola this year, topping last year's record crop of 9.53 million tonnes, based on Statistics Canada's latest estimates.

In its Aug. 22 forecast of field crop production, Statistics Canada said the increase of 847,000 tonnes was calculated from an anticipated average yield of 29.3 bushels per acre on 15.6 million acres of canola. (Winnipeg Bureau)

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### **First traders get WEA nod** 28 Aug 08

Five grain companies have been given the nod to export wheat under the new bulk wheat export arrangements.

And only one of the domestic grain industry's traditional "big four" are among them.

Wheat Exports Australia (WEA) on Tuesday announced Cargill Australia Ltd, Elders Toepfer Grain Pty Ltd, Goodman Fielder Consumer Foods Pty Ltd, Grain Pool Pty Ltd and OzEpulse Pty Ltd had all been given export accreditation.

AWB, ABB, GrainCorp and the Emerald Group were all absent from the list however are expected to receive their authorisation in coming weeks.

Acting WEA chief executive Peter Woods said it was likely there would be another announcement of companies receiving accreditation in a couple of weeks, pending WEA getting all the information it needed.

"With some of the applications, we needed a little extra information - sometimes we got it immediately, and with others it has taken a bit of time.

"We just need time to go through the applications in detail before we make our decisions."

He defended the time-frame of the accreditation process, saying WEA had not received all the applications on the July 1 opening date of the new export arrangements.

There has been some criticism, notably from Opposition agriculture spokesman Nigel Scullion, that companies were in the dark about whether they would receive accreditation less than a month away from harvest beginning in earnest in central Queensland and northern WA.

"We want to be responsive and get as many applicants accredited as we can," Mr Woods said. (Stock & Land)

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### **Major grain traders not on the export wheat list** 27 Aug 08

Most of Australia's major grain traders have been left off the list of the first companies able to export wheat.

Wheat Exports Australia has given CBH, Cargill, Elders, Goodmann Felder and Ozepulse permission to start exports today.

AWB, which has lost the monopoly on wheat exports, is still waiting for approval, along with ABB and Graincorp.

ABB's Peter Jones says being unable to give customers a guarantee it can export isn't ideal.

"The initial reaction is obviously disappointment, because from our information we've provided all the information necessary to be accredited," he says.

"Naturally, we'd prefer to be in a situation where we could, but unfortunately today that's not the case." (ABC Rural)

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### **No guarantees AWB will stay in market** 27 Aug 08

The former monopoly-holder over Australian wheat exports has warned there are no guarantees it will be allowed to remain in the market as it pushes for reform of the company.

AWB was stripped of its monopoly - known as the single desk - after the Iraq kickbacks scandal.

The federal government has deregulated the market and named the first five accredited export companies under the new system on Tuesday, but AWB was not among them.

AWB has repeatedly said it wanted to stay in the market.

Managing director Gordon Davis said AWB had applied for accreditation but there were no guarantees it would be successful.

Mr Davis said AWB must change its outdated governance structure and constitution to have a better chance of winning accreditation.

"Time is running out for AWB to get match fit to face up to the new realities of a competitive wheat export marketing environment," he said.

Mr Davis urged shareholders to support reform at a vote next week.

Some farmers, lobby groups and politicians strongly opposed the push to end the single desk and continue to argue it was a mistake.

But Mr Davis has called for the issue to be dropped, saying competitors will gain a competitive advantage if agri-political activists continue to use AWB as a platform to resurrect the single desk.

Competition was now a reality in the wheat export market, he said. (AAP)

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### **Dairy farmer support shown for takeover** 27 Aug 08

Most Illawarra dairy farmers appear to support the deal that will see the company Dairy Farmers purchased by Japanese owned National Foods.

National Foods has offered \$5.65 a share, and milk suppliers are likely to get an additional one to two cents per litre.

While some have lamented the end of the cooperative era, most have welcomed the cash injection it will provide, enabling farmers to release some of their assets.

Lyn Strong from Clover Hill Dairies at Jamberoo says many south coast farmers could stand to benefit from the bid.

"For the younger farmers and those keen to stay in the business, the extra incentive of one to two cents a litre to re-sign contracts for a further two years is certainly a very attractive carrot," she said.

"For those people with large shareholdings the share offer of \$5.65 certainly offers an attractive superannuation retirement package." (ABC News)

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### **AWB adjourns constitution meeting** 26 Aug 08

WHEAT exporter AWB has adjourned a constitutional change growers' meeting after the board failed to attract enough votes to change the company's structure.

Rupanyup farmer and Victorian Farmers Federation Grains Group deputy president Andrew Weidemann moved a motion to adjourn AWB's first-class shareholder meeting late Thursday.

The vote was at 74.7 per cent in favour of constitutional change, just 0.3 per cent shy of the 75 per cent required.

Change would see the end to AWB's dual-class shareholder system, with grower control resting in A Class shares.

AWB will now determine its future structure at a meeting on September 3. (Wimmera Times)

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### **Grain harvest size to determine rail route** 26 Aug 08

A Melbourne-based freight train operator says the size of this year's grain harvest will determine what parts of Victoria it services.

El Zorro and grain handler AWB have announced a five-year deal for bulk grain haulage in Victoria and New South Wales. Four trains will service the two states and 84 new wagons are expected to be in service next year.

But El Zorro's Geoff Tighe says the routes the trains will travel are not determined.

"The contract is open in this sense, that we've put to AWB that we'll operate four trains for them wherever they require, depending on the grain conditions," he said.

"We've made it plain that we're prepared to go far and wide as the commercial requirements dictate." (ABC News)

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### **AWB vote too close to call** 21 Aug 08

AWB has adjourned a special shareholders' meeting today which was meant to decide the outcome for constitutional amendments, in the wake of the company losing the single desk, with a critical shareholder vote.

The vote at the special general meeting in Melbourne was considered too close to call.

It was unable to be deemed a clear majority after coming back with 74.7pc of shareholders in favour of the changes after proxy votes were counted.

AWB needed a 75pc majority to remove its A class shareholding and revert to a single class share structure by removing article two of its constitution.

The board is now meeting to decide how long it will extend the voting period in an effort to generate a more decisive outcome.

A formal statement is expected to be made to the Australian Stock Exchange later this afternoon, or tomorrow, once the Board has reached a final decision.

Sources close to AWB say they are happy with the outcome as it showed a significant improvement on the original vote,

at the annual general meeting earlier this year.

AWB chairman Brendan Stewart and managing director Gordon Davis say the reforms allow the company a chance to implement corporate reform and operate more competitively in a deregulated wheat market.

At AWB's annual general meeting in February, 88pc cent of all shareholders supported the constitutional amendments and around 63 per cent of A-class shareholders voted in favour of it.

Those who oppose the moves, say growers should not give up control of the company. (Farm Weekly)

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### **Market deregulation leads to WA grains super group** 21 Aug 08

Five smaller and medium sized WA grain industry associations have amalgamated to form one major, grain industry super group.

The new group will see the five grain groups combine to form the Grain Industry Association of Western Australia (GIWA). The new group includes the National Agricultural Commodities Marketing Association of WA (NACMA-WA), Oilseeds WA, Western Oat Alliance (WOA), Western Region Barley Council (WRBC) and Pulse WA.

The five groups have also agreed to form a new sub group that will represent the wheat supply chain at some stage in the near future.

Approaches are being considered for members of the sub group.

The recent deregulation of the wheat export industry has meant AWB is no longer considered a natural organisation to represent the wheat industry.

Experts say the GIWA could play an effective role in presenting grain industry standards and technical advice to Government.

It also has the potential to make other effective representations on behalf of the grains industry.

The GIWA declined to name who its new chairman would be, with an announcement expected some time this week, but it is understood the appointment will be a major triumph for the fledgling organisation. (Stock & Land)

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### **Farm group questions grain freight network viability** 21 Aug 08

The Western Australian Farmers Federation says it has serious doubts about the viability of the state's grain freight network.

Babcock and Brown, which owns the network, has suffered massive financial losses on the stock market this week and is currently in a trading halt.

Federation president Mike Norton says parts of the network are in disrepair and he doubts the company will be able to invest in the infrastructure.

Mr Norton believes the State Government should intervene and take over the lease for the 3,600 kilometre network.

"We believe that it's high time that the ownership of this important contract was taken out of Babcock and Brown's hands and put back in the hands of the Government or a company that is very sympathetic to the grains industry, or rural WA," he said.

Babcock and Brown will today announce a strategy to restructure its debt laden infrastructure investment holdings. (ABC News)

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### **Crunch vote tomorrow for AWB change** 20 Aug 08

After two months of intense wrangling, it is finally D-Day for AWB's proposed constitutional reform - the pivotal vote takes place this week on thursday.

And on the eve of this historic vote, two South Australian farmers who helped formed AWB's constitution in the late 1990s have thrown their support behind the company's proposed changes.

AWB will hold a general meeting on the constitution reform in Melbourne, where there will be a vote on whether or not to change from a dual to single class share structure. (Stock & Land)

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### **Support for WA-based wheat export futures contract** 20 Aug 08

Commodities traders believe a new Western Australian based 'wheat export futures market' will create a more transparent and flexible pricing system.

The stock exchange will develop the futures contract to cater for the increase in demand in the newly deregulated wheat export market.

Plum Grove's Tony Smith has welcomed the move and believes WA will eventually become the benchmark for wheat pricing in South-East Asia.

Mr Smith says international markets, such as the Chicago Board of Trade, are also becoming less reliable price indicators for WA produced wheat.

"That basis risk is getting to a level where using those contracts can sometimes be too risky. So the fact that we're going to have a contract that's priced off of WA is a great step forward," he said. (ABC News)

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### **Fickle season hits lamb quality, but top new-season lambs \$134/head** 20 Aug 08

Almost a third of the young lambs at Bendigo, Vic on Monday were severely drought-affected.

As a result, prices for these lambs were well below budget - at between \$30- \$65/head.

But there was keen competition for the short supply of high quality sucker lambs, with the top priced pen reaching \$134/head.

Another fickle season emerging across south-eastern Australia has the lamb industry again edgy about future supplies.

Already one month into the new lamb selling season and the perennial question over supply, and indeed the variable quality of lambs coming forward for sale, has been raised.

This follows the heavy culling of breeders last autumn, when preference for cropping over livestock was made in most mixed farming districts.

Evidence of this year's dilemma became clearer Monday at the Bendigo, saleyards when the old lamb supply tumbled to less than half of the 13,000-strong yarding.

While lower old lamb numbers are expected at this time of the year, this week unmasked the new mounting season's supply concerns. (Stock & Land)

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#### **US beef popular in South Korea despite protests 19 Aug 08**

US beef is proving increasingly popular since going back on sale in South Korea despite months of mass protests against the supposed dangers of mad cow disease, officials said Tuesday.

Over the three weeks ending Saturday, Australia shipped 16,200 tonnes, the United States 5,300 tonnes and New Zealand 4,700 tonnes, the National Veterinary and Quarantine Service said.

South Korea was once the world's third-largest market for US beef, with imports worth 850 million dollars a year until they were suspended in 2003 after a US case of mad cow disease.

Seoul's decision in April to resume imports of almost all cuts of US beef sparked months of street protests over supposed health concerns.

The sometimes violent rallies largely subsided only after Seoul secured extra health safeguards for the meat. Sales resumed on July 1.

US exporters have now agreed not to send meat from cattle older than 30 months, which are seen as more at risk of the disease, and the US government will verify the age of the exports.

JoongAng Ilbo newspaper on Tuesday attributed the rapidly growing presence of US beef largely to lower prices.

It said Korean beef sells for between 6,000 won (5.73 dollars) and 7,000 won per 100 grams (3.5 ounces) while Australian beef sells for between 3,000 and 4,000 and US beef at one outlet sells for 1,000 won.

But large stores mostly shun US beef because they are wary of customer reactions.

US beef accounted for up to 60 percent of the South Korean market before 2003.

The protests against beef imports gradually assumed an anti-government tone, and police began taking tougher action to disperse them.

Late Friday and early Saturday they used water cannon and arrested 157 people on charges of staging an illegal demonstration. (AFP)

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#### **ABB to run national pools in barley, canola and wheat 15 Aug 08**

ABB Grain has announced it will run national pools for the coming harvest in barley, canola and wheat, but the latter first depends on approval from Wheat Exports Australia.

According to ABB, grain pooled with the company will be overseen by a new Pooled Grain business unit which would work as "grower advocates" in managing the pools, to ensure a "strong, sustainable return for growers".

"Our pool management team will draw on the experience of our trading and logistics staff and apply a disciplined approach to risk management and value creation as sales are progressively made to domestic and international customers," ABB general manager for marketing, Peter Jones, said.

Mr Jones said ABB's existing international customers have said they want to buy bulk Australian wheat from us and "we look forward to meeting that demand, whether it's from existing or new customers".

Planning for the 2008 season barley, canola, and wheat National Pools was well advanced and full details would be announced shortly.

"It will be a simplified approach to pooling with an ABB National Pool for each of the major commodities, coupled with transparent grower payment options," Mr Jones said. (Stock & Land)

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#### **USDA raises corn estimates on 'ideal' weather 13 Aug 08**

After months of rising food prices, there may be some relief coming with farmers on track to produce the second largest corn crop and fourth largest soybean crop in history.

In its first estimates this year based on field visits and farmer surveys, the U.S. Department of Agriculture sharply raised its estimate Tuesday of corn production and said "nearly ideal" weather has helped Midwestern farmers recover from June's devastating floods.

That recovery eventually may lead to lower prices for corn and soybeans, which in turn could provide some relief to meat producers who use the grains for animal feed.

It won't happen soon, though. Even with the USDA's current projections and an easing in grain prices recently, prices of many crops are double what they were a year ago and many chicken and meat producers have cut production.

Ephraim Leibthe, a USDA economist, said in an interview with AP Radio that food inflation could drop from its current 5 percent rate "if commodity prices stabilize at this new lower level."

Corn prices have already fallen about 35 percent from record highs of almost \$8, reached after the floods devastated major corn-growing states such as Iowa and Illinois.

The USDA forecast that farmers will harvest 12.3 billion bushels of corn, up more than 570 million bushels from last month's estimate of 11.7 billion. That's down 6 percent from last year's record crop of 13.1 billion bushels, but 17 percent above the 2006 harvest.

Average corn prices this year are expected to drop to \$4.90 to \$5.90 per bushel, down 60 cents from last month's forecast of \$5.50 to \$6.50. (Associated Press)

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### **Ethanol demand could spark new bull market for corn** 13 Aug 08

The worst may be over for U.S. corn, the price of which has tumbled 36 percent from a record high six weeks ago, with some analysts expecting a bounce later this year as ethanol production continues to climb.

There are some expectations this year's crop could fall short of the forecast issued on Tuesday by the U.S. Agriculture Department, which said farmers could produce their second largest crop in history despite the worst floods in 15 years in the Midwest in June.

"The people I've spoken with, their views of the crop are certainly dramatically different than what these yields today say and what the conditions say ... they're much more cautious and much more conservative," Rich Feltes, director of research for MF Global, told a panel discussion on the USDA report.

USDA, in its August crop report, shocked the trade by pegging 2008 U.S. corn production at 12.3 billion bushels, the second largest ever and roughly 300 million bushels more than an average of analysts' estimates.

It also raised the average yield to 155 bushels per acre, up from 148.4 in July. ID:nDAT001109

"It's important to note that most of that unexpected production gain was offset by higher demand and the fact USDA pegged ethanol demand at 4.1 billion bushels this year infers to me there will be at least 4.5 billion bushels for the 2009-10 campaign," Feltes said.

USDA raised by 150 million bushels, to 4.1 billion, its expected total of corn to be used to make the alternative fuel ethanol this year, a massive 33 percent of the crop.

That's a huge leap from only 3.0 billion bushels, or 23 percent, of last year's crop. The soaring demand for corn to make ethanol and shrinking stocks of soy are expected to lead to a bidding war for acreage next year. (Reuters)

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### **CBH, regulator to meet on grain transport plan** 7 Aug 08

CBH will meet representatives from the competition regulator next week to work through concerns over the grain handler's controversial proposal to control WA's grain supply chain by bundling freight with its grain storage and handling services.

The Australian Competition and Consumer Commission, which received 12 public submissions about CBH's Grain Express proposal, wrote to CBH last week asking the grain handler to provide more information about the proposed system by tomorrow.

Under the Grain Express system, growers who use CBH's storage and handling system will also be forced to use its nominated transport system, rather than having the option to organise their own freight.

CBH's rivals and some industry groups claim the system is anti-competitive, lacks transparency and raises concerns about wheat quality issues.

CBH has argued it developed Grain Express out of necessity to streamline what would otherwise be a logistics nightmare created by up to 60 marketers carting bulk grain stocks for export under the deregulated export system.

A spokeswoman for CBH yesterday confirmed the ACCC had requested a response to the concerns raised in third party submissions and had also asked for more details on the proposal, including the potential impact on rival grain handlers' operations, how individual quality requirements would be managed and whether there was a risk of growers incurring higher transport costs than under the existing system.

CBH was working on a "comprehensive written response and believes it will present a compelling rebuttal of the concerns raised", she said. CBH staff are also expected to meet representatives of the competition watchdog on the issue next week.

The ACCC is expected to decide whether to approve the Grain Express proposal by the end of the month. (The West Australian)

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### **Brazilian feedlot expansion continues** 5 Aug 08

Brazilian feedlot output is expected to grow by a whopping 15-20pc in 2008, albeit below the average growth of 23pc over the past five years, according to Meat and Livestock Australia.

MLA says the slowdown in rapid growth comes as a result of the increased feeder and feed costs.

It says the cost of feeder animals, which represent around 60pc of total lot feeder's costs, increased 47pc during the first half of 2008 in Mato Grosso do Sul, the reference state for feedlots in Brazil.

The dearer costs have mostly harmed small feedlots, which have increasingly been taken over by slaughterhouses and larger feedlots, consolidating the industry.

Some feedlot companies have reached capacities of around 100,000 head (AgraFNP).

MLA says the feedlot sector in Brazil has grown in recent years, as a way of taking advantage of high prices late in the off season when pastures quality and quantity diminishes, reducing cattle output.

The off season occurs between the winter period from June to September and prices peak during September and October. Main feed used in the industry are corn silage, sugarcane silage and sorghum silage among others, as their availability has increased in recent years.

Currently, around 10pc of the 40 million cattle slaughtered in Brazil are finished in feedlots (Brazilian Meat Monitor), spending, on average, between 65 to 100 days on feed. (MLA)

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### **AWB proposed constitution - a comfort to growers** 5 Aug 08

AWB Ltd has released its proposed new constitution which reinforces the company's ongoing commitment to grain trading if constitutional reform is approved by shareholders on August 21.

Three important provisions will comfort and assure Australian wheat growers.

"The provisions are a 10% shareholding limit for three years, at least two grower directors (directly or indirectly engaged in agricultural production on a commercial scale) and one of the company's objects is to continue to be involved in grain trading," AWB Chairman Brendan Stewart said.

"By approving constitutional reform and putting in place the proposed new constitution, AWB will be able to compete effectively with bulk handling companies and international traders.

"This will make AWB become a stronger company by improving its corporate governance, reducing its costs and improving its access to capital.

"The Australian Shareholders Association has indicated where it is appointed as a proxy it will vote in favour of the AWB resolutions on constitutional reform." (Country Times)

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#### **Grain growers anticipate best crop in a decade** 4 Aug 08

Grain growers say they are expecting the best winter grain crop in more than 10 years in north and central Burnett, after years of drought.

Most of the region has experienced a wet winter so far, with Mundubbera recording 108.5 millimetres, the fourth wettest July since 1912.

The Monto Grains cooperative president, Lex Dow, says last July it recorded no rain and only 33 millimetres the year before.

"[We] couldn't ask for anything better and that will mean that it won't need a lot of rain now through it's growing period to get through," he said.

"It has certainly set it up to be one of those years when just a little bit of rain now at the right time and we could be looking at really bumper crops." (ABC News)

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#### **AWB chief hints at October resignation** 4 Aug 08

The head of the Australian Wheat Board (AWB) has given his strongest indication yet that he will step down later this year.

AWB chairman Brendan Stewart says he always maintained he would retire after overseeing the organisation's reform process.

Mr Stewart and chief executive officer Gordon Davies are travelling around southern Queensland today explaining proposed amendments to the company's constitution.

Mr Stewart says if a meeting this month ratifies the changes, a new constitution would be put to another extraordinary meeting in October.

"I'd be very happy to have walked away at the end of that meeting knowing that I've managed the company through a difficult period of time put in new management," he said.

"We've diversified the revenues and essentially put in place a new board to take it forward and I think I'd be able to walk away feeling I'd achieved something out of that." (ABC News)

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#### **Australian meat sales rise 22pc** 4 Aug 08

Australian red meat sales in the Middle East increased by 22 per cent in the second quarter this year reaching 22,838 tonnes compared to the same period last year when 16,401 tonnes were consumed.

This was revealed in a report issued by Meat and Livestock Australia (MLA), the international marketing arm of Australian meat and livestock exporters.

It showed that growth occurred across the full range of Australian red meat products.

Lamb sales totalled 6,542 tonnes in the first half, a 17.4pc jump compared to the 4,946 tonnes sold in the respective period last year.

Sales of Australian mutton products achieved a 36pc increase, growing from 10,000 tonnes in the second quarter of last year to 13,650 tonnes.

Australian beef and veal sales recorded a 234pc rise, as sales grew sharply from 793 tonnes to 2,646 tonnes in the second quarter this year.

During the first half of the year, Australian lamb and mutton products recorded a 14pc increase in comparison to the same period last year, as sales increased from 10,518 tonnes to 11,983 tonnes and from 26,372 to 30,185 respectively.

Beef and veal products outperformed other meat categories as sales soared from 1,626 to 5,018 tonnes, marking a 209pc increase.

Overall, sales of Australian red meat products totalled 47,266 tonnes in the first half of this year compared to 38,516 tonnes in the same period of last year, a 22.71pc increase.

"The increase in sales of various Australian red meat products in the Middle East market reflects the great consumer confidence for Australia's food safety systems, animal health and welfare and the integrity of the Australian halal system," said MLA regional manager MEA Ian Ross.

"These impressive results were also partially due to the fact that, contrary to prevailing economic conditions of rising costs and high inflation, Australian red meat products have managed to keep reasonably stable prices in Middle East markets," he added. (MLA)

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#### **Grain prices set to come back** 4 Aug 08

Grain growers should not bank on the historic high prices for Australian grain continuing, according to ABB managing director Michael Iwaniw.

Speaking at a Rural Media luncheon in Adelaide on Friday Mr Iwaniw said with a strong Northern hemisphere crop and the

availability of capital becoming scarce grain companies would be hard pressed to offer top dollar.

"Stories of people buying the whole Australian crop or even half the crop are impossible because none of the grain companies including ABB have the balance sheets to do it," he said.

Mr Iwaniw said with deregulation, the risk with grain prices that was carried by ABB or AWB in the past was now carried by growers.

"In average or above average years I think we'll see a dramatic change in grain prices," he said.