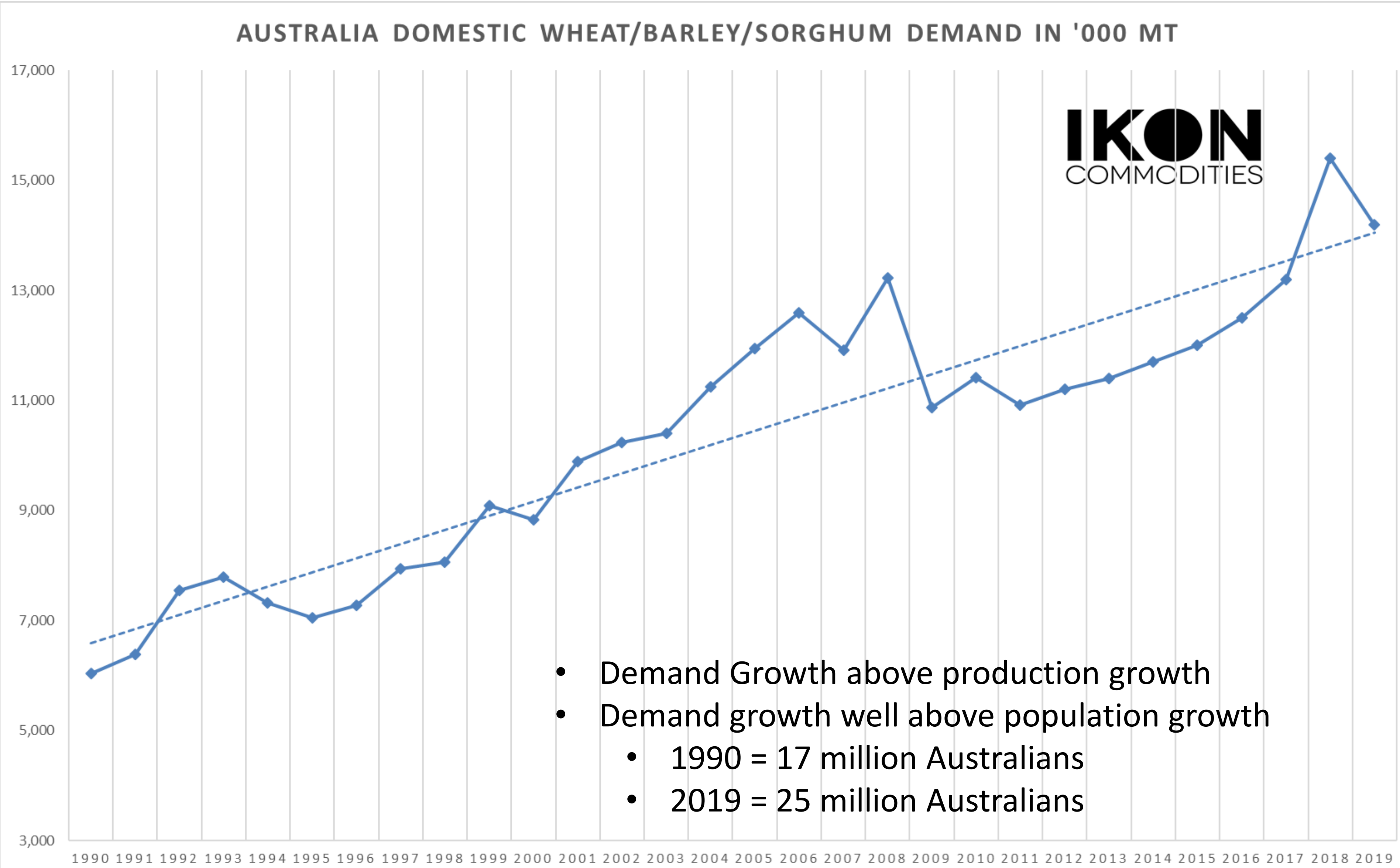
IKON COMMODITIES

AGIC
July 2019

Domestic Supply Chain Opportunities

- Demand Growth significant
- Supply Chain Growth Equally impressive
- Structural Changes significant
- Tough times has increased creativity
- Where to from here?

Aussie Domestic Grain Demand Growth



- Demand Growth above production growth
- Demand growth well above population growth
  - 1990 = 17 million Australians
  - 2019 = 25 million Australians

Significant Structural Changes in last decade

- BHC market share dwindling – especially on the East Coast
  - 10-15 years ago Bulk Handlers on East Coast stored 65%-70% of crop
  - Today 40%-45%, and even less in small production years

- On farm storage up by in excess of 30% over last decade
  - Today we have 18+ million mt on farm storage

- Growth in other commercial storage in excess of 25%

- Container packing capacity more than DOUBLED in last decade

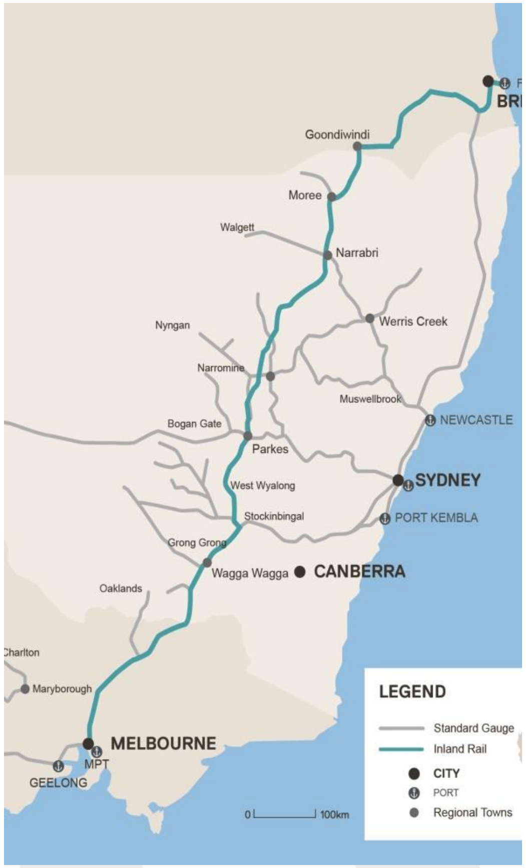
- Port Capacity up by 20% nationwide – BUT big differences between states
  - Qld = 35% increase
  - NSW = 50% increase
  - Vic = 6% increase
  - SA = 25% increase
  - WA = 5% increase

Tough Times has led to innovation

- In 18/19 we will move 3.0-3.5 million by boat from SA/WA to the East Coast
- Significant rail movements from SA to CNSW/NNSW
- Rail movement from WA to NSW
- Several vessel of third country origin imports allowed in
- Other feedstuffs imported into the country
- Increased feeding of non-traditional feedstuffs

Future Domestic Supply Chain Opportunities

- Continued demand growth – well above population growth
- On farm storage growth – well above production growth
- Better access to and management of on farm grain
- Technology will continue to allow better capacity utilisation
- Imports likely a more regular feature
- Large scale changes to rail infrastructure



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