



Approaching 2025: The Investment Roadmap for the Grains Industry

Michael Whitehead - ANZ

Access 34 Markets In 4 Continents

ANZ has built a substantial presence in Asia Pacific, with offices in 15 Asian markets and 12 Pacific countries.



ASIA

Cambodia
China
Hong Kong
India
Indonesia
Japan
Laos

Malaysia¹
Myanmar
Philippines
Singapore
South Korea
Taiwan
Thailand
Vietnam

AUSTRALIA, NEW ZEALAND, PACIFIC

American Samoa
Australia
Cook Islands
Fiji
Guam
Kiribati
New Caledonia¹
New Zealand
Papua New Guinea
Samoa
Soloman Islands
Timor Leste
Tonga
Vanuatu

EUROPE, AMERICA, MIDDLE EAST

France
Germany
United Arab Emirates²
United Kingdom
USA

1. Representative Offices 2. Fully licensed branch in Dubai, representative office in Abu Dhabi



Connecting You To The Food, Beverage And Agribusiness Sectors

BENEFIT FROM OUR INDUSTRY EXPERIENCE AND EXPERTISE



Dairy



Protein



Wine



Oilseeds



Grains & rice



Cotton



Sugar



Forestry



Cocoa



Coffee



Rubber

CONNECTING YOU FROM 'PADDOCK TO PLATE' ACROSS THE GLOBE

- Producers and growers
- Storage and handling companies
- Agricultural input suppliers
- Global trading houses
- Transport and packing companies
- Global food and beverage companies
- Global quick-serve food establishments

PARTNER WITH ANZ TO ACCESS

- 4 out of Australia's 5 largest milk producers processors
- NZ's 3 largest dairy processors accounting for over 90% of NZ's dairy production
- Some of the world's largest food and beverage companies
- Countries that receive over 85% of Australia's live cattle exports and over 90% of Australia's exported beef
- 80% of Australia's cotton exporters
- 95% of Australian sugar exporters
- Major Food, Beverage & Agribusiness markets across the Asia Pacific region thanks to ANZ's reach into key origin and destination geographies (China, India, SEA, Greater Mekong and the Pacific)

Three investors...

Elsie Goldstein, Chief Investment Officer, Wisconsin Music Teachers Pension Fund

- Has **\$1b of AUM**
- As part of **diversification strategy**, looking to put 5% into the food and agri story
- Went to Global AgInvesting Forum and **heard great things** about **Australian agribusiness**
- Now needs to come up with **recommendations and rationale** to take back to her **investment board**

Kim Rogers – Member of a **wealthy Sydney family**, who made their money in manufacturing, cinemas, caryards, but own some farms

- Has **\$100 m** to spend on **agricultural investments**

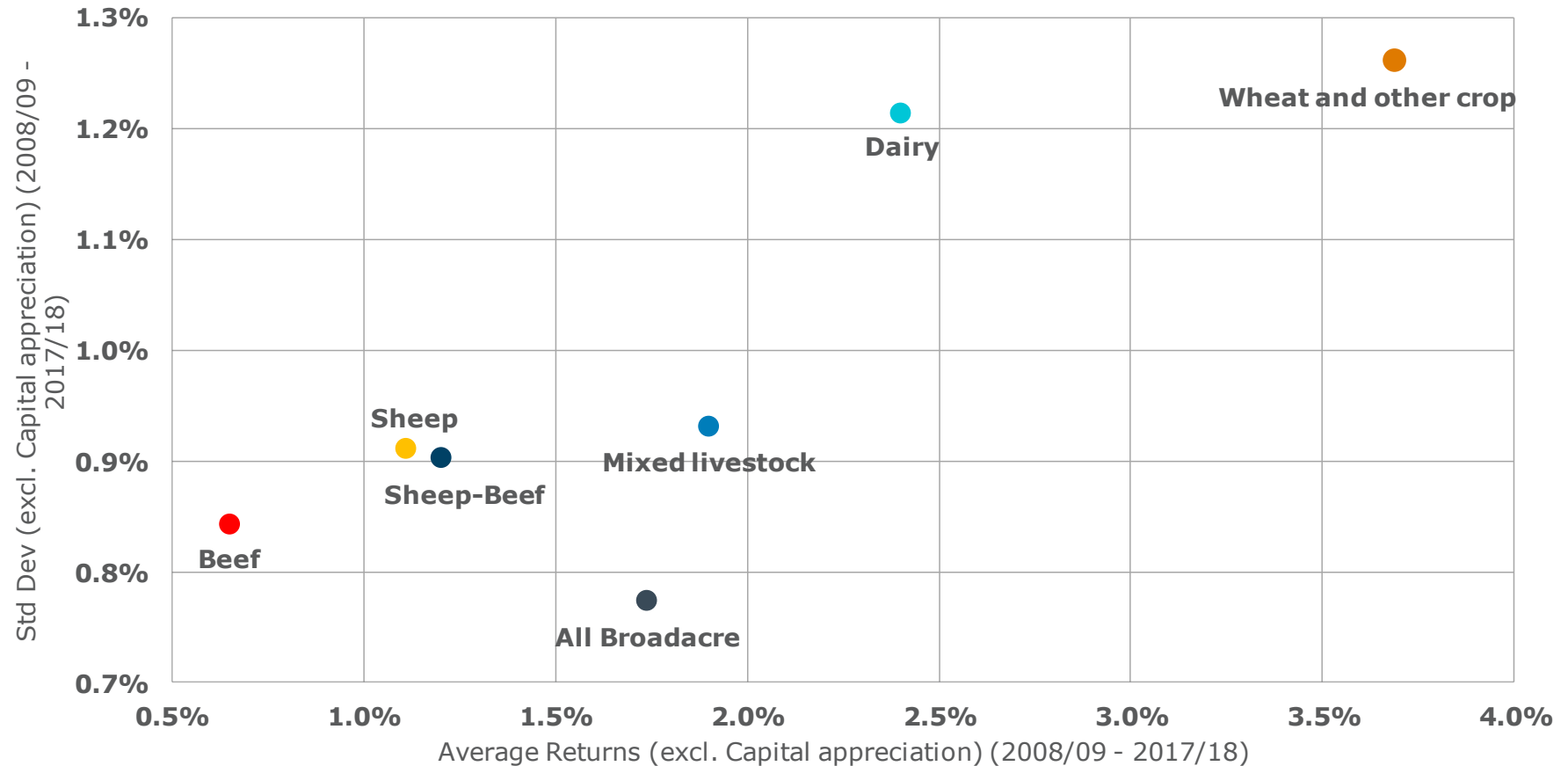
Sheik Abdul Makmoud, acting for the **Sovereign Fund of Dubtar**, a country in the Middle East

- Has **billions to spend on agriculture** globally
- **Has a notional obligation for food security, as well as returns**

Grain farming is relatively a high volatile business...

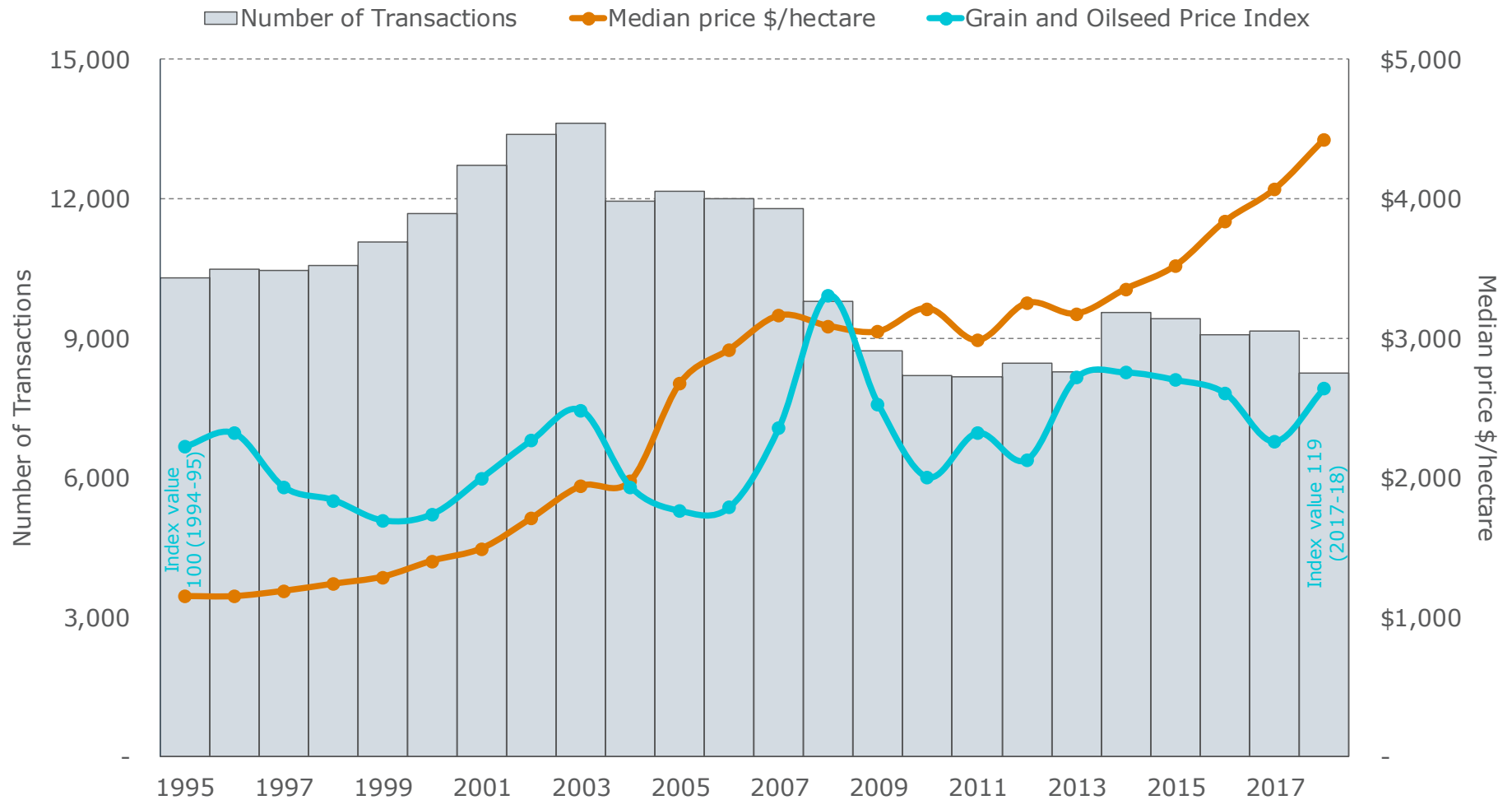
Average Returns vs Standard deviation of Returns (excl. Capital appreciation)

2008/09 - 2017/18



Farmland value continue on rise while number of transactions decline...

Australian Farmland Values



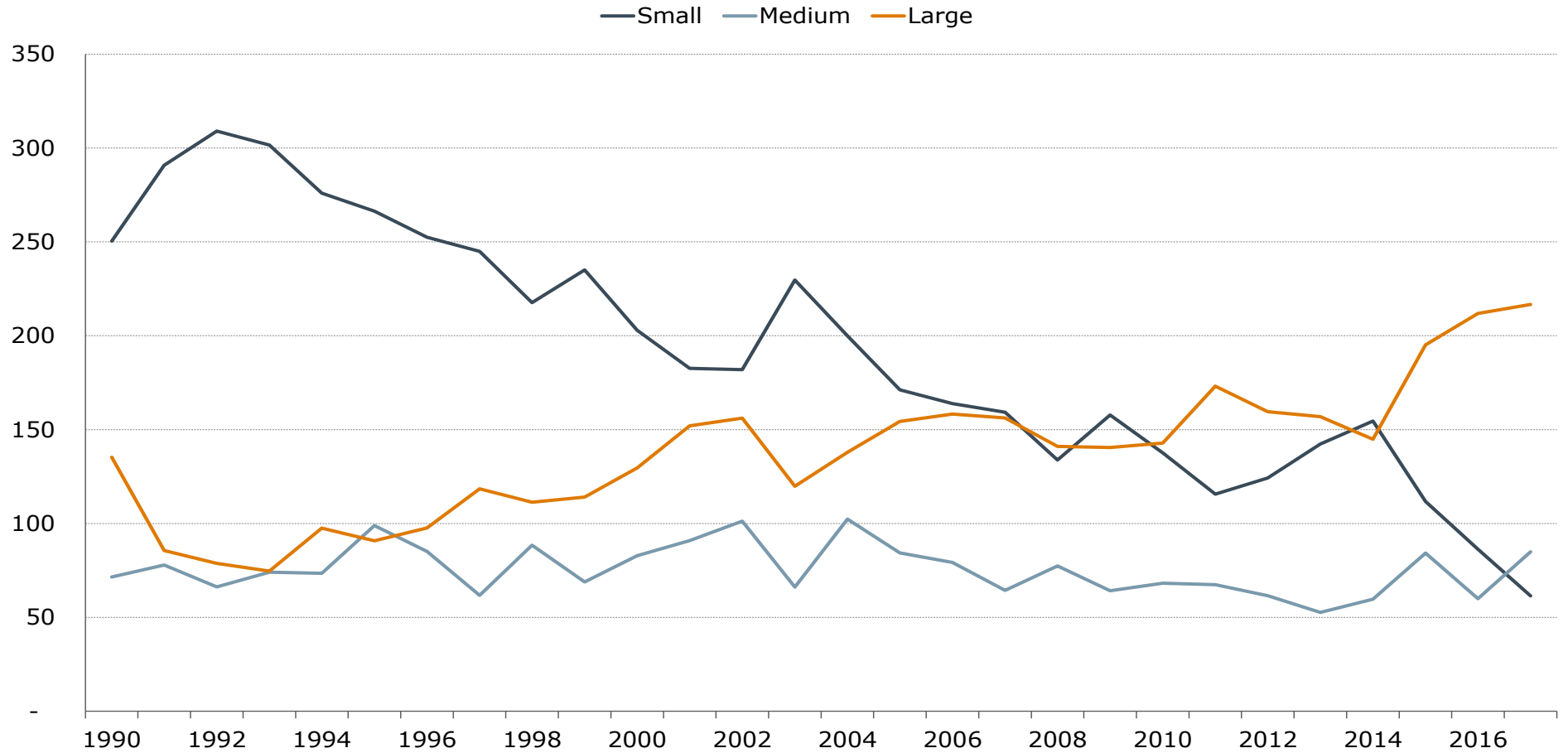
Note: Grains and Oilseeds Farmgate Price Index is overlaid to show trend in farmgate prices over time period

Source: Australian Farm Values Report - Rural Bank, ABARES, ANZ



Farm consolidation continue but are there still opportunities?

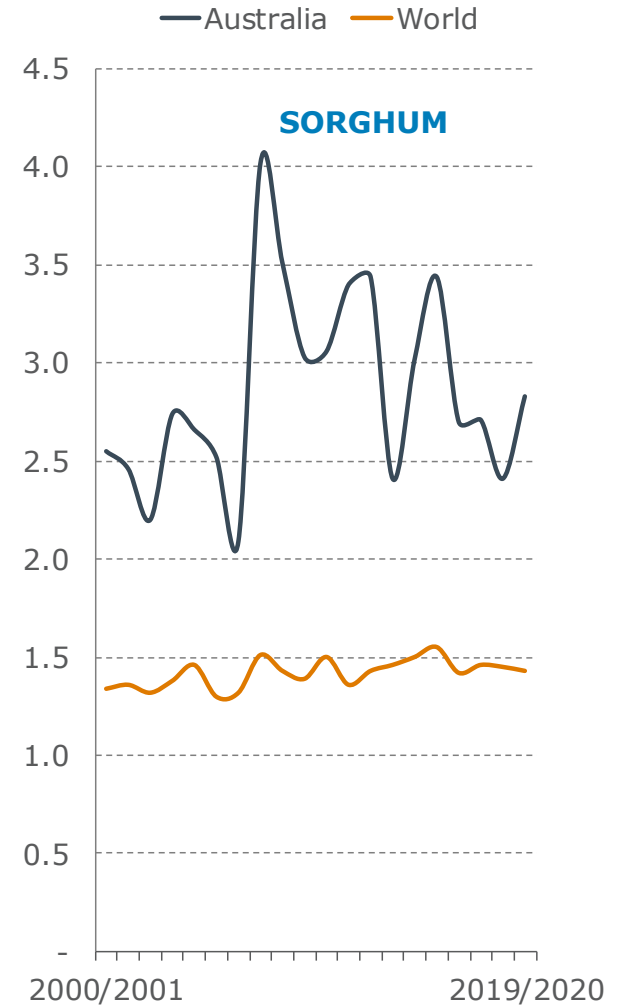
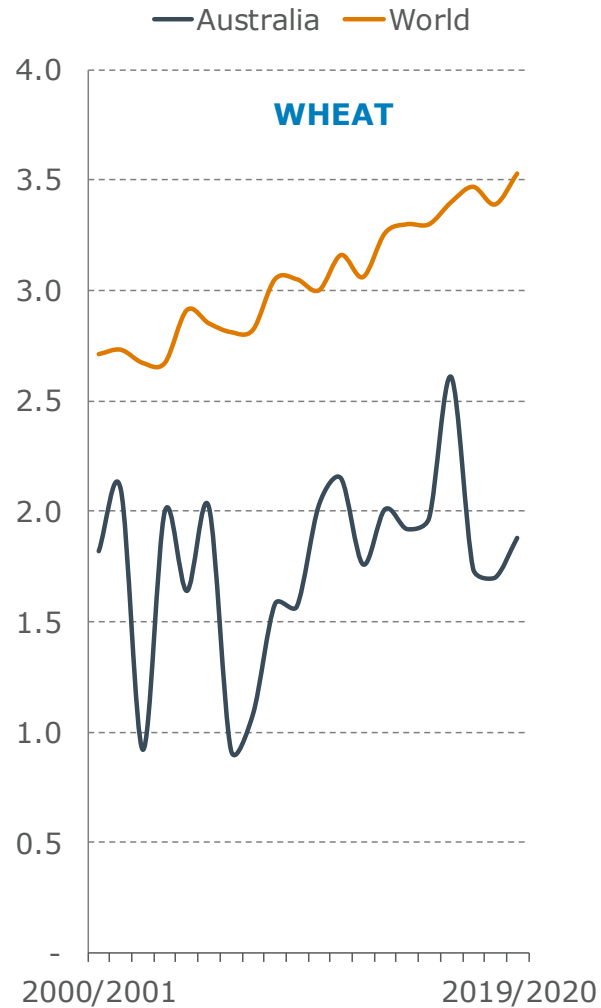
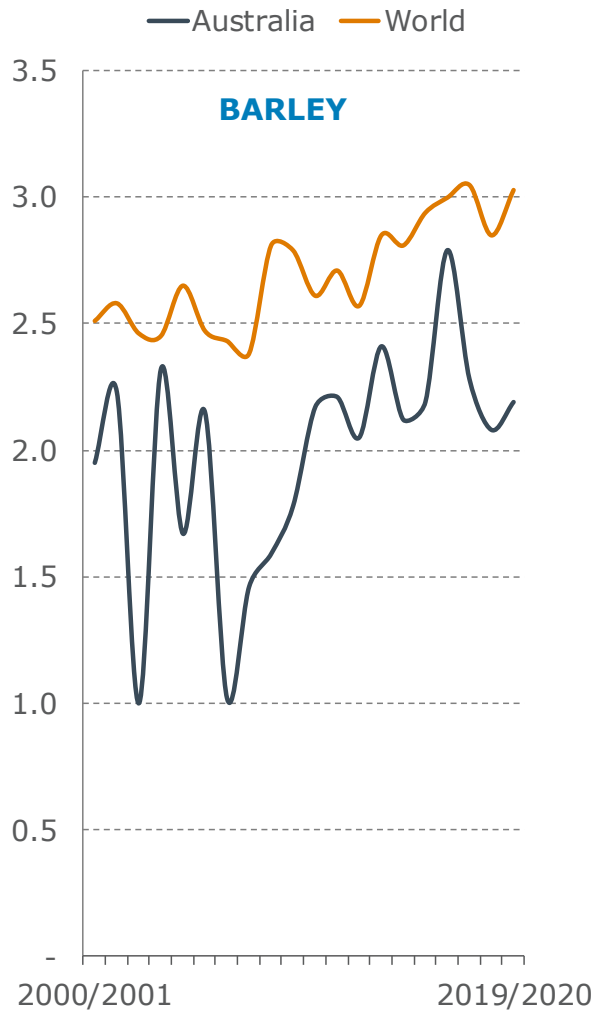
Farm businesses by size (million ha)



Source: AGSURF Australia, ANZ Analysis

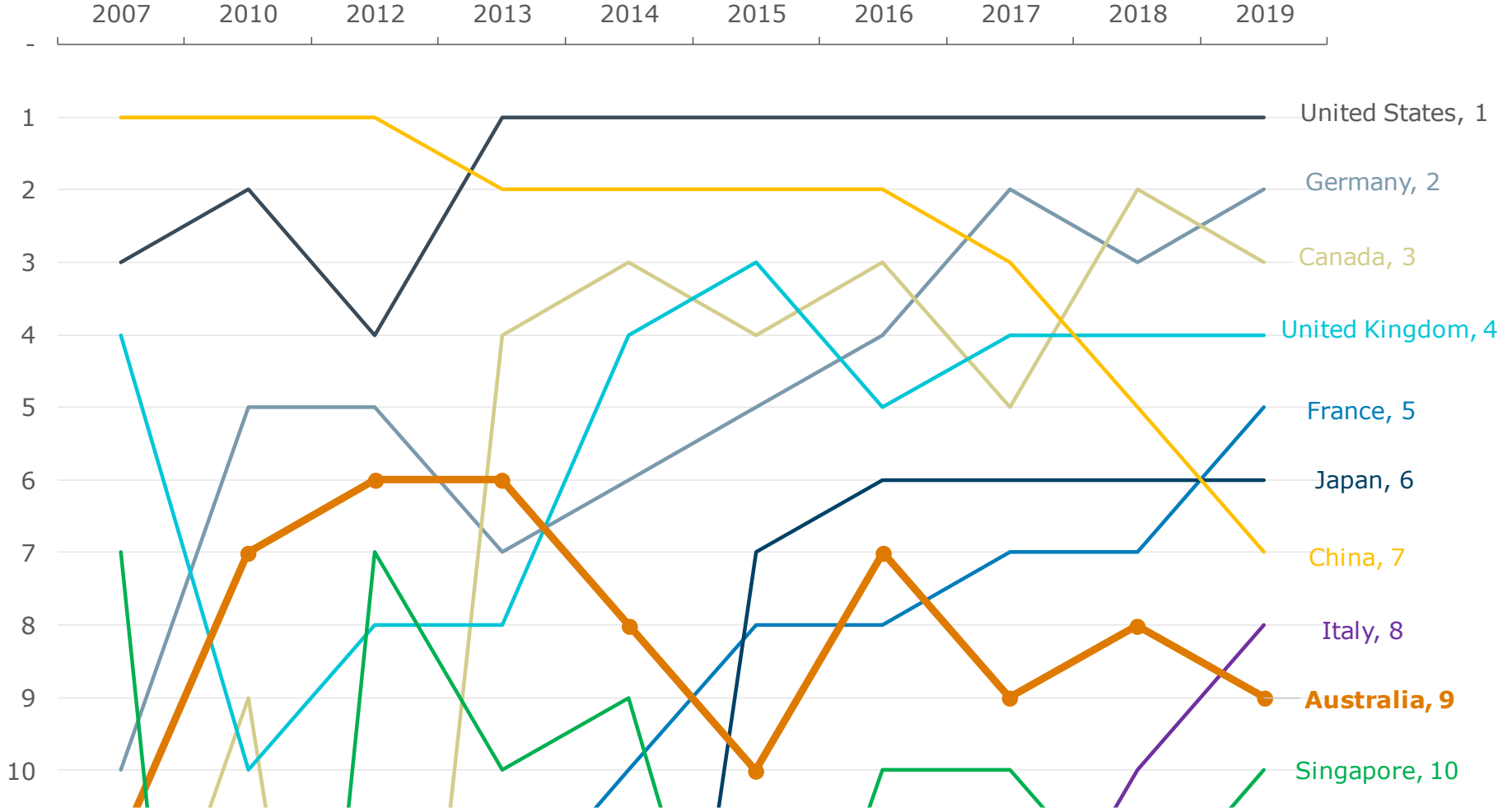
Yield variability remains high...

Yield (MT/HA)



Australia remains among the major destination for FDI...

FDI Confidence Index (Ranking from 1 to 10)



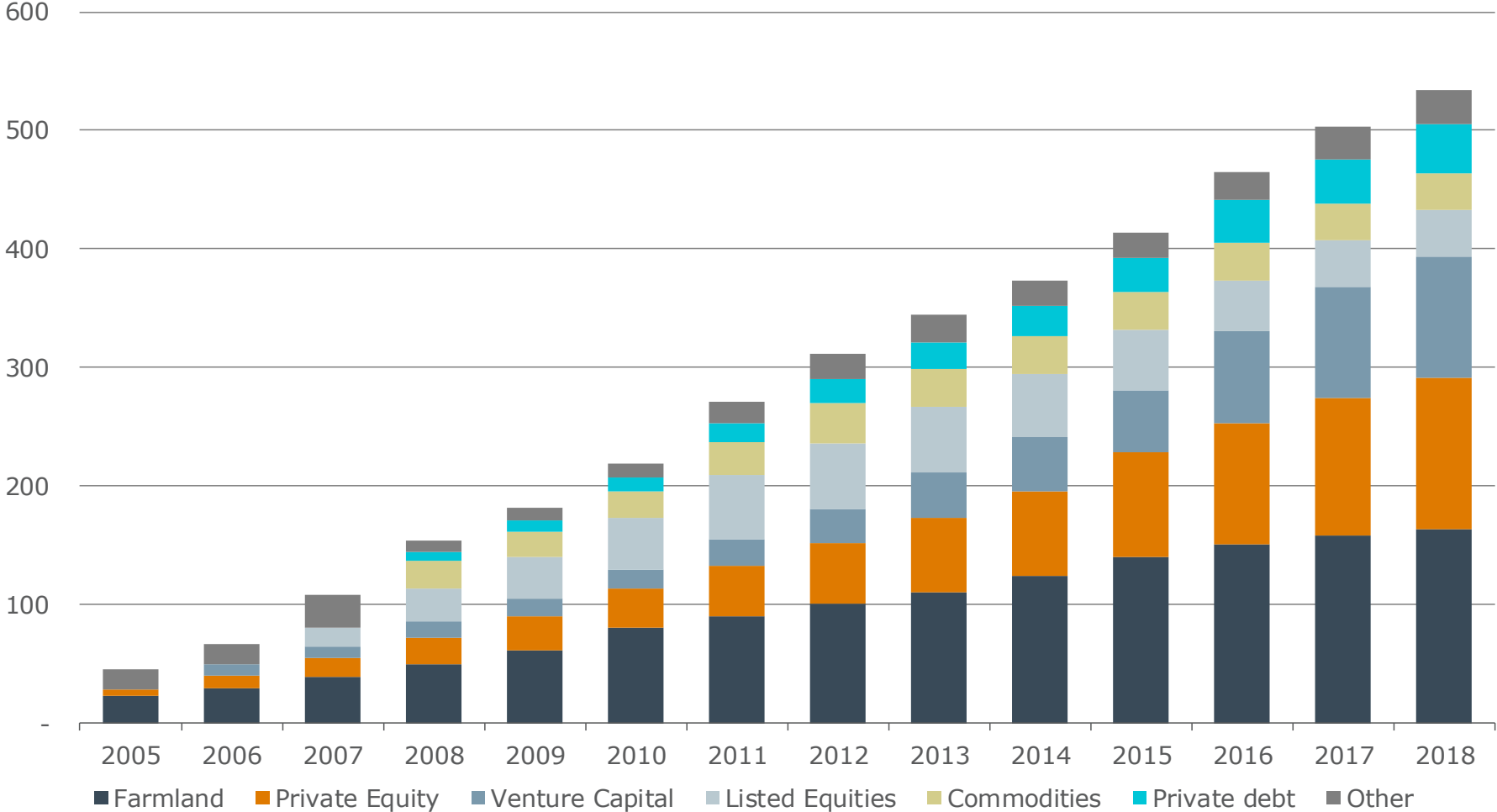
About the Index: It is based on an annual survey of over 500 senior executives of the world's leading corporation and ranking provides forward-looking analysis of the markets investors intend to target for FDI in coming years

Source: ATKearney.com



Increasing number of Agri focussed funds reflect continued interest in Global Agri sector...

No. of Global Food & Agriculture Funds

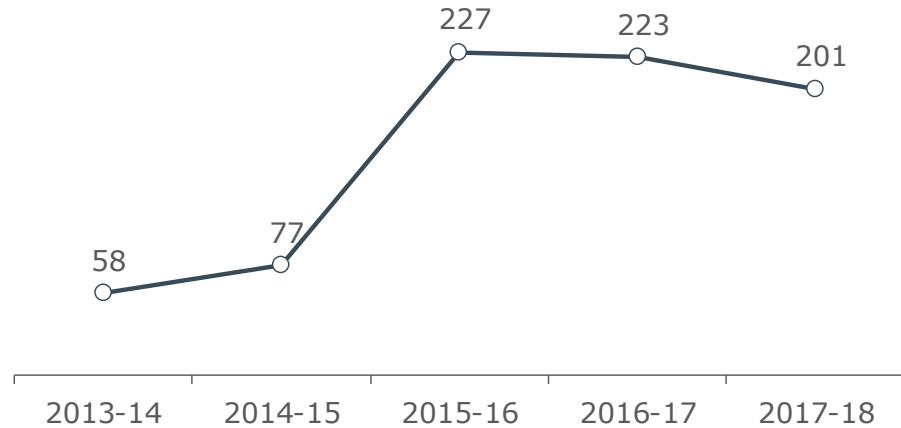


Source: Valoral Advisors



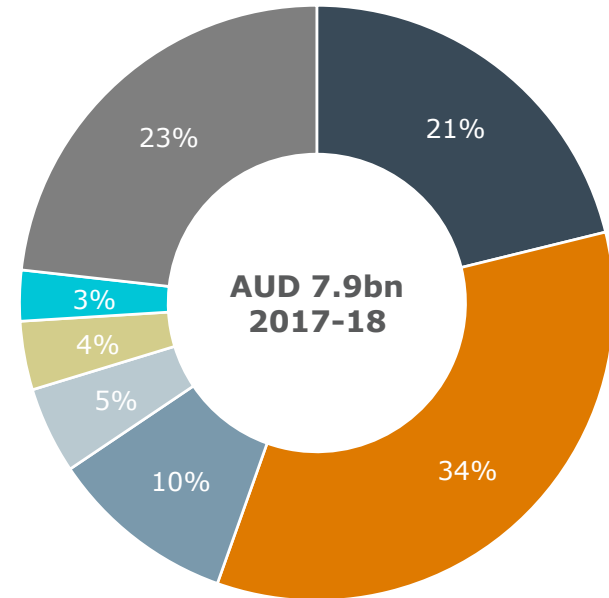
Rising FIRB approvals for Agri sector showcase strong foreign investor interest...

FIRB Approvals for Agri, Forestry & Fisheries Sector

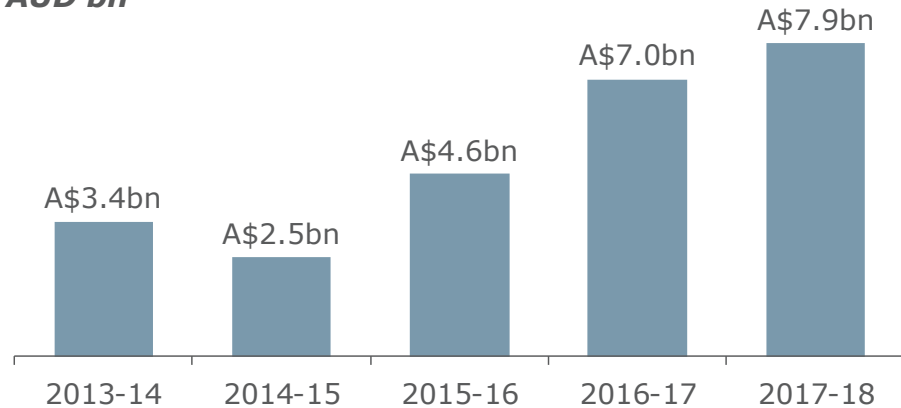


Approval by country of investor in Agri, Forestry & Fisheries (2017-18)

- China
- Canada
- United States
- Germany
- Netherlands
- Singapore
- Other



FIRB Approved Investment in Agri, Forestry & Fisheries AUD bn



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Thank you

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