

AFF 2019 JUNE / JULY OPERATIONS

AUSTRALIAN FOOD & FARMING



Australian Food & Farming Investor Update - 2020 SEEDING REPORT



2020 SEEDING REPORT

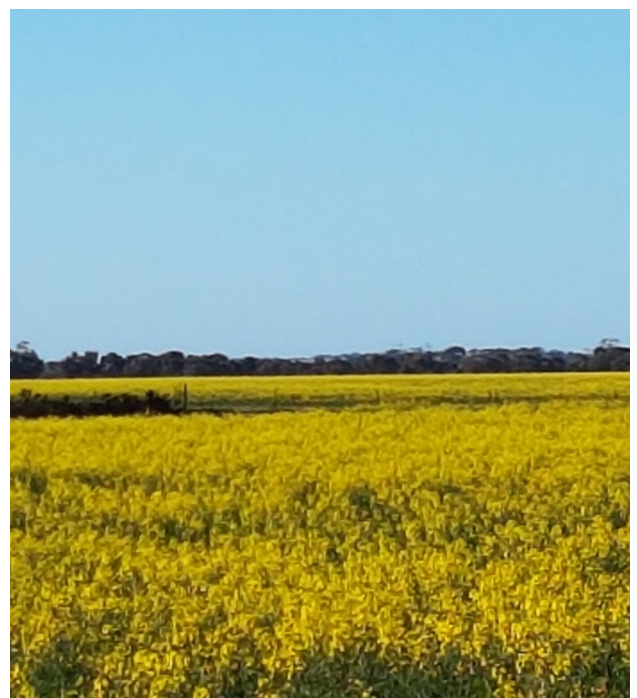
Aus Food & Farming has significantly increased the cropping program for the 2020 year with 14,172 hectares planted as compared with the 7,693 hectares in 2019.

The seeding program complements Aus Food & Farming's sheep production program. The crops are planted in between years when pasture is planted and the revenues from cropping are a stable second income stream in addition to sheep sales.

COVID-19 created challenges for the seeding program. Travel and social distancing restrictions were in place throughout our seeding program and workers that we had from South Africa and other states were unable to travel to site. There were also challenges and increased costs importing chemicals from China. Notwithstanding this, we were able to complete the seeding program on time with only a marginal increase (less than 10%) in input costs from chemicals.

1. SCALE & MIX

Aggregation	Ha Sown	Crop Type	% of Program
Echidna	4,880	Barley	22%
Barley Sparticus	1,360	Oats	17%
Oats Bannister	1,883	Wheat	61%
Wheat Mace	1,637		100%
Mallee Valley	4,793		
Barley Sparticus	818		
Oats Bannister	514		
Wheat Mace	2,463		
Wheat Scepter	998		
Rockwater	4,500		
Barley Sparticus	931		
Wheat Mace	3,297		
Wheat Scepter	272		
Total Ha Cropped	14,173		



See Appendix 1 - Aggregation Crop Maps

2. SEED VARIETIES

The seed varieties for the 2020 crop plan were carefully selected by Aus Food & Farming for their suitability to the region and yield performance. Aus Food & Farming also reduced barley planting as a result of anti dumping measures taken by China. However, we still retained some barley within the mix for areas of our properties that are frost prone, where barley can still perform well.

WHEAT

Mace – is a short-mid maturity AH(N) variety with a Wyalkatchem background. Previously the benchmark variety for yield in WA, it has been very popular and widely planted. Mace has performed well in pre-harvest rainfall conditions due to its falling number index of 5.

Scepter – released in 2015 has now superseded Mace. Scepter is one of the highest yielding wheat varieties. It performs very well in tough seasons.

OATS

Bannister – is a tall dwarf mid-season maturing oat variety. Bannister is a high yielding oat with milling quality and wide adaptation for Western Australia.

BARLEY

Spartacus – is a medium height, early spring, malt barley suitable for export and grain as malt, gaining international acceptance. It has a lower lodging risk, lower head loss risk and slightly plumper grain than La Trobe.

3. THE AUS FOOD & FARMING APPROACH

We have set out below a SWOT analysis of the seeding program.



4. AUS FOOD & FARMING - EXECUTED FORWARD CONTRACTS

Aus Food & Farming has put in place forward contracts for the sale of part of its harvest. These were put in place earlier in the year when grain prices were stronger.

Crop Type	Grain	Tonnes Contracted	Average \$/t
Demeter Cormack & Emerald Grain Australia Pty Ltd	Oats	2,000	324
Demeter Cormack & Emerald Grain Australia Pty Ltd	Wheat	3,500	315
Demeter Cormack	Barley	2,000	250

5. EARLY SEASON SIGNS

Rainfall Feb – May 2020

Good falls of rain between February and March across much of the Aus Food & Farming aggregations resulted in useful levels of sub-soil moisture for the 2020 cropping programs and has led to a positive outlook for the 2020 Season.

Region / Aggregation	Feb	Mar	Apr	May
Pingrup - Echidna	39.9 mm	16.2 mm	13.4 mm	24.2 mm
Varley – Rock Water	47.8 mm	23.4 mm	6.8 mm	37.6 mm
Kulin – Mallee Valley	42.3 mm	35 mm	13.9 mm	33.6 mm

The rain also caused good winter weed germinations which took the pressure off pre-emergent herbicides when the bulk of the crop was sown.

Extracts from Agronomist report dated - 29 MAY 2020
(Echidna and Rockwater Aggregations)

SEEDING

“First impression was that the contract seeding operator has done a very good job. I didn’t observe any missed areas or any areas where no seed had been applied. Seed depth looked good everywhere I checked.”

CROPS

“Crops are between not yet emerged and 3 leaf so very early days. Emerged crops look even, healthy and generally clean for weeds.”

SUMMARY

“Crops and pastures at Rock Water and Echidna Aggregations are well positioned to produce given continued favourable seasonal conditions. “

REFERENCES:

GRDC DPIRD 2020 - WA Crop Sowing Guide

6. AUS FOOD & FARMING - CURRENT STOCKING RATES

Aus Food & Farming intends to purchase another 3,000 Dorper ewes at the end of this calendar year.

Echidna Aggregation	Stocking Rate
Mob 1	556 Merino Ewes with 510 Lambs at foot
Mob 2	1647 Merino Ewes – Lambing soon
Mob 3	1851 Merino Ewes – Lambing soon
28 Merino Rams	

Rockwater Aggregation	Stocking Rate
1540 Dorper Ewes – Lambing now	541 lambs have been counted and marked to date

Mallee Valley Aggregation	Stocking Rate
1102 Dorper Ewes - Lambing now	92 lambs have been counted and marked to date
665 Maiden Dorper Ewes	1647 Merino Ewes – Lambing soon
85 Wether Lambs	will be sold in next few months
30 Dorper Rams	
2 Stud Dorper Rams	



7. PHOTO GALLERY



Fig.1 Good result for minimal rainfall on non-wetting soil.



Fig.2 Good result for minimal rainfall on non-wetting soil.



Fig.3 Sheep in farm.

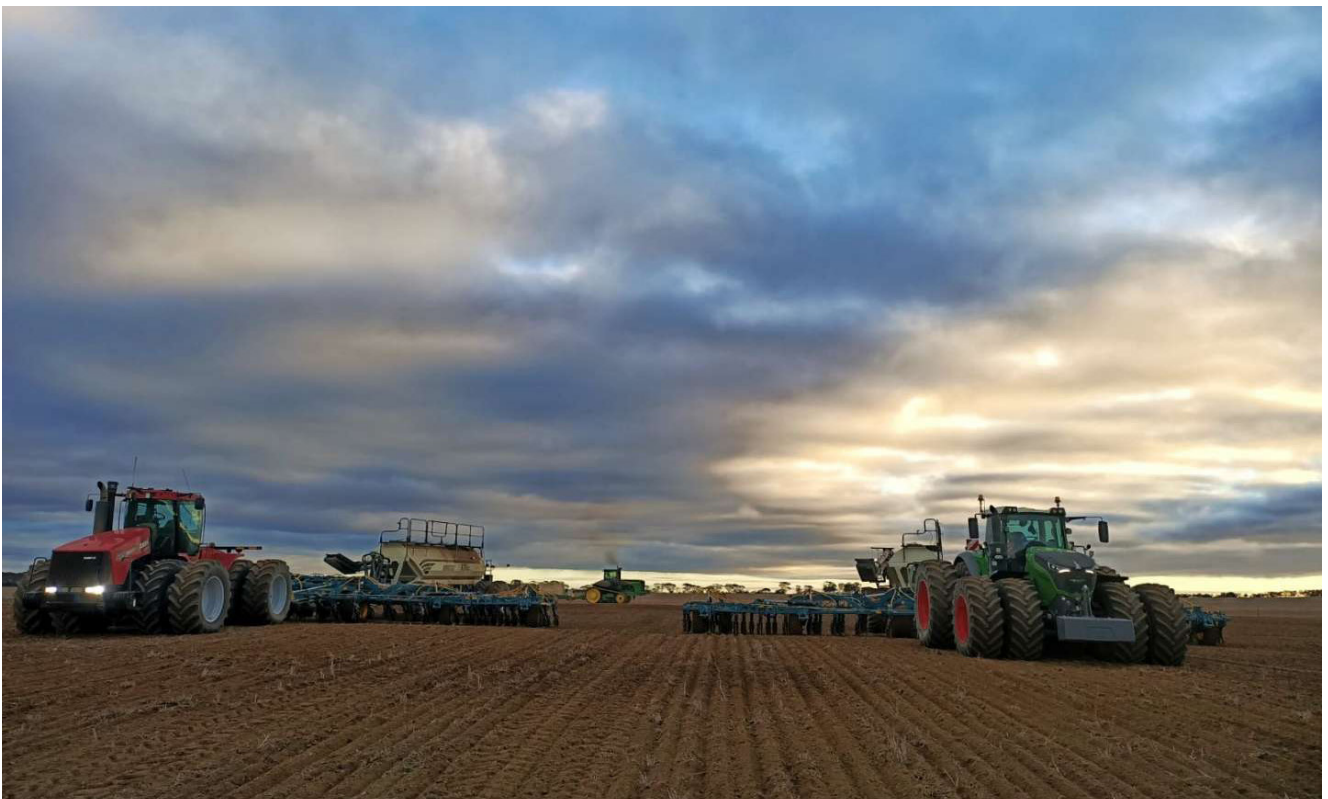


Fig.4 Machine working on land for seeding.

GLOSSARY AND EXPLANATION AS TO KEY TERMS

Bathurst Burr

Bathurst burr is spiny weed that appears annually in summer. It is prevalent throughout NSW and is difficult to control. Once sprayed it is important to continue to monitor to ensure that the seed does not set.

Bannister (oats)

Bannister is a high quality, high yielding oat with potential for milling. Part of the oats we will put in will be Bannister oats.

Biserrula

A persistent, self-regenerating pasture legume that originated in the Mediterranean. It is suited to low and medium rainfall areas. Because it is self-regenerating it does not need planting each year. Biserrula forms part of our seed mix in Western Australia.

Cadiz

A variety of French Seradella. It is a mid-season maturing variety, maturing around 125 days after planting. Cadiz forms an important part of our pasture mix in Western Australia.

Drenching

Worming and other treatment for our dorpers that is done on a regular basis, in accordance with standard practice in Australia.

Fleabane

Fleabane germinates in spring and becomes a major weed during summer. Fleabane needs to be controlled by a mix of spraying and other techniques. Fleabane requires ongoing monitoring. We have fleabane at Marabou.

Heliotrope

Heliotrope is also known as potato weed or blue weed. Consumed in large amounts it can cause copper poisoning and so can be toxic to sheep. It is a summer weed common in southern parts of Australia. Controlling Heliotrope requires a mix of pasture management, avoiding over grazing of land and spraying. Rotational grazing can also be effective reduction method, provided sheep are not over exposed to it. We have heliotrope at Marabou.

Lab lab

A fast growing, annual summer forage legume. Lab lab is in particular used for fattening our dorpers. It also puts nitrogen back into the soil. Lab lab is an important part of our forage crop in NSW.

Mace (Wheat)

Mace is the most common variety of wheat used in Western Australia. It consistently produces a high yield in a wide range of conditions and is well suited to the Western Australia Wheat Belt. The majority of the wheat we will be planting in WA will be Mace.

Margarita

Developed by the Department of Agriculture in Western Australia from Cadiz. Margarita forms an important part of our pasture mix in Western Australia.

Millet

A summer forage crop with similar characteristics to Sorghum. Millet is an important part of our forage crop in NSW. Millet tends to perform during the early part of summer but tails off during the later part of summer.

Scepter (Wheat)

Scepter is a variety of wheat used in Western Australia and in NSW. It is derived from Mace, but offers a higher yield than Mace. We will be planting sceptre wheat in NSW and in WA.

Seradella

Also known as French Seradella, is an annual legume native to the Mediterranean region but which was introduced into Australia in 1997. It is suited to sandier soils like those in Western Australia and also unreliable rainfall. Studies have shown that it performs well against more traditional pastures like clover. During droughts it produces around 3 times more herbage than clover, while performing similarly during wetter seasons.

Sorghum

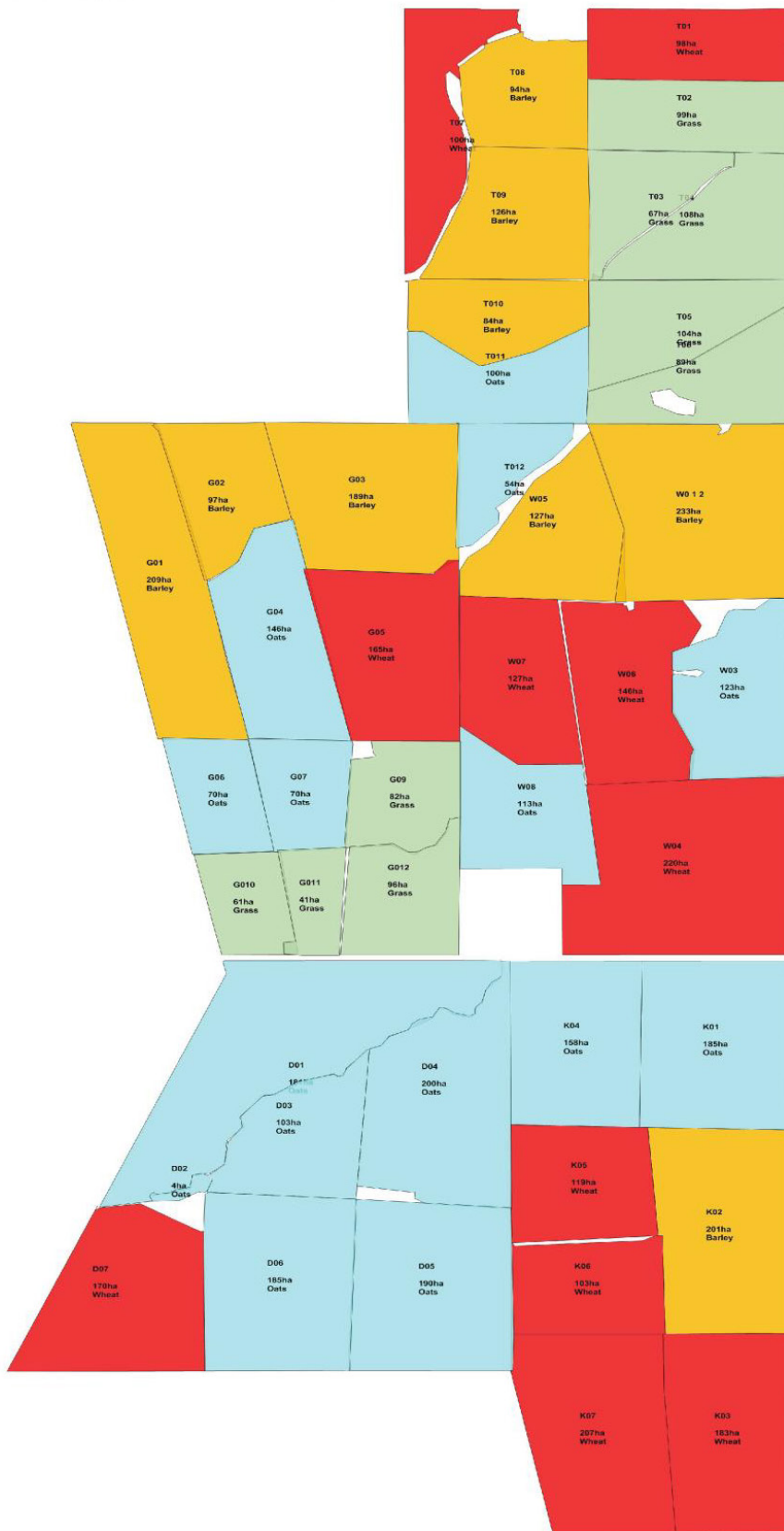
Sorghum is a summer forage crop. Sorghum is quick growing, flowering sixty days after sowing and is suitable for fattening. Sorghum is an important part of our forage crop in NSW. Sorghum tends to mature in the later part of summer, meaning it can complement Millet well which deteriorates in late summer.

Spartacus (Barley)

Spartacus is a high yielding, malt barley. Barley tends to handle frost better than wheat and hence a large part of our Western Australia crop is barley. Barley also tends to produce higher yields than wheat. A key risk for barley which may impact pricing is the potential for an anti dumping investigation by China against Australian barley.

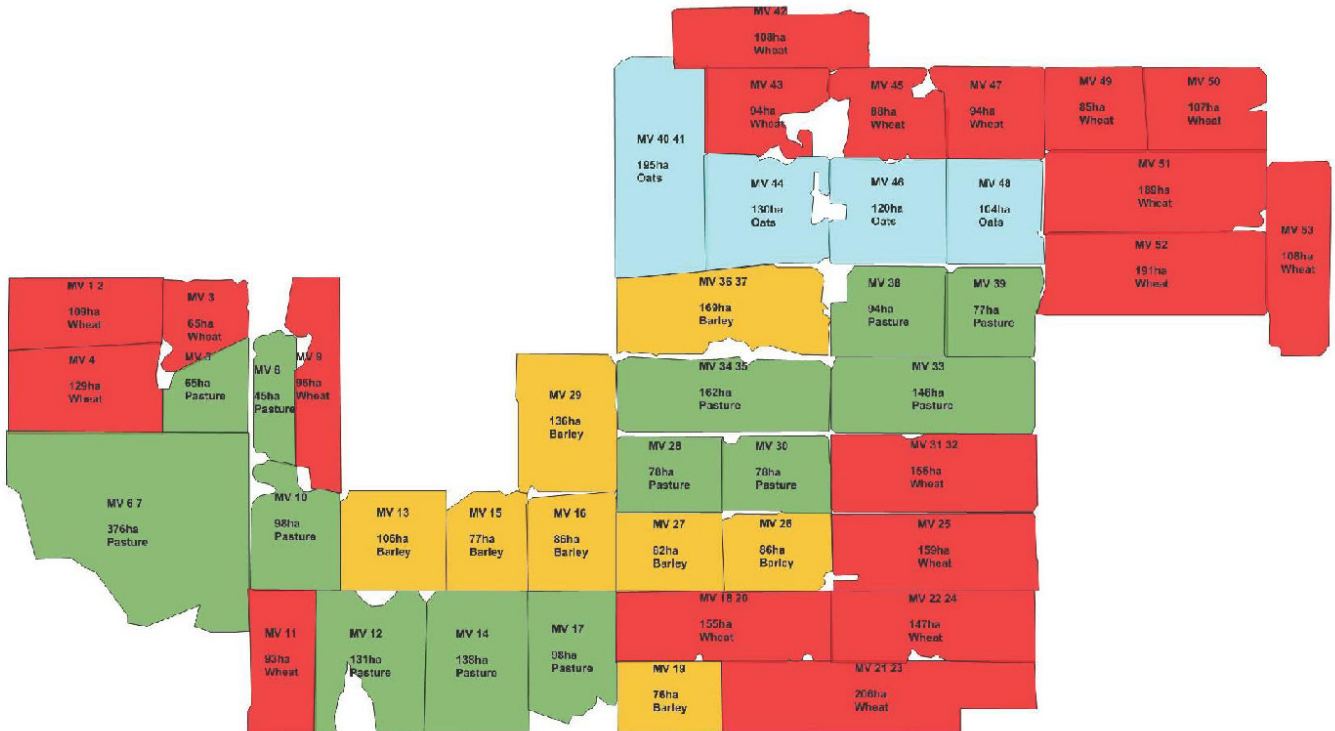
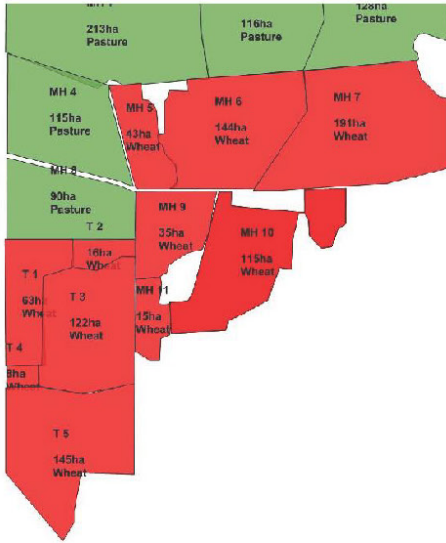
CROP MAPS

Echidna Aggregation - 2020 Crop Plan

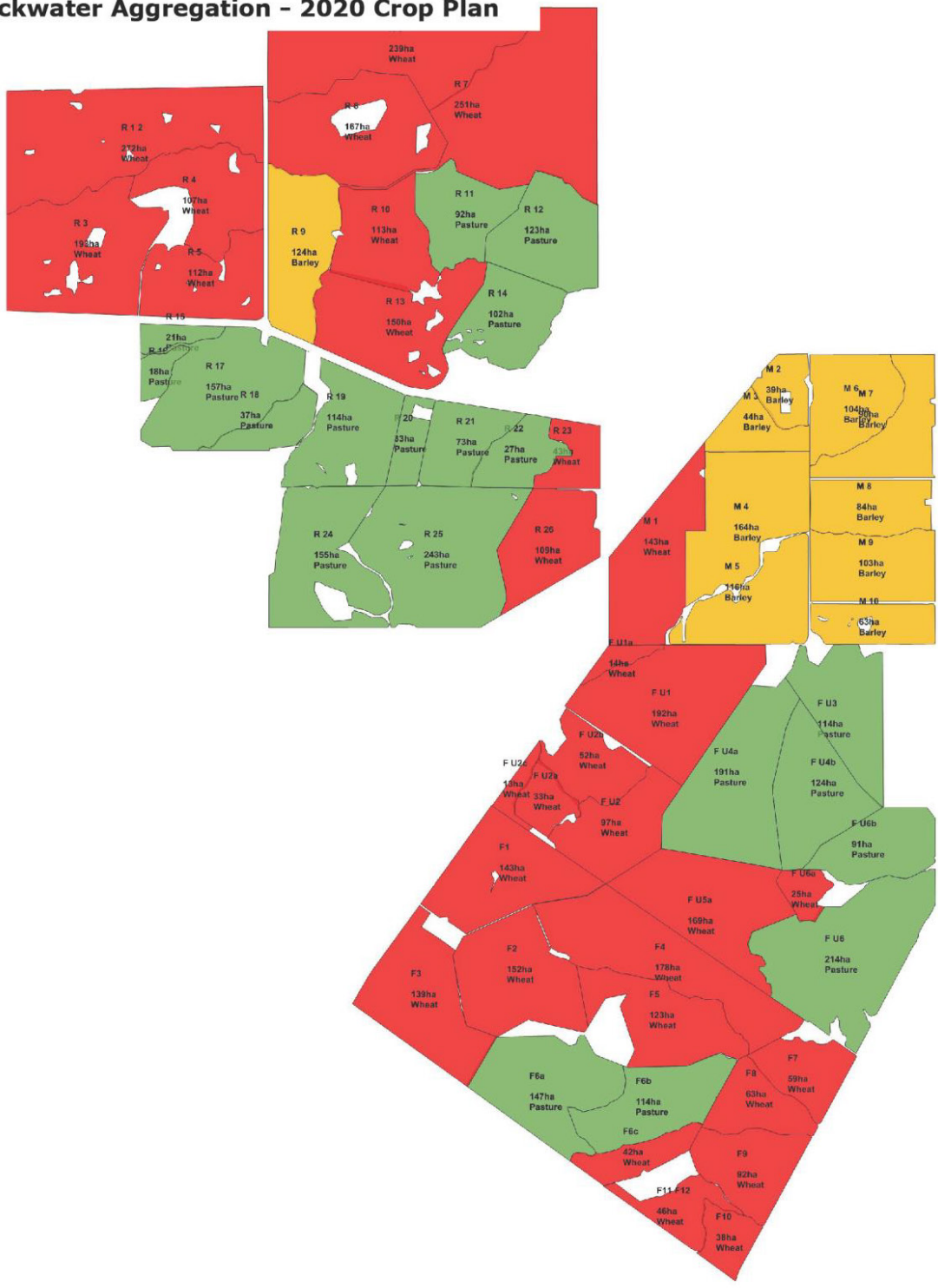


Appendix 1 - Echidna Aggregation 2020 Corp Plan

Mallee Valley Aggregation - 2020 Crop Plan



Rockwater Aggregation - 2020 Crop Plan





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