



CBH Group
Global Barley Market Outlook
GIWA Barley Forum
Drew Robertson

July 2023



Agenda

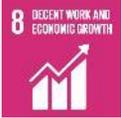
1. Introduction
2. Sustainability
3. Barley Markets

Sustainability at CBH



Sustainability Plan

Refreshed plan drives future direction to build on a strong sustainability record

Our Pillars	 Markets	 Communities	 People	 Governance	 Environment
Our Focus	<p>Maintain and open new markets for WA growers</p>	<p>WA grain growers and our communities are viable for the long-term</p>	<p>Attract and retain the best talent</p>	<p>Comprehensive and leading governance practices</p>	<p>Protect the environment in which we operate</p>
	<p>Lead the industry in sample collection for residue traceability</p> <p>Increased sales of sustainably certified grain</p>	<p>Ongoing community investment</p> <p>Procure more from our regional vendors</p>	<p>Safe people and safe workplaces</p> <p>Diversity and inclusion</p>	<p>Demonstrate and disclose progress on the Sustainability Plan</p> <p>Board Committee responsible for sustainability</p>	<p>50% reduction of Scope 1 and 2 emissions by 2030</p> <p>Site to Customer net zero emissions by 2050</p>
United Nations Sustainability Goals			 	  	

Customer Trends and Carbon

Large multi-nationals are committed to net zero including scope 3. Future customers will want grain that is 'low carbon' or 'carbon neutral'

CBH Customers



Reduce 8% absolute GHG emissions from the energy sector by 2025
Aligning to TCFD in 2023



Committed to 1.5⁰ degree warming and forming SBTi targets in scope 3 now



25% reduction in Scope 1, 2 and 3 emissions by 2035



30% reduction per tonne of product by 2030 (Scope 3)



42% reduction in Scope 1 and Scope 2 emissions by 2030



Net zero GHG across value chain by 2050
Reduction scope 3 emissions 21% by 2030 from a 2018 baseline.

Worlds largest food and beverage businesses



Reducing GHG across value chain 27% by 2025 and 67% by 2050 from a 2015 baseline



Reducing scope 3 GHG 15% by 2030 and 50% by 2050 from a 2015 baseline



Net zero GHG by 2050 across full value chain



Unilever

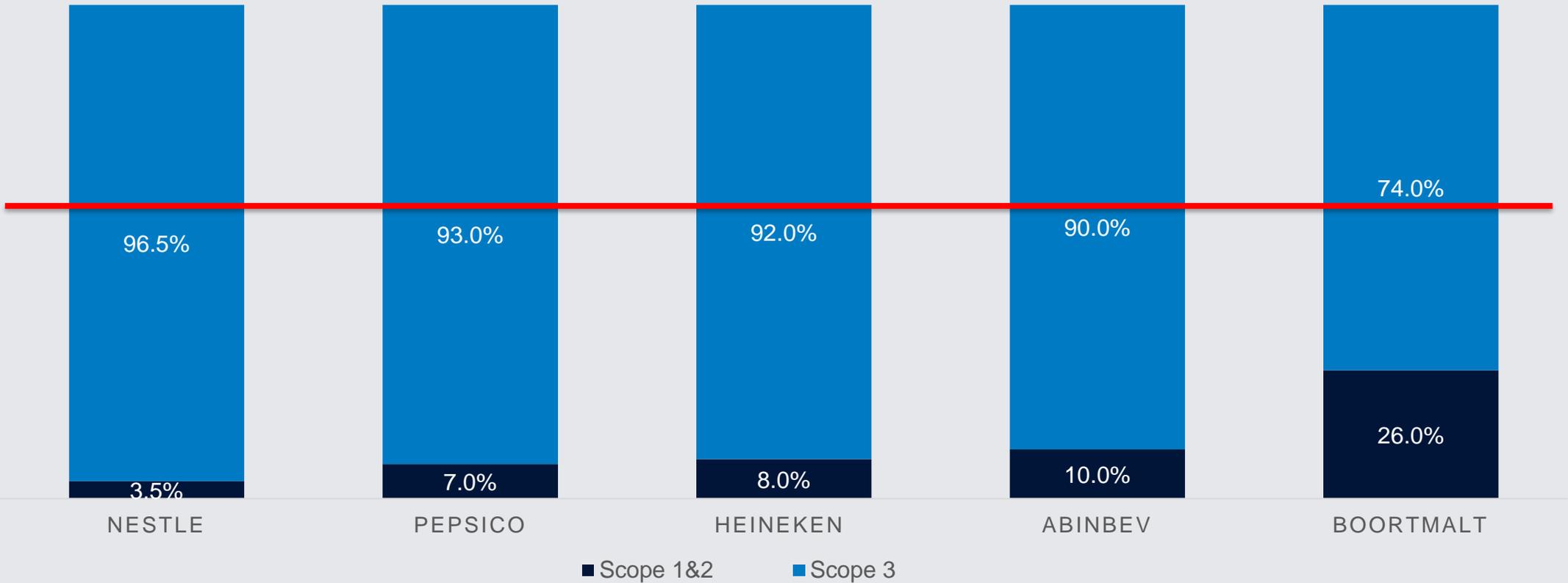
Reducing the GHG impact of products by 50% by 2030 across full value chain from a 2010 baseline



Net zero GHG by 2050 and 50% reduction by 2030
Sourcing 50% of ingredients from regenerative agriculture by 2030

Scope 3 emissions are the biggest barrier for our customers

Our customers need low and carbon neutral grain if they are to meet their targets

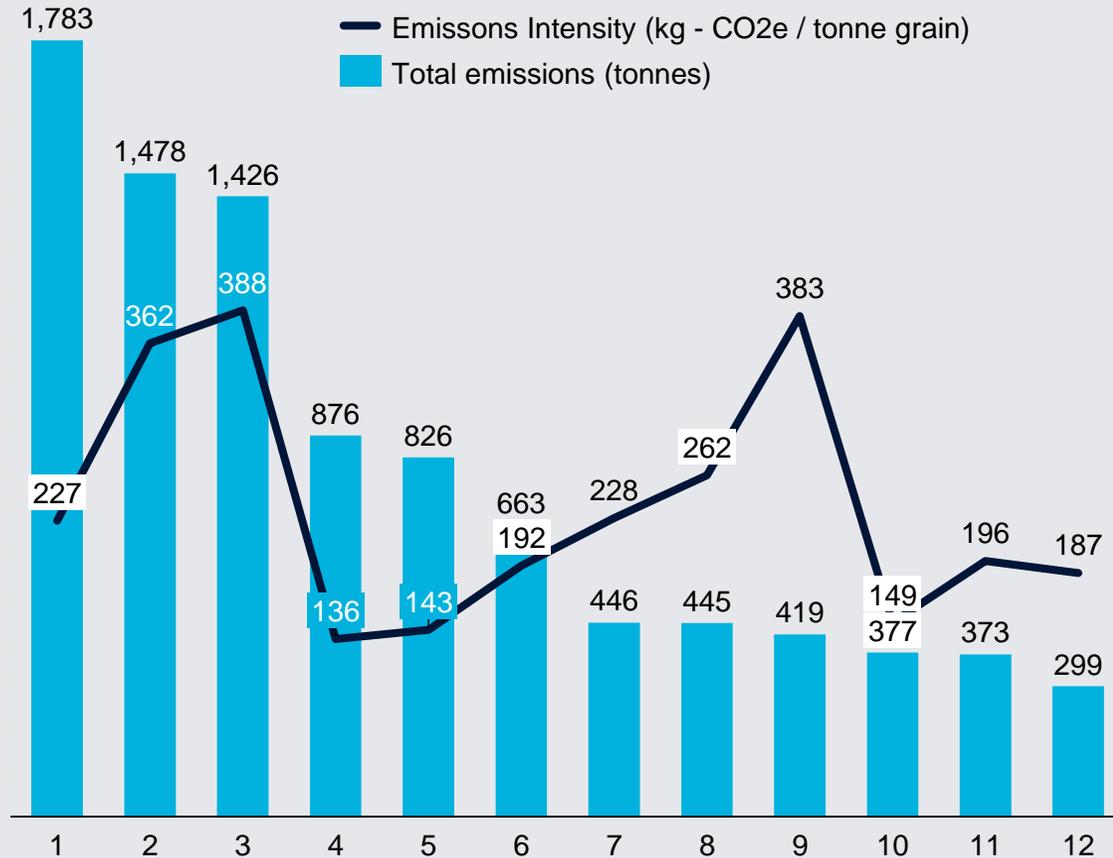


If scope 3 is greater than 40% of total emissions a reduction target is required (SBTi)

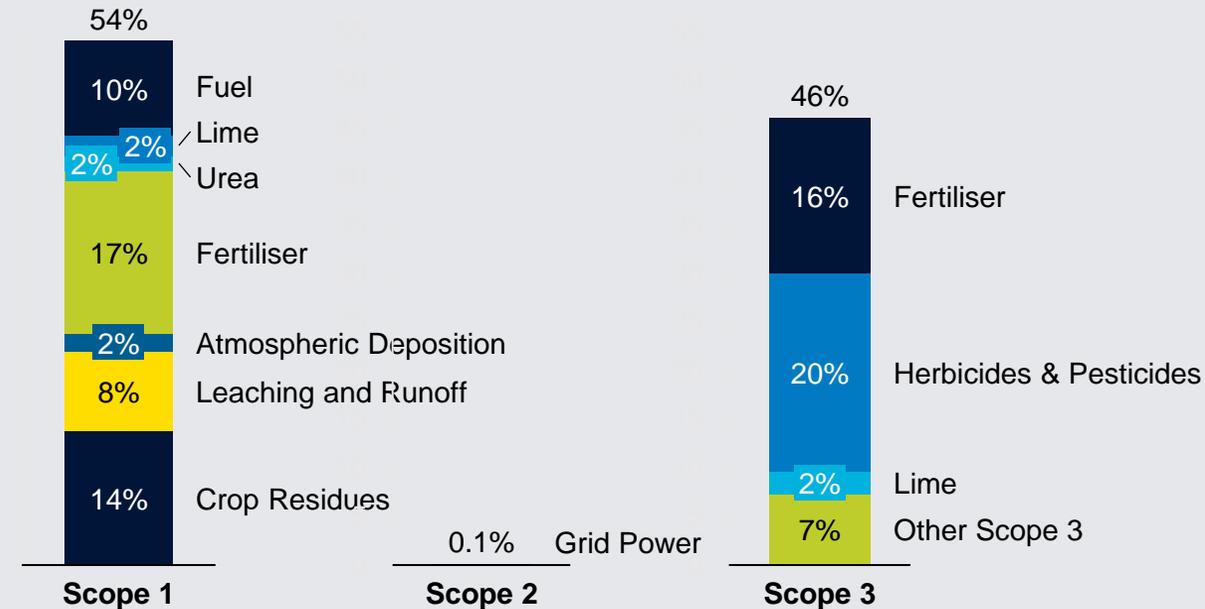
Farm Emissions

Final carbon intensity of barley = 233 kg / tonne with fertiliser emissions make up 32.7% of farm total

Total Grower Emissions and Carbon Intensity



Emissions Composition



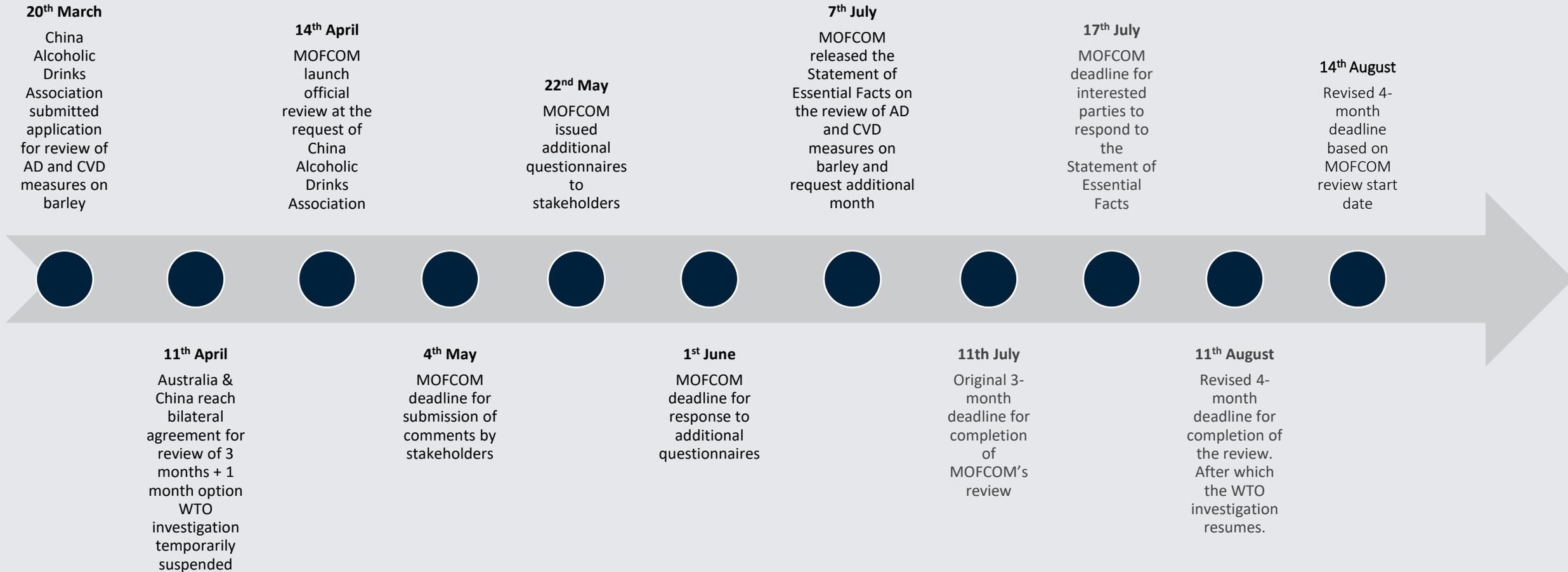
Sources of Farm Emissions

Scope 1	Direct farm activity e.g. diesel, fertilizer
Scope 2	Indirect via purchased electricity
Scope 3	Indirect from the production of inputs

Barley Markets



Timeline for Review of AD and CVD Measures



Malting Barley Varieties

Variety Update

- **Maximus**
 - Area to increase significantly again in 2023, expecting > 50%
 - Market development ongoing
- **Spartacus**
 - 35% of barley area in 2022-23 season, forecast at below 20% in 2023-24 season
 - Preferred for Japanese Shochu markets
- **Planet**
 - Area peaked in 2020, forecast below 10% in 2023-24
 - Malting selection rates very low in WA
 - Widespread acceptance and preference in most markets
- **Flinders and Bass**
 - Not outclassed but production not viable for exports.
 - Both still in demand for domestic malt houses.
- **Alestar and Bottler**
 - No export demand

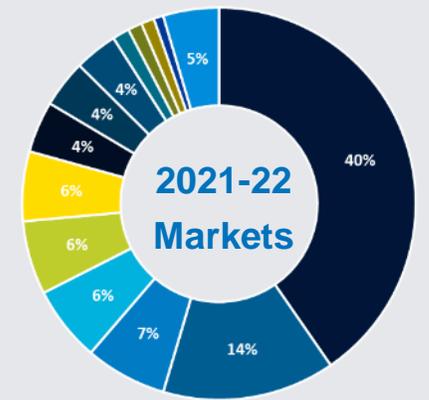
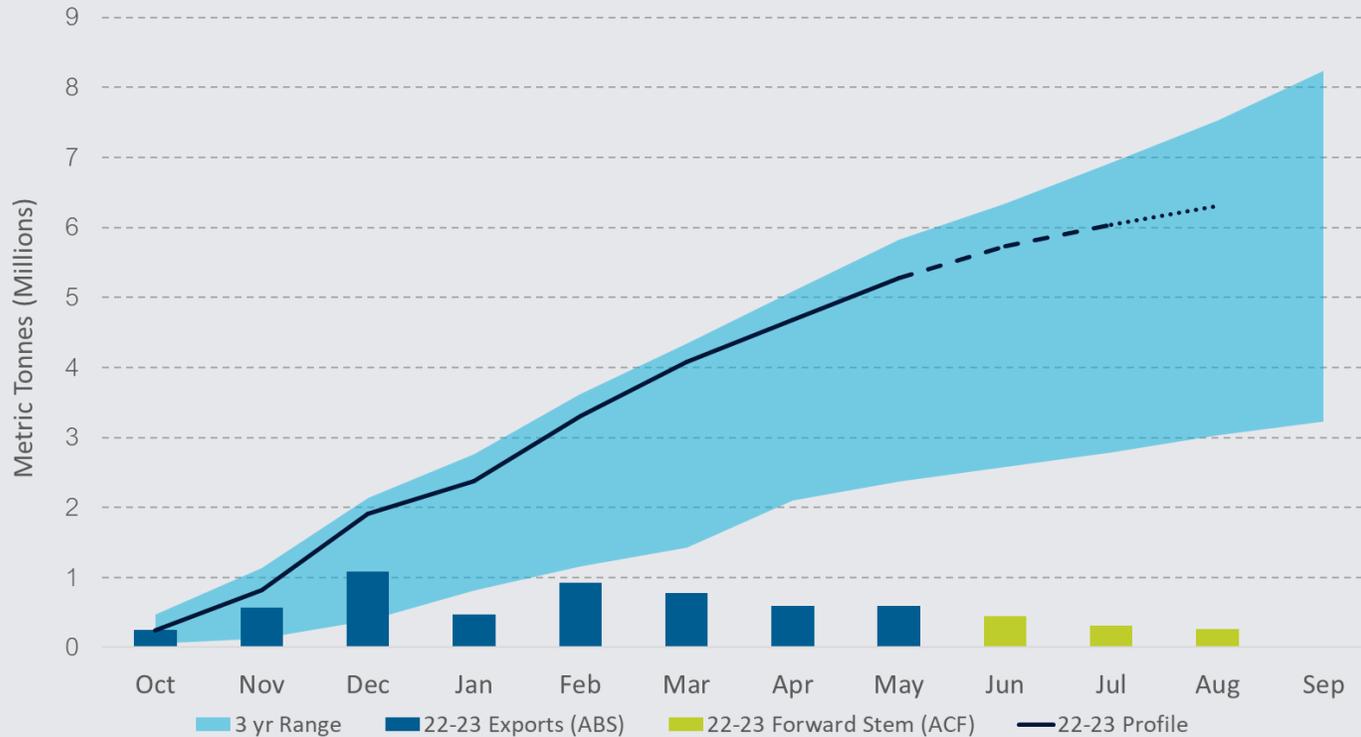
Barley Australia Varieties Under Evaluation

Variety	Name	Target Decision Date
IGB1506	Buff	Accredited March 2023
WI4952	Laperouse	2024
AGTB0043	Yeti	2025
AGTB0113	Beast	2024
IGB1825	-	2025
IGB1908T	Commodus CL	2024
AGTB0200	Cyclops	2024
AGTB0213	Minotaur	2024
IGB20125T	Zena CL	2024
AGTB0318	-	2025
-	Titan AX	2025
IGB22102T	Neo CL	2025
IGB21130	-	2026

2022-23 Australian Barley Exports

Last year exports reached 8.2 million tonnes

2022-23 Export Profile



Malting Barley Export Markets

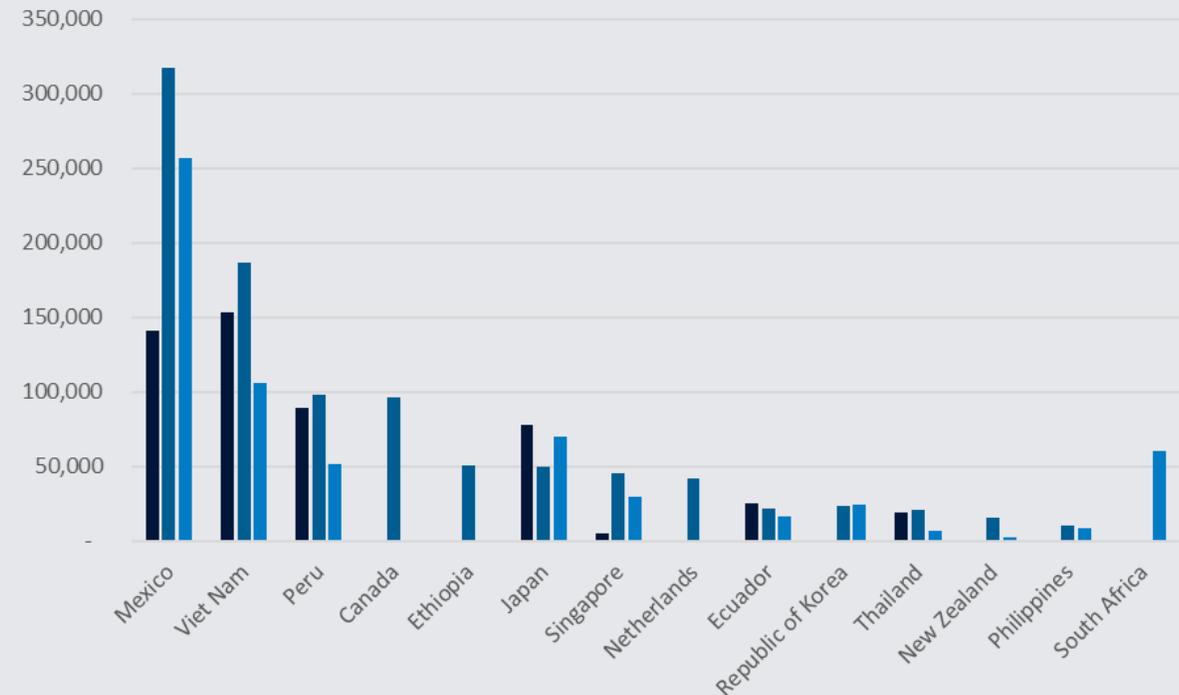
Key Highlights

- 2021-22 season resulted in 978,346 mt of malting barley exports, without China.
- With Canadian and EU production rebounding in 2022 no more imports required in 2023.
- There is currently growing concerns for EU 2-row spring malting barley and Canadian barley from the current crop
- 1 Oct – 31 May exports reaching 634,785 mt, on track for similar result to previous year
- Trade flows forecast to return to 'normal' in 2023-24

2020-21
511,850 mt

2021-22
978,346 mt

2022-23 YTD
634,785 mt



Australian Grains Exports (1 Oct – 31 May)

Grain exports have increased, barley exports have decreased



- Total grain exports have increased 16% YoY
- At the same time barley exports have declined 11% YoY
- Highlighting the limited demand for barley and the utilisation of shipping capacity for Wheat and Canola
- Western Australia remains a critical supplier of barley into international markets

Major Export Regions

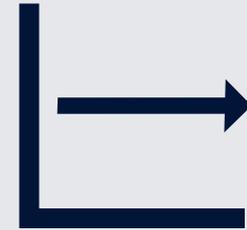
Bullish, Bearish and Neutral Influencers



- Canada production and EU harvest outlooks (malt)
- Ukraine grain corridor closed and bombing of port infrastructure! (feed)
- US weather (heat and dry) impacting corn production
- China feed grain demand without Ukrainian corn



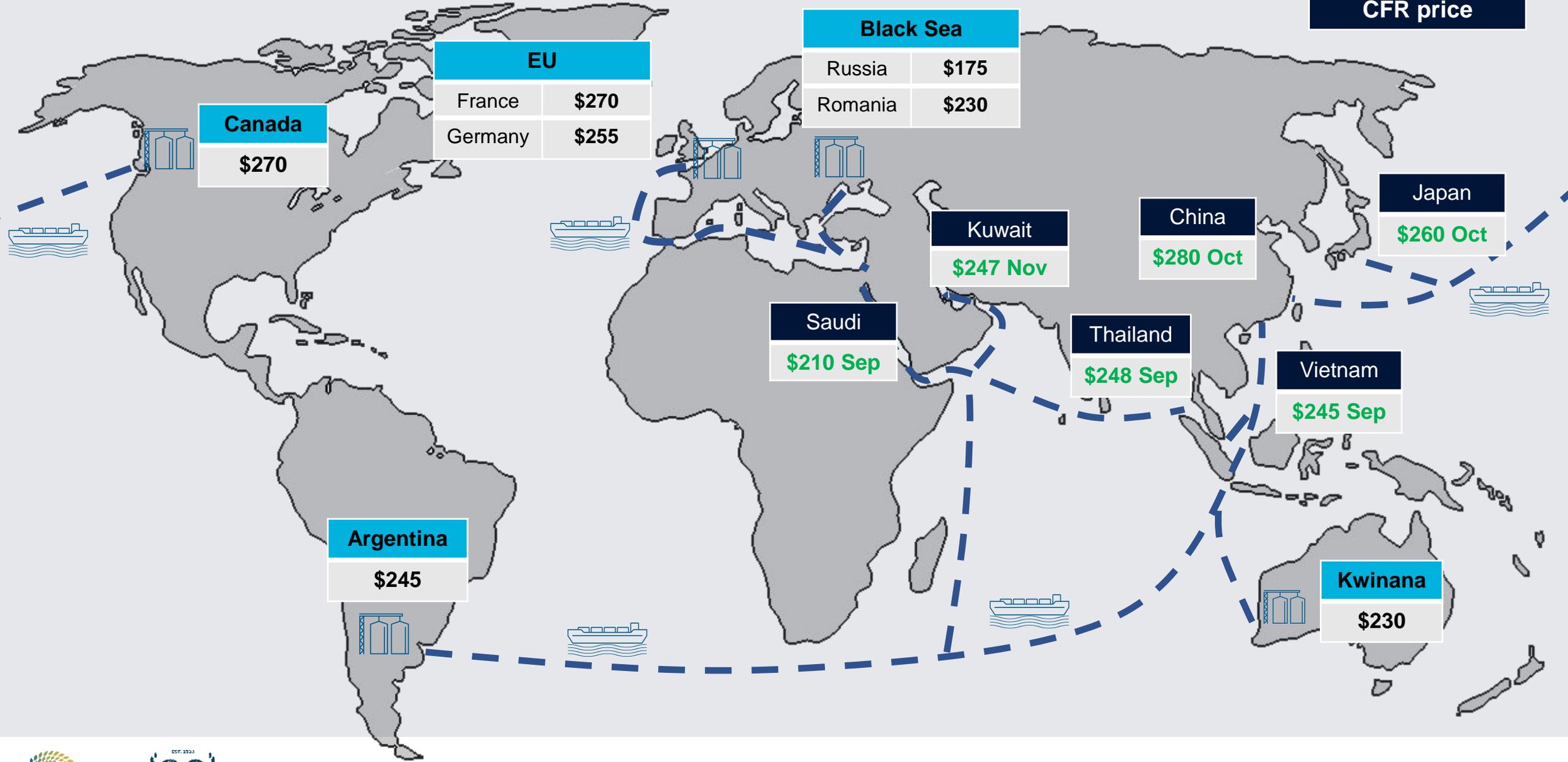
- Global malting barley demand
- Romanian and Balkan states production and exports favourable
- Cheap Russian offers pushing market down (floor price)
- Saudi barley imports declining and overall feed barley demand is weak



- Australian growing season currently good potential, but forecast is dry
- Global barley ending stocks down 1.1mmt YoY with S/U ratio at 12%
- Improving bilateral relations with China

Global Feed Barley Values (USD)

FOB price
CFR price



Thank you & Questions?

