



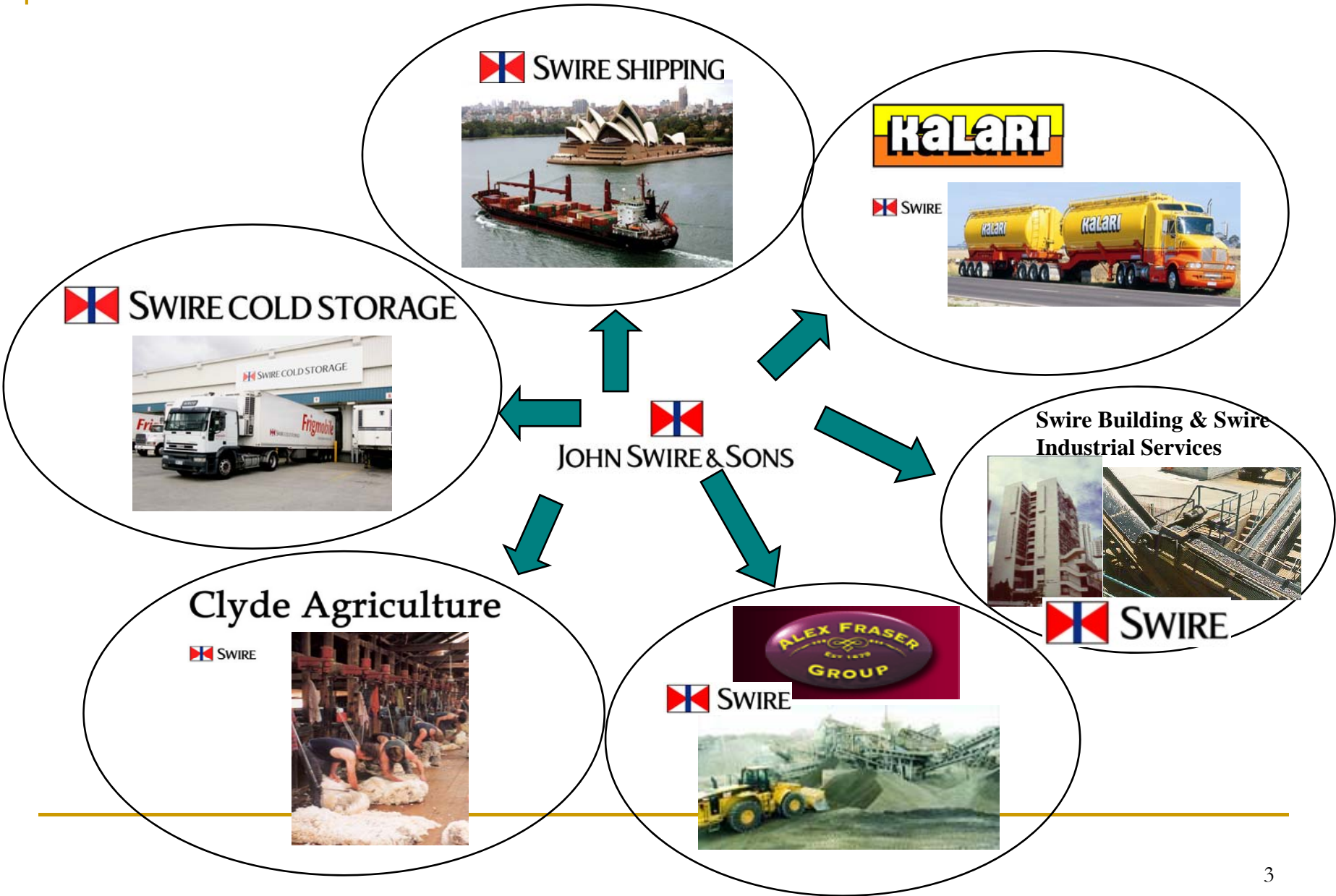
Clyde Agriculture





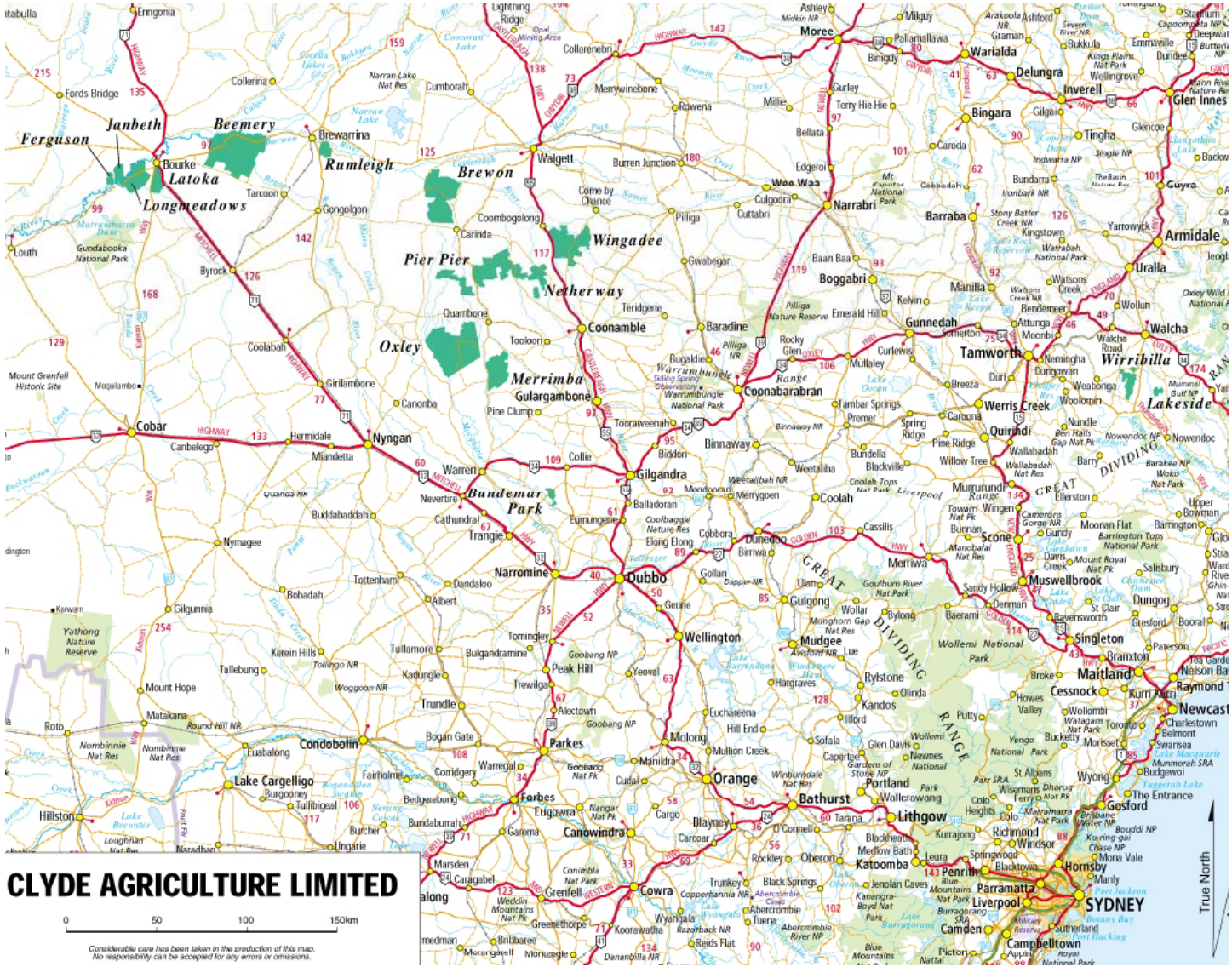
Grains Conference

Clyde Agriculture



Clyde Agriculture takes a long term position in Australia's agricultural sector recognising that returns to shareholders will be a combination of operating returns and longer term capital gain.

Clyde Agriculture



Irrigation at Bourke

IRRIGATION	Irrigated Ha	Storage ML
Beemery Farm	1,938	10,300
Janbeth	3,185	21,200
Latoka	2,603	15,600
Rumleigh	1,258	8,900
	8,984	56,000

Sales at Full Production

Grain	80,000 tonnes
Cotton	40,0000 bales
Cattle	24,000 hd
Sheep	95,000 hd
Wool	4,500 bales

Dryland Farming 2009

■ Wheat	15,400 ha	for	37,000 tonnes
■ Barley	5,297 ha	for	14,500 tonnes
■ Chickpeas	4,128 ha	for	4,800 tonnes
■ Canola	1,245 ha	for	1,500 tonnes
■ Fababeans	2,122 ha	for	2,500 tonnes
TOTAL	28,356 ha	for	60,300 tonnes

Irrigation 2009

- **Wheat** **5,928 ha** **for** **16,800 tonnes**
- **Maize** **329 ha** **for** **3,200 tonnes**
- **Cotton 09-10** **2,900 ha** **for** **36,250 bales**

Strategic Priorities

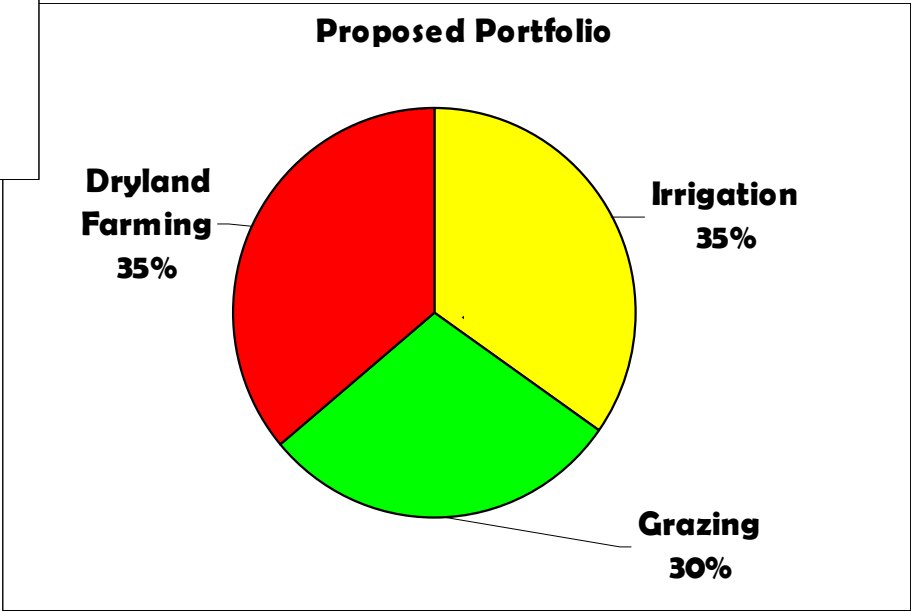
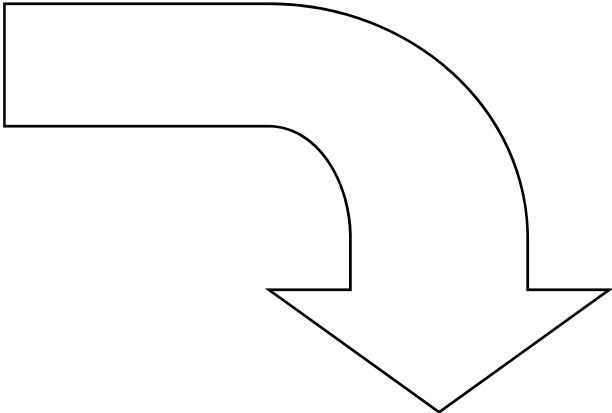
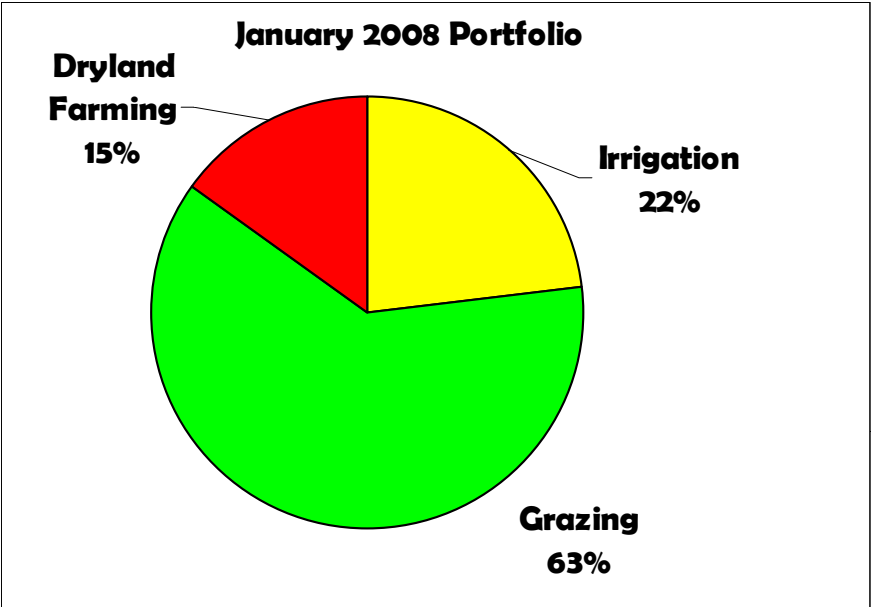
Strategic priorities for 2008 to 2012

- 1. Re-balance to achieve 20-40% invested in Livestock, Dryland Farming and Irrigation**
 - 2. Prepare for increased variability in climate**
 - 3. Enhance business skills of senior staff**
 - 4. Develop relationship along the supply chain to maximise sale proceeds and minimise costs**
 - 5. Integrate environmental sustainability into our decision making process**
 - 6. Utilise leading edge technology to lower costs, enhance quality and/or reduce risk**
-

Corporate Objectives 2008 to 2012

- 1. Achieve zero lost-time injuries every year**
- 2. Achieve a pre-tax 12% total return on shareholders funds on a five-year rolling average**
- 3. Limit downside financial risk to \$10m in nine out of ten years**
- 4. Have a cost of production in the lowest 20% and return in the top 20% of measured peers**
- 5. Produce forecasts, budgets and month end results within 10 working days**
- 6. Have all properties under EMS by the end of 2010**

Re-balancing



Attractiveness of farming

- 1. Profitability**
- 2. Sector productivity**
- 3. Technology**
- 4. Ability to systemise**
- 5. Ability to substitute labour with capital**
- 6. Capital Gain**

1. Profitability

Merrimba	Area ha	Yield t/ha	Net Profit \$/ha
Wheat	1,623	2.30	274.93
Barley	410	3.70	265.06
Lupins	125	1.80	656.19
Canola	540	1.10	235.23
Beef breeding			18.00
Beef Trading			5.00
Merino			34.00

1. Profitability

Wingadee	Area ha	Yield t/ha	Net Profit \$/ha
Wheat	5,252	2.20	322.97
Chickpeas	2,056	1.60	386.21
Beef breeding			15.46
Beef Trading			17.00
Merino			38.00

1. Profitability

Netherway	Area ha	Yield t/ha	Net Profit \$/ha
Wheat	6,795	3.00	428.50
Chickpeas	3,089	1.60	321.49

1. Profitability

Overall	\$/ha	ROA
Farming	1,350	12.0%
Grazing	600	3.0%

2. Sector Productivity

Australian agricultural productivity

- **Total factor productivity measures total outputs over total inputs**
- **Cropping has achieved the highest growth in productivity with a strong innovative culture**

Total Factor Productivity 1978 to 2006	Ave. Annual Growth
Cropping	2.3%
Mixed crop/livestock	1.7%
Beef	1.4%
Sheep	0.3%

Source: ABARE March 2008

3. Technology

- **Moisture farming**
- **Tramline farming – 12 m or 24 m configuration**
- **Variable Rate Technology**
 - **Greenstar 2cm accuracy**
 - **EM38 surveys**
 - **Biomass mapping**
- **Involvement with CRC Spatial Information**

3. Technology



**Tramline
Farming**

**albeit
with
trees!**

3. Technology



**The
perfect
field**

3. Technology



Weedseeker

- 20% coverage
- <12 mth payback

4. Ability to systemise

	Owner managed farms	Employee managed farms	Difference
Crop gross profit/ha/100mm	\$34.20	\$37.19	109%
Livestock gross profit/ha/100mm	\$31.28	\$16.91	54%

Source: Holmes Sackett

5. Substitute labour with capital



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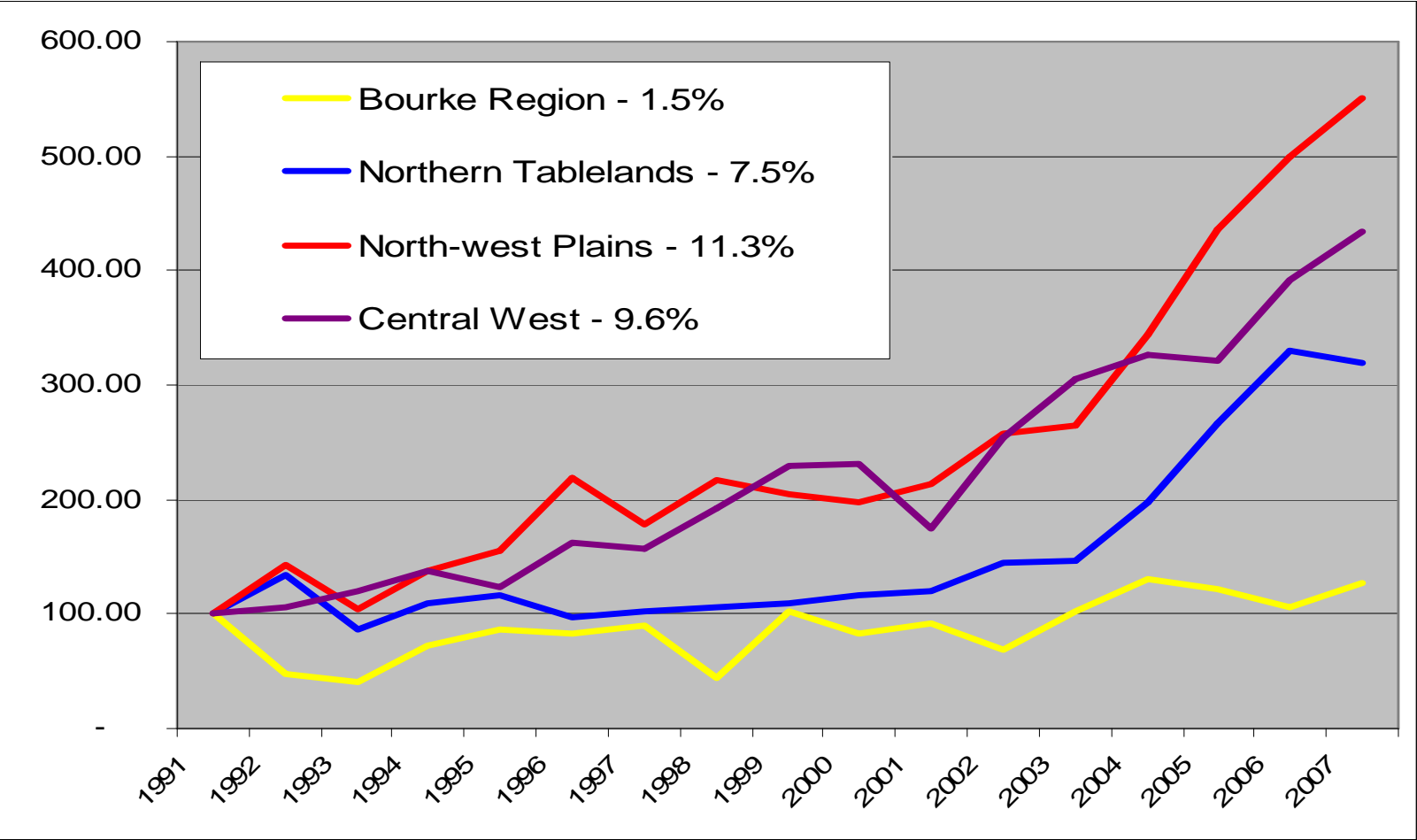


5. Substitute Labour with Capital



**A plug for
Gessner &
Incitec
Pivot**

6. Capital Growth



Where to from here?

Clearing scattered trees

- **Offsets required**
- **More efficient operations**
- **No broadscale clearing**

Where to from here?

Purchase additional farming country

- **High moisture holding capacity > 200 mm**
- **CEC > 35 and no chloride**
- **Ability to create scale**
- **Avoid mixed enterprises**

Where to from here?

Invest in grain storage

- **Logistics at harvest**
- **Blending**
- **Ease of marketing – known quantity & quality**
- **Grain of known origin**

Where to from here?

Opportunities in the supply chain

- **Speciality grains eg Durum & bread wheat**
- **Container export markets**
- **Niche grain markets, speciality millers**
- **Green grain – EMS by the end of 2010**

The end