

PULSE DAYS 2010

Saskatoon Inn
Saskatoon, Sk

January 12, 2009

Peter Wilson

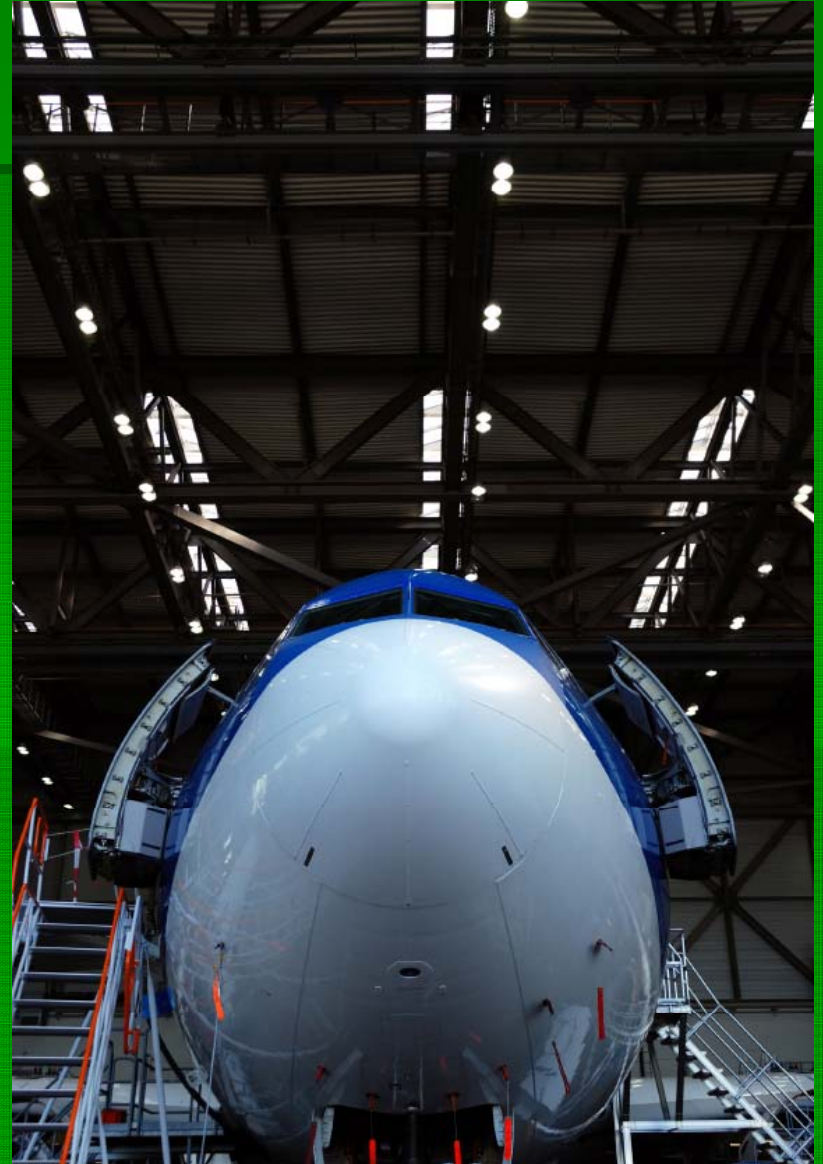
Manager – Global Supply Chain

JK International Pty Ltd

Discussion

- 2009 a year of massive upheaval or was it?
 - Change – How much can a Koala bear!
 - Financial crisis issues
 - Government Intervention at home and abroad
 - Commodities and agriculture maintained and potentially enhanced their shine
 - Supply fundamentals – A very liquid farmer
 - Demand fundamentals – A very cautious buyer
- 2010 the year ahead
 - We have reached a new paradigm in agriculture
 - The key is defining our various roles within same

Change



What Financial Storm?

- Crude - USD147 to USD40/BBL now USD80BBL
- DOW – 13000 to 8000 now 10500
- CAD – USD1.08 to 0.77 now 0.95
- AUD – USD0.95 to USD0.61 now .90
- Soybeans – USD16/Bu to USD8/Bu now USD10.50/Bu
- Corn – USD7.75/Bu to USD3/Bu now USD4.20/Bu
- Wheat – USD12/Bu to USD5/Bu now USD5.50/Bu
- Desi Chickpeas – USD700PMTFST to USD340PMTFST now USD480FST
- Yellow Peas – CAD9.75 to CAD5.00/Bu now CAD6.50/Bu
- Lentils
 - Reds – CAD45 to CAD24CWT now CAD38CWT
 - Greens - CAD31 to CAD21CWT now CAD35CWT
- Sea Freight
 - Container shippers bleeding out
 - Hire (Handy size) USD60,000 – USD5,000/day now USD20,000
 - Bunkers USD700 - USD200PMT now USD500PMT

"Financial Crisis" - Fallout

- Sovereign risk is improving in many areas
 - Indian FX reserves remain very strong
- Contract execution difficulties remain due to higher prices and greater volatility
- Insurance cover starting to improve after crisis
- Working capital tighter and more expensive
- All the above = greater risk premiums to trade

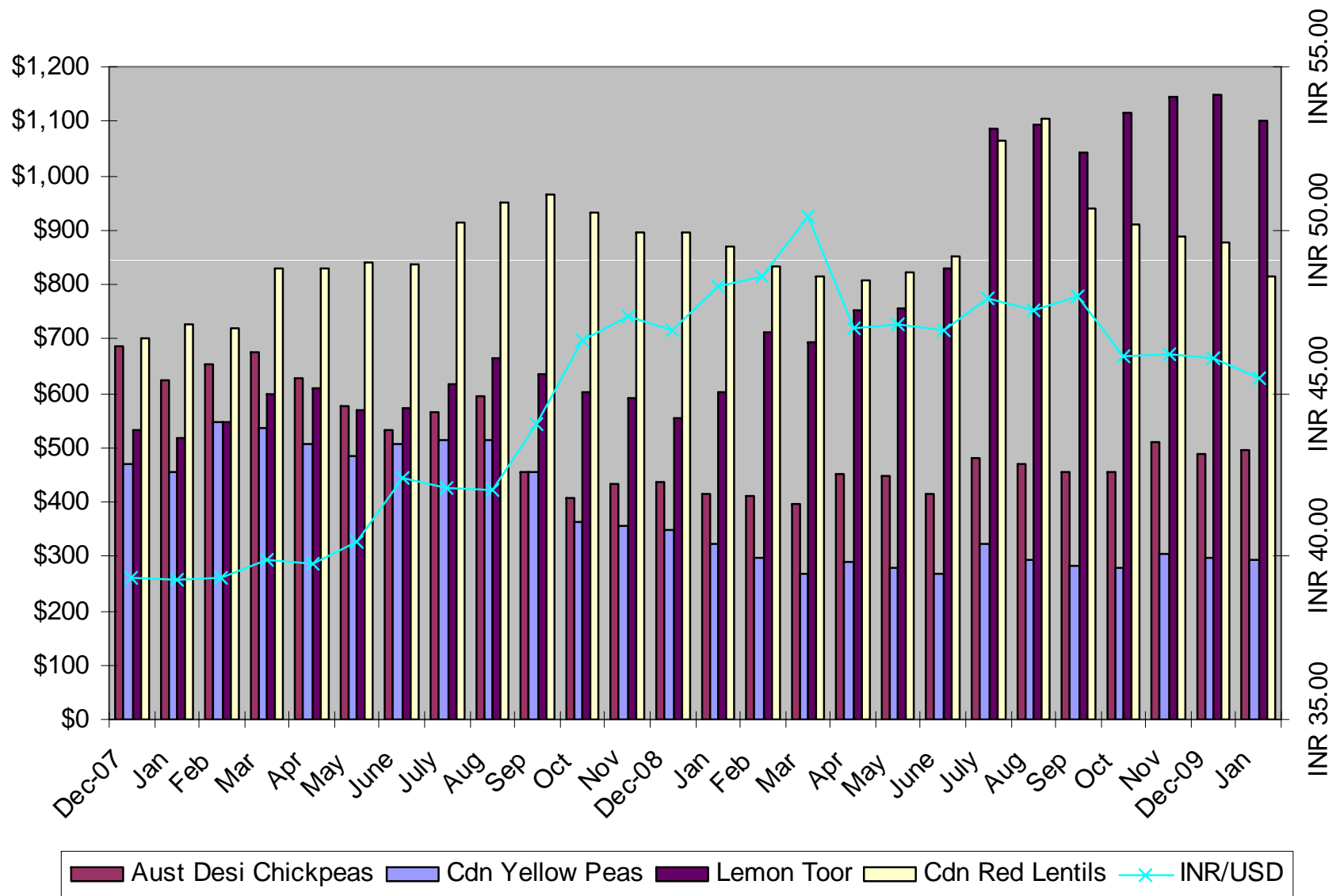
Government Intervention

- Indian Government slowly digesting large high priced imports
- Private sector business starting to recover.....but watching the Government closely!
- Government involvement makes the market even less predictable than usual
- What impact climate change policies

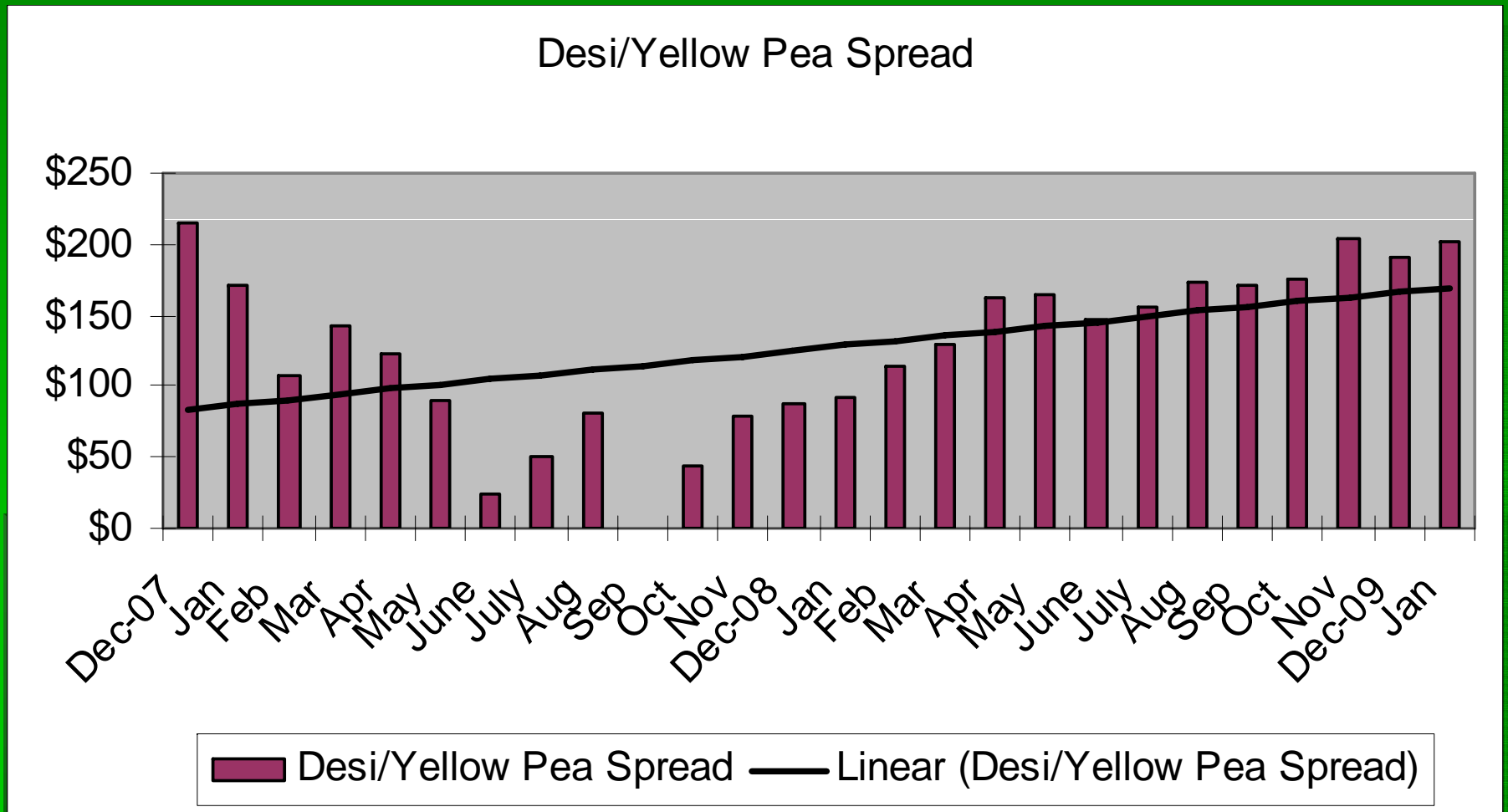
Supply and Demand snapshot

- Indian sub-continental demand continues to grow.
- Alternative supply sources are adequately meeting the demand challenge laid down.
- Markets seem to be anticipating that India will maintain average rabi pulse production this year.

Mumbai Market Prices USD CNF



Desi/Yellow Pea Spread



Summary

- Carefully evaluate on farm business risks
- Canada is the big supply game in town
- India is the big demand game in town
- Pulses and peas specifically important part of all farmer's agronomic and marketing rotations.
- The GFC - The fat lady hasn't sung yet!
- Gross margin comparisons to alternative crops hold the key....everywhere!