



Macquarie Agribusiness

## Adviser update

Welcome to the regular adviser email that enables you to keep up to date with what is happening in the agribusiness space and investment solutions available for your clients.

With 30 June just around the corner, don't hesitate to contact your dedicated agribusiness BDM for more information.

### Macquarie Agribusiness goes from strength to strength

We continue to build on our expertise and commitment to investors in the agricultural space. By bringing together our wealth of experience we now have approximately \$1 billion in funds managed or committed across forestry, almonds, viticulture, dairy and pastoral businesses with a 150 strong team which manages more than 3 million hectares of land.

As part of a large, diversified financial institution, Macquarie Agribusiness is able to provide a long term commitment to managing your client's investment. Investors also receive the benefit of the comprehensive risk management of operational framework of the Macquarie Group.

Read the  
media  
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## Market update

### Wood Chip Export Prices in Australia remain strong

The 2009 benchmark woodchip price for export to Japan has been agreed. Notwithstanding the current global economic conditions, a price of A \$207.40 per bone dry metric tonne (BDMT), free on board (FOB) was maintained, representing a considerable achievement for the Australian hardwood plantation sector and investors. The price achieved for plantation based hardwood woodchips continues to reflect the premium paid over native forest based woodchips.

At this time, the price will affect the first half of 2009 only rather than the normal full year, and a new price will be negotiated by Australian suppliers for the second half of 2009. Industry spokesmen believe the quality of Australian product, the fact that Australian hardwood woodchip is preferred in the Japanese market and our relative cost competitiveness will all be factors taken into account when the time comes to set a new price for the second half of the year.

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## Water update

Final seasonal allocations for the 2008/09 season were announced on 1 April 2009, with the availability of an additional 1% allocation in the Goulburn system to 33% of high-reliability water shares (HRWS). The Murray system recorded a final HRWS allocation of 35% for the 2008/09 season.

The first seasonal outlook for the 2009/10 season indicates that the February 2010 Allocation outlook in the Murray catchment would be 100% of HRWS if average inflow conditions are present and a 38% allocation in the event of dry inflow conditions. The Goulburn catchment would be at 100% and 48% under average and dry inflow conditions respectively.

The next allocation outlook update for the 2009/10 season will be updated by GMW on 15 May 2009. The first seasonal allocation for 2009/10 will be announced on 1 July 2009.

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## Project update

### **Forestry**

We are pleased to report that inventory measurements of tree growth from our 2003 and 2004 projects are currently exceeding expected growth rates as set out in the PDS. Whilst tree growth rates from the 2005 project have not yet been obtained, the severe drought and frost conditions present at the time of planting in that year are expected to reduce expected tree growth.

### **Almonds**

The first harvest for the Almond projects is currently underway at the orchard and we are pleased to report that yields are expected to exceed targets\*. To view a video update, [click here](#).

\*As set out in the product disclosure statement dated 2 March 2006 for the Macquarie Almond Investment 2006.