

Media Release

May 16, 2007



Wellard Rural Exports has launched an innovative new range of forward contracts for export dairy heifers, providing farmers with greater certainty, security and opportunity.

The forward contracts enable farmers to lock in prices for suitable Friesian heifers up to a year in advance, with agreed delivery dates also predetermined.

Wellard Rural Exports managing director Steve Meerwald said the contracts acknowledged that rearing heifers to export specifications was a major investment for farmers, but also a risk if there was no guaranteed market.

“The Wellard Rural Exports forward contracts are a great risk management tool. They give the opportunity for farmers to lock in a price, lock in a delivery date, and receive a deposit for the sale of the heifers,” Mr Meerwald said.

“They offer a great combination of certainty and opportunity.”

Farmers who take out the contracts will be paid a \$100 deposit on each contracted heifer by Wellard Rural Exports.

Mr Meerwald said Wellard Rural Exports’ ability to offer the forwards contracts to farmers stemmed from its close links with its overseas customer base and a close working relationship with Siba Ships, to guarantee livestock vessel availability.

“Siba Ships operates the newest, the most technologically advanced and the largest livestock vessel fleet in the world, enabling Wellard Rural Exports to establish a shipping schedule to meet the needs of both our farmer suppliers and importing clients,” he said.

Wellard Rural Exports is seeking heifers which are:

- True to type Friesian heifers
- 300-350kg at time of contract
- 400-450kg at delivery (Oct 07 – May 08)
- NLIS tagged
- Unjoined or joined to buyer’s specifications.

Wellard Rural Export’s experienced dairy export team will work with farmers to select cattle suitable for forward contracting, to reduce the likelihood of type rejection at the time of delivery.

In addition to its forward contracts, Wellard Rural Exports is currently sourcing 320-380kg heifers for immediate purchase and delivery, and will continue to source heifers for spot purchase throughout the year.

“Farmers may choose to forward contract a certain percentage of their surplus heifers and sell the remainder through traditional spot pricing as orders are announced, or may stagger the delivery times of forward contracts to give themselves both flexibility and a guaranteed price,” Mr Meerwald said.

The forward contracts were designed by Wellard Rural Exports to provide a superior product offering for its newly created dairy division.

Wellard is Australia’s largest cattle exporter. The company’s regular shipments of beef cattle from northern-Australia to the south-east Asia enabled it achieve that mantle.

“Now we are using the same commitment to innovation which has built our beef cattle exports to grow our dairy division,” Mr Meerwald said.

“We anticipate strong demand in Australia and New Zealand as the benefits the contracts provide attract farmer attention.”

The operations of Wellard Rural Exports’ dairy division will be run by David Lumsden in south-eastern Australia.

Mr Lumsden, who is based in Warrnambool, has experience in both dairyfarming and in the supply of dairy heifers to export markets.

David will be travelling throughout the dairy regions of Victoria, the Riverina and the south-east of South Australia to source suitable heifers, and to discuss the details of the forward contracts with interested farmers and agents.

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