grain tab

crm AGRI

2019/20 STRATEGY RESULTS

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CRM AGRI-COMMODITIES

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RESULTS 2019/20 MARKETING SEASON

5 years of results vs AHDB ex-farm average price

+£9/T Wheat

+£10/T Barley

+£15/T OSR

FUTURES FACTS

£41.55/T

Wheat Price Range

£129.75/T

Season Low

27%

Volatility vs Average Wheat Price

16.2MT

UK 2019 wheat crop

OVERVIEW

CRM agri's strategies have continued a strong track record of returning value to our members throughout the 2019/20 marketing season. We have continued to invest in the core of our business which remains market analysis and strategic advice, with an expanding team, a new website and greater global insights through our global research network.

Further to this we have continued to develop the statistical and quantitative models and analytical techniques that have helped improve the timing of advice which has helped to ensure strong overall performance. This technique has highlighted the value in combining both fundamental and technical analysis within the research and leading to results of £9/T above AHDB benchmarks for wheat and £15/T for OSR since CRM Agri began producing strategies in 2014.

WHEAT AND BARLEY

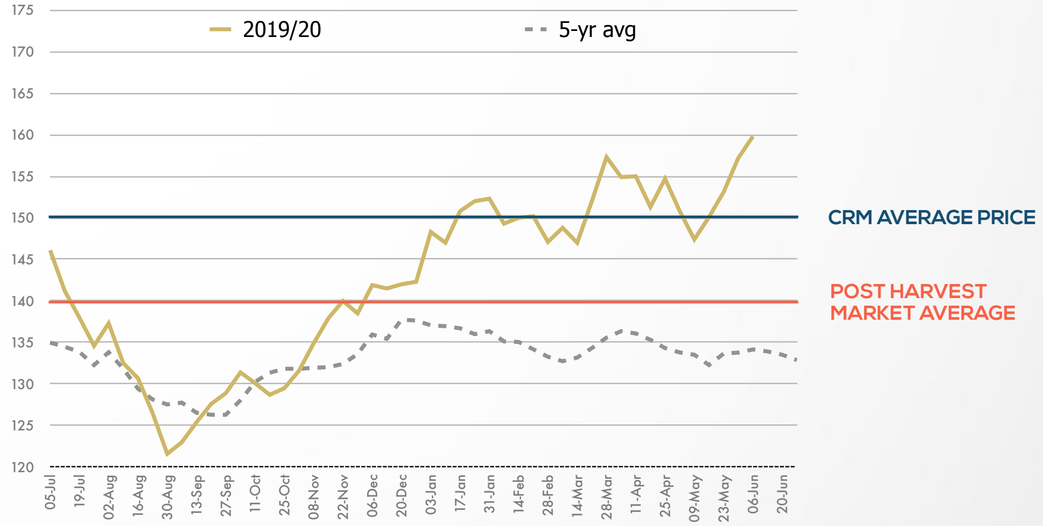
We are pleased to report strong strategy performance in another challenging year for marketing grains and oilseeds with both Brexit and Covid-19 creating additional uncertainties and risks which required a proactive marketing approach. Wheat sales were once again above the market average as well as the five year average and much of that was down to avoiding harvest pressure with strong forward sales ahead of a large forecast crop and a rush to export ahead of any Brexit related trade disruption. Wheat prices saw a range of more than £40/T during the marketing season.

OPTIONS

The use of 'put options' throughout the harvest period proved successful in protecting downside until yields were known and removing any pressure to be selling into the 'harvest market'.

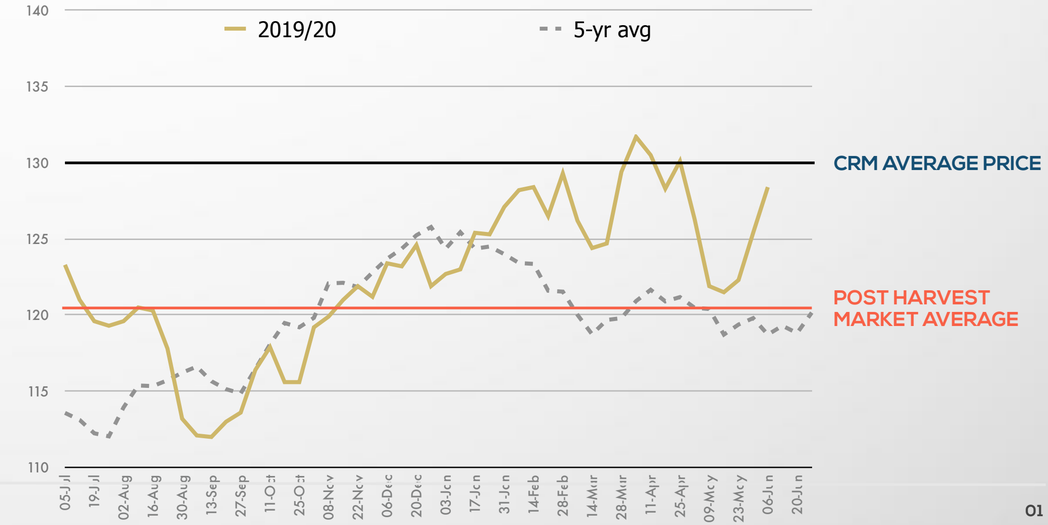
WHEAT

2019/20 Feed Wheat Strategy Results vs AHDB ex farm prices



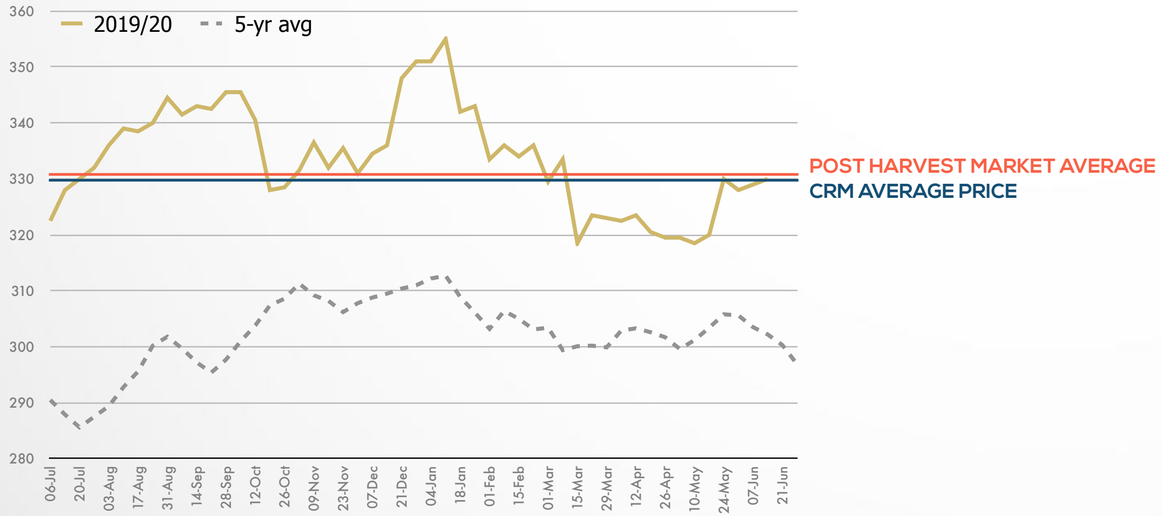
BARLEY

2019/20 Feed Barley Strategy Results vs AHDB ex farm prices



RESULTS 2019/20 MARKETING SEASON

RAPESEED 2019/20 OSR Strategy Results vs AHDB delivered prices



OSR

The marketing season for rapeseed was unprecedented due to significant currency, crude oil and biodiesel market volatility as a result of Covid-19 and Brexit.

With 65% of UK rapeseed being used for biodiesel this season, a drop in crude oil prices from + $40/bbl to minus $40bbl in a matter of weeks was not expected by anyone and dramatically adjusted the risk parameters for biodiesel and subsequently rapeseed prices. Pre Covid-19 we were bullish to OSR prices based on tightenings stocks and remain bullish to OSR fundamentals, however the severe volatility and unprecedented moves in wider energy markets led us to take a more cautious stance and sell the remaining crop into a depressed market during the Covid-19 outbreak without knowing how long it would last and with time restrictions limiting our ability to use price insurance. Despite this, the strategy has maintained a good average price due to strong early season sales and preserved a long term track record £15/T above the AHDB market average since 2014.

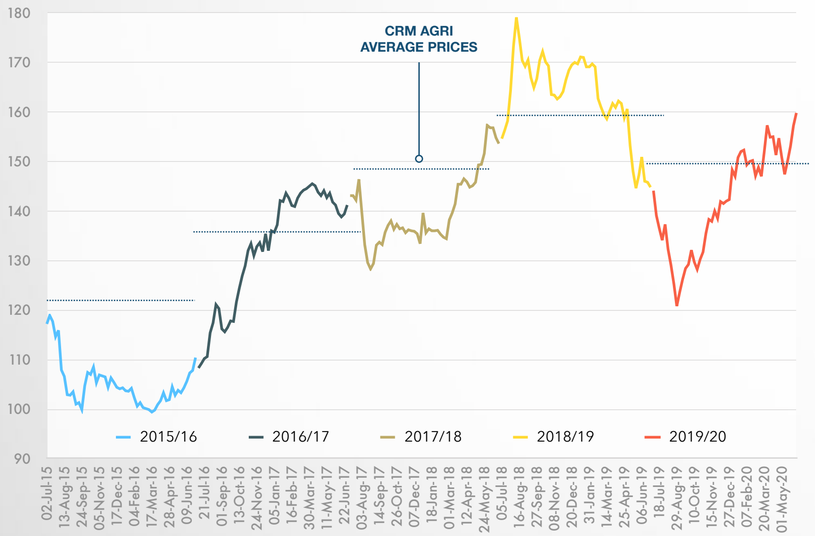
Performance data quoted represents past performance and is no guarantee of future results. Results are benchmarked against AHDB corn return prices basis East Anglia. Individual results may be higher or lower depending on your local markets. Returns are based on full season marketing which may include forward marketing ahead of plantings to a reasonable level considering historical yield volatility. The marketing strategies assume the availability of storage and are based on the realistic cash flow and storage requirements of a UK business. Bespoke marketing advice is available for tailored strategies and results may vary. All results are net of marketing costs.

The Strategies are benchmarked against AHDB corn return average prices. Under the AHDB Order (2008) it is mandatory for buyers of more than 1,000 tonnes of UK grown cereals a year to provide information on a weekly basis. The ex-farm prices therefore provide a transparent industry benchmark for market prices from harvest.

Call us to discuss your individual requirement or marketing strategies: 01223 608910 | info@crm-group.co.uk

PAST RESULTS

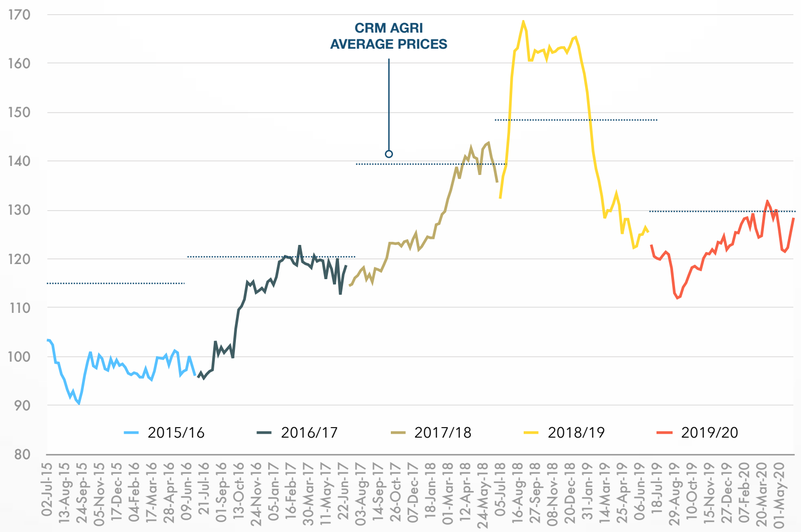
Ex-farm Eastern England **FEED WHEAT** (in £/T)



+£9/T

Vs avg against ex-farm average price

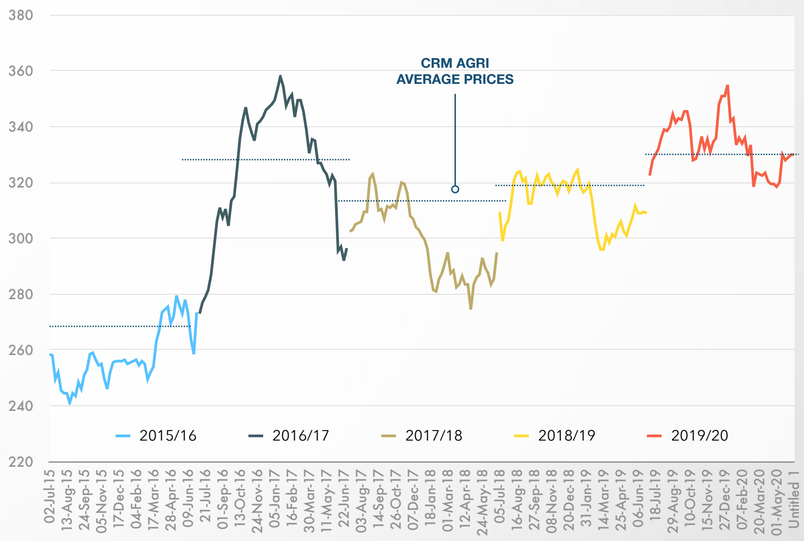
Ex-farm Eastern England **FEED BARLEY** (in £/T)



+£10/T

on avg against post-Harvest average price

Delivered Eastern England **RAPESEED** (in £/T)



+£15/T

on avg against post-Harvest average price

Past results are no guarantee of future performance

STRATEGY COMMITTEE

JAMES BOLESWORTH
Managing Director | Head of Strategy

With a decade spent in grain markets providing strategic market and risk management advice to agribusinesses across the UK, Europe and Black Sea, James oversees the strategic decisions made within the CRM Agri marketing strategies as well as directly advising agribusinesses and managing the business strategy of CRM AgriCommodities. James holds an Investment Advice Diploma from the Chartered Institute of Securities & Investment and a degree in Business Management (International Agribusiness) from the Royal Agricultural University.

RICHARD WHITLOCK
Strategy Consultant

Richard spent 35 years in the agricultural merchanting sector trading combinable crops. He started with Sidney C Banks Ltd ultimately becoming grain director. Following mergers he joined Banks Cargill and subsequently Frontier Agriculture. He has been a director of the AHDB crops board, vice chairman of LEAF, chairman of TASCC, and chairman of the Oxford Farming Conference. In October 2020 he will be installed as The Master of the Worshipful Company of Farmers, one of the City of London Livery Companies.

PETER COLLIER
Market Analyst

Peter joined CRM Agri from the AHDB Market Intelligence department, where he worked closely with the AIC. Peter uses the experience and skills gained to cover the global and domestic commodity market drivers. Conveying the research that goes into formulating our strategies alongside creating research material. Peter comes from a science background having studied biological sciences, followed by a masters in sustainable agriculture and economics from Exeter University.

Speak to our team - info@crm-group.co.uk / 01223 608910