

GrainCorp Storage & Logistics

Rail Freight Futures Australia

Rail Freight Alliance – 10th October 2014



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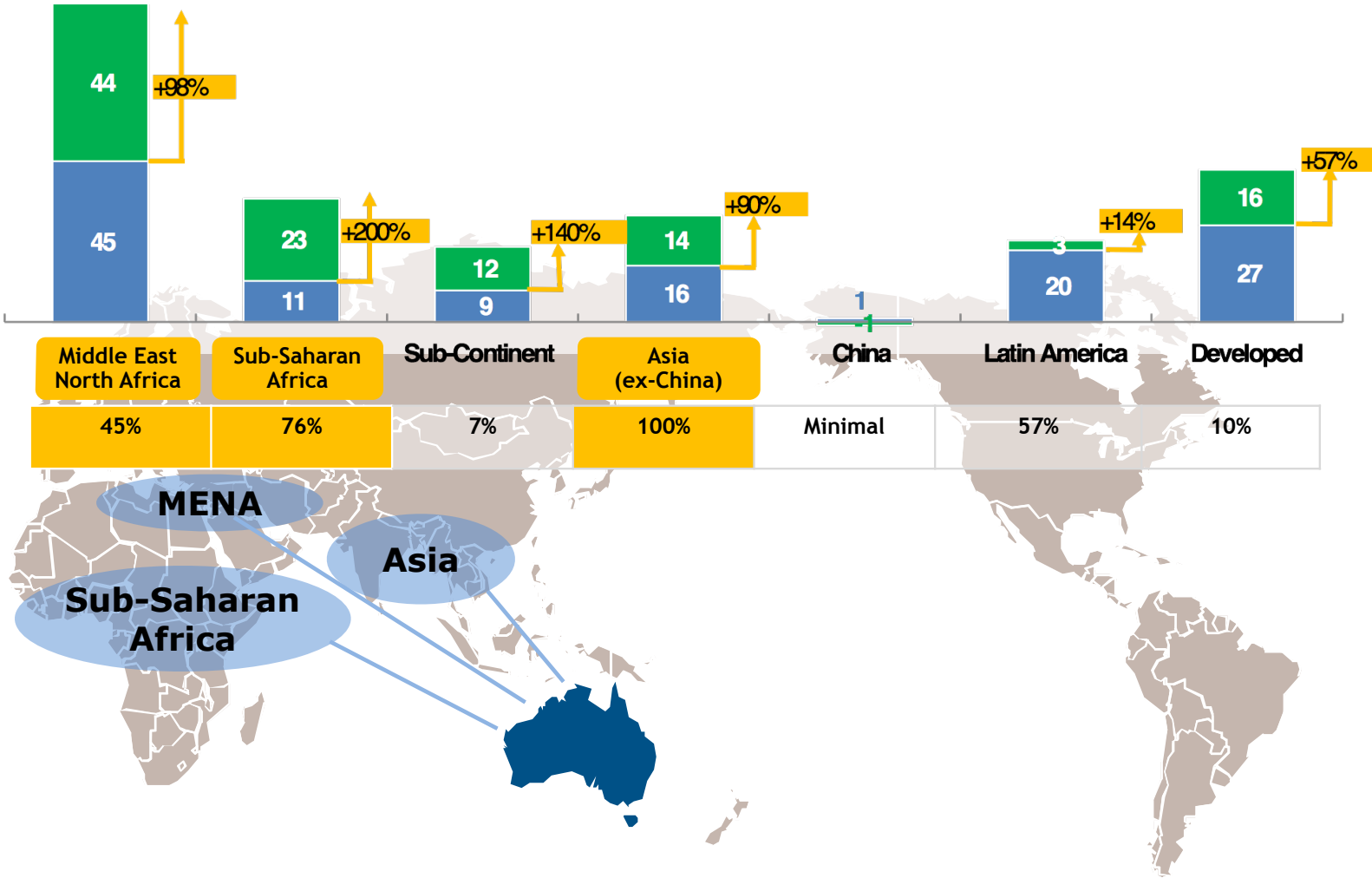


The grain opportunity at our door step



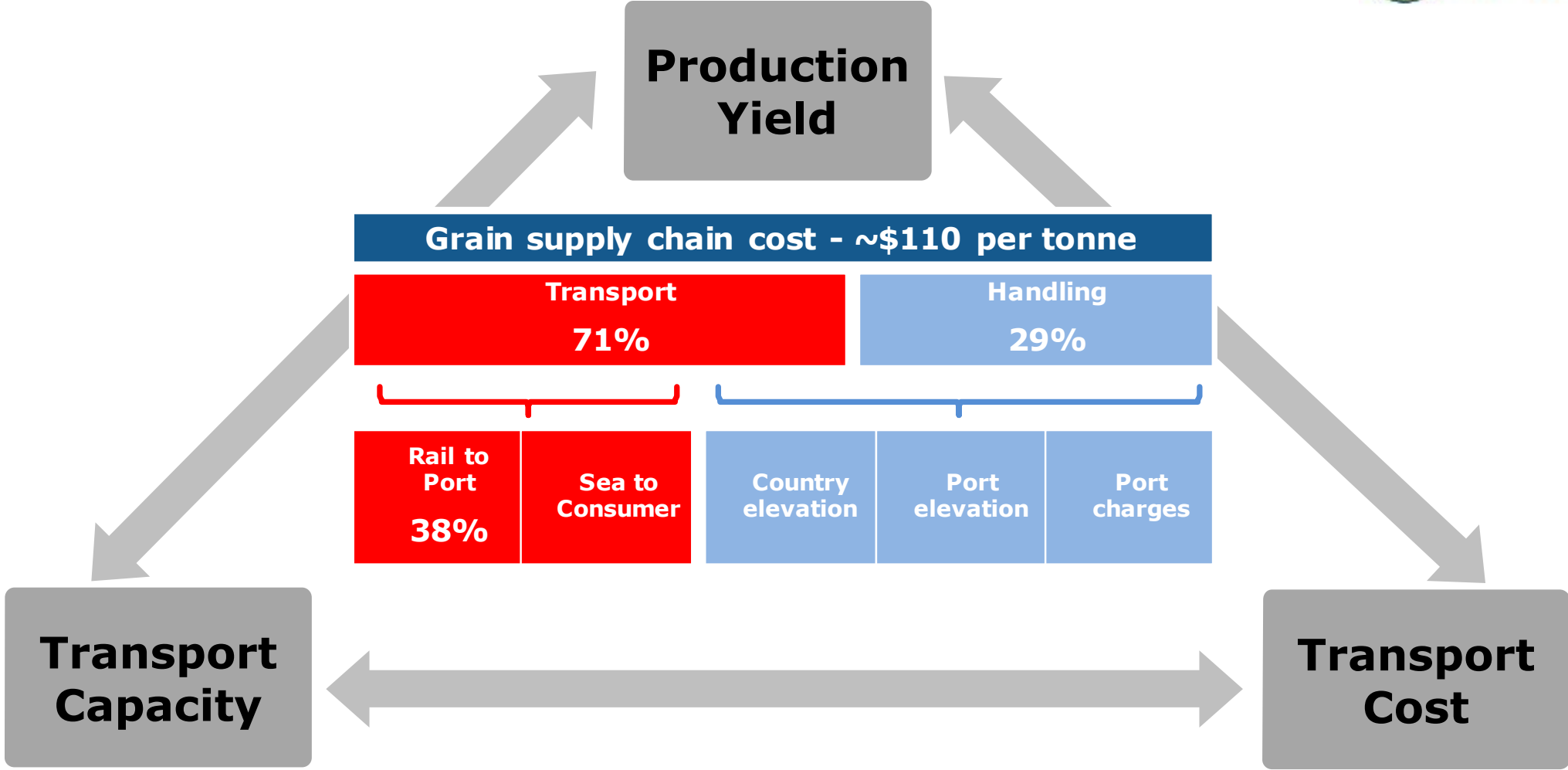
Projected World Wheat Imports Growth to 2050

Import Wheat Consumption Share



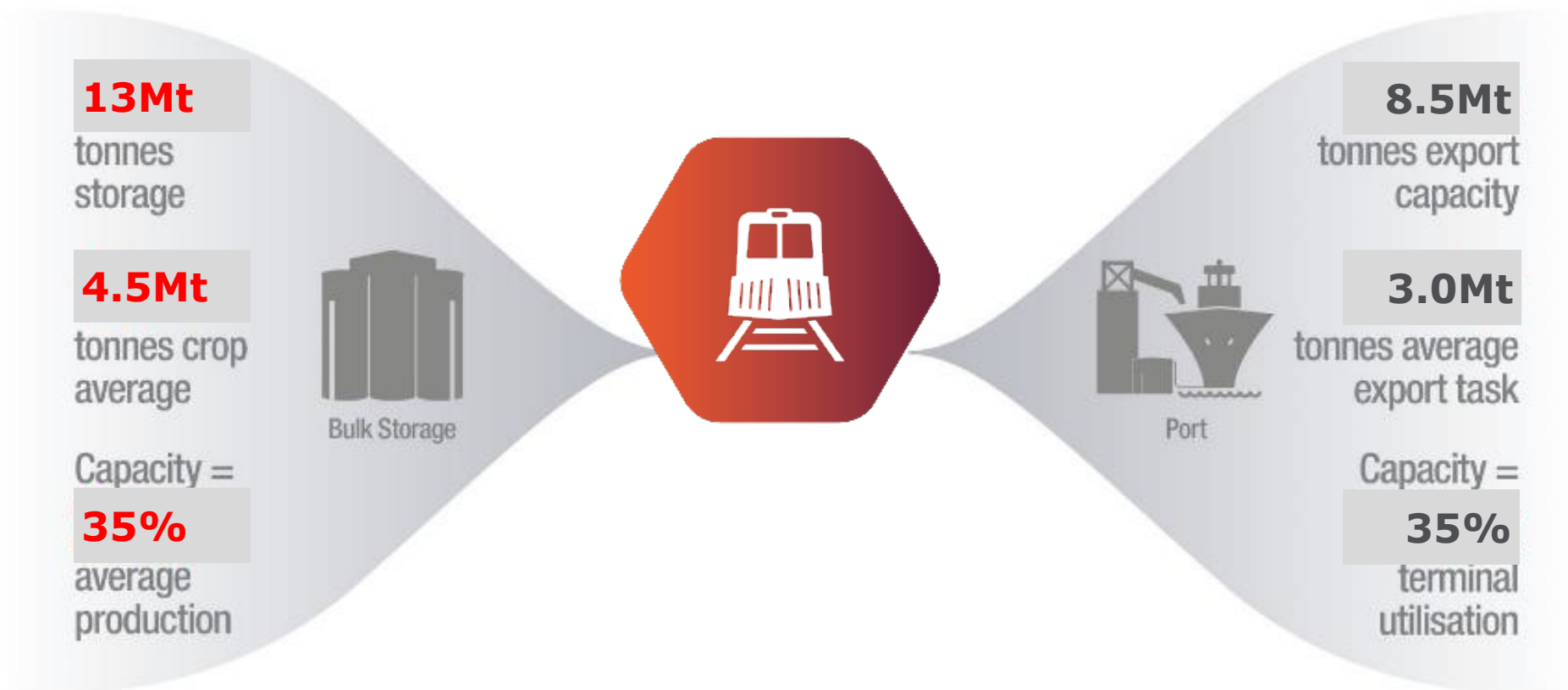
Sources: USDA, US Wheat Associates

What is holding us back?



Sources: Farm Institute

Rail, not grain handling, is the 'bottleneck'



All figures refer to Victoria (for major grains including export container packing)

1. High Rail Cost



\$10/t
above
best practice



Additional Cost
to Victorian growers
~\$45 million pa

2. Rail Operating Complexity

Multiple grain owners

~17 owners at every site

Front-ended programme

80% exported in 6 months

Complex rail operation

Track 2 gauges
2 track owners

Rail 3 rail providers



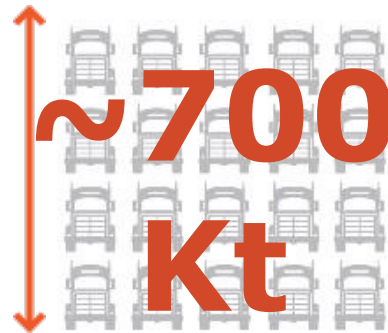
Low rail utilisation

Accessing railable grain parcels

Variable export task

Inability to move resources

3. Less Rail Capacity



More trucks

- Higher transport cost
- Delivery complexity
- Less export capacity

+ community impact

- Road repair costs
- Reduced road safety

All figures refer to Victoria (for major grains)



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Project Regeneration

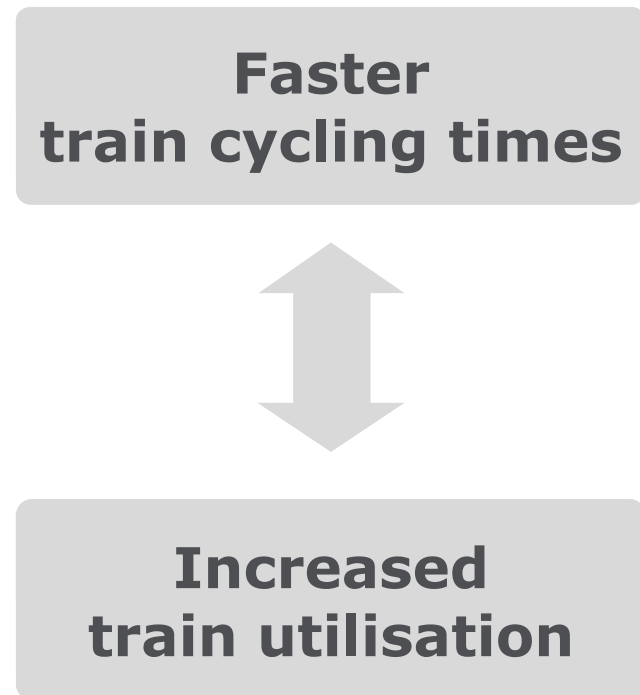
Reduce rail
cost by

> \$5_{pt}

**1 million
tonnes**
of grain
returned to rail



Driving improved rail performance



1. Upgrade rail capability



**\$200M investment
across network of
Primary Sites**

New facilities

- Fast elevator
- Pre-position bins

Update existing

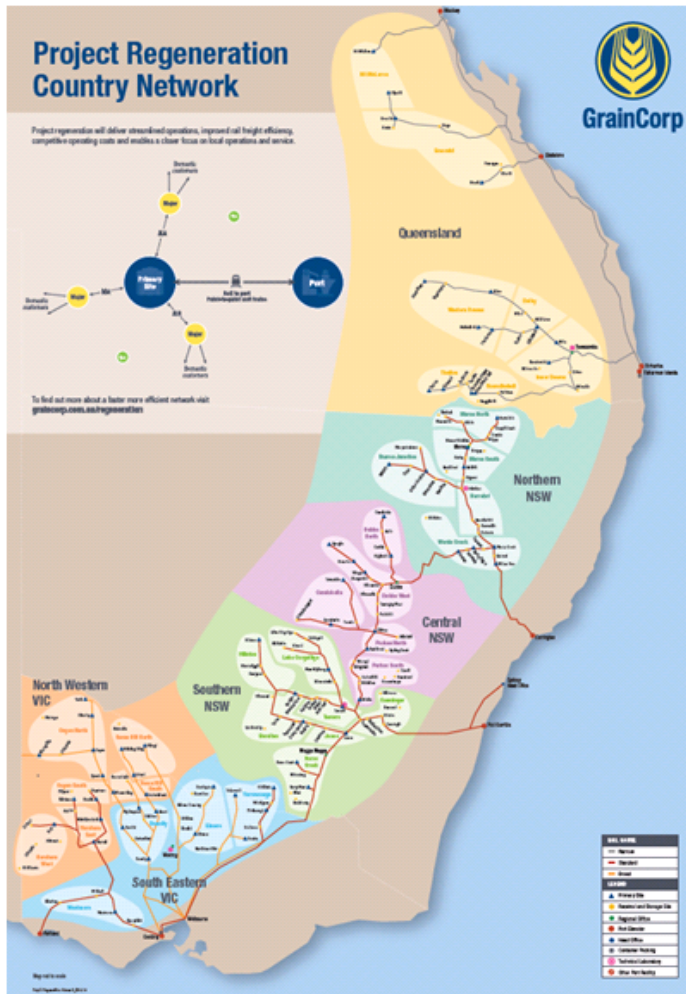
- Convert silo(s)
- Automation

**Support new
efficient and reliable
rail operating model**

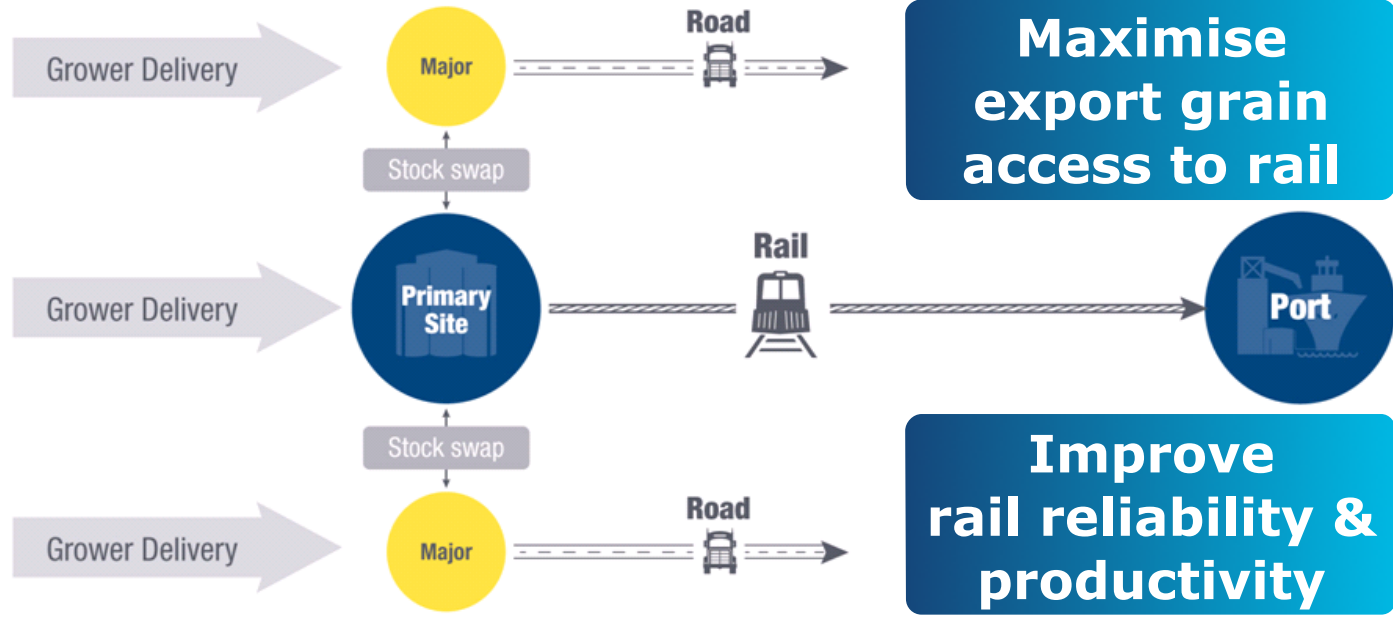
Faster cycling trains

- Export rail from Primary Sites
- Pre-positioning grain for loading to rail
- Fast loading trains from a single point
- Operating point to point unit trains

2. Simplify rail logistics



Bundled handling & transport



Maximise export grain access to rail

Swapping grain to rail sites

Improve rail reliability & productivity

Government supporting investment required



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**Upgrade government owned sidings +
Flexible track operating arrangements**

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**Increasing track payload
Gauge standardisation**