

# Elders catches fire on stock exchange

BY CHRIS MCLENNAN

THERE was no stopping the popularity of Elders Ltd this week, with a mighty 3.5 million shares traded in the company on Tuesday.

With share prices staying high above \$13, the value of trading in the company on the Australian Stock Exchange saw about \$46m changing hands.

Elders Ltd caught fire on Monday after a stunning lift in expected profits was announced to the ASX.

By the time investors had caught on, the share price drove up more than a dollar as 2.1m shares were traded.

Cashed-up farmers have been racing into their Elders stores ahead of time to buy up critical farm inputs "seeking to mitigate the risk of instability in supply chains".

That's just one of the reasons for the surprise profit lift, according to Elders managing director and chief executive Mark Allison.



**HEADY TIMES:** Elders managing director and chief executive Mark Allison expects profits to jump up to a third this year, on the back of last year's \$150 million profit.

"We have seen improvement in our retail and wholesale segments compared with the same time last financial year due to increased sales and favourable seasonal conditions in most parts of Australia," Mr Allison told the ASX.

Elders now expects its

profit this financial year will be up to a third higher than last year.

The agribusiness reported a \$149.8m profit last financial year, a 22pc rise on the year before in a big turnaround for the once-struggling company.

Mr Allison said it was now

forecast the company's result would be 20-30 per cent above the earnings (before interest and tax) of the previous year.

The 2021 financial year result (EBIT) was \$166.6m so the new forecast places the expected result at about \$200-\$216m for 2022.

## Revived export hay sites hungry for hay

HAY export sites brought to their knees, one by Chinese authorities and the other by a political scandal, have bounced back and locals at Avoca and Griffith, NSW, say the only thing holding them back now is finding enough hay and staffers.

Pyrenees Hay's Avoca site in was among the 25 of Australia's 28 hay export facilities whose licences were not renewed by China in February 2021, forcing the site to close for a couple of months.

Just weeks earlier in December 2020, Pyrenees Hay had bought a shuttered hay exporting site at Griffith, making it the only export hay supplier in the NSW Riverina and one of the three remaining sites in the country licensed to export hay to China.

The plant had been closed for a couple of years but not before disgraced NSW politician Daryl Maguire got entangled in the attempted rescue of its part owner, UWE, which went into liquidation in 2018.

Despite all that, the owners, a small group of farmers

and export firm Standard Commodities, have engineered a turnaround for both sites that is now only limited by the availability of hay and employees.

The Griffith site has already grown from dispatching four 40-foot shipping containers of oaten hay a week to China to nine or more, site manager Troy Evans said.

"We've basically doubled production since it reopened in April and we want to get bigger, we're just looking for more farmers to grow hay for us," he said.

The staff at Pyrenees Hay tease out and blend hay supplies to match the nutritional specifications of individual orders.

General manager Julie Bartlett said it allowed the company to accept a wide range of hay supplies.

She said the main requirements were a feed test showing water-soluble carbohydrate of at least 18 per cent and neutral detergent fibre of no more than 56pc.

Slightly moisture-affected hay could often be worked in with higher quality-hay.

— MARIAN MACDONALD



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