



JOINT PRESS RELEASE

Embargoed until 9.00am Thursday, October 6th

CAMGRAIN APPOINTS GRAINFARMERS AS MARKETING AGENT

Camgrain – the UK’s largest single storage farmer co-operative - is set to appoint Grainfarmers as marketing agent for 120,000t of member grain from harvest 2006.

The move brings the total central store tonnage managed by Grainfarmers to almost 0.5 million tonnes and improves the company’s ability to meet consumers needs supplying value-added crops nationwide.

Under the new agreement, Camgrain’s, Linton-based store is viewed as the hub of what is now a network of ten central stores that Grainfarmers will manage for farmer co-operatives spread between Aberdeen, Kent and Cornwall.

Subject to formal confirmation of the agreement, Grainfarmers will take over responsibility for marketing all wheat, oilseed rape and pulse crops currently marketed by Fengrain. Gowlett Grain, will continue to market malting barley and oats on behalf of Camgrain.

“As the UK’s leading farmer controlled marketing business, Grainfarmers are regionally and nationally strong and have a significant commitment and understanding of central storage,” says Camgrain chairman, John Latham.

“The move will open up significant value-added markets to our 300 members from customers who are increasingly looking for one company sources to meet their nationwide supply needs.

“It will also bring economies of scale and improve the cost-effectiveness of our storage and marketing operation.

“Financial security, store capital asset retention, and the possibility of more integrated haulage solutions, as well as a seamless change, were all important considerations in our final decision to appoint Grainfarmers,” he says.

Grainfarmers chairman, Andrew Christie-Miller said that he was delighted with the decision. “Geographically, Camgrain couldn’t be better placed from our point of view and, after discussion with their Board and members, it is clear we have a shared vision.

“With the decline in investment in on-farm storage, central storage is becoming increasingly important to consumers who are looking to deal with fewer, but larger groups of suppliers, who can supply a consistent quality of grain.

“There appear to be plenty of synergies to work on in the coming years and we will be looking to support the store through investment in addition to providing marketing services,” he says.

Over the last couple of years, Aberdeen Grain and Union Grain have taken on Grainfarmers as marketing agent and, in the south of England, Weald Granary, Hampshire Grain and Wiltshire Grain have benefited from significant expansions in storage and processing facilities.

Camgrain’s Board held a series of farmer-member meetings prior to the decision and will be formally introducing Grainfarmers to all members at a meeting on October 19th.