

SQP PRICE LATER CONTRACT – APW WHEAT



Highlights:

- ✓ Simple flat price values
- ✓ Rapid cash advance
- ✓ Multiple pricing opportunities
- ✓ Express final payments

A price later contract allows growers to receive a harvest advance and participate in post-harvest market movements (both up and down). Growers can fix the price on their contracted volume in parcels greater than 100mt (eg. a 500mt contract could be priced in 5 separate lots).

How does a price later contract work?

The grower enters into a forward or cash contract but does not lock in a fixed price. Upon delivery or transfer, SQP advances a payment equivalent to \$140/mt port less freight (basis APW grade). The grower then has until 30th September 2010 to lock in a price, as agreed with SQP.

Deductions of \$2.00/mt will be incurred each month to cover the cost of carry (bank interest & bulk handling monthly storage charges) on the 1st day of each month from payment until pricing. In the event the daily cash bid falls below the harvest advance, the contract will be automatically priced unless a “reset” is requested, whereby a new advance price will be agreed upon and the difference payable back to SQP.

Contract size:

The minimum contract size for price later contracts is 100 metric tonnes, with min/max tolerance (meaning actual tonnage delivered must equal the exact tonnage contracted).

Where can I deliver?

Delivery can be made to any up country or port-terminal silo within the Graincorp, ABA, ABB or AWB Grainflow storage network within your nominated market zone on your contract. Deliveries direct to the port-terminals in your nominated contract zone are allowed, however a discount may apply.

Payment terms:

Growers will receive the harvest advance within 21 days from end of week of delivery or transfer. The balance of the payment will be made within 7 days from the end of week of fixing the price.

Receival Quality:

All major wheat grades can be delivered onto the SQP Price Later Contract, with the advance and final price adjusted to reflect the actual grade. All wheat receival specifications are as per GTA.

Location Differentials:

Your contract price is quoted on a port basis so deliveries made to up-county delivery sites will incur a location differential adjustment to take account of the freight cost in moving grain to port. The location differentials used will be as per GTA published rates, and can be located in your SQP Harvest Manual.

Levies:

SQP will deduct relevant statutory or research levies from your contract payment.

How do I enter into a price later contract?

Contact your nearest SQP office in Ballarat on 03 5331 4943 or Horsham on 03 5381 0512.