

INSIGHT

MID YEAR EDITION - JULY 2011



SQP welcomes Brad Cullen to our team. He brings with him a wealth of experience gained from key roles both in Australia and overseas.

Brad speaks about himself below.

I've worked extensively in agriculture throughout Victoria in various roles. Born and raised on a dryland cropping property at Manangatang, I attended Dookie College and gained a Bachelor of Applied Science in Natural Resource Management.

After College, I worked for AWB in the Grower Service Centre and then for PriceWaterhouseCoopers in London in a risk management role.

Upon returning to Victoria, I worked with the Department of Primary Industries in Swan Hill helping horticultural farmers, before returning to AWB in a grain marketing role.

I then moved into a rural finance manager role at Horsham for 2 years before returning to work on the family farm.

Excited to join SQP

I'm really excited about working both in the Mallee and for SQP. I pride myself on my integrity and openness, and will certainly be open to any suggestions that growers may have (as long as it's nothing to do with barracking for Collingwood). As a passionate Essendon supporter and an absolute hacker of a golfer, I look forward to meeting you all.

WELCOME TO WINTER

What a time it is in the Australian grains industry!

We are in a particularly volatile period for grain globally - Russia recently announced that it would lift its export ban from 1 July, and a delay in Canadian plantings suggests that its production levels may be reduced. Weather patterns, both locally and internationally, will continue to be a major topic of conversation for our industry.

Shift to wheat and canola in Victoria

This year's Victorian sowing program is all but finalised, and with the current conditions it is shaping up to be a reasonable sized crop. Whilst wheat and canola plantings have increased, barley plantings are slightly reduced this year, and lupins have been cut significantly.

Growers have confronted a few difficulties, with rodents damaging many newly sown crops and replanting being required in conjunction with baiting programs. Regarding grain varieties, we are seeing a continual shift for barley

towards Hindmarsh and a reduction in the acreage planted for GM canola.

We trust that you have gotten off to a good start for the 2011/12 season. As always, if you have any questions regarding anything you have read in this edition of *Insight*, or SQP's business in general, please don't hesitate to call our friendly staff on (03) 5331 4943 or visit our website sqqgrain.com.au

Ben Fleay
Managing Director
SQP





SQP CO-OPERATIVE NEWS

WERNETH GRAIN STORE GETS GO-AHEAD



On 28 April, the Golden Plains Shire Council issued SQP Co-operative Ltd a planning permit to build a Grain Storage at Werneth; this followed a VCAT decision on 18 April to uphold the Shire's initial decision to issue a permit. In developing the Werneth site, SQP has been driven by the need to fill a gap in the local delivery zone. We also want to give farmers, and in particular members of the SQP Co-operative, direct input into the day-to-day operations of the new site. With this in mind, we are establishing a Werneth Storage Committee, made up of site management, farmer investors and delivering growers.

Aim to open for 2011 harvest

Since the Shire permit was issued, we have been working hard to establish a timeline that will enable Werneth to open in time for harvest in 2011. The earthworks on the site have already commenced. SQP needs to remove the topsoil before it gets too wet, and then conduct moisture testing of the clay. If it is dry enough, we will then conduct further excavation and compaction works.

The Werneth store, with a planned capacity of 40-60,000mt, will be able to take grain at a faster rate per bunker than any other up-country site in the near vicinity.

Major step for SQP

For the greater SQP business, the Werneth development marks our first step into the development of infrastructure to complement our other operations - in particular, accumulation and trading of grain on behalf of members and farmers. We are genuinely excited about the potential of the new site and this area of business development.

Over the coming months, the Co-operative will keep you all informed on the progress at Werneth. In the interim, if you have any questions, please call the SQP office.

Michael Porter
Executive Officer
SQP Co-Operative

PRODUCT NEWS

3 WINDOWS



SQP will once again be running our popular 3 Windows product, with the launch date for contracting to be announced towards the end of July.

Like last year, a 3 Windows cash contract allows you to minimise your risk by spreading it over two growing seasons. You can elect to roll over some or all of your contracted tonnage to the following harvest, with ZERO washout fees.

The 3 Windows contract has three prices specified on the day of contracting, for the three alternate delivery periods: Harvest 2011, July 2012, and Harvest 2012. If you sign up for 3 Windows this year, simply nominate which delivery window and price that you are going to execute - subject to your individual crop and cash circumstance at the time - toward the end of October 2011.

Priority access to the 3 Windows product will be given to those customers who participate in our 2011/12 Early Order Premium (EOP) program.

JULY EOP

The 2011/12 EOP allows growers to lock in higher pool premiums for wheat, barley and canola. EOP also allows you to lock in a guaranteed minimum pool return and lower your risk by securing a maximum cancellation fee.

The July EOP is open for a limited time only, and currently offers the following premiums: \$13/mt for wheat, \$16/mt for canola, and \$11/mt for barley.

EXPRESS POOL



The SQP Express Pool is designed as an alternative for cash marketing and traditional FOB harvest pools. The Express Pool has a shorter marketing and payment period than other marketing options. SQP's Express Pool will be open for contracting later this year, following the completion of the EOP program.

For more information on any SQP product, call our friendly staff.

For more information

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WHEAT | BARLEY | CANOLA

