



Media statement
10 February 2012

SQP rolling pool closures

Southern Quality Produce (SQP) is closing its 2011/12 season wheat and barley pools in stages, with the stable option in its harvest pool to close at 5pm on Friday, 10 February.

SQP Managing Director, Ben Fleay, said rolling closures over the next few weeks were consistent with its marketing strategy and would also give growers maximum opportunity to deliver.

“Our harvest pool offers the flexibility of personalised pricing strategies based around different hedging levels and our rolling closures follow the options progressively,” Mr Fleay said

“Our stable option involves a heavy hedging strategy that we manage closely, which is being supported by our aggressive early shipping program, so it is appropriate to close this option off now.

“Our balanced option we plan to hold open until Friday 17 February, as it follows what might be classed as a more traditional spread of hedging over the life of the pool.

“For growers seeking to follow market movements further, we plan to hold our dynamic option open a little longer, unless circumstances dictate earlier closure. We developed the marketing strategy for our dynamic option after considerable discussion with growers seeking a pool product with higher market exposure, so it is appropriate to give them maximum opportunity.

“At this stage of the year growers holding unsold grain have many issues to consider as sales options close off and markets continue to move, which is why we seek to work with individual growers to help them resolve the most suitable options to meet their preferred strategy, cash flow options and appetite for risk.

“That means individual conversations, so we welcome calls to any of our merchants.

“There is no doubt that that with the large Australian crop this past season the export pathway will be at maximum effort in the months ahead.

“The Australian Bureau of Statistics yesterday indicated that wheat exports achieved in December had ramped up to 2.06 million tonnes, which was right on expectations. We actually expect that number to be even higher in January and February, as the first half of 2012 will be the peak shipping period for Australian grain ahead of the next northern hemisphere crop.

“Shipping opportunities, port schedules and transport to ports will be the driving factors that will limit spot market opportunities for growers as the year proceeds, which is why we have our own export pathways well established and running.

“We are focused on maximising the use of these pathways to benefit growers in our pools, although as can be seen by our pool closure dates the clock is ticking, so I’d encourage any grower looking to use our pathways to market to call us promptly,” Mr Fleay said.

For further information on SQP’s pool returns or distributions call 03 5331 4943 or visit www.sqpgrain.com.au

Media contact: Ian Desborough – 0418 853 881

Background information

Southern Quality Produce (SQP) is a leading independent grain marketing company and specialist pool manager offering a range of products to assist growers and agribusiness maximise returns and manage grain market risks. SQP broke new ground with the establishment of the pool based contract premiums as well as forced the industry to maintain payments for quality by enhancing the quality payments matrix applicable in the 2008/09 season. SQP also offers a range of fixed price alternatives and other products.