



Media statement

17 January 2012

SQP 2011/12 harvest pools – deliver soon for maximum benefit

SQP is encouraging all growers considering delivering to its wheat, barley or canola pools to do so promptly, because it assists pool performance and means a better result for growers, according to SQP managing director, Ben Fleay.

“Our pools are about maximising performance for growers and the sooner we can confirm delivered tonnages and quality profiles, the more we can advance our marketing and logistics program,” Mr Fleay said.

“In addition to the direct benefit to the pool program, the sooner a grower delivers, the sooner they can start receiving cash flow.

“The third point, and it’s crucial for growers at this stage of the season, is that with harvest now close to complete in most regions of Australia pools will start to close, meaning growers can miss out on important market choices if they leave delivery too late.

“It’s all about maximising grower benefits; our pools are all open at this stage and we want people to have every opportunity to utilise them, so I’d encourage growers considering delivery to contact any of our local grain merchants very soon.

“We have just updated our estimated pool returns (EPRs), with 2011/12 season wheat EPRs increased by \$2-\$8 a tonne across all port zones and barley EPRs up \$1 a tonne for malt and \$3 a tonne for feed. Canola 2011/12 pool EPRs are unchanged, as are EPRs for all grains in 2010/11 season pools.

“In broad terms the world economic environment has started this year with a slightly improved outlook that is supportive for soft commodities globally. Notwithstanding some market readjustment after last week’s USDA world supply and demand report, we still see grain prices gaining support from concern about dry conditions in South America, with particular emphasis on the corn crop.

“We are seeing strong open demand for hard milling wheats into the Middle East and Asia, which we expect to continue over the next six to seven months.

“World prices for malting barley are weak however the view is that strong demand will emerge and the pool will be seeking to capture sales. Feed barley is relatively firm due to tighter supply and demand and the pool has already made excellent sales.

“Canola has suffered from a long period of no demand, but Europe is resurfacing as a buyer and Australian canola is relatively competitive into northern hemisphere markets.

“With the recent announcement of our restructured trading and marketing division that combines enormous pool management and marketing experience with the strength of our grower-focused, locally based merchants, our grower customers can feel confident about SQP’s commitment to their needs,” Mr Fleay said.

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