



PRODUCT SHEET

PRICE LATER CONTRACT 2011/12

PRODUCT DESCRIPTION

SQP's Price Later barley contract enables growers to access cash flow at harvest without having to price their grain in the harvest cash markets. The contract allows producers to be actively involved in the pricing of their grain, to participate in the barley cash market over a longer period of time, and defer pricing until such time as they see fit.

PRODUCT MANAGER

Christian Norgard

OBJECTIVE

To allow growers to price their physical barley over a period of time following harvest, while providing a low-cost cash flow solution shortly after delivery or transfer of grain.

CONTRACT DETAIL

Contracts must be a minimum of 100mt of accepted grades of barley from the 2011/12 season. Upon committing to a Price Later contract, the grower will transfer their grain from the approved SQP road or rail site to the contract. SQP will then advance a set \$AUD value (refer schedule) as per standard SQP cash payment terms.

All or part of the contracted grain can then be priced up at any time from date of transfer until 30 June 2012, but a minimum of 100mt must be priced at any one time. Once a component has been priced, the grower will receive the final value for the priced volume, less the advance payment and associated costs to that point. Final payment will be made within standard SQP payment terms once pricing of part or all of the contract has occurred.

COST STRUCTURE

Pricing the contract is at the discretion of the grower during the pricing period, at SQP's daily contract price (as quoted on an NTP or port basis), LESS associated costs relevant to the port zone. The costs per month are outlined in the table below, and cover storage and handling charges, interest and management fees. Please note: as SQP no longer produces a daily pricing sheet, the relevant SQP grain merchant will be responsible for issuing a contract price on the day of enquiry.

BENEFITS

- > Generates cash flow in January and February without the need for determining a final grain price
- > The ability to participate in markets over a longer period of time
- > The ability to price the grain in multiple tranches until 30 June 2012
- > Experienced grain merchants to assist with both price discovery and strategy of the marketing program
- > Competitive payment terms (both the advance and final settlement)

PAYMENTS

- > Payment of the initial advance is 14 days from end of week of transfer of grain.
- > Payment of residual component is 14 days from end of week of price finalisation.

DELIVERY

Deliveries are accepted into all authorised SQP road and rail sites.

FIRST PAYMENT

The initial advance will be as per the table below.

ADVANCE LEVELS AND PRICE LATER COSTS

Grade	Advance (NTP basis)	Cost per month
F1	\$120.00	\$2.00
F2	\$100.00	\$2.00

HOW TO COMMIT?

Call your local SQP representative for details.

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