

PRODUCT SHEET

PRICE LATER CONTRACT 2011/12

PRODUCT DESCRIPTION

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

OBJECTIVE

To allow producers to price their physical wheat over a period of time following harvest, while providing a low-cost cash flow solution for the grower until such time as the grower prices their grain.

CONTRACT DETAIL

Contracts will be a minimum of 100mt of accepted grades of wheat 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. The grower will then be paid a set \$AUD advance (refer schedule) as per standard SQP cash payment terms.

The grower can price all or part of their contracted volume at any time from date of transfer until 30 June 2012. A minimum of 100mt must be priced in each tranche. Once a component has been priced, the grower will receive the final price for the priced volume, LESS the harvest 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 can be at the grower's discretion 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 without the need for determining a fixed price
- > Ability to participate in markets over a longer period of time
- > Ability to price your grain in multiple tranches until 30 June 2012
- > Competitive payment terms (both the advance and final settlement)

PAYMENTS

Payment of the initial advance (and residual component) is 14 days end of week of grain transfer (then 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
APW1	\$130.00	\$2.00
ASW1	\$120.00	\$2.00
SFW1	\$110.00	\$2.00

HOW TO COMMIT?

Call your local SQP representative for details.

Disclaimer: All Southern Quality Price Later products are managed and executed by Emerald Group Australia Pty Ltd. The information in this product sheet is of general nature only and does not take into account the particular needs or individual circumstances of customers. This information does not constitute any investment recommendation or advice. Southern Quality Produce Pty Ltd, ABN 88 642 427 442, does not give any warranty, whether expressed or implied, as to the accuracy, reliability or otherwise, of the information contained herein, and to the maximum extent permissible by law, accepts no liability in contract, tort (including negligence) or otherwise for any loss or damages suffered as a result of reliance on such information. This information is current at January 2012

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