

SQP SHORT TERM FEED WHEAT POOL

Pool
Finalisation

SQP is pleased to have finalised the specialised Short Term Feed Wheat (STFW) Pool in line with the prescribed marketing strategy. This innovative product was created in conjunction with Emerald during last harvest when incredible weather events led to excessive volumes of feed grains across the Eastern States, and provided an alternative to selling for cash during the year.

As outlined in the Pool Strategic Direction, the STFW Pool followed a prescriptive hedge strategy during harvest through predominantly international wheat and corn hedges – this was purposely done to avoid the expected congestion in feed grain markets and subsequent lack of liquidity at that time. Whilst feed grain markets held up remarkably well due to the drought-stricken Black Sea region, and subsequent lack of supply into South East Asia, these hedges provided protection for pool participants during that window.

Short Term Pool Highlights:

- Developed during harvest specifically to handle the feed wheat issues experienced by a significant number of Victorian grain growers.
- Enabled growers to deliver a wide range of feed wheat grades, from AH9 and SFW1 through to high moisture Fed1 wheat, into the pool.
- Extended delivery window until completion of Victorian harvest in April.
- Solid export market penetration through utilisation of Melbourne port bulk export facilities along with leverage through our Sumitimo Corporation alliance into key South East Asian feed grain markets.
- Management of unprecedented supply chain issues – damage to rail infrastructure forced the vast majority of grain out by road transport.

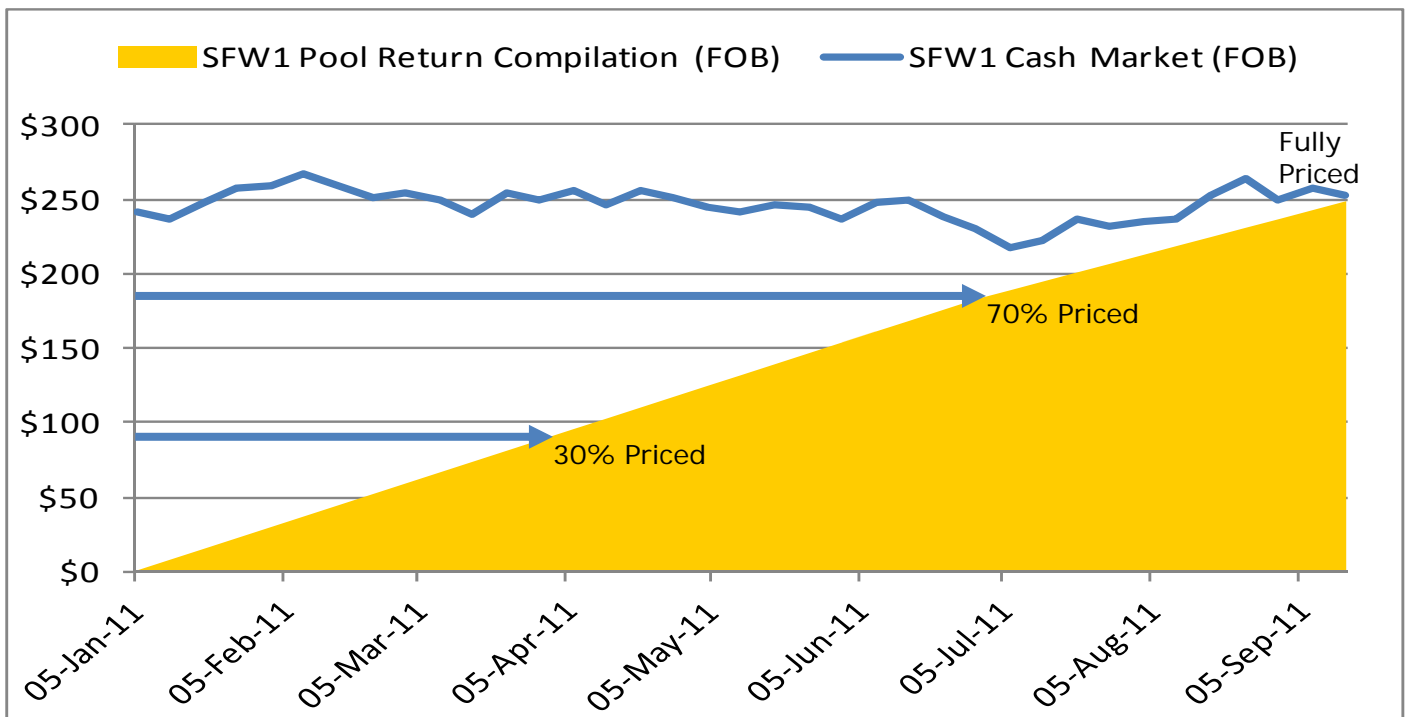
In all the SFTW Pool has delivered on its marketing objectives as outlined.

Final STFW Pool Returns by Grade

KEY INFORMATION

Grade	Final Pool Return*
AH9	\$253
SFW1	\$249
GPSF	\$247
FED1	\$245
FED2	\$215

* Returns quoted in FOB terms per mt



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