

## MARKET & STRATEGY

### Market

- Canola markets have continued to retrace over the past month, as new crop production in Europe has become more assured and harvest swathing occurs across several nations. Positive weather patterns in Canada have also assisted with crop conditions after a late planting caused concern in the market.
- Oilseed and related energy markets have also experienced a round of macro repositioning as European and US debt concerns influence the risk appetite of money managers, in turn pressuring commodity markets. In addition, wild foreign exchange rate fluctuations have added an extra dimension to the recent price volatility and have continued to play a major role in local pricing levels.
- Locally, winter rainfall in WA has significantly improved production prospects and SA/east coast growing conditions remain positive despite some concerns regarding less than ideal canola germination. Pricing direction going forward will be influenced by; European harvest conditions and new crop yields; Ukrainian rapeseed exports which compete directly with export business from Australia into Europe; Canadian late-planted new crop Canola development and reduced production and carryout of USA Soybean crop.

### Strategy

- The SQP harvest pool strategy continues to focus on finding the best markets for the unsold portion of the varied quality that has been delivered this year.
- SQP has been successful at exporting GM canola into Middle East destinations during 2011 and continues to explore both domestic and export channels for remaining stock, both of sound grade and low-grade spec canola.

## POOL HIGHLIGHTS

### KEY INFORMATION

Estimated Pool Return Non GM Base Grade	EPR Flat	Including EOP*
<b>Current Pool Return</b>	<b>\$575</b>	<b>\$598</b>
<b>March 2010 Pool Opening Return</b>	<b>\$480</b>	<b>\$503</b>
<b>December 2010 Return</b>	<b>\$555</b>	<b>-</b>

### FULL KEY INFORMATION

Grade	Current EPR	Including EOP*
<b>CAN1</b>	<b>\$575</b>	<b>\$598</b>
<b>CS01-a</b>	<b>\$545</b>	<b>\$268</b>
<b>CAN3</b>	<b>\$485</b>	<b>\$508</b>
<b>CNLT/CANTW</b>	<b>\$510</b>	<b>\$533</b>
<b>CANG2</b>	<b>\$480</b>	<b>\$503</b>
<b>CANG3</b>	<b>\$455</b>	<b>\$478</b>

**\*Based on March EOP 2010 Premium.  
Oil premiums and discounts paid in  
addition to the EPR.**

This strategy update is of a general nature only and does not take into account the particular needs or individual circumstances of customers. Southern Quality Produce Pty Ltd. ABN 88 682 427 442, does not give any warranty, whether express or implied, as to the accuracy, reliability or otherwise of the information in this update.

\* The payment and amount set out in the pool highlight information is indicative only, and no guarantee is given that payment will be made for the amount or in the month stated.

### Contact SQP

03 5070 1000 Sea Lake | 121 Best Street  
 03 5381 0512 Horsham | Grains Innovation Park 110 Natimuk Road  
 03 5331 4943 Ballarat | 72B Mair Street East  
[www.sqpgrain.com.au](http://www.sqpgrain.com.au) | [admin@sqpgrain.com.au](mailto:admin@sqpgrain.com.au)

