

## WHEAT POOL PERSONAL PRICING STRATEGY – Stable | Balanced | Dynamic

KEY POOL INFORMATION – CURRENT AS AT:

MANAGER:

ESTIMATED POOL RETURN (EPR)				SAG QUALITY REWARDS					ASSOCIATED DEDUCTIONS			
GRADE	EPR (\$/MT) FOB (KEMBLA)	CHANGE FROM LAST MONTH	NHEPR <sup>1</sup> (KEMBLA)	PROTEIN	SCREENINGS	MOISTURE	TEST WEIGHT	ESTIMATED QUALITY REWARDS	ESTIMATED HA FINANCE COST	ESTIMATED DEFERRED FINANCE	FOB ADJUSTMENTS	
											PORT ZONE	FOB COST
APW1				✓	✓	✓	✓					
APH2				✓	✓	✓	✓					
H1				✓	✓	✓	✓					
H2				✓	✓	✓	✓					
ASW1				x	✓	✓	✓				UNDERWRITING	
AUH2				x	x	✓	✓					
AGP1				x	x	x	x					
AH9				x	x	x	x				CURRENT INTEREST RATE	
SFW				x	x	x	x					
FEED1				x	x	x	x					
											MANAGEMENT & ADMIN FEE*	

SAG REWARD PARAMETERS	BENCHMARK
<ul style="list-style-type: none"> <li><b>PROTEIN:</b> Paid on BIN GRADES at \$0.50 per 0.1% Pro. H1 Protein Incs reduce to \$0.25 per 0.1% ABOVE 15% Protein</li> <li><b>SCREENINGS:</b> Paid at \$0.25 per 0.1% Screenings BELOW 5% Screenings</li> <li><b>MOISTURE:</b> Paid at \$0.20 per 0.1% Moisture BELOW 12.5% Moisture</li> <li><b>TEST WEIGHT:</b> Paid at \$0.25 per 1Kg/HctI from 75 - 78.9kg/HctI, Paid at \$0.50 per 1Kg/HctI from 79 - 89kg/HctI</li> </ul>	

	PAYMENT METHOD	HARVEST	MARCH	APRIL	JULY	AUGUST	OCTOBER	JANUARY	APRIL
WHEAT	<b>Harvest Advance</b> (Approx Cumulative)	70%†	70-75%			80-90%			100%
	<b>Harvest Loan</b> (Approx Cumulative)	75%†	75-80%			85-95%			100%
	<b>Flexible Loan</b>	up to 75%	up to the Harvest Loan % of the current EPR			up to the Harvest Loan % of the current EPR			up to the full value of the pool
	<b>Distributions</b> (Approx Cumulative)			25%	50%		70%	90%	100%
	<b>Deferred Payment</b>				70-75% of the current EPR				100%

† Harvest Advance and Harvest Loan will be paid at Harvest on the NHEPR. All subsequent payments post-harvest including Distributions and Deferred, will be calculated to the indicated percentage of the then current EPR.

All % and timing are a guide only. Pool payment schedule is subject to change. All prices are in Australian dollars (AUD) and are Free On Board (FOB). Premiums and discounts are estimates as at the above date shown and delivery location need to be taken into account.

### COSTS AND INFORMATION:

**Underwriting:** A guarantee provided by SAG that the consideration to be paid to you, will not be less than the Harvest Payment under the selected payment option.

\***Management and Admin Fee:** EPR is quoted NET of Management and Admin fee.

**Finance Cost:** Estimate of the finance and interest costs incurred by SAG as a result of making payment to growers prior to receiving payment for sales made in the pool. The cost is an estimate and can be adjusted in subsequent payments.

<sup>1</sup> **Nominated Harvest Estimated Pool Return:** (NHEPR) will be the estimated pool return for all Harvest payments until March. Following harvest, payments will be made on the then current EPR.

For full terms and conditions refer to Southern Ag Grain website [www.southernaggrain.com.au](http://www.southernaggrain.com.au) or call (02) 6932 4400.

## EXAMPLE HARVEST LOAN

### CALCULATION ESTIMATE EXAMPLE BASED ON APW1<sup>3</sup> AND DELIVERED TO KEMBLA

NHEPR \$258/mt	= \$258.00
+ Quality Payment \$18/mt	= \$18.00
- Estimated FOB deduction est. \$46.75	= (\$46.75)
- Estimated finance charges \$12.70	= (\$12.70)
- Underwriting @ \$2.50/mt	= (\$2.50)
<b>SAG Loan Amount @ 75%<sup>2</sup></b>	<b>= \$160.54</b>

Plus EOP where applicable. EOP will be paid at 75% on first payment.

## EXAMPLE HARVEST ADVANCE

### CALCULATION ESTIMATE EXAMPLE BASED ON APW1<sup>3</sup> AND DELIVERED TO KEMBLA

NHEPR \$258/mt @ 70%	= \$180.60
+ Quality Payment \$18/mt @ 70%	= \$12.60
- Estimated FOB deduction est. \$46.75 @ 70%	= (\$32.73)
- Estimated finance charges \$12.70 @ 70%	= (\$8.90)
- Underwriting @ \$2.50/mt	= (\$2.50)
<b>SAG Advance Amount<sup>2</sup></b>	<b>= \$149.07 excl GST</b>

Plus EOP where applicable. EOP will be paid at 100% on first payment.

SAG collects end point royalties where applicable. SAG collect statutory royalties where applicable.

<sup>2</sup> Either paid to your account or available for drawdown.

<sup>3</sup> Result will vary dependent on grade, quality and any premiums

This is an example only and figures are not actual.

# WHEAT POOL QUALITY REWARDS

At SAG, we believe you should be rewarded for quality. So we'll pay you a premium on the protein, screenings, moisture and test-weight quality of your grain.

SAG REWARDS											
PROTEIN						SCREENINGS		MOISTURE		TEST WEIGHT	
APW2		H2		H1		%	\$/mt	%	\$/mt	kg/hl	\$/mt
%	\$/mt	%	\$/mt	%	\$/mt						
9.00	-\$7.50	10.50	-\$5.00	12.00	-\$5.00	0.0	\$12.50	6.5	\$12.00	75.0	\$0.25
9.50	-\$5.00	11.00	-\$2.50	12.50	-\$2.50	0.5	\$11.25	7.0	\$11.00	76.0	\$0.50
10.00	-\$2.50	11.50	\$0.00	13.00	\$0.00	1.0	\$10.00	7.5	\$10.00	77.0	\$0.75
10.50	\$0.00	12.00	\$2.50	13.50	\$2.50	1.5	\$8.75	8.0	\$9.00	78.0	\$1.00
11.00	\$2.50	12.50	\$5.00	14.00	\$5.00	2.0	\$7.50	8.5	\$8.00	79.0	\$1.50
11.50	\$5.00	13.00	\$7.00	14.50	\$7.50	2.5	\$6.25	9.0	\$7.00	80.0	\$2.00
				15.00	\$10.00	3.0	\$5.00	9.5	\$6.00	81.0	\$2.50
				15.50	\$11.25	3.5	\$3.75	10.0	\$5.00	82.0	\$3.00
				16.00	\$12.50	4.0	\$2.50	10.5	\$4.00	83.0	\$3.50
						4.5	\$1.25	11.0	\$3.00	84.0	\$4.00
						5.0	\$0.00	11.5	\$2.00	85.0	\$4.50
						5.5	-\$1.25	12.0	\$1.00	86.0	\$5.00
						6.0	-\$2.50	12.5	\$0.00	87.0	\$5.50
						6.5	-\$3.75	13.0	-\$1.50	88.0	\$6.00
						7.0	-\$5.00	13.5	-\$5.00	89.0	\$6.50

Deliveries to SAG's pools will be paid on the Bin Grade of each load plus/minus applicable protein, moisture, screenings, test weight increments as per the SAG rewards matrix for 2011-12. The 'Bin Grade' is the grade in which a delivery is binned at the receival site.

SAG calculates the deduction/rewards schedule for your payments at the same % as the payment itself. For example: Harvest Advance payment is at 70% therefore all costs/rewards are calculated at 70%, or if Distributions in April are declared at 26% all costs/rewards are calculated at 26%.