



## PRODUCT SHEET

# CASH CONTRACTS: Fixed & Multi Grade

## WHAT IS A CASH CONTRACT?

A Cash contract provides growers with a fixed price for grain delivered to a specific location at a future date.

## GRADES AVAILABLE

In a Forward Cash contract, a grower forward-sells their anticipated grain production for delivery in the future. Under this type of contract, there are two options for setting the base price: Multi Grade and Fixed APW. All Grades are deliverable against a Multi Grade contract.

## MULTI GRADE

Multi Grade Forward Cash contracts allow growers to lock in a set price for APW wheat along with a premium and discount schedule (spreads) to establish the fixed price for alternative grades. Growers may elect to either lock in the spreads for other grades at the time of contracting, or leave these spreads floating. If a grower leaves spreads floating, they will be set as per Southern Ag Grain's published spreads as at 1 November 2011.

## FIXED GRADE

Growers may also elect to sell forward through a grade-specific contract. Under this type of contract, there will be no grade spreads quoted, as only the base grade or better may be delivered against these contracts at the contracted price.

## DELIVERY

Deliveries are accepted at all major BHCs and selected private storers. Please ask your local merchant for a list of private sites where Southern Ag Grain accepts deliveries.

## PAYMENT

Payment will be based upon bin grade.  
Payment will be made 21 days EOW from delivery.

## TERMS AND CONDITIONS

All terms and conditions can be found on Southern Ag Grain's website as of 30 September 2011.

## CONTRACT SIZE

Minimum 20mt

## LOCATION DIFFERENTIALS

Southern Ag Grain will offer prices for new season contracts based on a port bid. To establish a local depot price, please deduct the 2011/12 GTA Location Differential relevant for your local depot.

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EMER 32690