

# FACT SHEET

# Southern Ag Grain WHEAT POOL 2010/11



## KEY POOL INFORMATION - CURRENT AS AT 27 JAN 2012

OBJECTIVE	MANAGER	BENCHMARK
<p><b>To be the industry's best performing harvest pool.</b></p> <p>A discretionary pool that maximises returns to Participants over the life of the pool and seeks to outperform agreed benchmarks and alternative pool products through active marketing and hedging strategies, provide flexibility in contracting and competitive cash flow management tools.</p>	Chris Kochanski	<p>→50% Fixed Price: Spot Contract price – 1 September 2010 to 31 August 2011</p> <p>→25% Graincorp Harvest Pool #1</p> <p>→ 25% AWB Harvest Pool #1</p>

ESTIMATED POOL RETURN			SAG QUALITY REWARDS				COSTS APPLICABLE TO YOUR PAYMENT			Pool Merchant Comment
Grade	EPR (\$/mt)	APW Spread	Protein	Screenings	Moisture	Test Weight	Harvest Advance Finance Est	FOB Adjustments		S.A.G Harvest Pool has closed for 2011
APW1	\$317.00	\$0.00	Yes	Yes	Yes	Yes	\$14.89	PORT ZONE	FOB Cost	
APH2	\$378.00	\$61.00	Yes	Yes	Yes	Yes	\$15.56	Port Kembla	\$52.97	
H1	\$364.00	\$47.00	Yes	Yes	Yes	Yes	\$15.34	Melbourne	\$50.05	
H2	\$336.00	\$19.00	Yes	Yes	Yes	Yes	\$15.11			
ASW1	\$271.00	-\$46.00	No	Yes	Yes	Yes	\$14.05			
AUH2	\$293.00	-\$24.00	No	No	Yes	Yes	\$14.43			
AGP1	\$258.00	-\$59.00	No	No	No	No	\$13.88			
AH9	\$234.00	-\$83.00	No	No	No	No	\$13.45	Underwriting (for Loans and Advances)		
SFW1	\$230.00	-\$87.00	No	No	No	No	\$13.45	\$2.50		
FEED1	\$228.00	-\$89.00	No	No	No	No	\$13.05	Current Interest Rate		
MOFO	\$197.00	-\$120.00	No	No	No	No	\$12.49	6.59%		

Notes to EPR	EPR is quoted as a FOB Base Price and is an estimate at the time of print. SAG rewards are paid on top of the EPR	SAG calculates the deduction/rewards schedule for your payments at the same % as the payment itself. E.g. a) harvest advance payment of 70% therefore all costs/rewards are basis 70% or b) if distributions in April were declared at 26% therefore all costs/rewards are calculated at 26%. Finance cost is not applicable in calculating the Harvest Loan payable. 100% of underwriting costs, if applicable, will be deducted from the first advance.
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## SAG QUALITY REWARDS

PROTEIN						SCREENINGS		MOISTURE		TEST WEIGHT	
APW1		H2		H1/APH2		%	\$ per mt	%	\$ per mt	kg/hl	\$ per mt
Protein %	\$ per mt	Protein %	\$ per mt	Protein %	\$ per mt	0.0	\$12.50	6.5	\$12.00	74.0	\$0.00
9.00	-\$7.50	10.50	-\$5.00	12.00	-\$5.00	0.5	\$11.25	7.0	\$11.00	75.0	\$0.25
9.50	-\$5.00	11.00	-\$2.50	12.50	-\$2.50	1.0	\$10.00	7.5	\$10.00	76.0	\$0.50
10.00	-\$2.50	11.50	\$0.00	13.00	\$0.00	1.5	\$8.75	8.0	\$9.00	76.5	\$0.63
10.50	\$0.00	12.00	\$2.50	13.50	\$2.50	2.0	\$7.50	8.5	\$8.00	77.0	\$0.75
11.00	\$2.50	12.50	\$5.00	14.00	\$5.00	2.5	\$6.25	9.0	\$7.00	77.5	\$0.88
11.50	\$5.00	13.00	\$7.00	14.50	\$7.50	3.0	\$5.00	9.5	\$6.00	78.0	\$1.00
				15.00	\$10.00	3.5	\$3.75	10.0	\$5.00	78.5	\$1.25
				15.50	\$11.25	4.0	\$2.50	10.5	\$4.00	79.0	\$1.50
				16.00	\$12.50	4.5	\$1.25	11.0	\$3.00	79.5	\$1.75
						5.0	\$0.00	11.5	\$2.00	80.0	\$2.00
						5.5	-\$1.25	12.0	\$1.00	80.5	\$2.25
						6.0	-\$2.50	12.5	\$0.00	81.0	\$2.50

**SAG Reward Parameters**

**Protein:** Paid on BIN GRADES at \$0.50 per 0.1% Pro. APH2/H1 Incs reduce to \$0.25 per 0.1% ABOVE 15% Protein

**Screenings:** Paid at \$0.25 per 0.1% Screenings BELOW 5% Screenings

<b>Moisture:</b>	Paid at \$0.20 per 0.1% Moisture BELOW 12.5% Moisture	6.5	-\$3.75	13.0	-\$1.50	81.5	\$2.75
<b>Test Weight:</b>	Paid at \$0.025 per 0.1Kg/HctI from 74 - 78, Paid at \$0.05 per 0.1Kg/HctI ABOVE 78kg/HctI	7.0	-\$5.00	13.5	-\$5.00	82.0	\$3.00

KEY POOL INFORMATION - CURRENT AS AT 27 JAN 2012											
PAYMENT METHOD		PAYMENT GUIDE	HARVEST 2011	MARCH	APRIL	JULY	AUGUST	OCTOBER	JAN 2012	MAY	Estimated Cost of Finance
CURRENT INTEREST RATE			6.59%	Payment		Distribution	Distribution	Top Up	Distribution	Distribution	Final
<b>Harvest Advance</b>	A harvest payment with GST included. EPR, quality and costs all calculated as a percentage per payment.	Payment %	70%	75%			85%			100%	\$14-16 finance plus \$2.50 underwriting
		Payment Period	21 days EOW	March			August			POOL FINALISATION	
<b>Harvest Loan</b>	A calculated loan with no GST. Distributions are made against the loan. EPR, quality and costs all calculated as a percentage per payment.	Payment %	75%	80%			90%			100%	Interest calc monthly in arrears at interest rate. Underwriting
		Payment Period	21 days EOW	March	Distribution against Loan April	Distribution against Loan July	August	Distribution against Loan October	Distribution against Loan January	POOL FINALISATION	
<b>Flexible Loan</b>	A loan which you nominate your drawdown timing. EPR, quality and costs all calculated as per your requested drawdown.	Payment %	Up to 75%	Up to 80%			Up to 90%			100%	Drawdown dependant plus \$2.50 underwriting
		\$ per mt guidance**	\$240 - 250	\$260 - 270	Distribution against Loan April	Distribution against Loan July	\$290 - 300	Distribution against Loan October	Distribution against Loan January	\$320 - 330	
		Payment Period	Within 7 days of request	Within 7 days of request	Distribution against Loan April	Distribution against Loan July	Within 7 days of request	Distribution against Loan October	Distribution against Loan January	POOL FINALISATION	
<b>Distributions</b>	Paid as per percentage of grain marketed with GST included. EPR, quality and costs all calculated as a percentage per payment.	Payment %			25%	50%		61%	81%	100%	Nil
		Payment Period			April	July		October	January	POOL FINALISATION	
<b>Deferred Payment</b>	Harvest advance payment deferred until July with GST included. EPR, quality and costs all calculated as a percentage per payment.	Payment %				85%				100%	\$3-7 finance - no underwriting
		Payment Period				July				POOL FINALISATION	

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. The base rate refers to the Estimated Pool Return at a defined level of protein, moisture, screenings and test weight.

Spot contract price for benchmark is the average spot price of Viterra, Cargill and Elders.

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

Contact Southern Ag Grain

(02) 6932 4400

[www.southernaggrain.com.au](http://www.southernaggrain.com.au) | [info@southernaggrain.com.au](mailto:info@southernaggrain.com.au) | Ph: (02) 6932 4400

