

# Southern Ag Grain CANOLA POOL 2009/10



## KEY POOL INFORMATION - CURRENT AS AT 1ST OCTOBER 2010

OBJECTIVE	MANAGER	BENCHMARK
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, providing flexibility in contracting and competitive cash flow management tools	Lachie Stevens	50% Fixed Price: Spot Contract price – 1 September 2009 to 31 August 2010 (mix of top three participants GrainCorp /AWB/Cargill)  50% Competing GrainCorp Harvest Pool #1

ESTIMATED POOL RETURN		COSTS APPLICABLE TO YOUR PAYMENT				RECENT MARKETING ACTIVITIES	
Grade	EPR (\$/mt)	Grade	Harv Adv Finance Est	FOB Adjustments		During the last 6 months, Emerald has been merchandising canola in the domestic markets as well as increasing our involvement in the FOB market from Western Australia, which has seen shipments in the early months of this year. Emerald has also used a combination of Matif and WPG canola futures in hedging activities for the 09/10 pool.	
CSO1-A	\$465.00	CSO1-A	\$16.69	PORT ZONE	Receival Fee		RECENT HEDGING ACTIVITIES The canola pool has been hedging since inception and with low cash and FOB market liquidity in a low basis environment early on in the campaign, hedges were largely placed in WPG futures markets with the corresponding currency coverage also taken out. During 2010, with strengthening Canadian basis levels, the pool has reduced its basis exposure through FOB and domestic sales.
CSO1	\$465.00	CSO1	\$16.69	Port Kembla	\$6.17	FOB Cost	
				Melbourne	\$6.17	\$38.10	
				Underwriting (for Loans and Advances)			
				\$3.75			
				Current Interest Rate			
				6.75%			
Notes to EPR	EPR is quoted as a Flat Price.	Southern Ag Grain calculates the deduction/rewards schedule for your payments at the same % as the payment itself, eg., 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/rewardss are calculated at 26%.					
		OIL BONIFICATION - Oil bonifications on a 1:5:1 reciprocal basis above and below 42%.					

## MARKET CHARTS

--

Payment Information									
PAYMENT METHOD		PAYMENT GUIDE	Harvest	Mar-10	Apr-10	Jul-10	Aug-10	Oct-10	Estimated Cost of Finance *
CURRENT INTEREST RATE 6.50%				Top Up	Distribution	Distribution	Top Up	Final	CAN1
<b>Harvest Advance</b>	A harvest payment with GST included. EPR, quality and costs all calculated as a percentage per payment.	Payment %	60%	70-80%			80-90%	100%	\$16.42 finance plus \$3.75 underwriting
		\$ per mt guidance	\$260-300	\$50-90			\$50-90	\$50-90	
		Paid	21 days eow	Week of 15/3 to 22/3			Commencing 09/08	FINAL 12/10 to 22/10	
<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 %	65%	75-85%			80-95%	100%	\$16.42 finance plus \$3.75 underwriting
		\$ per mt guidance	\$260-300	\$50-90	Distribution against Loan 15/4 to 30/4	Distribution against Loan 15/7 to 30/7	\$50-90	\$50-90	
		Paid	21 days eow	Week of 22/3 to 29/3			Commencing 16/08	FINAL 12/10 to 22/10	
<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 65%	Up to 70-80%			Up to 80-90%	100%	Drawdown dependant plus \$3.75 underwriting
		\$ per mt guidance	\$260-300	\$50-90	Distribution against Loan or direct payment 15/4 to 30/4	Distribution against Loan or direct payment 15/7 to 30/7	\$50-90	\$50-90	
		Paid	Within 7 days of request	Available at request			Available at request	FINAL 12/10 to 22/10	
<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 %			15-40%	15-40%		15-40%	Nil
		\$ per mt guidance			\$130-160	\$130-160		\$130-160	
		Paid			Commencing 15/4 - 30/4	Commencing 15/07- 30/07		12/10 to 22/10	
<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 %				80-90%		100%	\$4.35 - no underwriting
		\$ per mt guidance				\$370-410		\$50-90	
		Paid				5/7		FINAL 12/10 to 22/10	

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 without the addition of oil and admix. For full terms and conditions refer to Southern Ag Grain website [www.southernaggrain.com.au](http://www.southernaggrain.com.au) or call 1300 880 432 / (02) 6932 4400

Contact Southern Ag Grain: Simon Wishart  
1300 880 432

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

