

PRODUCT SHEET

Harvest Sorghum Pool 2011

OBJECTIVE

The Harvest Sorghum Pool allows growers to add value to every tonne delivered to the pool. Whereas grain delivered on a cash contract is fixed, the pool actively merchandises physical grain into global markets, alongside gaining premiums from corn derivatives and domestic feed grain spreads. Every trading premium is distributed directly to pool participants. The grower is able to access a broader range of markets than usual by trading cash into the domestic market. The Harvest Sorghum Pool is strategically marketed until May 2012, which allows the pool to participate in longer-term hedging tools and gain broader access to global markets.

STRATEGIC DIRECTION

The Harvest Sorghum Pool draws on solid and extensive experience from domestic buyers Philp Brodie Grains and global marketers and risk managers, Emerald Group Australia.

It is important for Australian growers to understand that sorghum will gain a premium if marketed on an FOB basis in a market with tight global corn stocks. Philp Brodie Grains and Emerald are well-positioned, with international market links, logistics management experience and marketing expertise, to merchandise Australian sorghum into the offshore feed grain complex.

The pool is committed to utilising strong domestic and global customer relationships alongside hedging tools in futures markets, to capture trading premiums for every tonne that growers commit to the pool.

POOL RETURNS

ESTIMATED FOB POOL RETURN (EPR)		ASSOCIATED DEDUCTIONS	
Grade	Harvest Advance	FOB Adjustments	
Sorghum 1 Gladstone	\$300.00	Gladstone	\$48.89
Sorghum 1 Mackay	\$300.00	Mackay	\$48.78
Sorghum 1 Brisbane	\$305.00	Brisbane	\$49.45
Sorghum 1 Newcastle	\$290.00	Newcastle	\$49.27
Sorghum 2 = -\$10 per mt			

PAYMENT OPTIONS

HARVEST POOL	
HARVEST ADVANCE	Satisfies immediate cash flow to the grower. 70% of payment at harvest, top-up in August and remainder in May.
HARVEST LOAN	Allows flexibility of GST. Loan with no GST, distributions against the loan.
FLEXIBLE LOAN	Allows the grower to manage cash flow timing. Grower can nominate own timing of draw-downs against the loan.
DEFERRED PAYMENT	Allows the grower to manage cash flow for tax purposes. Payment deferred until the next financial year.

UNDERWRITING

An underwriting fee is set at \$2.50 per mt.

Underwriting costs, if applicable, will be deducted from the first advance in full.

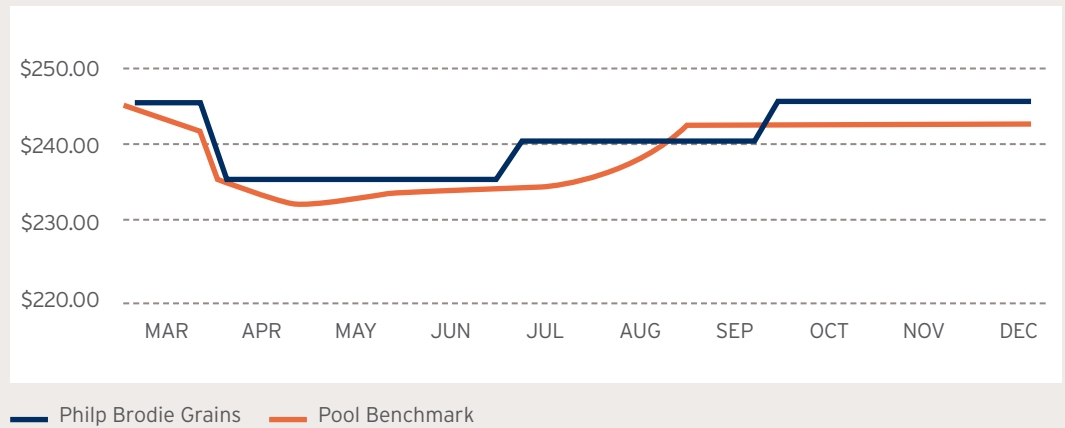
TERMS AND CONDITIONS

Full terms and conditions refer to www.pbgrains.com.au.

PRICING

QLD Sorghum 2010 Pool Benchmark (AUD \$/mt FOB Newcastle)

The 2010 Philp Brodie Grains Sorghum Pool outperformed the pool benchmark which comprised of 50% GrainCorp Sorghum Pool and daily cash bid average from the AWB, Elders and GrainCorp. Growers who participated in the sorghum pool in 2010 were able to participate in strategic market programs with Japan, direct to domestic consumers and derivate trading tools. The pool offered growers the flexibility for ex farm delivery, storage and payment plans.



Key pool information current as at 8 February 2011. EPR is quoted as a FOB price and is an estimate at the time of print. Philp Brodie Grains calculates the deduction schedule for your payments at the same % as the payment itself, e.g. Based on the Harvest Advance of 70%, all FOB and freight costs are deducted on the same basis. All prices are in AUD and quoted FOB. Delivery locations need to be taken into account.

INTERNATIONAL RELATIONSHIPS

Through Emerald's strategic partner Sumitomo, Philp Brodie Grains grower customers have unrivalled access to the premium Japanese market. Global powerhouse Sumitomo has offices strategically placed in 66 countries across the globe.

Revolutionary financial facilities established to support you - the grower

Philp Brodie Grains and partner Emerald have secured finance through Emerald's landmark syndicated \$475,000,000 Inventory Finance Facility - structured by ANZ as the leading Financier with CBA, HSBC, NAB and Westpac as participant banks.

This harvest, you can depend on Philp Brodie Grains.

For more information, contact your local Philp Brodie Grains representative.



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