

# Deferred payment

Glencore Agriculture offers growers the option to defer payment for contracts and capture an additional premium for the deferral period, increasing returns and managing cash flow to suit their business needs.

## How does it work?

When contracting, growers can request that their payment is made at a later date rather than our standard payment time. Glencore Agriculture will calculate the premium that will be paid in addition to the base contract price for the parcel of grain. The premium is calculated in regard to the number of days deferred, combination of sites, grades and prices, prevailing interest rates etc.

## What are the benefits?

Utilising Glencore Agriculture's deferred payment option, growers can receive a premium per tonne in addition to the agreed pricing of the contract plus have payment dates that suit cash flow requirements.

Growers will avoid paying additional monthly carry fees from the time the transfer is made.

## What is the delivery/transfer date?

Delivery or transfer against the contract is to occur as per the dates agreed at time of contracting.

## What is the payment date?

Glencore Agriculture makes payments on Friday of each week. Growers can choose which Friday in which month they wish to receive the payment, offering flexible capital management.

## Indicative table of premiums using the current market as of September 2019

Various Contract Prices									
Days Deferred	\$200	\$250	\$300	\$350	\$400	\$450	\$500	\$550	\$600
30	\$0.50	\$0.60	\$0.70	\$0.80	\$1.00	\$1.10	\$1.20	\$1.30	\$1.50
60	\$1.00	\$1.20	\$1.40	\$1.60	\$2.00	\$2.20	\$2.40	\$2.60	\$3.00
90	\$1.50	\$1.80	\$2.10	\$2.40	\$3.00	\$3.30	\$3.60	\$3.90	\$4.50
120	\$2.00	\$2.40	\$2.80	\$3.20	\$4.00	\$4.40	\$4.80	\$5.20	\$6.00
150	\$2.50	\$3.00	\$3.50	\$4.00	\$5.00	\$5.50	\$6.00	\$6.50	\$7.50
180	\$3.00	\$3.60	\$4.20	\$4.80	\$6.00	\$6.60	\$7.20	\$7.80	\$9.00

\*All example prices above are indicative and subject to change. The actual deferred premium will be agreed upon with a Glencore Agriculture representative at the time of contracting, which will be dependent on the prices of the grain parcel sites/grades, and other factors at prevailing market conditions.

*E.g. A grower has a parcel of grain with an agreed base contract price of \$300 at site and rather than be paid 5 days end of week of delivery wishes to be paid on the first Friday of July, extending payment date by 150 days. A deferred payment premium of \$3.50/mt will be paid in addition to the base contract price of \$300, subject to any market changes at the time of negotiation.*

Disclaimer, the information in this document has been prepared without taking account of a grower's specific objectives, financial situation or needs and does not constitute advice in respect of this product's availability for you. For specific marketing advice contact your licensed marketing or financial advisor.

Glencore Agriculture Pty Ltd ABN 29 106 378 885  
Current as at September 2019 and subject to change without notice.

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