

How does a forward contract work?

Glencore Grain offers forward contracts for most major grains, allowing you to secure a known base price prior to harvest. We offer multi-grade contracts for wheat, barley and other commodities from time to time as published on our daily bid sheets and, in addition, we also offer fixed grade forward contracts.

Availability

Forward contracts are available for selected commodities in selected port zones. The table below provides a guide as to the availability of forward contracts. Glencore Grain reserves the right to add or remove the availability of certain forward contracts in any particular zone at its discretion and without notice. For more information please refer to Glencore Grain's daily bid sheet.

COMMODITY	SA	VIC	NSW	QLD	WA
Barley	•	•	•	•	•
Wheat	•	•	•	•	•
Canola	•	•	•		•
Sorghum			•	•	
Peas	•	•			•
Chickpeas	•	•	•	•	
Faba beans	•	•	•	•	
Lupins	•	•			•
Lentils	•	•			

How do I enter into a forward contract?

Provided you are an authorised signatory of your trading entity for Grain Sales, you can enter into a forward contract by contacting your local Glencore Grain representative or Grower Services on 1300 453 626.

Growers in SA, VIC, NSW and QLD need to register with the National Grower Register (NGR) and deliver using their NGR delivery number. Growers in WA can register with NGR and must link their CBH delivery number on which deliveries are made.

Contract size

The minimum contract size on forward contracts is generally 50mt, however this may be negotiated depending on circumstances. Generally there is a zero quantity tolerance. This means that you are required to deliver the exact tonnage as nominated on your contract.

For more information visit glencoreagri.com.au or call Grower Services on 1300453626

Glencore Grain Pty Ltd ABN 29 106 378 885 trading as Glencore Agriculture

Current as at 1 May 2017 and subject to change without notice.

How will I be paid for my deliveries?

You will receive 100% payment for your contracted grain deliveries, on 12 day terms negotiated with a Glencore Grain representative. Payment terms can be negotiated using our daily bid sheet standard terms as a base and are generally agreed as a number of days from the end of the week of delivery or transfer against the contract. A calendar week begins on the morning of a Monday and ends at midnight the following Sunday.

Pricing - port or site based prices

Your contract price may often be quoted on a port basis less Grain Trade Australia (GTA) location differentials. As most grain deliveries are made at up-country delivery sites, i.e. sites other than the actual port, deliveries will incur a location differential adjustment to take account of the freight from the actual delivery site to the port. The choice of delivery site(s) is at the grower's discretion and is subject to availability of segregations. The Grain Trade Australia (GTA) location differentials are set on the 1st October in each season. These are available on our website at www.glencoregrain.com.au or on the GTA website at www.graintrade.org.au

Your contract pricing may also be negotiated at certain fixed up-country delivery sites by negotiation between the grower and a Glencore Grain representative. In this instance no further deduction for freight will be made from the site based pricing, however delivery must occur at the agreed location(s).

Production risk

Forward contracts are for the physical delivery of grain. There is a risk that at harvest you may not have sufficient grain or grain of the contracted quality to fulfil your contract. In the event that you cannot deliver the contracted grain you may be liable to Glencore Grain for a payment of liquidated damages called a "washout amount" calculated under the contract. It is important that you understand that the risk of production failure lies with you and not with Glencore Grain.

Levies

As with all deliveries, Glencore Grain will deduct any relevant statutory or research levies from your contract payment. For more information about the levies that apply in your state, contact your local Glencore Grain representative.

Terms and conditions

Contracts are subject to the GTA standard terms and conditions as per GTA Contract number 3 - Contract Confirmation. Copies of which are available on request or on our website www.glencoregrain.com.au

Any specific terms or conditions agreed with the grower shall override the standard GTA terms and conditions with which they conflict to the extent of any inconsistency.

Disclaimer

The information in this brochure 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.

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