



Wilmar Sugar Australia Trading Pty Ltd

2018 Season Monthly Pool Price Report

Report values as at: 31-Aug-18

Publication Date: 07-Sep-18

Pricing Mechanisms	% of Estimated Marketing Tonnage	Gross Pool Price (AUD/Tonne Actual)	Allocation Account Amount (AUD/Tonne Actual)	Net Pool Price (AUD/Tonne Actual)	Net Pool Price (AUD/Tonne IPS)
US Quota Pool					
US Quota Allocated to Wilmar	1.77%	\$778.99	(\$97.58)	\$681.41	\$657.26
Trading of CQEs purchased from other marketers	0.97%	\$778.99	(\$435.25)	\$343.74	\$331.56
Wilmar Managed Pool		\$369.82	(\$5.89)	\$363.93	\$351.03
Production Risk Pool		\$364.32	(\$3.89)	\$360.43	\$347.65
Call Price/Target Price		N/A	(\$5.89)	N/A	N/A

IPS conversion factor : 1.03675

Gross Pool Prices are an estimate based on the tonnes hedged and current market price (as at the last business day of the month) for unhedged tonnage. Allocation Account Amounts begin the season as estimates and are reviewed and updated on a monthly basis as actual premiums and costs are known.

For the 2018 Season Production Risk Pool we forecast that the quantity of sugar in the Pool exceeds the downside risk to the crop (i.e. at the commencement of the Season, the Pool is greater than 30% of total estimated PPA sugar). Accordingly the Pool Manager has commenced pricing that portion of the Pool that exceeds this downside risk to the crop.

Wilmar has altered its reporting format for the US Quota Pool since the July 2018 pool report was issued. The costs associated with delivering US Quota sugar into a customer's warehouse (as specified by the terms of the No. 16 contract) have been removed from the US Quota Gross Pool Price and are now included in the US Quota Pool Allocation Account Amount. Growers should also note that in addition to the Certificates of Quota Eligibility (CQEs) allocated to Wilmar, we also purchased CQEs from other Queensland marketers to make further sugar sales to the USA. At the time this "trading" opportunity was undertaken, it enabled Wilmar to earn greater returns on sugar sales to the USA relative to making NY#11-based sales into Asia. We have chosen to report the two components of the pool separately in order to provide transparency. The weighted average of the two components gives a US Quota Net Pool Price outcome of \$541.77/t IPS and the forecast percentage of your tonnage covered under the US Quota Pool has increased from 1.77% at the end of July to 2.74% at the end of August.

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CONTACT US

GROWER PRICING TEAM

Chris Winship (07) 4722 1986 | 0437 669 118 (Burdekin & Herbert)

Zac Wager (07) 4722 1956 | 0439 002 240 (Burdekin)

Franco Zaini (07) 4722 1954 | 0419 476 770 (Herbert)

Simon Haire (07) 4945 9708 | 0437 803 019 (Proserpine & Plane Creek)



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2018 Season Advances Schedule

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Default Advances		Status
Jun-18	65%	Confirmed
19/07/2018	65%	Confirmed
16/08/2018	65%	Confirmed
20/09/2018	65%	Confirmed
18/10/2018	70%	Scheduled
15/11/2018	70%	Scheduled
20/12/2018	75%	Scheduled
17/01/2019	80%	Scheduled
21/02/2019	85%	Scheduled
21/03/2019	87.5%	Scheduled
18/04/2019	90%	Scheduled
16/05/2019	95%	Scheduled
20/06/2019	97.5%	Scheduled
Jul-19	100%	Scheduled

Cash On Delivery (COD) Advances		Status*
Jun-18	90%	Confirmed
19/07/2018	90%	Confirmed
16/08/2018	90%	Confirmed
20/09/2018	90%	Confirmed
18/10/2018	90%	Confirmed
15/11/2018	90%	Confirmed
20/12/2018	90%	Confirmed
17/01/2019	90%	Confirmed
21/02/2019	90%	Confirmed
21/03/2019	90%	Confirmed
18/04/2019	90%	Scheduled
16/05/2019	95%	Scheduled
20/06/2019	97.5%	Scheduled
Jul-19	100%	Scheduled

* COD IS AN ADVANCE RATE WHICH IS THE HIGHER OF EITHER 90%, OR THE ADVANCE RATE FOR THE DEFAULT ADVANCES OPTION

Advances Finance Charge	
Advances Option	\$/t actual
Default	-\$ 3.50
COD	-\$ 4.50

Advances Finance Charges begin the season as estimates and are reviewed and updated on a monthly basis.

Wilmar has an Advances Finance Charge specific to each Advances Option to ensure growers are charged based on their **own** choice of Advances Options and are not being impacted by the choices of others. Growers participating in multiple Advances Options can find their individual Weighted Average Finance Charge in their Grower Pricing Summary Statement.

Monthly Adjustments

On the third Thursday of each month, Wilmar will process a Season to Date adjustment payment run to take account of changes to an individual growers Estimated Final Sugar Price and (when applicable) changes to the advance schedule %.



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2018 Season Monthly Allocation Account Report	Default Pricing Mechanisms			Discretionary Pricing Mechanisms	
	US Quota Pool		Production Risk Pool	Wilmar Managed Pool	Call & Target Pricing Mechanisms
	US Quota Allocation	Trading of CQEs			
ICE 11 Net Premium/ICE 16 Net Premium (\$/t actual)	(69.05)	(69.05)	24.90	24.90	24.90
Hedging Finance Charges (\$/t actual)	-	-	(0.10)	(0.10)	(0.10)
Marketing Services Charge (\$/t actual)	(2.55)	(2.55)	(2.55)	(2.55)	(2.55)
Direct Marketing and Operating Expenses (\$/t actual)	(25.98)	(363.65)	(26.16)	(26.16)	(26.16)
To cover direct costs & expenses incurred by WSAT including:-					
Storage, handling & loading of sugar & Sampling	(25.15)	(25.15)	(25.15)	(25.15)	(25.15)
Quality analysis of sugar	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
Insurance	(0.16)	(0.16)	(0.16)	(0.16)	(0.16)
Futures brokerage and exchange fees	-	-	(0.18)	(0.18)	(0.18)
AUD\$0.20/Tonne Actual in respect of harbour dues	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)
Other	(0.37)	(338.04)	(0.37)	(0.37)	(0.37)
Shrinkage and Expansion Adjustment (\$/t actual)	-	-	-	-	-
Discretionary Pricing Mechanism Administration Charge (\$/t actual)	-	-	-	(2.00)	(2.00)
Total Allocation Account Amount (\$/t actual)	(97.58)	(435.25)	(3.91)	(5.91)	(5.91)

IPS Conversion Factor: 1.036750 (estimate)

Wilmar has altered its reporting format for the US Quota Pool since the July 2018 pool report was issued. The costs associated with delivering US Quota sugar into a customer's warehouse (as specified by the terms of the No.16 contract) have been removed from the US Quota Gross Pool Price and are now included in the US Quota Pool Allocation Account Amount. Growers should also note that in addition to the Certificates of Quota Eligibility (CQEs) allocated to Wilmar, we also purchased CQEs from other Queensland marketers to make further sugar sales to the USA. At the time this "trading" opportunity was undertaken, it enabled Wilmar to earn greater returns on sugar sales to the USA relative to making NY#11-based sales into Asia. We have chosen to report the two components of the pool separately in order to provide transparency.

Allocation Account Amounts begin the season as estimates and are reviewed and updated on a monthly basis as actual premiums and costs are known.

Wilmar's Allocation Account Amounts are specific to each grower's chosen Pricing Mechanisms. Each Pricing Mechanism contains its own premiums and costs, meaning the Allocation Account Amount that forms part of a grower's Net IPS Sugar Price is based on their own pricing decisions and is not influenced by the choices of others.





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2018 Season Gross Pool Price Sensitivity Matrix

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A\$ Actual per tonne Wilmar Managed Pool						
		ICE NY#11 Price (US c/lb)				
		9.00	10.00	11.00	12.00	13.00
Exchange Rate AUD/USD	0.7050	343	350	364	378	393
	0.7150	338	346	360	374	388
	0.7250	334	342	355	369	384
	0.7350	330	338	351	365	379
	0.7450	326	334	347	360	374

A\$ Actual per tonne Wilmar Production Risk Pool						
		ICE NY#11 Price (US c/lb)				
		9.00	10.00	11.00	12.00	13.00
Exchange Rate AUD/USD	0.7050	318	341	364	387	411
	0.7150	314	336	359	382	405
	0.7250	309	332	354	376	400
	0.7350	305	327	349	372	394
	0.7450	301	323	345	367	389

A\$ Actual per tonne Wilmar US Quota Pool						
		ICE NY#16 Price (US c/lb)				
		23.50	24.50	25.50	26.50	27.50
Exchange Rate AUD/USD	0.7050	780	785	791	796	802
	0.7150	776	781	787	792	797
	0.7250	769	775	780	785	791
	0.7350	763	768	773	778	798
	0.7450	756	761	766	771	805

Notes:

- 1) The above matrices do not reflect the addition or deduction of the Allocation Account Amount or Advances Finance Charge for the Advances Option(s) chosen by a grower
- 2) No Net Pool Price sensitivity matrix is generated for Call & Target Pricing Mechanisms because the price outcomes for these Pricing Mechanisms are specific to individual growers.

The above sensitivity matrices are provided to give a general view of the impact of market movements on the estimated Gross Pool Price. The data is indicative only and may not accurately reflect final Gross Pool Prices.



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