



31 January 2020

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Welcome to your weekly overview of QSL news and information.

QSL Pre-Crush Advance payment option opens 1 February 2020

Do you need increased cash flow prior to harvest?

[Click here for details](#)

QSL Pools & Pricing Update

By Mark Hampson

QSL Executive Manager Marketing and Risk

After a year where the average sugar price for 2019 (ICE 11 prompt contract) was a disappointing A\$389.85/tonne gross, 2020 has brought a very welcome improvement in prices. While the majority of the 2019 Season's production has already been priced and sold, the current rally has lifted QSL's 2019 Harvest Pool value due to its increased exposure to the March 2020 and May 2020 contracts. However, it is our 2020 and 2021 Season pools that are set to reap the most benefit, with more sugar available to take advantage of current pricing levels. The impact of this recent ICE 11 price rally will be reflected when updated pool results are released next week, but the indicative pool values as of 17 January 2020 (available via the 'Current Indicative Pool Prices' links below) already show some improvement on December's figures.



The most notable improvement has been in the grower-pricing space, with some QSL growers this week achieving Target Pricing of **\$470/tonne gross for the 2019 and 2020 Seasons**. There are no additional charges for QSL growers who wish to use our Target Price Contract and Individual Futures Contract options, which currently let them lock in pricing for **up to 60% of their QSL tonnage for the 2020 and 2021 Seasons, and up to 45% in the 2022 Season**. Indicative daily forward prices are shared each weekday through the QSL App, the QSL website and our free pricing emails and text messages, and of course our app makes placing or adjusting pricing orders simple for growers on the go who want to act quickly to catch the market. If you're keen to take advantage of current pricing levels or want further information about QSL's pricing pools, see your local QSL representative for details.

US QUOTA RETURNS

QSL continues to provide growers with more US Quota allocation than any other Australian marketer, buying additional export certificates so we can increase our sales to the tightly controlled but highly lucrative US market. While the cost of buying the extra certificates lowers our net US Quota pool result, our increased proportion of US sales means QSL growers usually have a higher portion of US Quota making up their overall return. Unfortunately, capturing our additional certificate purchase costs in this pool's net return makes it difficult to directly compare our US Quota results with those of other marketers. So while we'll continue to buy extra Quota certificates when profitable, we'll capture this cost in the Shared Pool from next season, allowing you to more easily compare our US Quota returns with those of our competitors.

THE QSL SHARED POOL


As in past years, the Shared Pool cost continues to reduce from our conservative early-season estimate as the season progresses, and is currently valued at -\$5/tonne sugar IPS (weighted average). This captures all premiums and costs associated with using QSL,

including marketing and finance costs, as well as the Loyalty Bonus paid to approximately 90% of QSL growers in eligible districts. While the Shared Pool will not be finalised until the end of the current financial year, you can find a detailed breakdown of the current estimate for your milling district on the QSL website. Growers are also reminded that it's not too late to receive the **QSL Loyalty Bonus** for the 2019 Season, currently worth an estimated additional \$2.20/tonne sugar IPS for eligible growers. See your local QSL rep for details.

ADVANCE PAYMENTS

The Standard QSL Advance Rate will rise to **82.5%** next month, with the pool values used as the basis for this Advance payment to be released next week. QSL recommends that growers keen to get an idea of how the recent price rally has impacted their returns should wait until these figures are released next week before checking the updated Advances schedule on our website or using the Cash Flow Forecast tool within their QSL Direct accounts. Note: It's important to regularly revisit our Advances schedule and/or regenerate your cash flow forecast to capture the impact of changing pool values on your expected Advance payments.

In closing, the recent improvement in sugar prices currently offers some great pricing opportunities in the 2020, 2021 and 2022 Seasons. History has shown that these rallies don't last forever, so we encourage you to monitor current prices and touch base with your local QSL representative to understand your pricing options and how you can use them to secure your returns for the seasons ahead.



Take the sugar market
into your own hands

Introducing the new QSL app

[CLICK HERE](#) to find out more about the app



FEBRUARY DEADLINES

QSL Individual Futures Contract

(IFC): The pricing completion date for the MAR20 Contract is **14 February 2020**. [Click here for details.](#)

QSL Target Price Contract (TPP):

Any unfilled 2019-Season orders remaining after **20 February 2020** will be rolled to the MAY20 Contract and costs may apply. [Click here for details.](#)

MSF Sugar milling districts:

Your pricing completion date for the 2019-Season Target Price Contract is **20 February 2020**. [Click here for details.](#)



Discover the delights of Osaka and its surrounding districts on this year's QSL study tour to Japan. This small-group trip will explore the sugar refineries and port facilities in the Keihanshin region of Japan's south-west coast. Numbers are strictly limited, with Expressions of Interest closing on **Friday 29 February 2020** for a tour departure in late May. Please [click here](#) for more details. To register your interest, contact Sonia Ball on **0418 978 120** or email sonia.ball@qsl.com.au.

Tuesday Training in Mackay & Plane Creek

QSL's Mackay and Plane Creek offices will host grower training sessions every Tuesday from February through to April. Two sessions will be held each Tuesday at 9.30am and 1.30pm.

The first Training Tuesday will be 11 February.

Training topic: How to use QSL Direct

Learn how to:

- Create and edit a pricing order (grower-managed)
- Nominate GEI sugar tonnes to a QSL pool (QSL-managed)
- Navigate around the QSL Direct portal
- Find your payment statements and reports

Training venues are:

- QSL Mackay office at Level 2, Canegrowers Building, Wood Street, Mackay.
- QSL Plane Creek office at the Canegrowers Building, Broad Street, Sarina.

To RSVP please contact:

- MACKAY: Sonia Ball | 0418 978 120 | sonia.ball@qsl.com.au
- PLANE CREEK | Kathy Zanco | 0437 645 342 | kathy.zanco@qsl.com.au

Please bring along your mobile phone, laptop or tablet.

Free SMS price updates

QSL provides a free SMS price update service to its growers.

This service delivers a convenient update on sugar prices to your phone each weekday morning.

To sign up, please contact your local QSL representative, listed below.



Current indicative pool prices

To access our latest indicative pool prices and the Shared Pool applicable to your milling district, please click on the relevant link below:

[Bundaberg Sugar milling districts](#)

[Far Northern Milling milling districts](#)

[Isis Central Sugar Mill milling districts](#)

[Mackay Sugar milling districts](#)

[MSF Sugar milling districts](#)

[Tully Sugar milling districts](#)

[Wilmar milling districts](#)

QSL Daily Market Snapshot

[Click here](#)

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