



**KALAMIA CANE GROWERS  
ORGANISATION LTD**

# Weekly Web Round Up

*Friday, 30th April 2021*

Kalagro Fuel Price

**DIESEL - \$1.20550 including GST**

**UNLEADED - \$1.27310 including GST**

**Fuel Delivered - Mon - Wed - Fri**



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1. QSL Information Brief – 27/4/21
2. Ergon Energy Tariff Rates Guide – 2021/22
3. Wilmar – Comparing Financial Outcomes

## REMINDERS

### Ergon Energy Tariff Change

Members are reminded to check their Ergon Energy Accounts and the tariffs they are currently under. Some farming tariffs will expire 30<sup>th</sup> June 2021. (No 2)

Members will need to consult Ergon Re: Best new tariff for their irrigation needs.

### Estimates for Upcoming Crush Season 2021

Mill	Tonnes Milling
Invicta	3,085,290
Pioneer	1,578,730
Kalamia	1,612,308
Inkerman	1,698,650
<u>TOTAL</u>	<u>7,974,978</u>

- Start date 8<sup>th</sup> June for all mills to achieve a mid-November finish. (14<sup>th</sup> – 15<sup>th</sup> Nov)
- These numbers reflect 47,000 tonnes of Inkerman cane to Invicta
- There will be a need to transfer cane from Kalamia to Pioneer on these numbers but may have to go to Invicta. A decision will be made after crushing has started and trends analysed.

### Harvest Deduction Costs Authority

Reminder to Members - Harvest Deduction Costs form is required to be signed each year for Harvest costs to be automatically deducted from cane pays.

Contact the KCGO office for assistance.







# 1. QSL Information Brief – Posted – 27/4/21



Dear Members,

Please find below a short news & information brief from QSL that you may wish to use in your communications to your members.

- **2021 Pricing Declaration Date:** The 2021-Season Pricing Declaration Date is this **Friday, 30 April 2021**. This is the last day for growers to nominate to their chosen QSL pricing products for the 2021 Season. Any tonnes that remain unallocated after 30 April will default to the QSL Harvest Pool. To see the full list of available pricing options, please [click here](#), or get in touch with your local QSL team.
- **April 2021 Guaranteed Floor Pool:** Growers considering their 2021-Season pricing options are reminded that the April 2021 Guaranteed Floor Pool is accepting nominations until 30 April 2021. This QSL-managed pool gives growers the best of both worlds, providing a guaranteed minimum return, known as the floor, with the potential for additional returns should prices increase during the course of the season. While the floor price is set after nominations close, QSL publishes indicative floor prices during the nomination period. You can find these on the daily QSL Pricing email, as well as the Market Snapshot featured on our website ([www.qsl.com.au](http://www.qsl.com.au)). The latest indicative floor price for this pool is \$454/tonne actual (gross) as of 26 April 2021. Should the last indicative floor price be more than \$10 lower than the one eventually achieved after nominations close, the pool will be cancelled and growers can move their nominated tonnage to another QSL pricing option.  
[For more information about this pool, please click here.](#)
- **Q3 reports now available:** QSL Direct Growers: You can now find your quarterly report (Q3) in your QSL Direct account under the 'Financial Reports' tab for the 2020 Season. These reports have also been distributed in the same manner you usually receive your ledger reports and statements. For further information regarding your quarterly report or for assistance with your QSL statements, please don't hesitate to contact your local QSL representatives (listed at the bottom of this email) or call 1800 870 756.

If members have any questions in regards to the above, please don't hesitate to get in contact with:

- Russell Campbell - Grower Relationship Manager – 0408 248 385
- Kristen Paterson - Grower Relationship Officer– 0438 470 235
- Rebecca Love – Grower Relationship Officer – 0429 054 330 (Mon-Wed)

*Current as at 26 April 2021*

Regards,

**Kristen Paterson**

Grower Relationship Officer

Grower Services

Direct +61 7 4760 4401 Mobile +61 438 470 235

[Kristen.Paterson@qsl.com.au](mailto:Kristen.Paterson@qsl.com.au)

[www.qsl.com.au](http://www.qsl.com.au)



## 2. Ergon Energy Tariff Rates Guide – 2021/22 – Posted – 27/4/21

# ERGON ENERGY TARIFF RATES GUIDE - 2021 - 2022

Dear Members,

On the 30<sup>th</sup> June 2021, electricity tariff rates will change.

Below, are the **Current Tariff Rates** – tariffs **62, 65 & 66.**

**Draft Tariff Rates** for 2021/22 are shown as tariffs **62A, 65A & 66A.**

& **Draft Tariff Default Rates** for 2021/22 is tariff **20.**

If you want to select the new tariffs, please contact:

**Ergon Energy - Ph. 13 10 46 before 30<sup>th</sup> June 2021.**

**Please Note:** If you do not take action, your tariff will default to **tariff 20.**

## CURRENT TARIFF RATES – UP TO 30<sup>TH</sup> JUNE 2021

### Current Option 1

<u>Retail tariff</u>	<u>Service fee</u>	<u>Block 1/Peak</u>	<u>Block 2</u>	<u>Off peak/flat</u>
62	\$/day	c/kWh	c/kWh	c/kWh
	\$0.78	46.516	39.336	16.448

Block 1 – 7am to 9pm on weekdays (first 10,000 kWh per month)

Block 2 – 7am to 9 pm on weekdays (remaining kWh per month)

Off-peak – all other times

### Current Option 2

<u>Retail tariff</u>	<u>Service fee</u>	<u>Peak</u>	<u>Off peak</u>
65	\$/day	c/kWh	c/kWh
	\$0.78	36.894	20.321

Peak-a fixed 12 hour period as agreed between the retailer and customer from the range 7am to 7pm, 7.30am to 7.30pm or 8am to 8pm.

Off-peak – all other times.

### Current Option 3

<u>Retail tariff</u>	<u>Service fee</u>	<u>Flat</u>	<u>Capacity (annual)</u>	
66	\$/day	c/kWh	Up to 7.5kW	Over 7.5kW
	\$1.72	19.338	37.503	112.759



## **DRAFT 2021/22 TARIFF RATES**

### **Option 1**

Retail tariff	Service fee	Block 1/Peak	Block 2	Off peak/flat
62A	\$/day	c/kWh	c/kWh	c/kWh
	\$1.02	50.509	42.253	15.936

Block 1 – 7am to 9pm on weekdays (first 10,000kWh per month)

Block 2 – 7am to 9pm on weekdays (remaining kWh per month)

Off-peak – all other times.

### **Option 2**

Retail tariff	Service fee	Peak	Off peak
65A	\$/day	c/kWh	c/kWh
	\$1.02	39.556	20.45

Off-peak - all other times

### **Option 3**

Retail tariff	Service fee	Flat	Capacity(monthly)	
66A	\$/day	c/kWh	Up to 7.5kW	Over 7.5kW
	\$2.04	19.275	\$3.573/kW	\$10.789/kW

## **DRAFT 2021/22 TARIFF DEFAULT RATES**

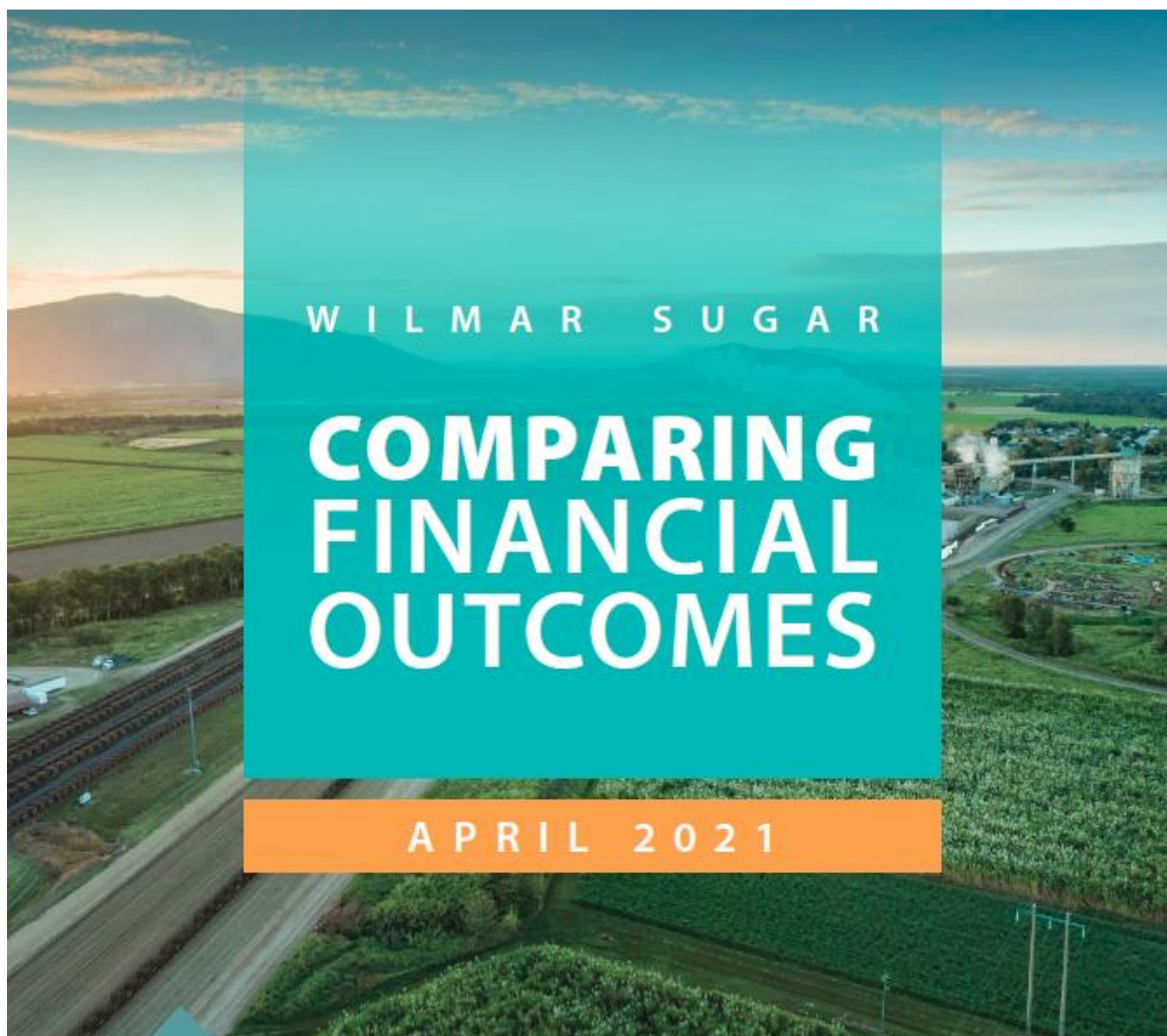
*(If customers leave the tariff as is, their tariff will default to tariff 20 shown below)*

### **Default Option**

Retail tariff	Service fee	Flat
20	\$/day	c/kWh
	\$1.21	22.135



### 3. Wilmar Comparing Financial Outcomes – Posted – 29/4/21



Choosing the best marketer for your farming business can be challenging.

There is a range of pools and pricing mechanisms. There are different costs, premiums and bonus schemes. And there are differences in how marketers report on results.

This new publication enables growers to directly compare the financial outcomes they might have achieved under Wilmar and QSL.

It looks at four alternative pricing allocation options available through both marketers and

presents the comparative results for the 2018, 2019 and 2020 seasons.

The historical analysis shows that, for all four options, a grower would have achieved a better financial outcome over that full three-year period with Wilmar as their Grower Economic Interest Sugar marketer.

The summary chart on the back page of this document shows a grower with 1,000 tonnes IPS of GEI Sugar would have been up to \$44,000 better off with Wilmar over that time.



## PRICING ALLOCATION OPTIONS

In this analysis we assume that a grower has had 1,000 tonnes IPS of GEI Sugar in each of the last three seasons. We assume the grower has either nominated 100% of that quantity to Wilmar for marketing or 100% to QSL for marketing.

For each of the GEI marketers, we've calculated the financial outcomes that would have come from four alternative pricing allocation options – where different allocations of GEI tonnage

are made to different pools and/or pricing mechanisms.

The intent is to give you an idea of which marketer and what combination of pricing mechanisms would have produced the optimal outcomes over the last three seasons.

The following table shows the four alternative pricing allocations used for our comparisons.

	Target/Call Pricing	Wilmar Managed Pool or QSL Actively Managed Pool	Wilmar US Quota Pool or QSL US Quota Pool	Wilmar Production Risk Pool or QSL Harvest Pool
<b>OPTION 1</b> Default pool	0%	0%	2-3%	97-98%
<b>OPTION 2</b> Marketers' managed pools	0%	50%	2-3%	47-48%
<b>OPTION 3</b> Balanced approach	30%	30%	2-3%	37-38%
<b>OPTION 4</b> Taking more control	60%	0%	2-3%	37-38%

We have used historical pool/pricing outcomes for the 2018 to 2020 seasons to calculate the overall weighted-average price and total net pool/pricing revenue outcomes for each of the four options above, for Wilmar and QSL respectively.

The table below illustrates the Wilmar and QSL pooling and pricing outcomes as published by both parties. It also shows the break-up of the Gross Pool Prices, the Wilmar Allocation Account Amount or QSL Shared Pool, and the resulting Net Pool Prices.

Wilmar Pricing Outcomes	2018	2019	2020	QSL Pricing Outcomes	2018	2019	2020
Average Actual Target Pricing achieved by Wilmar growers (\$/t IPS)				Target Prices assumed equal to those achieved by Wilmar growers (\$/t IPS)			
Gross Target Price (\$/t actual)	\$434.76	\$438.20	\$455.16	Gross Target Price (\$/t actual)	\$434.76	\$438.20	\$455.16
Gross Target Price (\$/t IPS)	\$419.90	\$423.46	\$439.70	Gross Target Price (\$/t IPS)	\$419.73	\$423.38	\$439.47
Allocation Account Amount	-\$1.73	\$6.59	\$25.68	Shared Pool	-\$3.30	\$0.98	\$29.57
Default Advances Finance Charge	-\$3.42	-\$1.50	-\$1.21				
<b>Net Pool Price</b>	<b>\$414.75</b>	<b>\$428.56</b>	<b>\$464.17</b>	<b>Net Pool Price</b>	<b>\$416.43</b>	<b>\$424.36</b>	<b>\$469.04</b>
Wilmar Managed Pool returns (\$/t IPS)				QSL Actively Managed Pool returns (\$/t IPS)			
Gross Pool Price	\$360.87	\$402.23	\$382.39	Gross Pool Price	\$372.37	\$391.08	\$404.00
Allocation Account Amount	-\$2.21	\$6.03	\$25.32	Shared Pool	-\$3.30	\$0.98	\$29.57
Default Advances Finance Charge	-\$3.42	-\$1.50	-\$1.21				
<b>Net Pool Price</b>	<b>\$355.24</b>	<b>\$406.77</b>	<b>\$406.51</b>	<b>Net Pool Price</b>	<b>\$369.07</b>	<b>\$392.06</b>	<b>\$433.57</b>
US Quota Pool returns (\$/t IPS)				US Quota Pool returns (\$/t IPS)			
Gross Pool Price	\$761.76	\$789.26	\$753.01	Gross Pool Price	\$762.92	\$818.02	\$785.00
Allocation Account Amount	-\$94.23	-\$98.31	-\$92.87	Shared Pool	-\$121.06	-\$212.44	-\$81.65
Default Advances Finance Charge	-\$3.42	-\$1.50	-\$1.21				
<b>Net Pool Price</b>	<b>\$664.12</b>	<b>\$689.45</b>	<b>\$658.93</b>	<b>Net Pool Price</b>	<b>\$641.86</b>	<b>\$605.58</b>	<b>\$703.35</b>
Production Risk Pool returns (\$/t IPS)				Harvest Pool returns (\$/t IPS)			
Gross Pool Price	\$381.99	\$413.33	\$424.39	Gross Pool Price	\$371.99	\$405.13	\$403.00
Allocation Account Amount	\$0.72	\$9.02	\$28.54	Shared Pool	-\$3.30	\$0.98	\$29.57
Default Advances Finance Charge	-\$3.42	-\$1.50	-\$1.21				
<b>Net Pool Price</b>	<b>\$379.30</b>	<b>\$420.85</b>	<b>\$451.72</b>	<b>Net Pool Price</b>	<b>\$368.69</b>	<b>\$406.11</b>	<b>\$432.57</b>
IPS Conversion Factors	1.035391	1.034797	1.035165	IPS Conversion Factors	1.035806	1.035006	1.035701

NOTE: We have included QSL's Loyalty Bonus in the analysis, even though it is our understanding that this bonus is not paid to all growers nominating QSL. Growers who did not receive QSL's Loyalty Bonus would have received lower returns.





Our historical analysis shows a grower would have achieved a better financial outcome over the full three-year period with Wilmar as their GEI Sugar marketer.

## IMPORTANT ASSUMPTIONS

The **Target Pricing outcomes** used in this analysis represent the actual average gross forward prices achieved by growers nominating Wilmar as their marketer in the 2018, 2019 and 2020 seasons. We've assumed those same prices for both marketers in the Wilmar versus QSL comparison. The Target Price includes any roll adjustment that occurred for unpriced Target Pricing at the expiry of the July and October ICE #11 contract positions.

To ensure the comparison is like-for-like, we have **capped the use of Target Pricing in Option 4 to 60% for each of the 2018-2020 seasons**. Although Wilmar enabled up to 70% of forward pricing during this period, QSL capped the maximum percentage for any growers nominating it as their marketer at 60%.

The **percentages of GEI Sugar** which growers nominating Wilmar have had in the **US Quota Pool** have been 1.82%, 2.21% and 3.20% in the 2018, 2019 and 2020 seasons, respectively. We have used these percentages for both marketers in this comparison exercise. While the percentages for growers nominating QSL may be different, to our

knowledge, QSL does not publish the percentage of a grower's GEI Sugar in its US Quota Pool, at least not in any public forum.

The **Net Pool Prices** in the analysis are those as reported by both Wilmar and QSL respectively. Also note that the 2020 season Net Pool Price assumptions are forecasts and will not be finalised until all physical sugar sales, ICE #11 and AUD hedging outcomes are completed in mid-2021.

Please note that no **harvesting costs, levies, liens or any other costs** are used in the calculations. This analysis looks purely at the revenues flowing from pooling/pricing decisions.

## WHAT THE ANALYSIS SHOWS

In each of the following sections, the pie chart illustrates the risk management approach chosen for analysis. It shows which combination of pooling or pricing mechanisms, either with Wilmar or QSL, have been selected.

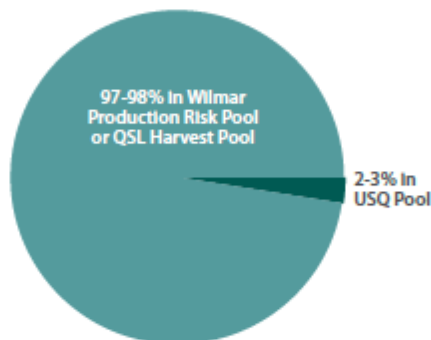
The right-hand chart under each of the pricing allocation options below represents the aggregate net pricing revenue for a grower nominating Wilmar compared with a grower nominating QSL.



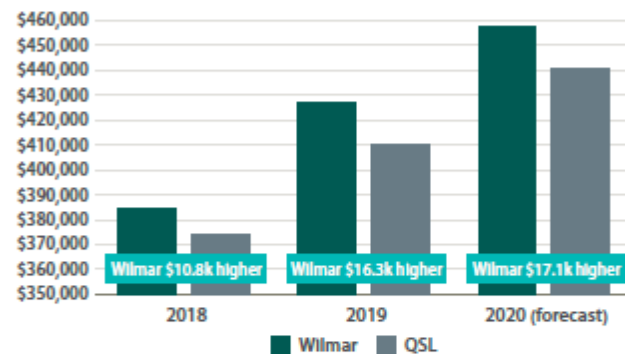
## OPTION 1 - Default pool

Almost exclusively relying upon the Wilmar Production Risk Pool or the QSL Harvest Pool

Allocation to Pricing Mechanisms



Total Net Pool/Pricing Revenues



For each of the 2018, 2019 and 2020 seasons, a grower who had nominated Wilmar would have out-performed a grower who had nominated QSL.

Overall, across those three seasons, a grower nominating 1,000 tonnes IPS of GEI Sugar would have been more than \$44,000 ahead nominating the Wilmar pricing mechanisms, an average of about \$14,700 per season.

### OPTION 1: Almost exclusively relying upon the Wilmar Production Risk Pool or the QSL Harvest Pool

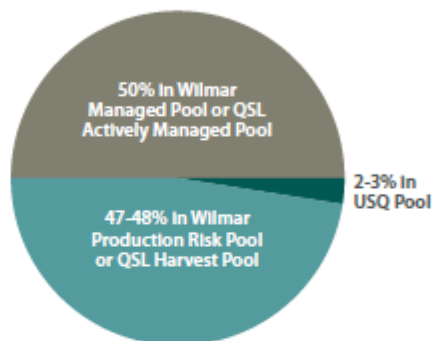
For a grower who had nominated Wilmar as their GEI marketer				For a grower who had nominated QSL as their GEI marketer			
	2018	2019	2020		2018	2019	2020
<b>GEI percentage allocation to:</b>							
Target/Call Pricing	0.00%	0.00%	0.00%	Target Pricing	0.00%	0.00%	0.00%
Wilmar Managed Pool	0.00%	0.00%	0.00%	Actively Managed Pool	0.00%	0.00%	0.00%
US Quota Pool	1.82%	2.21%	3.20%	US Quota Pool	1.82%	2.21%	3.20%
Production Risk Pool	98.18%	97.79%	96.80%	Harvest Pool	98.18%	97.79%	96.80%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>GEI tonnage allocation to:</b>							
Target/Call Pricing	-	-	-	Target Pricing	-	-	-
Wilmar Managed Pool	-	-	-	Actively Managed Pool	-	-	-
US Quota Pool	18	22	32	US Quota Pool	18	22	32
Production Risk Pool	982	978	968	Harvest Pool	982	978	968
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Weighted average pool return (\$/t IPS)</b>	<b>\$384.48</b>	<b>\$426.78</b>	<b>\$458.35</b>	<b>Weighted average pool return (\$/t IPS)</b>	<b>\$373.66</b>	<b>\$410.52</b>	<b>\$441.23</b>
<b>Difference to QSL (\$/t IPS)</b>	<b>\$10.82</b>	<b>\$16.26</b>	<b>\$17.11</b>	<b>Difference to Wilmar (\$/t IPS)</b>	<b>-\$10.82</b>	<b>-\$16.26</b>	<b>-\$17.11</b>
<b>Total net pool revenue</b>	<b>\$384,480</b>	<b>\$426,782</b>	<b>\$458,346</b>	<b>Total net pool revenue</b>	<b>\$373,662</b>	<b>\$410,518</b>	<b>\$441,235</b>
<b>Difference to QSL</b>	<b>\$10,818</b>	<b>\$16,264</b>	<b>\$17,111</b>	<b>Difference to Wilmar</b>	<b>-\$10,818</b>	<b>-\$16,264</b>	<b>-\$17,111</b>



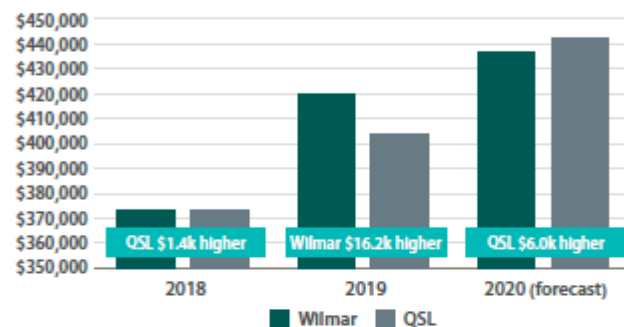
## OPTION 2 - Marketers' managed pools

Exclusively relying upon the marketer's managed pools

Allocation to Pricing Mechanisms



Total Net Pool/Pricing Revenues



In this option, a grower nominating Wilmar would have quite significantly out-performed a grower who nominated QSL in the 2019 season. QSL would have achieved modestly better results in 2018 and 2020.

Overall, across the three seasons, a grower nominating 1,000 tonnes IPS of GEI Sugar would have been nearly \$8,900 better off nominating the Wilmar pricing mechanisms, an average of about \$3,000 per season.

### OPTION 2: Exclusively relying upon the marketer's pools

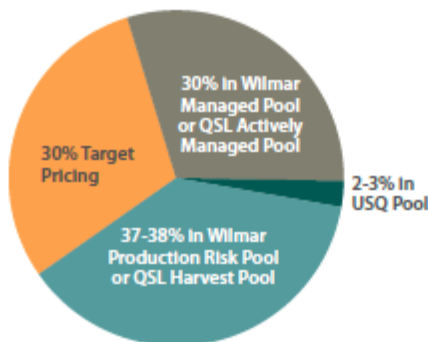
For a grower who had nominated Wilmar as their GEI marketer				For a grower who had nominated QSL as their GEI marketer			
	2018	2019	2020		2018	2019	2020
<b>GEI percentage allocation to:</b>							
Target/Call Pricing	0.00%	0.00%	0.00%	Target Pricing	0.00%	0.00%	0.00%
Wilmar Managed Pool	50.00%	50.00%	50.00%	Actively Managed Pool	50.00%	50.00%	50.00%
US Quota Pool	1.82%	2.21%	3.20%	US Quota Pool	1.82%	2.21%	3.20%
Production Risk Pool	48.18%	47.79%	46.80%	Harvest Pool	48.18%	47.79%	46.80%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>GEI tonnage allocation to:</b>							
Target/Call Pricing	-	-	-	Target Pricing	-	-	-
Wilmar Managed Pool	500	500	500	Actively Managed Pool	500	500	500
US Quota Pool	18	22	32	US Quota Pool	18	22	32
Production Risk Pool	482	478	468	Harvest Pool	482	478	468
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Weighted average pool return (\$/t IPS)</b>	<b>\$372.45</b>	<b>\$419.74</b>	<b>\$435.74</b>	<b>Weighted average pool return (\$/t IPS)</b>	<b>\$373.85</b>	<b>\$403.49</b>	<b>\$441.73</b>
<b>Difference to QSL (\$/t IPS)</b>	<b>-\$1.40</b>	<b>\$16.25</b>	<b>-\$5.99</b>	<b>Difference to Wilmar (\$/t IPS)</b>	<b>\$1.40</b>	<b>-\$16.25</b>	<b>\$5.99</b>
<b>Total net pool revenue</b>	<b>\$372,451</b>	<b>\$419,742</b>	<b>\$435,741</b>	<b>Total net pool revenue</b>	<b>\$373,852</b>	<b>\$403,493</b>	<b>\$441,735</b>
<b>Difference to QSL</b>	<b>-\$1,401</b>	<b>\$16,249</b>	<b>-\$5,994</b>	<b>Difference to Wilmar</b>	<b>\$1,401</b>	<b>-\$16,249</b>	<b>\$5,994</b>



## OPTION 3 - Balanced approach

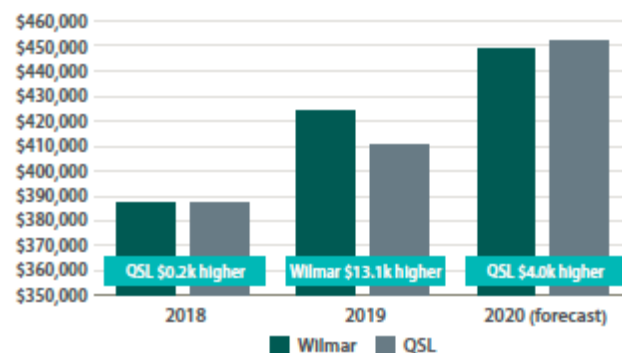
A balanced approach, utilising Target Pricing to cover 30% of pricing exposure

Allocation to Pricing Mechanisms



A grower nominating Wilmar would have out-performed a grower who nominated QSL by some margin in the 2019 season. A grower nominating QSL would have achieved a fractionally better result in 2018 and a modestly better result in 2020.

Total Net Pool/Pricing Revenues



Overall, across the three seasons, grower nominating 1,000 tonnes IPS of GEI Sugar would have been about \$8,900 better off nominating the Wilmar pricing mechanisms, an average of nearly \$3,000 per season.

### OPTION 3: A balanced approach, utilising Target Pricing to cover 30% of pricing exposure

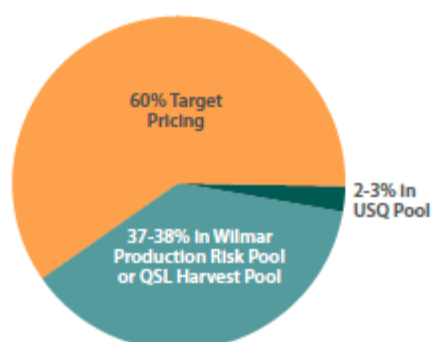
For a grower who had nominated Wilmar as their GEI marketer				For a grower who had nominated QSL as their GEI marketer			
	2018	2019	2020		2018	2019	2020
<b>GEI percentage allocation to:</b>							
Target/Call Pricing	30.00%	30.00%	30.00%	Target Pricing	30.00%	30.00%	30.00%
Wilmar Managed Pool	30.00%	30.00%	30.00%	Actively Managed Pool	30.00%	30.00%	30.00%
US Quota Pool	1.82%	2.21%	3.20%	US Quota Pool	1.82%	2.21%	3.20%
Production Risk Pool	38.18%	37.79%	36.80%	Harvest Pool	38.18%	37.79%	36.80%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>GEI tonnage allocation to:</b>							
Target/Call Pricing	300	300	300	Target Pricing	300	300	300
Wilmar Managed Pool	300	300	300	Actively Managed Pool	300	300	300
US Quota Pool	18	22	32	US Quota Pool	18	22	32
Production Risk Pool	382	378	368	Harvest Pool	382	378	368
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Weighted average pool return (\$/t IPS)</b>	<b>\$387.90</b>	<b>\$424.87</b>	<b>\$448.52</b>	<b>Weighted average pool return (\$/t IPS)</b>	<b>\$388.10</b>	<b>\$411.78</b>	<b>\$452.48</b>
<b>Difference to QSL (\$/t IPS)</b>	<b>-\$0.20</b>	<b>\$13.09</b>	<b>-\$3.96</b>	<b>Difference to Wilmar (\$/t IPS)</b>	<b>\$0.20</b>	<b>-\$13.09</b>	<b>\$3.96</b>
<b>Total net pool revenue</b>	<b>\$387,899</b>	<b>\$424,871</b>	<b>\$448,519</b>	<b>Total net pool revenue</b>	<b>\$388,098</b>	<b>\$411,778</b>	<b>\$452,476</b>
<b>Difference to QSL</b>	<b>-\$199</b>	<b>\$13,093</b>	<b>-\$3,957</b>	<b>Difference to Wilmar</b>	<b>\$199</b>	<b>-\$13,093</b>	<b>\$3,957</b>



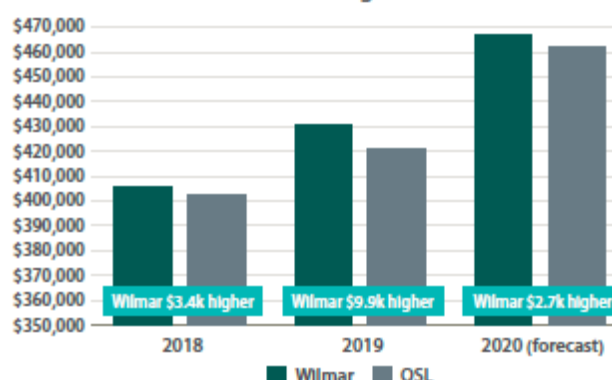
## OPTION 4 - Taking more control

Taking more pricing control, utilising Target Pricing to cover 60% of pricing exposure

Allocation to Pricing Mechanisms



Total Net Pool/Pricing Revenues



A grower with Wilmar would have out-performed a grower with QSL in all three seasons.

Overall, across those seasons, grower nominating 1,000

tonnes IPS of GEI Sugar would have been nearly \$16,100 better off nominating the Wilmar pricing mechanisms, an average of nearly \$5,400 per season.

### OPTION 4: Taking more pricing control, utilising Target Pricing to cover 60% of pricing exposure

For a grower who had nominated Wilmar as their GEI marketer				For a grower who had nominated QSL as their GEI marketer			
	2018	2019	2020		2018	2019	2020
<b>GEI percentage allocation to:</b>							
Target/Call Pricing	60.00%	60.00%	60.00%	Target Pricing	60.00%	60.00%	60.00%
Wilmar Managed Pool	0.00%	0.00%	0.00%	Actively Managed Pool	0.00%	0.00%	0.00%
US Quota Pool	1.82%	2.21%	3.20%	US Quota Pool	1.82%	2.21%	3.20%
Production Risk Pool	38.18%	37.79%	36.80%	Harvest Pool	38.18%	37.79%	36.80%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>GEI tonnage allocation to:</b>							
Target/Call Pricing	600	600	600	Target Pricing	600	600	600
Wilmar Managed Pool	-	-	-	Actively Managed Pool	-	-	-
US Quota Pool	18	22	32	US Quota Pool	18	22	32
Production Risk Pool	382	378	368	Harvest Pool	382	378	368
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Weighted average pool return (\$/t IPS)</b>	<b>\$405.75</b>	<b>\$431.41</b>	<b>\$465.82</b>	<b>Weighted average pool return (\$/t IPS)</b>	<b>\$402.31</b>	<b>\$421.47</b>	<b>\$463.12</b>
<b>Difference to QSL (\$/t IPS)</b>	<b>\$3.45</b>	<b>\$9.94</b>	<b>\$2.70</b>	<b>Difference to Wilmar (\$/t IPS)</b>	<b>-\$3.45</b>	<b>-\$9.94</b>	<b>-\$2.70</b>
<b>Total net pool revenue</b>	<b>\$405,753</b>	<b>\$431,409</b>	<b>\$465,818</b>	<b>Total net pool revenue</b>	<b>\$402,306</b>	<b>\$421,468</b>	<b>\$463,117</b>
<b>Difference to QSL</b>	<b>\$3,447</b>	<b>\$9,941</b>	<b>\$2,700</b>	<b>Difference to Wilmar</b>	<b>-\$3,447</b>	<b>-\$9,941</b>	<b>-\$2,700</b>



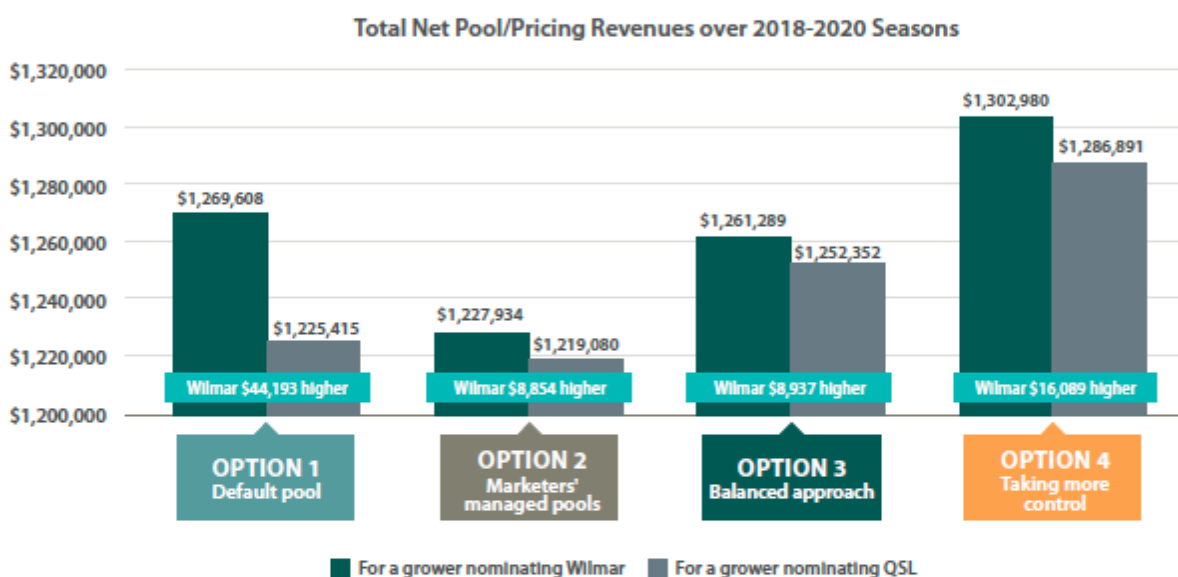
## SUMMARY

The following chart aggregates the total net revenue for each of the four pricing allocation options, for the full 2018-2020 period, for a grower who may have nominated Wilmar versus a grower who may have nominated QSL.

Under each of the four options, a grower nominating 1,000 tonnes IPS of GEI Sugar to Wilmar would have achieved superior results across the full three-season period than for a grower nominating QSL.

The historical analysis illustrates that, under all four GEI pricing exposure options, a grower would have been better off with Wilmar.

In dollar terms, the financial benefit of marketing with Wilmar ranges from \$8,854 to \$44,193 over the full three-year period.



## HOW WE CAN HELP

We recognise that the four pricing allocation scenarios in this publication might not represent the option/s you use, or would like to see analysed.

To personalise the analysis to suit your situation, we have a pricing comparison model that can take into account your farm production, your forward pricing outcomes and the specific pricing mechanisms you have used or might consider in future.

Please contact one of our Grower Marketing Consultants to arrange for a personal consultation.



**PJ GILEPPA**  
Townsville  
0437 297 978  
Grower Marketing  
and Pricing Manager



**FRANCO ZAINI**  
Herbert  
0419 476 770



**SHIRLEY NORRIS**  
Proserpine  
0437 803 019



**MENNO BOKMA**  
Burdekin  
0437 669 118



**YOLANDA HANSEN**  
Burdekin  
0439 002 240



**ANGUS MCKERROW**  
Plane Creek  
0419 238 536



**TANIA DALTON**  
Townsville  
0438 176 335



# Kalamia Cane Growers Organisation Services Offered to Members and Non-Members



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**KALAMIA CANE  
GROWERS  
ORGANISATION  
LIMITED (KCGOL)  
&  
KALAGRO LIMITED**

**Located at:**

140 Young Street, AYR

**Office Hours:**

Monday – Friday  
8.30am – 4.30pm

**Postal Address:**

PO Box 597, AYR QLD 4807

**Phone:**

07 47 8313 12

**Email:**

[admin@kalagro.com.au](mailto:admin@kalagro.com.au)

**Web:**

[www.kalagro.com.au](http://www.kalagro.com.au)

**Facebook:**

KalamiaCaneGrowersOrg  
Ltd





## **KCGO PROVIDES PAYROLL SERVICES FOR MEMBERS AND NON-MEMBERS**

- Wages Preparation – Fair Work ATO & STP Compliancy
- Superannuation
- End of Financial Year Processing
- WorkCover – Premiums & Claims Assistance



BAS agent  
25954836

Payroll Manager  
Jacki Kratzmann

## **KCGO PAYROLL SERVICE CHARGES**

### **Members**

\$12.20 (incl GST) per Payslip

### **Non-members**

\$14.15 (incl GST) per Payslip

### **All Clients**

\$20.25 (incl GST) End of Financial Year Processing (per Employee)

# **Harvest Invoice Services**



## **PREPARATION OF WEEKLY HARVEST INVOICE CHARGES**

### **Members:**

\$12.20 (incl GST) per Invoice

### **Non-members:**

\$14.15 (incl GST) per Invoice

### **Postage Charges:**

\$1.10 per Env.

### **Delivery Options:**

- Invoices emailed
- posted
- KCGO office pickup option

**\*\* Service offered to KCGO Members & Non-Members \*\***