



PRICING WITH QSL



Growers marketing with QSL have until **30 April** each year to decide which QSL pricing options they'd like to use for the coming season.

You cannot access any QSL pricing or payment service unless you have nominated QSL as your marketer for the season concerned and have your QSL Grower Pricing Agreement (GPA) in place.

Once you have returned your GPA, you'll be issued with a **QSL Direct account** and will use this to submit your pricing choices online or through your local QSL office.

YOUR QSL PRICING OPTIONS



MANDATORY POOLS

Automatic participation with
no action required

All growers marketing with QSL have 40% of their QSL tonnage automatically allocated to our two mandatory pools – the QSL Harvest Pool and the QSL US Quota Pool.

If you choose not to use any of our optional pools and pricing products, the remainder of your tonnage will be priced through the Harvest Pool for the duration of the season.

WANT MORE CHOICE?

You can also access any combination of the following **optional** pricing products:

QSL-MANAGED POOLS

QSL makes the pricing
decisions on your behalf

You decide which of these pools you'd like to allocate tonnage to.

QSL then makes the pricing decisions for that allocation for the rest of the season.

SELF-MANAGED PRICING PRODUCTS

You make your own pricing
decisions

You decide which of these pricing tools best suit your needs and then use them to price your own sugar up to 3 years in advance.

See overleaf for an overview of your 2019 pricing options.

QSL PRODUCT OVERVIEW

2019 Season



MANDATORY PRICING POOLS

All Growers marketing with QSL will have tonnage automatically allocated to the following pools. There is generally no penalty for failing to deliver the nominated tonnage to these pricing products.

QSL HARVEST POOL - 35% minimum allocation

- Designed to help manage in-season tonnage shortfalls and contains a production buffer that is not sold or priced until the later part of the harvest.
- Growers can deliver more/less than initial allocation, and are only paid for the sugar they actually deliver.
- Any GEI Sugar not allocated to a QSL pricing product defaults to this pool.

QSL US QUOTA POOL - 5% allocation

- QSL automatically allocates a share of US Quota returns to all growers marketing with QSL.
- Final allocation is based on QSL's total sales tonnage to the USA each season, and usually varies between 3%-5% of each grower's GEI Sugar tonnes with QSL.

OPTIONAL PRICING PRODUCTS

QSL-MANAGED POOLS

QSL-managed pools aggregate tonnage from one or more participants, with QSL making all pricing decisions for the pool. Growers must commit tonnage to participate in any of these products.

QSL ACTIVELY MANAGED POOL

- Targets the best return by pricing in an active manner designed to exploit short-term market opportunities in the current season.
- QSL can use a variety of pricing instruments, trade currency and unwind pricing to re-price at a later date in a bid to enhance returns.

QSL EARLY-START ACTIVELY MANAGED POOL NOMINATIONS NOW CLOSED FOR 2019 SEASON

2020 QSL 2-SEASON ACTIVELY MANAGED POOL

- Prices sugar to be delivered in the 2020 Season.
- Targets the best return by using the same pricing approach and tools as the QSL Actively Managed Pool, but extends the pricing window across two seasons.

2021 QSL 3-SEASON ACTIVELY MANAGED POOL

- Prices sugar to be delivered in the 2021 Season.
- Targets the best return by using the same pricing approach and tools as the QSL Actively Managed Pool, but extends the pricing window across three seasons.

QSL GUARANTEED FLOOR POOL

- Locks in a 'floor' price, setting a known minimum return supplemented by 50% of any returns above the pool's 'strike' price.
- Floor and strike prices are set after nominations close, with the option to withdraw from the pool if the floor price is \$10 below the last published indicative price.

SELF-MANAGED PRODUCTS

QSL's self-managed pricing products allow you to make your own pricing decisions, either for the current or future seasons. Growers must commit tonnage to participate in any of these products.

TARGET PRICE CONTRACT

- Enables Growers to price their GEI Sugar during the current season and up to 3 seasons forward.
- Orders target a weighted season average in \$5 increments (e.g. \$400, \$405, \$410).
- Pricing can be deferred to the year after crushing by 'rolling' unfilled orders (costs may apply).

INDIVIDUAL FUTURES CONTRACT

- Enables Growers to price GEI Sugar incrementally during the current season and up to 3 seasons forward, with separate pricing decisions made against each of the 4 individual futures contracts.
- Order targets in \$5 increments (e.g. \$400, \$405, \$410).
- Pricing to be completed by 16 April in the year after crushing commences.

SELF-MANAGED HARVEST

NOMINATIONS NOW CLOSED FOR 2019 SEASON

THE QSL SHARED POOL

Unless otherwise stated in the Pricing Pool Terms, QSL does not charge direct fees for using QSL's pricing products. Instead, at the end of the season all QSL pricing products receive an allocation from the QSL Shared Pool which captures all revenues and costs associated with the sale and marketing of sugar by QSL.

HOW MUCH YOU CAN PRICE

This is governed by the amount of GEI Sugar you have nominated to be marketed by QSL in the season concerned, the total Committed Sugar allocation limits as determined in your CSA, GPA and the Pricing Pool Terms, and the credit limits applied by QSL. See your local QSL rep for details.

For full details regarding QSL's pricing pools and products, please read the relevant Pricing Pool Terms at www.qsl.com.au.