

SUPPLY CHAIN: A PRODUCER'S PERSPECTIVE

Greg Beashel, QSL

7 February 2012





TODAY'S PRESENTATION

- What is happening in Australia?
- An overview of QSL
- The Australian supply chain
- What is important in a sugar supply chain?



What is happening in Australia?





An overview of QSL





QSL at a glance

- Manage over 90% of all Australian raw sugar exports
 - Three year rolling supply contracts give supply certainty.
- Full supply chain control
 - Lease and operate 6 bulk sugar terminals
- Provide a platform for Australian growers and millers to participate in forward pricing up to 5 years in advance
- Owned by Australia's growers and millers
- Governed by independent Board of Directors

QSL – Marketing, Logistics, Financing and Pricing

- Our priority is to maximise returns for our stakeholders through being customer driven and ensuring consistency and quality of supply
 - QSL has four key functions:

MARKETING

- Maximise returns
- Look after customers

LOGISTICS

- Efficient, safe and customer driven supply chain services

FINANCING

- Low-cost financing

PRICING

- Access to long term pricing
- Delivering value from QSL's pricing products

Logistics is a key QSL strength

- End-to-end supply chain control
- QSL leases, operates and maintains 6 bulk sugar terminals
 - Cairns, Mourilyan, Lucinda, Townsville, Mackay and Bundaberg
 - Priority berthing at each port
- Our supply chain is customer driven – our focus is on time in full delivery





The Australian supply chain



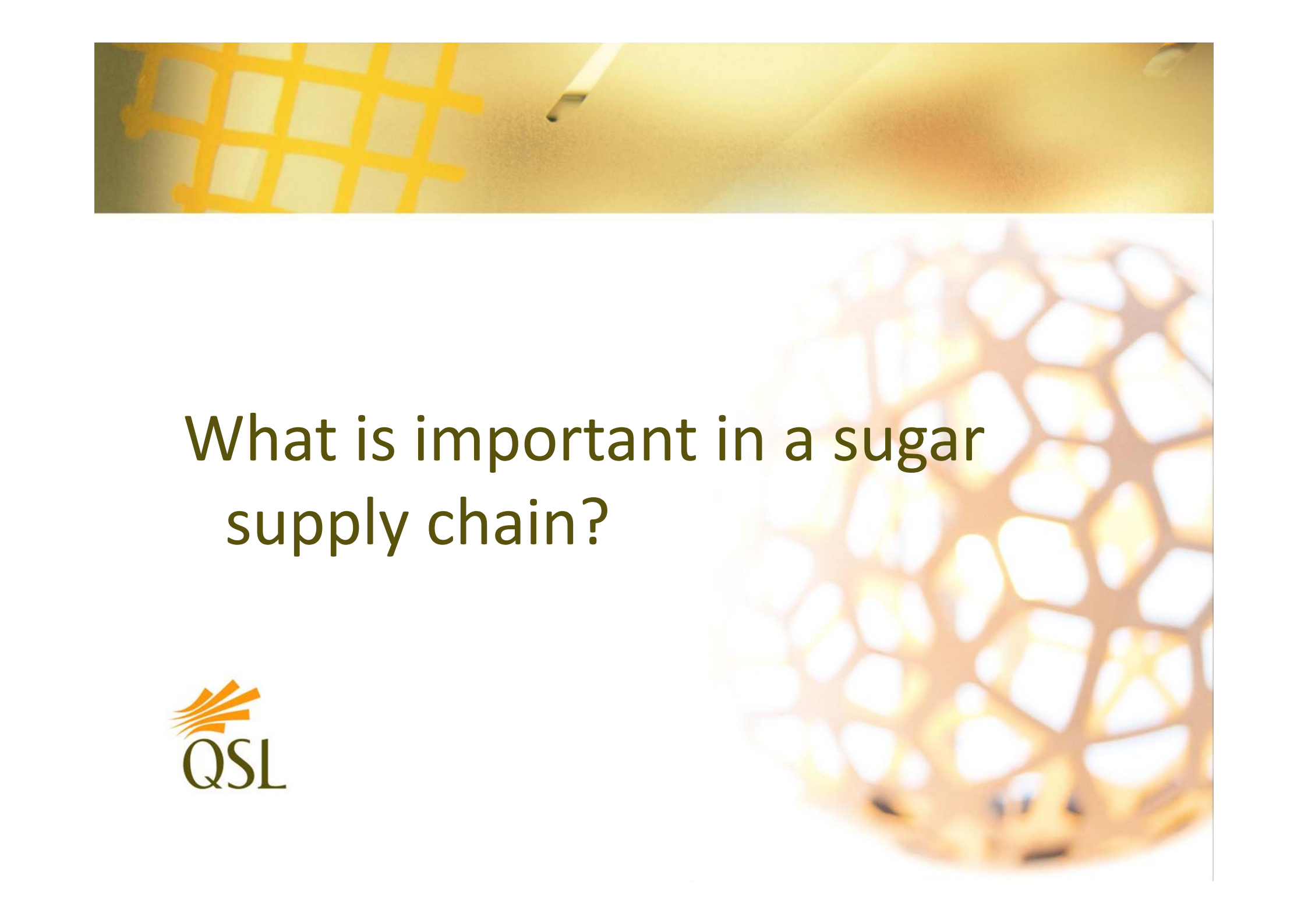
How Australia's raw sugar supply chain works





QSL's role in the supply chain

- Production and storage planning and optimisation.
- Sugar is received at one of 6 bulk sugar terminals that QSL managers, operates and maintains
- QSL controls operations and sugar for quality and consistency to customer specifications
- After receiving and storage, QSL loads vessels across our terminal network
 - Work with clients to deliver sugar to spec for different refining needs

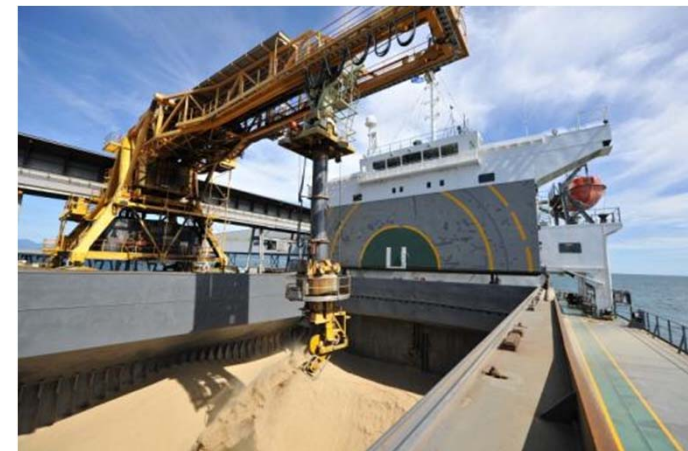


What is important in a sugar supply chain?



How do we measure supply chain effectiveness?

- Customer satisfaction
 - In full, on time delivery
- Safety
 - Improvements driven by staff on the ground
- Efficient shipping and logistics systems
 - Reliability and cost of operations
 - Focus on control of weight and quality



Managing the supply chain

- Aligning people and systems
- Automation
- Production, storage and shipping planning and optimisation
 - Produce sugar to specifications customers require
 - Minimise storage times
 - Coordinate shipping schedule



Optimising the Supply Chain

- Directly control port terminals
- Priority berthing agreements at all ports
- Life cycle planning for all assets



Thank you

