

PRODUCT SHEET

# FIXED PRICE CONTRACTS: 3 Windows

**WHAT IS A 3 WINDOWS CASH CONTRACT?**

A 3 Windows fixed price contract is an added feature to a standard fixed price cash contract. It gives growers the flexibility to plan cash flows; handling contingencies, such as drought, in a planned and cost-effective manner.



**HOW DOES 3 WINDOWS DELIVER BENEFITS?**

The 3 Windows contract is designed for growers who are looking to sell cash grain at certain levels to lock in gross margins, but are reluctant to do so due to production or taxation-related cash-flow concerns. Under a 3 Windows contract, the grower can nominate one of three delivery periods, including post-harvest and new season, to deliver contracted grain with a set price for each different delivery period.

**DELIVERABLE GRADES**

Under a 3 Windows contract, the grower can sell either a fixed grade or a multi grade contract. The 3 Windows option provides additional flexibility to the standard fixed price or multi grade contracts.

**MULTI GRADE**

Multi Grade Fixed Cash contracts allow growers to lock in set base prices along with premium and discount schedules (spreads) to establish the fixed price for alternative grades. Growers may elect to either lock in the spreads for other grades at the time of contracting (or after 1 February 2011 for period 3), or to leave these spreads floating. If a grower leaves spreads floating, they will be set as per EP Grain's published spreads as at 1 November 2010 for delivery periods 1 and 2, and 1 November 2011 for delivery period 3.

**FIXED GRADE**

Growers may also elect to sell forward through a grade-specific cash contract. Under this type of contract, there will be no grade spreads quoted, as only the base grade or better may be delivered against the contract at the contracted price.

**DELIVERY**

Deliveries are accepted at all major BHCs and selected private storers. Please ask your local merchant for a list of private sites where EP Grain accepts deliveries.

**PAYMENT**

Payment will be based upon bin grade. Payment will be made 21 days EOW from delivery.

**3 WINDOWS**

THERE ARE 3 CONTRACT PERIODS AVAILABLE FOR YOU TO CHOOSE FROM.



**NOMINATE**

No need to nominate this delivery period - simply deliver to BHC or EP Grain approved private storage

**QUALITY**

EP Grain will accept all grades received and binned by the relevant BHC

**DELIVERY PERIOD**

December 2010 - January 2011



**NOMINATE**

Prior to 31 October 2010

**QUALITY**

Nominate quality by 31 January 2011

**DELIVERY PERIOD**

July 2011



**NOMINATE**

Prior to 31 October 2010

**QUALITY**

Fixed grade remains, multi spreads will be as per the EP Grain new season multi bids which are initiated on 1 February 2011 or unless otherwise set as per first day of delivery

**DELIVERY PERIOD**

December 2011 - January 2012



## TERMS AND CONDITIONS

The EP Grain 3 Windows terms and conditions apply and can be found on EP Grain's website.

## CONTRACT SIZE

Minimum 100mt

## LOCATION DIFFERENTIALS

EP Grain will offer prices for new season contracts based on a port bid. To establish a local depot price, please deduct the location differential posted on EP Grain's website. Location differentials are not set for the coming season crop until 1 November annually.

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# EYRE PENINSULA'S OWN GRAIN MARKETER

EP Grain has a team that lives and works within Eyre Peninsula, so we understand the issues that you deal with day to day. We're not locked away in an office - we're on the ground, working with you to make sure that you get the results you're after.

So if you need help or advice, don't hesitate to contact us.

## EP GRAIN HEAD OFFICE - PORT LINCOLN

**Tim Burrow**  
General Manager

**Mark Carr**  
Grain Merchant

**Tom Wake**  
Grain Merchant

**Mandy Thompson**  
Office & Admin  
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**EP Grain**