

Multi-Grade Barley Malting Fixed Contract (MGBM)

Characteristics

- Fixed price for Malting 1
- Pay-Grade based payment
- Multi-Grade flexibility - reduces seasonal risk of grade variations

How does the MGBM work?

The MGBM Contract gives you the flexibility to deliver malting and feed barley onto the same contract providing they are of the same variety. At the time of contracting you will secure the price of Malting 1 on your contract. The spread to other malting and/or feed grades will be set as per the Viterra Bid Sheet on the date of the first delivery of any grade against the contract.

Quantity Tolerance

There is zero quantity tolerance on the MGBM Contract. This means that you are required to deliver the exact tonnage as nominated on your contract.

Availability

MGBM Contracts are only available for selected varieties in selected port zones. Please check the Viterra Bid Sheet to see where the MGBM Contract is available.

How do I enter into an MGBM Contract?

Provided you are a registered signatory of your trading entity, and have returned a signed acceptance of Viterra's General Terms of Business for Grain Purchases, you can take out an MGBM Contract by contacting the Viterra Service Centre on 1800 018 205 or your local Customer Relationship Manager. WA growers can call the WA Office on 1800 000 623.

Delivery

Growers in SA, Vic, NSW, Qld and Tas need to register with the National Grower Register (NGR) and deliver using their NGR delivery number. Growers in WA can register with the NGR but must also register their business with Viterra and deliver using their CBH delivery number. WA Grower Registration forms are available under Grain Marketing on the Viterra website at www.viterra.com.au or by ringing the WA Office on 1800 000 623.

How will I be paid for my deliveries?

You will receive 100% cash payment for your contracted grain deliveries, 9 days from the end of the week of delivery or transfer onto the contract. This applies to contracts written for delivery at selected bulk handlers, such as Graincorp, CBH, Grainflow, ABA and Viterra, and at selected independent receival sites. This means payment by or on the 9th day after the end of the calendar week the goods are

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delivered or transferred onto the contract. A calendar week begins on the morning of a Monday and ends at midnight the following Sunday.

Contracts written for delivery outside of the selected bulk handlers and independent receival sites will receive payment 30 days from the end of week of delivery or transfer onto the contract. For more information about the payment terms that Viterra offers for contracts at a particular receival site contact the Viterra Service Centre on 1800 018 205. WA growers can call the WA Office on 1800 000 623.

Location Differentials

Your contract price will often be quoted on a port basis. As most grain deliveries are made at up-country delivery sites, i.e. sites other than the port itself, you will incur a location differential adjustment to take account of the freight and associated up-country costs from the actual delivery site to the port. We will deduct the GTA location differentials of the season, as deemed applicable by Viterra, from your port based contract price.

Levies

Viterra will deduct any relevant statutory or research levies from your contract payment. For more information about the levies that apply in your state, contact the Viterra Service Centre on 1800 018 205. WA growers can call the WA Office on 1800 000 623.

Risks

Production Risk: the MGBM Contract is a forward contract for the physical delivery of grain. There is a risk that at harvest you may not have sufficient grain to fulfil your contract. In the event that you cannot deliver the contracted grain you will be liable to Viterra for a payment of liquidated damages called a "Washout Value" calculated under the contract. In the event of a Washout the base grade for washout calculations on this contract will be Malting 1. It is important that you understand that the risk of production failure lies with you and not with Viterra.

Spread Risk: the MGBM contract allows you to fix the price of Malting 1 on your contract. The spread to F1 will not be known until the time of the first delivery on your contract.

Terms and Conditions

This contract choice is subject to the terms and conditions as set out in the Viterra General Terms of Business for Grain Purchases, copies of which are available on request or on our website www.viterra.com.au. Direct deliveries to nominated ports for selected commodities may incur a fee.

Disclaimer

The information in this brochure has been prepared without taking account of a grower's specific objectives, financial situation or needs and does not constitute advice in respect of this product's availability for you. For specific marketing advice contact your licensed marketing or financial advisor.

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