

# Premium Offer™

AWB PRICE + RISK MANAGEMENT

## BOOST YOUR BOTTOM LINE

AWB is committed to providing grain marketing contracts that deliver value to you.

With Premium Offer™, be rewarded with a price premium on top of your grain contract in exchange for an offer to sell an additional equivalent quantity of grain to AWB in the future at a price you set.

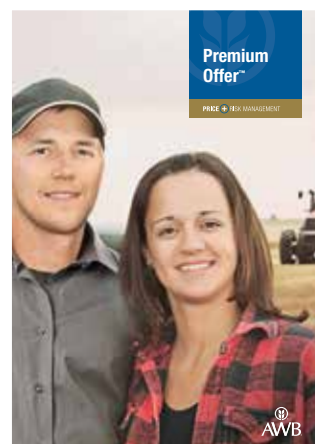
### BEST USED:

**Timing:** No specific seasonal time period applies.

**Your Situation:** When you want to enhance your contract price now.

#### PREMIUM OFFER™ PROVIDES YOU WITH:

- ✓ **A BOOST TO YOUR CASH FLOW** for offering to sell an additional quantity/quality of grain to AWB at a price you set.
- ✓ **FLEXIBILITY** to enhance your price today using an offer either on current season or next season crop.
- ✓ **REWARD** for being proactive with your grain marketing plan and actively setting target prices.
- ✓ **ASSURED PAYMENT** even if AWB does not accept your offer to sell, you keep the premium.
- ✓ **DIVERSIFICATION** provided by having another tool to manage your grain pricing decisions.



Premium Offer™ Product Guide.



# HOW PREMIUM OFFER™ WORKS<sup>1</sup>

## The Premium

A price premium paid to you on grain you contract today, in exchange for your offer to sell to AWB the same quantity of grain at a time and at a futures price you choose.

This premium is added to your contract price and is paid to you on delivery of the grain you contracted today.



## Flexible Terms on your offer to sell

You choose the terms of your offer to sell. You select:

- The quality of the grain you would like to offer and the delivery terms.
- Your target futures price (*Firm Offer*) in AUD/t.
- The date on which your offer may be accepted (the *Pricing Date*).
- The *Futures Reference Month*.
- When you set Basis. Please note, if you fix Basis prior to your Pricing Date, you are required to deliver to AWB regardless of the futures settlement price.

## On your Pricing Date, one of three things will occur, either<sup>1</sup>

- A** If the wheat futures settlement price converted to AUD/t is at or above your *Firm Offer* on your chosen Pricing Date, your offer to sell will be accepted by AWB, or
- B** If the futures settlement price converted to AUD/t is below your *Firm Offer* and you have not fixed Basis, you have no obligation to sell to AWB and can sell your grain as you like.
- C** If the futures settlement price converted to AUD/t is below your *Firm Offer* and you have fixed Basis before the Pricing Date, you will still be required to sell your wheat to AWB.

*In all of these outcomes, you keep the premium you have received.*

**FOR MORE INFORMATION, CONTACT YOUR AWB FARM MARKETER OR CALL 1800 659 944.**

<sup>1</sup> For a complete description of how the Premium Offer™ works please see the Premium Offer™ Product Disclosure Statement.

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