

Grain Pricing Information FAQ's



Below are some common questions asked by clients receiving our grain pricing information products such as Prices Direct™, Harvest Direct™ and Market Directions™. We hope that providing the details below helps you to make the most from the information you receive.

Can Prices Direct™, Harvest Direct™ and Market Directions™ come out earlier?

The time of publication depends on when we receive prices from grain buyers. These don't begin coming through until late morning. Traders do take time to set pricing, as they need to review overnight markets, market reports and their position before doing so.

We request that all buyers send their pricing sheets to our grain marketing team no later than 12.30pm, to enable time for them to be entered and checked. Our aim is to send out the early edition of Prices Direct, Harvest Direct and Market Directions by 1.30pm. This gives clients a window of opportunity to sell grain. If prices are sent out too early, we wouldn't have a good cross section of buyers and those prices may not be the best price. The target for the late edition prices is 3pm.

How are Prices Direct™, Harvest Direct™ and Market Directions™ collated?

Our grain marketing team receives pricing sheets from buyers, via email, from late morning onwards. These are entered into our price management system which calculates the Best Daily Price at that time. From this, the Best Daily Price is formatted to suit sending an SMS. Prices are also formatted for Market Directions. The SMS distribution is managed by an external provider. Daily prices are then kept historically and used for our Target Price (TP) system.

Our grain marketing consultants write the grain market commentary, using market research and intelligence gathered throughout the week and during the morning. Market Directions™ is formatted and distribution is arranged by our business support team. Once distribution has begun, it is not possible to accommodate last minute price changes. However, they may be reflected in the Prices Direct™ or Harvest Direct™ SMS.

To help clients keep track of prices, we introduced a late edition pricing sheet for Market Directions, and a second Prices Direct or Harvest Direct text. These are provided daily during harvest, and at Rural Directions discretion (depending on price changes) at other times.

Why do grain prices change?

Grain prices can change from when clients receive Market Directions™, Prices Direct™ or Harvest Direct™ to when they make a call to sell, which can be frustrating.

There are a few reasons behind grain price changes which are out of our control, such as:

- The buyer has achieved their purchase quota of grain for the day.
- Changes in futures and currency exchanges and in overseas markets are constantly monitored by buyers, with prices being adjusted accordingly.
- Buyers publish an indicative price to be confirmed when entering into contracts. For example, a buyer is not obliged to hold their listed price for the day.
- Prices can be adjusted in response to competitor pricing when it becomes known.

Any price updates are added to our price management system as they are received.

If you are considering entering into a contract, check your Market Directions™, Prices Direct™ or Harvest Direct™ as soon as you receive them to reduce the chance of you missing out on the price.

Our grain marketing team can also find the constant change in prices, during a busy afternoon, difficult to keep track of, with buyers constantly sending through updates. A quick phone call to our team can give you an updated price if you are looking to contract grain.

Be aware that the best price may not always be the best price for your business.

Consideration needs to be given to grade spreads, payment terms and delivery period. As Market Directions™ lists various buyers, grade spreads and payment terms, you can easily find the next best price to fit your criteria.

Why are all buyers not always included?

There are a number of reasons why some buyers may not include pricing on any given day. They include:

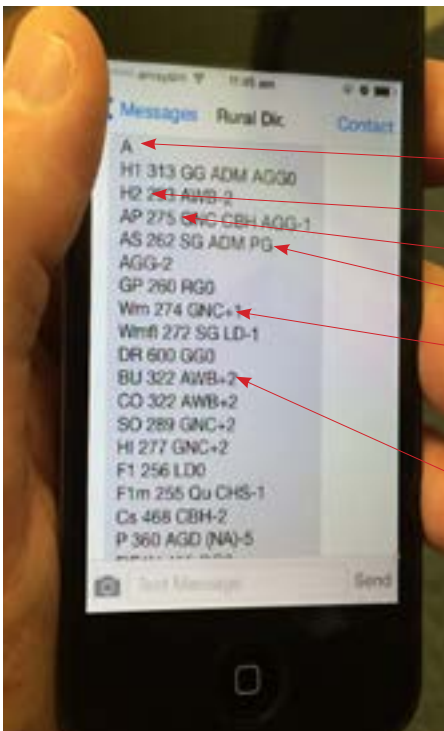
- Missing our 12.30pm imposed deadline to submit prices. This does occur even though buyers are aware of our timeline, and are contacted as a reminder as it draws near.
- Buyers sometimes wait until they see what competitors are offering before putting in a counter offer or better price, especially if they are looking for a market advantage.
- A buyer may choose not to publish their prices with us, choosing instead to rely on their own grower network to generate grain sales.

We do endeavor to include as many prices as possible from the broad range of buyers. There is a balance between waiting for prices and making sure Market Directions™, Prices Direct™ and Harvest Direct™ are published in a timely fashion to enable you to make a grain sale that day.

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How to read my Prices Direct™ and Harvest Direct™ SMS



- ← Port Zone (A = Outer Harbour)
- ← Commodity Code (H2 wheat)
- ← Price (\$275/mt)
- ← Buyer(s) (PG = Plum Grove)
- ← Price change indicator:
 - + = price up
 - - = price down
 - 0 = price unchanged
- ← Amount the price changed (+2 = price up \$2/mt)

What does 0, + or - stand for in my Prices Direct™ or Harvest Direct™ SMS?

These are price change indicators from the previous day's grain prices and show the movement in price. + = price increase and - = price decrease. The 0 after a buyers code means there has been no change in price. For example Wm 235 GG0 = APW wheat multigrade at \$235/t with Glencore Grain price unchanged.

Where can I find a list of Prices Direct™ and Harvest Direct™ codes to help me read my SMS?

A current Prices Direct™ and Harvest Direct™ code sheet is sent out with every grain pricing information product subscription and renewal.

It can also be viewed on our website www.ruraldirections.com (select Information Products/Grain Pricing Information). If you are out in the paddock and don't have access to your code sheet, please call 08 8841 4500.

There is a particular commodity I'm looking for not appearing on the SMS!

We include as many commodities as we can in our text. However, given the number of commodities and varieties we cannot accommodate all. If a price you need is not listed, you are welcome to call our team.

Reading the Market Directions late edition price sheet

To help you correctly interpret the price information on Market Directions™ late edition, please consider:

- Numbers in **BLACK** mean there is no price change.
- Numbers in **GREEN** show a price that has increased since the Early Edition.
- Numbers in **RED** show a price that has decreased since the Early Edition.
- The + or - number that follows a changed price shows by how much that price has either increased or decreased since the early edition. For example:
 - A price that reads **259+1** means that the price is now \$259 a tonne, and it has increased by a dollar compared to the early edition price of \$258
 - A price that reads **280-2** means that the price is now \$280 a tonne, and it has decreased by two dollars compared to the early edition price of \$282

As with the early edition, a number that is in bold is the best published price for a commodity.

If you have any other queries, please do not hesitate to contact us on 08 8841 4500 or email admin@ruraldirections.com