

The Strategic Pool implemented a post-harvest hedging strategy to protect downside price risk using the wide carries in the US futures market to help offset our physical carry costs. The key strategy employed in QLD was to hold off on sales while manoeuvring our contracted tonnes into strategic locations within the QLD market as the price relative to other ports was too cheap. This view was based on the belief that Brisbane was mispriced by the market as it was at one point the cheapest port zone on the east coast. A poor start to the 2017/18 season in NSW and QLD resulted in these markets now commanding a huge premium over southern markets – proving our view of holding and adding to our position in QLD to be correct.

