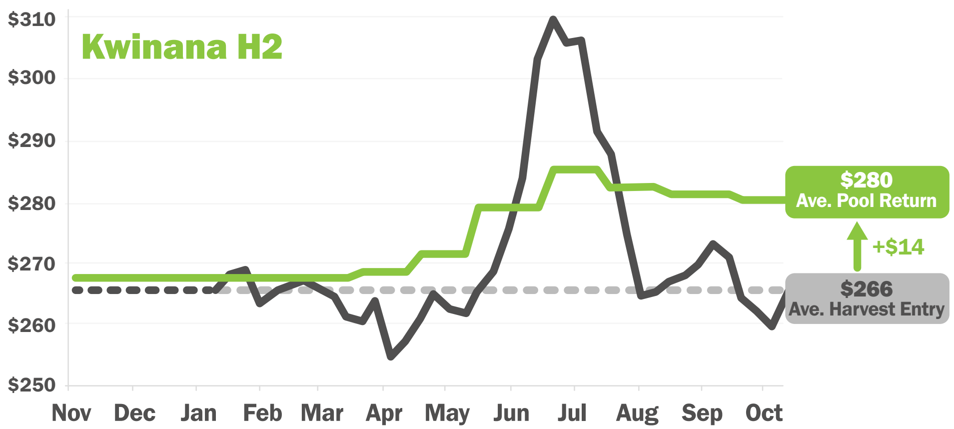
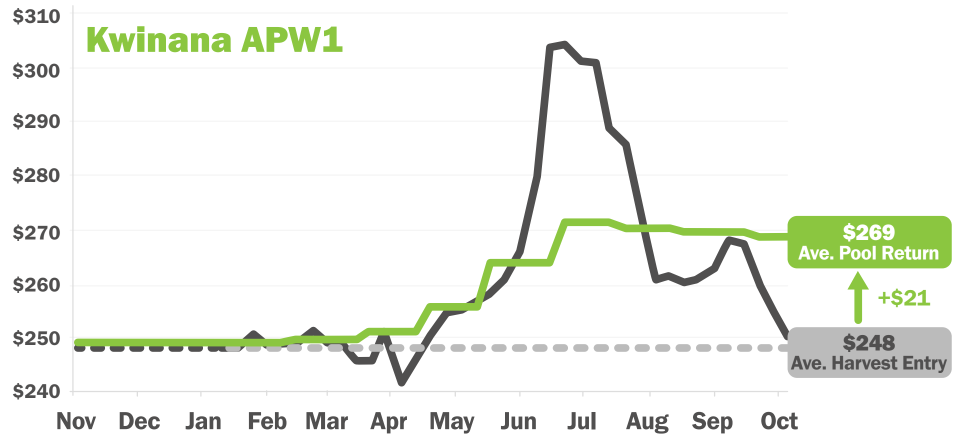
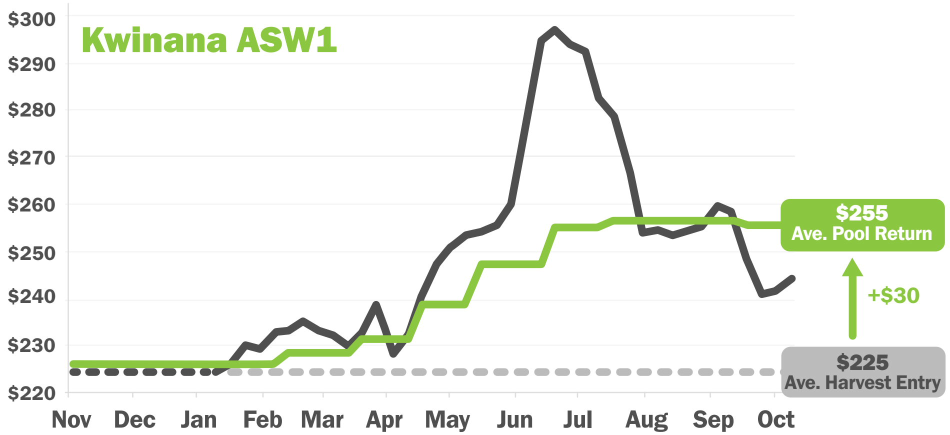
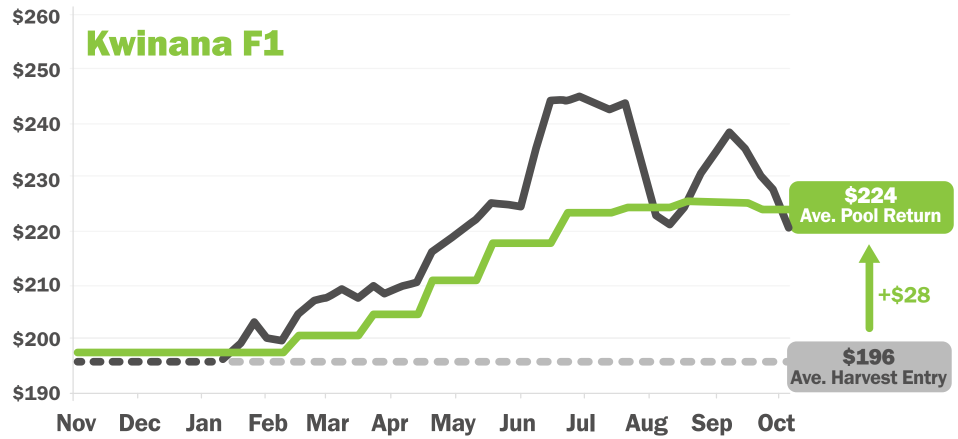
WA Market Check Strategic Pool Returns

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. Considering the WA storage network doesn't charge for storing grain, meaning this hedging strategy was even more effective in adding value versus selling at harvest and/or holding unhedged grain post-harvest. From a domestic viewpoint, we adopted a 'sell and replace' strategy for the grades we contracted in Kwinana which involved selling APW1 and replacing these tonnes with ASW1 when the discount was $20-$25/t. The reason we did this was to capture the attractive premiums for APW1 and higher grades whilst they were available, while wanting to remain exposed to a long-basis position post-harvest.









Net pool value progression   Cash price (net of carry costs)   Weighed average harvest price