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## **NEWS RELEASE**

### **Pricing tool offers real control and flexibility**

Wilmar's Grower-Managed Production Risk Scheme (GMPRS) gives growers almost total control of their two biggest risks – price volatility and undersupply.

Introduced for the 2017 season and improved in the 2018 season, GMPRS remains the original and most flexible tool for directly managing the price outcome for almost 100 per cent of a grower's GEI Sugar.

Under GMPRS, growers can price about 97-98 per cent of their exposure, depending upon how much GEI ends up being in Wilmar's US Quota Pool.

Growers can commence pricing the GMPRS from May in the year of the harvest and price as much or as little of it as they wish, from that moment on.

Grower Marketing and Pricing Manager PJ Gileppa said this was a unique feature of the industry-leading pricing tool.

"At one extreme, if prices are attractive and a grower is extremely confident about how much GEI their farm will produce, they could theoretically price all their GEI even before the harvest commences," Mr Gileppa said.

"Conversely, a grower might choose to wait until the harvest is finished if they expect stronger prices later or have doubts about how much cane will be harvested in the event of unfavourable weather.

"In other words, the grower has flexibility to consider the level of risk they wish to run and the trade-offs between sugar price outlook and differing GEI production outcomes. GMPRS provides control and avoids 'out-sourcing' the risk decision to someone who doesn't understand a grower's particular farm circumstances."

Growers who use GMPRS say it accommodates their risk appetite during depressed pricing periods, while providing them with the flexibility to maximise returns when higher prices are available.

Burdekin grower Ben Nielson said having the option to price almost 100 per cent of his sugar production for the past three years had greatly benefited his family's business.

"It has given us the flexibility to price 97 per cent of our crop in season if the market was where we needed it to be. Alternatively, we can hold off until late April the following year, giving us greater exposure to positive moves in the market.

"GMPRS is a simple and straightforward product to use. It's a powerful tool to help maximise returns without the constraints of being in a pool."

*ENDS*



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