

CIRCULAR



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To: All Members

114/98

No:

Wheat Futures Contract Delivery Amendment

Members are advised that an amendment has been made to the issuing of Warehouse Receipts for wheat delivery. The amendment has been made in response to delays in moving grain between terminals during a futures delivery period. The change will facilitate a more efficient delivery system.

Currently Warehouse Receipts are only issued when the futures standard wheat is stored in an Approved Warehouse. The Approved Warehouses are located in Newcastle, Moree, Junee and Parkes. The amendment allows GrainCorp (at its discretion), to issue prepaid Warehouse Receipts for grain that is located at a sending site where the holder of the grain prepays rail freight to the Approved Warehouse site. For example if a customer has grain for delivery against a futures contract at Springridge that customer can be issued a prepaid Warehouse Receipt for the Newcastle Approved Warehouse site by prepaying rail freight to Newcastle from Springridge.

- GrainCorp will only issue a prepaid Warehouse Receipt if the customers grain against the Warehouse Receipt is stored in the sending site.
- GrainCorp will only issue a prepaid Warehouse Receipts if the tonnage of stocks of the same grade in the Approved Warehouse exceed the tonnage of receipted grain.
- GrainCorp will immediately report the prepaid Warehouse Receipt grain against the given Approved Warehouse to the SFE. Thus the grain will be reported in the SFE Stock Report as futures type grain stored in the Approved Warehouse.
- GrainCorp will move the grain from the sending site to the nominated Approved Warehouse.

The Warehouse Receipts with prepaid rail freight to an SFE Approved Warehouse will be available to be issued for the May 98 Wheat Futures contract delivery period onwards.

If you have questions regarding this delivery amendment please contact the undersigned on (02) 256 0493.

Margaret Willett
Research Analyst - Agriculture

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