

Grain Inventory Finance



Determined to be different

It's your grain. And now you can unlock its value after harvest while choosing when to sell it.

Interested in marketing your grain on your terms? Frustrated because working capital requirements demand that you sell your grain immediately after harvest?

You're not alone. That's why we've created Grain Inventory Finance, an innovative facility that allows you to manage your grain marketing, and still access the working capital you need to keep your business running.

With a Grain Inventory Finance facility you can access funds as soon as your grain is harvested and repay the loan when you have been paid. The finance is secured by your grain stored either on-farm or in an approved grain storage warehouse*.

Why choose a Grain Inventory Finance facility?

- › Market your own grain.
- › Take advantage of an increasingly deregulated market.
- › Expand your choice of buyers for your grain.
- › Control when you sell your grain.

Take control of your cash flow

- › Access extra funds when you need them, then pay them back when you have been paid.
- › Loan is secured by your grain.
- › Use your harvested grain as collateral.

Who does it suit?

A Grain Inventory Finance facility will suit your cropping business if you:

- › Wish to market your own grain.
- › Have quality storage facilities or use a warehouse facility maintained by an approved grain handler*.
- › Could benefit from increased working capital.
- › Wish to control when and how you market your grain, and who to.

Facts and figures

Acceptable grain varieties	› Wheat, barley, sorghum and canola.
Acceptable security	› The minimum security requirement is charge over your grain.
Borrowing limits	› The maximum borrowing limit is determined by the grain value and volume, with a minimum of 2,000 tonnes. › A discount specific to the price volatility of the grain variety is applied.
Loan terms	› The facility is available for a term of up to 15 months, but provides the flexibility to pay out the loan when you wish to, without incurring any penalty.
Interest rate	› The interest rate is variable, based on the 30 day Bank Bill Swap Bid Rate (BBSY) quoted by Reuters Information Service.

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Repayment options

The facility is to be repaid when:

- › Payments for the sale of the grain are received; or
- › At any earlier date at your discretion.

Fees and charges

This facility has an Establishment Fee. A Fee for grain quality testing will apply when grain is stored on farm. Other fees and charges may apply. Please refer to the Standard Fees and Charges for Commercial Lending Services.

Margin calls

The lending value of your grain depends on its market value. As the market value of your grain rises and falls, so does the value we are able to lend against it.

If the grain price falls far enough, your lending value may fall below your current loan balance. We allow for a buffer of the market value of your grain, but if your loan balance exceeds the lending value of your grain by more than the buffer, a margin call will be triggered.

In the event a margin call is triggered on your loan account, you must immediately adjust your level of borrowing so that it is equal to or below the current lending value of your grain.

You can do this by;

- › Depositing money into your loan account to reduce your loan amount.
- › Providing additional grain to increase your portfolio value.
- › Sell part of your grain and use the proceeds to repay part of your loan.

If you do not take action within the required time we may sell some of your grain to reduce your loan balance.

Complimentary solutions for your business

Risk Management Solutions

To protect yourself in the event of fluctuating grain prices with your Grain Inventory Finance, you could also take out a Commodity Hedge. We have a dedicated team of market specialists who can help you manage changing commodity prices, rising interest rates, currency movements and the complexities of importing and exporting during unpredictable times.

AgriAdvantage & AgriAdvantage Plus

This unique package of financial products and services for Agribusinesses includes:

- › Borrowing
- › Savings and investments
- › Day-to-day transaction banking
- › Working capital
- › Wealth Management
- › Foreign Exchange
- › Contact your Agribusiness specialist for more details.

CommBiz

A premium online banking service for business users that allows you to monitor your accounts and perform transactions in real time from any internet-connected computer.



To find out more, visit www.commbank.com.au/business

* Approved grain storage warehouses are AWB, ABB, GrainCorp and CBH Group.

Important information: As this advice has been prepared without considering your objectives, financial situation or needs, you should before acting on this advice, consider its appropriateness to your circumstances. • Terms and conditions issued by Commonwealth Bank of Australia ABN 48 123 123 124 are available on request. • If you have a complaint, the Bank's dispute resolution process can be accessed on 13 2221. • Applications for finance are subject to credit approval. Full terms and conditions included in Loan Offer. Bank fees and charges are payable.