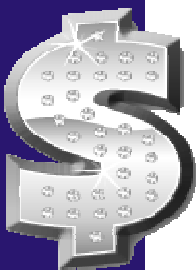
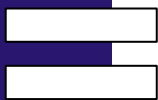
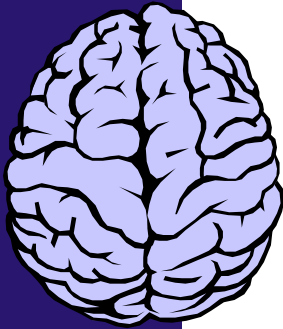


Minimum Price Contract



The minimum price contract protects against a fall in the wool market price whilst allowing the benefits of any increase in price. It provides low cost disaster insurance with an upside. In collaboration with your broker you decide on.

The Contract

- Maturity date (when wool is to be sold).
- Quantity of wool to be minimum priced (in kilograms clean).
- The anticipated quality (Micron category).
- The Minimum price (X) provided by your broker.
- The contract charge (Z), deducted at Finalisation.

Your Indicator price (B) will be above or equal to (X) at finalisation.

Spot wool sale (auction).

Your wool is sold in the usual way at auction on the date specified.

- The actual quantity is determined.
- The average price for the wool is determined (D).
- The Micron Price Guide (MPG) is determined by AWEX (E).

Finalisation

- The Indicator Price (B) equals the greater of either the quoted minimum price or the AWEX MPG (E).
- The Quality Adjustment (C) equals your Average Wool Price (D) minus the AWEX MPG (E).

Your contract price is easy: the Indicator price (B) plus the Quality Adjustment (C), less the Contract Charge (Z).

Wool delivered above the contract quantity is payed out at the Average Wool Price (D).

For more information

Show me an example:

		Quality		Price (c/kg)
Minimum Price	X	21 micron MPG		990
Contract Charge	Z			30
<hr/>				
Spot Wool Sale	D	Your Wool		1120
	E	21 micron MPG		1130
<hr/>				
Finalisation	B	Indicator price	= > X or E	1130
	C	Quality adjustment	D - E	-10
	Z	Contract Charge		-30
	A	Final Contract Price	B + C - Z	1090