Manage Risk & Grow Profits

Fertilizer 2015- Mandurah

Wes Wheelhouse
Wheelhouse Group

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How do AFSA members get value?
• Independent market intelligence
• Used in conjunction with other information
• Benchmark Prices
• Information that can be used in marketing
• Utilised in purchasing decisions
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Independent Market Intelligence

- Information gathered across a wide range of sources
  - Daily emails market alerts
  - Historical pricing
  - Forecast pricing

Used in conjunction with other information

- CRU Information in conjunction with:
  - Foreign exchange
  - Past experience
  - Local industry information
    - Suppliers
    - Market information
      - Competitors
      - Retailers networks such as AFSA
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Benchmark Prices

- Use CRU current prices to benchmark against local pricing
- Use the CRU historical information to benchmark against current prices
- Current & Historical Pricing information available by:
  - Website
  - Weekly pricing spreadsheet emailed to you, with pricing based on:
    - Annual
    - Quarterly
    - Monthly
    - Weekly

Example of benchmark current price

<table>
<thead>
<tr>
<th>Description</th>
<th>Price</th>
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<tbody>
<tr>
<td>458</td>
<td>$US</td>
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<tr>
<td>0.73 Exchange</td>
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<tr>
<td>627.40 SAUS</td>
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<tr>
<td>65.00 Freight</td>
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<tr>
<td>20.00 Storage</td>
<td></td>
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<tr>
<td>712.40</td>
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<tr>
<td>2.60</td>
<td>0% PROFIT</td>
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</tbody>
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715.00 net to dealer
107% Markup
765.05 retail price
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Forecasting

- Across a range of commodity groups
  - Phosphates
  - Nitrates & Sulphates
  - Potash
  - And others

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<tbody>
<tr>
<td>Phosphates</td>
<td>DAP Bulk FOB Gulf/Tampa Spot</td>
<td>USD/t</td>
<td>464</td>
<td>460</td>
<td>455</td>
<td>448</td>
<td>452</td>
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<tr>
<td>Phosphates</td>
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<td>USD/t</td>
<td>471</td>
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Information that can be used in marketing

- Produce information valuable to customers
- Builds your creditability in the eyes of your customers
- When & what to offer customers

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Generate Marketing Information

Utilised in purchasing decisions

- Combination of:
  - CRU Historical information
  - CRU Forecast intelligence
  - Local market information
  - Local supplier information
  - Local networks (e.g. AFSA)
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Summary

• Supplies independent information to assist in generating
  • Sales tools
  • Marketing information
  • Purchasing decisions

Australian Fertiliser Services Association