

HARVEST LOAN – TOEPFER INTERNATIONAL 2011/12 GRAIN POOLS

Description

The Rural Bank Harvest Loan is a lending facility that provides grain growers with cash flow financing utilising grain (wheat or feed barley) delivered to a Toepfer International 2011/12 Wheat or Barley Pool as security. The Harvest Loan advances the grower up to 70% of the Underwritten EPR at the lockdown rate plus premiums less applicable costs.

The Underwritten Estimated Pool Return (EPR) for each grade of grain that is used to calculate the loan or facility limit. It is announced and set by Toepfer International.

Product Benefits and Features

Suitable for	Grain growers wanting to improve their cash flow by leveraging the value of their grain held in a 2011/12 Toepfer International Grain Pool ('Pool').
Benefits	<ul style="list-style-type: none"> • Grower has access to funds prior to Pool distribution payments. • Variable interest rate (not tiered). • Interest capitalised and repayments made direct from Pool distributions. • Flexibility over timing of disbursement (once minimum delivery requirements are achieved) – the grower has choice of full automatic disbursement of the available facility limit as grain is delivered to the Pool or disbursement of funds at the grower's request.
Eligibility	<ul style="list-style-type: none"> • Must be a primary producer and have an Australian Business Number (ABN) • Facility to be used strictly for business and/or investment purposes • Must meet Rural Bank's lending criteria for this product. • Have delivered grain to a 2011/12 Toepfer International Wheat or Barley Pool. • Grower must deliver a minimum of 125mt into a Pool to trigger the Harvest Loan payment option. • The aforementioned criteria are non-exhaustive and all applications are subject to crop lien searches and credit checks.
Loan amount	<p>The loan amount is dependant upon Underwritten EPR. The facility limit (amount of loan) is calculated as follows:</p> <p>Facility Limit= ((EPR x 70%) + 100% Premiums – Estimated Costs) x Tonnes</p> <p>Where:</p> <p>Premiums = Protein premiums paid on wheat only (refer to www.elders.com.au/pools for Toepfer International Protein Premiums and Grade Spreads).</p> <p>Estimated Costs = including but not limited to, storage, handling, port charges, freight and levies, underwriting fees and facility financing costs. Facility financing costs includes an estimated calculation of interest capitalised during the loan term plus any applicable fees.</p> <p>On a weekly basis Toepfer International provides Rural Bank with updates on the number of tonnes delivered into the Pool by each grower plus all associated costs. Rural Bank recalculates the Available Facility Limit amount weekly for each grower/account based on this information.</p>
Loan Term	The loan is to be repaid in full and account closed upon finalisation of the respective Pool.
Security	The borrowing entity and the entity depositing grain into the Pool must be the same. Rural Bank takes an interest in the distribution payments owing to the customer as a result of their delivery of grain to Pool and notifies Toepfer International that all payments must be directed to Rural Bank (irrevocable authority is signed by customer as part of the Harvest Loan application).
Interest rate	Variable interest rate, calculated daily on closing balance and charged to loan account monthly. The variable interest rate at time of publication of this document is 7.70% (subject to change).

Disbursement of Available Balance	<p>Available advances are disbursed to the borrower's nominated account (the borrower advises their nominated account in the loan application form).</p> <p>In the loan application the borrower nominates either:</p> <ul style="list-style-type: none"> a) the full amount of available advance to be disbursed to their nominated account following calculation of the amount of available advances by Rural Bank or b) a flexible draw-down where the borrower notifies Rural Bank each time they require funds to be transferred. <p>In the event where a borrower does not make a disbursement nomination in their application, Rural Bank will process the disbursement as per option a) above.</p>
Repayments	<ul style="list-style-type: none"> • Distributions from the Pool repay the loan and reduce the loan balance. The 1st Distribution to the Harvest Loan will be made in July 2012. • The loan is repaid in full upon payment of the final Pool distribution from Toepfer International. • Voluntary repayments may be made at any time without penalty. • The loan can be fully cleared by the borrower at any time without penalty. • If there are any additional funds following the repayment of the debt from the Pool distribution payments, these will be credited back to the customers nominated bank account.
Redraw	<ul style="list-style-type: none"> • Redraw option is not available.
Restrictions	<ul style="list-style-type: none"> • No new applications or further drawdowns will be permitted from 10 business days before the first Pool distribution. The date of the first Pool distribution will be advised to Rural Bank and the borrower by Toepfer International. • Part of all of the available balance must be drawn 10 business days prior to the first Pool distribution payment. If no drawing by the first Pool distribution then the account will be closed by Rural Bank.

Access to the Loan Account

Card access	No
Cheque book	No
Corporate/Bank Cheque	No
Internet Banking	To view balances only
Phone banking	To access balances only
Over the counter	No
Other Electronic	EFT transfer (to customer's nominated account) is only available at the time of draw-downs and is to be facilitated by Rural Bank staff. The customer has no direct access to withdraw funds from the account.

Fees and Charges

Establishment fee	\$295
Account keeping fee	Nil
Ongoing and general fees	Administration, legal and government fees and charges may apply. General fees and charges may apply (see Rural Bank Schedule of Fees and Charges booklet).

Effective 16 January 2012

This information has been prepared without taking into account your personal circumstances, objectives, financial situation or needs. All applications for loans or credit are subject to lending criteria. Terms, conditions, fees and charges may apply. Full details are available on application or by talking to your local District Banking Manager. All information is subject to change. Products are issued by Rural Bank Limited and distributed by Elders Rural Services Australia Limited. Rural Bank Limited ABN 74 083 938 416 AFSL 238042. Registered office: 27 Currie Street, Adelaide SA 5000.