

INSTRUCTIONS: QUALITY OPTIMISATION

What is Quality Optimisation (QO)?

Quality Optimisation was developed to provide you with more flexibility and control over the quality of your wheat deliveries by allowing you to virtually blend loads online after they've been delivered to receival sites.

This allows you to maximise the value of your wheat crop without having to blend loads in paddock.

Quality Optimisation can be performed quickly and easily through LoadNet Optimiser.

Note: It is important to remember not all wheat is optimisable and there are some limits in place to protect the quality and value of WA wheat when it is outturned.

How do I know if I'm eligible for Quality Optimisation?

To be eligible to optimise, a load must not have been optimised, sold or transferred (except for a transfer from a CBH registered Share Farm account) before, and must meet the load eligibility criteria.

Quality parameters for optimisation may change, so it is important to check for updates upon each season.

The best way to check these details is to download the <u>Quality Optimisation Essentials</u> guide, available on the CBH website.

For other important Quality Optimisation information see:

- Quality Optimisation Rules
- QO Class Guide

Note: Quality Optimisation standards differ from the wheat receival standards. Each set of standards are published at <u>www.cbh.com.au</u>. Wheat receival standards are set by Grain Trade Australia (GTA) and outline the quality parameters required to meet each grade. The Optimisation Standards will specify which grades of wheat can and cannot be optimised, along with the grades they can be optimised to.

Important QO Terminology

Load Grade: the grade a load was sampled at, or the new grade attributed to the load after it has been optimised.

Delivered Grade: the original grade the load was given when sampled at site (this only appears in the Lot Enquiry section of LoadNet if the load has been optimised).

Storage Grade: the grade of the bin into which the load is physically delivered on site.

Class: based on the varietal classification, class is a group of grades that can be blended in Quality Optimisation.





Eligible Load: a load that meets the criteria for optimisation.

Highest service/grade at site: the highest service/grade on site at time of delivery is the optimisation ceiling i.e. the highest grade a load can achieve if optimised. This is referred to as the Service Cap in the Optimiser.

Lot: a collection or 'bundle' of optimised loads.

Scenario: a virtual situation created to calculate the value of mixing a bundle of loads.

Net Effect: An indicative value to illustrate the potential value achieved through optimisation. This is not guaranteed as a definite payment.

How do I optimise my wheat?

• Log in to LoadNet with your Personal Access Number (PAN) and password and click on the LoadNet Optimiser button on the homepage.

1. SET PRICE

It is essential that you check prices each time you optimise as market prices change constantly.

- Click on the **Set Prices** tab in the blue menu bar. An indicative cash price pop-out box will appear. Default prices appear automatically and are generated from the CBH Group daily cash prices and act as a guide only.
- To update these with your own prices, simply click on the price you want to change and edit accordingly.

2. CREATE A SCENARIO

- To test different optimisation scenarios, click on the **Create Scenario** tab in the blue menu bar. You will need to create a Scenario to virtually blend different loads of wheat.
- In your new Scenario area, you will see all your eligible loads on the left and your optimisation options on the right. Here, you can create up to five Scenarios to compare the outcome of different blending combinations.

3. ARRANGE AND SELECT LOADS

- LoadNet Optimiser allows you to customise how you view your load information on the lefthand side of your screen. To arrange your loads, just click and drag the column to where you want it to appear.
- You can sort by Zone, Grade or quality attribute and hide columns you don't find useful. To hide a column, click Show/Hide Columns.
- Click the check box next to the loads you want to select to use in your Scenario or leave blank if wanting to select all loads by default.

CBH**LoadNet**



4. SELECT AUTO OR MANUAL

On the right-hand side of your screen, you will need to select how you would like to optimise your grain. This can be done automatically or manually.



Auto Optimise (Automatically)

The automatic option creates a scenario for the loads you select based on either grain quality or dollar value. It calculates how many Lots and the combination of loads in each Lot.

Remember to always input the number of splits indicated in the yellow horizontal bar in the 'Max. No. of Split' box. Splits allow the Optimiser to split loads to achieve the best result possible; only one third (33%) of loads delivered can be split.

Manually Optimise (Manually)

To manually optimise you create Lots and the Optimiser will calculate the effect of blending these loads together.

Drag and drop individual loads into these Lots, remember to adjust the tonnages you wish to use of each load in the Optimised column on the righthand side of your screen, until you achieve an outcome you're happy with.

5. OPTIMISE

Auto Optimise - choose Price or Quality

- When you choose to Auto Optimise, you will need to first select whether you want the system to calculate a scenario based on Price (dollar value) or Quality (grain quality). Then click **Auto Optimise** and wait for the scenario to be displayed.

NOTE: In some cases your loads may already be in the optimal combination and the LoadNet Optimiser may not be able to find an alternative combination to create more value.



- You will notice the overall dollar outcome for your scenario in the **Net Effect** box on the right. You will also notice the weighted average results for each quality attribute in the first row under each column title on the right-hand side.

NOTE: The scenario that the Auto Optimiser creates for you is just one option. Given the complexity of the system it may create slightly different results each time. You can change the Auto Optimised scenario to see if it creates further value by adding or deleting loads from the Lots present or modifying tonnages used.

▲ Lots	+ CREATE LOT
Auto Optimise	
Generate Lots to achieve:	 ⊙ By Price (\$) ♀ By Quality
Optimise:	 Selected Loads Unselected Loads
	Loads that are ineligible or from a zone where the optimisation period has ended will not be submitted.
Max. No. of Splits:	4
	BACK AUTO OPTIMISE

Manually Optimise: Create lot, drag and drop loads

- When you choose **Manual Optimise**, you will need to first create a Lot by clicking on the **Create Lot** button on the right-hand side. Then click on the load that you want and drag it into the Lot. Continue to drag and drop your loads into lots and modify tonnages where desired until you achieve your desired outcome.
- You will notice the overall dollar value for your scenario in the **Net Effect** box on the right. The net effect can be negative, neutral or positive.
- You will also notice the weighted average results for each quality attribute in the first row under each column titles in your Lot. These boxes will be highlighted if that attribute is reducing the Lot performance.

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6. REVIEW AND SUBMIT

- Whether you choose to optimise automatically or manually, you should review your Scenario to ensure you're satisfied with the outcome.
- From the blue menu bar, use the Compare Scenarios to review the potential grade changes of your loads. This is particularly helpful when comparing multiple scenarios.
- Once you are happy, click **Submit**.
- All the loads will assume the new quality profile, the weighted average of the Lot.
- Your optimised loads will then appear in LoadNet ready for you to sell, transfer or if needed to reverse the Optimisation.
- After optimising you can then sell and nominate your grain to your chosen marketer.

NOTE: You do not have to sell or nominate a Lot in its entirety.

Training

The LoadNet Optimiser has a training mode so you can practice optimising using mock load data.

To practice in Training mode, select TRAINING (00000000) from the Deliverer drop down box in the top right-hand corner.

To resume optimising under your grower account, reselect your account from the Deliverer drop down box.

How do I cancel an Optimisation?

It is possible to cancel an Optimisation providing the relevant Optimisation closure date has not occurred and any load (including a split load) of a Lot has not been Nominated.

- From your LoadNet account select the Loads tab from the blue menu bar and select **Optimisation**.
- From the table displaying your optimisations, click on the Lot Number you wish to cancel.
- From the pop-out window, click on the **Cancel Optimisation** button.

For any assistance, please call the Grower Service Centre on 1800 199 083.