



22<sup>nd</sup> February 2017

## 2017 CROP NIS OFFER PRICE & SUPPLY AGREEMENT

(This offer is available from 22<sup>nd</sup> February 2017 until 31<sup>st</sup> March 2017)

Macadamias Direct (MD) are pleased to release our March 2017 **GUARANTEED PRICE** Nut-In-Shell offer for the 2017 crop.

### 1. PREMIUM NIS

#### (a) GUARANTEED Price Payment Option

- Our offered **GUARANTEED** price is **\$5.20/kg** at 33% SKR and 10% moisture content
  - First payment - 80% of consignment value will be paid within 21 days from the end of month of delivery (EOM). Industry levy and additional charges will be deducted from this payment.
  - FINAL payment - 20% of consignment value will be paid by 21<sup>st</sup> December 2017.

#### (b) GUARANTEED Price - Early Payment Option

- Our offered **GUARANTEED** price is **\$5.15/kg** at 33% SKR and 10% moisture content
  - **\$1.50/kg** NIS @ 10% mc will be paid within 7 Days of signing the Early Payment Agreement.
  - Second payment - 80% of consignment value will be paid within 21 days from the end of month of delivery (EOM). The \$1.50 per kilo Early Payment plus levy and additional charges will be deducted from this payment.
  - FINAL payment - 20% of consignment value will be paid by 21<sup>st</sup> December 2017.

#### Under both options:

- A Freshcare bonus of **\$0.05/kg** will be paid as part of the NIS price, if the farm has a current Freshcare or HACCP accreditation. A current copy of the third party certification is required prior to the commencement of the bonus payment. MD's field staff can advise on how Growers can obtain Freshcare certification.
- A Quality bonus is be paid on each consignment with less than 2% reject kernel, up to a maximum of **\$0.30/kg** NIS – see attached price table.
- There are NO reject penalties in our offer.
- Premium Price for Commercial Grade
- A freight subsidy of **\$0.04/kg** NIS at 10% will be paid on the delivery of all premium NIS.
- This contract is a **GUARANTEED** minimum price. In the event of a market downturn, the price will not fall below those set out under this signed agreement.



**2017 Premium Nut-In-Shell Price Table at 10% Moisture Content.**

**Payment Option (a). – Payment Option (b).**

(NB: Table below DOES NOT include \$0.05 Freshcare Bonus)

<b>Sound Kernel Recovery (Premium + Commercial)</b>		
<b>% SKR</b>	<b>Option A -NIS Price/kg @ 10%mc</b>	<b>Option B -NIS Price/kg @ 10%mc</b>
20%	\$2.860	\$2.810
21%	\$3.040	\$2.990
22%	\$3.220	\$3.170
23%	\$3.400	\$3.350
24%	\$3.580	\$3.530
25%	\$3.760	\$3.710
26%	\$3.940	\$3.890
27%	\$4.120	\$4.070
28%	\$4.300	\$4.250
29%	\$4.480	\$4.430
30%	\$4.660	\$4.610
31%	\$4.840	\$4.790
32%	\$5.020	\$4.970
<b>33%</b>	<b>\$5.200</b>	<b>\$5.150</b>
34%	\$5.380	\$5.330
35%	\$5.560	\$5.510
36%	\$5.740	\$5.690
37%	\$5.920	\$5.870
38%	\$6.100	\$6.050
39%	\$6.280	\$6.230
40%	\$6.460	\$6.410
41%	\$6.640	\$6.590
42%	\$6.820	\$6.770
43%	\$7.000	\$6.950
44%	\$7.180	\$7.130
45%	\$7.360	\$7.310
46%	\$7.540	\$7.490
47%	\$7.720	\$7.670
48%	\$7.900	\$7.850
49%	\$8.080	\$8.030
50%	\$8.260	\$8.210

<b>Quality Bonus</b>	
<b>% Reject Recovery</b>	<b>NIS Bonus/kg @ 10%mc</b>
0%	\$0.300
0.10%	\$0.285
0.20%	\$0.270
0.30%	\$0.255
0.40%	\$0.240
0.50%	\$0.225
0.60%	\$0.210
0.70%	\$0.195
0.80%	\$0.180
0.90%	\$0.165
1.00%	\$0.150
1.10%	\$0.135
1.20%	\$0.120
1.30%	\$0.105
1.40%	\$0.090
1.50%	\$0.075
1.60%	\$0.060
1.70%	\$0.045
1.80%	\$0.030
1.90%	\$0.015
2.00%	\$0.000





## 2. REJECT NIS

Macadamias Direct continue to purchase reject NIS in 2017 on behalf of Macadamia Oils of Australia - (our sister company). This NIS is used for the production of cosmetic grade macadamia oil.

**Price** - Our offer price is **\$0.15/kg** of NIS on a delivered weight basis.

**Quality Requirements** – The reject NIS should be free from sticks, rocks, leaves, husk and other foreign material. The reject NIS will contain no more than 10% black nut by weight.

**Delivery Location** – Reject NIS can be delivered to:

1. Macadamia Oils of Australia, Alstonville.
2. Macadamias Direct, Dunoon.
3. Bundy Sort, Bundaberg

**Payment Terms** - All deliveries are paid in full, 21 days from the EOM of delivery.

**Levy** - No Industry levy is payable on reject NIS.



## 2017 Nut-In-Shell (NIS) TERMS and CONDITIONS

**Point of delivery and transfer of risk is when SELLER delivers NIS to any of the following locations:**

- Macadamias Direct processing facility - 1277 Dunoon Road, Dunoon NSW 2480. Phone: 02 6689 5292
- House With No Steps - 253 Wardell Road, Alstonville NSW 2477. Phone: 02 6628 0610.
- Bundy Sort Pty Ltd – Bingara Mill, Bundaberg QLD 4670. Phone: 07 4159 8331

A minimum four days delivery notice is required to allow Macadamias Direct, and our freight companies to manage the NIS delivery schedules.

Please contact your dehusking service provider early, to ensure you have a position allocated in their schedule.

### **Warranty:**

- The SELLER warrants that they are the owner of the product.

### **NIS Standard Payment Terms:**

- 80% of consignment value **less** all Early Payments, Industry levy and additional charges paid in 21 days from the end of the month of delivery. (EOM)
- 20% of consignment value paid by 21<sup>st</sup> December 2017.
- If this is not a business day, then the payment will be effected the next business day.

### **Levy:**

- The BUYER will calculate the Industry levy on behalf of the seller, deduct from SELLER'S payment, and remit to the levy management unit on behalf of the SELLER.

### **Third party Q.A:**

- The SELLER will receive a bonus price if they have a third party audited quality assurance system on farm such as HACCP or Freshcare. The SELLER must present a current certificate before allocation of the bonus payment is made.

### **Right of refusal:**

- The BUYER may refuse a delivery if the delivery is a risk to food safety or unlikely to meet the BUYER'S minimum requirements.

### **Minimum requirements:**

- The minimum requirements are that the product is 2017 crop, free of infestation, over 17mm in diameter, likely to exceed 20% S.K.R and U.S.K likely to be less than 5%.
- If SELLER feels that their product does not meet these minimum requirements please contact Macadamias Direct for a price, which will be calculated on a load-by-load basis.

### **Risks notification:**

- The SELLER is obliged to inform the buyer if they are aware of any significantly increased risk associated with their delivery (example chemical, microbiological or foreign matter risk).



#### Approved Supplier:

- The following forms must be completed as indicated:
  - **PT 1.9 pre-season NIS supplier info sheets** – The SELLER must complete and return this report prior to their first delivery of the season. The various 'Application' records attached can be filled in or alternatively supplied as a Macman Pre-Season Report or as copies of similarly formatted records the SELLER may already be using.
  - **PT 1.1 NIS Del Docket** – The SELLER must complete Questions #1 to #10 on the NIS Receipts Docket for each delivery made.

#### Product assessment:

- NIS is randomly sampled automatically, then mixed. This sample (excluding undersized & foreign matter) will be cracked and the kernel assessed under the current AMS Kernel Assessment Manual.
- Nut in Shell less than 17mm diameter is considered undersize.
- $SKR = \text{Premium plus Commercial Kernel Weight} \div \text{NIS sample weight}$ .
- $\text{The USK} = \text{Reject Kernel} \div \text{NIS sample weight}$ .

#### Re-tests:

- Re-tests may be requested by the SELLER. Duplicate samples are retained for a period of two months from delivery, during which time a re-test may be performed.
- Where a retest result is an improvement on the original test result the two results will be averaged and the value of the delivery will be based on the averaged result. Where a retest result is not an improvement, the original result will stand.
- Re-tests are performed by the AMS Accredited testing lab, Cropwatch Independent Laboratories.

#### Freight:

- The SELLER is responsible for freight charges to Macadamias Direct at Dunoon or the nominated points of delivery.
- The SELLER must ensure any truck, skip or bin is clean and free from any chemical, microbial, physical or allergenic contaminants prior to loading of NIS/NIH.



## MACADAMIAS DIRECT SUPPLY AGREEMENT – MARCH 2017 OFFER

SELLERS NAME: \_\_\_\_\_

POSTAL ADDRESS: \_\_\_\_\_

FARM ADDRESS: \_\_\_\_\_

ABN: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

### 1. PREMIUM NIS:

Please specify the TOTAL volume of Premium NIS you wish to commit in 2017, \_\_\_\_\_ MT at 10%mc

Please indicate if you wish to receive the Early Payment option. (Please circle) YES NO

Please specify the volume of NIS you wish to allocate to the early payment option, \_\_\_\_\_ MT at 10%mc

### 2. SERVICES

Do you require de-husking and/or sorting service YES NO

Do you require a skip bin service YES NO

### AUTHORISATION:

If you, as the Seller, would like to progress this offer, please complete and sign this page and submit **ALL SIX PAGES** to Kelly Wiles, on behalf of the Buyer, by email to [kelly@macnut.com.au](mailto:kelly@macnut.com.au) OR fax: 02 6689 5849 OR post to: PO Box 8031, Dunoon NSW 2480.

Upon the Buyer countersigning this page below, both parties will have accepted the offer therein.

BUYER: Macadamias Direct SELLER: \_\_\_\_\_

Signed by Buyer: \_\_\_\_\_ Signed by Seller: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

