



29th January 2016

2016 CROP NIS OFFER & SUPPLY AGREEMENT

(This offer is available from 1st February 2016 until 29th February 2016)

Macadamias Direct (MD) is pleased to release our February 2016 Nut-In-Shell offer for the 2016 crop.

1. PREMIUM NIS

a. 21 day Payment Option

- Our offered price is **\$5.00/kg** at 33% SKR and 10% moisture
Full payment within 21 days from the end of month (EOM) of delivery

b. Early Payment Option

- Our offered price is **\$4.95/kg** at 33% SKR and 10% moisture.
- **\$1.50/kg** NIS @ 10% mc will be paid within 7 Days of signing the Early Payment Agreement.
The second (final) payment will be paid 21 days from end of month of delivery.

Under both options:

- Our offered prices are guaranteed minimum prices. In the event of a market downturn, the prices will not fall below those set out under this signed agreement.
- Should our 2016 base price rise throughout the season, all signed 2016 Supply Agreements will be raised retrospectively.
- A Quality bonus will be paid on each consignment with less than 2% reject kernel, up to a maximum of **\$0.30/kg** NIS - see price table below.
- There are no reject penalties in our offer.
- A freshcare bonus of **\$0.10/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 freight subsidy of **\$0.04/kg** NIS at 10% will be paid on the delivery of all premium NIS.



2016 Premium Nut-In-Shell Price Table at 10% Moisture Content.
Option a. –21 Day EOM Full Payment .Option b. – Early Payment.
 (NB: Table below DOES NOT include \$0.10 Freshcare Bonus)

Sound Kernel Recovery (Premium + Commercial)			Quality Bonus	
% SKR	Option b -NIS Price/kg @ 10%mc	Option a -NIS Price/kg @ 10%mc	% Reject Recovery	NIS Bonus/kg @ 10%mc
20%	\$2.610	\$2.660	0%	\$0.300
21%	\$2.790	\$2.840	0.10%	\$0.285
22%	\$2.970	\$3.020	0.20%	\$0.270
23%	\$3.150	\$3.200	0.30%	\$0.255
24%	\$3.330	\$3.380	0.40%	\$0.240
25%	\$3.510	\$3.560	0.50%	\$0.225
26%	\$3.690	\$3.740	0.60%	\$0.210
27%	\$3.870	\$3.920	0.70%	\$0.195
28%	\$4.050	\$4.100	0.80%	\$0.180
29%	\$4.230	\$4.280	0.90%	\$0.165
30%	\$4.410	\$4.460	1.00%	\$0.150
31%	\$4.590	\$4.640	1.10%	\$0.135
32%	\$4.770	\$4.820	1.20%	\$0.120
33%	\$4.950	\$5.000	1.30%	\$0.105
34%	\$5.130	\$5.180	1.40%	\$0.090
35%	\$5.310	\$5.360	1.50%	\$0.075
36%	\$5.490	\$5.540	1.60%	\$0.060
37%	\$5.670	\$5.720	1.70%	\$0.045
38%	\$5.850	\$5.900	1.80%	\$0.030
39%	\$6.030	\$6.080	1.90%	\$0.015
40%	\$6.210	\$6.260	2.00%	\$0.000
41%	\$6.390	\$6.440	3.00%	\$0.00
42%	\$6.570	\$6.620	4.00%	\$0.00
43%	\$6.750	\$6.800	5.00%	\$0.00
44%	\$6.930	\$6.980	6.00%	\$0.00
45%	\$7.110	\$7.160	7.00%	\$0.00
46%	\$7.290	\$7.340	8.00%	\$0.00
47%	\$7.470	\$7.520	9.00%	\$0.00
48%	\$7.650	\$7.700	10.00%	\$0.00
49%	\$7.830	\$7.880	15.00%	\$0.00
50%	\$8.010	\$8.060	20.00%	\$0.00





2. REJECT NIS

Macadamias Direct will continue to purchase reject NIS in 2016 on behalf of our sister company, Macadamia Oils of Australia. This NIS will be 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.



3. 2016 Nut-In-Shell (NIS) TERMS and CONDITIONS

Point of delivery and transfer of risk is when SELLER delivers NIS to either of the following:

- Delivered to Macadamias Direct processing facility at 1277 Dunoon Road, Dunoon NSW 2480.
Phone: 02 6689 5292
- Delivered to the House With No Steps at 253 Wardell Road, Alstonville NSW 2477.
Phone: 02 6628 0610.
- Delivered to Bundy Sort Pty Ltd at 68 Townsons Road, Welcome Creek, Bundaberg QLD 4670.
Phone: 07 4159 8331

Please note a minimum four days delivery notice is requested to allow Macadamias Direct, dehusking service providers and freight companies to manage the NIS and NIH delivery schedules.

Warranty:

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

NIS Standard Payment Terms:

- FULL PAYMENT paid 21 days from the end of the month of delivery. (EOM)
- 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, deduct from SELLER'S payment, and remit to the levy management unit.

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 in the opinion of the BUYER 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 2016 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. The sample (excluding undersized, foreign matter) will be cracked and the kernel will be assessed under the current AMS Kernel Assessment Manual.
- Nut in Shell less than 17mm diameter is considered undersize.
- SKR = Premium plus Commercial Kernel Weight ÷ NIS sample weight.
- The USK = Reject Kernel ÷ 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 to the nominated points of delivery.
- The SELLER must ensure any truck, skip or bin is clean and free from any chemical, microbial or physical contaminants prior to loading of NIS/NIH.



2016 CROP MACADAMIAS DIRECT SUPPLY AGREEMENT

(Dated 1st February 2016)

SELLERS NAME: _____

ADDRESS: _____

ABN: _____

Phone: _____

Email: _____

1. PREMIUM NIS:

Please specify the TOTAL volume of Premium NIS you wish to commit in 2016, _____ 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:

BUYER: Macadamias Direct

SELLER: _____

Signed by Buyer: _____

Signed by Seller: _____

Date: _____

Date: _____

If you would like to accept this offer please complete and sign this page and return to Kelly Wiles by email to kelly@macnut.com.au OR fax: **02 6689 5849** OR post to: **PO Box 8031, Dunoon NSW 2480.**

