

2016 NUT IN SHELL SUPPLY AGREEMENT

Agrimac Macadamias agrees to purchase Macadamia Nut-In-Shell from the 2016 season under the following terms and conditions:

1. NIS PRICING

A. Sound Kernel

- The notional price is **\$5.20**/kg of NIS at 33.0% SKR and 10% moisture content.
- The notional price is **\$5.25**/kg of NIS at 33.0% SKR and 10% moisture content for those Growers certified under the FRESHCARE system.
- The sound kernel price increments are **\$0.16**/kg per 1% SKR
- NOTE: % Sound Kernel is % Premium Kernel + % Commercial Kernel. Kernel will be tested and reported according to % Premium Kernel and % Commercial Kernel however payment will be made on the basis of % Sound Kernel.

B. Reject Grade Kernel

- We are offering a quality bonus of up to **\$0.20**/kg of NIS.
- A quality bonus will be paid for consignments with less than 1.5% Reject.
- There are NO penalties on the level of reject.

C. Freshcare

- Farms certified to FRESHCARE will continue to receive a bonus of **\$0.05**/kg as per Section A.

D. Freight

- A freight subsidy will be paid as follows:

Within 50km **3** cents

50-100km **4** cents

Greater than 100km **5** cents

2. PAYMENT TERMS

Agrimac will continue to make NIS payments earlier than scheduled as was achieved throughout the 2010 through to 2015 seasons with final payments made before Christmas.

1 payment of 25% of the assessed price, commencing 25 days following the end of the month of delivery, followed by 4 monthly payments of 15%, with a final payment made no later than end of March 2017.

Prices used to calculate monthly payments will be based upon the price tables in this document. The final NIS price paid for the 2016 crop is subject to change.

3. SERVICES

A. Skip and Field Bin Service

Agrimac has its own skip bin freight service, which can be used for the transport of NIH/NIS from your farm to House With No Steps. This service is available to all Agrimac growers. For details please contact Merv Dudgeon (0407 288 431) or Tony Lambert (0414 311 221).

B. Dehusking Service

Agrimac will continue to offer dehusking and sorting through the House With No Steps at Alstonville. For details contact Tony Lambert (0414 311 221).

C. NIS TESTING

All testing will be undertaken by Agrimac's accredited laboratory. Agrimac follows the AMS recommended standards for kernel evaluation.

D. Grower Advice

Agrimac's grower service team is at your service for advice and support on all aspects of crop production and farm management.

- John Allen 0416 241 513
 - Tony Lambert 0414 311 221
 - Merv Dudgeon 0407 288 431
 - Mark Keen 0415 630 600
- John is an agronomist and farm management consultant.
- Tony and Merv are both farm managers as well as being very hands on.
- Merv is our transport co-ordinator for northern NSW. John and Tony are our grower representatives for NSW.
- Mark operates his own commercial macadamia nursery as well as being our QLD grower representative.
- This is a strong team for the provision of all your technical and practical advice needs.

4. OTHER

A. Approved Supplier Program & Freshcare

The following two documents must be completed as required:

- **Pre-Season Grower Delivery Report** – Growers must complete and return this report to our office prior to their first delivery of the season.
- **Consignment Delivery Report** – These need to be completed either prior to or on arrival of each individual delivery that is made during the season.

B. Industry Levy

Agrimac will deduct the Macadamia Industry Levy and remit the funds collected to the Levy Management Unit (LMU) as required by law. The Levy is currently set at 25.21 cents per kg of saleable kernel (premium grade + commercial grade) at 1.5% kernel moisture content.

NOTIONAL PRICE TABLE

2016

SOUND KERNEL PRICE (% Premium + % Commercial)						
		With Freshcare	Without Freshcare			
PERCENT	SOUND	KERNEL	45%	\$7.17	\$7.12	
			44%	\$7.01	\$6.96	
			43%	\$6.85	\$6.80	
			42%	\$6.69	\$6.64	
			41%	\$6.53	\$6.48	
			40%	\$6.37	\$6.32	
			39%	\$6.21	\$6.16	
			38%	\$6.05	\$6.00	
			37%	\$5.89	\$5.84	
			36%	\$5.73	\$5.68	
	SOUND	KERNEL	PERCENT	35%	\$5.57	\$5.52
				34%	\$5.41	\$5.36
				33%	\$5.25	\$5.20
				32%	\$5.09	\$5.04
				31%	\$4.93	\$4.88
				30%	\$4.77	\$4.72
				29%	\$4.61	\$4.56
				28%	\$4.45	\$4.40
				27%	\$4.29	\$4.24
				26%	\$4.13	\$4.08
25%	\$3.97	\$3.92				
24%	\$3.81	\$3.76				
23%	\$3.65	\$3.60				
22%	\$3.49	\$3.44				
21%	\$3.33	\$3.28				
20%	\$3.17	\$3.12				

REJECT KERNEL BONUS			
PERCENT	KERNEL	0.0%	\$0.20
		0.1%	\$0.19
		0.2%	\$0.17
		0.3%	\$0.16
		0.4%	\$0.15
		0.5%	\$0.13
	REJECT	0.6%	\$0.12
		0.7%	\$0.11
		0.8%	\$0.09
		0.9%	\$0.08
		1.0%	\$0.07
		1.1%	\$0.05
		1.2%	\$0.04
		1.3%	\$0.03
		1.4%	\$0.01
		1.5%	\$0.00

