



20th February 2018

2018 CROP NIS OFFER PRICE & SUPPLY AGREEMENT

(This offer is available until Friday 30th March 2018)

Macadamias Direct (MD) are pleased to release our March 2018 Nut-In-Shell offer for the 2018 crop.

PREMIUM NIS

(A) GUARANTEED Price -Standard Payment Option

- Our offered price is **\$5.20/kg** at 33% SKR and 10% moisture.
 - 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 21st December 2018.

(B) GUARANTEED Price - Early Payment Option

- Our offered price is **\$5.15/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.
 - 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 21st December 2018.

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.
- 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.
- Premium Price for Commercial Grade
- There are no reject penalties in our offer.
- 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 freight subsidy of **\$0.04/kg** NIS at 10% will be paid on the delivery of all premium NIS.



2018 Premium Nut-In-Shell Price Table at 10% Moisture Content.

Option (A) – Standard Payment. Option (B) – Early Payment.

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

Sound Kernel Recovery (Premium + Commercial)		
% SKR	Option A -NIS Price/kg @ 10%mc	Option B -NIS Price/kg @ 10%mc
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
33%	\$5.200	\$5.150
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

Quality Bonus	
% Reject Recovery	NIS Bonus/kg @ 10%mc
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





2018 Nut-In-Shell (NIS) TERMS and CONDITIONS

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

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

A minimum four days delivery notice is required 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:

- 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 21st December 2018.
- 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 2018 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 Receivals 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. Retention 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.



2018 CROP MACADAMIAS DIRECT SUPPLY AGREEMENT

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 2018, _____ 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 FIVE PAGES** to Kelly Wiles, on behalf of the Buyer, by email to kelly@macnut.com.au OR fax: 02 6689 5849 OR post to: PO Box 8031, Dunoos 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: _____

