

QSL Fact Sheet

Current as of 1 June 2017

QSL Payments for Wilmar Growers

Wilmar Growers who nominate QSL as a marketer of their Grower's Economic Interest in sugar (GEI Sugar) will receive payment associated with this sugar directly from QSL.

Key aspects of the QSL payment system for Wilmar Growers include:

HOW PAYMENTS WILL BE MADE

- Growers will be paid directly by QSL into their nominated bank account/s.
- Growers will be able to nominate payments to be made to a separate account on a farm-by-farm basis.
- Payments to third parties for crop liens and similar arrangements can also be made.
- Bank account details will be sought within each Grower's initial Grower Pricing Agreement (GPA) paperwork.

WHEN PAYMENTS WILL BE MADE

- Payments will commence once a Grower's cane has been processed and will be made weekly for subsequent deliveries throughout the season in each week the Grower delivers cane.
- In the weeks where no GEI Sugar is received, a grower will not receive a QSL payment unless there has been an increase in their Advances rate or Relative CCS.
- Each Grower's QSL GEI Sugar production figure for the week will be calculated as of midnight each Saturday.

WHAT PAYMENTS ARE BASED ON

- A **QSL Grower Cane Payment Statement** will be issued for each payment from QSL via the QSL Direct online grower portal. Hardcopy statements will not be issued.
- Each Grower's payment from QSL will reflect the weighted average of their individual pricing position. **Please note that this is a change for Plane Creek, Burdekin and Herbert River Growers who have previously had their initial Advances payments based on the weighted average of their milling district until reverting to their weighted individual average from their December payments.**



- Payments from QSL will be made at the standard QSL Advances rate for the season concerned, unless the Grower is to receive Accelerated Advances, either through electing this option for their Fixed Price Forward Contract or Target Price Contract nominations, or through participation in the QSL Guaranteed Floor Pool. For further details of Accelerated Advances arrangements, please refer to these products' Pricing Pool Terms, available at www.qsl.com.au.
- An Indicative Advances Program for both the Standard Advances and Accelerated Advances will be published on the QSL website (www.qsl.com.au), with rates confirmed incrementally as the season progresses.

DEDUCTIONS (excluding liens)

- The allowances and deductions that may affect the amount that a Grower may be paid will continue to be determined in accordance with the terms of the Grower's CSA. Subject to any changes within the CSA in this regard, Growers will still be able to have these amounts directed to third parties, such as harvesting contractors. It is intended that the following will apply:

For those Growers who choose QSL as their only GEI Sugar Marketer (i.e. 100% allocation to QSL):

- Payments traditionally made to third parties on the Grower's behalf by Wilmar under the CSA (such as harvesting costs and industry levies) will continue to be paid to these third parties by Wilmar on the Grower's behalf. Wilmar will subsequently pass these costs on to QSL to be applied to the Grower's payment from QSL. The net amount of these deductions will be featured on the Grower's QSL Grower Cane Payment Statement and detailed in their Recipient Created Tax Invoice (RCTI) from Wilmar Sugar.
- In the case of local harvesting arrangements where harvesting overtime/continuous crushing payments have previously been covered by Wilmar, this will remain the case going forward. Where the Grower has authorised Wilmar to make harvesting payments directly to a third party, Wilmar will make the adjustment payment directly to that third party (i.e. the harvesting contractor). Where Wilmar pays the Grower for harvesting services, Wilmar will pass the additional funds owed to the Grower to QSL to be added to that Grower's QSL payment.

For those Growers who nominate both QSL and Wilmar as their GEI Sugar Marketers for the same Season:

- Wilmar has advised it intends to apply the total of the Grower's allowances and deductions to their Wilmar GEI Sugar tonnage only. In this event, no allowances or deductions would be applied to the Grower's payment from QSL.
- In the case of local harvesting arrangements where harvesting overtime/continuous crushing payments have previously been covered by Wilmar, this will remain the case going forward. Where the Grower has authorised Wilmar to make harvesting payments directly to a third party, Wilmar will make the adjustment payment directly to that third party (i.e. the harvesting contractor). Where Wilmar pays the Grower for harvesting services, Wilmar will pay the additional funds owed to the Grower through their Wilmar GEI Sugar tonnage payment.

LIENS

- Payments such as liens, leases and share-farming payments which are based on the Gross Cane Value will need to be made by the Grower's GEI Sugar Marketer. Wilmar Growers who elect QSL as their GEI Sugar Marketer can then direct QSL to make these payments on their behalf.

GST

- Please note that GST is not applicable on your QSL payment.
- The sale of cane to Wilmar is a taxable supply for GST purposes. The GST payable to the Australian Taxation Office (ATO) will be clearly identified on the Recipient Created Tax Invoice (RCTI) issued to Growers by Wilmar.
- This GST amount will be paid by QSL to the Grower to ensure they can meet their GST liability to the ATO. As a result, there should be no net impact to the Grower as a result of these GST arrangements.
- QSL recommends that each Grower seeks advice from their accountant or tax professional regarding the implications of this GST arrangement for their business.
- A QSL Fact Sheet on the new GST arrangements is available in the Wilmar Growers section of the QSL website (www.qsl.com.au) or from your local QSL office.

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