By Greg Beashel, QSL Managing Director and CEO

Dear Grower,

Under the new Marketing Choice arrangements, Wilmar Growers who elect QSL as their GEI Sugar Marketer will be paid directly by QSL for their GEI Sugar tonnage managed within our system. Understandably there’s been plenty of interest in these new payment arrangements, particularly about how deductions and allowances will be handled.

In a nutshell, 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 that Grower’s CSA. This means that Growers will still be able to direct their Miller to pay these amounts to third parties (such as harvesting contractors) on their behalf.

Where the Grower has chosen QSL as their sole GEI Sugar Marketer (i.e. 100% allocation to QSL), Wilmar will advise QSL of the net amount of these deductions and we will incorporate these into the Grower’s payment from QSL. While the net figure will be featured on the Grower’s QSL Grower Cane Payment Statement, Growers will need to refer to their Recipient Created Tax Invoice (RCTI) from Wilmar to see the full details of these deductions and allowances.

ADVANCES IMPROVEMENT

Another important element of our new payment arrangements relates to how Wilmar Growers’ Advances will be calculated. Under Wilmar’s previous payment arrangements, most Wilmar Growers’ Advances were calculated using the weighted average of their milling district’s pricing performance until reverting to reflect the Grower’s individual pricing position from December each Season.

Under the new QSL payment arrangements, all Wilmar Growers will be paid Advances based on the weighted average of their own pricing position rather than the mill average. This should help to reduce the chances of Growers with pricing below the Mill average being overpaid during the season.

For more information about QSL’s Grower Payment arrangements for Wilmar Growers, please read the attached Fact Sheet.

TIME RUNNING OUT TO TRANSFER

Wilmar Growers with Cane Supply Agreements or Pricing Agreements in place with Wilmar for the 2017 Season are reminded that time is running out to apply to have their pricing/marketing nomination transferred to QSL.

Visit www.qsl.com.au for details
To request a transfer, Growers under an existing CSA must complete a Marketing Nomination Transfer Request Form (available on the Wilmar GrowerWeb) and return this to Wilmar by 5pm this coming Monday 5 June 2017.

Growers on pricing agreements must submit the 2017 TFPPA Transfer Request Form they should have received from Wilmar within the deadlines applicable for their collective.

GROWER PRICING AGREEMENT

Regardless of your marketing or pricing arrangements for the 2017 Season, I strongly recommend that all Wilmar Growers sign a Grower Pricing Agreement (GPA) with QSL as soon as possible.

Together with choosing QSL as your GEI Sugar Marketer within your CSA, you cannot access QSL pricing services without a GPA being in place. Completing your GPA paperwork now does not mean that you have to choose QSL in 2017 or in the future, but it will speed up your access to QSL’s pricing products should to decide to use them. Having your GPA in place prior to nominating QSL within your CSA will be particularly important when meeting tight deadlines around the GEI Sugar Marketer nomination process and Pricing Declaration Date.

To obtain a GPA, please return the GPA Pre-Registration Form you should have received in the mail or email. Alternatively, please contact your local QSL Grower Services Team member. As always, they are available to provide support and information about QSL’s new Marketing Choice arrangements and pricing options. Their contact details are:

**HERBERT RIVER:**
Grower Relationship Officer Jonathan Pavetto  
Phone: 0428 664 057  Email: jonathan.pavetto@qsl.com.au

**BURDEKIN:**
Grower Relationship Officer Rebecca Love  
Phone: 0429 054 330  Email: rebecca.love@qsl.com.au  
Grower Relationship Manager Carla Keith  
Phone: 0409 372 305  Email: carla.keith@qsl.com.au

**PROSERPINE**
Grower Relationship Manager Cathy Kelly  
Phone: 0409 285 074  Email: cathy.kelly@qsl.com.au

**SARINA:**
Grower Relationship Officer Emma Sammon  
Phone: 0418 978 120  Email: emma.sammon@qsl.com.au

Regards,

Greg Beashel  
QSL Managing Director and Chief Executive Officer

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.

This Fact Sheet contains information of a general or summary nature. While all care is taken in the preparation of this document, the reliability, accuracy or completeness of the information provided in the document is not guaranteed and it does not constitute financial product or investment advice. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this document.