

2017 MARKETING CHOICE

23 June 2017

By Greg Beashel, QSL Managing Director and CEO

Dear Grower,

Yesterday QSL made its first direct payments to those Wilmar Growers who have elected QSL as a GEI Sugar marketer for 2017 and delivered cane last week.

Under our new payment arrangements, each Wilmar Grower's QSL GEI Sugar production figures for the week will be calculated as of midnight each Saturday, with QSL aiming to commence payments within 24 hours of receiving notification of deliveries from Wilmar.

We received the first of these notifications from Wilmar late Wednesday and issued payments and QSL Grower Cane Payment Statements yesterday. Final receipt of payment may vary depending on each financial institution's system requirements and so we recommend growers expecting payment monitor their accounts to gain a sense of the payment timeline that will apply moving forward and consider potential direct debits and other regular payments that may need to be adjusted based on this.

As we are still accepting pricing nominations from Wilmar Growers, June Advances will be calculated on QSL's current indicative 2017 Harvest Pool figure, which is \$420 per tonne IPS. The initial Advances rate is 60%, and so this will equate to \$252 per tonne IPS. Please note that the Advances paid to Wilmar Growers will move to reflect their actual pricing position from the first payment in July.

QSL PAYMENT ADVICE

Wilmar Growers are reminded that the QSL Grower Cane Payment Statement which details their Advances payment is only available through their QSL Direct account. No hard copies will be distributed, but growers can print copies from their QSL Direct account as required.

To access your payment information, please log into your QSL Direct account and click on the **Payments** tab on the Tonnage Declaration Page. For more details on the information contained in this statement, please read the FAQs accompanying this update or contact your local Grower Services Team representative.

Should you have any issues or concerns regarding your payment from QSL, please call the QSL Direct helpline on 1800 870 756 or email your question to qslirect@qsl.com.au.



Greg Beashel, QSL Managing Director and CEO

Visit www.qsl.com.au for details

IMPORTANT DEADLINES

Wilmar Growers are reminded of the following important nomination and pricing deadlines:

- **2017 Actively Managed Pool:** Due to demand, nominations will now close at midnight tonight (Friday 23 June 2017).
- **2017 Guaranteed Floor Pool:** Nominations close at 5pm today (23 June 2017).
- **2017 Target Price Contract & 2017 Fixed Price Contract:** Nominations and orders both close at 3pm today (23 June 2017). Any unfilled orders not filled tonight will be priced by QSL at the next market opportunity on 26 June 2017. Growers can adjust unfilled orders or cancel the nomination before 3pm today (23 June 2017).
- **2017 In-Season Target Price Contract and 2017 In-Season Fixed Price Contract:** Nominations close at midnight tonight (23 June) and orders for the July 2017 contract must be finalised by 3pm this coming Monday (26 June 2017). Any unfilled orders against the July 2017 contract beyond this date will be priced by QSL at the next market opportunity on 27 June 2017 – they cannot be rolled into another futures contract. Growers can cancel a nomination if they have no filled pricing orders and do so before 3pm today.

Any QSL GEI sugar tonnage not already allocated to a pool or pricing product beyond the nomination deadlines outlined above will default to QSL's 2017 Harvest Pool.

Regards,



Greg Beashel
QSL Managing Director and Chief Executive Officer

Visit www.qsl.com.au for details

QSL Fact Sheet

Current as of 23 June 2017

QSL Grower Cane Payment Statement Frequently Asked Questions

Wilmar Growers who have elected QSL as their GEI Sugar Marketer will be paid directly by QSL for the sugar marketed and priced through the QSL system. These payments are detailed in **QSL Grower Cane Payment Statements** issued electronically through the QSL Direct Portal following each payment. The following Frequently Asked Questions cover common queries regarding this process.

How do I find out how much I've been paid by QSL? Does QSL send me a statement?

Each payment is detailed in a QSL Grower Cane Payment Statement, available only through your QSL Direct portal account. Please note that no hardcopy or email statements will be issued, so growers should endeavour to regularly check their QSL Direct account or arrange for an Authorised Viewer to do so on their behalf.

Where do I find my QSL Grower Cane Payment Statements within the QSL Direct portal?

Each statement is found under the Payments tab featured on the Tonnage Declaration page for each ABN where you have nominated QSL as a GEI Sugar Marketer.

When will I be paid?

Payments will commence once your cane has been processed and will be made weekly for subsequent deliveries throughout the season in each week that you deliver cane. Your QSL GEI Sugar production figure for the week will be calculated as of midnight each Saturday, with QSL aiming to commence payments within 24 hours of receiving notification of your deliveries from your Miller. Initial indications are that these payments will generally start flowing into grower accounts on a Thursday, however this may vary depending on your financial institution's system requirements.

Will I still be paid weekly?

Yes, if you have delivered cane during the payment period in question. In the weeks where no GEI Sugar is received, you will not receive a QSL payment unless there has been an increase in your Advances rate or Relative CCS. These payments will be detailed in QSL Grower Cane Payment Statements issued electronically through the QSL Direct Portal following each payment.



What is each payment based on?

Your payment reflects the weighted average of your individual pricing position and the total tonnage of sugar supplied to QSL for the season to date, updated for the most current CCS and IPS conversion factor (both of which are supplied by your mill). As we began Advances payments before pricing nominations closed, June payments will be calculated on QSL's current indicative 2017 Harvest Pool figure. Advances paid to Wilmar Growers will subsequently move to reflect their actual pricing position from the first payment in July.

What are the key sections in the statement?

Each Grower Cane Payment Statement features six sections, these being:

1. Sugar Received (Year to Date)
2. Cane Tonnes and Gross Cane Price
3. Payments by Farm
4. Goods and Services Tax
5. Third Party Payments
6. Pool Price Information – Whole of Season Forecast

What does the Sugar Received (Year to Date) section cover?

This section outlines your GEI Sugar tonnes delivered to QSL and features information supplied by your mill as part of the reporting requirements of our On Supply Agreement with Wilmar. The '*IPS Conversion Factor (Current Estimate)*' figure supplied by the mill is updated on a monthly basis to reflect the current estimate for the sugar delivered to QSL. The '*YTD IPS Tonnes*' figure is calculated from the actual tonnes and the IPS conversion factor.

What does the Cane Tonnes and Gross Cane Price section cover?

The information in this section is about calculating the cane tonnes and the cane prices to determine the value of the cane constant and the Gross Cane Value (GCV) amount. The GCV is used in calculating the amounts payable to third parties you have authorised QSL to pay (i.e. for liens). The '*CCS*' and '*Cane Constant \$/tonne of cane*' are advised by the mill and used in these calculations. Please note that the '*Gross Cane Value Amount (GCV) current week*' figure quoted in this section is not used to calculate your payment. Your payment is calculated in the **Payments by Farm** section of the statement, with the actual amount noted against the Total. The '*Advance rate \$/PS/tonne*' is the current market value of each QSL pool or pricing product you have allocated GEI Sugar to and incorporates pricing and foreign exchange cover completed to date as well as an allocation from the QSL Shared Pool.

What does the Payments by Farm section cover?

This section breaks down any payments made by farm to help you verify and track payments to third parties that you requested within your Grower Pricing Agreement.

What does the Goods & Services Tax section cover?

GST is not applicable on your QSL payment, however the sale of cane to Wilmar is a taxable supply for GST purposes. Wilmar will detail the GST payable to the Australian Taxation Office (ATO) on the Recipient Created Tax Invoice (RCTI) they issue to you. This same amount is then paid to you by QSL to meet your GST liability to the ATO. These GST payments are noted in this section. There should be no net impact as a result of these GST arrangements, however it is important to note that your GST payment from QSL will be paid weekly whereas your payments to the ATO will be quarterly or monthly. A QSL Fact Sheet on the new GST arrangements is available by clicking [here](#).



What does the Third Party Payments section cover?

This section covers the payment arrangements you requested when you completed 'Form B – GPA Payment Details' within your Grower Pricing Agreement.

What does the Pool Price Information – Whole of Season Forecast section cover?

This section details all of the QSL pools and pricing products you have elected to participate in and the market value of those pools used in making this payment to you. The '*IPS Tonnes*' column is the equivalent of the whole-of-season actual tonnage nominated by you to each QSL pricing pool. The '*\$/IPS Tonne*' column is the current indicative pool price. The '*Advance %*' column is the current applicable Advance rate approved by the QSL Board. The '*Advance Rate\$/IPS Tonne*' column is the result of applying the Advance Rate % to the pool price. The combined result of your pricing position used as the basis for your payment is detailed in the '*Advance Rate \$/IPS Tonne*' total displayed below the line at the bottom of each column.

Where can I find more information about my payments from QSL?

You can find more information about the QSL payment process, including the arrangements for deductions and liens, by reading the QSL Payments for Wilmar Growers Fact Sheet, available [here](#). For specific payment queries, please call the QSL Direct helpline on 1800 870 756 or email your question to gsdirect@qsl.com.au.

What do I do if I have an issue with my payment from QSL?

Please contact the QSL Direct helpline on 1800 870 756 or email gsdirect@qsl.com.au.