



Your Trusted Partner

22 SEPTEMBER 2017

QSL Direct Payment Update- Wilmar Growers

NEW LOOK PAYMENT STATEMENTS

Following Grower feedback, QSL has undertaken to improve and simplify our existing payment statements. Here are a few of the key improvements we've made:

- **Email notifications when your statements are ready**

Growers will get alerts when your latest QSL Statement has been posted on your Portal. Growers will also have the option to have their payment statement emailed to their nominated Pricing Manager as a PDF attachment. They can 'opt-in' to this service via the QSL Direct portal. For Growers who are happy accessing their statements online, they can continue to do so. Hard copy statements can be arranged by contacting your local QSL Grower Representative Officer.

- **Ledger functionality**

This feature enables QSL to clearly show amounts deducted by Wilmar for expenses incurred by Growers when there has been no sugar delivered at the time the expense was incurred. For example, a Grower may have purchased mill mud for one of their farms but is yet to cut any cane from that farm.

Incorporating a ledger into our statements means Growers will now see a list of any credit/ debit amounts accrued and the date of the corresponding Wilmar RCTI for the applicable expense. Having this information should make it easier to reconcile the two statements. Any negative amounts shown on the ledger will be offset by sugar deliveries or an Advance increase (whichever comes first).

- **Separate statements for multiple farms**

For those Growers with multiple farms, you'll now be able to view information for each of these farms separately and see more detailed farm-specific information including:

- Sugar delivery tonnage
- Sugar pool payments
- Farm transactions (including QSL and Wilmar transactions)
- Distributions to bank accounts (including to the farm account as well as liens and other third party payments)

QSL will be reissuing our earlier statements in the new format and these will be available via the QSL Direct Portal.

You can see an example of what our new payment statement looks like at the end of this Update.

This Update contains information of a general or summary nature. It also contains a high-level overview of some of the key aspects of the QSL payment statement, including some of the key accounting and tax issues relating to QSL's grower pricing agreements and the related payment process, which are also of a general nature only. The information provided does not constitute financial, investment or product advice; in particular, the information does not constitute taxation or accounting advice. While all care has been taken in the preparation of this document, the reliability, accuracy or completeness of the information in this document is not guaranteed, and it should not replace advice sought from a suitably qualified advisor that can consider your personal circumstances. 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.



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2017 SEASON CCS ADJUSTMENT

Wilmar Sugar has advised QSL that it is making Season-To-Date cane pay adjustment. This adjustment payment will reflect changes to Interim CCS or adjustments to your Wilmar GEI Sugar calculation. According to Wilmar's communication on this subject, this is a standard adjustment made to your interim CCS results to reflect the actual Season-To-Date CCS trends.

As a result of the adjustments made by Wilmar, some Growers will find their GEI Sugar calculation may have changed. As a result, QSL will need to adjust our payments to some Growers next week.

It is likely Growers will receive a Season to Date Adjustment Statement from Wilmar in coming days. Where applicable QSL will also issue a separate GEI Sugar Adjustment Statement to all Growers which will cover to deal with these adjustments. Those Growers that are owed more than \$100 can expect to receive their Season-to-Date payment early next week. Those Growers owed less than \$100 will have their outstanding amount processed as part of the next Advance Rate increase (now confirmed for Thursday 19 October) or their next delivery of GEI sugar (whichever comes first).

There will be some Growers who will have been overpaid by QSL. These amounts will be shown as a debit on your QSL Payment Statement and be carried over until your next sugar delivery or the next Advance Rate increase (whichever comes first).

QSL ACTIVELY MANAGED POOL FOR WILMAR GROWERS

With pricing for the 2017 Season well underway, many Growers who have chosen to allocate tonnes to the QSL Actively Managed Pool (Wilmar Growers) will be keenly watching the pool's pricing performance.

It's important to note that due to delays in securing an On-Supply Agreement with Wilmar Sugar, QSL was required to open a separate Actively Managed Pool for Wilmar Growers and we could not start pricing sugar nominated into this Pool until after the GEI Sugar Marketing nomination date (23 June 2017).

It's also important to note, that when comparing the AMP (Wilmar Growers) to the 2017 QSL Harvest Pool, Growers ought to consider that QSL was able to start pricing the Harvest Pool earlier, the Harvest Pool does not require a pricing commitment to start pricing.

QSL publishes our Pool Prices on our website so Growers can easily track the performance of our Pools. If you have any questions about our pools, please contact your local QSL Grower Services team member.

YOUR LOCAL QSL GROWER SERVICES TEAM

North Qld: Carla Keith, Industry Relationship Manager

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Central and Southern Districts: Cathy Kelly, Industry Relationship Manager Ph. 0409 285 074 cathy.kelly@qsl.com.au

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NEW QSL PAYMENT STATEMENT – EXAMPLE

Current as at 21 September 2017

Page 1 – Summary for each applicable farm

Queensland Sugar Limited
ABN: 416 075 781 74
GPO Box 891 Brisbane
Queensland 4001
Australia
Phone: (07) 3004 4400
Facsimile: (07) 3004 4499



Grower GEI Sugar Payment Statement Summary

Client Name: [REDACTED]
ABN: [REDACTED]

Season: 2017
Cane deliveries to midnight: 9-Sep-2017
Payment Date: 14-Sep-2017

This statement contains the GEI Sugar Payment details for the following farms:

Farm No	GEI Sugar Tonnes Actual	Payment CCS	Farm Disbursement
[REDACTED]	120.68	13.30	\$40,517.83
	<u>120.68</u>		<u>\$40,517.83</u>

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Page 2 – Your Statement

Grower GEI Sugar Payment Statement

Farm Number: [REDACTED]

Client Name: [REDACTED]
 ABN: [REDACTED]

Season: 2017
 Cane deliveries to midnight: 9-Sep-2017
 Payment Date: 14-Sep-2017

Sugar Delivery Tonnage	This week	Season to date
GEI Sugar Tonnes Actual	1 120.680000	784.370000
Current IPS Conversion Factor		1.036750
GEI Sugar Tonnes IPS	125.114990	813.195598
Payment CCS advised by Wilmar		13.300000

Sugar Pool Payments	Season to date	Less previously paid	Total this pay
Current QSL advance rate \$ per mt IPS	2 \$287.50		
Total advance payment value	\$233,797.31	-\$197,826.20	3 \$35,971.11

Farm transactions this week	Sugar tonnes actual	Sugar tonnes IPS	Rate	\$ Amount
<u>QSL Transactions</u>				
GEI Sugar delivered this week		125.114990	\$287.50	\$35,971.11
Advance rate change on previous season to date tonnes		688.080608	\$0.00	\$0.00
Net QSL Sugar Pool payments				4 \$35,971.11
<u>Wilmar Transactions</u>				
Redirected cane payment this week (see Wilmar RCTI/TI)				5 \$52,660.63
GEI Sugar Purchase from Wilmar this week	120.680000		398.69	6 -\$48,113.91
Net Wilmar transactions <i>(allowances, deductions, CSA expense charges, cane constant & GST)</i>				7 \$4,546.72
Total farm disbursement this week				8 \$40,517.83

1. Your GEI Sugar tonnes delivered for this week, shown as "GEI Sugar Tonnes" on your Wilmar RCTI
2. Your QSL Advance rate used for this payment
3. This week's sugar payment (*Tonnes Sugar x IPS Conversion Factor*) x Advance Rate
4. This week's sugar payment including any Advance Rate adjustment
5. Redirected Cane payment from your Wilmar RCTI
6. Payment to Wilmar for your GEI Sugar (i.e. what Wilmar invoices QSL to purchase your GEI Sugar)
7. The *non-sugar* component of your cane payment (i.e. the value of your allowances, deductions, CSA expense charges, cane constant & GST as advised by Wilmar)
8. Your total QSL payment = your Advance payment (#4) *plus/minus* Net Wilmar Transactions (#7)

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Page 2 – inclusion of ledger functionality

Payments to Bank Accounts	
Farm Account [REDACTED]	
Opening balance	-\$329.81
Distribution	\$40,517.83
Less Net Payment	-\$40,517.83
Balance outstanding	-\$329.81
<p>Note: Balance outstanding for Farm and/or Lien accounts will carry forward to your next payment statement</p>	

This feature enables QSL to clearly show amounts deducted by Wilmar for expenses incurred by Growers when there has been no sugar delivered at the time the expense was incurred. Any negative amounts shown on the ledger will be offset by your next sugar delivery or an Advance Rate increase (whichever comes first).

This is where you'll also see any Third Party Payments (i.e. lease payments as detailed in your Grower Pricing Agreement with QSL).

Page 3 – Your Pool Values

This section provides a summary of each of the QSL-marketed Pools you are participating in. Each Pool has its own value and your Advances rate reflects the weighted average of these Pools at the current Advance rate percentage.

Grower GEI Sugar Payment Statement

Farm Number: [REDACTED]

Client Name: [REDACTED]	Season: 2017
ABN: [REDACTED]	Cane deliveries to midnight: 9-Sep-2017
	Payment Date: 14-Sep-2017

Pool Price Information - Whole of Season Forecast				
QSL Pricing Pool	IPS Tonnes	\$/IPS Tonne	Advance Rate %	Advance Rate \$/IPS Tonne
ICE #11 - Harvest Pool Sugar	360.76	\$427.02	70.00%	\$298.91
ICE #11 - In-Season Target Price Contract	933.07	\$388.64	70.00%	\$272.05
US Quota - Not Applicable	88.33	\$577.43	70.00%	\$404.20
Weighted Average Price				\$287.50

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