

Re: 2024 Membership Levy

The Kalamia board recently discussed and reviewed the 2024 Membership Levy. Of course, as Kalamia Cane Growers Organisation Ltd is a not-for-profit organisation, the board is always mindful that levies raised are used to benefit members directly or in the form of levy reduction.

Based on the 2023 season actual tonnage, considering (a) known farm purchases and sales, (b) profit distribution from the related entities P & K farming and Kalagro Limited, the budget forecast has indicated a review by the board. Accordingly, the Directors have agreed that due to mounting costs, including work of Julie Artiach as KCGO’s legal consultant to tackle current issues that are arising within our industry and the continued engagement of Employsure, which assists with companies to run safe, fair, and compliant workplaces, an increase to 40c per tonne was warranted. The levy cap will still be set at 40,000 tonnes, which in turn will keep the cashflow in a nominal surplus.

Please Note: Tonnage more than 40,000, members should only pay the insurance levies (8 cents). Given that Wilmar can only deduct one rate, as has been the case in the past, the levy that is deducted over the 40,000-tonne figure will be reimbursed at the end of the season, minus the insurance levies.

E.g. Tonnage – 52,000 tonne

KCGO will receive 40c levy on 52,000 t during season.

KCGO will reimburse 32c (Administration Levy) of 12,000 t - (52,000 – 40,000) at the end of season after levies have been reconciled.

The breakdown of the 2024 levy is as follows:

Membership (Administration) -	32.00 cents (increase 1c)
Fire Insurance -	7.00 cents
Self-funded Rain Insurance -	1.00 cents
<u>Total Levy 2024</u>	<u>40.00 cents</u>