



**Cotton Seed Distributors Ltd.**  
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Australia

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Dear Member,

Since the January 2017 Chairman's Update, we have now almost finalised the plans for the plant and equipment for our redeveloped cotton seed processing plant. With the continuing expansion of the cotton industry into the south and into the dryland summer crop areas, the redeveloped plant is designed to be able to supply significant volumes of high quality seed quickly, on short notice.

In addition to the preliminary \$41 million construction investment in the infrastructure part of the redevelopment we are investing approximately a further \$45 million in plant and equipment. Our project control group are planning to have the plant operational in time for processing in May next year. Our existing plant will be still fully operational until the new plant has fully proven itself as reliable. Funding of the redevelopment project is being managed so as not to incur debts or to impact on growers' seed price.

The CSD Board have now approved the 2017/18 seed pricing schedule and re-introduced the early order program this year with an approximate \$20/bag incentive to last year's pricing, giving value to growers. Primarily, by placing orders early, growers will assist in timely seed supply to all areas.

We have reviewed and simplified the CSD Cotton Planting Seed Agreement (Grower Agreement) for the 2017/18 season, taking into account grower feedback. The agreement has fundamental changes including it becoming an annual agreement. The document will again be supplied electronically, enabling our Agency Network and growers to complete the process on farm with a minimum of effort and disruption.

In line with the changes to the Grower Agreement, we have also reviewed and updated our agreements with our agents. These changes will further support our agents in delivering service and support to growers.

Our Annual General Meeting will be held on Tuesday the 20<sup>th</sup> of June, 2017 at our 'Shenstone' office at Wee Waa. Please register your attendance via our website or by contacting (02) 6795 0000. I encourage you all to attend and see for yourself the redevelopment project in its mid stages.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Kahl', written over a horizontal line.

**James Kahl**  
Chairman  
Cotton Seed Distributors Ltd  
**7 June 2017**