
How to Interpret Marquis Consignment Quality Reports



Consignment Quality Reports (CQRs) are one of the most important reports growers receive from Marquis. CQRs detail all relevant consignment information to allow growers to monitor the volume and quality of nut leaving the orchard and determine expected income. CQRs combine weight at 10% moisture, the amount of saleable kernel and price to generate consignment value.

Marquis Macadamia CQRs consists of six sections that detail grower and consignment details, lab or quality results, consignment value, the compulsory macadamia industry levy calculation, payment particulars and year-to-date and historical quality data.

This fact sheet explains how to interpret CQRs so you can understand and utilise this important document.

Definitions and Abbreviations

All the following kernel definitions are determined by the AMS Kernel assessment manual

Premium Kernel (PK)

Fully mature kernel that is plump (not shrivelled), round and firm with even white or cream colouring, with no 'off-odour' or rancidity.

Commercial Kernel (CK)

Has minor defects on kernel, i.e. light discolouration, light discoloured crest, and light shrivelled. These are still acceptable for human consumption. Marquis pay the same price for commercial and premium kernel.

Reject Kernel (RK)

Has major defects on kernel that are considered not fit for human consumption. Reject categories include heavy discolouration, heavy discoloured crest (germination), heavy shrivelled (immaturity), insect damage, internal discolouration (brown centres) and mould.

Total Kernel Recovery (TKR)

Refers to the total percentage of kernel and includes premium, commercial and reject kernel.

Saleable Kernel Recovery (SKR)

Is the sum of the premium and commercial grade kernel and excludes any reject kernel. Importantly, this is the portion of the kernel that you get paid upon. Macadamia industry prices are quoted for NIS at 33% premium kernel recovery at 10% moisture content.

Marquis uses a linear pricing system. This means that all steps are equal up and down the price table. The price per kg of NIS will go up if you have greater than 33% SKR or it will go down if you have less than 33% SKR.

Nut in Shell (NIS)

The macadamia kernel encased in the shell. The total NIS weight is made up of these two components. The amount of kernel present is expressed as a percentage of the total NIS weight. For example, 1000kg of NIS at 33% kernel recovery means that there is 330kg of kernel and 670 kg of shell.

For more information on how the kernel assessment process works and what different types of reject kernel look like see Marquis 'Growers Guide to Kernel Quality Assessments'

Delivery and Consignment Quality Report

NIS

Grower :	<input type="text"/>	ABN :	<input type="text"/>	Consignment No. :	LH0289
				Delivery Docket No. :	
				Delivered Weight :	2,110.0
				Removed Weight :	0.0
				Consignment NIS Weight :	2,110.0
				Grower Batch :	
				Delivery Date :	04/04/2022
				Reporting Group :	
				Variety:	A38
				Orchard:	<input type="text"/>

Laboratory Results

Moisture Content	: 14.9%	Reject Kernel Recovery	: 3.3%
Consignment Weight at 10% Moisture Content	: 1,995.1 kg	Heavy Discolouration	: 0.4%
		Heavy Discoloured Crest	: 0.0%
		Heavy Shrivelled	: 1.1%
		Insect Damage	: 0.0%
		Internal Discolouration	: 1.4%
		Mould	: 0.4%
Premium Kernel Recovery	: 20.5%	Total Kernel Recovery	: 38.1%
Commercial Kernel Recovery	: 14.3%	Shell	: 61.9%
Light Discolouration	: 5.7%	Total	: 100.0%
Light Discoloured Crest	: 0.0%	Whole Kernel %	: 87.3%
Light Shrivelled	: 8.6%		

Notional Consignment Value

	Per kg/NIS
Premium NIS	\$2.361
Commercial NIS	\$1.647
Quality Bonus	\$0.000
Freight Subsidy	\$0.030
Freshcare Bonus	\$0.000
Total \$ /kg	\$4.038
Total Consignment Value	\$8,056.21

Compulsory Macadamia Industry Levy Calculation

Kernel Weight at NIS moisture 3.50%		KGs
Premium Kernel	20.5%	381.45
Commercial Kernel	14.3%	266.08
Reject Kernel (no levy)	3.3%	61.40
Total Leviable Kernel	34.8%	647.53
Levy \$/kg		\$0.2521
Total Levy		\$163.24

Payment Particulars

First Payment Value	\$4,028.11
Compulsory Levy	\$163.24
Voluntary Marketing Fund Contribution	\$0.00
Dehusking Charge	\$0.00
Payment Due	\$3,864.87

Year to Date and Historical Data

Year	NIS (t)	PKR %	CKR%	RKR%
YTD	3.3	22.0	13.4	4.3
2021	37.1	32.5	6.9	2.4
2020	45.2	34.5	7.0	2.3
2019	47.8	37.1	4.6	0.6
MML YTD	20.0	10.7	5.2	

A- Grower and Consignment Details

This section captures details from both the grower delivery report and identifiers generated by the Marquis database for traceability. Fields like Grower batch, Reporting group and Orchard, allow you to capture information and separate consignments by farm, block, variety etc, which allows you to track yields for certain blocks or farms. At the end of the year Marquis will send you a summary report that will group consignments together using these identifiers.

Consignment number:

This is a unique code that is generated for each consignment by Marquis and is used to identify consignments. This number is the primary reference needed to track the consignment.

Delivery Docket number:

This field is used to record any transport docket numbers provided by a freight contractor. This is usually blank if you deliver NIS with your own vehicle.

Delivered weight:

The total original consignment weight in kilograms (kg) at the received moisture. If the consignment is nut-in-husk (NIH) this will be the NIH weight received.

Removed weight:

If the consignment requires dehusking and/or sorting, the amount removed will be recorded in this field. This figure will be the total of husk, trash (i.e., leaf, stick, rock) and gross reject (i.e., black nuts, rat eaten nuts) removed from the consignment.

Consignment NIS weight:

This is the weight of NIS in the consignment. If dehusking or sorting was required, this is the weight after those processes. It is calculated by subtracting the removed weight from the delivered weight.

Grower Batch:

This is a number or code assigned by the grower to the batch e.g., 1 = batch one. This field is to assist you with tracing consignments back to farm records. This can be left blank.

Delivery Date:

The date when the consignment was delivered.

Reporting Group:

This field allows further reporting separation by growers of the delivery or groups of deliveries. It allows for recording any other details about the consignment e.g., Block A. This can also be left blank. An example of how this is used to generate end of season summaries is shown in Figure 1.

Variety:

This field is to allow consignments to have their variety identified for reporting purposes. We have the most common individual varieties listed and available for reporting and many variety mixes but as there are many possible combinations, we cannot accommodate every combination. When we are unable to report a variety mix, the entries used are Mixed or A-Mix.

Orchard:

If growers have multiple farms, they can use this to indicate where the nut is from.

Reporting Group and CQR Summaries

Marquis will provide you with an end of season summary each year. This can be useful if you want to track yields for certain blocks or areas. The reporting hierarchy is Grower>Farm>Reporting Group>Variety. Figure 1 shows the default end of season summary which uses the Reporting Group. If you have more than one orchard you can request summaries split by orchard. Contact a Grower Liaison Officer for more information.

Delivery Date	Consignment Number	Variety	Delivery Weight NIS (Wet)	Delivery Weight 10% Moisture	Moisture %	Premium KR %	Commercial KR %	Reject KR %	Shell %	Commercial			Reject					
										Light Discoloured Crest	Light Shrivelled	Light Discolouration	Heavy Discoloured Crest	Heavy Shrivelled	Heavy Discolouration	Mould	Insect	Internal Discolouration
Reporting Group : Block BA																		
Variety : MIXED - MIXED																		
19/06/2020	LF2267	MIXED	1,170	1,106.3	14.9	29.8	2.8	2.4	65.0	0.0	2.3	0.5	0.0	1.5	0.0	0.0	0.9	0.0
04/08/2020	LF3187	MIXED	790	737.3	16.0	30.8	2.6	2.3	64.3	0.4	1.6	0.6	0.0	1.8	0.0	0.0	0.5	0.0
Totals / Weighted Averages			1,960	1,843.6	15.3	30.2	2.7	2.4	64.7	0.2	2.0	0.5	0.0	1.6	0.0	0.0	0.7	0.0
Totals / Weighted Averages			1,960	1,843.6	15.3	30.2	2.7	2.4	64.7	0.2	2.0	0.5	0.0	1.6	0.0	0.0	0.7	0.0
Reporting Group : Block TOP																		
Variety : MIXED - MIXED																		
23/03/2020	LF0092	MIXED	429	407.6	14.5	37.3	0.5	0.7	61.5	0.0	0.2	0.3	0.0	0.0	0.2	0.0	0.2	0.3
15/04/2020	LF0473	MIXED	789	734.6	16.2	37.0	1.5	1.0	60.5	1.0	0.5	0.0	0.0	0.7	0.0	0.0	0.3	0.0
02/06/2020	LF1787	MIXED	610	566.6	16.4	37.9	0.3	0.4	61.4	0.0	0.0	0.3	0.0	0.1	0.0	0.0	0.3	0.0
Totals / Weighted Averages			1,828	1,708.8	15.9	37.4	0.9	0.7	61.0	0.4	0.3	0.2	0.0	0.3	0.0	0.0	0.3	0.1
Totals / Weighted Averages			1,828	1,708.8	15.9	37.4	0.9	0.7	61.0	0.4	0.3	0.2	0.0	0.3	0.0	0.0	0.3	0.1

Figure 1: Example of end of season summary of consignment data, split by reporting group.

B - Laboratory Results

Moisture content (MC):

The moisture content of the NIS at delivery which is determined by laboratory testing. The MC is determined on a wet basis. Generally, the moisture content of deliveries will vary over the season based on climatic conditions. You are not required to dry nut on farm and deliveries can be made at any moisture content.

Consignment weight at 10% moisture content:

The payment for your consignment is based on kilograms of NIS at 10% moisture content. This is determined using the industry standard formula shown below:

$$\text{Weight @ 10\% MC (kg)} = \text{Consignment NIS weight (kg)} \times \left(\frac{100\% - \text{MC\% @ delivery}}{90\%} \right)$$

Kernel Recovery – Split into Total, Premium, Commercial and Reject:

"Total, Premium, Commercial and Reject" is the percentage of kernel within each category relative to the total weight of nut in shell. The major kernel recovery categories are in bold, with total, premium, commercial and reject kernel broken down into their individual categories (Figure 2). For more information on what different types of reject kernel look like see Marquis 'Growers Guide to Kernel Quality Assessments'

Commercial Kernel Recovery	:	5.7%
Light Discolouration	:	1.7%
Light Discoloured Crest	:	0.0%
Light Shrivelled	:	4.0%

Figure 2: Example of commercial kernel recovery broken down into individual categories. The value in bold is the sum of the % values below it.

Total Kernel Recovery:

Is the total percentage of kernel recovered from the NIS. It is the sum of the Premium, Commercial and Reject Kernel recoveries.

Shell:

Is the amount of shell recovered from the NIS, expressed as a percentage.

Total:

Is the total percentage of all components assessed during a kernel recovery assessment.

Whole Kernel %:

Is the percentage of whole kernel measured in the lab samples.

C - Notional Consignment Value

All dollar values presented in this section are per kg of NIS at 10% MC and based upon the notional price table for the year of delivery.

Premium NIS and Commercial NIS:

Value is calculated using the kernel recovery percentages in section B: Laboratory Results and the notional price table.

Marquis pays the same price for commercial kernel as for premium kernel.

In the example CQR the notional price is \$5.10/kg NIS at 33% premium kernel recovery at 10% MC. Marquis has a linear pricing system which means the steps up and down the price table are equal for every 0.1% step. An example of how to calculate the price for premium and commercial is as follows.

$$\begin{aligned} \text{Premium NIS} &= \frac{\$5.10}{33.0} \times \text{Premium kernel recovery} & \text{Premium NIS} &= \frac{\$5.10}{33.0} \times 23.7 \\ & & &= \$3.663/\text{kg} \\ \text{Commercial NIS} &= \frac{\$5.10}{33.0} \times \text{Commercial kernel recovery} & \text{Commercial NIS} &= \frac{\$5.10}{33.0} \times 5.7 \\ & & &= \$0.881/\text{kg} \end{aligned}$$

Quality bonus:

A quality bonus is added to your payment if your reject kernel recovery is below 1.5%. Payment rates are stated on our price table which is released at the start of each season.

Freight Subsidy:

Is applied to all growers regardless of whether you use a contract carrier or if you deliver yourself. The amount paid is determined by the radius distance between your property and the factory or an approved depot. The terms and conditions released each year state these values.

Freshcare bonus:

Is only applied to growers who are Freshcare certified, if you are not certified then this section will be blank. Rates are stated on our price offer that is released each year.

Total \$/kg:

Is a sum of the values listed.

Total Consignment Value:

Is the consignment weight at 10% moisture content multiplied by Total \$/kg.

Using the example on page three: 2,110.0kg x \$4.038/kg NIS = \$8,056.21

D - Compulsory Macadamia Industry Levy Calculation

The Macadamia Industry has a compulsory levy on all saleable kernel produced and all processors must take this levy out of your payment. These levies are used for marketing, research, and development projects. This funding is controlled by Horticulture Innovation Australia, not the Australian Macadamia Society (AMS).

Total Leviable Kernel:

Is the sum of premium + commercial kernel which the levy is paid upon. This is also called Saleable Kernel.

Using the example consignment, the kilograms of leviable kernel at 3.5% NIS moisture content is calculated as follows:

$$\text{NIS at 10\% MC} = 2,110.0\text{kg}$$

$$\text{NIS at 3.5\% MC} = 2,110.0\text{kg} \times \frac{0.90}{0.965} = 1,967.88 \text{ kg}$$

$$\text{Total leviable kernel (34.8\%)} \times 1,967.88 \text{ kg} = 647.53 \text{ kg}$$

The current levy is \$0.2521/kg of saleable/leviable kernel at 3.5% NIS moisture

In the example 762.95 kg leviable kernel x \$0.2521 = \$192.34.

E - Payment Particulars

First payment value:

Is the gross value of the first payment amount. The \$/kg or % that this comprises is set each season and announced with the price offer.

Compulsory Levy:

Is the Total Levy value from section D and is deducted in full, from the first payment amount.

Voluntary Marketing Fund Contribution:

Marquis Macadamias has agreed to collect contributions of \$0.03/kg of NIS at 10% moisture to the Voluntary Marketing Fund from contributing growers on behalf of the Australian Macadamia Society. This funding will be used by the World Macadamia Organisation for global marketing projects to drive demand for macadamias, with the aim of maintaining stable prices into the future.

Dehusking charge:

If your consignment is delivered via an approved dehusking facility the cost of the dehusking is deducted in full from your first payment.

Payment Due:

Is the net first payment amount. Using the example on page three:

Payment due= \$8,056.21-163.24=\$3,884.87

F - Year to Date (YTD) and Historical data

This section provides the total NIS in tonnes (t) that you have delivered to Marquis and your average kernel recoveries for the past 3 years. It also gives what you have delivered this year to date (YTD).

- PKR = Premium Kernel Recovery.
- CKR = Commercial Kernel Recovery.
- RKR = Reject Kernel Recovery.
- MML = Lismore factory
- MMB = Bundaberg factory.
- MML YTD or MMB YTD is the average kernel recoveries of all deliveries to the Marquis factory for the year-to-date.

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