



28 April 2011

Dear Grower

GPL Walnut Projects
Quarterly Grower Update

Orchard Health

As outlined in the quarterly Grower Update dated January 28th 2011, the Walnut Orchards have been affected by blight as a consequence of significant heavy rainfall in the spring of 2010. Current harvesting results are showing much better quality, colour and size of walnuts than expected, however yields are slightly lower than expected. Please note harvesting is not yet complete and these results may not be indicative over all blocks and varieties.

As discussed in the Independent Horticulturist Report for Walnut Project No.1- Early Growers, GPL was reviewing the commerciality of harvesting this Project for 2011 dependent on the prices ultimately received. Growers within this Walnut Project No.1- Early will be receiving letters shortly regarding the outcome of this review.

There are no other health issues to report, and orchards are in good condition considering the further significant rainfall this region has had over the January-March quarter.

Orchard Activities

1. 2011 Harvest

- With a slow start due to wet weather, harvest is now progressing well with quality, size and colour excellent; however yields are slightly lower than expected due to the impact of blight. Please note not all the Orchards have so far been harvested and therefore these results may not be indicative over all blocks and varieties.
- The size and colour grading operations have been audited. The results of this showed Walnuts Australia had a very clear understanding of the size and quality grading process, and procedures were well adhered to. Please see photos attached at the end of this report showing harvesting of the walnuts at Tabbita Orchard.

2. Other Orchard Activities

- Continual weedicide, sweeping and mulching activities to maintain and clean up the orchard in preparation for harvest.
- Grading of midrows and roadways has taken place after more heavy rainfall events, to get them smooth for harvest operations.
- New harvesting equipment was assembled and most machines trialled in the orchard. Full servicing of other machinery completed.
- Fertilisers and soil conditioners/stimulants were applied
- De-suckering, tree training and replacement of any broken canes.
- Packing tissue brown (PTB) assessments commenced early February and through March assessing hullability to determine when Ethryl sprays were to be applied. Ethryl sprays were discontinued in March due to rainfall causing hulls to split naturally. *Note: PTB assessments indicate when the nuts are ready to harvest, and Ethryl is used to bring on PTB evenly across the orchard.*

- Due to excessive rainfall early in 2011, 0.5ha of Walnut Project No. 3 at Leeton was waterlogged, with trees showing some signs of stress. Trees have been pruned back and pits dug in affected areas to manually pump out excess water. Success of drainage and effect on trees will be seen when trees start to bud up in the spring. This area was not forecast to contribute walnuts to the 2011 harvest.
- Row by row irrigation system inspection was conducted on blocks where harvest had been completed. Minimal damage has been seen.

Change of Responsible Entity (RE)

Webster Limited has applied to the Australian Securities and Investments Commission (ASIC) for an Australian Financial Services License (AFSL) to enable its nominated company, AGW Funds Management Limited, to become the new RE for Walnut Project No.1, Walnut Project No.2 and Walnut Project No.3. This proposal to change the RE of the Walnut Schemes will be subject to a vote by Growers. Webster will be announcing a series of grower information sessions to be held in early May to inform growers of the reasons why they want to take over as RE. GPL will inform Growers as soon as more information becomes available, however please keep checking the GPL website under Walnut Growers for Grower Information Packages, which will be released soon www.gunns.com.au/plantations/gpl-growers/walnut-projects.

Climate Update

Griffith received above average rainfall in January, February and March with nearly five times the long term average in February with 134.4mm falling. This meant there were some delays in starting harvest.

Water

Given the significant amount of rainfall received over summer in the Riverina, water allocations on the 15th March 2011 for Murrumbidgee irrigators were 100% for High Security Water and 100% for General Security Water compared to 97% and 22% respectively at this time last year. As at 7th April 2011, the Blowering and Burrinjuck dams were 96.9% and 97.2% full respectively.

The Waterfind e-Newsletter for the Southern Murray-Darling Basin on 24th March 2011 stated water storage levels are the highest seen in several seasons which provides for a healthy outlook for water availability for the next season.

Please visit the GPL website www.gunns.com.au/plantations, for the full list of materials available to Growers such grower updates, annual reports, Independent Horticulturist Reports and latest company announcements. If you are unable to access the website, or if you have any further questions please phone us on Freecall 1800 015 023.

Please note: All future Grower updates will be posted on the GPL website and Growers will be notified by email of its existence. It is therefore important that you [inform GPL of your current email address](#).

Yours sincerely



Ian Blanden
Chief Executive Officer

Photos of Walnut Harvesting at Tabbita Orchard March 2011



Figure 1: Machine shaking the tree for walnuts



Figure 2: Shaken walnuts ready to be harvested



Figure 3: Unloading nuts at the Tabbita processing facility



Figure 4: Walnuts entering the drying bin



Figure 5: Example of a 100 nut quality sample determining colour quality class