

Bannister Downs Dairy

BANNISTER DOWNS RAW MILK SUPPLY AGREEMENT 2021/22

This raw milk supply agreement is made between

FUTURE FIELDS PTY LTD T/AS BANNISTER DOWNS DAIRY (Purchaser)

ABN 68 160 009 058

and

XXXXX (Supplier)

ABN XX XXX XXX XXX

The Purchaser commits to purchase a minimum daily volume of milk from the supplier of **XXXXX** litres per day (Agreed Dairy Volume) from **1 July 2021 to 30 June 2022**.

For the purchase of raw milk, the supplier will be paid -

June to November – 45cents per litre

December to Feb – 65cents per litre

March, April, May - 68 cents per litre

The above pricing is for up to 6,000 litres per day supplied – as per the *Agreed Daily Volume (ADV)*.

Additional Litres Supplied (ALS) over and above agreed daily volume to be paid at 30cents per litre year round.

Annual review of pricing and agreed daily volume to be conducted in May each year on renewal of raw milk supply agreement.

Under this agreement there is currently no penalty for under supply of Agreed Daily Volume to be applied.

LEVIES

The raw milk supplier is responsible for the All Milk Levy payable to Dairy Australia. Bannister Downs will arrange the payment as part of its existing levy reporting system and deduct the monies paid from the end of month invoice (deduction displayed on the monthly statement).

PAYMENT

Payment is made by Direct Deposit into nominated bank account in two stages.

First payment is 50% of the agreed daily volume as supplied for the month ended – paid on the **5th day** of the month, following End of Month. (ie for March 2022, 50% of ADV x 31 days, paid on 5th April 2022).

Balance paid on **20th day** of the month following End of Month. (ie for March 2022 this would be 20th April 2022).

DOCUMENTATION

A statement (RCI) of daily litres supplied is provided at the time of Direct Deposit payment on 20th of the Month (by mail). ADV is displayed as well as any ALS on a daily basis as part of a monthly invoice.

A weekly report showing fat, protein, volumes and SCC will be emailed through. If you need an update at any stage email admin – admin@bannisterdowns.com.au and current information can be emailed back by return email.

QUALITY REQUIREMENTS

A minimum of **3.6% butterfat** and **3.2% protein** is required as the base components of all raw milk supplied. Daily testing is conducted on raw milk receipt at BDDC. In the circumstance where the components do not meet this minimum then a 10% reduction to the price paid for the milk received (on that day) will be applied. This deduction will be shown on the end of month invoice and the supplier will be notified the same day it occurs.

The Supplier will make every effort to supply grade 1 milk with SCC of no more than 250,000/ml and TPC counts of 10,000 or less.

Milk supplied is to be –

- fit for expected use and purpose;
- free from contamination (being the presence of antibiotics, blood or any hazardous substance);
- not diluted with water;
- not to contain colostrum.

It is not expected that Antibiotics are detected in the raw milk. In the event that the raw milk test is positive for antibiotics, then a repeat test will be done. If this is also positive, then the supplier will be contacted to confirm what to do with the raw milk. Bannister Downs is not able to purchase raw milk with a positive test for antibiotics. The supplier must only use antibiotics for treatment that are detectable by the testing regime of the Purchaser. These antibiotic 'families' are as per **Appendix A**.

Raw milk received will not be combined with existing raw milk onsite until a negative antibiotic test result is received, so there is no risk of liability for a greater volume of milk than that supplied.

A Somatic Cell Count test will be arranged at a minimum frequency of twice weekly. It is our preference to arrange for daily testing. Raw milk supplied must be below a maximum somatic cell count of 400,000/ml. Results of the SCC tests will be provided to the raw milk supplier, and in the instance where the SCC levels are over 400,000/ml a second sample will be tested immediately. A repeat high test could result in rejection of the raw milk until an acceptable result is achieved.

A bacteriological test will be conducted on a minimum frequency of monthly. The Aerobic Plate Count must be below 100,000/ml. The results of the APC test will be provided to the raw milk supplier and in the instance where the APC is higher than 100,000/ml a second sample will be tested immediately. A repeat high test will require negotiation between the parties to resolve the quality issue as a matter of urgency.

TEMPERATURE REQUIREMENTS

In order to meet legislated food safety standards, it is essential that all raw milk is chilled as quickly as possible during and after milking. Temperature limits for collection will be as per the 'Raw Milk Collection Temperature Reference Table' (**Appendix B**) and at 5 degrees at the time of collection. In the event that for any reason the milk is above this temperature, there is an allowance to collect milk at up to 8 degrees (as per the ECMI calculator).

TRANSPORTATION

BDD is responsible for all costs associated with milk transportation. Collection time is negotiable – a set time is preferred around 8am daily. Raw milk will be collected from the Supplier's premises at XXXXXXXXXXXXXXX, XXXXXX, WA.

NOTICE PERIOD

In the event that either party wishes to discontinue this agreement, then a 3 month notice period is required (in writing).

SUPPLIER OBLIGATIONS

It is understood that the Supplier will hold all permits and licences necessary to supply cow's milk and will have programs in place to manage the required maintenance and/or training associated with these, and warrant that all cow's milk supplied will be fit for its expected use and comply with all applicable laws or regulations.

The Supplier indemnifies the Purchaser for any losses as a result of –

- any breach of these terms by the Supplier;
- any fraud or misrepresentation or any negligent or wrongful act or omission of the Supplier or any of its employees, agents or contractors in the course of meeting the obligations under these terms.

FORCE MAJEURE

Neither party is liable for any failure or delay in performing its obligations if it is due to a cause beyond the affected party's reasonable control. The affected party must notify the other party of the cause and likely delay as soon as practicable.

At Bannister Downs Dairy we have a genuine commitment to quality, which operates right throughout our entire milking, processing and distributions systems.

Because of this focus, and the care of our team, you can feel very proud of the end product – one that you are now an integral part of, as a supplier of raw milk to the Bannister Downs fresh milk brand.

ACCEPTANCE OF TERMS OF AGREEMENT

Signed by

On behalf of XXXXXXXXXXXXXXXXXXXX

Date

Name

Signed by

On behalf of Future Fields Pty Ltd

Date

TITLE - xxxxxxx