



Dairy Farmers Milk Cooperative

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**Dairy Farmers Milk  
Cooperative**

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**Dear DFMC Member,**

The Board in negotiations with National Food Limited has now determined announced milk prices for those suppliers who require a new contract in this current year and also new guaranteed minimum prices for 2009/10, 2010/11 and 2011/12 . Most suppliers are on Revised Form Contracts out to June 2010 or 2011 and the guaranteed minimum base prices that are on those signed contracts will be the values that apply.

The new announced prices will apply to those members who are on the older contracts, no contracts and any new contracts offered to suppliers.

**2009/10 Announced Northern Region Prices for Old Contracts and No Contracts**

Table 1 below sets out the new announced base price for all DFMC suppliers on Old Contracts and No Contracts for the Northern Region and will come into effect from the 1<sup>st</sup> of September through to the 30<sup>th</sup> of June 2010. There will be a reduction in milk price from last year's extremely strong price. The prices quoted in the table are base prices, before price differentials which vary with individual farms.

**Table 1**

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Pricing 2009/10</b>	<b>45.10</b>	<b>45.10</b>	<b>45.10</b>	<b>47.35</b>	48.60	48.60	50.60	50.60	49.60	49.60

The weighted average is 48.03 cpl.

Note: **Bold** represents Fixed Minimum Prices

**2010/11 Announced Northern Region Future Guarantee Minimums**

Table 2 below sets out the new guaranteed minimums for DFMC suppliers wishing to roll-over their current contracts into longer contracts out to 2011 or 2012

The guarantee minimum is also available DFMC suppliers on the old contract or no contracts looking to enter into a contact until 2011 or 2012.

Table 2

	2009/10	2010/11	2011/12
<b>Existing Guarantee Minimum Base Prices</b>	<b>49.00 cpl</b>	<b>49.00 cpl</b>	n/a
<b>New Guarantee Minimum Base Prices</b>	<b>48.00 cpl</b>	<b>48.00 cpl</b>	<b>48.00 cpl</b>

## **COMPOSITIONAL ADJUSTMENTS**

Unchanged

## **QUALITY PAYMENTS**

Unchanged

## **VOLUME INCENTIVE**

Unchanged

## **LOCATION BONUSES**

Unchanged

## **GATE CHARGES**

Unchanged

## **NEW MILK**

New milk in 2009 will be paid at the rate of 5cpl in the winter payment months of February through to July. It should be noted that subject to members production trends and milk requirements new milk might be fully removed next year.

### **Income Estimates.**

We recommend that all DFMC suppliers have income estimate prepared by your Regional Manager Mal Maroske who will be more than happy to assist you with this and all your supply questions.

Mal can be contacted on:

0418 634 702 or via email on [maroskem@dairyfarmers.com.au](mailto:maroskem@dairyfarmers.com.au)

The Board appreciates that the reduction in the minimum base prices will be disappointing for many of our members and stress that these are minimum base prices. The board will be monitoring market conditions with the view of negotiating improvements on the above prices when the domestic and world markets improve.

Yours Sincerely on behalf of the Directors of DFMC

Ian Zandstra

Ian Zandstra  
Chairman