



**Dairy Farmers Milk Co-operative**  
PO Box 72  
Lidcombe NSW 1825  
Tel: (02) 8120 4431  
Fax: (02) 8244 4635  
**ABN: 74 669 522 867**

## **DFMC FARM LOANS**

### **Policy Guidelines**

In recognition of the hardships that farmers face during difficult climatic conditions, Dairy Farmers Milk Co-operative (DFMC) is pleased to offer active members the facility to secure financial loans to alleviate the pressures of operating farms under such conditions.

To qualify for a DFMC Farm Loan, a member's farm must be classified:

- **For drought (QLD, VIC & SA)** - an area that has experienced a rainfall deficiency outcome (eg, a one in 10 or 20 years event) which extended 12 continuous months or more in the last two years ie, the same criteria as applies to the Drought Concessional Loans Scheme eligibility in your State as administered by the relevant State Authority eg, Rural Assistance Authority or Department of Primary Industry ;
- **For drought (NSW) –**  
At least 1 month in the past twelve in the 5%ile range of rainfall (a 1 in 20 year deficiency) according to <http://www.bom.gov.au/climate/ada/> & <http://www.bom.gov.au/climate/data/index.shtml?bookmark=200> using the farms nearest official BOM gauged site.  
**AND** at least one of the preceding or subsequent two months of that same 12 month period in the 10th%ile (1 in 10 year deficiency). Also using the above reference websites.  
**AND** farm having to purchase hay/silage (forage) to supplement normal herd dietary requirements (deemed by NSW DFMC Regional Manager)  
**And / Or** having to purchase stock water for the dairy herd.

Note: A Rainfall Deficiency Report for your particular property/location confirming eligibility for the DFMC loan is available for downloading from the Bureau of Meteorology website. <http://www.bom.gov.au/climate/ada/>

Note: Data on the website is updated each month for the most recent two year period **OR**

- **For disaster** – an area that is so listed as current on the Australian Government disaster website (applies to all regions) [www.disasterassist.gov.au/Currentdisasters](http://www.disasterassist.gov.au/Currentdisasters) **OR**
- **For post drought** - an area where the latest drought eligibility date, as explained above, occurred within the last six (6) months (applies to all regions) **OR**
- **For post disaster** – an area where the end date of the disaster occurred within the last six (6) months (applies to all regions) **OR**
- **For water prices** – the Southern Region with such policy being invoked when median water trading prices exceed \$200 per megalitre as detailed on the Victorian Water Register website [www.waterregister.vic.gov.au](http://www.waterregister.vic.gov.au)
- **For post water prices** – the Southern Region where the date the median water trading prices last exceeded \$200 per megalitre occurred within the last six (6) months.

**Maximum loan amount** - For drought, disaster and water price loans, the maximum loan amount is either 50% of a member(s) total share capital in the Co-operative for the farm OR 50% of the average net monthly milk payment for the farm based on the last twelve (12) months (whichever is the higher). For all types of post event loans, the maximum loan amount is 30% (in lieu of 50%).

### **General**

The Co-operative has placed limits on the total loan funds to be approved both on an overall Co-operative basis, and per region.

At all times the decision as to whether or not to lend money under the DFMC Farm Loan Policy remains with the Board of Dairy Farmers Milk Co-operative.

Dairy Farmers Milk Co-operative may, in respect of new or future loans, discontinue the Policy and/or change the Guidelines (including the Terms and Conditions).

The Terms and Conditions relating to DFMC loan policy are outlined below.

### **Terms and Conditions**

1. A DFMC Farm Loan is to be used to fund the working capital and operational expenses of the dairy farm business, and must not be used wholly or predominantly for personal, household or domestic purposes.
2. A DFMC Farm Loan must be repaid in full after 12 months or prior to the end of the initial term of the current milk supply agreement, whichever occurs first.
3. The member irrevocably authorises DFMC to deduct or set off from any moneys payable by DFMC to the member, any amount payable by DFMC to the member pursuant to the DFMC Farm Loan Terms and Conditions and to pay those amounts to DFMC.
4. A four percent (4%) interest rate will apply for the duration of the loan, which can either be for a period of twelve (12) months, or for the duration of the supplier's current contract term (whichever ends earliest).
  - a. Interest will be applied in arrears at the end of each month based on the daily outstanding loan account balance. Repayments will be deducted evenly on a monthly basis over the term of the loan from the supplier's milk payment.

### **Applying for a DFMC Farm Loan**

If you're an active DFMC member facing a climate-related hardship that falls under one of the scenarios outlined above, and would like financial assistance in the form of securing a loan from DFMC, please fill out the attached application form and send by email [to chrisclarky@bigpond.com](mailto:chrisclarky@bigpond.com) OR by mail to:

Chris Clark DFMC Share Registrar Dairy Farmers Milk Co-operative PO Box 4699 CASULA MALL NSW 2170
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For more information about applying for a loan, contact Chris directly by phone on **0405 172 803** or email [chrisclarky@bigpond.com](mailto:chrisclarky@bigpond.com)



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**DFMC FARM LOAN APPLICATION FORM**

To apply for a DFMC Farm Loan due to climate-related hardship, please fill out the form below:

Farm No.	220 _____	Region (circle one)	FNQ	SEQ	NSW	VIC	SA
Name(s)	(Must be in the full names of all parties to the Milk Contract)						
Full Address							
Phone No.(s)							
Email(s)							

Hardship Situation (tick one)	All regions				VIC/Riverina and SA only
	<input type="checkbox"/> Drought	<input type="checkbox"/> Disaster	<input type="checkbox"/> Post Drought	<input type="checkbox"/> Post Disaster	<input type="checkbox"/> Water price above \$200/ML <input type="checkbox"/> POST Water price above \$200/ML

**Disaster event to which application refers (if applicable - please provide details):**

<b>Loan amount sought (see Policy Guidelines for further information/maximum amount that may be borrowed)</b>	\$
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Repayment options: even monthly deductions from Milk Payments over (tick one/enter details):

\_\_\_ months (max 12) **OR**  \_\_\_ months to the end the of current milk contract (if less than 12 months)

Are you aware of any major, foreseeable changes to your situation that will lead to changes in the amount able to be deducted from your Milk Payments? If **Yes**, please provide details below or on a separate sheet:

Yes / No (circle one)

**DECLARATION:** I/we are facing a climate-related hardship situation, and wish to apply for a farm loan, as detailed above. I/we have read and agree to the DFMC Farm Loan Policy Guidelines and Terms and Conditions and, particular:

- The DFMC Farm Loan will be used to fund the working capital and operational expenses of the dairy farm business, and will not be used wholly or predominantly for personal, household or domestic purposes.
- I/we irrevocably authorise DFMC to deduct or set off from any moneys payable by DFMC to me/us, any amount payable by DFMC to me/us pursuant to the DFMC Farm Loan Terms and Conditions and to pay those amounts to DFMC.

Date: ...../...../.....

**All APPLICANTS MUST SIGN ABOVE.** If the loan applicant is a company, at least two Directors/Secretary to sign unless sole Director/Secretary; indicate accordingly if this is the case. NOTE: proof of identity/signature may be required, e.g. Drivers Licence.

**Send your completed form by email OR Post to:**

By email to:  
chrisclarky@bigpond.com

By Post to:  
Chris Clark  
DFMC Share Registrar  
Dairy Farmers Milk Co-operative  
PO Box 4699  
CASULA MALL NSW 2170