

Burra Foods Pty Limited - 3 Year Exclusive Milk Supply Agreement

NOTES:

This Burra Foods milk supply agreement is prepared according to the Competition and Consumer (Industry Codes – Dairy) Regulations 2019 (Cth) (Dairy Code). The Dairy Code affects all agreements for the buying and selling of milk between farmers and processors. If any part of our Agreement is not allowed under the Dairy Code, that part only is automatically deleted.

You have rights and obligations under the Dairy Code. If you are unsure about anything in this Agreement, or the Dairy Code itself, please see legal advice. If you have a question, you can also talk to us.

Statement of Circumstances

The statement of circumstances for each published standard form milk supply agreement should collectively cover all the circumstances in which the Processor intends to purchase milk in the coming financial year.

Burra Foods Pty Limited (Burra Foods) is prepared to enter into milk supply agreements with farmers, where the following circumstances apply to that Farmer:

- 1) Farms would need to be in Burra Foods geographic collection region.**
- 2) Milk meets Burra Foods Milk quality standards, including:**
 - **Historical milk quality of 'A' Grade standard; and**
 - **Daily minimum pick up of not less than 500ltrs.**
- 3) Farm is approved to Burra Foods Food Safety Program standards, including:**
 - **Holding a current Dairy Food Safety Victoria dairy licence.**
 - **Milk tanker access; and**
 - **Work health & Safety requirements; and**
- 4) Milk supply is exclusive to Burra Foods for the 3-year term of the Agreement.**

Burra Foods would also consider the following circumstances prior to entering into a standard form agreement:

- a) If Burra Foods has satisfied its milk requirements for the financial year period.**
- b) The peak milk processing capacity of Burra Foods; and**
- c) Milk collection and storage capacity that can be accessed by Burra Foods.**

Key Information

Term	3 Years
Supply Type	Exclusive
Commitment Bonus	Yes
Supply Region	Gippsland

July 2023

Milk Supply Partner:

Name:

Address1:

Address2:

Town:

Post Code:

Dear Milk Supply Partner,

Exclusive Milk Supply Agreement – 3 Year Fixed Term

STANDARD TERMS & CONDITIONS

We are writing to offer and confirm our standard Milk purchase terms. These terms are prepared in accordance with the **Dairy Industry Code**. We are willing to enter into these terms only with our Milk Supply Partners, with no maximum limit on the quantity of milk which we intend to purchase from their Farms.

When you or your representative execute and return the acceptance form attached to this Agreement (see ATTACHMENT 5), it constitutes the Milk supply agreement ("**Agreement**") between you and us in respect of the Farm(s). If and to the extent of any inconsistency between the terms of this Agreement and any other of our documents including the Attachments to this Agreement, the terms of this Agreement will prevail.

The Agreement supersedes and replaces, from the Commencement Date, the terms of any previous fixed term milk supply agreement between you and us in respect of the Farm(s). Words in this Agreement commencing with a capital letter have particular meanings which can be found in the definition section at the back of this Agreement.

If you choose not to sign and return the acceptance form attached to this Agreement but supply us with Milk on or after the Commencement Date, you and we will, from the date of first delivery after the Commencement Date be deemed to be doing so on the terms and conditions of this Agreement and on the basis of your latest elected payment option.

1. Supply

In return for payment of the Price, you agree to continuously supply us with Milk from your Farm(s) during the Term in accordance with this Agreement. During this time:

- we agree to purchase all Milk from or related to your Farm(s).
- you will not supply Milk from or related to your Farm(s) to any other person or entity; and
- by accepting, signing, and returning to us this 3 Year Fixed Term milk supply agreement on or before **31st July 2023**, we will pay you a '**Commitment Bonus**'.

2. Commencement, Term, and Cooling-off

2.1 **Commencement:** This Agreement commences on and from the Commencement Date, being 1 July 2023, even though it may be signed by one or more of the parties at a later date and applies for the Term.

2.2 **Term:** The Term of the Agreement runs from the Commencement Date to the earlier to occur of:

(i) 30 June 2026; and

(ii) the date you are notified in writing by us that you are no longer a Milk Supply Partner

in each case subject to the rights set out in this Agreement for early termination of the Term.

2.3 **Cooling-off:** You may, by notice in writing given to us within 14 days following:

(i) if you have accepted the Agreement in writing, the date of your signed acceptance of the Agreement, or

(ii) if you do not accept the Agreement in writing but supply us with milk after the Commencement Date, the date we give you a Record of Agreement,

elect to “cool-off”, that is to say to terminate the Agreement without incurring any liability to us for unlawful termination. Any purported cooling-off notice given to us outside the cooling-off notice periods, as applicable, will be ineffective.

3. Our commitments

3.1 We will deal with you in Good Faith, and subject to your compliance with this Agreement:

- purchase all Milk produced by your Farm(s) during the Term.
- collect your Milk from your Farm(s).
- record the volume of your Milk and Rejected Milk collected, along with all components and quality results in accordance with our Food Safety Program, and make this information available to you, in the form of a statement in writing, on a daily basis or as mutually agreed.
- pay you the Price (less any Charges and Deductions) for all Milk supplied by you.
- never pay you for your Milk at a rate which is less than the Minimum Price (except possibly in Exceptional Circumstances); and
- ensure that you receive payment (in cleared funds) by the 15th of each month for all supplies of Milk supplied in the previous month of a Year, in accordance with the payment system you have elected in writing for that Year.

3.2 The Minimum Price has been set as representing the lowest price we are prepared to pay a Milk supplier for Milk of A grade, under the Standards, taking into account the economic and market conditions existing at the date of this Agreement and forecast to occur over the Term.

- 3.3 To avoid doubt we have no obligation to provide a Step-Up of the Minimum Price or Opening Price unless and until we publicly announce same.
- 3.4 In accordance with the Dairy Industry Code, we may unilaterally Step Down the Minimum Price in Exceptional Circumstances provided such Step Down is prospective and:
- 3.4.1 either:
- (i) we have taken or will take all reasonable steps to prevent or limit the impact of the Exceptional Circumstances on us; or
 - (ii) there are no such steps that we can take.
- 3.4.2 because of the Exceptional Circumstances the unilateral prospective Step Down is unavoidable.
- 3.4.3 no later than 30 days before the Step Down occurs, we give you and the Competition and Consumer Commission written notice of the following:
- (i) the Step Down
 - (ii) the Exceptional Circumstances
 - (iii) the reasonable steps (if any) we have taken or will take to limit the impact of the Exceptional Circumstances.
 - (iv) why the Step Down is unavoidable; and
 - (v) the period to which the Step Down applies.
- 3.5 We will not Step Down the Minimum Price retrospectively, that is to say we will not reduce the Minimum Price applying to Milk supplied to us until the Step Down occurs in accordance with sub-clause 3.4.
- 3.6 The Step Down may not reduce the Minimum Price for Milk supplied after the expected end of the Exceptional Circumstances.
- 3.7 You acknowledge that we may, at our discretion, refuse from time to time to collect Milk if in our reasonable opinion as notified to you in writing beforehand and not remedied within 24 hours of being notified:
- the Farm(s) or the Milk is unlikely to comply with the Standards; or
 - collection from the Farm(s) is not safe.
- In such circumstances we shall not be liable to you for any loss suffered by you arising from our refusal to collect Milk.

4. Variations

- 4.1 You may request to vary your payment system annually for any Year of the Term by specifying in writing to us prior to the 31st of July of that Year an available payment system option for that Year from the options set out in the Opening Price Letter for that Year.
- 4.2 Subject to clause 4.3, we may not unilaterally vary the Agreement, other than in the case of change in Commonwealth, State or Territory law, to the extent necessary to comply with the changed law.
- 4.3 Any permitted unilateral variation to this Agreement must be in writing and the Agreement as varied must comply with the Dairy Industry Code.

- 4.4 In order to make a permitted unilateral variation a party (the first party) to the Agreement must give the other party, as soon as practicable after the first party unilaterally varies the agreement, written notice.
- (i) of the variation; and
 - (ii) notice of:
 - (a) the reason for the variation; and
 - (b) the day the variation takes effect.
- 4.5 Permitted unilateral variations allow us, if there is a change in a Commonwealth, State or Territory law, to unilaterally vary the agreement:
- (i) to the extent necessary to comply with the changed law; but
 - (ii) without reducing the Minimum Price.

5. Your commitments

You will:

- deal with us in Good Faith.
- provide us with Exclusive Supply of all Milk from or related to your Farm(s) during the Term.
- provide us with reasonable access to your Farm(s) in accordance with the WH&S Requirements so that we can collect your Milk efficiently and safely.
- strictly comply with our Food Safety Program and WH&S Requirements.
- pay the Charges for services performed by us in relation to the Milk supplied under this Agreement.
- ensure that you hold all licences and accreditations which are necessary for you to supply Milk to us under this Agreement (including your Dairy Food Safety Victoria licence); and
- ensure that your Milk conforms to all mandatory Australian Dairy Industry standards and any other standards notified by any relevant regulatory authority from time to time.

6. Quality rejections and non-collection

- 6.1 We may inspect and test your milk prior to collection, and shall be entitled to refuse to collect such if the Milk:
- (i) fails to comply with the Standards; or
 - (ii) is offered for collection otherwise than in compliance with our Food Safety Program.
- 6.2 We may inspect and test your milk following collection and shall be entitled to reject such of the milk that fails to comply with the Standards. The act of collection of your Milk does not indicate that the Milk is compliant.
- 6.3 If we decide to reject any of your Milk we will as soon as practicable thereafter give you written notice of the rejection, including:
- (i) the reasons for the rejection; and
 - (ii) the consequences for you of the rejection (including any fees, charges or costs payable by you for matters arising as a result of the rejection).

- 6.4 You will be liable to indemnify us for the costs of disposing of, or, at your option, returning to you, milk rejected pursuant to this clause.
- 6.5 We will as soon as practicable make available to you in writing any test results we have relating to milk that we refuse to collect or is rejected.
- 6.6 We will not be liable to pay you the Price for milk that we refuse to collect, or we reject in accordance with this Agreement, unless otherwise agreed by us.

7. Export requirements

As an exporter of dairy products (including infant formula powders), we are subject to strict requirements which apply to our sourcing of milk and other ingredients. These export requirements change from time to time, and we may not be given prior notice of these changes.

We will use our reasonable endeavours to keep you informed of, and work with you in relation to, these export requirements as they apply to your supply of Milk under this Agreement.

8. GST

- 8.1 Unless otherwise stated, all prices or other sums to be paid or provided under any supply made under or in connection with this Agreement do not include GST.
- 8.2 To the extent that any supply made under this Agreement is a taxable supply, the GST exclusive consideration otherwise to be paid or provided for that taxable supply is increased by the amount of GST payable in respect of that taxable supply and that amount must be paid at the same time and in the same manner as the GST exclusive consideration is otherwise to be paid or provided.
- 8.3 You authorise us to prepare recipient created tax invoices for your Milk supplies pursuant to this Agreement and you agree that you will not issue tax invoices in respect of same.

9. Termination

- 9.1 A party may terminate this Agreement by notice in writing if:
- the other party materially breaches this Agreement and fails to remedy that breach within 14 days of receiving written notice requiring it to do so (material breaches include but are not limited to failure to a) supply of Milk to Burra, b) meet WH&S Requirements, c) comply with Food Safety Program requirements, d) hold all required accreditations and licences).
 - we give you a Notice of Step Down of the Minimum Price and you notify us within 21 days after receiving the notice that you elect to terminate the Agreement (note: in these circumstances the termination takes effect from the day the Step Down occurs and, in the meantime, you may withdraw your notification of termination).
 - the other party becomes Insolvent.

- you have not signed and returned to us a copy of this Agreement, you have not made a supply to us within 30 days of receipt of this Agreement and we have provided at least thirty days' prior notice of intended termination.
- in the event of a downward Opening Price adjustment during that year by Burra, on 30 days' written notice from you; or
- you completely cease commercial dairy farming.

9.2 In the event that this Agreement is terminated by us under clause 9.1 (because you have committed a material breach of the Agreement), any entitlement to a Commitment Bonus or Price increase accrued in part or in whole and not yet paid shall be forfeited and we will have no liability to pay same. In particular, if you have received a pre-paid Commitment Bonus for 3 Years of supply and this Agreement is terminated, the Commitment Bonus (reduced by the proportion of Years of supply) is repayable immediately.

For example: a 50c/KgMS Commitment Bonus is based on 16.67c/KgMS in respect to milk supplied per Year for 3 years. If the Agreement was terminated halfway through the second Year of the Agreement, the amount repayable would be 33.34c/KgMS in respect to milk not supplied or the equivalent of 2 Years' worth of the Commitment Bonus.

9.3 If the Agreement is terminated for a reason other than material breach by you, you will be entitled to a portion of the Commitment Bonus, calculated on the basis of the proportion of the supply period completed before the termination (subject to any other conditions under the Agreement to which the Commitment Bonus is subject).

9.4 Subject to sub-clause 9.2, termination or expiry of this Agreement is without prejudice to any rights or liabilities of the parties accrued as at the date of termination or expiry, as the case may be. In particular, you will remain liable for any amounts due to us arising from adjustments, overpayments, or unpaid Charges in respect of the Year in which this Agreement was terminated. To avoid doubt, if a milk supply agreement is terminated (including during a Cooling-off period, or in response to a Step Down) the Agreement continues to apply to Milk supplied under the Agreement before the termination takes effect.

9.5 A notice of unilateral termination of the Agreement must be in writing and specify:

- (i) the reason for the termination; and
- (ii) the day the termination takes effect.

in each case based on and in accordance with the provisions of sub-clause 9.1.

9.6 If this Agreement relates to more than one Farm, we may, at our discretion, deem a breach of this Agreement in relation to one Farm as affecting all such Farms for the purpose of termination.

10. Representations and warranties

You represent and warrant to us that:

- you have no outstanding claims against us in relation to any matter.
- no representations, warranties, promises, undertakings, statements, or conduct (whether express or implied) have:
 - induced or influenced you to enter into, or agree to any terms of, this Agreement.
 - been relied on in any way as being accurate by you.
 - been warranted to you as being true; or
 - been taken into account by you as being important to your decision to enter into, or agree to any terms of, this Agreement,except those expressly advised by you prior to entering into the Agreement.
- you own the Milk supplied to us and you have the right and authority to supply and sell it free from any security interest held by a third party; and
- if you are acting as a trustee of a trust, you have full power to enter into this Agreement and an unfettered right of indemnity against the trust's assets in respect of the liabilities created by this Agreement.

11. Quality and safety assurance

You must permit us, at any reasonable time of the day during the Term to undertake any investigation or tests at the farm(s) that we consider reasonably necessary for the purposes of assessing your compliance with this Agreement.

12. Insurance

- 12.1 You must, at your own cost, take out and maintain public liability insurance with a reputable insurer in respect of the Farm(s) and the collection of the Milk, with a minimum cover of \$5 million.
- 12.2 On request you must provide us with a copy of the insurance policy or a certificate of currency from the policy underwriter or a reputable insurance broker.

13. Complaints and Disputes

All complaints or disputes between the parties shall be dealt with in accordance with the procedures set out in ATTACHMENT 4 of this Agreement, prior to commencing court proceedings.

14. Records

- 14.1 The parties must keep originals or copies of:
- (i) this Agreement.
 - (ii) any variations to or termination of this Agreement; and
 - (iii) any notices or statements issued under this Agreement or the Dairy Code,
- for the period set out in clause 14.2 below.

- 14.2 A record, or a copy of a record, must be kept for the period:
- (i) starting on the day on which the record is made or given; and
 - (ii) ending on the last day of the 6 years beginning on the day this Agreement ends.

15. Other Matters

- 15.1 **[Risk and Title]** Subject to clause 6, ownership of, and risk in, your Milk will pass to us once loaded into our collection vehicle at your Farm(s). The Processor becomes the owner of the milk when the hose is decoupled from the vat and the supplied milk is in the truck's tank or other transport device, in accordance with section 30 of the Code.
- 15.2 **[Force majeure]** Neither party will be liable for any failure to perform its obligations under this Agreement (other than an obligation to pay money) if the party is prevented from doing so by any cause beyond its reasonable control.
- 15.3 **[Amendments]** Subject to clause 4, this Agreement may only be amended in writing signed by both parties.
- 15.4 **[Waiver]** A term of this Agreement may not be waived except in writing signed by the party granting the waiver.
- 15.5 **[Set-off]** We may set off any amount you owe us on any account whatsoever, against any amount we owe you, whether under this Agreement or any other agreements.
- 15.6 **[Assignment]** You will not transfer any of its rights or obligations under this Agreement without our prior written consent, which must not be unreasonable withheld.
- 15.7 **[Notices]** Notices to a party ("recipient") shall be deemed to have been in writing and duly served if sent by email to the last email address notified to the other party by the recipient.
- 15.8 **[Confidentiality]** The terms of this Agreement are confidential to the parties, and you will not disclose them to any person other than your advisors, officers, employees, contractors, mediators and auditors for the purpose only of complying with your obligations under this Agreement.
- 15.9 **[Relationship]** Nothing in this Agreement constitutes a relationship of joint venture, employment, or partnership between the parties.
- 15.10 **[Interpretation]** This Agreement shall not be interpreted against a party simply because the party prepared or drafted the agreement. Headings are for convenience only and do not influence its interpretation.
- 15.11 **[Joint and Several Liability]** If you are two or more persons, then your liability under this Agreement is joint and several.
- 15.12 **[Acting as trustee]** If you enter this Agreement in the capacity of trustee you accept liability in your own right as well as trustee of the trust.
- 15.13 **[License]** You grant us an irrevocable license for the Term to use your name and/or images of you and your Farm(s) to promote our business, subject always to your prior consent to our proposed use of such intellectual property.
- 15.14 **[Law and Jurisdiction]** This Agreement is subject to the laws of Victoria in the Commonwealth of Australia and the parties submit to the non-exclusive jurisdiction of the courts of Victoria.

14. Meaning of words used in this Agreement

Word(s)	Meaning
we, our, us	Burra Foods Pty Limited ABN 58 007 119 904
you, your, Supplier	The person or business entity whose details are set out on the first page of this Agreement
Agreement	The terms and conditions of this Agreement, including Attachments.
Charges	The charges as set out in ATTACHMENT 2 for the first Year of the term, as may be varied in accordance with this Agreement.
Commencement Date	01/07/2023
Commitment Bonus	Applicable only to a three-year fixed term agreement and being the equivalent of \$0.1667 per kilogram of milk solids for all A and B grade milk supplied during each full Year of the Term, paid annually as a lump sum on or before the 15 th of July in the immediately following Year or pre-paid in advance for the 3-year term. This pre-payment will be made on the 15 th of the month following the acceptance date, with such pre-payment reconciled at the end of each Year against milk solids provided.
Dairy Industry Code	Means the mandatory industry code of practice in relation to processors purchasing milk from farmers, as set out in the <i>Competition and Consumer (Industry Codes – Dairy) Regulations 2019 prescribed for the purposes of Part IVB of the Competition and Consumer Act 2010 (Cth)</i> .
Deductions	Any compulsory government or industry levy required to be deducted from your Milk payments.
Exceptional Circumstances	Means circumstances that: <ul style="list-style-type: none"> (a) are temporary; and (b) involve an extraordinary event (including an emergency or change in market conditions) that: <ul style="list-style-type: none"> (i) occurs outside of Australia; and (ii) has a highly significant effect on supply, demand, or costs in the dairy industry; and (iii) is not caused by decisions by us.

Exclusive Supply	Means you supply us with all Milk produced on your farm during that Year. You do not have to supply Milk every day during that Year, allowing for dry-off periods and/or periods of no Milk supply
Farm(s)	Means the farm(s) denoted by the reference number as specified on the front page of this supply agreement, or as otherwise agreed in writing between the parties.
Food Safety Program	Our food safety program as set out in ATTACHMENT 3.
Good Faith	Means good faith within the meaning of the unwritten law as in force from time to time, in relation to the supply of Milk and, without limitation, the factors set out in ATTACHMENT 6 may be taken into account.
Insolvent	Either: <ul style="list-style-type: none"> • You suspend payment of your debts • A controller or administrator is externally appointed to any of your property • You enter into a deed of arrangement with your creditors • You commit an act of bankruptcy
Mediation Adviser	Means the person of that title appointed from time to time by the Minister of Agriculture pursuant to the Dairy Industry Code
Milk	All cow's milk produced on your Farm(s), or produced at another farm(s) from cows located on your Farm(s), excluding: <ul style="list-style-type: none"> (a) Rejected Milk (b) milk solely for your family's domestic consumption
Milk Supply Partners	Means milk suppliers whose Farm or Farms have been approved by our Milk Supply Team for the supply of milk. Approval as a Milk Supply Partner depends on a number of factors including milk quality, Farm hygiene, safety practices and geographical proximity to our processing plant.

Minimum Price	Means the price per kilogram of milk solids (kgMS) disregarding: <ul style="list-style-type: none"> (a) loyalty payments (b) any possibility of a temporary reduction in prices in Exceptional Circumstances; and (c) any fees payable by the farmer under this Agreement, as set out in ATTACHMENT 1
Notice of Step Down of Minimum Price	A notice to you in writing from us that a Step Down of the Minimum Price will occur no earlier than 30 days from the prospective date of the Step Down.
Opening Price	Means the Step- Up (if any) price specified in each Year of the Term as set out in the Opening Price Letter for that Year, and which will become the “Minimum Price” for that Year.
Opening Price Letter	Our opening price letter which is sent to all of our suppliers in June/July of each Year and includes our opening prices for the supply of Milk at the beginning of the Year
Portal	Our internet portal for suppliers, myfarm@Burra
Price	means: <ul style="list-style-type: none"> (1) the Minimum Price (2) plus, any applicable Step -Up (3) less Charges and Deductions
Record of Agreement	Means, in the case where you do not accept the Agreement in writing but supply milk to us on or after the Commencement Date, the record of the agreement we must, under the Dairy Industry Code, give you no later than 30 days after your first supply.
Rejected Milk	Milk that is rejected by us following collection or not collected by us, in each case in accordance with the provisions of this Agreement regarding the quality of the Milk
Standards	Our milk quality criteria for the quality of milk we will purchase pursuant to this Agreement as set out in our Food Safety Program (ATTACHMENT 3).
Step Down	Means a reduction in the Minimum Price in Exceptional Circumstances.
Step-Up	Means any Milk price which, at our discretion, we may commit to pay in excess of the Minimum Price, as announced in our Opening Price Letter for each Year and from time to time.

Term	Means the term specified in clause 3.2 of this Agreement.
Year	The period of one Year between and including 1 st July of one calendar Year to 30 th June of the next calendar Year.
WH&S Requirements	Our requirements for the safe collection of milk from your farm(s) as set out in our Food Safety Program

Please confirm your acceptance of these terms and conditions by signing a copy of this agreement where indicated (see ATTACHMENT 5) and returning it to us.

If you require further information or clarification, please do not hesitate to contact any member of our Milk Supply Team on 03 5658 0000.

ATTACHMENTS

ATTACHMENT 1: Minimum Price Tables

ATTACHMENT 2: Charges

ATTACHMENT 3: Food Safety Program, including Standards

ATTACHMENT 4: Complaint and Dispute Resolution Procedures

ATTACHMENT 5: Acceptance Form

ATTACHMENT 6: Good Faith

ATTACHMENT 1 (a) - MINIMUM PRICE TABLE (FY24)

The Minimum Price we will pay you per month is set out below and is dependent on your election of Fat to Protein ratio & payment system.

Minimum Price - 1:2 (Fat to Protein) Ratio

Minimum price = Base Price + Productivity Incentive

Base Price Table

APS Pricing Table (1:2 Ratio)													
Quality Grade	APS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$6.350	\$5.650	\$5.500	\$5.500	\$5.500	\$5.500	\$5.750	\$5.950	\$6.150	\$6.350	\$6.550	\$6.550
	Protein \$/kg	\$12.700	\$11.300	\$11.000	\$11.000	\$11.000	\$11.000	\$11.500	\$11.900	\$12.300	\$12.700	\$13.100	\$13.100
BPS Pricing Table (1:2 Ratio)													
Quality Grade	BPS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$5.284	\$5.284	\$5.284	\$5.284	\$5.284	\$5.284	\$6.605	\$6.605	\$6.605	\$6.605	\$6.605	\$6.605
	Protein \$/kg	\$10.568	\$10.568	\$10.568	\$10.568	\$10.568	\$10.568	\$13.210	\$13.210	\$13.210	\$13.210	\$13.210	\$13.210
FPS Pricing Table (1:2 Ratio)													
Quality Grade	FPS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$5.850	\$5.850	\$5.850	\$5.850	\$5.850	\$5.850	\$5.850	\$5.850	\$5.850	\$5.850	\$5.850	\$5.850
	Protein \$/kg	\$11.700	\$11.700	\$11.700	\$11.700	\$11.700	\$11.700	\$11.700	\$11.700	\$11.700	\$11.700	\$11.700	\$11.700

*excludes commitment bonus & levies.

**discounts to be applied for B and C grade milk as follows:

- B Grade milk price is 5% lower than A Grade.
- C Grade milk price is 30% lower than A Grade.

Productivity Incentive Table

Applicable across all payment systems.

FY24 Monthly Productivity Table 1:2 Ratio				
	Total Monthly kgMS	Fat \$/kg	Prot \$/kg	
	0	2000	\$0.00	\$0.00
	2001	4000	\$0.02	\$0.04
	4001	6000	\$0.04	\$0.08
	6001	9000	\$0.06	\$0.12
	9001	12000	\$0.08	\$0.16
	12001	15000	\$0.10	\$0.20
	15001	20000	\$0.12	\$0.24
	20001	25000	\$0.14	\$0.28
	25001	30000	\$0.16	\$0.32
	30001	35000	\$0.18	\$0.36
	35001	40000	\$0.20	\$0.40
	40001	200000	\$0.22	\$0.44

Justification of Minimum Price

Burra Foods is a Gippsland based dairy ingredient manufacturer that trades in both domestic and international markets. There are many factors that contribute to our minimum monthly price including, but not limited to; global supply and demand, exchange rate volatility, local competition for milk and our capability to adjust product mix at our manufacturing facility. We reference a lot of independent information from third parties and trading partners to provide insight into the current and future dairy market outlook in setting our price.

Minimum Price - 1:1 (Fat to Protein) Ratio

Minimum price = Base Price + Productivity Incentive

Base Price Table

APS Pricing Table (1:1 Ratio)													
Quality Grade	APS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$9.215	\$8.165	\$7.940	\$7.940	\$7.940	\$7.940	\$8.315	\$8.615	\$8.915	\$9.215	\$9.515	\$9.515
	Protein \$/kg	\$9.215	\$8.165	\$7.940	\$7.940	\$7.940	\$7.940	\$8.315	\$8.615	\$8.915	\$9.215	\$9.515	\$9.515
BPS Pricing Table (1:1 Ratio)													
Quality Grade	BPS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$7.644	\$7.644	\$7.644	\$7.644	\$7.644	\$7.644	\$9.555	\$9.555	\$9.555	\$9.555	\$9.555	\$9.555
	Protein \$/kg	\$7.644	\$7.644	\$7.644	\$7.644	\$7.644	\$7.644	\$9.555	\$9.555	\$9.555	\$9.555	\$9.555	\$9.555
FPS Pricing Table (1:1 Ratio)													
Quality Grade	FPS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470
	Protein \$/kg	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470	\$8.470

*excludes commitment bonus & levies.

**discounts to be applied for B and C grade milk as follows:

- a) B Grade milk price is 5% lower than A Grade.
- b) C Grade milk price is 30% lower than A Grade.

Productivity Incentive Table

Applicable across all payment systems.

FY24 Monthly Productivity Table 1:1 Ratio			
	Total Monthly kgMS	Fat \$/kg	Prot \$/kg
0	2000	\$0.00	\$0.00
2001	4000	\$0.03	\$0.03
4001	6000	\$0.06	\$0.06
6001	9000	\$0.09	\$0.09
9001	12000	\$0.11	\$0.11
12001	15000	\$0.14	\$0.14
15001	20000	\$0.17	\$0.17
20001	25000	\$0.20	\$0.20
25001	30000	\$0.23	\$0.23
30001	35000	\$0.26	\$0.26
35001	40000	\$0.29	\$0.29
40001	200000	\$0.32	\$0.32

Justification of Minimum Price

Burra Foods is a Gippsland based dairy ingredient manufacturer that trades in both domestic and international markets. There are many factors that contribute to our minimum monthly price including, but not limited to; global supply and demand, exchange rate volatility, local competition for milk and our capability to adjust product mix at our manufacturing facility. We reference a lot of independent information from third parties and trading partners to provide insight into the current and future dairy market outlook in setting our price.

ATTACHMENT 1 (b) - **MINIMUM PRICE TABLE (FY25-26)**

The Minimum Price we will pay you per month is set out below and is dependent on your election of Fat to Protein payment system.

Minimum Price - 1:2 (Fat to Protein) Ratio

Minimum price = Base Price + Productivity Incentive

Base Price Table

APS Pricing Table (1:2 Ratio)													
Quality Grade	APS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$4.350	\$3.650	\$3.500	\$3.500	\$3.500	\$3.500	\$3.750	\$3.950	\$4.150	\$4.350	\$4.550	\$4.550
	Protein \$/kg	\$8.700	\$7.300	\$7.000	\$7.000	\$7.000	\$7.000	\$7.500	\$7.900	\$8.300	\$8.700	\$9.100	\$9.100
BPS Pricing Table (1:2 Ratio)													
Quality Grade	BPS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$3.484	\$3.484	\$3.484	\$3.484	\$3.484	\$3.484	\$4.355	\$4.355	\$4.355	\$4.355	\$4.355	\$4.355
	Protein \$/kg	\$6.968	\$6.968	\$6.968	\$6.968	\$6.968	\$6.968	\$8.710	\$8.710	\$8.710	\$8.710	\$8.710	\$8.710
FPS Pricing Table (1:2 Ratio)													
Quality Grade	FPS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$3.855	\$3.855	\$3.855	\$3.855	\$3.855	\$3.855	\$3.855	\$3.855	\$3.855	\$3.855	\$3.855	\$3.855
	Protein \$/kg	\$7.710	\$7.710	\$7.710	\$7.710	\$7.710	\$7.710	\$7.710	\$7.710	\$7.710	\$7.710	\$7.710	\$7.710

*excludes commitment bonus & levies.

**discounts to be applied for B and C grade milk as follows:

- c) B Grade milk price is 5% lower than A Grade.
- d) C Grade milk price is 30% lower than A Grade.

Productivity Incentive Table

Applicable across all payment systems.

FY24 Monthly Productivity Table 1:2 Ratio			
	Total Monthly kgMS	Fat \$/kg	Prot \$/kg
	0	\$0.00	\$0.00
	2001	\$0.02	\$0.04
	4001	\$0.04	\$0.08
	6001	\$0.06	\$0.12
	9001	\$0.08	\$0.16
	12001	\$0.10	\$0.20
	15001	\$0.12	\$0.24
	20001	\$0.14	\$0.28
	25001	\$0.16	\$0.32
	30001	\$0.18	\$0.36
	35001	\$0.20	\$0.40
	40001	\$0.22	\$0.44

Justification of Minimum Price (FY25-26)

Milk price is impacted by global commodity markets, and as such the future milk price is difficult to predict. Burra Foods has set our Minimum Price based on our market insight and analysis, together with independent information which is directly applicable to Gippsland farms. We have relied on the historical milk price data for Gippsland provided by the Dairy Farm Monitor Project Annual Report 2021-22. The Dairy Farm Monitor Project is produced by Agriculture Victoria in conjunction with Dairy Australia.

On page 61 in table D7 of the Dairy Farm Monitor Project, Victoria, Annual Report 2021-22, the CPI adjusted historical milk income for Gippsland is provided. Over the last 10 years of published prices (2012-13 to 2021-22), the average of the lowest 3 years prices was \$5.65/kgMS. The Burra price table above is based on the average Burra farm receiving, on a full year basis, an average of \$5.65/kgMS net after levies are deducted.

Minimum Price - 1:1 (Fat to Protein) Ratio

Minimum price = Base Price + Productivity Incentive

Base Price Table

APS Pricing Table (1:1 Ratio)													
Quality Grade	APS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$6.325	\$5.275	\$5.050	\$5.050	\$5.050	\$5.050	\$5.425	\$5.725	\$6.025	\$6.325	\$6.625	\$6.625
	Protein \$/kg	\$6.325	\$5.275	\$5.050	\$5.050	\$5.050	\$5.050	\$5.425	\$5.725	\$6.025	\$6.325	\$6.625	\$6.625
BPS Pricing Table (1:1 Ratio)													
Quality Grade	BPS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$5.040	\$5.040	\$5.040	\$5.040	\$5.040	\$5.040	\$6.300	\$6.300	\$6.300	\$6.300	\$6.300	\$6.300
	Protein \$/kg	\$5.040	\$5.040	\$5.040	\$5.040	\$5.040	\$5.040	\$6.300	\$6.300	\$6.300	\$6.300	\$6.300	\$6.300
FPS Pricing Table (1:1 Ratio)													
Quality Grade	FPS	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
A	Fat \$/kg	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580
	Protein \$/kg	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580	\$5.580

*excludes commitment bonus & levies.

**discounts to be applied for B and C grade milk as follows:

- c) B Grade milk price is 5% lower than A Grade.
- d) C Grade milk price is 30% lower than A Grade.

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	Total Monthly kgMS	Fat \$/kg	Prot \$/kg
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	6001	\$0.09	\$0.09
	9001	\$0.11	\$0.11
	12001	\$0.14	\$0.14
	15001	\$0.17	\$0.17
	20001	\$0.20	\$0.20
	25001	\$0.23	\$0.23
	30001	\$0.26	\$0.26
	35001	\$0.29	\$0.29
	40001	\$0.32	\$0.32

Justification of Minimum Price (FY25-26)

Milk price is impacted by global commodity markets, and as such the future milk price is difficult to predict. Burra Foods has set our Minimum Price based on our market insight and analysis, together with independent information which is directly applicable to Gippsland farms. We have relied on the historical milk price data for Gippsland provided by the Dairy Farm Monitor Project Annual Report 2021-22. The Dairy Farm Monitor Project is produced by Agriculture Victoria in conjunction with Dairy Australia.

On page 61 in table D7 of the Dairy Farm Monitor Project, Victoria, Annual Report 2021-22, the CPI adjusted historical milk income for Gippsland is provided. Over the last 10 years of published prices (2012-13 to 2021-22), the average of the lowest 3 years prices was \$5.65/kgMS. The Burra price table above is based on the average Burra farm receiving, on a full year basis, an average of \$5.65/kgMS net after levies are deducted.

ATTACHMENT 2

CHARGES

The Charges (current at the time of publishing), payable by you, are as follows:

Service Description	Charge	
DAFF Levies (Dairy Australia)	Cents per kgMS	
	Milk Fat	Milk Protein
Dairy Services Levy	2.8683	6.9914
Animal Health Levy	0.0580	0.1385
TOTAL DAFF Levies	2.9263	7.1299
DFSV Levy (Dairy Licence)	\$0.0001667 per ltr	

We will review the Charges prior to the expiration of each Year and only increase them based on changes in Levies as notified to Burra.

For each consecutive 12-month period we will give you 30 days prior notice in writing clearly specifying the Charges that will apply for that period.

ATTACHMENT 3

FOOD SAFETY PROGRAM, INCLUDING STANDARDS (e.g., MILK SPECIFICATIONS)

MILK QUALITY CRITERIA

Important Contacts	Business Hours	After Hours
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Antibiotic or Hot Milk Queries

Milk Supply Administrator	5658 0000 Ext 149	
Burra Foods Laboratory <i>(8am-8pm)</i>	5658 0000 Ext 125	5658 0000 Ext 188
Milk Supply On-Call		0408 116 670

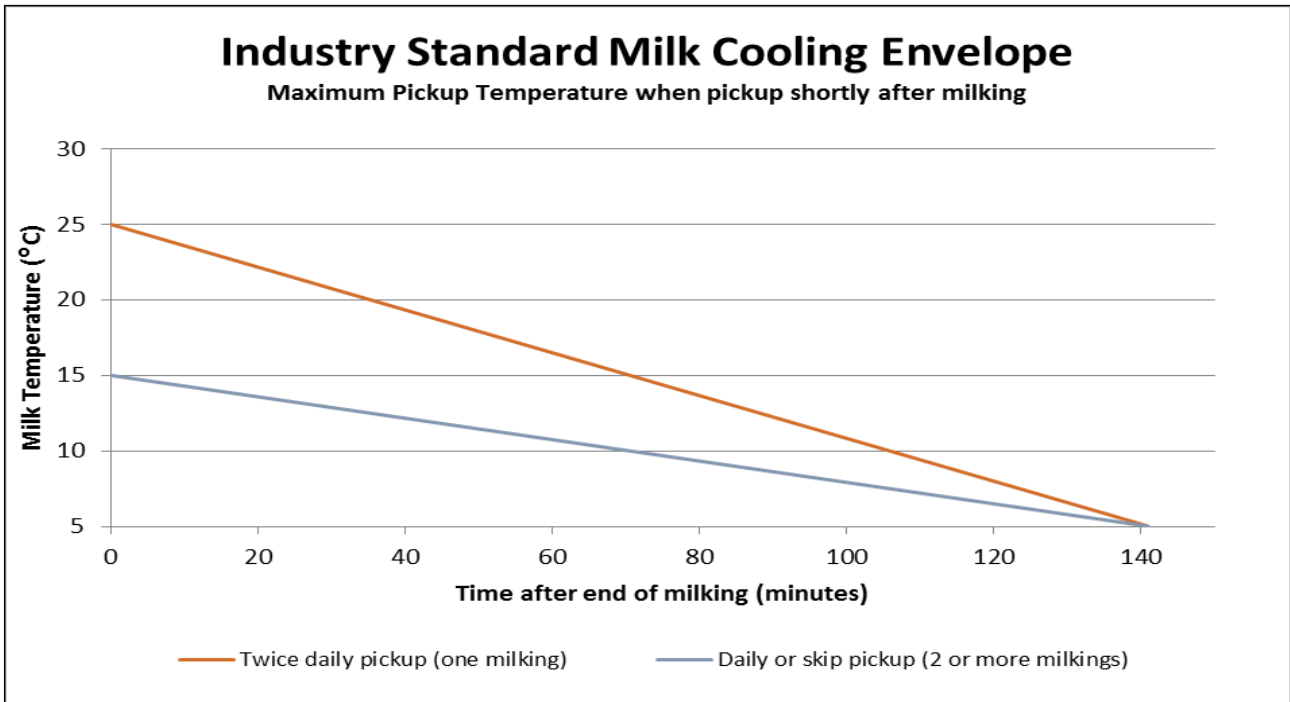
General Milk Supply Enquiries

Burra Foods Milk Supply Korumburra	5658 0000 Ext 149	
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Milk Transport Enquiries

Milk Transport On-Call	0490 509 802	0490 509 802
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Quality Parameter	Grade A	Grade B	Grade C	Testing Frequency	Comments
Total Plate Count (TPC) (cfu/ml)	≤20,000	20,001-50,000	≥50,001	Once every 10 days	
BMCC	≤250,000	250,001-400,000	≥400,001	Every pickup	
Sediment	Disc 1	Disc 2	Disc 3	6 months	Retesting may be required
Thermotolerant (Td) (cfu/ml)	≤2,000	2,001-5,000	≥5,001	Once every 10 days	
Antibiotics / Inhibitory Substances	Nil	Nil	Nil	Every tanker load. Individual suppliers once per month	For suspect antibiotic contamination, after hours call Milk Supply On-Call number.
Iodine	30 µg/100g (warning), 50 µg/100g (maximum)			Random	Retesting may be required
Chlorates/Perchlorates	0.050 mg/kg (warning), 0.100 mg/kg (maximum)			Random	Retesting may be required
Temperature	Refer to Milk Cooling Envelope Chart			Every pickup	Pick up of milk above the milk cooling line requires approval from Milk Supply On-Call .
Sensory	Free of all taints, colostrum and foreign matter			Every pickup	Tanker drivers will reject milk that is not acceptable for pick up after notifying Milk Supply On-Call .
Quality Payments	100%	95%*	70%*		*Quality payments are indicative and will be published in writing by Burra Foods with Opening Price Announcements.



MILK TESTING and GRADING PROTOCOL

<p>Testing:</p> <ol style="list-style-type: none"> 1. BMCC is tested on each pick up and the results are averaged for each 10 day period. 2. Total plate count (TPC) and Thermoduric (Td) are tested once in each 10 day period. 3. In the event of a B Grade result one more test is conducted on the following pick up for TPC and Td, once the results are out on Td (usually 3 day test) the average of these 2 tests will be used for grading. 4. In the event of a C Grade result, testing will continue until 3 consecutive A Grade results are achieved and the average of all test results is used for grading. 	<p>Grading:</p> <ol style="list-style-type: none"> 1. If milk fails <u>A Grade</u> criteria in any 10 day period a warning will be issued in the first instance, up to <u>6 warnings in total</u> can be issued for each financial year. 2. Milk with <u>B Grade</u> test results will be graded B if no more warnings are available or if there is a repeat in successive 10 day periods. 3. Milk with <u>C Grade</u> test results will be graded C if no more warnings are available or if there is a repeat in successive 10 day periods.
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ANTIBIOTICS / INHIBITORY SUBSTANCES / CHEMICALS IN MILK: – TAKE **IMMEDIATE ACTION**

Chemical Residues in Milk: - i.e., Paddocks grazed that have had agricultural chemicals sprayed on them that have not reached their withholding period or cleaning chemicals that have entered the vat from the dairy plant wash.

1. NOTIFY THE FACTORY IMMEDIATELY

This will allow the milk to be kept separate until it is tested.

Do not leave a message – you must speak to someone. Keep trying until you make contact.

Burra Foods Lab 8am to 8pm daily – 5658 0000 Ext 125

Milk Supply On-Call - 0408 116 670

Burra Foods Production Supervisor (24hr) – 5658 0000 Ext 188

Burra Foods Main Office - 5658 0000

PLACE A HOLD NOTICE ON VAT TO INFORM TANKER DRIVER

This alerts the driver not to collect the milk until further notification from the factory.

TAKE A SAMPLE OF THE SUSPECT MILK TO THE FACTORY

You are responsible for taking a sample to the factory as soon as possible. Use the sample bottles provided – keep sample cool until drop off.

WAIT TO HEAR FROM THE FACTORY

Wait to hear from the factory whether the sample was negative (no antibiotics detected) or positive (antibiotics detected).

Do not dispose of milk until you hear from the factory.

FILL OUT NON-CONFORMANCE PAPERWORK

Note details of the incident and take steps to avoid a reoccurrence. File to show auditor.

ANTIBIOTICS / INHIBITORY SUBSTANCES / CHEMICALS IN MILK: – UNDERSTAND THE CONSEQUENCES

If the result is negative (no antibiotics): *the milk will be collected as normal.*

If the result is positive (antibiotics detected): *the supplier will be notified to dispose of the contaminated milk.*

If you fail to notify the factory and antibiotics/inhibitory substances are detected in the tanker upon arrival at the factory please note the following: - the supplier is liable for all the volumes of contaminated milk (full tanker or holding silo). The supplier is also liable for the costs incurred by Burra Foods in the disposal of such contaminated milk.

If you notify the factory of suspect milk and antibiotics are detected and /or antibiotics are detected in your milk as part of our normal screening process:

First offence in the financial year (July–June) and the milk has not been collected: *the supplier will be paid 100% of its value. The price paid will be based on the average of the previous 5 days for butterfat and protein tests and will be paid according to the quality for that period.*

Following the first offence, each vat will be tested prior to the milk being picked up by the tanker for the next 2 pickups to ensure compliance: *the supplier is responsible for organising a sample to be tested prior to each pick-up for the next 2 pickups.*

Second offence in the financial year (July– June): *Supplier will not receive payment for the milk and Burra Foods will review your Food Safety Plan, policies, and procedures. In the event of a severe breach, Burra Foods may cease collection altogether.*

After second offence in financial year (July-June), each vat will be tested prior to the milk being picked up by the tanker for the next 5 pickups to ensure compliance: *the supplier is responsible for organising a sample to be tested prior to each pick-up for the next 5 pickups.*

Third offence in the financial year (July-June): *Burra Foods will cease collection of milk indefinitely.*

Burra Foods strongly recommends that you consider having insurance for spoiled milk.

ANTIBIOTICS / INHIBITORY SUBSTANCES / CHEMICALS IN MILK: –

Residue: Chlorates

From: Dairy cleaning chemicals such as Sodium Hydroxide & Sodium Hypochlorite

Issue: Consuming food with high chlorate levels can be damaging to human health – the EU & China have now set maximum levels in finished product

Key factors that contribute to high levels of Chlorates are:

- *Insufficient rinsing of Chemicals following dairy plant & vat washing*
- *Leaving Alkaline/Chlorine Chemicals in the plant for long periods between milking's – i.e., not following the label instructions*
- *Incorrect use and/or storage of Chlorine based chemicals*

Residue: Iodine

From: Iodine based teat spray used pre & post milking to prevent mastitis

Issue: Consuming food with high iodine levels can be damaging to human health

Key factors that contribute to high levels of Iodine are:

- *Pre-spraying with products without APVMA approval*
- *Auto mix teat spray systems not dispensing correct ratio &/or that have perished tubes/seals*
- *Inconsistent teat spraying practices on farm – if you are pre-spraying or changing product, please contact Milk Supply to discuss*

Residue: Sediment

From: Fine particles of foreign matter (manure, mud, sand, udder hair, grass/hay etc) that contaminate milk during the milking process

Issue: Sediment can contaminate final product by increasing bacteria counts and foreign matter. When milk is evaporated the problem is exacerbated and sediment can often be found in final product in the worst circumstances

Key factors that contribute to high levels of Sediment are:

- *Dirty udders & soiled teats not cleaned prior to milking*
- *Using filter socks/sleeves for more than 1 milking*
- *Residues remaining in vat following wash*

DAIRY FOOD SAFETY VICTORIA

Standard 4.2.4 Primary Production and Processing Standards for Dairy Products was gazetted on 5 October 2006 and is part of the Food Standards Australia New Zealand: Food Standards Code. The Standard sets out a number of food safety requirements including the implementation of documented food safety programs for dairy primary production, collection, transportation, and processing.

Burra's Food Safety Program folder has been checked to ensure that it meets all requirements. Make sure you document all the required procedures and keep all relevant records to ensure you comply.

Supply Partners are advised to keep up to date with changes to legislation, standards, codes of practice and guidelines issued by Dairy Food Safety Victoria.

Dairy Food Safety Victoria

Postal Address

PO Box 8221
Camberwell North Victoria 3124
Australia

Head Office

Level 2, 969 Burke Road
Camberwell Victoria 3124
Australia

Ph: + 61 3 9810 5900

Fax: + 61 3 9882 6860

Email: info@dairysafe.vic.gov.au

Web: www.dairysafe.vic.gov.au

See the resources section for further information and useful links.

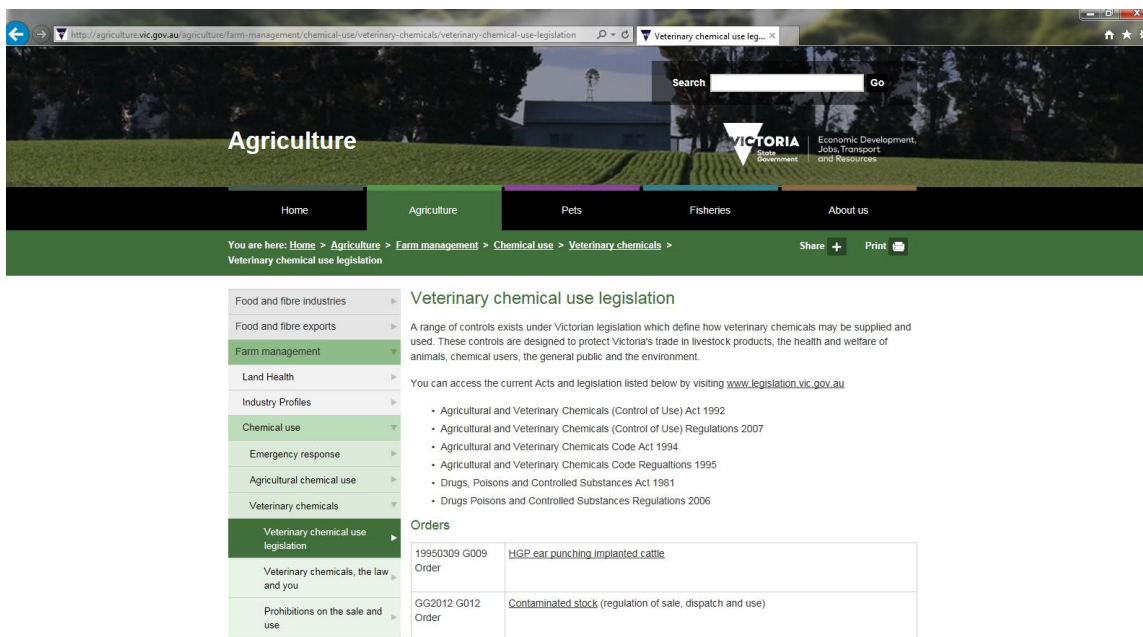
AGRICULTURE AND VETERINARY CHEMICALS (CONTROL OF USE) REGULATIONS 2007

Please note changes.

Milk Supply Partners should note that there have been a number of changes to agriculture and veterinary chemical regulations. All Food Safety Programs are now required to meet these new regulations and the requirements have been integrated into this document to make it easy for you to comply.

In brief, the regulations mean that agricultural and veterinary chemical use records are required to be made within 48 hours after treatment or use and all records must be kept for 2 years. Please think carefully about how you will ensure you comply with this important aspect of food safety.

Further information is available from the Department of Environment, Land, Water & Planning website www.agriculture.vic.gov.au



The screenshot shows the website interface for 'Agriculture' in Victoria. The main content area is titled 'Veterinary chemical use legislation'. It includes a search bar at the top right and a navigation menu at the bottom. The page content is as follows:

Veterinary chemical use legislation

A range of controls exists under Victorian legislation which define how veterinary chemicals may be supplied and used. These controls are designed to protect Victoria's trade in livestock products, the health and welfare of animals, chemical users, the general public and the environment.

You can access the current Acts and legislation listed below by visiting www.legislation.vic.gov.au

- Agricultural and Veterinary Chemicals (Control of Use) Act 1992
- Agricultural and Veterinary Chemicals (Control of Use) Regulations 2007
- Agricultural and Veterinary Chemicals Code Act 1994
- Agricultural and Veterinary Chemicals Code Regulations 1995
- Drugs, Poisons and Controlled Substances Act 1981
- Drugs Poisons and Controlled Substances Regulations 2006

Orders

19950309 G009 Order	HGP ear punching implanted cattle
GG2012 G012 Order	Contaminated stock (regulation of sale, dispatch and use)

NEED MORE RECORD FORMS?

Copies of all the record forms are available by logging into MYFARM@BURRA > News/General > Publications. From here you can download and print.

Please call Milk Supply Administrator if you have any queries on 5658 0000 Ext 149.

FOOD SAFETY PROGRAM REQUIREMENTS

This section of the Food Safety Program provides an overview of what Burra Foods require in each area or control point. The Food Safety Program has been designed to comply with the following mandatory requirements:

- The Dairy Act 2000
- Food Standards Code Standard 4.2.4 Primary Production and Processing Standard for Dairy Products (FSANZ)
- Agriculture and Veterinary Chemicals (Control of Use) Regulations 2017

UP TO DATE DETAILS & DECLARATIONS

Anyone who works on your farm needs to read all the sections of this folder so they know what is expected in terms of food safety.

As an owner of a dairy business, you are also required to undertake an annual review of your food safety system – and not just before an audit!

You must ...

- Hold a current and valid DFSV Dairy Farmer Licence.
- Ensure you have a current copy of your Food Safety Program on site at the dairy at all times.
- Fill out all farm ownership details and the contact numbers for all who work on your farm, including licensee and/or sharefarmer details
- Ensure that managers, sharefarmers, full time and part time employees and relief milkers understand all the requirements of the food safety program on your farm.
- Conduct an annual internal management audit review of your food safety program to ensure it is adequate.

Keep in Mind...

- All farm ownership details and contact information should be up to date. Also make sure you have signed the Annual Owner Declaration form. See the “My Food Safety System” section of this folder.

Audit checks...

- Farm details and contact sheet all completed and legible.
- A current DFSV licence must be sighted.
- Manager / sharefarmer / employee declarations completed and signed.
- Annual internal audit review completed and owner declaration signed.

FRONT OF DAIRY & SURROUNDINGS

First impressions are critical and the front of the dairy can say a lot about the farm. Keeping the access clear and the area free from rubbish establishes right from the start that efficiency and food safety are important on your farm.

You must ...

- Provide milk tanker, feed trucks and other vehicles safe and unrestricted access to the dairy.
- Minimise the build up of rubbish, mud, manure etc. that could attract or harbour vermin or create unpleasant odours around the dairy.
- Ensure dairy and sheds have adequate drainage.

Keep in mind...

- Keep livestock off tanker access driveways where possible.

Audit checks...

- Tanker access is free from obstacles and complies with company policy.
- Driveway is well maintained and in good condition.
- Sufficient room for vehicle turnaround.
- Rubbish is removed; mud and manure build up removed regularly.
- Tracks, gateways and water troughs are clear of excessive amounts of mud and manure to the best of the farmers ability
- Burra Foods supplier information displayed at front gate tanker entry point.

BUILDINGS, EQUIPMENT & USE OF DAIRY

Dairies are often busy places but it pays to remember that the construction, maintenance and use of the shed and milking equipment must ensure that milk is protected from contamination at all times. We are in the food business after all!

You must...

- Ensure that the shed is structurally sound and well maintained to protect milk from contamination and keep workers safe.
- Ensure any milking equipment or piping is installed according to manufacturers' recommendations and relevant standards.
- Keep external surfaces of milking plant, equipment and pipe work clean and free from manure/dust.
- Ensure that milk contact surfaces are easy to clean and disinfect and are corrosion resistant.
- Exclude all other animals from the shed.
- Store all harmful substances away from the milk room.
- Minimum requirement for swing lid vats is the need for such a vat to be fully enclosed in a pest proof vat room.
- Minimum requirement for silo vats with a top opening inspection hatch (required for inspection of milk prior to pumping out) is for a roof to be installed above the vat.
- Minimum requirement for silo vats with side opening or top opening inspection hatches (required for maintenance and cleaning purposes only) is that breathers must be covered and pest screened.

Audit checks...

- The shed and the milk room are constructed from suitable, non-contaminating materials.
- Milking equipment and/or piping is installed according to manufacturers' recommendations and relevant standards. Details of equipment installers are noted and commissioning report filed.
- Milk contact surfaces show no evidence of rust or milk build up.
- Maintenance reviews are completed annually and problems rectified promptly – maintenance records verify this.
- Lights above the vat are covered/shatter proof.
- External surfaces of the milking plant, vats and pipes are clean.
- Animals (like chickens) are excluded from the dairy.
- New milk filters/filter socks must be stored in a dry protected environment.
- Items like chemicals, drugs or poisons are not stored in the milk room and are stored in a secure locker in dairy.
- Floor is clean, well drained and not slippery or pitted.
- The top of the vat is not used for storage and is kept clean at all times.
- The outlet of the milk vat needs to be protected so as to ensure the protection of milk, i.e. Pest proof and easily cleaned, including any vat breather tubes.
- Colostrum storage vats are clearly labelled and stored outside of the normal vat room.

Keep in mind...

- Make careful choices when you are building or upgrading your dairy.
- Maintenance records should include action taken to rectify problems – these records show how you manage non-conformances and will need to be kept for up to four years. Use registered AMMTA technicians to test the milking plant annually or as required.

Acceptable 



Not acceptable 



CLEANING PROCEDURES & CHEMICALS

As a supplier of Burra Foods you know the value of producing quality milk. You also understand that cleaning procedures are a critical part of maintaining quality and that this is an area where scrupulous attention to detail really does pay off!

You must ...

- Maintain the highest standards of cleanliness possible to minimise bacterial contamination.
- Use suitable cleaning products in accordance with manufacturer's recommendations. Store chemicals correctly and have copies of relevant MSDS (Material Safety Data Sheets) that can be easily accessed for the chemicals that are in use.

Audit checks...

- All cleaning procedures are documented and **displayed**.
- All chemicals must be registered and have an appropriate Approval No. (i.e. APVMA Approval No. or NRA Approval No.)
- Cleaning products are labelled, handled, securely stored and disposed of appropriately.
- Cleaning products in use are registered for the purpose of cleaning milking plant equipment.
- Cleaning products are used in accordance with manufacturer's recommendations.
- The temperature and volume of hot water used in cleaning is sufficient to ensure efficient cleaning. Records verify this.
- The vat and milking plant are thoroughly cleaned, disinfected, rinsed and drained.

- Records verifying that all cleaning procedures were carried out as part of a regular milking routine.
- Factory Bacterial test are monitored and action taken to review/improve cleaning procedures if necessary.

Keep in mind...

- Your cleaning procedures and information about water quality/sources should be documented in the "My Food Safety Plan" section of this folder.
- Record any actions that rectify problems. This shows how non-conformances are managed on your farm.

WATER QUALITY & EFFLUENT MANAGEMENT

Water quality is critical to ensure satisfactory cleaning of your milking plant so it pays to use the best source you can. It is also important to manage recycled water and effluent storage and application carefully.

You must ...

- Use good quality water at the appropriate temperature for cleaning the plant to avoid contamination.
- Ensure recycled water does not contaminate fresh water supplies.
- Ensure that your effluent system has adequate storage and is fenced off from livestock, that all effluent is contained on farm and that any effluent application minimises the risk of contamination to waterways.

Audit checks...

- The farmer's Food Safety Plan documents the source, treatment and use of cleaning water. If water is treated with chemicals, records of treatments must be kept.
- Recycled or reclaimed water management procedures to ensure contamination does not occur are documented. Reclaimed water is water that has been derived from sewerage systems or industry processes and treated to a standard appropriate for its intended use. Reclaimed water cannot be used to wash dairy milking plant, food processing machinery or food packaging machinery.
- Effluent disposal or re-use avoids contamination of water, milk and pastures.
- Records of effluent spreading or spraying on paddocks must be kept and any withholding periods must be recorded and observed.

- Class A,B and C reclaimed water may be used for irrigation of pasture and fodder for dairy animals however the following restrictions apply:

1. Class B Reclaimed Water – Dairy stock are to be withheld from the pasture and fodder for 4 hours or until dry following irrigation onto the pasture.
2. Class C Reclaimed Water – Dairy stock are to be withheld from the pasture and fodder for a minimum of 5 days following irrigation onto pasture.

- The reclaimed water storage and/or irrigation system is not to be accessible to stock.
- The reclaimed water storage area is to be constructed and managed to prevent overflow.
- Re-use water is water that has been collected after single use in a dairy plant application e.g. post-clean rinse water, milk cooling water. Re-use dairy plant water, if used, should be documented in the Food Safety Program and must be used in accordance with EPA guidelines.

Keep in mind...

- Burra Foods can help you check the hardness of water used on farm. See "Burra Free Services" page of the resources section for further information

COOLING MILK

Cooling milk quickly minimises the contamination of milk by pathogens and toxins. Make sure your system is working well at all times.

You must...

- Chill milk to 5°C or less within 2 hours and 20 minutes from the end of milking – penalties apply if you do not.
- Check chilling efficiency regularly – record results.
- Calibrate thermometers regularly.
- Register cooling towers (renew annually) and ensure maintenance is conducted according to approved schedule.

Audit checks...

- Milk storage temperatures are checked and recorded. Tanker slip/factory statements are suitable evidence.
- Maintenance checks on the milk cooling system are undertaken regularly and checked every six months by a qualified technician or refrigeration mechanic ideally once mid-summer and once during peak milk production and the results of these checks are recorded and kept in your records
- Thermometers on vats are calibrated annually – records verify this.
- Cooling towers are registered and comply with current legislation and maintenance is up-to-date – keep records to verify this.

Keep in mind...

- Refer to the Burra Foods Milk Quality Criteria sheet for temperature guidelines and penalties.
- Dates and details of maintenance checks should be included in your Food Safety Plan records.
- Burra Foods Laboratory can check the accuracy of hand held thermometers.

- Refrigerant levels, compressor V belts, condenser efficiency must be checked during annual checks.
 - Thermometers may be calibrated by comparison with another thermometer that has been calibrated and taking necessary corrective actions.
 - Calibration in Ice Water
 1. Obtain a mixture of 50% crushed ice (the ice obtained from the side of a freezer is ideal) and 50% cold water.
 2. Transfer this into a suitable container, such as a glass or ceramic cup and let stand for two minutes.
 3. Place the probe of the thermometer into the mixture; do not let it touch the bottom of the container.
 4. Wait for the temperature to stabilise, and then record the temperature.
 5. The temperature should be between -1.0°C and 1.0°C.
 - Calibration in Boiling Water
 1. Place a saucepan of water onto the stove and bring the water to a rolling boil.
 2. Place the probe of the thermometer into the water; do not let it touch the bottom of the saucepan.
 3. Wait for the temperature to stabilise, and then record the temperature.
 4. The temperature should be between 99.0°C and 101.0°C.

Please note: - If you have a cooling tower you have additional responsibilities – please refer to the current requirements on cooling towers as found at the government website www.health.vic.gov.au

AGRICULTURAL CHEMICALS & VETERINARY DRUGS

One of the most important parts of a Food Safety Program is keeping track of the use of chemicals and animal treatments. The presence of antibiotics and other veterinary substances in milk presents a severe risk to human health and compromises manufacturing performance.

Updates to regulations mean all farmers should review their record keeping practices as in the past many have failed this section of the audit.

Check your compliance carefully to ensure you meet all the requirements of the Agriculture and Veterinary Chemical (Control of Use) Regulations 2017.

All Agricultural Chemicals and Veterinary Drugs used must be registered and have an appropriate Approval No. (i.e. APVMA Approval No. or NRA Approval No.)

Agricultural Chemicals and Veterinary Drugs must be stored and used in accordance with the manufacturer's directions.

Milk from animals treated with veterinary drugs must be isolated according to the recommendations as per the drugs usage instructions.

You must...

- Describe how animals that have received treatment are identified and procedures for keeping this milk out of the vat.
- Document how livestock with residual chemicals like Dry Cow Treatment (DCT) are handled.
- Describe how paddocks and feeds that have been sprayed or treated are identified.
- Complete full and accurate records of agricultural and veterinary chemicals/drug use within 48 hours of use.
- Record all agricultural and veterinary chemical use regardless of whether the chemical has a withholding period.
- Keep records of all use of agricultural chemicals and veterinary drugs including batch numbers for two years.

- Record and adhere to withhold periods. Only use chemicals and animal treatments registered with the National Registration Authority (NRA).
- Follow manufacturers' and veterinarians' written instructions carefully.

Notify the factory immediately if antibiotics or other chemical residues are suspected in milk.

Keep in mind...

- You also need to detail your use of sprays and any additives in feed.
- Keep track of DCT cows – your system needs to cope with those that 'jump the fence' and line up for milking!
- Each farm is tested monthly at random for antibiotics and other inhibitory substances.
- Each tanker is tested on arrival at the factory.
- There is a clear procedure to follow if you suspect milk has become contaminated with antibiotics – see "Antibiotics in Milk– Take immediate action" and Contact sheets in Section One of this folder.
- Failing to adhere to these procedures may result in costly penalties. See "Antibiotics in Milk – Understand the consequences".
- All agricultural chemical use records must identify the person responsible for adhering to product registration requirements. Training records must be kept for those people handling chemicals
- To read the current Agriculture and Veterinary Chemical (Control of Use) Regulations go to the Victorian government website www.agriculture.vic.gov.au and follow the links.
- Are you trained to use chemicals safely?
To find a Farm Chemical Users' or ChemCert course near you, check out www.chemcert.com.au
Refer to www.agriculture.vic.gov.au for Agricultural Chemical User Permit (ACUP) requirements

AGRICULTURAL CHEMICALS & VETERINARY DRUGS (CONT.)

Audit checks...

- System for marking/identifying treated animals is **documented and displayed** for reference.
- System for keeping milk from treated animals out of the vat is documented – including the ongoing management of stock which has had DCT administered.
- Procedures for the on-going management of DCT stock are documented.
- Records of treated animals (including vet treatments) are maintained and includes the following information:
 1. Date of treatment
 2. Reason for treatment
 3. Who administered treatment
 4. Drug used/trade name/batch date
 5. Dosage rate
 6. Cow id
 7. Withholding period
 8. Clearance date
- A stock register that enables traceability of stock movement is maintained.
- Records of paddock spraying are maintained and include the following information:
 1. Date of spraying
 2. Who sprayed: name & address
 3. Who supervised spraying/person responsible: name & address
 4. Chemical used/Trade name
 5. Rate of application
 6. Paddock location/ id
 7. Withholding period
 8. Clearance date
 9. Recorded on farm map
- Records of spraying on crops or commodities are maintained and include the following information:
 1. Date of spraying
 2. Who sprayed: name & address
 3. Who supervised spraying/person responsible: name & address
 4. Chemical used/Trade name
 5. Rate of application
 6. Paddock location/ id
 7. Withholding period
 8. Clearance date
- Records of broad acre applications of agricultural chemicals are maintained and include the following information:
 1. Date of spraying, spreading or dispersal
 2. Who sprayed: name & address
 3. Who supervised spraying/person responsible: name & address
 4. Chemical used/Trade name
 5. Rate of application
 6. Extent of use – land size, volume of water, weight of commodity
 7. Paddock location/ id
 8. Withholding period
 9. Clearance date
- Weather conditions on the day of application should be recorded if administered via spraying
- If application is via aerial spraying then as well as recording weather conditions, a copy of any instructions given to the pilot about location and dosage should be recorded.
- Reports from contractors must be kept for recording purposes
- Chemicals and drugs are labelled – labels are intact.
- Chemicals and drugs are stored securely and do not pose a risk to milk

MILKING PROCEDURES

Everyone who milks in your dairy needs to adopt milking practices that help minimise the risk of contaminating milk.

Milk from diseased animals must not be used for human consumption.

Milk from animals treated with veterinary drugs must be isolated in accordance with manufacturers' withholding period.

Milk from animals with infectious diseases transferable to humans through milk i.e. (TB, Listeriosis, Salmonellosis, Yersiniosis, Leptospirosis and Q Fever) must be segregated

You must...

- Provide all milkers with your Food Safety Plan to read.
- Document the milking procedures used on your farm – make it clear what is/is not acceptable in terms of personal hygiene and hygiene during all stages of the milking process.
- ***Train all milkers on hygienic milking practices.***
- Ensure that the health of those milking does not compromise food safety.
- Prepare teats for milking to minimise the risk of dirt or manure contaminating the milk.
- Ensure teat spray is not administered before cups are put on the cows.
- Identify treated cows or those exhibiting symptoms of diseases infectious to humans – ensure that milk from these cows does not go in the vat. Document and display how you identify treated cows etc.

Document platform, machine and yard cleaning procedures and ensure they are followed.

Audit checks...

- Employee declarations signed for all those milking.
- Milking procedures are documented. Procedures provide clear guidelines on hygiene and cleaning requirements.

- Records identify who milked and was responsible for machine and yard cleaning each day – record in a shed diary.
- Hygienic milking procedures are documented and spot checks conducted to ensure they are being followed.
- Procedure for teat spray application is sighted.
- Training on hygienic milking procedures includes:
 1. Acceptable personal hygiene practices
 2. Animal identification systems
 3. Preparation of cows for milking
 4. Milking procedures
 5. Machine operation – milking equipment, plate cooler, vat
 6. Mastitis detection
 7. Cleaning procedures – during milking, machines and yard
 8. Farm chemical use and recording system
 9. Animal treatment procedures and recording system
- Procedures for ensuring contaminated milk does not enter the vat are documented.
- Incidents of contaminated milk entering the vat are reported and recorded.

Keep in mind...

- Keeping records of “who milked and when” can be kept on a calendar or in a shed diary – just tear off each month and file in the folder.
- You may not be aware that health and food handling regulations prohibit staff that are ill with infectious diseases like gastro and typhoid to work if there is a reasonable risk that milk may be contaminated. See details on the *Australia New Zealand Food Standards Code – Standard 4.2.4 Primary production and processing for dairy products* in the resources section of this folder for link.

STOCK FEED PURCHASE & STORAGE

It is important that stockfeed does not compromise food safety. Always insist on a copy of the stockfeed supplier declaration and make sure they are filed safely (the floor of the Ute is not acceptable!)

It is recommended that you purchase stockfeed from FeedSafe® accredited mills.

Don't forget that if you purchase hay or silage from your neighbour you still need a stockfeed supplier declaration. Many farmers forget to obtain this so don't get caught out. If you sell hay or silage, be prepared to supply one too. Obtaining these records also applies to supplements and additives.

All stockfeed consumed by lactating cows must to the best of your knowledge be free of Genetically Modified Organisms (GMO)

You must...

- Keep copies of the stockfeed suppliers' declaration forms.
- Check that the declarations identify the name of the supplier, a description of the stockfeed supplied, the date or period of supply, the chemical residue status of the feed and any applicable withholding periods, the amount supplied and the signature of person making the declaration and date.
- Ensure that your livestock do not consume any feed material derived from animals – tallow, gelatine and dairy products are exceptions to this.
- Ensure that stockfeed is stored carefully and does not have the potential to contaminate milk.
- Avoid using feed of unknown status or feed which taints milk or has the potential to poison stock.
- Minimise manure contamination of feed, particularly hay or silage, in feed pads.

Audit checks...

- Stockfeed is stored appropriately (away from milk room and chemical storage).
- Feed supplements / additives must be used according to manufacturer's/retailer's or specialist's recommendations and must also be recorded.
- Stockfeed suppliers' declarations for each delivery are filed in a central location, preferably in date order with none missing. If stockfeed is purchased from FeedSafe® accredited businesses a Vendor Declaration may cover more than one purchase.
- Required information extends to any supplements / additives / lick blocks that may be added to feed by the farmer.
- Hay or silage on feed pad is not contaminated with manure.

Keep in mind...

- Filing declaration forms is where most farmers fall down.
- A bull dog clip or even a peg might help keep them together – a simple system is better than no system.

Refer to www.sfmca.com.au for information on FeedSafe® - the Stock Feed Manufacturers' Council of Australia (SFMCA) quality assurance program

SILAGE, HAY & PASTURE

It is obvious that bought feed needs to be checked to ensure that it is safe to feed to livestock, but don't be complacent about the home grown stuff!

You need to be confident that everything you feed your cows minimises the risk of chemical residues, contamination or disease.

You must...

- Document fodder conservation practices and outline how contamination is avoided.
- Avoid grazing paddocks recently sprayed with effluent.
- Store hay and silage to minimise the risk of contamination. I.e. stored in sheds or behind secure fences.

Audit checks...

- Fodder conservation practices are documented.
- Paddock spray records complete.
- Pasture rotation and effluent irrigation practices are documented.
- Hay and silage storage is adequate.

Keep in mind...

- All fodder produced on farm and fed to livestock needs to be free from chemical and microbiological contamination.

TRACEABILITY & ANIMAL MANAGEMENT

It is critical to be able identify which animals in your herd have received treatment, which paddocks have been sprayed and how feed has been distributed. Make sure that everyone who works in your dairy understands the systems you use.

You must...

- Ensure all stock are permanently identified.
- Identify and isolate treated or infectious animals and ensure their milk doesn't go in the vat
- Maintain a stock register – record stock moved on and off the property including off farm agistment.
- Provide an accurate, written description of stock identification – this must be entered into the Food Safety Plan.
- Keep all vendor declarations for purchased stock.
- Check all vendor declarations to determine the health status and treatment history of any animals you buy.
- Check all treatment records before selling stock.
- Keep records of all milk leaving your farm – date & time it leaves farm, quantity, name & address of recipient.
- If milk is supplied, sold or delivered to anyone other than a licensed milk company, then you must have written approval from DFSV confirming how that milk is to be treated to deter human consumption.
- Maintain spraying and animal health treatment records.

Audit checks...

- Stock register up to date. Stock movement on and off farm is recorded. Agistment register is up to date. I.e. Annual list of all cows in milking herd, calving list, purchasing list etc.
- Food Safety Plan contains description of identification system used on the farm for milking and replacement stock.
- Stock are identified using at least two methods.
- National Vendor Declarations are retained and filed.
- Treatment register is filled in and up to date.
- Procedures for identifying and isolating treated or infectious cows are documented.
- Spray records are filled in and up to date.
- Daily tanker slips and/or factory statements are filed.

Keep in mind...

- Think of traceability as your method of being able to work backwards to the source of a problem. If you can fix problems where they begin, your whole system improves.

PEST CONTROL

Pests and the means you use to get rid of them must not pose a risk of contaminating milk.

You must...

- Describe your pesticides use – details should be on your Food Safety Plan.
- Milking and milk storage areas must be kept free from undesirable animals and pests whose presence may result in the contamination of milk.
- Conduct regular checks to monitor pest activity.
- Keep records of pesticide use.
- Ensure pests and pesticides cannot contaminate milk.
- Use pesticides in accordance with manufacturer's recommendations.
- Store pesticides securely.

Audit checks...

- Records verify that regular pest monitoring occurred.
- Pesticide use records are up to date
- Records identify:
 1. Date of use
 2. Type of activity addressed
 3. Who applied the pesticide/Person responsible
 4. Name of pesticide
 5. Rate of application
 6. Area treated
 7. If contractors are used then they must provide all the details required for your Food Safety Program and licence/registration details.

- Pesticide storage area appropriate. I.e. Away from the dairy in a secure area.

Keep in mind...

Cleaning up habitat sites around the dairy can reduce rodents in the dairy.

STAFF ACCOUNTABILITY & TRAINING REQUIREMENTS

Staff are a great asset but can be a liability if they are not trained well enough to keep your Food Safety System working at all times.

You must...

- Ensure all those working on your farm (even relief milkers) understand each element of your Food Safety Plan.
- Check that staff are competent for the tasks they are performing.
- Identify the person who is responsible for overseeing the farm's Food Safety Plan.
- Identify people who will be responsible for the various sections of the farm's Food Safety Plan.
- Ensure adequate training is provided.
- Keep records of training attended – particularly training related to chemicals and/or the administration of veterinary products.

Audit checks...

- Staff have received a copy of the farm's Food Safety Plan and sign to say they have read and understood it.
- The person responsible is noted on each element of the Food Safety Plan.
- Staff qualifications/experience is documented.
- Training register is up to date and includes:
 1. Date of training
 2. Subject
 3. Name of person attending training
 4. Name of trainer

Keep in mind...

- Handing new employees a copy of your Food Safety Plan is a great induction activity.
- If you have a high turnover of staff, you will need to ensure that your records are up to date.
- Milking personnel must be aware that they should not be milking if they are suffering from an infectious disease.
- Relevant procedures should be available to ensure that staff are adequately trained in the tasks they are responsible for (e.g. plant cleaning, start up and shutdown procedures, treated stock identification).

Relief Milkers – the owner/manager should be able to demonstrate that relief milkers understand procedures relating to, for example, antibiotic usage and dry cow management – signed training documents are a good example.

ANIMAL HEALTH & WELFARE (AH&W)

Animal Health and Welfare is a fundamental value of Burra Foods, as correct animal welfare practices underpin the reputation and integrity of the Australian Dairy Industry. Community expectations are changing, and it is important our Milk Supply Partners are doing everything they can to ensure appropriate AH&W practices are being implemented by all staff on farm.

You must...

Comply with the Australian Animal Welfare Standards and Guidelines for cattle. A copy of the key guidelines can be found in resource section of this document.

The document has guidelines referring to the following:

- Responsibilities
- Feed and Water
- Risk management of extreme weather, natural disasters, disease, injury and predation
- Facilities and equipment
- Handling and management
- Castration, dehorning and spaying
- Breeding management
- Calf-rearing systems
- Dairy management
- Humane killing

To assist Dairy Australia in gaining data about on farm practices, Burra Foods has compiled a questionnaire to be filled out in the Safety Plan section of this document. It is expected this information is completed and up to date before the audit is undertaken. The questionnaire contains information on:

- Bobby calf management.
- Calf dehorning practices
- Tail docking
- Dead animal disposal
- Calving inductions

Keep in mind...

Auditors carrying out your on-farm Audit will be instructed to take a photo of the AH&W questionnaire sheet. This allows Burra Foods along with the Australian Dairy industry to get a better understanding of on farm AH&W practices.

MANAGING NON-CONFORMANCE

Dairy Food Safety Victoria defines non-conformances in the following way:

Where equipment, product or management practices do not meet the minimum food safety outcomes, or where a requirement of a food safety program has not been followed.

It is essential that you keep records of any incidents where milk was at risk or mistakes were made.

You must...

- Indicate in your Food Safety Plan where non-conformances are recorded.
- Keep records of incidents and action taken.

Audit checks...

- Location of records of non-conformance recorded in Food Safety Plan.
- Person responsible identified.
- Records are up to date and include:
 1. Date of incident/problem
 2. Immediate action taken
 3. Preventative action taken
 4. Date action completed
- Records filed – need to be kept for up to four years.

ATTACHMENT 4

COMPLAINTS AND DISPUTES RESOLUTION PROCEDURE

1. Resolving complaints and disputes—general

- (1) If you have complaint or there is a dispute in relation to a matter arising under or in connection with the Agreement, the matter may be dealt with or resolved:
 - (a) in accordance with the complaint handling procedure provided in this Attachment; or
 - (b) by mediation; or
 - (c) by both methods.
- (2) The matter will not be resolved by arbitration unless all parties have agreed in another written document to use arbitration to resolve the matter.
- (3) If the matter in dispute is the termination of a milk supply agreement, this Attachment applies as if a reference to a party included a reference to a person who was a party to the agreement before it was terminated.

2. Dealing with complaints in accordance with internal complaint handling procedure

- (1) The procedure set out in this section applies if you wish to have a complaint in relation to a matter arising under or in connection with the Agreement dealt with in accordance with the complaint handling procedure provided in the Agreement.
- (2) You (the complainant) must notify us, in writing, of the following:
 - (a) the nature of the complaint.
 - (b) that the complainant wishes the complaint to be dealt with in accordance with the complaint handling procedure provided in the milk supply agreement; and
 - (c) the outcome the complainant wants.

Notification to us should be addressed to the attention of “The Complaints Handling Officer”.

- (3) Within 5 working days after receiving notice of the complaint under subsection (2), we must give a written acknowledgement to the complainant stating:
 - (a) that notice of the complaint has been received; and
 - (b) the steps to be taken to deal with the complaint.

We may also request that you provide us with any additional information reasonably requested to assist us in complying with our dispute reporting obligations under section 56 of the Dairy Code.

- (4) We and the complainant must attempt to resolve the complaint between ourselves before taking action to resolve the complaint by mediation.
- (5) If the complaint is not resolved within 60 days after the acknowledgement was given to the complainant under subsection (3):
 - (a) you may take action to have the complaint resolved by mediation; or
 - (b) you and we may agree that the complaint is to be resolved by arbitration.
- (6) You may, at any time, withdraw the complaint by notice in writing to the respondent.

3. Mediation

- (1) The procedure set out in this section applies if a party to a milk supply agreement wishes to have a dispute resolved by mediation in accordance with this Attachment.

Appointment of mediator

- (2) The party seeking mediation must request the Mediation Adviser to appoint a mediator for the dispute. Note, for the purposes of this agreement, the Mediation Adviser means the person appointed as mediation adviser under regulation 44 of the Dairy Code by the Minister for Agriculture, Drought and Emergency Management (Federal).
- (3) Under the Dairy Industry Code, the Mediation Adviser:
 - (a) must appoint a mediator within 14 days after receiving the request under subsection (2) unless the Mediation Adviser is satisfied that the complaint giving rise to the dispute:
 - (i) is frivolous or vexatious; or
 - (ii) has previously been the subject of another mediation; and
 - (b) must give the parties to the dispute, in writing, details of the mediator appointed.

Conduct of mediation

- (4) Subject to subsection (5), the mediator must decide:
 - (a) how the mediation is to be conducted (for example, by telephone or in meetings); and
 - (b) the time and place for the mediation; and
 - (c) the day the mediation commences for the purposes of this Attachment.
- (5) The mediation must be conducted in Australia.

Mediator must notify mediation adviser that mediation has commenced

- (6) Within 14 days after the mediation has commenced, the mediator must notify the Mediation Adviser, in writing, that the mediation has commenced and of the nature of the dispute. Note: The mediator decides under paragraph (4)(c) when a mediation commences.

Attendance at mediation

- (7) Each party to the dispute must attend the mediation and attempt to resolve the dispute.
- (8) For the purposes of subsection (7), a party is taken to attend a mediation to attempt to resolve a dispute if the party is represented at the mediation by a person who has authority to enter into an agreement to settle the dispute on behalf of the party.

Mediator must give notice of successful mediation

- (9) If an agreement is reached in relation to the dispute, the mediator must, within 14 days after the agreement is reached:
- (a) set out, in writing, the terms of the agreement; and
 - (b) give a copy of the terms to each party to the dispute; and
 - (c) notify the Mediation Adviser that an agreement has been reached.
- (10) The party who requested the mediation may, at any time, withdraw the complaint that is the subject of the dispute by notice in writing to the other party to the dispute and the mediator.

4. Termination of mediation

- (1) The mediator conducting a mediation of a dispute in accordance with this Subdivision:
- (a) may terminate the mediation at any time if the mediator is satisfied that a resolution of the dispute is not likely to occur; and
 - (b) must terminate the mediation if the party who requested the mediation requests the mediator to do so.
- (2) If a dispute that is the subject of mediation in accordance with this Subdivision is not resolved within 30 days after the mediation commenced:
- (a) the respondent to the mediation may ask the mediator to terminate the mediation; and
 - (b) the mediator must do so.

Note: The mediator decides under paragraph 3(4)(c) when a mediation commences.

- (3) If the mediator terminates a mediation under subsection (1) or (2), the mediator must issue a certificate stating:
 - (a) the names of the parties to the mediation; and
 - (b) the nature of the dispute that was the subject of the mediation; and
 - (c) that the mediation has been terminated; and
 - (d) that the dispute has not been resolved.

- (4) The mediator must give a copy of the certificate to:
 - (a) the mediation adviser; and
 - (b) each party to the dispute.

5. Costs of mediation

- (1) Each party to a dispute that was the subject of a mediation in accordance with this Subdivision must pay half the costs (if any) of the mediation (being all reasonable costs associated with the conduct of the mediation), unless the parties to the mediation agree otherwise.

- (2) Each party to a dispute that was the subject of a mediation in accordance with this Subdivision must pay that party's costs of attending the mediation, unless the parties agree otherwise.

6. Status Quo

During any dispute resolution process, the pre-dispute status quo will continue. Accordingly:

- (1) each Party will comply with its obligations, and may exercise its rights under the Agreement; and

- (2) the fact that a Party ceases to do anything following the start of a dispute will not be taken to be an admission by that Party that it had breached, or had been in breach of, this Agreement.

ATTACHMENT 5**ACCEPTANCE FORM AND COMMITMENT BONUS PAYMENT ELECTION****Milk Supply Partner Number:** _____**3 Year Fixed Term Exclusive Milk Supply Agreement Acceptance****Start Date: 1 July 2023, End Date: 30 June 2026**

By signing this Acceptance Form and returning it to us, you agree to and accept the terms and conditions set out in the Agreement to which this Form is attached.

Please indicate your preference for receiving the Commitment Bonus by ticking the preferred option below: -

- Commitment Bonus received at the end of the season (i.e., 16.67c/KgMS paid on or before the 15th of July in the immediately following Year)
- Commitment Bonus received at the start of the season (i.e., 16.67c/KgMS paid on or before the 15th of August in each year of the term) *
- Commitment Bonus received as a 50c/KgMS pre-payment in advance for the 3-year term*

Please estimate your Total Milk Solids (total kg of Fat + total kg of Protein) for FY24 - KgMS

* Reconciliation of actual FY24 milk solids vs estimated FY24 milk solids for pre-payment of the Commitment Bonus will be completed at the end of the FY24 season at which time there will be a payment adjustment made based on the actual Milk solids provided to us at the Commitment Bonus rate (16.67c/KgMS). This reconciliation will be completed at the end of each of the 3 years of the Agreement to ensure payment is received for actual solids produced over the term of the Agreement.

Signed by, or by its authorised representative for and on behalf of, the Supplier. If signed by authorised representative, you the representative represent and warrant that you have full authority to sign this document on behalf of the Supplier and have no notice of revocation of your authority.

Name_____
Signature_____
Position held_____
Date

Please return this signed acceptance either by email to milksupply@burrafoods.com.au or via text message (photo) to your Milk Supply Officer

Payment Ratio & Payment System Preference for FY24

Please keep this copy for your records.

Milk Supply Partner Number: _____

Preferred Payment Ratio (tick one):

1:1 Payment Ratio

1:2 Payment Ratio

Preferred Payment System (tick one):

APS payment system

BPS payment system

FPS payment system

Signed by, or by its authorised representative for and on behalf of, the Supplier. If signed by an authorised representative, you the representative represent and warrant that you have full authority to sign this document on behalf of the Supplier and have no notice of revocation of your authority.

Name

Signature

Position held

Date

Payment Ratio & Payment System Preference for FY24

Please return this copy either by email to milksupply@burrafoods.com.au or via text message (photo) to your Milk Supply Officer.

Milk Supply Partner Number: _____

Preferred Payment Ratio (tick one):

1:1 Payment Ratio

1:2 Payment Ratio

Preferred Payment System (tick one):

APS payment system

BPS payment system

FPS payment system

Signed by, or by its authorised representative for and on behalf of, the Supplier. If signed by an authorised representative, you the representative represent and warrant that you have full authority to sign this document on behalf of the Supplier and have no notice of revocation of your authority.

Name

Signature

Position held

Date

ATTACHMENT 6

GOOD FAITH

- 1.1 Without limitation, Good Faith applies in relation to the following:
- 1.1.1 negotiating and entering into this Agreement.
 - 1.1.2 exercising rights, or performing obligations, under this Agreement.
 - 1.1.3 dealing with or resolving complaints or disputes arising under or in connection with this Agreement; and
 - 1.1.4 varying or terminating this Agreement.
- 1.2 Without limitation, in determining whether the Processor or Farmer (first party) has acted in Good Faith in dealing with the Processor or Farmer (other party), the following may be taken into account:
- 1.2.1 whether the first party has acted honestly.
 - 1.2.2 whether the first party has tried to cooperate with the other party to achieve the purposes of this Agreement.
 - 1.2.3 whether the first party has not acted arbitrarily, capriciously, unreasonably, recklessly or with ulterior motives.
 - 1.2.4 whether the first party has not acted in a way that constitutes retribution against the other party for past complaints and disputes.
 - 1.2.5 whether the first party's relationship with the other party has been conducted without duress.
 - 1.2.6 whether the first party's relationship with the other party has been conducted in recognition of the need for certainty regarding the risks and costs of supplying or purchasing Milk.
 - 1.2.7 whether the first party has undermined, or denied the other party, a benefit of this Agreement.
 - 1.2.8 whether the first party has observed any confidentiality requirements relating to information disclosed or obtained in dealing with or resolving a complaint or dispute with the other party; and
 - 1.2.9 whether, in dealing with the first party, the other party has acted in good faith.