



# Florida Cheese Standard Form Milk Supply Agreement

## Financial year 2022 / 23

Agreement number \_\_\_\_\_

Farmer details	Processor details
<b>Farmer's Name:</b> <b>ACN/ABN (if applicable):</b> <b>Address:</b> <b>Email:</b> <b>Phone:</b>	<b>Processor's Name: Florida Cheese</b> <b>ACN/ABN (if applicable): 50 098 767 821</b> <b>Address: 327 Settlement Road Thomastown, 3072 Victoria, Australia.</b> <b>Email: <a href="mailto:info@floridiacheese.com.au">info@floridiacheese.com.au</a></b> <b>Phone: (03) 9464 2600</b>

- 1. Agreement**
1. This Agreement sets out the terms and conditions on which the Processor is prepared to buy milk from the Farmer, as required by the *Competition and Consumer (Industry Codes-Dairy) Regulations 2019 (Code)*.
  2. The Farmer and Processor must always deal with each other in good faith.
  3. For the term of this Agreement, the Farmer agrees to supply, and the Processor agrees to buy, milk of the type, quantity, quality and specifications set out in this Agreement for the prices stated in, or calculated in accordance with, this Agreement.
  4. This Agreement is comprised of these terms, the Schedule, and the Annexures.
  5. This Agreement (including its Schedule and Annexures) contains the entire agreement between the parties in relation to their subject matter and supersedes all previous agreements, understandings, communications, and representations on the subject matter.
  6. The parties will keep a record, or a copy of a record, of this Agreement for at least six years following the end of the Term.

- 2. Term of Agreement**
1. **This Agreement commences on 1<sup>st</sup> July 2022 and will end on 30 June 2023 (Term)**, unless terminated earlier by written agreement by the parties or under clauses 12.4, 13 or 14.
  2. The Processor shall in writing at least 30 days prior to the end of the Term, notify the Farmer of the Processor's intention to renew, extend or end the Term; and
    - (a) where the Processor informs the Farmer of an intention to extend or renew the Term the Farmer shall within 14 days notify the Processor of their intention to agree to or reject the proposal; and
    - (b) if the Processor or Farmer does not provide written notices to each other regarding renewal or extension of this Agreement, this Agreement will be deemed to continue until terminated by either party with not less than 30 days' notice of the termination (or such shorter period of termination as is agreed by the parties in writing).

- 3. Quality and sampling standards**
1. Unless otherwise agreed in writing, the quality of milk provided by a Farmer must comply with quality specifications in Annexure 1. If the parties agree in writing on updated quality specifications during the Term, this Agreement is amended accordingly with effect from the date of that agreement.

- 4. Supply of milk**
- Statement of Circumstances:** Florida Cheese is a family-owned manufacturer of Italian style cheeses based in Thomastown Victoria. Florida looks to develop long term relationships with a small number of farmers to supply high quality milk, keeping in mind the use for the milk is in cheese manufacturing. All farmers who supply Florida Cheese must:
- Have a current Dairy Food Safety Licence and meet all state and federal legislation in relation to milk production, including environmental/effluent management and animal welfare.
  - Comply with Florida Cheese quality standards and program.
  - Be located nearby existing suppliers or within a region allowing efficient milk pick up for Florida's nominated transport carrier.
  - Allow for safe and efficient tanker access to milk loading on the farm.
  - The supply of milk relates specifically to the period 1<sup>st</sup> July 2022 to 30 June 2023
  - **Whilst Florida Cheese is presently not seeking new supply, that position is open to change during the year.**



1. The Processor is responsible for arranging the collection of the milk at the Farmers cost as outlined in the Charges and Deductions section of Schedule 1 Item 3.
2. The Farmer will supply milk, and the Processor will collect milk, at the following times:  
First supply date: 1<sup>st</sup> July 2022      Last supply date: 30 June 2023  
  
Collection address: \_\_\_\_\_  
Days for pick up:  Mon  Tue  Wed  Thu  Fri  Sat  Sun  ALL  
  
Hours for supply: after \_\_\_\_\_ and before \_\_\_\_\_ on the agreed days.
3. When the Processor collects milk at the days and times stated in subclause 4.3, the Processor will provide the Farmer on the agreed timetable after the Processor tests the milk, with written documentation that identifies and accurately describes:
  - (a) sampling tests taken and test results in relation to milk collected;
  - (b) quality of milk collected;
  - (c) quantity of milk collected; and
4. Test samples are to be collected from a point as close as reasonably practicable to the coupling at the time milk is transferred from vat to Processor's milk truck.
5. The Processor will test milk at the Processor's expense.
6. The Processor's sample will be tested within 72 hours of collection of the milk. Any test result exceeding this period may not be relied upon by the Processor to make any assertion regarding quality of the milk received.
7. The Processor will inform the Farmer of test results as soon as practicable after this.
8. The Processor will inform the Farmer in writing of the test results.
9. To avoid adverse test results the Farmer and Processor will take all necessary steps to ensure equipment, couplings, hoses, or any other equipment associated with the transfer of milk from the vat are clean, well maintained, and serviceable.
10. Supply of the milk occurs when the milk passes through the coupling on the hose of the milk supply truck, or other transport device, attached to the Farmer's farm vat. The Processor becomes the owner of the milk when the hose is decoupled from the truck and the supplied milk is in the truck's tank or other transport device.
11. Losses arising after transfer of ownership shall be borne by the owner of the milk at that time.
12. The Processor will abide by all reasonable requests and directions of the Farmer regarding access to the farm and farm vat.
13. The Farmer will make available safe access to the farm and vat to enable the Processor to collect the milk.
14. The Processor will take all reasonable measures to ensure milk collected from the vat has had a reasonable time for the milk to be brought to a temperature between 0 and 5 degrees Celsius.

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**5. Price**

The Processor will pay the Farmer for milk on the following basis:

- The Processor will pay the Farmer the minimum price for the milk set out in Item 1 of Schedule 1.

The pricing set out in Item 1 of Schedule 1 is a guaranteed minimum for the season and is based on general business conditions at this time, FC's view of the trading conditions over the next 12 months and the milk required for efficient capacity management of our factory throughout the year. We will continue to monitor market and business conditions throughout the year to determine if improvements in price will be available.

Schedule 1, Item 2 sets out additional payments and the conditions of these payments you may be eligible for in addition to the guaranteed minimum price.

Schedule 1 Item 3 sets out deductions made from your payments for milk pick up and freight.

Annexure 2 sets out the milk quality standards set by FC and the deductions from your milk payments you may incur due to the quality of your milk not meeting FC's quality standards.

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**6. Levies**

Where any levy applies to the milk the Processor will collect and pay the levy on behalf of the Farmer. The amount of levy due will be deducted from the payment to the Farmer.

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**7. Services and fees**

- (Tick if applicable) During the Term, the Processor will provide the Farmer services for the fees identified in Annexure 3.

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**8. Payment method**

The Processor will pay the Farmer for the purchase of the milk in accordance with this Agreement by EFT Bank details:

BSB: \_\_\_\_\_ Account: \_\_\_\_\_ Account name: \_\_\_\_\_

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- 9. Rejection of milk**
1. The Processor may reject milk that the Farmer supplies in the following circumstances:
    - (a) If the milk does not meet the quality requirements described in Annexure 1.
    - (b) If the Processor reasonably suspects or is aware that the milk has been supplied contrary to Law.
  2. The Processor will notify the Farmer's contact person in accordance with clause 15 as soon as practicable following supply, if it intends to reject any milk (**Rejection Notice**) because of a failure to comply with clause 9.1. As soon as practicable following the relevant supply of milk, the Processor will also advise the Farmer in writing of the rejection, reasons for the rejection and consequences for the Farmer of the rejection including consequences identified in clause 9.3.
  3. Where the Processor rejects the milk by giving the Rejection Notice, the Farmer is responsible for recovery and/or movement and disposal of the milk. Where the Farmer does not respond to the Rejection Notice within 24 hours of its issuance or fails to retake possession of the milk within 5 business days of the Rejection Notice, the Processor may dispose of the rejected milk, or deliver the rejected milk to the Farmer, at the Farmer's expense. The Processor will provide reasonable assistance to the Farmer to move and/or dispose the rejected milk at the Farmer's expense.
  4. Where a Processor or Farmer become aware of:
    - (a) any possible actual or potential defect, contamination, fault, or other condition in any milk supplied;
    - (b) any matter that may impact on compliance with any health standard, public policy or code;
    - (c) any matter which may affect compliance with any law or regulatory health standard,the Processor or Farmer must, as soon as possible, advise the other party of the nature of the defect or issue, details of collections impacted, and actions taken or proposed to diminish the defect's impact.
  5. The Processor and Farmer must co-operate to diminish any risk to the public from the defect including compliance with laws, assisting each other in investigating the source of the defect and taking such remedial action as necessary to ameliorate the defect's impact. Such steps include assisting government authorities and disseminating information to the public where necessary.
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- 10. Conflicting terms**
1. The Code requires that transactions between a Processor and Farmer must be conducted pursuant to a Milk Supply Agreement. To the extent of any inconsistency between the terms of this Agreement and the Code, the Code prevails. To the extent of any ambiguity between a term of this Agreement and the Code, the term should be construed in a way that complies with the Code.
  2. To the extent that there is inconsistency between these terms (clauses 1 to 23) and any terms in the Schedule or the Annexures, these terms shall prevail.
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- 11. Statement for reporting period**
- The Processor will issue a statement to the Farmer:
- within 15 days of the end of each month
- The statement will specify *dealings* with the milk:
- each month     between and including the date of each Consignment
- Dealings* include the quality and quantity of milk purchased by the Processor, the date(s) of the purchases, price for the milk, where multiple methods are agreed for calculating the milk price, the method applied for calculating the milk price for a particular purchase, any fees or levies deducted from payment and the date the milk was delivered.
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- 12. Variation**
1. In accordance with section 33 of the code, except as provided under this clause 12, the Processor and Farmer may only agree to vary this Agreement by writing signed by both parties, or by a written notice of offer to vary the Agreement and a written notice of acceptance. Any offer, acceptance or signed variation must state the Milk Supply Agreement Number to which it refers and the date the variation is to take effect.
  2. The Processor can only unilaterally vary the Milk Supply Agreement:
    - (a) on the occurrence of *exceptional circumstances*, by reducing the minimum price for milk stipulated in the Milk Supply Agreement (**Step Down**), where:
      - (i) the *exceptional circumstances* are temporary and involve an extraordinary event (including an emergency or change in market conditions) that:
        - a. occurs outside Australia; and
        - b. has a highly significant effect on supply, demand, or costs in the dairy industry; and
        - c. is not caused by a decision made by the Processor;
      - (ii) where the unilateral variation resulting in the Step Down is unavoidable because of the exceptional circumstances;
      - (iii) where either:
        - a. the Processor has taken or will take all reasonable steps to prevent or limit the impact of the exceptional circumstances on the Processor; or
        - b. there are no such steps the Processor can take; and
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- (b) if there is a change in Commonwealth, State or Territory law and then only to the extent necessary to comply with the changed law but without reducing the minimum price under the Milk Supply Agreement.
  3. A Processor wishing to vary this Agreement under clause 12.2(a) must give the Farmer and the Australian Competition and Consumer Commission 30 days' written notice of the following:
    - (a) The Step-Down; and
    - (b) the date the step-down will take effect (**Step-Down Date**). The Step-Down Date must not be a date earlier than the time the Processor's variation under clause 12.2 occurs.
    - (c) the exceptional circumstances giving rise to the variation (see clause 12.2(a)(i) to (iii)); and
    - (d) either the reasonable steps the Processors has taken or will take to prevent the impact of the exceptional circumstances or if the Processor cannot take any steps; and
    - (e) why the minimum price reduction is unavoidable; and
    - (f) the period to which the minimum price reduction applies.
  4. The Farmer has the right to terminate the Milk Supply Agreement within 21 days of receipt of a notice under clause 12.3, which termination will have effect from the Step-Down Date.
  5. The Farmer may rescind any termination under clause 14.4 before the end of the 21-day period referred to in clause 12.4.
  6. Any variation under this clause 12, does not allow variation that does not comply with the Code.
  7. Any variation agreed to by the parties is limited to compliance with the law or the Code. If the variation to the Agreement is inconsistent with a law or the Code, the law or Code will prevail to the extent of the inconsistency.
  8. An agreed variation which is not written in the first instance will be written and transmitted by the Processor to the Farmer within 30 days. Where the supply period of the Agreement is 90 days or longer the Processor must make all reasonable efforts to obtain written acknowledgement that the record is a complete and accurate record of the variation from the Farmer.
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### 13. Cooling-Off

The Farmer may terminate the Agreement in writing within the cooling-off period being within 14-days of the execution date of this Agreement.

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### 14. Termination

1. This Agreement may be terminated by consent of both parties. Where the parties' consent to termination the Processor must provide a written record to the Farmer within 30 days.
  2. Either party may terminate this Agreement immediately if:
    - (a) the other party to the Agreement has committed a fundamental or material breach of the Agreement and has not remedied it in 30 days after being requested to do so by written notice; or
    - (b) the other party has committed a material breach which cannot be remedied
  3. The termination of this Agreement must be in writing with accompanying reasons for the termination as well as the date upon which the termination takes effect, to be provided as soon as practicable after the termination, in accordance with clause 34 of the Code.
  4. A Farmer may terminate this Agreement by giving 120 days' notice to the Processor if the Farmer intends to exit the dairy industry.
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### 15. Complaints and Disputes

1. All disputes are subject to the provisions of the Code relating to disputes.
  2. Where a dispute arises out of or in connection with performance of this Agreement both parties, acting in good faith, will use all reasonable endeavours to bring the issue to the attention of the other party in a timely fashion and in any instance not more than 30 days after the event occurs which leads to the dispute.
  3. Notification will include:
    - (a) nature of the complaint
    - (b) that the aggrieved party wishes to resolve the dispute in accordance with this Agreement
    - (c) desired resolution.
  4. The party receiving the complaint will in writing notify the other party that they have received the complaint within five days and articulate steps intended to resolve the dispute.
  5. Any complaints arising under this Agreement must, in the case of the Processor, in the first instance be referred to the Processor's Internal Complaints Handling Officer for resolution under the Processor's complaint handling procedure set out in Annexure 2.
  6. Where a notification of a dispute is made to the other party to this Agreement both parties will act, in good faith, to resolve the dispute.
  7. If after attempting to resolve the dispute, and in any instance not before the elapse of 60 days after notification, the parties are not reconciled, both parties agree to subordinate themselves to a mediation process as articulated in the Code.
  8.  (*tick if it applies*) Any disputes arising under or in any way resulting from this Agreement which cannot be resolved in mediation under clause 15(7) shall be referred to arbitration conducted.
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9. The costs of a mediation and/or arbitration will be borne by each party equally, unless otherwise agreed. If a party seeks legal representation in the mediation/arbitration process, such legal costs will be borne by that party.
  10. Nothing in this dispute resolution procedure will prevent a party seeking an injunction.
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**16. Contact details for notices, disputes, variations and rejections**

The details of the primary contact people for the Processor and Farmer are:

Farmer's contact name:  
Telephone:  
Mobile:  
Facsimile:  
Email:

Processor's contact name: Fabio Portella  
Phone: (03) 9464 2600  
Mobile: 0409 219 815  
Facsimile:  
Email: [fportella@floridiacheese.com.au](mailto:fportella@floridiacheese.com.au)

Processor's contact name: James Mitchell  
Phone: (03) 9464 2600  
Mobile: 0403 298 904  
Facsimile:  
Email: [jmitchell@floridiacheese.com.au](mailto:jmitchell@floridiacheese.com.au)

For Processor's Internal Complaints Handling

Officer name: Gerard Devion  
Telephone: (03) 9464 2600  
Mobile: 0408 455 754  
Facsimile:  
Email: [ga@floridiacheese.com.au](mailto:ga@floridiacheese.com.au)

These individuals may be contacted, by telephone, mobile, text, facsimile, email, or any other mode of communication contemplated this clause, in the event of a contract notice, variation, dispute or rejection of milk by the Processor or Farmer.

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**17. Guarantees & Warranties**

1. The Processor guarantees the testing procedure used to test milk samples.
2. The Processor guarantees accuracy of volumetric measuring of milk collected.
3. The Processor guarantees cleanliness of all equipment upon taking ownership of the milk.
4. Both the Processor and Farmer warrant that they are possessed of all necessary authorisations, licences, approvals and permits for the conduct of their respective businesses.
5. If a party becomes aware of a wilful breach, false or misleading representation in relation to any warranty under this agreement, they will inform the other party.
6. Both parties respectively warrant that at the date of signing the agreement each party has the power to lawfully execute the agreement and all necessary actions have been taken to authorise the execution of the agreement.

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**18. Indemnities**

1. To the maximum extent permitted by law the Farmer will not be liable to the Processor should the Farmer fail to provide the required volume of milk during the operational period of this Agreement.
2. Excepting those warranties imposed by statute and this Agreement, the parties exclude all express or implied warranties or representations regarding the milk supplied.
3. The Farmer is not liable to the Processor for any losses of savings or profits incurred by the Processor arising out of the execution of this agreement.
4. The Processor indemnifies the Farmer from any unlawful or improper conduct of the Processor or Processor's employees, agents, or representatives.

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**19. Force Majeure**

1. Neither party is liable for a failure to comply with this Agreement or a failure to perform an obligation under this Agreement, except for the payment of money, because that party is unable to perform that function arising out of:
  - (a) an act of God (including an epidemic);
  - (b) natural disaster;
  - (c) an act of terrorism;
  - (d) the outbreak of war;
  - (e) any such other event of such a magnitude as to render reasonable performance impossible.
2. Where possible, the party relying on a force majeure must notify the other party as soon as practicable and in writing of the reliance on the force majeure.

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**20. Confidentiality**

1. The parties must keep confidential and must not disclose or make available directly or indirectly to any third party all Confidential Information unless:
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- (a) the disclosure of the Confidential Information is necessary to comply with any laws or the lawful requirements of any public, statutory, governmental, semi-governmental, local governmental or judicial body entity or authority;
  - (b) at the time of the disclosure, the information was in the public domain; or
  - (c) subsequent to the disclosure, the information becomes part of the public domain (other than because of a breach of this clause).
2. The parties must not use, disclose, or access the Confidential Information for any reason except as is necessary to perform this Agreement.
  3. At the end of the Term or upon earlier termination or completion of this Agreement, the Processor must deliver to the Farmer or as it otherwise directs any Confidential Information in the Processor's possession that is capable of being delivered. The Processor must delete, erase, or otherwise destroy any Confidential Information contained in computer memory, magnetic, optical, laser, electronic, or other media in its possession or control which is not capable of delivery to the Farmer or as it directs.
  4. For the avoidance of doubt, the parties' obligations in sub-clause 20(1) apply to any information disclosed or obtained in dealing with or resolving the complaint or dispute under this Agreement.
  5. For the purpose of this clause **Confidential Information** means the terms of this Agreement and (whether or not in material form and whether disclosed before or after the date of this Agreement) any information of whatever kind relating to a party that is disclosed or becomes known to the other party in the course of their discussions and negotiations regarding or in connection with this Agreement and which:
    - (a) is by its nature confidential;
    - (b) is designated by the party disclosing the information as confidential; or
    - (c) the party receiving the information knows or ought reasonably to know is confidential;but does not include any part of the information that:
    - (d) is generally known to the public at the time of disclosure or becomes generally known to the public through no wrongful act on the part of the party receiving the information;
    - (e) is in the possession of the party receiving the information at the time of disclosure otherwise than as a result of that party's breach of a legal obligation;
    - (f) becomes known to the party receiving the information through disclosure by sources other than the other Party provided that, in so far as is known to that source, it is not prohibited by law or contract from disclosing the information to the party receiving the information;
    - (g) is independently developed by the party receiving the information outside the scope of the relationship with the other party; or
    - (h) is required to be disclosed by court order, subpoena or other law or legal process.

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**21. General and other matters**

1. Without prior and written permission of the other party, neither party will assign this Agreement.
  2. The parties remain independent of each other. Nothing in this agreement may be read down as creating any form of legal relationship beyond a contractual obligation. This contract does not create a partnership, trust arrangement, joint venture, agency, employment relationship or other relationship that is not contractual in nature.
  3. If a party chooses not to demand enforcement of a term of this contract the choice cannot be interpreted as a waiver of the term. An aggrieved party may seek damages or specific performance for breach of this contract.
  4. Subject to compliance with the dispute resolution processes articulated in this contract and the Code, remedies in this Agreement do not exclude remedies available to a party in law or equity.
  5. Expiry or termination of this Agreement does not limit any rights or obligations a party had prior to the expiry or termination.
  6. Clauses which are intended to operate beyond the Term may be relied upon by a party beyond the Term.
  7. Invalidity of a term shall only impact on this Agreement to the extent of the invalidity. Remaining provisions which are capable of execution remain binding on the parties.
  8. The Processor is liable for any stamp duties arising out of this Agreement.
  9. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.
  10. If any clause or part of any clause is in any way unenforceable, invalid, or illegal, it is to be read down to be enforceable, valid, and legal. If this is not possible, the clause (or where possible, the offending part) is to be severed from this Agreement without affecting the enforceability, validity or legality of the remaining clauses (or parts of those clauses) which will continue in full force and effect.
  11. The expiration or termination of this Agreement does not affect any right that has accrued to a party before the expiration or termination date.
  12. Any right or obligation of any party that is expressed to operate or have effect on or after the completion, expiration or termination of this Agreement for any reason, will not merge on the occurrence of that event but will remain in full force and effect.
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**22. Law and Jurisdiction**

This Agreement is governed by the law in force in the state of Victoria, Australia

**23. Interpretation**

1. A reference to this Agreement or another document means this Agreement or that other document and any document which varies, supplements, replaces, assigns, or novates this Agreement or that other document.
2. A reference to legislation or a legislative provision includes any statutory modification or substitution of that legislation or legislative provision and any subordinate legislation issued under that legislation or legislative provision.
3. A reference to a clause, annexure or schedule is a reference to a clause, annexure, or a schedule to or of this Agreement.
4. Clause headings are inserted for convenience only and do not form part of this Agreement.
5. The annexures and schedules form part of this Agreement.
6. A reference to a person includes a natural person, corporation, statutory corporation, partnership, the Crown or any other organisation or legal entity.
7. A reference to a natural person includes their personal representatives, successors and permitted assigns.
8. A reference to a corporation includes its successors and permitted assigns.
9. Related or subsidiary in respect of a corporation has the same meaning given to that term in the Corporations Act.
10. A reference to a right or obligation of a party is a reference to a right or obligation of that party under this Agreement.
11. An obligation or warranty on the part of 2 or more persons binds them jointly and severally and an obligation or warranty in favour of 2 or more persons benefits them jointly and severally.
12. A reference to a breach of warranty includes that warranty not being complete, true, or accurate.

**This Agreement is deemed to be accepted by signature of both parties or upon the Processor's receipt of a written notice of acceptance of the Agreement by the Farmer.**

Signed on behalf of the Farmer \_\_\_\_\_  
(ABN \_\_\_\_\_) by a duly authorised representative:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signed on behalf of the Processor: Florida Cheese  
(ABN 50 098 767 821) by a duly authorised representative:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

*Office use only*

Payment Terms accepted: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Farmer details verified by: \_\_\_\_\_

Entered to systems on: \_\_\_\_/\_\_\_\_/\_\_\_\_

Entered to systems by: \_\_\_\_\_



## Schedule 1

### Item 1: Guaranteed Minimum Price:

Based on **supplying Choice Grade quality milk**, the opening guaranteed monthly minimum prices available (exclusive of GST) are

	2022						2023					
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June
Choice Bfat (\$ per Kg)	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68	\$4.68
Choice Protein (\$ per Kg)	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70	\$11.70

The monthly minimum prices do not include deductions of Fees for service and Industry Fees. If milk supplied under this agreement fails to meet Quality Standards as set out in Annexure 1 Florida will make further deductions from the Monthly Minimum prices.

### Item 2: Available incentives

#### Premium Bonus

An additional payment of 10 cents per kilogram of butter fat and 25 cents per kilogram of protein is available for all milk supplied that is graded as Premium Choice, based on the table in Annexure 1, Point 1.

#### Seasonal Incentive

The following seasonal incentives are available for payment with each month's milk cheque

Month	\$/Kg of Butter Fat	\$/Kg of Protein
July	0.17	0.50
August	0.06	0.15
Sept – December	0.00	0.00
January	0.10	0.25
February	0.24	0.60
March	0.32	0.80
April	0.56	1.40
May	0.64	1.56
June	0.64	1.56

#### Productivity Incentive

The following Productivity Incentives will be paid at the end of the full year's production in association with the payments for July 2023. The payment is for the total of the combined kilograms of protein and butterfat produced for the whole year less that for the months of September, October, and November's production.

Combined total Kgs of protein & butter fat (range)	\$/Kg of Butter Fat	\$/Kg of Protein
12,000 – 18,000	0.01	0.03
18,001 – 27,000	0.02	0.05
27,001 – 33,000	0.03	0.07
33,001 – 38,000	0.05	0.12
38,001 – 43,000	0.06	0.13
43,001 – 48,000	0.065	0.15
48,001 – 56,000	0.075	0.18
56,001 – 66,000	0.08	0.195
Greater than 66,000	0.09	0.21





### **Item 3: Charges and deductions**

The following charges are applicable to the pick up of milk for a supplier's farm and will be deducted from the monthly payments

- Stop Charge \$15 per each stop
- Volume pick up charge 2.8 cents per litre



## Annexure 1: Florida Cheese Quality Standards

All suppliers must comply with the Florida Cheese milk quality standards set out below

### 1. Florida Cheese Milk Quality Standards for raw milk

Florida Cheese assesses and grades milk quality in accordance with Table 1 below

Quality Parameter	Test Frequency	Premium Grade Milk	Choice Grade Milk	Grade 1 Milk	Grade 2 Milk	Basis of quality measure
<b>Bactoscan</b>	At least twice per month	≤80,000	80,001 - 200,000	200,001 - 300,000	> 300,000	Per consignment
<b>BMCC (Monthly Average)</b>	Per consignment	≤ 250,000	250,001- 400,000	400,001- 600,000	>600,000	Monthly (Weighted average)
<b>Thermoturic</b>	At Least twice per month	≤ 2,000	2,001- 5,000	5,001- 10,000	>10,000	Per consignment
<b>Inhibitory substances</b>	At least twice per month	Undetected	1 <sup>st</sup> Detection	2 <sup>nd</sup> Detection	3 <sup>rd</sup> Detection	Monthly
<b>Colostrum</b>	Florida discretion	0.3% or less	-	-	Greater than 0.3%	Per consignment

### 2. Milk quality discounts

Consignments of milk may be tested for Bactoscan, BMCC, Thermoturic or Inhibitory substances. Each of these quality parameters will be individually graded according to their quality test results.

For BMCC the weighted monthly average will be used to grade the milk supplied and the discount applied based on this. For Bactoscan and Thermoturic substances the first three results outside Premium in a testing cycle attract no discount, a discount may be applied for each result outside Premium after the third result.

Florida Cheese's milk pricing is based on the supply of **CHOICE GRADE MILK**. Where milk is not CHOICE GRADE quality, based on the parameters set out in the table above, discounts will be applied. Any milk supplied that is downgraded from Choice to a **Grade 1 or Grade 2** classification will incur a 25% and 50% reduction, respectively, from the base price for protein and butterfat.

The discounts will be cumulative and capped at 50% per consignment.

### 3. Milk rejection

If a supplier's milk is rejected at the point of collection, the Florida Cheese nominated milk pick-up transport will leave a milk rejection sticker attached to the vat outlet to ensure the supplier is notified. From this time, collection from the farm will be suspended until the supplier notifies Florida Cheese the milk has been tipped and the vat has been washed ready for the next collection.



#### **4. Inhibitory substance**

The presence of inhibitory substances in milk and its products can cause severe risks to human health and affect the manufacturing properties of that milk.

Prohibited substances include, but are not limited to, antibiotics and chemical residues.

If a supplier suspects that milk may have been contaminated with antibiotics or other chemicals, they must immediately inform Florida Cheese. The suppliers must then arrange to deliver a vat sample to a designated site for testing and risk assessment. Milk collection will be delayed until the suitability of the milk for collection has been decided. If the milk is not suitable for collection, the milk is to be disposed on on-farm.

#### **5. Sensory Test**

A sensory test will be conducted by the tanker driver on each vat load of milk before pumping commences. Any vat which fails the sensory test (for example contains visible extraneous matter, discolouration or unacceptable odour) will be rejected by the tanker driver. Florida Cheese may conduct further tests on the milk.

#### **6. Temperature**

Milk cooling is a critical component in maintaining milk quality standards. To comply with food safety regulation, dairy farm licence and export market requirements, milk must be cooled to 5°C or less within 3.5 hours of the commencement of milking.

Suppliers must make every effort to ensure effective pre-cooling of milk through the plate cooler. Pre-coolers that deliver milk to the vat above 25°C place that supplier at risk of milk rejection.

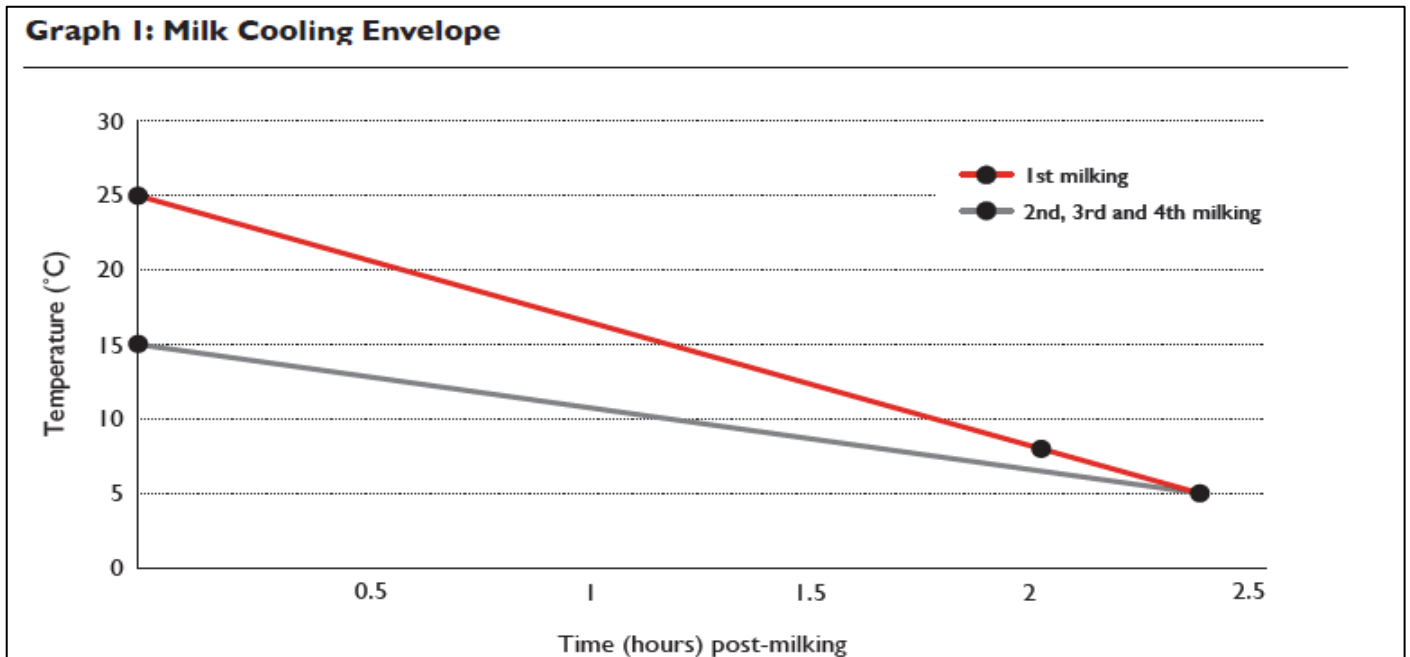
##### **Milk collection temperature**

Milk will be rejected if it is equal to or above 25°C at time of collection, unless by agreement with Florida Cheese management.

To maximise transport efficiencies, milk may be collected soon after milking even though milk may not be cooled to the expected temperature. Where a supplier's milk collection is within 2 hours and 20 minutes from the completion of milking, milk may be pumped into the milk tanker at temperatures above 5°C of milking, subject to Florida Cheese sensory grading and applying the temperature assessment Graph 1 below.



In applying the temperature assessment in Graph 1 below, tanker drivers will use the milking completion time displayed in the supplier's milk room as the basis for calculation. Failure to clearly display accurate milking times may result in the supplier's milk being rejected due to temperature non-conformance.



## 7. Colostrum

Colostrum can interfere with manufacturing processes. Milk from cows and heifers must not enter the vat until at least eight milking's after calving.

Florida Cheese may test for colostrum on a random basis across the year. If colostrum indicators (refer Table 1) are detected in a milk sample, milk quality discounts will apply and Florida may temporarily suspend collection.

Milk that is unsuitable for collection must not be stored in the milk vat, milk room or other milk storage areas and must be clearly labelled.

## 8. Milk Quality Reporting

Milk quality reports will be communicated directly to the suppliers designated contact on an agreed timeframe.



## Annexure 2 : Sampling Procedures

	DOCUMENT CODE: SOP0022.0	
	EFFECTIVE DATE: 21.03.2019	Page 1 of 1
	DOCUMENT TITLE: MILK SAMPLE	

### Purpose

To describe the procedures for the collection and labelling of MILK samples to be delivered to DTS Food Assurance.

Equipment: Sample Container with Yellow or Red cap (Depending on test requested), Standard Label, Sampling bag,

### IMPORTANT NOTE:

**YELLOW** CAP to be used for BUTTERFAT & PROTEIN AND BULK MILK CELL COUNT.

**RED** CAP to be used for BACTOSCAN (BACTERIAL COUNT), THERMODURIC & ANTIBIOTIC

1. Tank driver to put Label on sample container for corresponding Farm.  
Each farm has been allocated a number.
2. Ensure that the LABEL identifies the Farm Number.
3. Record collection Date.
4. Once sample taken put in plastic bag
5. Plastic bag to be labelled FLORIDIA CHEESE with the larger label.

### Label HAS THE FOLLOWING INFORMATION

FLORIDIA CHEESE  
 SAMPLES TO BE REGISTERED IN LABWARE PRE-REG  
 MAS-TESTING  
 DATE:

Red Capped samples are to be sent to DTS LAB as earliest as possible of the Starting period.

Monthly Starting period are Period 1(1<sup>st</sup> to 10<sup>th</sup>) Period 2 (11<sup>th</sup> to 20<sup>th</sup>) Period 3 (21<sup>st</sup> to 31<sup>st</sup>)

\*Please note every 10 days MICRO samples are sent (Red Cap container-Every 10 days Bacto-scan, Antibiotics and Thermodurics)

(YELLOW CAP- Daily Samples-FAT, PROTEIN and BMCC)

(RED CAP- Daily Samples -BACTERIAL COUNT, THERMODURIC & ANTIBIOTIC)

\*Red Cap: To be sent every 10 days as described in above paragraph however the daily request is in the event of adverse results samples will be readily available for re-test.

### NOTE:

STEPS 1 TO 5 are currently done by the driver and left in the lab fridge at Florida Cheese to be sent to DTS the following day.

Please ensure before sending samples away to DTS that the samples have all the required information as stated above.

**SAMPLE READY FOR SUBMISSION.**



### **Annexure 3: Complaint's procedure**

In the initial instance either call or e-mail the Florida Cheese Quality Manager Mr Gerard Devion to discuss the issue. If using e-mail copy James Mitchell (Chief Operating Officer) and Fabio Portella (Production manager). Contact details for Gerard Devion, James Mitchell and Fabio Portella can be found in section 16 of the standard contract above.

The quality Manager will undertake a thorough investigation of the circumstances relating to the complaint and report back to the farmer including recommended actions regarding the issue. This report will also be sent to the production manager.

If this report is acceptable to the farmer and the actions agreed this will complete the matter.

If the report is not acceptable to the farmer, then a meeting, either in person or via telephone will take place with the production manager to review the complaint and determine an acceptable outcome to both parties.

### **Annexure 4: Processor's services**

On Farm HAACP audit paid by Florida Cheese

Milk Pick up from the supplier's farm will be arranged by the FC and deducted from the supplier's monthly payment as per rates set out in Schedule 1 Item 3: Charges and deductions