# Statement of Circumstances

This Statement of Circumstances (“Statement”) is provided pursuant to the Competition and Consumer (Industry Codes—Dairy) Regulations 2019 (the Dairy Code of Conduct). This Statement sets out the circumstances in which Saint David Dairy Pty Ltd (Saint David Dairy) would enter into Saint David Dairy’s standard form milk supply agreement, (MSA) with farmers.

Date: 1 June 2022

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| **Circumstance** | **Description** | **Measure** |
| **Saint David Dairy’s Milk Volume Requirements** | The annual volume of milk required by Saint David Dairy. | Saint David Dairy has adequate milk for its volume requirements. |
| **Geographic Location** | The location from where Saint David Dairy source its milk. | Required – farms to be located in Victoria unless agreed in writing with Saint David Dairy. |
| **Volume of Milk** | The amount of milk the Farmer proposes to sell to Saint David Dairy annually. | Required – Saint David Dairy will agree the volumes of raw milk it requires. |
| **Quality of Milk** | Farmers must demonstrate the ability to supply Milk that meets the Quality Requirements over a 12 month period. | Quality Requirements:  **BMCC** (cells/mL): <250,000  **Total Bacteria Count** (cfu/mL): < 50,000  **Temperature**: Below 5 degrees within  3.5 hours from milking and at all times thereafter.  **Organoleptic**: No issues present  **Inhibitory substances**: None present  **Milk stretching**: No issues present |
| **Quality Control Measures** | Farmers must be able to demonstrate that they have adequate quality control and quality assurance measures in place to meet the Quality Requirements, and to comply with the necessary industry and specific supply standards. | Farmers must meet the Quality Requirements. |
| **Insurance** | Farmer must demonstrate that they have public liability insurance and product liability insurance. | At least $10 million per occurrence. |
| **Farm Standards** | Farmers must demonstrate farm operations comply with an approved food safety program. | Approved food safety program. Farmer’s vats must be compliant with Australian Standard Farm Milking Cooling and Storage Systems (AS1187) |

# Minimum Price Statement

This Minimum Price Statement (“Statement”) is provided pursuant to the Dairy Code of Conduct. Date: 1 June 2022

In setting the prices set out in the MSA, Saint David Dairy has considered the following:

* Meeting Saint David Dairy volume requirements for Milk.
* The quality and components of the Milk supplied by the Farmer
* Consideration of the seasonal fluctuations in Milk production relative to Saint David Dairy’s customer’s demand for Milk.
* Geographic location of the Milk being supplied to Saint David Dairy’s processing plant and the associated transport costs.
* Volume of Milk at each collection.
* The level of demand for Milk in the Farmer’s farming region.
* Availability and proximity of alternate milk sources (e.g. ease with which Saint David Dairy can source Milk from other farming regions).
* The level of consumer demand for Saint David Dairy’s finished products.