

## Prices in the Eighties

This is a list of prices as they increased over the years. These are the average price paid, not specific to any brand or region of the country.

item	1980	1981	1982	1983	1984
postage stamp	0.15	0.18	0.20	0.20	0.20
bread	0.48	0.54	0.60	0.66	0.71
milk	1.60	1.69	1.79	1.89	1.94
gas	1.03	1.13	1.19	1.25	1.27
car	\$5,413.00	\$5,743.00	\$5,967.00	\$6,116.00	\$6,294.00
income	\$11,321.00	\$11,661.00	\$11,894.00	\$12,133.00	\$12,497.00
house	\$86,159.00	\$96,240.00	\$103,073.00	\$105,444.00	\$110,610.00

item	1985	1986	1987	1988	1989	1995
postage stamp	0.22	0.22	0.22	0.25	0.25	0.30
bread	0.74	1.02	1.28	1.28	1.29	1.62
milk	1.98	1.92	1.98	2.00	2.14	2.41
gas	1.24	1.22	1.07	1.07	1.08	1.11
car	\$6,495.00	\$6,768.00	\$7,012.00	\$7,222.00	\$8,243.00	\$13,600.00
income	\$12,747.00	\$13,129.00	\$13,523.00	\$13,929.00	\$14,347.00	???
house	\$116,805.00	\$123,229.00	\$121,021.00	\$123,182.00	\$124,348.00	\$119,250.00

In consideration of Warrnambool Cheese and Butter Factory Company Holdings Limited ("WCBF") agreeing to purchase milk from the Supplier and the Supplier agreeing to sell WCBF milk, the parties hereto agree to enter into this agreement upon the following terms and conditions:

1. The initial term of this agreement shall commence on 3-5-16 and shall terminate on 30 June 2019, unless extended by mutual written agreement of the parties. The initial term and all extensions, if any, shall constitute the "term" of this agreement, subject to earlier termination as provided herein.
2. During the term of this agreement, the Supplier agrees to supply all milk exclusively to WCBF.
3. The parties agree that WCBF's Milk Supply Handbook, as amended from time to time in WCBF's sole discretion, a copy of which is available at [www.wcbf.com.au](http://www.wcbf.com.au), forms an integral part of this agreement as if herein recited at length in full. The Supplier hereby acknowledges WCBF's Animal Welfare Policy, a copy of which is available at [www.saputo.com/animalwelfare/policy](http://www.saputo.com/animalwelfare/policy), forms an integral part of its Milk Supply Handbook.
4. In addition to any other rights and recourses available herein, (i) if the Supplier fails to supply all milk exclusively to WCBF throughout the term, (ii) if the Supplier terminates this agreement prior to the expiration of the initial term, or (iii) if the Supplier ceases to supply milk to WCBF during the term, the amount that will become immediately due and payable to WCBF will be determined in accordance with the table below where the "annualised litres" shall be based on the previous twelve (12) months of milk production or based on a reasonable forecast as determined by WCBF:

	A	B	= A x B
If supply ceases prior to:-	Annualised Litres	Penalty Rate	Amount Payable
30 June 2017	2,600,000	\$0.06 cpl	\$156,000
30 June 2018	"	\$0.04 cpl	\$104,000
30 June 2019	"	\$0.02 cpl	\$52,000

- (a) Where the Supplier ceases to operate, retires or sells the farm, WCBF will have sole discretion as to whether the penalty calculated in (4) above, or any portion thereof, is due and payable to WCBF.

5. The Supplier hereby authorises WCBF to set off any balance due to WCBF under this agreement from any amounts owing by WCBF to the Supplier including, without limitation, the monthly milk proceeds.
6. In case of a force majeure event, neither party shall be held liable for non-performance of this agreement provided each party employs their best efforts to resolve the circumstances which cause the non-performance as quickly as possible. If the non-performance continues beyond a reasonable period of three (3) months, the agreement may be terminated by either party.
7. In addition to any other rights and recourses available to either party under this agreement, in the event a party breaches this agreement, the non-breaching party shall have the right to terminate this agreement upon thirty (30) days prior written notice to the breaching party, unless the breach or non-compliance is cured to the satisfaction of the non-breaching party within the thirty (30) days period following the aforementioned notice.
8. Supplier hereby represents that the entry into this agreement will not cause Supplier to breach any other contractual obligation that it has to a third party and Supplier has not breached any such contractual obligation because WCBF offered to enter into this agreement.
9. Supplier will indemnify and keep WCBF (and its affiliated entities, respective directors, officers, employees, agents and other representatives) harmless from and against any breach by Supplier of its obligations under the agreement or the negligence of Supplier or any of its employees and other agents.
10. Nothing contained in this agreement shall operate to merge, extinguish, postpone, lessen or otherwise prejudice any other obligation from time to time binding the Supplier in favour of WCBF.
11. This agreement and the rights and obligations of the parties shall be construed and take effect in accordance with and be governed by the laws of the State of Victoria and each party expressly submits to the exclusive jurisdiction in the courts of that state, and of all courts competent to hear appeals from those courts.
12. No variation, modification, waiver or amendment of any provision of this agreement nor consent to any departure by any party to this agreement is effective unless it is confirmed in writing and signed by the parties and then is effective only to the extent specified.
13. The provisions of this agreement shall enure for the benefit of and be binding upon the parties and upon their respective successors and assigns.
14. This agreement, including any exhibits and schedules, the WCBF Milk Supply Handbook and the WCBF's Privacy Policy, constitute the final agreement between the parties relating to the matters contained in this agreement and is the complete and exclusive expression of the parties' agreement on such matters. All prior and contemporaneous negotiations and agreements between the parties on matters contained in this agreement, whether oral or written, are expressly merged into and superseded by this agreement.

## **50 CENT LEVY**

To be paid by the consumer at the cash register and paid to Dairy Australia.

This is then distributed back to every Australian dairy farmer on a per litre basis. This equates to 12-14c/litre

Each farmer now, receives between 24-34c/litre. The cost of production in the southern states is around 42c/litre, this would bring a majority of farmers back to break even.

When milk solids reach \$5.30/kilogram Dairy Australia would cease payment to dairy farmers but would continue to collect the levy. At the moment, Dairy Australia collects about \$35million from dairy farmer levies.

When these levies are collected from the point of sale and reach \$70million this would be equivalent to 2 years of dairy farmer contribution. Dairy Australia would cease collecting the levy from dairy farmers.

The excess money would then be pooled and used to fund low interest loans to help farmers to purchase their first farm.

## **ADVANTAGES**

1. Puts floor in milk price paid to farmers (ie \$5.30 milk solids)
2. Brings back confidence into the industry
3. Brings dairy food security to our nation
4. Brings guaranteed supply and growth our processors
5. Provides a career path to our young farmers that is currently being stripped away
6. Provides guaranteed funding to dairy Australian
7. This is the industry funding itself providing growth and stability in an industry that has none

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## **DAIRY AUSTRALIA LEVY**

### **HOW THEY RECEIVE THEIR FUNDING:**

Australian dairy farmers pay a levy to Dairy Australia on a percentage per litre basis

Dairy Australia knows how many litres each farm produces per month.

The Government then matches this money on a dollar for dollar basis

### **WHY \$5.30 MILK SOLIDS:**

This is the average price paid to dairy farmers over the past 5 years