

Hi,

It's April and it's around this time of year that the annual things start to happen on farm. Looking for the break, grass seed in the ground, starting to calve or at least preparing for it and the old chestnut, what is the price going to be next season?

Last year we saw the introduction of the mandatory code. There were a few bumps in the road, but overall as farmers we had a clear view on the 1st of June what the price would be for the next season.

When the dust settled in July, the Suppliers' Council approached Matt and asked for a review into the way Fonterra set milk price in Australia. To their credit they not only agreed to the request, but incorporated it into a much wider review. Your Suppliers' Council have been included in four main pillars of work with the Fonterra Australia management teams. Together we have been working on how Fonterra communicates with us, the service offering that the Farm Source team provides, a focus on profitable, sustainable farming and of course the milk price structure review.

These working groups have been working right through COVID-19 and have put in a lot of work to get them ready for the season. Thanks to our team members for their input.

Farmers have been telling us for quite some time they want a pricing structure that allows them to farm the way they want to farm and to get cash out to them as early as possible. The pricing working group has put in a lot of work on the pricing construct and Fonterra will be ready to share these with you in the next few weeks via Watt Matters, on the website and in upcoming supplier meetings. There was some to-and-fro in discussions, we didn't get all we asked for, although likewise we were able to push back on some Fonterra points, and I think we have struck a pretty good balance.

I encourage you to keep across these changes, attend your local supplier meeting and ask questions if you have any. From your Suppliers' Council's point of view, we would welcome any comments to anyone on the Council. After all, we are farmers like you and we want to represent your best interests.

We have had two quite remarkable seasons in most areas and, not wanting to be greedy, here's hoping that we can string three in a row! I look forward to catching up with you at the upcoming supplier meetings and getting a good look around all regions.

Kind regards

John Dalton
Chair – Fonterra Australia Suppliers' Council