

## NOTE FROM JOHN DALTON TO FARMERS

Dear Supplier,

Well Christmas and the new year have come and gone and we find ourselves back into the season where the early calvers are into it, pasture renos are on the go and we start to set up our year.

I was at the Sungold Field Days recently and spoke to a number of you. It was great to chat and to have the opportunity to unveil our new branding. I hope many of you will get the chance to meet with some of our Fonterra Australia Suppliers' Council (FASC) team at Farm World at Lardner park at the end of the month (on the assumption this goes ahead).

Coronavirus is now also on everyone's mind, and as you will have seen, the Federal Government has just announced a \$17.6 billion stimulus package to stave off a recession. These are uncertain times and we must all look after ourselves. There are many contingency plans now being put in place – at all levels of government and also at companies such as Fonterra. We will simply now need to wait and see how things play out.

From the Suppliers' Council, we have been working with Fonterra on aspects of the pricing structure for next season. To their credit, I approached Matt in July last year saying that Fonterra needed to be on the front foot for the next season and work started shortly thereafter. All suppliers will see this work over the coming months.

The Australian Dairy Plan is now up for discussion. There are a number of opinions being aired, and these and the process itself will take some time to work through. I would encourage you to at least have a quick look. You can read it [here](#).

The other subject is the Mandatory Dairy Code. This is the important one to address in the short term, as it will affect all of us from July 1. There will also be a number of changes required in the lead up to this date, for example the need to have signed contracts in place before milk collection can start.

I know Fonterra have people working on understanding exactly what it means, including the unintended consequences that come from it. We are working with Fonterra and independently to understand exactly what farmers must do, and we will be communicating what these changes mean for you as we head into the new season.

For example, in early April together with Fonterra (and again subject to directives related to Corona Virus) we will hold small area supplier meetings to review pricing structures for next season and to let you know in person what the Mandatory Code means to us as farmers and to Fonterra as a processor.

I can't stress enough how important this is and that you endeavour to make these supplier meetings. Before you head along, I encourage you to get familiar with the Code so you can come prepared with questions – you can read it [here](#).

We are hoping to have our first information bulletin / newsletter out in April and this will also contain some initial information on the actions required by us.

I know some areas that have been doing it tough with the dry have had some incredible rains recently, so I hope you, like the rest of us, have a kind season.

Thanks  
John