

July 3, 2023

Dear DFMC Supplier,

**NSW – MID-NORTH COAST & HUNTER VALLEY MINIMUM PRICE FOR 2023/24**

We are pleased to announce an average milk price for the 2023/2024 financial year of **\$12.00** per kg milk solids, or **88.1cpl** for our NSW Mid-North Coast & Hunter Valley suppliers.

We are also pleased to inform you that we have made improvements to the payment system in our 2023/2024 Milk Supply Agreement for the region:

1. we will now apply the full quality bonus of 2.0 cpl for up to 4 demerit points per month.
2. We have introduced a Contract Incentive for 2- or 3-year contracts. 1 cent per litre will be paid from July to December and 3 cents per litre will be paid from January to June.

Details of these initiatives are in the contracts at [www.dfmc.org.au](http://www.dfmc.org.au)

Our estimated average milk price per kilogram of milk solids is calculated by:

- Estimating the total milk that we expect to collect from suppliers in the region, in the 2023/2024 financial year based on the last 12 months' production profile of those suppliers.
- Estimating the total amount payable for that milk using our 2023/2024 monthly minimum prices plus the incentives we would expect to pay based on past production of these and
- Dividing our estimate of the total amount payable by the milk solids we expect to collect to arrive at a weighted average.

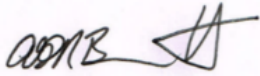
Our estimated average milk price per litre is calculated the same way except that we divide the total amount we expect to pay for milk by the total litres of milk we expect to collect to generate a weighted average price per litre.

Individual farm Income Estimates will be provided to all members, and tailored estimates can be provided for suppliers anticipating producing increased volumes of milk over the prior year.

If you have any questions or concerns regarding the options available to you, please contact:

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|---------------------------|-------------------|--------------|--|
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Yours Sincerely on behalf of the DFMC Board



Andrew Burnett  
Chairman