

June 2, 2023

## SOUTH-EAST QUEENSLAND MINIMUM PRICE FOR 2023/24

Dear Member,

We are pleased to announce an average milk price for the 2023/2024 financial year of **\$12.10** per kg milk solids, or **90.4cpl** for our South-East Queensland suppliers.

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

1. we will now apply the full quality bonus of 2.5cpl for up to 4 demerit points per month.
2. we have increased the rates that are used to calculate the growth incentive.
3. 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 South-East Queensland 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.

As all DFMC suppliers have different production profiles, they may receive a price higher or lower than our estimated average milk price. To illustrate, the range is \$1.48/kgMS (from \$12.33/kgMS to \$10.85/kgMS). Therefore, this price is for guidance only. We encourage you to contact Regional Manager Damien Tessmann to provide you with an income estimate in the coming days, reflecting your production profile.

Please do not hesitate to contact Damien, Executive Officer Mark Kebbell or me directly if you require any further information or assistance.

Yours sincerely,



Andrew Burnett  
Chairman

Dairy Farmers Milk Co-operative