

NORCO STATEMENT OF CIRCUMSTANCES
Short-Term Non-Exclusive Milk Supply Agreement
1st July 2021 to 30th June 2022

Competition and Consumer (Industry Codes – Dairy) Regulations 2019 (Dairy Code)

This statement of circumstances sets out the circumstances in which Norco would enter into a standard form milk supply agreement with a farmer supplier.

Circumstance	Acceptable Criteria
1. Co-operative membership	Norco is a co-operative and will only enter into a standard form milk supply agreement with a farmer supplier who is a member of the co-operative. Milk supply agreements identify the farm on which milk is produced. Accordingly, if an existing supplier acquires another farm, Norco will undertake a separate assessment of milk supply from that other farm and, subject to this assessment, a separate milk supply agreement would need to be entered into in relation to supply from that farm.
2. Volume to be procured	The annual volume of milk required by Norco is 200m litres. Based on supply volumes in the financial year commencing 1 July 2020, Norco has entered into sufficient milk supply agreements to satisfy its requirement for milk.
3. Pick-up regions	It is desirable that your farm(s) is located within a 200km radius, of the most direct tanker accessible route, from a Norco factory or associated processing facility of Norco's determination (applicable to new suppliers and existing members requesting to relocate their point of collection).
4. Spring to autumn ratio	Norco's preference is to receive milk from new suppliers with a flat annual supply profile. Norco may not enter into a milk supply agreement with non-members where the aggregate of the supply of milk during September, October and November is, has, or is planned to be greater than 1.20 times the aggregate of the milk supplied in March, April and May.
5. Minimum pick-up volume	Sufficient production capacity and efficiency for a fresh milk collection of no less than 500 litres.
6. Agreement type	Short-term non-exclusive milk supply agreement where the supplier agrees to supply the agreed volume of milk each month for collection by Norco. Any monthly volumes above the agreed volume may be sold by the supplier to another processor.
7. Supply Period	1 July 2021 to 30 June 2022.
8. Non-negotiable Milk Supply Agreement	Norco will not enter into individual negotiations concerning the standard form milk supply agreements with individual suppliers.
9. Norco Suppliers' Information Manual	Historic compliance with all requirements applicable to milk suppliers in the Norco Suppliers' Information Manual, including quality standards, quality assurance, farm access requirements and farm safety requirements.
10. Regulatory compliance	Farmer supplier must hold a current Dairy Food Safety Licence and comply with all regulatory requirements relating to the production of milk, including milk quality, environmental and effluent management and animal welfare.