

RIVERINA FRESH MILK SUPPLY HANDBOOK

This Handbook contains additional requirements for milk supply to Riverina Fresh from 1 July 2026



Contents

Welcome	1
1. Introduction to Riverina Fresh	2
1.1 Background	2
2. Milk Supply Handbook.....	3
2.1 Handbook Scope	3
2.2 Definitions	3
3. Milk Supply Arrangements	4
3.1 The Riverina Fresh – Supplier Relationship	4
3.2 Supplier Services	4
3.3 Ownership and Responsibility for Milk	5
3.4 Transferring Supply	5
3.5 Milk Quality Regulations.....	6
3.6 Food Safety and Quality Assurance Program - Riverina Fresh’s Total Farm Food Safety Program	6
3.7 On-Farm Audits	7
3.8 Requirements for Milk Supply	7
4. Milk Quality and Testing.....	8
4.1 Milk Quality Requirements	8
4.2 Rejected Milk and Disposal	8
4.3 Milk Quality Tests.....	9
4.4 The Australian Milk Residue Analysis (AMRA) Survey.....	9
4.5 Quality Points System	10
4.6 Quality Deductions	11
4.7 Riverina Fresh Milk Quality Testing Regime.....	11
5. Farm Requirements for Milk Collection	20
5.1 General Requirements	20
5.2 Collection Arrangements	21
5.3 Time And Frequency Of Collection.....	21
5.4 Special Collection Requests.....	21
5.5 Suspension Of Collection.....	21
5.6 Access To Property	22
5.7 Tanker Access	22
5.8 Safety	24
6. Milk Storage and Refrigeration	25
6.1 Storage And Refrigeration Operations	25
6.2 Storage Of Colostrum	25
7. Sustainability and Environment	26
7.1 Environmental Management and Regulation	26
7.2 Dairy Effluent Management	26
7.3 Waterway Protection And Riparian Planting	26
8. Animal Health and Welfare	27
8.1 Industry Standards.....	27

8.2	Riverina Fresh’s Animal Health & Welfare Plan	28
8.3	Animal Welfare Concerns	28
8.4	Enzootic Bovine Leucosis	29
8.5	Bovine Johne’s Disease	29
8.6	Cloned Animals	30
8.7	Euthanasia	30
8.8	Use Of Antibiotics	30
8.9	Recombiant Bovine Somatotropin (rBST)	30
9.	Pricing and Payments	31
9.1	Milk Pricing	31
9.2	Milk Price and Changes	32
9.3	Base Price Calculation Process	32
9.4	Milk Payments	32
9.5	Production Payment	32
9.6	Quality Incentives	33
9.7	Quality Deductions	34
9.8	Milk Growth Incentive.....	34
9.9	Statutory Levies	36
10.	Additional Benefits	37
10.1	Supplier Advances	37
10.2	Herd Testing Incentive.....	37
10.3	Milk Cooling Equipment Purchase Incentive.....	38
11.	Administration	40
11.1	Instructions To Supplier	40
11.2	Records.....	40
11.3	Your Privacy.....	40
11.4	Riverina Fresh’s Confidential Information	41
11.5	No Obstruction	41
11.6	Disputes.....	41
	Milk Transport Contractor Contact Details	42

Welcome

Welcome to the Riverina Fresh Milk Supply Handbook.

This handbook outlines the operational requirements for dairy farmers supplying raw milk to Riverina Fresh. It should be read in conjunction with your Milk Supply Agreement.

At Riverina Fresh, our goal is to help our suppliers run profitable, sustainable farming businesses that are well equipped to manage through volatility. We seek to do this by supporting you with innovative, industry-leading services and including you as an integral part of our business.

At Riverina Fresh, we are committed to partnering with you, so you can build your farm business as an asset for the future and working with you to develop the right tools to manage your business.

Part of this commitment includes our pricing model which is outlined in detail in Section 9 of this Handbook. We believe our system will support you and assist you to make the right decisions for your farming business.

Our business starts with, and is dependent on, your consistently high-quality milk at the farm gate, and this handbook details our requirements of suppliers in terms of safety, hygiene and quality.

We encourage you to read through and understand the contents of this handbook and to contact us if you have any questions or need support.

If you require further information or assistance, please contact our Milk Supply Manager or senior management at Head Office on 1800 993 081. Thank you for choosing to partner with Riverina Fresh. We look forward to working closely with you on your farm.

A handwritten signature in black ink, appearing to read 'C. Shapiro', with a long horizontal flourish extending to the right.

Craig Shapiro
Executive Chairman & CEO

1. Introduction to Riverina Fresh

1.1 Background

Riverina Fresh Pty Ltd is a 100 per cent Australian owned, independent dairy manufacturer and foodservice distributor based in Wagga Wagga NSW. Riverina Fresh has been producing dairy products in the Riverina since 1922 and has earned a reputation for its high quality, award winning milk and other dairy products, sourced from a dedicated group of dairy farms in the Riverina region and surrounds.

Riverina Fresh dairy products are supplied across New South Wales, the ACT and Victoria. Our products can be found in leading retailers, as well as specialist foodservice channels. Riverina Fresh milk is an award winning drinking milk and has developed a reputation as Australia's leading coffee milk and is highly regarded by specialist coffee roasters and baristas. For further information about Riverina Fresh please visit our website at www.riverinafresh.com.au.

More information about Riverina Fresh is also available via our Facebook page, <https://www.facebook.com/riverinafresh>, or our Instagram page: <https://www.instagram.com/riverinafresh/>.

2. Milk Supply Handbook

2.1 Handbook Scope

This handbook:

- Details the requirements of milk supply for dairy farmers supplying raw milk to Riverina Fresh;
- Is binding on both Riverina Fresh and suppliers as it forms part of your Milk Supply Agreement;
- Will apply for any Milk Supply Agreement entered into whilst this is our up to date handbook, which we can only amend in relation to an existing Milk Supply Agreement with your consent; and
- The terms of your Milk Supply Agreement with Riverina Fresh take precedence over the terms of this handbook.

2.2 Definitions

- “Milk Supply Manager” is the key point of contact for the supplier’s relationship with Riverina Fresh.
- A reference to any Act, Regulation, specification, criteria, or any other document, includes any modification or replacement of it.
- “contract period” means the term (duration) of your Milk Supply Agreement.
- “Dairy Industry Code” means the Competition and Consumer (Industry Codes-Dairy) Regulations 2019.
- “Farm” means an area of land which Riverina Fresh treats as a single farm business, and may include proximate, neighbouring, or adjoining blocks of land, whether physically connected or not, and whether on separate legal title or not.
- “Milk” and “Cow’s Milk” means whole milk, cream and any other component or classification of a mammary secretion of a cow (excluding colostrum), as may be specified by Riverina Fresh.
- “Milk Supply Agreement” means the milk supply agreement that you have signed with Riverina Fresh.
- “Milk transport contractor” means the company contracted by Riverina Fresh to collect milk from a supplier’s farms.
- “Price Schedule” means the schedule to your Milk Supply Agreement that details pricing information, including minimum price.
- “Riverina Fresh’s Animal Health and Welfare Plan” (part of the Total Farm Dairy Diary) means the objectives, minimum requirements, guidelines and record templates prepared by Riverina Fresh that a farm can implement in order to meet Riverina Fresh’s requirements, relevant laws, regulations, industry guidelines and animal welfare codes of practice.
- “Riverina Fresh” means Riverina Fresh Pty Ltd (ABN 45 614 298 314).
- “Riverina Fresh’s Total Farm Food Safety Program” (part of the Total Farm Dairy Diary) means the objectives, minimum requirements, guidelines and record templates prepared by Riverina Fresh that a farm can implement in order to meet the licence obligations of their State Dairy Regulatory Authority and meet requirements under the FSANZ Food Standards Code Standard 4.2.4, to have an approved Food Safety Program in place. As at the date of this handbook, Riverina Fresh’s Total Farm Program has been supported by the State dairy regulatory authorities in New South Wales or Victoria for use on farm as the suppliers’ food safety program.
- “Season” means the 12-month period commencing each 1 July.
- “Supplier” means all farmers/farm businesses supplying milk to Riverina Fresh.

3. Milk Supply Arrangements

Riverina Fresh collects milk from its suppliers and delivers it to Riverina Fresh's manufacturing site in Wagga Wagga. By meeting the following supply and collection requirements, suppliers contribute to Riverina Fresh's ability to maintain high quality products and ingredients, help Riverina Fresh minimise costs and assist in maximising returns to suppliers.

3.1 The Riverina Fresh – Supplier Relationship

Riverina Fresh insists on honesty, integrity, and fairness in all aspects of its business and expects supplier relationships to be based on mutual respect and dignity, and to promote a safe and positive working environment for all.

With that in mind, Riverina Fresh does not tolerate behaviour from either a supplier or Riverina Fresh's employees which constitutes intimidation, harassment, or behaviour which is offensive or abusive.

Should a supplier exhibit behaviour towards a Riverina Fresh employee, representative or contractor which constitutes a real risk of, or contributes to, injury, unreasonable stress or unsafe practices or conditions, Riverina Fresh reserves the right to suspend or cancel some or all of its agreements, contracts or supply arrangements with the supplier.

Similarly, Riverina Fresh's policies prohibit its employees from exhibiting behaviour towards a supplier which contributes to injury, unreasonable stress or unsafe, unethical or illegal practices or conditions.

More information about Riverina Fresh's expectations for working together can be sought from the Milk Supply Manager. If a supplier would like to express any concerns about the behaviour of a Riverina Fresh employee or register a complaint against a Riverina Fresh employee, please contact the Milk Supply Manager or the Chief Executive Officer of Riverina Fresh.

3.2 Supplier Services

Milk is the critical ingredient in Riverina Fresh's manufacturing business and Riverina Fresh places priority on receiving a regular supply of high-quality milk. We seek to establish long-standing and successful business relationships with suppliers and to this end, we have in place several support services and points of interaction with suppliers. The key contact point for this support is the Milk Supply Manager.

The role of the Milk Supply Manager is to assist suppliers by providing or sourcing relevant financial, farm management, quality assurance and logistical information needed to conduct business successfully with Riverina Fresh.

Milk Supply Services

The Milk Supply Manager assists suppliers with enquiries about their business with Riverina Fresh, in particular:

- Milk pay;
- Quality results;
- Changing banking and mailing details;
- Transport issues and breakdowns;
- Farm budgets and income estimates;
- General information about Riverina Fresh.

Contact the Milk Supply Manager for these or any other enquiry you might have. Alternatively, you can contact Head Office on 1800 993 081.

Communications

Riverina Fresh communicates directly with suppliers through a variety of mechanisms, including:

- Telephone calls;
- Email updates;
- Websites – the Riverina Fresh website (www.riverinafresh.com.au)
- MadCap – a specialised software platform for suppliers (available via the website <https://riverina-fresh.conectgroup.co.nz> / and the *Madcap - Producer* smart phone application);
- Regional supplier meetings and other local supplier activities;
- Farm visits by Milk Supply Manager and/or senior management or owners;
- SMS; and
- Direct mail.

3.3 Ownership and Responsibility for Milk

The supplier owns and is responsible for all milk until the milk enters the pumping system of a Riverina Fresh contracted milk tanker. Up to this point, the supplier is responsible for milk quality and any defect in the milk that was present at the time. This applies even if Riverina Fresh detects the defect through analysis and evaluation conducted after collection.

Riverina Fresh owns the milk from the point it enters the pumping system of the milk tanker and becomes responsible for any changes to milk quality from that point.

3.4 Transferring Supply

If, without the prior written consent of Riverina Fresh (which Riverina Fresh may withhold in its absolute discretion), the whole or any part of the Farm or the Supplier's Milk supply operation under the Milk Supply Agreement is assigned, sold, leased, transferred, subcontracted or otherwise disposed of, including by way of a change in the ownership or ownership structure, Riverina Fresh may terminate the Milk Supply Agreement with immediate effect by giving notice in writing to the Supplier, provided that such transfer involves a material breach of the Milk Supply Agreement by the Supplier.

3.5 Milk Quality Regulations

Each supplier must ensure that all applicable laws and regulations are complied with whilst they supply milk to Riverina Fresh.

All dairy businesses operating in Australia are required to have a current dairy licence. Each licensee is required to have an approved food safety program in place, which will be audited on a regular basis.

Depending on whether they are located in New South Wales or Victoria, suppliers must comply with a range of regulations and standards relating to food safety, including:

- Food Act 2003 (NSW);
- NSW Food Regulation 2025;
- Dairy Act 2000 (VIC);
- Food Act 1984 (Victoria);
- Export Control Act 2020 and Export Control (Milk and Milk Products) Rules 2021;
- Agricultural and Veterinary Chemicals (Control of Use) Regulations 2017 (Victoria) & Agriculture and Veterinary Chemicals (New South Wales) Act 1994;
- Food Standards Australia and New Zealand Standard 4.2.4 Primary Production and Processing Standard for Dairy Products (Australia only); and
- Australia New Zealand Dairy Authorities' Committee (ANZDAC) Guidelines for Food Safety: Dairy Farms January 2006.

3.6 Food Safety and Quality Assurance Program - Riverina Fresh's Total Farm Food Safety Program

To meet the conditions of their licence to operate as dairy farmers, all Australian dairy farms are required to have an approved food safety program. Riverina Fresh supports suppliers in meeting this regulatory requirement by providing the Riverina Fresh Total Farm Food Safety Program template (as part of the Total Farm Dairy Diary).

Riverina Fresh's Total Farm Food Safety Program aims to add value to a supplier's farm management system and demonstrate to Riverina Fresh's customers and government regulators that on-farm risks are managed effectively by suppliers.

Riverina Fresh's Total Farm Food Safety Program sets out the minimum requirements that a supplier must meet for on-farm food safety, hygiene and dairy conditions to meet regulatory requirements and industry standards.

It outlines potential risks and provides options and information for controlling those risks and is approved by the State dairy regulatory authorities in Victoria or New South Wales.

This program is provided to suppliers in the Total Farm Dairy Diary. More information about the program can be obtained from Riverina Fresh's Milk Supply Manager.

3.7 On-Farm Audits

To ensure compliance with relevant State dairy regulations, Riverina Fresh's personnel, representatives or agents, or state authorities, will conduct an audit of the supplier's farm or dairy premises. Currently, audits are conducted in NSW and Victoria at least every 24 months or more frequently, dependent on the rating received at the last audit.

3.8 Requirements for Milk Supply

As a Riverina Fresh supplier, you must:

- Be licensed by the NSW Food Authority or Dairy Food Safety Victoria and meet all conditions as described in the licence and the relevant legislation;
- Store in your vat only milk which has been produced on your farm;
- Supply Riverina Fresh with all the milk agreed in your Milk Supply Agreement;
- Ensure your milk is available for collection at the farm where the milk was produced and as listed in your arrangements with Riverina Fresh;
- Ensure all milk is continually agitated and refrigerated (refer to section 6.1); and
- Meet the requirements outlined in this handbook.

After the first three collections for the season, Riverina Fresh will not collect milk volumes less than 2000 litres, unless otherwise agreed.

A supplier should contact Riverina Fresh when their milk volume decreases to below 2000 litres per day throughout the contract period.

4. Milk Quality and Testing

Suppliers play a critical role in the quality of the final dairy products manufactured by Riverina Fresh. Riverina Fresh sets standards for milk quality and has a testing regime in place to ensure suppliers meet these standards. Riverina Fresh rewards suppliers who achieve excellence in milk quality in a range of ways.

4.1 Milk Quality Requirements

As a supplier, you are responsible for the quality of the milk you supply to Riverina Fresh. As such, you must:

- Comply with all relevant government legislation, regulations and any other applicable laws;
- Comply with Riverina Fresh's Total Farm Food Safety Program (or an alternative approved Food Safety Program);
- Ensure the milk you supply meets the quality standards detailed in Section 4.7 of this handbook;
- Ensure appropriate corrective action is taken to address any instance where milk supplied to Riverina Fresh does not meet the quality standards set out in Section 4.7 of this handbook;
- Follow, and keep written records of your adherence to, systems and procedures that ensure your milk is not affected or contaminated by micro-organisms, inhibitory substances, chemicals, water, blood, sediment, disease or foreign matter (e.g. glass, residues, toxins, flies or anything else that might taint your milk in any way); and
- Notify Riverina Fresh's Milk Supply Manager immediately if you suspect there may be an issue with the quality of your milk.

4.2 Rejected Milk and Disposal

Where milk is rejected by Riverina Fresh, payment may not be made for the affected milk.

Riverina Fresh may decide to reject a consignment of milk from a supplier in any of the following situations:

- If in the reasonable opinion of the tanker driver (e.g. sensory test), the milk is contaminated, soured or otherwise unfit for human consumption;
- If a sample of the milk or a consignment of milk previously collected from the supplier has been found to have quality defects that mean it does not meet Riverina Fresh's quality specifications or poses a food safety risk; or
- The supplier fails to comply with all of the terms and conditions of its agreement with Riverina Fresh (including as set out in this handbook) concerning milk quality and related obligations.

Suppliers should be aware of and take reasonable steps to meet local Council conditions and environmental regulations when disposing of milk on their farm. Examples of milk disposal methods include (but are not limited to) feeding to livestock, spray irrigation and disposal in a dedicated pond or trench. Guidelines on the disposal of waste milk can be found through the NSW Department of Primary Industries and Agriculture Victoria.

4.3 Milk Quality Tests

To ensure the quality of milk supplied meets quality standards, Riverina Fresh will:

- Contract a National Association of Testing Authorities (NATA) accredited laboratory who will test samples of your milk for quality attributes. Riverina Fresh may change the frequency of tests during known risk periods such as in the early season and when quality issues are evident;
- Advise you of the collection results of the milk you have supplied at the time of pick up on your tanker docket. If you do not receive, or if you misplace, a tanker docket, you can contact your Milk Supply Manager or Head Office on 1800 993 081 for the latest information;
- Make your daily milk test results available in writing, or through the Madcap portal or smart phone application, as soon as practicable; including;
 - sampling tests taken and test results in relation to milk collected;
 - quality of milk collected;
 - quantity of milk collected
- In the event that your milk is rejected, provide you with written notification of the rejection, including the reasons for the rejection and any consequences of the rejection (including fees, costs or demerit points you have incurred as a result); and
- Contact you where appropriate to discuss milk quality issues that we have identified, and work on a suitable and agreed corrective action plan.

Riverina Fresh may also make your milk quality test results available to its contracted food safety auditors as required. Refer to Section 4.7 of this handbook for details of the milk quality testing regime.

Maintenance of volume accuracy assurance is the responsibility of the Riverina Fresh's milk transport contractor.

4.4 The Australian Milk Residue Analysis (AMRA) Survey

The Australian Milk Residue Analysis (AMRA) survey is a national survey, coordinated by Dairy Food Safety Victoria (DFSV) on behalf of other state regulatory authorities and the Australian Government Department of Agriculture and Water Resources. The survey looks at potential agricultural and veterinary chemical residues and environmental contaminants in Australian bovine milk.

The AMRA Survey plays an important role in the Australian dairy industry by gathering and compiling information on the chemical residue status of Australian milk. In doing so it:

- assesses the effectiveness of the control measures in place to ensure food safety outcomes are met, with respect to chemicals used in the Australian dairy industry; and

- provides assurances to importing countries that Australian dairy products are produced under a system that meets their requirements and supports the export requirements of the Department of Agriculture under the Export Control Act 2020 and Export Control (Milk and Milk Products) Rules 2021.

As part of Riverina Fresh’s participation in this survey, at times it may be necessary to take additional milk samples of suppliers’ milk, either at an individual farm level or as part of a tanker sample.

More information can be found at www.dairyaustralia.com.au.

4.5 Quality Points System

Milk supplied to Riverina Fresh will be tested as described in Sections 4.3 and 4.7 of this handbook. Merit and demerit points will be applied according to the milk quality standard achieved, as described in Sections 4.5 and 4.6.

Merit Points

For each month where a supplier receives no demerit points, five merit points will be earned to offset any penalties in future months in accordance with this Section. The maximum amount of merit points that can be accumulated is capped at 20 points. Merit points are only earned in the months where milk is supplied to Riverina Fresh.

Merit points will be automatically offset against the calculated scaled demerit points at the end of each month. Merit points will not offset demerit points where the total scaled demerit points are 10 or less.

Any unused merit or demerit points in any given contract period are transferrable to the following contract period.

Demerits Points And Penalty Percentage Adjustments

Any demerit points will accumulate during the month in which they are incurred, and a penalty will be applied to the given month’s milk income if the scaled demerit points are over 10. The penalty is based on the month’s scaled demerit points, as determined by the scaling calculation shown below. Demerit points for Inhibitory Substances are not scaled.

SCALING: The accumulated demerit points for each month are scaled to allow for collection frequency using this formula:

$$\text{Scaled demerit points} = \frac{\text{Total Demerit Points} \times \text{Number of Days Milk Supplied in Month}}{\text{Number of Milk Collections in Month}}$$

A penalty percentage adjustment relating to the scaled demerit points calculation is deducted from the month’s milk pay (not including Production Payment) as described in Section 9.7 of this handbook.

4.6 Quality Deductions

The “Quality Points System” is based on a supplier’s monthly milk quality performance and prescribes deductions and incentives relating to the quality of the supplier’s milk that is supplied to Riverina Fresh.

Based on the calculation of the scaled monthly demerit points as described in Section 4.5 of this handbook, the amount that would otherwise be payable to a supplier for milk solids they supply to Riverina Fresh is adjusted according to the percentages set out in the table below:

Scaled Monthly Demerit Points	0-10	11-20	21-30	31-40	41-50	51-60	61-70	71-80	81-100	101-120	121-140	141-160	161-180	>180
Percentage Adjustment to Milk Payment	0%	-1%	-2%	-3%	-4%	-5%	-10%	-15%	-20%	-25%	-30%	-35%	-40%	-50%

Scaled demerit points are rounded to the nearest whole number, e.g. 20.4 is rounded down to 20, but 20.5 is rounded up to 21.

Each month the supplier starts at zero demerit points with quality problems attracting demerit points thereafter. Refer to Sections 4.5 and 4.6 of this handbook for more information on demerit points.

For ease of reference, this information is also included in Section 9.

4.7 Riverina Fresh Milk Quality Testing Regime

The table on the following pages details the milk quality testing regime that Riverina Fresh has in place. Demerit points are applied and accumulated for each test result as described in the table.

Test	Description	Frequency
<p>Bulk Milk Cell Count (BMCC) / Somatic Cell Count (SCC)</p> <p>Referred to in this Section as BMCC.</p>	<p>The BMCC test is a measure of the number of white blood cells in milk. Cows in very early or late lactation, and cows with mastitis infection increase the risk of high levels of BMCC.</p> <p>Elevated BMCC levels in milk lead to poor product quality and reduced yields in dairy manufacturing as well as problems relating to food safety regulation in domestic and export markets.</p>	<p>Per consignment</p>
<p>Bactoscan (also known as 'Bacto')</p>	<p>The Bactoscan is a measure of the total number of bacteria or micro-organisms per ml of milk. High levels can be caused by:</p> <ul style="list-style-type: none"> • Poor plant hygiene • Milk cooling problems • Mastitis in the herd • Environmental issues e.g. dirty yards, muddy conditions, faecal matter (especially in confined spaces such as feed pads), and transfer from silage 	<p>Minimum of three per month, taken randomly</p>
<p>Thermoduric Plate Count (also known as 'Thermo')</p>	<p>Thermoduric bacteria are those bacteria that can survive pasteurisation. These bacteria are particularly problematic in dairy manufacturing as they can survive the heat treatment processes and thereby impact end products.</p> <p>A thermoduric test takes three days to complete. High thermoduric counts can be caused by:</p> <ul style="list-style-type: none"> • Poor plant cleaning and insufficient hot water used in the cleaning process • Rubberware in the dairy that is perished or of poor quality • A fault in dairy equipment • Poor water quality 	<p>Minimum of three per month, taken randomly</p>

Standard	Demerit Points	Note for suppliers
BMCC per ml 0 - 250,000 251,000 - 400,000 >400,000	0 1 3	<p>Demerit points will not apply to the first two results greater than 250,000 per mL in any given month.</p> <p>In order to comply with quality standards, set by government regulation both in Australia and in relevant export markets (such as the European Union), Riverina Fresh will monitor your monthly average BMCC as a “three month rolling geometric mean”.</p> <p>If your rolling geometric mean is above 400,000 BMCC per ml, Riverina Fresh will advise you in writing that you must reduce your BMCC to less than 400,000 per ml based on a three-month rolling geometric mean, in order to comply with regulatory requirements and ensure your continuity of supply.</p> <p>If your BMCC geometric mean continues after the third month (month four) to exceed 400,000 per ml, Riverina Fresh reserves the right to not collect your milk until you demonstrate to Riverina Fresh’s satisfaction that the milk has a BMCC level of 400,000 per ml or less, or unless an agreed plan of action is implemented.</p> <p>For any 3 consecutive results above one million in any given month, milk collection will be ceased unless an agreed plan of action is implemented and the milk quality issue is being resolved to Riverina Fresh’s satisfaction.</p>
Individual Bacterial Count – IBC per mL 0 - 80,000 81,000 – 200,000 201,000 – 600,000 >600,000	0 2 4 6	<p>If your Bactoscan test result is greater than 80,000 IBC/mL, you will receive eight advisory tests per testing cycle. Demerit points will apply after the eighth advisory test.</p> <p>When there is a result greater than 80,000 IBC/mL, testing will occur on every consignment of milk until three consecutive clear test results are achieved. The end of the month does not eliminate the requirement for three consecutive tests – consecutive tests can be conducted across months. A clear test result is where the Bactoscan test result for a consignment of milk is less than 80,000 IBC/mL.</p> <p>If you fail to achieve three consecutive clear test results within 60 days, milk collection will be ceased unless an agreed plan of action is implemented, and the milk quality issue is being resolved to Riverina Fresh’s satisfaction.</p> <p>For any 3 consecutive results above 400,000 IBC/mL in any given month, milk collection will be ceased unless an agreed plan of action is implemented, and the milk quality issue is being resolved to Riverina Fresh’s satisfaction.</p> <p>In order to comply with quality standards, set by government regulation both in Australia and in relevant export markets (such as the European Union), Riverina Fresh will also monitor your monthly average Bactoscan test results as a “two month rolling geometric mean – (average for six rolling tests ≤ 80,000 IBC/mL)”. Where these regulatory requirements are not met Riverina Fresh will contact you to discuss an agreed action plan.</p>
Colony Forming Unit – cfu per mL 0 – 1,500 1,501 – 3,000 3,001 – 6,000 >6,000	0 2 4 6	<p>If your Thermoduric test result is greater than 1,500 cfu/mL, you will receive eight advisory tests per testing cycle. Demerit points will apply after the eighth advisory test.</p> <p>When there is a result greater than 1,500, cfu/mL testing will occur on every consignment of milk until three consecutive clear test results are achieved. The end of the month does not eliminate the requirement for three consecutive tests – consecutive tests can be conducted across months. A clear test result is where the Thermoduric test result for a consignment of milk is less than 1,500 cfu/mL.</p> <p>For any 3 consecutive results above 8,000 cfu/mL in any given month, milk collection will be ceased unless an agreed plan of action is implemented, and the milk quality issue is being resolved to Riverina Fresh’s satisfaction.</p> <p>If you fail to achieve three consecutive clear test results within 60 days, milk collection will be ceased unless an agreed plan of action is implemented, and the milk quality issue is being resolved to Riverina Fresh’s satisfaction.</p>

Test	Description	Frequency
Temperature	<p>Bacterial growth in raw milk can be rapid when milk is not cooled properly.</p> <p>It is a requirement of holding a dairy licence that the farm is capable of cooling milk to 5°C or lower within three and a half hours from commencement of milking and of holding the milk at a maximum of 5°C until collected.</p> <p>Refer also to Section 6.1 for more detail on milk cooling requirements.</p>	Per consignment

Demerit Points	Note for suppliers
<p>Suppliers that exceed these requirements upon collection will be subject to Bactoscan testing, if the milk is deemed suitable for collection</p>	<p><i>Standard</i></p> <p>A supplier must ensure accurate milking completion times ('end milking times') are recorded and clearly visible to milk transport contractor upon collection, at all times (e.g. displayed on Farm Milking Completion Card).</p> <p>Riverina Fresh will risk assess milk that is over 5 degrees Celsius at time of pick up against the Early Milk Collection Index (EMCI).</p> <p>The EMCI assessment will determine if the milk will be picked up based on the following criteria:</p> <ul style="list-style-type: none"> • Temperature and volume of the milk being picked up • Final temperature and volume of the milk once the tanker has been filled prior to the journey to Wagga Wagga • The duration from pickup of the 'hot milk' to unloading and chilling of the tanker. • A calculation for pathogenic bacterial load based on historical Australian dairy industry data. The risk assessment tool (EMCI) is an Australian Standard and must be used by all milk processors with an EU Eligibility export arrangement. <p>To maintain food safety, throughout the entire supply chain, farms operating robotic or continuous milking systems (where there is no defined milking time) must ensure that milk temperature is below 5 degrees Celsius at the time of collection. Milk that does not meet this requirement may be rejected.</p> <p><i>Notified Hot Temperature Milk (e.g. vat breakdowns or power failures)</i></p> <p>Suppliers must notify Riverina Fresh of any suspected temperature problems.</p> <p>Any milk that is outside the allowable temperature range (as set out in the Early Milk Collection Index) for collection may be rejected.</p> <p>Any rejected milk that is not collected must be disposed of by the supplier prior to the next collection. Suppliers must not cool rejected milk for inclusion in a subsequent collection or mix it with any other milk.</p> <p>If Riverina Fresh is notified of milk that will be outside the allowable temperature range in a timely and clear manner prior to collection, the milk may be collected at Riverina Fresh's discretion but will be paid for even if it is not collected. Riverina Fresh will, at its discretion, pay for milk that has exceeded the allowable temperature range no more than once per Season per Supplier.</p> <p>If Riverina Fresh deems the supplier's milk suitable for collection, the milk may be subject to Bactoscan testing and demerits applied accordingly. If milk is not collected, the payment will be based on the five-day rolling average of fat and protein yields (calculated over the five days prior to the date the milk would have been collected).</p> <p>Suppliers who are outside the allowable temperature range may subsequently be placed on altered collection schedules if this is likely to result in milk satisfying the collection criteria.</p> <p>If the problem has not been addressed within 14 days, Riverina Fresh reserves the right to suspend collection of the supplier's milk unless an agreed plan of action is implemented, and the issue resolved to Riverina Fresh's satisfaction.</p> <p>Consideration may be given in circumstances outside the suppliers' control (e.g. severe weather event).</p> <p><i>Un-Notified Hot Temperature Milk</i></p> <p>Any milk that is outside the allowable temperature range for collection (as set out in the standard) may be rejected.</p> <p>Any rejected milk that is not collected must be disposed of by the supplier prior to the next collection. Suppliers must not cool rejected milk for inclusion in a subsequent collection or mix it with any other milk.</p> <p>Riverina Fresh will not pay for rejected milk if it is not notified in a timely and clear manner prior to collection. If Riverina Fresh deems the supplier's milk suitable for collection, the consignment of milk may be subject to Bactoscan testing, and demerits applied accordingly.</p> <p>Suppliers who have milk rejected due to milk being outside the allowable temperature range may subsequently be placed on altered collection schedules if this is likely to result in milk satisfying the collection criteria.</p> <p>If a supplier fails to meet the allowable temperature range on more than three consignments within one month (rolling), milk collection may be ceased unless an agreed plan of action is implemented, and the issue resolved to Riverina Fresh's satisfaction.</p> <p>Consideration may be given in circumstances outside the suppliers' control (e.g. severe weather event).</p>

Test	Description	Frequency
<p>Inhibitory Substances (I.S.) and other contaminants / defects</p>	<p>Inhibitory substances have a direct negative impact on the dairy manufacturing process.</p> <p>All milk received by Riverina Fresh is assessed for contamination and general fitness for purpose, including testing for antibiotics or other inhibitory substances. Any detected defects or contaminants will trigger trace back processes to identify the supplier at the source of the contamination.</p> <p>Contaminants and defects may include, but are not limited to:</p> <ul style="list-style-type: none"> • Microbiological growth to such an extent as to make the milk unfit for processing • Blood • Agricultural chemicals • Animal health treatments • Antibiotics • Chemical Contaminants (i.e. QAC, NPE) 	<p>Minimum of three per month, taken randomly</p>

Standard	Demerit Points	Note for suppliers
<p>Absent</p> <p>Present</p>	<p>0</p> <p>32 points first breach</p> <p>64 points second breach</p> <p>128 points third and further breaches</p>	<p><i>Notified suspected Inhibitory Substance</i></p> <p>Suppliers must notify the Milk Supply Manager and Riverina Fresh milk transport contractor of any suspected problems prior to milk collection. Once notification of a suspected problem is made to Riverina Fresh, the supplier will be advised whether the milk is suitable for collection or requires testing before it can be cleared for collection.</p> <p>Notification should be made to the Riverina Fresh Milk Supply Manager or milk transport contractor immediately and before 8:30am for day time milk collection and before 6:30pm for evening collection if possible.</p> <p>The Riverina Fresh Milk Supply Manager will advise where any necessary milk samples must be delivered, but it is the responsibility of the supplier to deliver the milk samples.</p> <p>Suppliers must secure the vat to ensure that the suspect milk is not inadvertently collected whilst awaiting test results / decisions by Riverina Fresh.</p> <p>Milk that is contaminated with an inhibitory substance in a farm vat before collection must be disposed of at the supplier's expense.</p> <p>Where proper notification is made as described above, compensation will be made to suppliers for milk that is deemed unsuitable for collection and subsequently disposed of. This compensation will be in the form of a credit for the volume of milk disposed of, calculated at the five-day rolling average fat and protein yields (over the five days prior to the date the milk would have been collected). Riverina Fresh will, at its discretion, offer this compensation no more than once per Season per Supplier.</p> <p>No demerit points apply to the first notified incident in a rolling 12-month period. Subsequent incidents will incur 12 demerit points.</p> <p>In the event of a suspected or confirmed milk contamination an incident report (i.e the incident and corrective actions taken) must be completed and a review of Food Safety Program needs to be undertaken by farm owner/licensee. For the details, please refer to Total Farm Dairy Diary page 37.</p> <p><i>Un-Notified Inhibitory Substance</i></p> <p>Demerit points will apply for contaminated milk where Riverina Fresh has not been notified prior to milk collection of a suspected problem. Increasing demerit points will be incurred for further occurrences of contamination within a rolling 12-month period.</p> <p>Contaminated milk could be identified as part of the driver's senses test, random testing of farm milk samples, as a result of a trace back process or any other method employed by Riverina Fresh.</p> <p>In addition, if further milk is added to a parcel of milk that has been rejected, the total amount will be rejected. Compensation will not be made for any milk that is added to a parcel of milk previously rejected, whether the original milk rejection was the result of a notified or un-notified occurrence.</p> <p>Suppliers with antibiotic residues or other inhibitory substances in their milk will not have their milk collected again until the milk in the vat is shown to be free from contamination. They will also be subject to ongoing testing on each consignment of milk following the original detection, until the risk of further contamination has been eliminated. Milk that is not collected due to ongoing contamination after the initial un-notified detection will not be paid for.</p> <p>Demerit points will apply as outlined above.</p> <p>In the event of a suspected or confirmed milk contamination an incident report (i.e the incident and corrective actions taken) must be completed and a review of Food Safety Program needs to be undertaken by farm owner/licensee. For the details, please refer to Total Farm Dairy Diary.</p>

Test	Description	Frequency
Colostrum	<p>Colostrum refers to the first milk produced after calving. The levels of antibodies or blood proteins in colostrum are extremely high and as such are unsuitable for manufacturing.</p> <p>Colostrum can severely affect the heat stability of milk powders and processing efficiencies of driers and evaporators. It also produces an unacceptable colour and flavour in manufactured dairy products.</p> <p>Colostrum declines quickly after calving and the levels are generally low enough to meet the standard of 0.3 per cent after the first eight milking's (ten for heifers).</p> <p>Refer also to Section 6.2 for more requirements on storage of colostrum.</p>	As required
Sediment	The sediment test is an indicator of the amount of dirt or foreign particulates in the milk.	Minimum of one per month, taken randomly

Standard	Demerit Points	Note for suppliers
0 – 0.3%	0	Colostrum must be kept segregated from the milk that is supplied to Riverina Fresh. It must be clearly identified as colostrum to avoid being collected by the tanker driver. Outlets on colostrum vats should also be covered in such a way that accidental collection is not possible. Refer to Section 6.2 for more details.
greater than 0.3%	6	<p>Tests for colostrum will be performed at the discretion of Riverina Fresh but will typically be in the first two months after recommencement of supply following each dry period.</p> <p>If a supplier’s test result shows detectable levels of colostrum, follow-up testing may commence from the next consignment after the supplier has been notified of the test result. Follow-up testing may continue on each consignment of milk until three consecutive test results below 0.3 per cent are achieved.</p> <p>You will receive one advisory test per testing cycle (no demerit points applied). Demerit points will apply after the first test.</p>
Absent	0	If a test result shows detectable sediment, follow-up testing may commence from the next consignment after the supplier has been notified of the test result. Follow-up testing may continue on each consignment of milk until three consecutive test results with no detectable sediment are achieved.
Present	6	<p>You will receive one advisory test per testing cycle (no demerit points applied). Demerit points will apply after the first test.</p>

5. Farm Requirements for Milk Collection

Riverina Fresh or its representatives or agents will collect milk on-farm and transport it to a dairy manufacturing site or the site of a customer. Suppliers have an important role in ensuring milk collection can occur safely and efficiently.

5.1 General Requirements

All suppliers must adhere to the following on-farm requirements:

- Access to the dairy must be unrestricted and free from hazards;
- A supplier's dairy must be located where there is the least likelihood of airborne contamination or strong odours affecting the milk quality;
- The milk collection and storage areas must be kept clean at all times;
- There must be unrestricted all-weather access to the dairy and access to vat outlets must be unrestricted and in reach of standard tanker hoses;
- Light switches must be readily accessible, and lighting must be adequate for both day and night collections;
- The maximum number of vats per farm from which milk will be collected is three;
- Tanker drivers will activate the supplier's vat cleaning systems if it is safe to do so. Suppliers are responsible for providing clear written instructions, maintaining detergents, and ensuring that all equipment required for the tanker driver to undertake their duties are easily accessible;
- Suppliers are to confirm milk collection frequency and scheduling requirements with the Milk Supply Manager or milk transport contractor e.g. twice daily, daily and every second day (skip a day).
- Riverina Fresh or the milk transport contractor may amend or vary a supplier's milk collection schedule upon provision of prior notice to such supplier. Supplier may also seek to amend or vary its milk collection schedule in consultation with Riverina Fresh; and
- Prior to a new supplier commencing supply, Riverina Fresh's personnel, representatives or agents, will conduct a Health & Safety inspection of the dairy, immediate environment and access roads to confirm that the areas allow safe access and are free from hazards, and current suppliers may be subject to periodic reviews throughout the contract period.

5.2 Collection Arrangements

At the beginning of each contract period or season, suppliers must advise Riverina Fresh of the date they will resume milking to assist with milk collection scheduling.

Notification of any changes in collection arrangements should be made 48 hours before milk is put into the supplier's vat. This can be done by contacting the milk transport contractor or the Riverina Fresh Milk Supply Manager.

5.3 Time And Frequency Of Collection

If a supplier's milking pattern varies from the typical twice a day milking cycle (e.g. moving from twice a day milking to three times a day milking) please notify the milk transport contractor or Riverina Fresh Milk Supply Manager with your milking times, so that Riverina Fresh can try to accommodate your milking pattern, while still ensuring optimal milk collection scheduling.

Using their milk completion card, a supplier must ensure accurate milking completion times are recorded, and clearly visible to milk transport upon collection at all times (refer to Section 4.7 for further details). If this is not available or visible, your milk may not be collected.

Collection windows for the milk transport contractor are 8 a.m. to 4 p.m. for day pick-up and 6 p.m. to 4 a.m. for night pick-up (suppliers may be asked if they are able to accommodate an earlier pick-up from 7.30 a.m.).

Please notify the milk transport contractor or Riverina Fresh Milk Supply Manager if at any stage during the contract period your milk volume to be collected or milking completion times vary significantly from normal.

Riverina Fresh will monitor milk volume and reserves the right to schedule milk collection from your farm to ensure optimal milk collection and lowest milk collection costs.

5.4 Special Collection Requests

If a supplier requires a special collection in order to ensure the supplier's vat is empty for a specific purpose (e.g. maintenance of the vat or refrigeration equipment or a visual inspection for milk quality purposes), Riverina Fresh will endeavour to accommodate this request. While every reasonable effort will be made to accommodate special collection requests, Riverina Fresh does not guarantee it will be able to do so.

Suppliers should call the milk transport contractor or Riverina Fresh Milk Supply Manager as early as possible if they need a special collection for these purposes.

5.5 Suspension Of Collection

In some instances, it may be necessary for Riverina Fresh to suspend the collection of milk from a supplier for the following reasons:

- Riverina Fresh reasonably suspects a supplier's milk is unsafe.
- Riverina Fresh identifies potential hazards on a supplier's farm which could cause injury to Riverina Fresh's employees, contractors, advisors or agents.
- Riverina Fresh reasonably suspects a supplier fails to comply with relevant

obligations under federal, state or local government regulations.

- Riverina Fresh reasonably suspects a supplier has failed to comply with any requirements as outlined in Riverina Fresh's Total Farm Dairy Diary and sufficient corrective action has not been implemented within the agreed timeframe.
- A supplier's milk consistently fails to meet the quality standards outlined in Section 4.7 of this handbook.
- A supplier has more than six months in a rolling 12 month with quality penalty points in excess of 95 per month.
- A supplier has failed (in Riverina Fresh's opinion) to undertake sufficient corrective action to address milk quality issues.
- Riverina Fresh reasonably suspects a supplier has significant animal health or welfare issues concerning its milking herd.
- A supplier does not meet the requirements for supply as outlined in Section 3.8 of this handbook.
- A supplier misleads (by act or omission) or makes false representations to Riverina Fresh concerning the milk supply relationship.
- A supplier does not meet the terms and conditions outlined in this handbook, or any other term or condition of any agreement between the supplier and Riverina Fresh concerning milk supplied to Riverina Fresh.

If a Supplier has failed in Riverina Fresh's reasonable opinion to undertake sufficient corrective action identified in an agreed plan of action, then Riverina Fresh may cease collection.

5.6 Access To Property

Suppliers are required to allow Riverina Fresh's Milk Supply Manager, agents or representatives access to their farm and dairy. This allows Riverina Fresh to monitor the supply of milk to Riverina Fresh and to check compliance with any of the requirements outlined in this handbook.

Wherever possible, Riverina Fresh will notify a supplier directly, through their sharefarmer or a delegated contact, in advance of any visit other than normal scheduled milk collection times.

5.7 Tanker Access

It is the responsibility of each supplier to provide safe farm access to Riverina Fresh's milk transport contractor, Milk Supply Manager, agents or representatives.

As a supplier, you should meet the following standards for milk tanker access:

- Have a sign at the entrance to the dairy road, showing the supply number of your farm, that is clearly visible from the public road, from both directions, and keep the sign clean and free from obstruction. Riverina Fresh will provide the sign. On cessation of supply, the sign will be removed by Riverina Fresh;
- Provide a splayed entrance which complies with the rules in the local authority plan and is accessible by a truck and trailer without the vehicle having to cross the centre of the road when turning left into a farm road;

- Provide clear, all-weather road access from the farm entrance to the dairy, suitable for a milk tanker travelling at reasonable speed;
- Maintain a clear access from the road to your dairy at all times;
- Keep roads free from obstructions at all times (e.g. corrugations, potholes, trees, excessive mud, overhanging or fallen branches, buildings, vehicles, irrigators, implements and stock);
- Any cattle crossing a road or race within 45 meters of the farm dairy or the start of the tanker loop must cross on a suitable surface to ensure it can be kept clean and well maintained;
- Roads must have a clearance of 4.25 metres, with one clear metre on each side of the road; have a 200 mm crown and drainage either side of the road; be fenced off and kept clean and well maintained;
- Roads must not be used as stock tracks or holding yards;
- Ensure that if your roadway is longer than 1 km, a milk tanker can safely maintain a speed of up to 50 km/hour;
- Ensure that if your roadway is shorter than 1 km, a milk tanker can safely maintain a speed of up to 25 km/hour;
- Ensure roads do not have corners which are so sharp that a milk tanker cannot corner safely;
- Ensure effluent from roadway crossings drains into your farm's effluent disposal system;
- Ensure irrigators are not over the tanker road during collection windows (day and night);
- Make every effort to ensure milk tankers do not need to reverse on farm;
- When a new cattle pit is installed on a tanker roadway, ensure it has no less than 4.5 metres of usable width; and
- Ensure bridges or crossings are the same width as the road, preferably on a straight section of road and allow safe crossing by a fully laden milk tanker travelling at a reasonable speed. They must be built and maintained so that the milk tanker meets all legal requirements in using and maintaining the bridge or crossing by an appropriately qualified engineer verifying that the bridge or crossing may be used safely by a fully laden milk tanker.

Please note: if an event occurs which Riverina Fresh or its representatives or agents believe will affect the safety of a bridge or crossing, you must comply with requests from Riverina Fresh to have the bridge or crossing inspected by an appropriately qualified engineer. Riverina Fresh may refuse to use the bridge or crossing until a certificate has been issued by an appropriately qualified engineer verifying that the bridge or crossing may be used safely by a fully laden milk tanker.

For more specific advice about individual farms, suppliers can contact the milk transport contractor.

5.8 Safety

A farm hazard is any on-farm situation that may put at risk the health and safety of farm operators or Riverina Fresh's employees, contractors, representatives or agents, or the quality of the milk being collected.

As a supplier you must ensure that:

- the areas of your farm where Riverina Fresh employees, contractors, representatives or agents enter, cross or work meet the requirements of the relevant laws and regulations;
- you and other people working on your farm do not do anything that could put a Riverina Fresh employee, contractor, representative or agent at risk;
- if removal of asbestos or asbestos containing material is scheduled to take place in the immediate vicinity of the dairy or dairy access roads, Riverina Fresh is given prior notice of this activity. At Riverina Fresh's discretion, suspension of milk collection for the duration of the removal activity may occur;
- if any structural work in the dairy is likely to expose or change the status of asbestos, or asbestos containing material, you must notify Riverina Fresh before this work takes place;
- you record and control potential hazards as part of a hazard management system and advise Riverina Fresh's employees, contractors, representatives or agents of the location of any hazard that they may be exposed to;
- you remove hazards which may block or interfere with milk tanker access or the ability to collect your milk;
- the area immediately in front of the milk vat is clear of obstacles and trip hazards (e.g. stones, holes, uneven surfaces, equipment) that may obstruct or injure the milk tanker driver, both day and night; and
- all family members, employees or visitors are aware of the potential hazards when a milk tanker is collecting milk from your farm. The safety of everyone on your farm is the highest priority and it is important they are aware of the potential hazards and keep clear of the road when a milk tanker is on your farm.

Riverina Fresh has a responsibility:

- where a potential farm hazard has been identified, to provide notice in writing to the supplier requesting that the problem be rectified. Failure to rectify the problem may result in Riverina Fresh ceasing to collect milk until the hazard has been eliminated to Riverina Fresh's satisfaction; and
- to provide safe working conditions for its employees, contractors, representatives and agents.

If you believe Riverina Fresh is not following its safety rules when a Riverina Fresh employee, contractor, representative or agent is on your farm, please advise the Riverina Fresh Milk Supply Manager or Chief Executive Officer.

6. Milk Storage and Refrigeration

Correct milk storage and refrigeration is critical to ensuring suppliers provide Riverina Fresh with the highest quality milk possible. The following Section outlines the standards Riverina Fresh requires of its suppliers with regard to storage and refrigeration.

6.1 Storage And Refrigeration Operations

As a supplier, you must:

- provide and maintain a vat and refrigeration unit that is suitable for the safe, secure storage and cooling of your daily milk volumes;
- comply with Australian Standard 1187-1996 ‘Farm milk cooling and storage systems’;
- ensure the on-farm cooling system is capable of cooling milk to 5°C within three and a half hours of the commencement of milking;
- be aware that if your milk exceeds the allowable temperature ranges described in Section 4.7 of this handbook, the milk tanker driver may not collect the milk;
- ensure accurate milking completion times are recorded and clearly visible to milk transport upon collection, at all times (e.g. displayed on a Farm Milking Completion Card);
- check the temperature of milk left in the vat from a previous milking before you start the next milking;
- check the temperature after each milking to ensure the on-farm cooling system is working effectively; and
- ensure all milk is continually agitated and refrigerated (refer to section 3.8);
- keep records of temperature management within your Total Farm Food Safety Program.

Riverina Fresh offers a “Milk Cooling Equipment Purchase Incentive” to assist suppliers with improving their daily milk cooling capacity. Details of this incentive are outlined in Section 10.3.

6.2 Storage Of Colostrum

Riverina Fresh does not collect colostrum or any other material intended for feeding calves. As a supplier, you must:

- keep colostrum segregated from the milk supplied to Riverina Fresh; and
- clearly label vats used to store milk or colostrum intended for feeding calves as ‘Not for collection’. This label must be positioned directly above the outlet valve on the vat and can be removed when the vat is no longer used to store milk or colostrum intended for feeding calves.

7. Sustainability and Environment

Riverina Fresh is committed to fostering sustainable environmental practices across its business activities and recognises that dairy farming has a substantial role to play in stewarding the natural environment for the next generation. The careful management of soil, water and biodiversity will ensure that the dairy industry can continue to operate sustainably and profitably long into the future.

7.1 Environmental Management and Regulation

In relation to on-farm sustainability and environmental practices, suppliers must be aware of their obligations under Federal, State and local government laws and regulations.

It is the responsibility of individual suppliers to comply with their obligations under these laws and regulations.

Riverina Fresh reserves the right to suspend or terminate its relationship with any supplier if Riverina Fresh reasonably concludes that the supplier's on-farm environmental management practices are in breach of any applicable environmental law or regulation, provided that such management practices involve a material breach of the Milk Supply Agreement by the Supplier. The Supplier has a right to present Riverina Fresh with evidence that it is not in breach. Riverina Fresh must consider any such material reasonably and in good faith.

7.2 Dairy Effluent Management

Riverina Fresh has committed to support on-farm programs that focus on compliance and the development and implementation of sound nutrient management practices.

Each supplier must ensure that their on-farm effluent management system (e.g. shed, feed pad or underpass) complies with the legislative requirements applicable in the local area, council, region or state.

Suppliers must also meet the requirements of Riverina Fresh's Total Farm Food Safety Program (or an alternative approved Food Safety Program). *You must notify your Milk Supply Manager upon advice of a Government agency investigation or inspection in relation to environmental compliance on your farm.*

7.3 Waterway Protection and Riparian Planting

A riparian zone (or area) is the interface between the land and a river, stream, or wetland. These riparian zones are instrumental in maintaining water quality through the attenuation of both surface run-off and water running into the waterway from subsurface or groundwater flows. Vegetative growth in these zones also slows water flow, thereby reducing erosion and increasing biodiversity through the provision of habitat for native fauna and flora.

Access to waterways by stock is known to be a significant contributor to the degradation of riparian zones and water quality, causing land erosion through damage to the stream or river banks. It is also a major source of faecal contamination.

Riverina Fresh suppliers are encouraged to fence waterways (to exclude stock), install appropriate stock crossings and plant the exclusion zones with native flora.

8. Animal Health and Welfare

Good animal health and welfare is central to successful and sustainable dairy farming. Moreover, consumers and customers are increasingly interested in knowing that a high standard of animal welfare is maintained throughout the supply chain of products they purchase.

8.1 Industry Standards

Riverina Fresh believes that well cared for cows produce the best milk. We have zero tolerance for poor animal welfare practices or animal cruelty.

All suppliers must ensure that they are familiar and fully compliant with relevant animal welfare standards, including the Australian Animal Welfare Standards and Guidelines for Cattle and the Land Transport Standards and Guidelines. Suppliers must also be aware of and compliant with any relevant State specific laws.

The statements below outline the expectations of Riverina Fresh regarding a number of priority industry animal welfare issues.

Calf management: It is the strong preference of Riverina Fresh that whenever possible, bobby calves are raised on farm or sent to a calf rearing facility. Like all animals on farm, calves must be managed in a manner that meets or exceeds agreed industry practices and is consistent with relevant animal welfare standards. Information on how to ensure the best care for calves can be found on the Dairy Australia website and included in the Dairy Australia Rearing Healthy Calves manual.

Calf transport: The key legal requirements for farmers to be aware of when transporting calves include:

- The calf must be at least five days of age if transported to an abattoir.
- The calf must have a milk feed within six hours of leaving the farm.
- The calf must be fit to load (dry navel, healthy, strong and walking, firm and worn hooves and no scours).
- The calf must be National Livestock Identification System (NLIS) tagged.
- The minimum legal requirements are available in the Calf Transport Standards and Guidelines.

To be legally fit for transport, a calf must also meet a specific criteria. Refer to the Fit for Transport Criteria.

If transporting calves to an abattoir, sale yards or another farm, specific transport requirements must be met for the health and welfare of the calves. Key points include:

- Enough space for all calves to lie down on their chest and stand up easily.
- Protection from wind and cold (the front of the trailer must be closed in, and it is best if the sides and roof are also covered).
- Airflow to stop it becoming stuffy.
- Flooring that stops slips, falls or injuries (e.g. rubber matting, wood shavings, rice hulls, carpet or artificial turf).
- Easy and regular cleaning, disinfection and drying.

Tail Docking: Tail docking is prohibited unless under veterinary advice, only to treat injury or disease.

Disbudding: Whenever possible, suppliers should seek to disbud calves' horns rather than dehorning cattle when they are older. Dairy Australia advises that disbudding is best performed when calves are two to six weeks of age. Calves must be less than 2 months of age and provided pain relief. Disbudding must be carried out by a skilled operator or someone under their direct supervision.

Dehorning: The Australian dairy industry discourages the dehorning of calves, heifers or cows at any age and believes the practice can be avoided completely by disbudding calves before two months of age. It is a legal requirement under the Australian Animal Welfare Standards and Guidelines for Cattle that appropriate pain relief is used when dehorning cattle over six months of age. Dairy Australia encourages the selection of dairy sires which are polled or carriers of the polled gene, allowing for the breeding of animals that do not develop horns.

Pain Relief: All painful procedures on animals of any age should be accompanied by the use of an anesthetic or analgesic to reduce pain suffered by the animal during the procedure.

Lameness: Suppliers should seek to minimise lameness through adoption of practices for prevention, early detection and effective treatment on-farm.

Induction: No suppliers will engage in routine induction.

More information on animal welfare standards and practices can be found in the Total Farm Dairy Diary or obtained from Dairy Australia.

More information on animal welfare standards and practices can be obtained from Dairy Australia, check the website or call 1800 004 377. Suppliers should be aware of and familiar with the following standards and guidelines:

- Australian Animal Welfare Standards and Guidelines
- Land Transport of Livestock Standards and Guidelines
- Bobby Calf Transport Standards and Guidelines
- Livestock Management Act 2010
- Land Transport Standards

8.2 Riverina Fresh's Animal Health & Welfare Plan

Riverina Fresh's Animal Health & Welfare Plan aims to add value to a supplier's farm management system and demonstrate to Riverina Fresh's customers and government regulators that the care of your animals on farm are managed effectively.

Riverina Fresh's Animal Health & Welfare Plan sets out the objectives, minimum requirements, guidelines and record templates that a supplier can implement in order to meet Riverina Fresh's requirements, relevant laws, regulations, industry guidelines and animal welfare codes of practice to meet regulatory requirements and industry standards. It outlines potential risks and provides options and information for controlling those risks.

This program is provided to suppliers in the Total Farm Dairy Diary. More information about the program can be obtained from Riverina Fresh's Milk Supply Manager.

8.3 Animal Welfare Concerns

Riverina Fresh takes issues of animal welfare very seriously and has no tolerance for animal cruelty.

Riverina Fresh may provide guidance to its suppliers to ensure they are aware of their obligations on animal welfare. However, it is each supplier's responsibility to ensure they meet and adhere to animal welfare laws, standards and practices.

Riverina Fresh may suspend the collection of milk from a supplier if Riverina Fresh has reason to suspect that there may be material animal health or welfare issues with respect to the supplier's milking herd or other stock in their care.

Suppliers are required to notify a Riverina Fresh Milk Supply Manager (or call Head Office on 1800 993 081) immediately of any occurrence or advice of a Government agency or RSPCA animal welfare investigation or inspection in relation to your farm.

You must notify your Milk Supply Manager immediately of any occurrence or advice of a government agency or RSPCA animal welfare investigation or inspection in relation to your Farm. The Supplier has a right to present Riverina Fresh with evidence that there are no animal health or welfare issues. Riverina Fresh must consider any such material reasonably and in good faith.

8.4 Enzootic Bovine Leucosis

Enzootic Bovine Leucosis (EBL) is a viral disease that affects cattle of any age and is widespread throughout the world. It is a notifiable disease in all the States and Territories of Australia and is included in the World Organisation for Animal Health (OIE) list of cattle diseases.

EBL is spread between animals by direct contact and is therefore more common in intensive cattle production areas such as the dairy industry. In a small percentage of cattle, the virus will cause cancer. Most infected animals remain free of symptoms but become carriers of the disease for life. The virus is present in the milk of infected cows but is killed by pasteurisation.

The Australian dairy industry has achieved EBL Free Status. This means that EBL has been eradicated from dairy herds and all dairy cattle in Australia have tested negative to EBL either individually or through bulk samples. EBL Free Status is monitored by way of surveys which involve bulk milk testing of herds at least once every three years. EBL occurs in beef cattle in Australia and to maintain EBL Free Status of the national dairy herd any beef cattle introduced to dairy farms must be EBL negative.

To support EBL Free Status, suppliers must:

- continue biosecurity controls that prevent the introduction of EBL by testing any introduced beef cattle, particularly bulls, and minimising contact between beef and dairy cattle; and
- meet all costs associated with the EBL scheme resulting from non-compliance within their herd.

8.5 Bovine Johne's Disease

Bovine Johne's disease (BJD) is a chronic bacterial enteritis caused by infection of the gut with *Mycobacterium paratuberculosis* affecting cattle and other ruminant species – goats, deer and alpaca. It occurs in many countries throughout the world and in Australia is more common in dairy cattle in south-eastern Australia. It is a notifiable disease in all States and Territories of Australia.

Cattle-producing regions of Australia have been divided into zones and areas according to the prevalence of BJD. These zones, together with the herd classification scheme based on herd

testing history, provide information to assist decisions on the movement of cattle in relation to the risk of spread of BJD. Western Australia is a BJD Free Zone, Northern Territory and Queensland and beef herds in New South Wales and South Australia are BJD Protected Zones, while Victoria and Tasmania and dairy herds in New South Wales and South Australia are BJD Management Areas.

To support the control and reduction of BJD, suppliers must adopt the 3-step calf plan:

- Calves should be taken off the cow within 12 hours of birth;
- Management of the calf-rearing area should ensure that no effluent from animals of susceptible species comes into contact with the calf; and
- Calves up to 12 months old should not be reared on pastures that have had adult stock or stock that are known to carry BJD on them during the past 12 months

8.6 Cloned Animals

Riverina Fresh has a policy of not accepting milk from cows which are cloned or are the first-generation offspring of clones due to the animal welfare and reputational concerns around this practice.

You must not supply milk from any cow which is:

- a genetic clone; or
- the first-generation offspring of a genetic clone - e.g. through direct mating, embryo transfer, artificial insemination, or other method.

8.7 Euthanasia

Riverina Fresh suppliers must follow all relevant animal welfare standards and guidelines to ensure appropriate care is provided and relevant procedures are followed if it is necessary to euthanise an animal on farm. Riverina Fresh supports the recommendations of the ADF National Council, and the Australian Animal Welfare Standards and Guidelines for Cattle, for on farm euthanasia.

8.8 Use of Antibiotics

Riverina Fresh supports the Antimicrobial Stewardship (AMS) framework adopted by the Australian dairy industry; that the industry use antibiotics responsibly - as little as possible, as much as necessary, to protect the welfare of our animals.

All dairy farmers will access antibiotics from a registered vet and they will use them responsibly under veterinary direction. Antibiotics that are of high importance to human health in Australia will only be used to treat dairy livestock in exceptional circumstances when no other alternatives exist.

8.9 Recombinant Bovine Somatotropin (rBST)

The use of rBST is prohibited in Australia.

9. Pricing and Payments

Riverina Fresh's suppliers are paid based on the yield of fat and protein (the key required ingredients for Riverina Fresh's manufacturing business) in the milk they supply each month, as well as additional factors relating to quality. Riverina Fresh does not offer farmers a price based on volume (i.e. cents per litre), but rather in dollars per kilogram of fat and protein, which is sometimes expressed in terms of dollars per kilogram of milk solids (\$ / kg milk solids). This means there is no one single Riverina Fresh farm gate milk price, rather each supplier receives a price based on the quality and composition of the milk they produce.

9.1 Milk Pricing

Riverina Fresh pays its suppliers a price for milk that is set in your Milk Supply Agreement.

The price payable to a supplier comprises the following elements:

- The base rates as per Section 9.3 below;
- The production payment determined by reference to the total milk solids (fat and protein) supplied (Production Payment) as per Section 9.5 below;
- The assessed quality of the milk (Quality Incentives and Quality Deductions as per Sections 9.6 and 9.7 below); and
- Any agreed milk growth incentive (Milk Growth Incentive) as per section 9.8 below.

In rare circumstances where the fat and/or protein milk test results are not received from the laboratory, Riverina Fresh may estimate these values by taking the average of the milk solids collected for the five-day period prior. Any missing BMCC results will be averaged out in the same way as milk solids.

The fat and protein pay rates can change from month to month in line with the seasonal milk production curve. In order for Riverina Fresh to utilise its dairy manufacturing assets throughout the year and offer security of product supply to its customers, Riverina Fresh may at its discretion offer higher prices outside of the spring months to provide a production incentive to suppliers.

Riverina Fresh encourages all suppliers to look at the production data for their own farm, including production patterns, milk composition, volume and quality, to ensure they understand how the payment system will apply to them individually. Riverina Fresh's Milk Supply Manager and senior management can provide pricing information based on each supplier's farm, taking into account information provided by the supplier, including any production estimate to be provided by the Supplier prior to the start of each Season or updated during the season. The Milk Supply Manager has the tools to complete income estimations for suppliers and can explain and examine the different pricing elements for their farm.

9.2 Milk Price and Changes

Riverina Fresh operates a fixed pricing system for milk supplied by the suppliers. The Milk Supply Agreement signed by a supplier specifies the price that Riverina Fresh will pay the supplier for the relevant contract period.

9.3 Base Price Calculation Process

This table outlines the how the base rates for Fat and Protein are calculated in each month of the year. For the months December to July the base price for Fat is calculated by adding \$1.02 per kg to the Spring Price for Fat and for protein by adding \$1.53 per kg to the Spring Price for Protein.

The monthly minimum price that will be paid by Riverina Fresh is detailed in the price schedule within the Milk Supply Agreement.

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Fat	1.02	Spring Price	Spring Price	Spring Price	Spring Price	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Protein	1.53	Spring Price	Spring Price	Spring Price	Spring Price	1.53	1.53	1.53	1.53	1.53	1.53	1.53

	Fat \$/kg	Protein \$/kg
Spring Price		

GST is not included in the above table or the Opening Prices and appropriate GST will be added to milk solids payments.

Suppliers are paid on the basis of kilograms of Fat and Protein provided within the month.

At its discretion, Riverina Fresh may provide Suppliers an equivalent milk price in Cents Per Litre (CPL). Where a CPL price is provided to suppliers, this price is indicative only.

9.4 Milk Payments

Suppliers are paid the price for the milk supplied each month plus applicable GST.

Payment for milk supplied during the previous month is only made electronically into each supplier’s nominated bank account on or about the fifteenth of the month, unless otherwise agreed with a supplier.

Suppliers will receive a record of their milk pay in the form of a monthly statement, which will be available on the online milk supply portal on or about the fifteenth of the month.

Banking details can be changed. A copy of a bank statement header or account deposit slip and signatures from all relevant parties involved in the milk supply arrangements will be required.

9.5 Production Payment

The “Production Payment” is paid on top of the base rate. It is determined by reference to the total milk solids (fat and protein) supplied by a supplier to Riverina Fresh during the contract period.

Production Payments will be made for every kilogram of milk solids supplied at the relevant band (based on total kilograms of milk solids) reached by the supplier for the month. The Production Payment will be made monthly in arrears and is payable on the combined total milk solids supplied by a supplier for the month.

Applicable GST will be added to the amounts below.

Production Payment Bands			
Butterfat & Protein / month	Approximate litres*	c/kg Butterfat	c/kg Protein
2,001 - 5,000 kg	28,001 – 70,000	7.0	11.0
5,001 – 9,000 kg	70,001 – 125,000	12.0	18.0
9,001 – 14,000 kg	125,001 – 195,000	15.0	23.0
14,001 – 19,000 kg	195,001 – 264,000	21.0	32.0
19,001 kg – 24,000 kg	264,001 – 333,000 486,000	26.0	39.0
24,001 kg – 35,000 kg	333,001 – 486,000	31.0	47.0
35,0001 kg and above	486,001 and above	38.0**	57.0**

* Actual payments are based on Butterfat & Protein

** The numbers for 35,0001kg and above represent minimum amounts.

9.6 Quality Incentives

Riverina Fresh milk quality incentives are designed to reward the achievement of quality excellence throughout the season. There are two milk quality incentives available to suppliers - an Annual Quality Bonus and a Monthly Quality Bonus.

The Annual Quality Bonus and Monthly Quality Bonus consist of a financial incentive from Riverina Fresh. Both incentive payments are paid at the rates set out in the table below. Payments are made based on milk solids supplied during the applicable period.

Riverina Fresh also participates in the Dairy Australia Milk Quality Awards. The Dairy Australia Milk Quality Awards recognise the lowest 5% of farms across Australia based on annual average bulk milk cell count (BMCC). To be eligible, farmers must have BMCC data for a minimum of 9 months in a calendar year. Successful farmers receive a certificate and a plaque.

Incentive	c/kg Fat	c/kg Protein
Annual Quality Bonus	5.4	8.1
Monthly Quality Bonus	4.1	6.2

1. QUALITY INCENTIVES TERMS AND CONDITIONS

Eligibility

Suppliers who have supplied milk to Riverina Fresh are eligible to receive each of the quality incentives subject to meeting all of the terms and conditions below:

1. For each month of the season, if suppliers have supplied milk to Riverina Fresh and received zero scaled demerit points then they will be eligible to receive the Monthly Quality Bonus.
2. The Annual Quality Bonus will be awarded to suppliers who have supplied milk to Riverina Fresh for a minimum of nine months of the season and received a maximum of 10 scaled demerit points per month, i.e. no financial milk quality penalties, for the entire season. Suppliers who retire from dairy farming at the end of the season are eligible to receive the payment.

2. Payment

1. The payment of the Annual Quality Bonus will be made in respect of all qualifying milk solids supplied to Riverina Fresh from the relevant farm during the season. Payment will be made retrospectively on or around the 15th July with the June milk proceeds of the previous season.
2. The payment of the Monthly Quality Bonus will be made in respect of all qualifying milk solids supplied to Riverina Fresh from the relevant farm for any eligible month of the current season. Payment will be made on or around the 15th of the following month with the milk proceeds for the applicable month.

9.7 Quality Deductions

The “Quality Points System” is based on a supplier’s monthly milk quality performance and prescribes deductions and incentives relating to the quality of the supplier’s milk that is supplied to Riverina Fresh.

Based on the calculation of the scaled monthly demerit points as described in Section 4.5 of this handbook, the amount that would otherwise be payable to a supplier for milk solids they supply to Riverina Fresh is adjusted according to the percentages set out in the table below:

Scaled Monthly Demerit Points	0-10	11-20	21-30	31-40	41-50	51-60	61-70	71-80	81-100	101-120	121-140	141-160	161-180	>180
Percentage Adjustment to Milk Payment	0%	-1%	-2%	-3%	-4%	-5%	-10%	-15%	-20%	-25%	-30%	-35%	-40%	-50%

Scaled demerit points are rounded to the nearest whole number, e.g. 20.4 is rounded down to 20, but 20.5 is rounded up to 21.

Each month the supplier starts at zero demerit points with quality problems attracting demerit points thereafter. Refer to Sections 4.5 and 4.6 of this handbook for more information on demerit points.

For ease of reference, this information is also included in Section 4.

9.8 Milk Growth Incentive

Riverina Fresh is always looking to work with its suppliers to assess how a supplier may increase its planned production. If a supplier wishes to increase their production, then they should notify the Milk Supply Manager of their plans. If Riverina Fresh has agreed in writing to the supplier’s planned increase in production, in addition to the base rate, a ‘Milk Growth Incentive’ may be considered. This incentive is not guaranteed and will be assessed on a case-by-case basis at the sole discretion of Riverina Fresh.

The Milk Growth Incentive is calculated using the previous season (July - June) as the base. If the volume of milk produced in the month exceeds the volume generated in the comparable month of the prior year, the payment will be made on the agreed planned increased supply of fat and protein above each month’s production base. The payment will be made on the agreed planned increased supply of fat and protein above each month’s production base. This will be paid as:

	August – November	December – July
Butterfat (c/kg)	16.5	25.0
Protein (c/kg)	25.0	37.5

MILK GROWTH INCENTIVE TERMS AND CONDITIONS

1. Management Of Scheme

The Milk Growth Incentive scheme will be managed by Riverina Fresh.

2. Milk Growth Incentive Benefits

Riverina Fresh will pay an incentive payment to a supplier for a given farm for increasing milk production. The incentive payment will be based on milk supplied by that supplier from that farm to Riverina Fresh during each calendar month (“Production Month”), in a year ending 30 June (“Production Season”) to the extent that supply exceeds a production base pre-determined by Riverina Fresh in consultation with the supplier (such excess being referred to as “Growth Production”).

Riverina Fresh will determine the production base for a supplier’s farm for a given Production Month based on the milk production from that farm (“Milk Production”) in the corresponding month of the previous year in which the farm has been run as a normal operating dairy farm (“Reference Production Month”). Fat and protein content (both measured in kilograms) of milk produced from that farm are calculated and assessed separately.

Growth Production in a Production Month will be deemed to comprise fat and/or protein kilograms in excess of the fat and protein kilograms produced from that farm in the Reference Production Month.

The Milk Growth Incentive payment will comprise 16.5 cents per kilogram of Growth Production butterfat and / or 25.0 cents per kilogram of Growth Production protein in the months of August to November, and 25.0 cents per kilogram of Growth Production butterfat and/or 37.5 cents per kilogram of Growth Production protein in the months of December to July (“Incentive Payment”). It is possible for Growth Production to be achieved in either butterfat or protein, or both, and the Incentive Payment will be calculated accordingly.

3. Eligibility

For a supplier to be eligible for an Incentive Payment in relation to a farm for a Production Month:

- the farm must have had Growth Production in that Production Month;
- the supplier must have supplied milk from that farm to Riverina Fresh for the full Production Month;
- the supplier must still be supplying milk to Riverina Fresh at the time any payment is due; and
- the supplier must supply Riverina Fresh with all relevant information required by Riverina Fresh (including for new suppliers who have previously supplied other dairy companies, production data and documentation generated by those other dairy companies for the period that would otherwise have comprised the Reference Production Months). This will enable Riverina Fresh to determine a supplier’s eligibility for an Incentive Payment and

the supplier's production base. If a new supplier is unable to provide sufficient information to enable Riverina Fresh to determine the supplier's farm's production base or if the material provided is, in Riverina Fresh's opinion, insufficient or inconclusive, then Riverina Fresh reserves the right to rule the supplier as ineligible for the Incentive Payment until the supplier has supplied milk to Riverina Fresh for twelve (12) Production Months (thereby enabling a production base to be determined). Alternately, Riverina Fresh may determine the supplier's farm's production base at a level Riverina Fresh believes is appropriate, at Riverina Fresh's discretion. Riverina Fresh's decisions in all these matters will be final and binding on the supplier.

4. Payment

Incentive Payments will be paid by Riverina Fresh at the same time Riverina Fresh pays the supplier for milk supplied from that farm during that Production Month, provided that the supplier is still supplying milk to Riverina Fresh at the time the payment is due.

Payments will be made in accordance with each supplier's payment arrangements with Riverina Fresh.

5. Ownership Change

If there is a change in the ownership/suppliers of a farm during a Production Month, the Incentive Payment will be calculated on the basis of the Growth Production for that farm (under both owners) and any amount that is then payable will be paid to each supplier in proportion to the suppliers' respective volume contributions to Milk Production in the Production Month.

6. Ownership Of More Than One Farm

Milk Production results for one farm cannot be used for the purpose of any Incentive Payment calculation for another farm, even if each farm is owned by the same supplier. Results of more than one farm will not be aggregated.

7. Sharefarmers

Any Incentive Payment for a farm with a share farming arrangement will be split between the farm owner/s and sharefarmer/s based on the proportions of volumes of milk supplied by each of them to Riverina Fresh during the Production Month, as notified by the farm owner/s and sharefarmer/s to Riverina Fresh from time to time. If Riverina Fresh is uncertain how such a payment should be allocated, it may withhold payment until it is provided with sufficient information to determine this issue.

9.9 Statutory Levies

DAIRY AUSTRALIA LEVY

Under Commonwealth legislation, a mandatory levy is payable on dairy produce to provide funding for marketing, research and development carried out through Dairy Australia. A further component is used to fund the Animal Health Australia program. The statutory levy is not subject to GST.

The current rate and full details of the dairy levies can be found at <http://www.agriculture.gov.au/ag-farm-food/levies/rates>.

This levy will be deducted from your milk payment, and details will be outlined under the charges section in your monthly milk pay statement.

10. Additional Benefits

10.1 Supplier Advances

Riverina Fresh may offer short-term finance at its discretion to help suppliers manage their cash flow.

Supplier advances are offered to help meet business running costs and are not able to be used for capital purchases or development work.

Applications for supplier advances must be made through Riverina Fresh's Milk Supply Manager and are approved by Riverina Fresh CEO.

Supplier advances are repaid through deductions from the milk proceeds payable to the supplier. Full details of repayments are shown on the monthly milk pay statement.

Advances must be repaid within 12 months and attract commercial interest rates as determined by Riverina Fresh.

10.2 Herd Testing Incentive

Riverina Fresh's Herd Testing Incentive ("HTI") provides suppliers with a rebate of up to 30% of herd testing expenses, up to a maximum of \$3.50 per cow per production season.

The herd testing process includes an assessment of individual cow yield measurements (i.e. milk volume, fat and protein) and Bulk Milk Cell Count scoring. Herd testing is an important tool in farm management, helping farmers make decisions relating to cow selection, breeding, feeding, drying off and Bulk Milk Cell Count management. Riverina Fresh provides the rebate to its suppliers as an incentive to engage in herd testing.

The HTI applies to herd testing costs incurred during a production

season. The following requirements apply to the HTI:

- The HTI is available to suppliers, including sharefarmers, and covers herd testing expenses only. It does not apply to any other products (for example, artificial insemination costs);
- The HTI is available to current suppliers only (not to suppliers who have ceased supplying Riverina Fresh). Payment is made to the supplier - it is not 'attached' to the farm;
- The HTI applies to testing carried out by the supplier's tester of choice, provided the tester is a recognised herd test centre. The HTI is applied to monthly testing, less frequent testing and spot testing. A limit of \$3.50 per cow per production season applies;
- Proof of purchase for the previous season must be provided to Riverina Fresh between 1 July – 31 August; and
- Payment is made on Riverina Fresh determining that the above requirements have been met after Riverina Fresh has been provided with proof of purchase in the form of an annual statement or invoice that includes information about the number of cows tested and the cost of testing. Payment will be made in the following month as part of the regular Riverina Fresh milk pay schedule.

If you are a supplier with permanently installed In-shed Somatic Cell Count monitoring equipment you may also be eligible to receive the HTI. Please contact your Milk Supply Manager for further information.

10.3 Milk Cooling Equipment Purchase Incentive

Riverina Fresh offers a 'Milk Cooling Equipment Purchase Incentive' ("MCEPI") to assist suppliers with improving their daily milk cooling capacity.

Riverina Fresh encourages suppliers to reach a minimum vat capacity that is 50 per cent greater than their expected peak daily production.

The MCEPI applies to equipment associated with cooling milk, including vats, chillers, plate coolers, cooling towers, associated pumps and thermal storage vessels. It may also include the cost of delivery, refrigeration installation to the existing water pressure system and electrical installation to the existing fuse board.

The MCEPI covers up to 20 per cent of the purchase price (exclusive of GST) of the cooling equipment and services associated with installation of the equipment. The MCEPI is paid to suppliers through the milk pay system, and any payment is subject to (i) the Milk Supply Agreement being on foot; and (ii) the Supplier complying in all material respects with the terms of the Milk Supply Agreement during the term of the Milk Supply Agreement.

The MCEPI is available to suppliers provided the equipment purchased meets the following criteria:

- It must comply with Australian Standard 1187:1996 'Farm milk cooling and storage systems' as it pertains to refrigerated vats;
 - It must achieve a daily cooling capacity greater than 1.5 times the supplier's peak day's production during the previous season and/or significantly improves the cooling capacity of the current equipment to a level that is acceptable to Riverina Fresh;
 - Vats must have a storage capacity of at least 2,500 litres;
 - It must not make the number of vats in the dairy exceed two;
 - It must have a vat outlet that is not less than three inches; and
 - Meets the milk cooling capability to achieve a maximum of 5°C in 3.5 hours from the commencement of milking.
1. Payments of the MCEPI are made in monthly instalments via milk pay at a rate of 10% per year, pro-rated for the period of supply and up to a cumulative total of 20% over a 24 month period, unless otherwise agreed.
 2. Eligibility to receive the MCEPI is subject to and conditional upon your compliance with the terms of the Milk Supply Agreement. You will only be entitled to receive the MCEPI for the period during which you complied with your obligations under the Milk Supply Agreement.

3. If Riverina Fresh, acting reasonably, determines that you have failed to comply in any material respect with your obligations under the Milk Supply Agreement, then Riverina Fresh may (without limiting any other rights or remedies it may have):
 - a) immediately terminate the MCEPI; and
 - b) if Riverina Fresh determines (acting reasonably) that any portion of the MCEPI has been paid to you in respect of any period during which you had not materially complied with your obligations under the Milk Supply Agreement (**Overpayment**) then you will be required to repay such Overpayment to Riverina Fresh on receipt of written notice.
4. If Riverina Fresh terminates the Milk Supply Agreement as a result of your material breach, you will be required to repay us any Overpayments or the whole amount of the MCEPI payments we have paid you, as reasonably determined by Riverina Fresh.
5. If you terminate the Milk Supply Agreement as a result of our material breach or as otherwise permitted under the Dairy Code, then you will be entitled to be paid or retain a portion of the MCEPI as reasonably determined by Riverina Fresh, calculated having regard to the proportion of the supply period properly completed prior to termination.

11. Administration

11.1 Instructions To Supplier

As a Supplier, you must:

- Sign all instructions and notices as follows:
- If your Farm is a joint ownership, all joint owners must sign;
- If your Farm is owned by a partnership, all partners must sign;
- If your farm is owned by a trust, all trustees must sign; and
- If your farm is owned by a company, two directors, or director and company secretary, or a duly authorised signatory on behalf of the company must sign;
- Ensure an attorney who signs an instruction or notice, on your behalf, sends a copy of the power of attorney and otherwise confirms to Riverina Fresh's reasonable satisfaction that the power has not been revoked;
- Give Riverina Fresh any instructions to change your personal information (including bank accounts) in writing by the end of the month in which the change occurs; and
- Ensure that changes in share farming arrangements are signed by both the Farm owner and the share farmer.

11.2 Records

Riverina Fresh will keep records of your supply history and its relationship with you for a fixed period consistent with its record retention policy and the requirements of the Dairy Industry Code.

Riverina Fresh will treat its records (including test results) as accurate unless you prove to Riverina Fresh that the records are inaccurate or defective in some way.

11.3 Your Privacy

Riverina Fresh will collect, use, store and disclose your personal information, and where appropriate, will allow its related bodies corporate to use your personal information for:

- business purposes, including assessing your credit-worthiness;
- providing you with supplier services;
- collating its financial information;
- meeting its legal obligations;
- research;
- administering its relationship with you; and
- for other purposes relating to the dairy industry.

All personal information is kept at appropriate premises by, or on behalf of, Riverina Fresh. You can access and correct your personal information by phoning your Milk Supply Manager.

You agree that Riverina Fresh (and any of its related bodies corporate) may:

- use your personal information and give that information to third parties which may be located in Australia and overseas for the purposes set out above; and
- make enquiries about you to third parties.

You also agree to third parties providing personal information about you to Riverina Fresh and its related bodies corporate for the purposes outlined above. If you do not provide us with all personal information requested, Riverina Fresh may not be able to undertake the above-mentioned purposes.

These authorisations are for the benefit of Riverina Fresh and its related bodies corporate and apply in the context of the *Privacy Act 1988* (Cth) and all other applicable laws, statutes and regulations.

For more information about how Riverina Fresh handles your personal information, how to access and correct it, how to make a complaint and how we handle complaints, you can request a copy of our privacy policy by writing to our Privacy Officer at 20 Hammond Avenue Wagga Wagga NSW 2650.

11.4 Riverina Fresh's Confidential Information

As set out in the standard terms and conditions for supplying milk set out in the Appendix to this handbook, you must not disclose any of Riverina Fresh's confidential information to anyone.

11.5 No Obstruction

You must not obstruct, hinder or otherwise prevent Riverina Fresh from complying with any of its legal obligations once Riverina Fresh has made you aware of its relevant obligations. If you persist in such obstruction, hindrance or other prevention, Riverina Fresh may terminate its agreement with you for the supply of milk, provided that such conduct involves a material breach of the Milk Supply Agreement by you.

11.6 Disputes

If you disagree with a decision made by Riverina Fresh concerning your relationship with Riverina Fresh, you may follow the process set out in the Milk Supply Agreement for dispute resolution.

For all milk emergencies such as contaminated milk, hot milk and other collection issues please contact the milk transport contractor (available 24 hours, 7 days) or the Riverina Fresh Milk Supply Manager.

Milk Transport Contractor Contact Details

McCull's Transport	
Office	(03) 58593333

Riverina Fresh's Head Office can be contacted called for free on 1800 993 081 during business hours.



For more information
contact Riverina Fresh
20 Hammond Avenue
Wagga Wagga NSW 2650

Ph: 1800 993 081

www.riverinafresh.com.au

<https://www.instagram.com/riverinafresh/>

<https://www.facebook.com/riverinafresh>