

# Statement of Circumstances

This Statement of Circumstances (“Statement”) is provided pursuant to the Competition and Consumer (Industry Codes—Dairy) Regulations 2019 (the Dairy Code of Conduct). This Statement sets out the circumstances in which B D Farm Paris Creek Pty Ltd (Paris Creek) would enter into Paris Creek’s standard form milk supply agreement, (MSA) with farmers.

Date: 1 June 2022

Circumstance	Description	Measure/Comments
<b>Paris Creek Farms’ Milk Volume Requirements</b>	The annual volume of milk required by Paris Creek Farms.	Required – approx.9.3m litres of milk Paris Creek Farms has adequate milk for its volume requirements.
<b>Biodynamic Certification</b>	Farmers must hold Biodynamic Organic Certification for each farm from which milk is supplied to Paris Creek Farms, unless otherwise agreed in writing with Paris Creek Farms.	Required - Biodynamic Certification from an accredited Biodynamic Organic Certification body such as ACO or NASAA. All Paris Creek Farms farmers are currently certified as Biodynamic Organic Farmers.
<b>Chinese Organic Certification</b>	Farmers must hold or be willing to hold Chinese Organic Certification for each farm from which milk is supplied to Paris Creek, unless specifically agreed in writing with Paris Creek.	Required - Chinese Organic Certification from an accredited certifying organisation that is recognised by the relevant authorities in Australia and China.
<b>Geographic Location</b>	Paris Creek Farms is located in the Adelaide Hills region of South Australia and currently sources all of its milk from South Australia.	Required – farms to be located in South Australia unless agreed in writing with Paris Creek Farms
<b>Volume of Milk</b>	The volume of milk the farmer proposes to sell to Paris Creek Farms annually.	Required - Paris Creek Farms will agree the volumes of raw milk it requires, in advance with farmers annually.
<b>Quality of Milk</b>	Farmers must demonstrate the ability to supply milk that meets the Quality Requirements over a 12-month period.	Required – the target for milk it be <250,000 BMCC (cells/ml) and <10,000 for Total Bacteria Count (cfu/mL).  The below requirements must be met in order for Paris Creek Farms to be able to collect the milk:  Quality Requirements: <b>BMCC (cells/mL):</b> <400,000

		<b>Total Bacteria Count (cfu/mL):</b> < 50,000 <b>Temperature:</b> Below 5 degrees within 3.5 hours from milking and at all times thereafter <b>Pesticides:</b> None <b>Organoleptic:</b> None <b>Inhibitory substances:</b> None <b>Organic paperwork:</b> Complete <b>Freezing Point:</b> between -0.5C and -0.62C (inclusive)
<b>Milk Solids</b>	Farmers must be able to demonstrate the ability to supply milk with high levels of butterfat and protein.	Required – Target butterfat content is above 3.5%. Paris Creek Farms will regularly test milk for protein and fat levels in the milk supplied and discuss with farmers if these targets are not being met or if there are large variations in results.
<b>Quality Control Measures</b>	Farmers must be able to demonstrate that they have adequate quality control and quality assurance measures in place to meet the Quality Requirements, and to comply with the necessary industry and specific supply standards	Requirements – all farmers must meet quality control measures to allow them to be accredited by Dairy Safe SA, as Biodynamic and Organic and the ability to gain China Organic Certification
<b>Insurance</b>	Farmer must demonstrate that they have public liability insurance and product liability insurance.	At least \$10 million per occurrence.

# Minimum Price Statement

This Minimum Price Statement (“Statement”) is provided pursuant to the Dairy Code of Conduct.

Date: 1 June 2022

In setting the prices set out in the MSA, Paris Creek has considered the following:

- Meeting Paris Creek Farm’s volume requirements for milk and/or its components (such as cream).
- Biodynamic Organic certification nature of the milk and the Farm inputs and costs of producing Biodynamic Organic certified Milk.
- The quality and components of the milk supplied by the Farmer, such as protein and butterfat content (i.e. the overall price will be impacted by the level of fat and/or protein in the Milk supplied).
- Consideration of the seasonal fluctuations in milk production relative to Paris Creek Farms customer’s demand for milk.
- Geographic location of the milk being supplied to Paris Creek Farms processing plant and the associated transport costs.
- Volume of Milk at each collection.
- The level of supply of Biodynamic Organic milk in the farmer’s farming region.
- Availability and proximity of alternate milk sources (e.g. ease with which Paris Creek can source Milk from within the current farming region or from other farming regions).
- The level of consumer demand for Paris Creek Farms finished products.
- The ability for Paris Creek to use non-Biodynamic and non-Organic milk for use in its products.
- Consideration of seasonal fluctuations and cost fluctuations