

19 June 2018

Dear Supplier,

2018/19 Season Opening Milk Price for the NSW-Sydney Market Region

We are pleased to announce an opening price for the 2018/19 season of 49.6 cents per litre for Saputo Dairy Australia (SDA) suppliers in our NSW-Sydney Market Region, based on the NSW reference composition of 3.9 percent butterfat and 3.2 percent protein.

This opening price represents our current assessment of expected market conditions for the coming year. We believe it is responsible and allows room for upward movements if improved market conditions are realised throughout the year. We are pleased to report that export market conditions have continued to improve in recent months.

We will monitor market conditions as the season unfolds and update you as part of our quarterly milk price review process in October, January, April and June.

Milk Payment Structures

As previously communicated, we will continue to operate with separate handbooks for the SDA and Warrnambool Cheese and Butter (WCB) supply groups for the 2018/19 season with no major changes to current terms and conditions.

Milk Price Commitment

You can be assured that your milk price at the end of the year will be market competitive, due to the milk price commitment made to former MG suppliers to pay at least the equivalent price to the largest two processors in the NSW-Sydney Market Region.

The monthly price table can be found at the end of this letter. Please contact the field services team for an income estimate.

Further information

You will receive a 2018/19 SDA Milk Supply Handbook for the NSW-Sydney Market Region in the mail in the coming weeks, containing full details of the Milk Payment Structure and Milk Supply Policies. In the meantime this handbook will be available to download via our website www.mgc.com.au/legal

Supplier Meetings

Our annual supplier meetings roadshow will begin on 9 July 2018 with Lino Saputo, Jr. and team in attendance. Full details will be provided in due course and we look forward to seeing you there.



Thank you for your ongoing support and as always please contact the field services team if you have any queries or if we can assist you further in any way.

Kind regards,



Kai Bockmann
President and Chief Operating Officer
Saputo Inc. and Dairy Division (Australia)

Opening Milk Price 2018/19 for NSW-Sydney Market Region (effective 1 July 2018)

1. Monthly prices

Monthly milk prices for premium quality milk supplied from 1 July 2018 to 30 June 2019 are outlined in the table below.

Month	SDA	
	\$ per kg butterfat	\$ per kg protein
July	5.83	8.75
August	5.59	8.39
September	5.35	8.03
October	5.35	8.03
November	5.35	8.03
December	5.59	8.39
January	5.83	8.75
February	6.07	9.11
March	6.31	9.47
April	6.31	9.47
May	6.31	9.47
June	6.07	9.11

2. Other incentives and charges

The productivity incentive rates and volume charges remain unchanged.

Full pricing details are included in the 2018/19 Milk Supply Handbook for the NSW-Sydney Market Region which will be mailed to you.