

**Good morning,**

Last week we had the first of Fonterra's supplier meetings in Tassie, which have been well attended, with a lot of confidence among farmers as we've talked about the milk price announcements earlier in the month and the season ahead.

This week we are heading to northern Victoria and then out to the west – followed by Gippsland the week after. It's the first opportunity I will have had to meet many farmers that the FASC represents, so it would be great to catch up when I'm in your neck of the woods. You can [find the details here](#).

The big topic on everyone's minds is next season's milk price set against high input costs and labour shortages. From my perspective, it was good to see Fonterra open early this month with strong price and close with a step-up. It will allow us to plan for the season ahead, and hopefully compete in the labour market.

There wasn't strong market competition to force Fonterra to step up this season, and I think it was an example of Fonterra being consistent with their commitment to share market returns fairly with suppliers.

There's still a long way to go until the end of next season, but I think we're off to a good start. The recent drops in commodity prices put a bit of a brake on a higher opening price. FASC is supportive of Fonterra ensuring there are responsible pricing signals out in the market.

Looking at both price announcements together, I think we as suppliers should be feeling comfortable that while the opening price is important, it's the closing price that really counts. Fonterra knows it needs to be competitive and will review its price in June, as well as through the season, following closing out some deals including export cheese contracts.

You have probably heard of our ***Proud to be a Dairy Farmer*** program which is aimed at young farm employees. After a very successful and oversubscribed program earlier in the year, we will soon be advertising for participants for next year's event, so keep a look out for details and encourage your high potential employees to apply.

Building on the success of this program, in September this year we will introduce a new pilot program we are calling ***Get to Know Fonterra***. This program is based on a similar event that Fonterra NZ runs for its farmers, and some of our FASC members would be familiar with it having had the opportunity to head along.

The **Get to Know Fonterra** pilot will be run on 6 and 7 September, and we are looking for 12 suppliers to join us in Melbourne, where they'll be welcome to bring their partner along. We know this timing won't suit a lot of our suppliers, so will roll this program out at different times of the year to allow all suppliers the opportunity to attend.

The program will cover a wide range of topics, hosted by FASC and presented by Fonterra Australia MD René Dedoncker and his leadership team, including an overview of the domestic retail, foodservice and export markets, how Fonterra maximises value from each litre of milk and minimises waste, as well as insights into how market factors impact milk price. We will also have a special dinner on 6 September.

The costs of the program will be covered by FASC, including flights and transfers for those joining me from Tasmania.

More details including FAQs are on the FASC website [www.supplierscouncil.com.au](http://www.supplierscouncil.com.au) and are also available from your local Farm Source representative.

If you're in Victoria, I hope we can catch up when I'm in there over the next couple of weeks – otherwise, all the best for a good season ahead.



*Pictured Damien Cocker, Alan Davenport & Nigel Brock at the Tasmanian Supplier meeting*

Alan Davenport  
Chair – Fonterra Australia Suppliers' Council