

SADA UPDATE

30 June 2017

Dairy Industry Code of Practice for Contractual Arrangements

Following a period of consultation across the dairy industry, ADF and ADPF have developed a voluntary Dairy Industry Code of Practice for Contractual Arrangements to help ensure greater transparency and fairness in milk supply and pricing.

The Code was released by the Australian Dairy Industry Council today and is now available on www.sada.asn.au together with the ADIC media release.

It is important that contracts are fair, simple, realistic and easily understood by both parties.

The Code offers a supply agreement which better reflects a balanced supply chain approach between farmers and processors and not simply an agreement which is a 'take it or leave it' approach to a farmer's milk supply arrangements.

The Code of Practice will help ensure that supply agreements and contracts comply with the Unfair Contracts law that came into effect on 12 November 2016. The unfair contracts legislation extends existing protections against unfair contracting practices and is a practical step, that when coupled with the dairy industry Code of Practice, will provide dairy farmers with fairer and more transparent contracts.

If you are concerned that your contract or supply agreement is unfair?

- Talk to your processors and ask them to amend it so it is no longer unfair
- Talk to SADA on 08 8293 2399
- Contact the SA Small Business Commissioner www.sasbc.sa.gov.au
- Contact the ACCC
- Talk to a lawyer

If you are concerned about the terms of a contract you have received, you can visit the ACCC's Agriculture Unit for information about the law. ACCC toll free number is 1300 302 502.

Website: www.accc.gov.au/about-us/information-for/agriculture