

NATIONAL MILK AGENCY
MILK (REGULATION OF
SUPPLY) ACT, 1994.

MILK SUPPLY CONTRACT

Contract for the supply of Raw
Milk for Heat Treatment for
Liquid Consumption.

CLAUSE 1

1.1 Parties to Contract

	Producer	Processor
THIS contract is made	Name: _____	Name: _____
the _____ day of _____ 200	Address: _____	Address: _____
BETWEEN:	_____	_____
	_____	_____
	Registration No. _____	Registration No. _____
	Supplier Ref. No. _____	

1.2 ADDRESS OF PRODUCER'S MILK PRODUCTION HOLDING (if different from above address)

Address: _____

CLAUSE 2 - MONTHLY SUPPLIES/PRICES

2.1 The Producer shall supply to the Processor all year round or during the winter months only, as hereafter provided for, minimum daily raw milk supplies as set out below and minimum monthly raw milk supplies as set out in the Schedule annexed hereto.

2.2 The Producer shall supply all raw milk in accordance with the European Communities (Milk Quota) Regulations S.I. 70 of 1994 as same may be amended from time to time.

2.3 *ALL YEAR ROUND - MILK SUPPLIES/EX FARM PRICES

*(Delete this version Clause 2.3 if Winter Months Only Contract)

2.3 (a) The producer shall supply to the Processor all year round minimum daily raw milk supplies of _____ litres and the minimum monthly raw milk supplies as set out in the schedule annexed hereto.

2.3 (b) The Processor shall pay to the Producer the monthly raw milk prices ex farm (exclusive of VAT) as set out in the Schedule annexed hereto.

2.3 (c) The Producer's annual milk production from the milk production holding is _____ litres and the minimum percentage of the Producer's production from that holding to be supplied during the winter months shall be 20% and during the months November, December and January shall be 10%.

2.3 *WINTER MONTHS ONLY MILK SUPPLIES/EX FARM PRICES

*(Delete this version Clause 2.3 if All Year Round Supply Contract)

2.3 (a) The Producer shall supply to the Processor during a period of 120 consecutive days during the winter months minimum daily raw milk supplies of _____ litres and the minimum monthly raw milk supplies as set out in the Schedule annexed hereto.

2.3 (b) The Processor shall pay to the Producer the monthly raw milk prices ex farm (exclusive of VAT) as set out in the Schedule annexed hereto.

2.3 (c) The Producer's annual milk production from the milk production holding is _____ litres and the minimum percentage of the Producer's production from that holding to be supplied during the winter months shall be 20% and during the 120 day supply period shall be 15%.

CLAUSE 3 - PRODUCTION AND TREATMENT

3.1 The Producer hereby declares for the purposes of the Milk (Regulation of Supply) Act 1994 and for the benefit of the Agency that his/her milk production holding is registered under the Council Directive.

3.2 All raw milk supplied under this contract shall be produced on the milk production holding of the Producer.

3.3 The Processor hereby declares for the purposes of the Milk (Regulation of Supply) Act, 1994 and for the benefit of the Agency that its heat treatment establishment is approved or is the subject of a derogation under the Council Directive.

CLAUSE 4 - CONTRACT

The contract is for an unbroken period of twelve months or, if renewed, as herein provided, during which period the Producer agrees to supply and the Processor agrees to purchase raw milk supplies subject to and in accordance with the terms and conditions set out in this Contract.

CLAUSE 5 - TERM

5.1 The Contract shall commence on the 1st day of October 20 ____ and shall continue (subject to the provisions for termination hereinafter provided for) for a period of twelve months and may be renewed from year to year thereafter Provided that in each year the Contract is supplemented by an agreement between the parties submitted to the Agency not later than the end of June in that year which in the opinion of the Agency provides sufficient guarantee that adequate compensation will be made to the Producer for raw milk supplied under the Contract during the following winter months, taking into account, in particular, in relation to the following winter months the economic cost of production of raw milk of suitable quality for heat treatment for liquid consumption all the year round.

5.2 Where the Contract is not in any year supplemented by such agreement as is provided for in the preceding subparagraph hereof and unless earlier terminated pursuant to the provisions hereof the Contract shall terminate on the expiry of that year.

5.3 In this Contract reference to "the winter months" shall mean the months October, November, December, January and February in the current contract period and "the following winter months" means the months October, November, December, January and February following the current contract period.

CLAUSE 6 - QUALITY

Raw Milk supplied under his Contract shall at all times at least conform to the standards as specified under the Council Directive and such other laws as may from time to time be applicable or which may supersede or amend the Council Directive and any other tests and standards as agreed by the parties.

CLAUSE 7 - SUPPLIES AND PRICE

7.1 REVISION OPTION

The Processor shall, subject to the approval of the Agency, have the option, which option if exercised must be exercised in respect of every month, to revise the monthly raw milk supplies for each month in the ratio that its total monthly sales of heat treated milk for liquid consumption bears to the aggregate of contracted raw milk supplies from Producers contracted to that Processor for the same month.

However, the Processor shall not abate the monthly raw milk supplies to be purchased from such Producers where such abatement is as a consequence of the acquisition by the Processor of either raw milk or heat treated milk from sources other than such Producers.

Where a Processor wishes to operate this option it shall notify the Agency of its intention to do so at the time that the raw milk supply Contract or supplementary agreement is submitted for approval and registration.

Where a Processor exercises this option it shall compile a schedule setting out a comparison between the revised monthly raw milk supplies from each Producer and the contracted monthly raw milk supplies from each Producer.

This schedule shall be available for inspection by the Agency at the Processor's heat treatment establishment.

7.2 REVIEW OPTION

The Processor reserves the right to revise the monthly raw milk prices referred to in Clause 2.3 of this Contract. Full details of any such revision shall be notified in writing by the Processor to the Agency not later than fourteen days from the date of the decision of the Processor to make the revision and in any event not later than the end of the month following the month in which supplies are delivered which are the first affected by the price revision. Any such revision shall be such as in the opinion of the Agency following consideration thereof in the context of Section 6 of the Act shall not make inadequate the compensation to the Producer for raw milk supplied under the Contract.

CLAUSE 8 - PROCESSORS UNDERTAKING

8.1 The Processor undertakes to purchase raw milk to be heat treated and sold as milk for liquid consumption only in accordance with a registered contract unless such sale is exempt under Section 5 of the Act.

8.2 The Processor confirms that heat treated milk for liquid consumption produced from milk supplied under this Contract will conform to Regulation (EEC) No.1411/71 of the Council of 29 June 1971 as amended.

CLAUSE 9 - FORCE MAJEURE CLAUSE

9.1 If for any period the Producer is prohibited by law from supplying raw milk, or as a result of contingencies beyond the control of the Producer such as strikes (including third party strikes), lock outs, riots, fire, act of God, pollution or contamination of water supply, infectious disease among the Producer's livestock or circumstances otherwise constituting force majeure the Producer is unable to supply raw milk, the operation of the Contract during that period shall be suspended upon written notice from the Producer to the Processor and to the Agency provided that should the operation of the Contract continue to be so suspended for a continuous period of three calendar months (or for periods totalling three calendar months within any period of twelve calendar months) the Processor may at any time thereafter and before operation of the Contract resume terminate the Contract by giving Notice of Termination to the Producer and to the Agency.

9.2 If for any period the Processor is prohibited by law from purchasing or processing raw milk or as a result of contingencies beyond the control of the Processor such as strikes (including third party strikes), lock outs, riots, fire, act of God, pollution or contamination of water supply, or circumstances otherwise constituting force majeure, the operation of the Contract during that period shall be suspended upon written notice from the Processor to the Producer and to the Agency provided that should the operation of the Contract continue to be so suspended for a continuous period of three calendar months (or for periods totalling three calendar months within any period of twelve calendar months) the Producer may at any time thereafter and before operation of the Contract resume terminate the Contract by giving the Contract by giving Notice of Termination to the Processor and to the Agency.

CLAUSE 10

Raw milk supplied pursuant to this Contract shall remain the property of the Producer until paid for in full by the Processor.

CLAUSE 11 - DEFINITIONS

“Act” means the Milk (Regulation of Supply) Act, 1994;

“the Agency” means the National Milk Agency established under Section 2 of the Milk (Regulation of Supply) Act, 1994;

“Council Directive” means council Directive 92/46/EEC of 16 June 1992 laying down health rules for the production and placing on the market of raw milk, heat treated milk and milk based products as amended by Council Directive 92/47/EEC of 16 June 1992 and Council Directive 94/71/EC of 13 December 1994;

“Contract” means this contract;

“current contract period” means during the first 12 months of operation of this Contract, that period of 12 months, and during any subsequent 12 month renewal of the Contract that 12 month period;

“milk” means raw milk or heat treated milk;

“milk production holding” means the milk production holding of the Producer to which this contract applies and the location of which shall be deemed to be at the address of the Producer save where a separate address for the holding is indicated at Clause 1.2 above;

“raw milk” means whole cow's milk which has not been heated beyond 40C or undergone any treatment that has an equivalent effect;

“heat treated milk” means cow's milk whether whole, semi skimmed or skimmed which has been subjected to heat treatment and presented in the forms defined in Annex C, Chapter 1 A 4(a),(b),(c) or (d) of the Council Directive, including milk to which has been added flavouring, vitamins, minerals or other food ingredients, provided that these ingredients are not used to replace in part or in whole any milk constituent;

“Producer” includes the person indicated as Producer in Section 1 hereof and his/her permitted successors and assigns being a person who is the owner or occupier of a holding where one or more milk yielding cows are kept;

“registered contract” means a contract registered with the Agency pursuant to the Act;

“Processor” includes the person indicated as Processor in Section 1 hereof and its permitted successors and assigns being a person who is the owner or occupier of a heat treatment establishment;

“year” means a period of twelve months commencing on the 1st October in a year.

PRODUCER

Producer's Signature _____

Independent Witness's Signature _____

Independent Witness's Address _____

PROCESSOR

Signed on behalf of the Processor by _____

EXECUTIVE TITLE

 EXECUTIVE TITLE

**SCHEDULE*
 APPLICABLE TO WINTR MONTHS
 CONTRACT ONLY**

Day/Month (Dates Inclusive)	Minimum Supplies Litres	Monthly Raw Milk Prices Ex Farm cent/ litre (Excl VAT)
to October	_____	_____
1 to 30 November	_____	_____
1 to 31 December	_____	_____
1 to 31 January	_____	_____
to February	_____	_____
Total (year)	_____	Average _____

*Delete as appropriate

**SCHEDULE*
 APPLICABLE TO ALL YEAR ROUND SUPPLY
 CONTRACT**

Month	Minimum Monthly Supplies Litres	Monthly Raw Milk Prices Ex Farm cent/ Litre (Excl VAT)
October	_____	_____
November	_____	_____
December	_____	_____
January	_____	_____
February	_____	_____
March	_____	_____
April	_____	_____
May	_____	_____
June	_____	_____
July	_____	_____
August	_____	_____
September	_____	_____
Total (year)	_____	Average (year) _____

NATIONAL MILK AGENCY

At the meeting of the National Milk Agency held on _____ the Agency expressed the opinion that at that date this Contract complied with Section 6 (a) to (d) of the Milk (Regulation of Supply) Act, 1994 and that the Seal of the Agency should be affixed hereto and that this Contract should be registered.

Signed and Sealed on behalf of the Agency by

Seal of Agency

 CHAIRMAN

 CHIEF EXECUTIVE