

Sent: Friday, 24 November 2017 9:59 a.m.

To: regulation.branch

Subject: Re: Commerce Commission - Publication of submissions on draft report of our Review of Milk Price Manual 2017/18 season

Good morning Keston

My wife and I submitted on the Fonterra milk price manual.

Along with other farmers we are involved in discussions with Fonterra management to gain understanding regarding the companies decision to deduct \$16 million from the farm gate milk price to help partially offset the cost of winter milk premiums. We understand that this practise has occurred in the past but has only been disclosed for the first time this year in the Milk Price Statement.

We did not comment on this adjustment in our submission because the change occurs to the milk price after the manual process. However given that the adjustment results in a change to the farm gate milk price it seems to farmers that changes such as this should be made as part of the manual process rather than post-manual.

We bring this matter to your attention and ask that the Commerce Commission consider whether alterations to the farm gate milk price such as this should be made within the milk price manual process rather than post-manual.

Stuart and Lorae King