



MILK EXCHANGE

MEDIA RELEASE

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Milk Exchange to conduct world first online milk auction

In what may be a world first, the Melbourne based eCommerce trading platform Milk Exchange is to hold an online auction for farm milk this week.

The event on Wednesday, April 21 between 9am-2pm will be the first for new season 2021-22 farm milk.

The planned auction follows the broadening of the Milk Exchange's online milk trading platform, launched in October 2019, to include a "click to contract" initiative in December last year.

"The trading event, through bidding activity, will provide price transparency for the current conditions in the commodity and consumer markets," Milk Exchange General Manager, Commercial Development Richard Lange said.

The auction next week would also set up opportunities for farmers to find buyers in other regions other than their own, he said.

"It will provide milk suppliers greater choice and control for their milk contract for next season."

Mr Lange said he was expecting major milk buyers to participate because it offered them an opportunity to lock away some critical volume early and avoid some of the mad scramble for milk that occurs in June each year. "This offers a better way to buy and sell milk," he said.

Only buyers and milk suppliers registered to trade can participate in the online auction.

Among the key features of the auction include enabling milk suppliers to nominate a price for Offer to Sell milk.

Milk trading can be anonymous, and suppliers can offer split contracts on the Milk Exchange.

At the conclusion of the event, suppliers will have the opportunity to choose to accept or reject bids.

A standard "eContract" will be used for transactions that is compliant with the Australian Competition and Consumer Commission's (ACCC) Dairy Mandatory Code for Farm Milk, which will include a 14-day calling off period.

Buyers and sellers can trade with a simple click to contract process that avoids complicated and protracted negotiations.

"We currently have commitments for a milk pool of more than 100 million litres of 2021-22 milk throughout Victoria, SA, NSW and Queensland," Mr Lange said.

"We will be receiving and assessing volumes within these regions and other regions over the next two weeks for upcoming auctions."

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