

DAIRY CONTRACTS

5 TOP TIPS FROM THE NFU



Make the most of any new contracts offered to you by following our top tips!

1. READ IT

You'd be amazed how many farmers don't read their dairy contracts before they sign on the dotted line. This contract is going to be worth tens of thousands of pounds to your business each year; surely it's worth reading the document through to see what it says?

2. ASK QUESTIONS

If you don't understand something in your contract, ask your buyer about it. They should be able to explain what it says, and why it's there. If they can't, it shouldn't be in the contract!

3. IT'S NOT JUST ABOUT PRICE

Given where the market has been, it's understandable that farmers are moving buyers for better prices. But remember, with most dairy contracts the buyer can change the price quickly after you've signed. So, check the other sections of your contract, too. Can you get the buyer to agree to make changes to other parts of the contract that could be valuable to your business? For example, can you agree a shorter notice period for you if you want to terminate the contract? Will the buyer agree not to vary the contract without your agreement?

4. THE DEVIL IS IN THE DETAIL

If you've read through your contract in the first place, you'll even know what the small print says. Do check it carefully, though – it's amazing what hidden traps lawyers will bury in terms and conditions that they hope no-one will ever read.....

5. TAKE ADVICE

There's lots of help available to you – make sure you use it. Don't sign an agreement in haste, or under pressure; take the time you need to check it carefully and take advice.

YOU CAN GET HELP FROM:

- **NFU CallFirst on 0370 845 8458** - A dedicated helpline, our expert advisers are here to help NFU members with their questions.
- **NFU legal panel firms** - There are two NFU legal panel firms of Solicitors in each NFU region. The firms offer a discount of 12.5% on their hourly rates for NFU members on any work relating to their farming businesses. NFU CallFirst can sort a referral for you!
- **Visit NFU online** - www.nfuonline.com. There are lots of resources available for NFU members on our website – from Business Guides to the Voluntary Code of Practice on Contracts.
- **AHDB Dairy** – dairy.ahdb.org.uk