

Media Release



Devondale – Murray Goulburn Announces second Step-up in Farmgate Price

23 October 2013

Australia's farmer-controlled dairy company, Devondale – Murray Goulburn (MG) has today announced a second step-up in the farmgate price (excluding the NSW - Sydney Region) for the 2013/14 season of \$0.09 per kilogram butterfat and \$0.19 per kilogram protein. This step-up takes Devondale - MG's weighted-average, available price to \$6.00 per kilogram milk solids.

Devondale - MG has also increased its end of season forecast to a range of \$6.10 – \$6.30 per kilogram milk solids.

Devondale - MG Managing Director, Gary Helou, said: "Since our record opening price in late June we have seen the international dairy market for key ingredients remain strong, underpinned by strong global demand particularly for whole milk powder which continues to trade at high levels. The Australian dollar has traded at lower levels but has recently strengthened and remains a source of risk to current full year forecast.

"These factors combined with our ongoing focus on delivering value through improved business efficiencies and innovation, has meant that we are able to pass additional benefits to our farmer supplier/shareholders – our Co-operative's main objective.

"This step-up provides a further \$32 million into Devondale - MG farm cash flows throughout 2013/14.

"MG remains determined to deliver higher returns to its dairy farmer – shareholders through operational excellence and innovation. Each year, each step-up in milk price further highlights the vital importance of a successful farmer-controlled dairy co-operative to drive industry success and growth."

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Devondale - Murray Goulburn Co-operative Co. Limited (MG) is Australia's largest dairy food company receiving and manufacturing approximately three billion litres per annum or one third of Australia's milk. MG was formed in 1950 and remains 100% dairy farmer controlled. MG is Australia's largest dairy food exporter and its flagship Devondale brand is sold nationally.