

Media Release



MG announces third step-up in farmgate price of \$0.18 butterfat and \$0.38 protein – equivalent to 2cpl for the average supplier*

18 December 2013

Australia's farmer-controlled dairy company, Devondale – Murray Goulburn (MG) has today announced a third step-up in the farmgate price (excluding the NSW - Sydney Region) for the 2013/14 season of \$0.18 per kilogram butterfat and \$0.38 per kilogram protein. This step-up takes Devondale - MG's weighted-average, available price to \$6.25 per kilogram milk solids.

Devondale - MG has also increased its end of season forecast to a range of \$6.30 – \$6.50 per kilogram milk solids.

Devondale - MG Managing Director, Gary Helou, said: "Global demand for dairy foods remains strong and as a result prices for key dairy ingredients, such as whole milk powder, have remained at near record levels for an unprecedented period. Other dairy foods, such as cheese and butter, have also strengthened throughout the year."

"This step-up is the third announced by MG this financial year and will deliver an additional \$60 million to MG dairy farmers to support business cashflow. When combined with the two previously advised step-ups, MG has added \$120 million to farmgate returns since announcing a record opening price for the 2013 season in July.

"Today's step-up announcement further underscores the importance of having a 100% farmer controlled co-operative that is focused on maximising farmgate returns to support more profitable farm businesses and dairy industry growth."

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Devondale - Murray Goulburn Co-operative Co. Limited (MG) is Australia's largest dairy food company. Each year it receives and manufactures approximately 3.2 billion litres or one third of Australia's milk and generates sales revenue in excess of \$2.4 billion. Murray Goulburn was formed in 1950 and remains 100% dairy farmer controlled, with over 2,400 farmer-shareholders and more than 2000 employees. Murray Goulburn is also Australia's largest dairy food exporter to the major markets of Asia, the Middle East and North Africa, and the Americas. Murray Goulburn produces a range of ingredient and nutritional products, supplies the food service industries globally and its flagship Devondale brand is sold nationally.

* Excludes NSW - Sydney Region.