

Media Release



Devondale – Murray Goulburn Announces Step-up in Farmgate Price

13 August 2013

Australia's farmer-owned dairy company, Devondale – Murray Goulburn (MG) has today announced a step-up in the farmgate price 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 \$5.86 per kilogram milk solids.

Devondale-MG has also increased its end of season forecast to a range of \$5.95 – \$6.20 per kilogram milk solids. External factors including fluctuating international commodity prices and currency movements may result in a final price that is higher or lower than this forecast.

Devondale-MG Managing Director, Gary Helou, said: "Since increasing our opening price in late June, we have seen the international dairy market for key ingredients remain strong and the outlook for the Australian dollar remain relatively weak compared to last year."

"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.

"This step-up provides a further \$30 million into Devondale - MG farm cash flows and follows our announcement in June to lift the previously announced record opening base price by \$0.13 per kilogram milk solids.

"After a difficult season in 2012/13, we are pleased to be able to deliver higher farm returns and we remain optimistic about market returns for the remainder of the year," Mr Helou said.

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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 owned. MG is Australia's largest dairy food exporter and its flagship Devondale brand is sold nationally.