



Press Release

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Murray Goulburn Co-operative announces further increase in farmgate milk price for 2012/13 – also increases year-end forecast.

Australia's farmer-owned dairy food company, Murray Goulburn (MG), today advised the company's dairy farmer – shareholders of a further increase in farmgate milk prices for the current season. This is the co-operative's second increase in farmgate price for 2012/13.

In his statement to shareholders, Managing Director Gary Helou advised of a price increase of \$0.20 per kilogram of protein and \$0.08 per kilogram of butterfat for milk supplied across the 2012/13 season.

"This step-up takes MG's weighted-average available price to \$4.77 per kilogram milk solids."

"Increased milk supply into MG plants and lower operating costs across the MG business have contributed strongly to this step-up," Mr Helou said in his statement.

"While market conditions remain volatile, particularly the level of the Australian dollar, there has been some rebalancing of supply and demand for dairy products globally with the drought in the USA a notable factor. This has seen an increase in the price of some key dairy ingredients in recent months."

MG also advised dairy – farmer shareholders of an increase in the full-year farmgate price forecast.

In his statement to shareholders, Mr Helou said the company had recently reviewed its full-year forecast for 2012-13 taking into account the key factors affecting the dairy market and MG's performance.

"Consequently MG has increased the full-year forecast milk price from a previously stated range of \$4.70 to \$4.90 per kilograms of milk solids to \$4.80 to \$5.00," Mr Helou said.

Mr Helou said the forecast was subject to market volatility particularly in the value of the Australian dollar.

"MG's focus remains on delivering improvements in our operating efficiency and marketing reach and the passing of these benefits to our dairy farmer - shareholders in the form of higher returns as soon as possible."

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