



Media Release

Devondale/MG invites NSW dairy farmers to commence milk supply

11 July 2013

Australia's farmer-owned dairy foods company, Devondale/Murray Goulburn (MG), today invited dairy farmers in the NSW-Sydney market region to express interest in supplying milk to the Co-operative from 1 October 2013.

MG's General Manager Shareholder Relations Robert Poole said the Co-operative had brought forward its plans to secure milk for the Sydney market.

"In April this year we announced our entry into the NSW daily pasteurised market via a unique ten-year agreement to supply Coles private label and a relaunch of Devondale-branded daily pasteurised milk. This agreement commences on 1 July 2014.

"The entry of MG into this market is extremely important for the NSW industry but it does create a transition period.

"In the lead up to the 2014-2015 season, MG wants to support an orderly transition to the new market structure and wants to support all farmers through this period. Accordingly we have brought forward our milk collection plans," Mr Poole said.

Mr Poole explained that NSW Sydney market pricing would be different to pricing in southern Australia.

"Because the NSW-Sydney region of MG will be totally focused on a single market – daily pasteurised milk, the pricing system is geared for this market. This includes flat milk supply, agreed milk supply volumes and different pricing for milk components.

"We have put forward a competitive pricing system that is available to all farmers in the central NSW regions such as the Manning Valley, Hunter Valley, Central Tablelands and Southern Highlands.

"Farmers are invited to express their intent to supply MG from 1 October and once we meet critical business goals such as minimum volumes, we aim to enter supply agreements with NSW farmers," Mr Poole said.

At this point, MG has not limited total milk volumes it may receive under this offer.

"Next year, MG requires approximately 100 million litres in its Sydney plant. However, our vision is to be the primary milk handler and processor in NSW and we are confident that we can utilise or place all milk in the state through our Sydney plant or our commercial milk business," Mr Poole said.

NSW dairy farmers must submit their intentions to MG by 23 July 2013.

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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.