



Press Release

2 February 2011

Murray Goulburn Co-Operative (MG) announces a step-up in farmgate milk price for 2010/11 – and maintains end of year forecast

Australia's farmer-owned dairy company - Murray Goulburn today advised the co-operative's dairy farmer - shareholders of an increase in the farmgate milk price.

In his statement to suppliers Managing Director Mr Stephen O'Rourke advised of a price increase of \$0.35/kg protein and \$0.14/kg butterfat for milk supplied across the 2010/11 season. This takes the available weighted average farmgate price to approximately \$5.25 per kilogram of milk solids.

Mr O'Rourke also advised that the Co-operative's forecast final milk price for FY11 had been maintained at a range of \$5.30 to \$5.50 per kilogram of milk solids.

"As we commit to sales of our FY11 ingredients and retail products we are increasingly confident of delivering to the upper end of our price target," Mr O'Rourke said.

"The international market for key dairy products such as whole milk powder, cheese and butter has remained firm during the first half of FY11 based on very strong demand from MG's long-term customer base. The indications are that the market will remain solid this financial year."

Mr O'Rourke said that nearly 120 MG dairy farmer - suppliers had been significantly impacted by floods in North-West Victoria and Western Victoria.

"We will work closely with our suppliers to assist them through the immediate flood impacts and the longer-term recovery," Mr O'Rourke said.

Ends

Established in 1950, Murray Goulburn Co-Operative (MG) is Australia's 100% farmer-owned dairy company. MG is Australia's largest exporter of dairy foods. MG's flagship Devondale brand is sold nationally and is a market leader in key categories.

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