



# Press Release

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29 June 2011

## **Murray Goulburn Co-Operative forecasts solid farmgate returns as it releases opening prices to its dairy farmer supplier-shareholders**

Australia's farmer-owned dairy company - Murray Goulburn Co-Operative today released its 2011/12 opening milk price circular to its dairy farmer supplier-shareholders.

In the circular Managing Director Stephen O'Rourke informed supplier-shareholders that the opening price equated to a weighted average of \$4.90 per kilogram of milk solids.

"In addition, our current market forecast for the year ahead suggests a final milk price in the weighted average range of \$5.30 to \$5.50 per kilogram milk solids and we will update this forecast on a regular basis throughout the year," Mr O'Rourke said.

"If the market conditions allow us to meet this forecast we are committed to delivering this return via step-ups in milk price throughout the coming year."

Mr O'Rourke said that forecasting FY12 farmgate returns involved balancing the risks to the international dairy market and the Australian dollar.

"International dairy prices remain in a historically high range as does the Australian dollar. Obviously these factors can change based on the key factors in the world economy and this can affect returns to Australian farmers.

"Accordingly we have taken a careful forward view to make our forecast for the full year. We will keep our supplier-shareholders as up-to-date as possible in regards to market changes," Mr O'Rourke said.

In regards to finalising the FY11 farmgate returns Mr O'Rourke indicated a final step up would be announced in the coming weeks.

"We are in the process of finalising our accounts and we will then announce our final step-up for FY11. I am pleased to say that we will comfortably exceed the top range of our forecast weighted average price which was \$5.50 per kilograms of milk solids.

"This is the second highest farmgate price ever paid by Murray Goulburn to its dairy farmer suppliers and we are pleased to be forecasting a similar price for the coming year."

Ends

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

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