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ADF calls on Wesfarmers to explain its subsidiary's actions

For immediate release

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ADF has sent a letter on behalf of dairy farmers, Coles' customers and others concerned by the Wesfarmers subsidiary actions to Wesfarmers Chairman Bob Every seeking an extraordinary general meeting of the company to consider two resolutions:

That the company:

- (i) Explain the Coles pricing strategy on milk and other dairy products and how this is consistent with the origins, values and corporate social responsibility of the company; and
- (ii) Refrain from implementing and persisting with the Coles "down-down" milk and dairy product price reductions.

"Wesfarmers needs to rein in Coles. It needs to make its subsidiary treat consumers and dairy farmers with respect," Mr Drury said.

"Coles has not been upfront with the public on their tactics and the impact of its campaign on Australia's dairy industry or its customers. Now is the opportunity for its parent company Wesfarmers to be open, honest and transparent with those who own it and have helped build the company into what it is now."

Wesfarmers, a company whose origins lie with the farmers must take responsibility for Coles' actions that are now directly impacting farmers and be answerable to its shareholders.

Coles is selling milk cheaper than many varieties of bottled water, significantly devaluing one of the most premium fresh products available.

"These price cuts are unsustainable and the plain fact is milk priced at \$1 per litre doesn't bring in enough money to support farmers, processors and retailers. Coles knows it and so should Wesfarmers," Mr Drury said.

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