

Media Release



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ADF WELCOMES DEVONDALE ANNOUNCEMENT

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ADF welcomed today's announcement by Murray Goulburn Co-operative of a ten year private label daily milk partnership with Coles, the relaunch of Devondale branded fresh milk and the investment of \$120 million in two "state-of-the-art" milk processing plants in Melbourne and Sydney.

ADF President Noel Campbell said today, "The most important thing here is the reassurance by Murray Goulburn that the farmers supplying these contracts will see an increased farm gate return from July 2014.

The Australian dairy industry has long been calling for an investment by processors in the fresh milk market. The creation of two new milk processing plants is a positive sign of innovation and long term commitment, both vitally important factors in driving farmer confidence to invest on-farm.

ADF welcomes the duration of Coles' commitment with Murray Goulburn, recognising that long term contracts at the retail level in turn give milk processors the option to provide longer term contracts to dairy farmers. As always ADF encourages all Australians to buy branded milk to best support Australian farmers.

"We will continue to monitor farm gate returns for farmers supplying fresh milk contracts. It is sincerely hoped that this arrangement, and others like these, flow through as expected to farmers' bottom line".

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