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Discount milk move could make ALDI a hero

For Immediate Release

PEAK dairy farmer group Australian Dairy Farmers (ADF) is urging retailer ALDI to raise the price of its discount milk line in a bid to give hardworking farming families a fair price for their product.

“Aldi has a unique opportunity to move on discount milk and be a hero to farmers,” ADF CEO David Inall said.

“Farming families put tireless effort and resources into producing a quality product, day in and day out, and to see it devalued to the consumer has a deep and lasting impact.”

ALDI currently sells cheap milk for 99 cents per litre but have, until now, flown under the radar.

ADF’s call follows the announcement by Woolworths yesterday that it would begin raising the price of its \$1 per litre milk range by 10 cents, with the entire increase going back to farmers.

“Woolworths has adopted a model where the full 10 cent increase goes back to the farmers who supplied that milk, via an audited process.” Mr Inall said.

“It is extremely disappointing to see that Coles has chosen not to follow Woolworths lead in demonstrating support for farmers. Collecting customer donations at the register is tokenistic, at best.”

Farmers are currently suffering through a severe drought, with production costs skyrocketing due to high grain, hay and water prices.

Alarmingly, the last Dairy Australia National Dairy Farmer Survey (NDFS), undertaken in early 2018 before the drought really started to bite, found 40 per cent of dairy farmers did not make an operating profit in the 2016-17 financial year.

The survey revealed just 47 per cent of farmers felt positive or very positive about the future of the industry; down from a peak of 75 per cent five years ago.

Dairy Australia is forecasting national milk production in 2018/19 will fall below 9 billion litres for the first time since the 1990s, in another blow to industry confidence.

Mr Inall said it was up to retailers to ensure their suppliers received an equitable price for their product.

“Aldi can take a leadership position and ensure their suppliers receive a fair payment for their hard work.

“If more farmers leave because their milk price doesn’t reflect their high production costs, there will be a real danger of Australia soon not having a dairy industry.”

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