



MEDIA RELEASE

Woolworths offers certainty in new milk contract

Thursday, April 3, 2014: Woolworths today announced that it has entered into a 10 year contract with Queensland based dairy processor Parmalat Australia, to process Queensland milk in a deal that is great for customers, great for farmers and great for Queensland.

The new contract to process Select house brand milk provide for an initial five years, with an option for a further five years. The existing contract, also with Parmalat was for two years.

The longer contracts give both the farmers and Parmalat certainty that will allow them to invest in their businesses with confidence.

Managing Director of Supermarkets, Tjeerd Jegen, said the new contracts were a win for farmers, Woolworths customers and Queensland industry.

“We want the highest quality milk for our customers. Parmalat has told us that with the certainty of a long term contract, they and their farmers can invest and innovate,” Mr Jegen said.

“Changes like leak-proof foil seals for milk containers and new ultra clean and accurate filling equipment would not be possible without the investment brought about by this longer term commitment. We believe these innovations are good for the market, and we hope our customers will see and enjoy the difference.”

Parmalat CEO Craig Garvin said the Woolworths decision is a positive outcome for the company and its Queensland farmers.

“Thanks to our new long term agreement, we can confidently progress our longer term manufacturing plans in Queensland as well as offer new long term milk supply agreements to our farmers,” he said.

The contract will begin in early September.

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