



MEDIA RELEASE

Woolworths signs new milk contract with WA's oldest dairy

Thursday, 3 April 2014; Woolworths and Brownes today announced that they have entered into a long-term contract for the supply of Woolworths Select milk in a deal that is great for customers, great for farmers and great for Western Australia.

The new contract is for the supply of Woolworths Select milk for the next 7.5 years. This long-term contract will give both farmers and the iconic Western Australian processor, Brownes, certainty that will allow them to continue to invest in their businesses with confidence.

The new contract also means milk will stay in the state. Western Australian milk from Western Australian farms will be sold in Western Australian supermarkets.

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

"Woolworths Select milk has been providing our customers a great value product on an essential family product. We are very pleased to partner with Brownes for the long term. It means dairy farmers and the processor will provide great quality milk for our customers into the future.

"Brownes is Western Australia's oldest and largest dairy. They know farmers because they are close to their farmers and the strength of these relationships was a great drawcard for Woolworths," he said.

Brownes Managing Director, Ben Purcell, said the announcement was brilliant news for WA Dairy.

"We are pleased we have been able to achieve a great commercial outcome for our farmers and to ensure that they would get a fair return for the amazing WA milk they produce," Mr Purcell said.

"We are thrilled that this deal means that fresh WA milk from the South West will be used instead of imported, eastern states milk because that can only be good for the ongoing sustainability of our industry. These new contracts mean local farmers will supply West Australian milk to West Australian families," he said.

Woolworths Select milk is sourced from milk processors rather than direct from farmers and so has no direct control over farm gate prices. This new long-term contract will allow both farmers to invest and innovate in their farms and reap the benefits that come from this at the farm gate.

The contract will begin on 1 July 2014.

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