

Media Release

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CHANGES TO COLES BRAND FRESH WHITE AND UHT MILK PRICES

Following recent increases in sourcing, transportation and packaging costs, including a substantial rise in farmgate prices paid to dairy farmers, Coles is raising the retail price of Coles Brand fresh and UHT white milk products.

Prices listed below will be rolled out across Coles supermarkets and Coles Online nationally:

- Coles Brand fresh white milk 1L was \$1.35 now \$1.60
- Coles Brand fresh white milk 2L was \$2.60 now \$3.10
- Coles Brand fresh white milk 3L was \$3.90 now \$4.50
- Coles Brand UHT white milk 1L was \$1.35 now \$1.60

In June, Coles signed updated contracts with 100 Australian dairy farms to supply milk directly for Coles Brand. In recognition of the higher costs being faced by dairy farmers, this included an increase to the farmgate price paid by Coles this financial year even for farmers with multi-year contracts already in place. Coles has been paying these higher prices since July 1.

In recent months Coles has also agreed significant increases to wholesale prices in markets where Coles Brand milk is sourced from processors, as the farmgate price they pay to dairy farmers has also risen substantially.

Michael Hampson, CEO of dairy co-operative Norco which supplies Coles Brand milk in Northern NSW and Southern Queensland, said the increased farmgate price was making a huge difference to dairy farmers.

"Through our long-term partnership with Coles, we have been able to support our 300 farmer members with a record farm gate milk price increase across the total 200 million litres that our members supply to our 100% farmer owned co-operative," he said.

"This is especially important as farmers face pressures from rising costs of production, with many still recovering from the devastating impacts of recent unprecedented weather events."

Dairy farmers John and Anne Boyd, whose farm at Pirron Yallock in Western Victoria has been supplying Coles directly since 2019 and has a contract in place to June 2025, said shoppers buying Coles Brand milk directly benefited family farms like theirs.

"We appreciate the stability a three-year direct supply agreement gives us, to enable constant investment to produce the best quality milk we can. As we see it, it's a win-win for all. Coles support us and we support them, then by buying Coles Milk consumers can support the farmer to produce high quality milk they can enjoy," John said.

"It is also Coles' responsiveness and dependability that has impressed us. This year they significantly increased prices paid to respond to our current cost pressures when they didn't have to, as we already had an agreement in place. It reaffirmed Coles is the right milk supply partner for us. They really value a sustainable partnership."

Coles Chief Commercial Officer Leah Weckert said: "We know customers are facing increased cost of living pressures and Coles remains committed to continuing to deliver great value to our customers. Raising prices is never something we do lightly, however the increased supply chain costs we are seeing, including higher payments to dairy farmers and processors, have necessitated these increases on Coles Brand milk products.

"The feedback we've received from farmers and processors following the recent increases in farmgate and wholesale prices has been very positive, and we hope customers will help us continue to support them by purchasing their great quality Australian milk."

For further information, please contact: Coles Media Line (03) 9829 5250 or media.relations@coles.com.au