

# Media Release

**19 March, 2019**

## **FARMERS TO RECEIVE FULL BENEFIT OF COLES MILK PRICE INCREASE**

- **Price of Coles Brand 2L milk to increase to \$2.20, 3L milk to \$3.30**
- **Full benefit to be passed on to farmers via higher farmgate payments**

In support of Australia's dairy farmers, Coles Supermarkets will increase the price of 2 litre and 3 litre Coles Brand milk by 10 cents per litre starting from 20 March.

Coles is currently paying dairy processors the highest farm gate milk prices in four years, without passing on the added expense to customers. However it is clear that many dairy farmers, particularly in northern Victoria, New South Wales and Queensland, are struggling as a result of drought.

As an interim measure, Coles will increase the price of 2 litres of Coles Brand milk to \$2.20 and 3 litres of Coles Brand milk to \$3.30 in most Coles supermarkets from tomorrow morning, with the new pricing to be rolled out across all stores in coming days.

Coles will work with dairy processors to ensure that the benefit of this retail price increase will go directly to the dairy farmers who supply Coles Brand milk to our customers.

"Coles sources 100 per cent of our Coles Brand fresh milk from Australian farmers, many of whom are struggling as the impact of drought compounds ongoing challenges in the dairy industry," Coles Group Chief Executive Officer Steven Cain said.

"Coles supports proposals to make Australia's dairy industry more sustainable, and we are continuing to explore long-term solutions with government and industry stakeholders.

"However we know that many dairy farmers cannot wait for structural reform to be delivered so we are moving to provide relief right now."

Coles recognises that price increases alone will not solve structural challenges facing Australia's dairy industry, and acknowledges the commitment of the Federal Government to deliver longer-term industry-wide solutions.

In addition to this latest initiative, with the help of customers, Coles has committed \$16 million since the beginning of the financial year to support farmers and producers doing it tough due to the impact of drought.

This includes almost \$4 million distributed to dairy farmers through the Coles Dairy Drought Relief Fund, and over \$7 million raised for more than 2400 farmers through the Country Women's Association's Drought Appeal.

Coles has also pledged \$5 million in grants or interest-free loans from the Coles Nurture Fund for farmers who have a project to help them to combat drought in the future.

Since 25 February Coles has also been collecting customer donations at our supermarket registers nationally for the CWA Drought Appeal and is matching every donation dollar for dollar.

**For further information, please contact:**

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