Müller UK & Ireland Confirms September Milk Price

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Müller UK & Ireland is to offer a milk price to farmer suppliers of 22.35ppl from September 7th, 2015.

The reduction of 0.8ppl reflects a continuing softening in the market value of farm-gate milk due to very high levels of supply from farms in the UK, coupled with weak global demand.

Analysts suggest that dairy farmers in Britain have increased the supply of milk by 1.6 billion litres in the last 12 months compared with the same period two years ago.

The additional annual volume placed on the market represents an extra 80,000 farm tanker loads, the equivalent of more than 40 pints of milk for every head of population in the UK.

Long term demand forecasts for dairy remain positive but in the short term the value of dairy commodities has declined sharply with cream suffering a loss of 10% in its value in July alone, and 35% in the last 12 months (source DairyCo Datum).

Martin Armstrong, Head of Milk Supply for Müller UK & Ireland said:

"We are seeing a significant imbalance between supply and demand in the UK and globally and this is weighing heavily on the value of the milk produced by farmers.

"We are not in a position to avoid the impact of these powerful and cyclical market fundamentals but we are continuing to invest heavily to create a diverse dairy business in the UK and to work collaboratively with our farmer board to align supply with demand.

"We remain focused on adding value and innovation so that we can pay a premium over the commodity market value of farm-gate milk."

Philip Rowney, Chairman of the Müller Wiseman Milk Group board which represents dairy farmers who supply the company said:

"It is our role as a board to minimise the impact of a market downturn on our members andto ensure that thecompany is under no illusions as to the position which farmers currently find themselves in.

"To this end our discussions were constructive and robust and whilst there is no doubt that farmers who supply the company will not welcome this news, Müller UK & Ireland remains committed to a leading non-aligned price and contract proposition."

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For further press information, please contact Graeme Jack at graeme.jack@muller-wiseman.co.uk, or telephone 01355 598585

Müller UK & Ireland

Müller UK & Ireland is wholly owned by the Müller Group. It has 19 sites nationwide and employs almost 6,000 people across two business units: Müller Dairy and Müller Wiseman Dairies.

Müller Dairy is the UK's leading branded yogurt manufacturer, with major brands such as Müller Corner, Müllerlight and Müller Rice.

The business makes chilled desserts including Cadbury Bubbles of Joy, Pots of Joy, Layers of Joy and Twin-pot products, produced under license from Mondelez.

Müller Dairy also supplies the UK private label yogurt market from a state of the art yogurt facility in Telford, Shropshire.

Müller Wiseman Dairies is a leading fresh milk, cream and butter business with a network of dairies and depots servicing customers throughout the country.

The business recently commenced butter-making, opening a major facility in Shropshire with the capacity

to produce up to 45,000 tonnes of salted, unsalted and lactic butter each year for the manufacturing, food service and retail sectors.

To make its range of dairy products, the Müller UK & Ireland buys milk from more than 1,200 British dairy farmers, all of whom are Red Tractor Farm Assured.

Müller Wiseman Milk Group Dairy members elect a representative farmer board which works with the business to discuss milk supply issues, including the Group's commitment to maintain a competitive milk price and contractual position.

Company Contact:

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