

Norco Co-operative Limited

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## Media release

**Wednesday, 19 November, 2014**

### **Free Trade Agreement a great boost for fresh milk exports to China**

The Norco Board of Directors' recent strategic decision to approve a \$4.5 million capital upgrade to the Raleigh Milk Factory so that the export of fresh milk to China can be ramped up seems to have been vindicated by the Federal Government's Free Trade Agreement announcement.

"The announcement of the Free Trade Agreement with China couldn't have come at a better time given that we have made a commitment to make a substantial capital investment at Raleigh so that we can take our export sales of fresh milk to China to the next level. We have been somewhat hamstrung with capacity issues at our factories but the capital upgrade, together with the Government's announcement will improve our market access greatly," said Norco Chairman Greg McNamara.

Norco CEO Brett Kelly praised the efforts of Agriculture Minister, Barnaby Joyce who has been lobbying hard on behalf of Australian agricultural companies, including Norco.

"The recent major market access breakthroughs and the announcement by Prime Minister Tony Abbott that Australia has concluded a free trade deal with China are critically important in assisting Norco to have a viable and competitive channel to market in China and will assist in Norco being able to provide our farmers with a more profitable future. We have already been working hard and have recently been successful in securing an order for an additional 90,000 litres of milk, which is more good news for the Co-operative," said Mr Kelly.

Agriculture Minister, Barnaby Joyce, provided his comments in a strong show of support for Norco and the dairy industry in general.

"With the Coalition Government focussed on reducing trade barriers and improving market access for Australian agricultural products, our agri-food sector has a firm foundation on which to plan and invest for a profitable future.

"The Free Trade Agreement agreed to by Prime Minister Tony Abbott and Chinese President Xi Jinping contains significant tariff reductions for liquid milk and will deliver significant benefits for not just Norco, but for dairy producers and manufacturers right across Australia.

"Norco should be congratulated for their success to date both in Australia and overseas. Having pioneered a cold supply chain to facilitate exports of fresh milk into China, Norco is well placed to take advantage from any further improved market access into China and is now investing \$4.5 million to upgrade its Raleigh dairy processing facility in readiness to meet increased demand from this key trading partner.

"This investment will translate into higher production and more demand for quality milk from Norco's suppliers and I have no doubt will lead to better farm gate returns over the long term.

“Norco’s commitment to being a reliable supplier of high quality milk and milk products to China as well as its commitment to back itself should also be congratulated.

“Having strong business confidence is integral to building trade capacity and I am pleased that the Coalition Government is creating the conditions needed for our agri-food and farm sectors to grow and thrive.

“Of course, improving our capacity to provide high quality Australian milk will not meet all of the demand that China or Asia will have into the future - but through companies like Norco, we can contribute to the food needs of the region,” Minister Joyce said.

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**About Norco**

Norco Co-operative Limited is an Australian, farmer owned dairy co-operative that has been in business since 1895. Norco is based in Lismore (NSW) and currently has 330 active members on 220 supplying dairy farms across Northern New South Wales and South East Queensland. Total business revenue was \$430 million last financial year. Operating business divisions Norco Foods and Norco Rural Retail / Agribusiness, Norco is a quality manufacturer, wholesaler and retailer of a range of dairy products including milk, cheese and ice cream, a retailer of a diverse range of agricultural products across NSW and Queensland and a manufacturer of stockfeeds and pet foods in both NSW and Queensland.