



Banks Holdings Limited

**PRESS STATEMENT**  
**PHD AND DAIRY FARMERS REACH AGREEMENT**

Tuesday February 26, 2013

**PINE HILL DAIRY AND LOCAL DAIRY FARMERS have both agreed to cuts for two months so as to ensure that consumers do not have to pay more for local milk.**

Following a lengthy meeting at Pine Hill's offices today aimed at maintaining the current price of white milk to consumers, Pine Hill agreed to continue to absorb increases in the cost of processing, and the 15 dairy farmers present along with the Farmer's Representative Committee have agreed to temporarily reduce the farm gate price on milk until April 30<sup>th</sup> 2013.

Pine Hill has also agreed not to institute any further quota reductions to farmers through 31<sup>st</sup> December 2013 and to purchase the excess milk produced by dairy farms up to a limit of 5% of revised quota.

During the two-month period, the two sides have also agreed to continue to aggressively pursue acceptance of a suitable industry assistance plan to be readied for implementation as early as possible after April 30<sup>th</sup>.

The temporary agreement comes as the PHD continues to make a loss on every single carton of white milk it sells, a position which CEO **Richard Cozier** says is "absolutely unsustainable". "This is a bitter pill for all involved. The options at our disposal in regard to milk are becoming fewer and fewer. Pine Hill has absorbed all of the increases it can over the last 8 months. As is well known, we have made representation to Government, and we continue to work with farmers so as to ensure the survival of the industry. It is absolutely critical that a holistic plan is agreed upon urgently. Today's agreement provides us with a "window" within which to finalise those plans and seek Government approval therefore. The plans will be designed to better position the industry to grow whilst ensuring that prices are reflective of the economic conditions that prevail."

Chairperson of the Farmer's Representative Committee **Annette Beckett** said, "This agreement has been reached after robust discussion, in an effort to ensure that milk consumers continue to have Fresh Bajan Milk as an option, and that we sustain and grow the market for Cow's Milk in Barbados. Our primary aim is to ensure the survival of the industry, and the decision to take a temporary cut, with a window for increased production (excess milk), is with the proviso that we (Farmer, Pinehill and Government) will be seeking a long-term solution."

In respect of the temporary agreement, Chief Executive Officer at the Barbados Agricultural Society (BAS), **James Paul** said, “This is a significant landmark for the dairy industry and we hope this represents a way of resolving difficult issues through discussion and consensus. We at the BAS always try to bring stakeholders together, rather than have them take adversarial positions, to ensure long-term benefits to the industry. It is our goal to ensure that farming is financially viable and also to give the consumer a quality product at a reasonable price.”

Commenting on the way forward, Mr. Paul also said, “We received assistance from the Ministry of Agriculture for dairy farmers and we must now develop a long-term strategic plan to see how we can develop the industry, how we can apply our resources over the next five years and what achievements can be made. We need to look at the market and see what new products we can bring.”

Farmer **Matthew Power** said, “The next two months will be hard but it is in the interest of keeping the price low to the consumer, so I feel comfortable with this temporary agreement.”



CAP. 1 PHD and farmer representatives addressing farmers: seated at the head table are (from left) BHL Group Public Relations Manager, Sophia Cambridge, PHD’s Farm Liaison Officer, Jeremy Brereton, Acting General Manager of Pine Hill Dairy, William Haslett, CEO and Managing Director of BHL, Richard Cozier, head of the Farmers’ Committee Annette Beckett, and President, Barbados Dairy and Beef Producer’s Association, Brian Allan.



CAP. 2 Farmers attending the meeting at Pine Hill Dairy.

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