



Banks Holdings Limited

PRESS RELEASE
Friday July 1, 2011

FARMERS TOLD OF CHANGE TO QUOTA SYSTEM

PINE HILL DAIRY FARMERS HAVE BEEN INFORMED that a new quota system has been introduced and will remain in effect for one year.

The Pine Hill Dairy Board of Directors issued the directive that effective July 1, 2011, for a period of one year, "PHD will pay full quota price (\$2:45/kg) for all milk supplied by the farmers regardless of whether it would otherwise be considered 'quota milk' or 'excess milk', and regardless of whether it is used in Category A products (fresh ultra-pasteurised milk) or Category B products (UHT long life milk and evaporated milk)."

Prior to July 1, farmers were paid a premium price for an agreed quantity of milk. For any excess milk supplied, they were paid at a reduced rate.

PHD's Farm Advisory Manager, **Brian Alkins**, explained that the new system was developed to achieve two main objectives.

"The first is to encourage farmers to supply PHD with as much milk as possible since current intake is down significantly this year compared to last year," said Alkins. "Current intake is down by approximately 20-percent."

PHD also wishes to use the year to communicate further with farmers and develop a long-term quota system, which embraces the objectives of both parties.

"We do not want to just reintroduce the quota system after the year is up but, during this period, to get together with the farmers to discuss their concerns, listen to their suggestions and proposals, and work out and agree on another, more equitable method of determining payments for raw milk and managing the supply, that is beneficial to all parties concerned."

For further information, please contact Mrs. Sophia Cambridge, tel.# 227-6705, or email scambridge@thebhigroup.com.