

OMSCo to take on DFB's organic members and operations

On Monday 1st June 2009, the Organic Milk Suppliers Co-operative Limited ("OMSCo") and Dairy Farmers of Britain Limited (DFB) entered into an agreement whereby OMSCo would collect and market organic milk produced by DFB members from 1 July 2009.

Subsequent to receivers being appointed to DFB on 3rd June 2009 OMSCo has agreed with the DFB Organic Group, management and the receiver that it will take on all DFB organic members with full responsibility for the collection and marketing of the organic milk in the next few days.

John Alpe, chair of the DFB organic members, said "This agreement should help to remove a lot of the uncertainty for DFB organic members who were shocked by the appointment of receivers on Wednesday. The fact that we had this agreement in place will simply mean that the planned implementation date of 1st July will be brought forward and DFB organic members will become full members of OMSCo as soon as possible. We thank OMSCo members and staff for supporting us at this time and also DFB staff and the receiver for helping with the smooth transition. This will not only provide a short-term solution to issues raised by the appointment of a receiver, but will also help to provide longer term benefits in terms of efficiency savings to many organic producers."

Sam Taylor, vice chairman of OMSCo added "This agreement, which has been agreed and concluded very quickly, was motivated by a desire to deliver efficiencies on haulage and administration to the enlarged organic pool."

Stephen Oldfield of PricewaterhouseCoopers said "I am delighted that these [80] members have found a safe home so quickly. This is a great early result for the receivers, keeping the milk flowing is an essential part of our strategy and the migration of these organic farmers to OMSCo will provide them with an outlet for their milk going forward.

We have put resources into this unique deal in order to get it finalised quickly and will continue to work very hard with the member council and the milk supply business to keep milk flowing across the Dairy Farmers of Britain business."