

STOCK & LAND

SE dairy-cattle
HD UDP suppliers not paid

BY Louise Preece

WC 294 words

PD 30 June 2014

SN Stock and Land

SC FSTOCL

LA English

CY Copyright 2014 Fairfax Media Publications Pty Limited. . Not available for re-distribution.

LP

UP TO 10 South Australian and Victorian dairy farms have not been paid their monthly May cheques by dairy manufacturer United Dairy Power.

This is according to South Australian Dairy Farmers" (SADA) president David Basham, who said about four SA UDP suppliers had been in contact with him, but he understood there were 10 all up that were owed money.

TD

He said the suppliers had been sent a letter by UDP last week, which stated they would be paid last Friday, June 27.

"They then got another letter on Friday, which said they would not be paid until early this week," he said.

The farmers involved told Mr Basham the issue was due to cash flow problems.

The operations are mostly large - and are owed anywhere from \$120,000 up to \$300,000, depending on the individual business.

"Some have now been paid a portion of what they are owed," he said.

"But I would certainly say they are all concerned.

"They are also expecting their June cheque very soon, which is due in July."

Mr Basham said SADA had approached other milk processors as an option for the farmers involved "if they wished to change companies.

"Other companies are willing to take them on," he said.

"I think those involved are seriously considering it."

UDP was sold to Hong Kong-based businessman William Hui earlier this year, who acquired the company for a reported \$70 million.

The processor operates in South Australia and Victoria, processing 500 million litres of milk every year, of which 350 million litres are collected directly from UDP suppliers while the remainder comes from competitors.

UDP have been contacted for comment.

CO adryfl : Australian Dairy Farmers Limited

IN i010010502 : Dairy Cattle Farming | i0 : Agriculture | i01001 : Farming | i0100105 : Cattle Farming | ilsfarm : Livestock Farming

NS ccat : Corporate/Industrial News

RE austr : Australia | saustr : South Australia | apacz : Asia Pacific | ausnz : Australia/Oceania
PUB Fairfax Media Management Pty Limited
AN Document FSTOCL0020151213ea6u004or