

SE **Business**

HD **Dairy plant tips organic milk production to churn out jobs**

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EXCLUSIVE CREAMING top dollar from organic **milk** production is the charter of a new \$3.5 **million dairy** processing plant to be opened tomorrow in Geelong.

The small Organic **Dairy** Farmers of Australia co-operative has bought a former refrigerated seafood facility to turn it into a speciality organic cream, **butter** and **cheese** factory, with the help of a \$600,000 federal government grant designed to create jobs in hard-hit Geelong.

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ODFA chief executive Bruce Symons said the new processing facility was all about making the most profit from the 25 **million** litres of high-value **milk** that his 23-co-operative members, including chairman Terry Hehir, produce annually on their Victorian farms.

Mr Symons said the factory's organic cream would literally be creamed off **milk** already being **sold** to Parmalat for its popular Paul's organic **milk brand**.

But many Paul's organic **milk** customers prefer low-fat **milk**, with the unwanted high-value organic cream previously being blended back in with Paul's conventional full-cream **milk** range; not reaping its full value.

"We thought, 'why not do it ourselves and make the most of our organically certified **milk**?' " Mr Symons said yesterday.

"So the tankers will now come from our farms. We will take some of the cream off at Geelong and then send the tankers on their way to the Parmalat factory, with the **milk** having a little bit of its cream content reduced; it seemed such a logical step to take." ODFA co-operative controls about 75 per cent of national organic **milk** supply. It recently started to sell its own range of organic **cheese**, **butter** and long-life **milk** under the brands True Organic. Mr Symons said the organic cream produced at Geelong would be **sold** locally and exported, with Korea showing interest.

ODFA is already exporting its long-life organic **milk** to **China**, Singapore, Korea and **Hong Kong**, where it sells for \$5 a litre.

With a 40 per cent **milk** production growth target in the next three years, more farmers joining their ranks and organic food companies beating a path to their door, ODFA's **dairy** farmers in northern Victorian, the Western District and Gippsland are being paid handsomely for their efforts.

Organic **milk** is bought by the ODFA co-op from its farmer members for 60c a litre, 25 per cent per cent above the price being paid by other processors such as Murray Goulburn and Fonterra for non-organic **milk**. The Geelong ODFA factory will be opened tomorrow by federal Industry Minister Ian MacFarlane. The **company** is receiving its grant under the government's Geelong Innovation and Investment Fund scheme, following the closure of the Alcoa Port Henry refinery in July with the loss of 500 jobs. Mr Symons expects to employ 25 locals.

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