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S.A. DAIRY FARMS SUPPLY MILK TO UNDERPIN BFC EXPANSION

Beston Global Food Company Limited ('BFC' or the 'Company') is pleased to announce that it has reached agreement to purchase an additional 60 million litres of milk a year from South Australian Dairy farms as it seeks to underpin future cheese production at its Murray Bridge and Jervois facilities.

More than 20 South Australian dairy farm owners from Mount Gambier to the Barossa Valley have agreed to supply milk to BFC to supplement the 20 million litres a year BFC already sources from its own farms.

BFC's Chief Executive Officer, Sean Ebert, said the company needed around 90 million litres of milk in FY2018 to ensure sufficient raw material for its rapidly growing cheese operations.

"We are in talks with other dairies in major South Australian milk production areas and expect to reach the target in coming weeks," he said.

"All of the dairies involved have been supplying other national dairy food groups and were looking for alternatives."

In May 2017, at the 2017 Dairy Industry Association of Australia awards, BFC subsidiary, Beston Pure Foods, was awarded 'Best Cheddar Cheese' in Australia and became the first South Australian company in 30 years to win the prestigious Christian Hansen Cup for its "Edwards Crossing" Matured Cheddar Cheese. It won a total of 19 gold and silver awards, including one gold and five silvers for its "Mable's" cream cheese.

In May 2017, the Company commenced production of Parmesan cheese at Murray Bridge for national and export markets and plans to expand into other hard cheese varieties in FY2018. Full production of Parmesan is expected towards the end of this year.

BFC is in the process of installing a state-of-the-art mozzarella plant at its Jervois factory and expects to produce a minimum of 5,000 tonnes per annum; the production capacity of the new plant is 14,500 tonnes per annum.

The commissioning of the Mozzarella plant, expected late in 2017, will produce increased volumes of whey as a by-product of the production process which will enable the Company to increase the production of its gold medal winning whey powder at the Jervois milk powder factory.

Mr Ebert said BFC would continue to monitor its requirements for milk and liaise with South Australian dairy farmers to ensure a reliable and consistent supply chain.