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No rise in milk prices until Aug or Sept

KUALA LUMPUR: Dutch Lady Milk Industries Bhd will not raise the prices of its products until August/September, managing director, Bas van den Berg, assured its consumers Wednesday.

"We will do the utmost not to raise the prices, but I cannot promise that there won't be any increase.

"That's highly dependent on the development in the coming three to four months," he told reporters after the company's annual general meeting here Wednesday.

van den Berg said Dutch Lady was able to maintain the prices of its products as it has locked in the prices of dairy raw materials until August/September.

"We have seen significant increases in the prices of raw materials in the past six months, and based on the current outlook, we expect further increases this year," he said.

He said the price of skimmed milk powder, the main dairy raw material, was expected to be slightly above US\$3,000 (US\$1=RM3.21) per tonne this year from US\$2,100 per tonne in the fourth quarter of last year.

"In line with the positive outlook of the Malaysian economy, we expect the dairy market this year to show substantial growth.

"Consumer confidence is catching up and this will be reflected in consumer behaviour," he said.

van den Berg said although this year would be challenging for the company, it expected to achieve a better results for financial year ending Dec 31, 2010.

For the first quarter of 2010, Dutch Lady's pre-tax profit increased to RM28.28 million from RM12.66 million in the same quarter in 2009.—Bernama