



**AIB expects demand for Milk Quota to remain strong**  
**16th January 2008**

AIB expects demand for milk quota to remain strong in the latest round of trading and will again provide dairy farmers with access to very competitive and flexible Milk Quota loans. As well as a market leading interest rate, the AIB Milk Quota loan is designed to be as flexible as possible and farmers can negotiate repayments to suit their individual cashflow requirements.

Many farmers were left disappointed after the October exchange, where on average across all co-ops there was almost three times as much quota sought as was offered for sale.

It has been a remarkable year for dairy farmers. The combination of strong demand resulting from a number of coinciding factors resulted in a sharp upward pressure on prices. The current and likely future on the International Dairy sector is encouraging many Irish farmers to expand production. Despite quota prices rising by 8 and 10c/litre in the majority of co-ops in the last exchange, 66 million litres of quota were successfully traded.

AIB has a proud track record in supporting the dairy sector and looks forward to continuing this support. The bank recognises the increasingly important role the sector plays in the Irish economy. Michael Dowling, Head of Agri Strategy, AIB Bank, said

*'Even with the likely increase in quotas this year, most farmers will be able to expand only if they can get additional quota. For the majority, this means purchasing quota in the exchange at economically sensible prices. AIB is again happy to support farmers in this regard through the provision of specifically tailored quota loans. Farmers considering quota purchase should contact their local AIB branch for further details.'*

**-Ends-**

**For further information, please contact:**

Catherine Burke  
Head of Corporate Relations  
AIB Group  
Bankcentre  
Ballsbridge  
Dublin 4  
Tel: +353-1-641 3894

Michael Dowling  
Head of Agri Strategy  
AIB Bank  
Bankcentre  
Ballsbridge  
Dublin 4  
Tel: +353-1-641 3480