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ADF calls on Government to respond to Senate Committee minority report

For immediate release

Australian Dairy Farmers (ADF) President Chris Griffin has called on the Federal Government to respond to the recommendations of the Senate Economics References Committee's minority report into the retail supermarket milk war.

"The Government has now had over two months to respond to the final report of the *Inquiry into the impacts of supermarket price decisions on the dairy industry* and well over 18 months to respond to the previous inquiry, *Milking it for all it's worth*," Mr Griffin said.

"A year after Coles unsustainably cut the price of its supermarket brand milk to \$1/litre, and after an exhaustive Senate inquiry, we are still waiting on the promised response from the government. Meanwhile, the industry is being severely and progressively impacted by the day, especially in drinking milk states like Queensland, Northern NSW and Western Australia."

"The dairy farmers of Australia demand action. ADF calls on the Federal Government to immediately respond to the Committee's minority report and work with industry to implement its recommendations.

"The Government has been presented with clear and uncontestable evidence that Coles' marketing tactic is adversely affecting dairy farming families and action needs to be taken now," said ADF President Chris Griffin.

At the time of the release of the report of the *Inquiry into the impacts of supermarket price decisions on the dairy industry* ADF applauded Senators Xenophon, Williams, Madigan, Milne and Heffernan for having the courage to stand up to the retail giant Coles, owned by Wesfarmers, and tell it how it is.

"The Senators' recommendations provide a way to help balance the market power of the two big supermarkets and bring back some fairness and transparency in the market," said Mr Griffin.

The report was released on 3 November 2011 after two interim reports, over 180 submissions, 63 public witnesses and almost 9 months of inquiry.

It follows the previous senate committee inquiry report *Milking it for all it's worth – competition and pricing in the Australian dairy industry* which was released on 13 May 2010.

The Government has not responded to *Milking it for all it's worth* and on 20 April 2011 in an interim report the Senate Economic References Committee called on the Government to table a formal response to *Milking it for all it's worth* by 13 May 2011, which would have been a year after it was tabled.

The Government indicated it would respond to both reports 'after all the evidence has been examined and the Committee has delivered its final report.'*

"Coles' actions have already contributed to the loss of some 30 dairy farmers from the industry in Queensland since January 2011, and more are set to leave with farmers being offered lower prices over recent months," said Mr Griffin.

"Whilst dairy farmers are leaving the industry the Government has sat on two reports, one for well over 18 months. The time for talking is over, we need action," Mr Griffin said.

The Government must take action to balance the unfair market power of the two big supermarkets and provide fairness and transparency along the supply chain.

Mr Griffin said, “ADF is calling on the Government to support the dairy industry’s recommendation for an enforceable and mandatory Code of Conduct for supermarkets that covers the entire value chain, from farmer to retailer.”

The industry also calls for a Supermarket Commissioner or Ombudsman to be established to investigate complaints and strongly enforce the new code.

“The price cuts are unsustainable and the plain fact is milk priced at \$1 per litre does not bring in enough money to support farmers, processors and retailers. The evidence shows it and Coles knows it,” Mr Griffin said.

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* Australian Government Response to the Senate Economics References Committee Interim Report: ‘The Impacts of Supermarket Price Decisions on the Dairy Industry’, May 2011