

Media Release



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Dairy Farmers Deserve a Fair Go

For immediate release

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The Australian Dairy Farmers (ADF) President Wes Judd today welcomed the Senate Economics References Committee report into competition and pricing in the Australian dairy industry.

“Low milk price is always a grave concern for dairy farmers, and the last 18 months have seen an almost unprecedented downturn. While prices are now improving, it is important that food pricing and returns to farmers are transparent to everyone in the supply chain, including consumers” said Mr Judd. “In this environment, it is important that government and industry continue to work together to ensure market power is shared by all.”

Mr Judd confirmed that ADF had worked closely with milk processing companies and would continue to do so. His firm message is that dairy farmers should get returns for their milk at the farm gate as high as the market can yield, saying “as a global price taker, processors need to mirror global milk prices to be competitive in both our domestic and export milk markets. At the same time, farmers need a return that keeps their business viable.”

Mr Judd singled out collective bargaining arrangements as a highlight of the report. “In our market-oriented industry, we rely heavily on a robust system that allows market forces to operate, whilst increasing dairy farmers’ ability to access more balanced market power through tools such as collective bargaining. Strengthening these provisions is one of the recommendations of the Senate Committee that ADF would support. Obviously we would need to further explore the detail of how this is achieved.”

ADF recently welcomed the more positive outlook for milk price forecast by Dairy Australia. After one of the toughest years on record, dairy farmers are proceeding cautiously in the hope that 2010 will be a year of recovery.

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