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## Dairy farmers let down by ACCC

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### For immediate release

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ADF Vice President, Adrian Drury today responded to the ACCC announcement on Coles' unsustainable milk marketing tactic by saying, "The damage done to the dairy industry by unsustainable discounting by Coles means I can only agree with Senator Xenophon who called the ACCC a toothless Chihuahua.

The ACCC is silent on what is happening in regional or remote areas of Australia – Darwin, Kununurra and other areas. It is impossible for Coles to buy, transport, store and sell milk in these areas for \$1 per litre.

The ACCC is also silent on the issue of whether Coles has undertaken deceptive and misleading conduct by claiming in its advertising that they were not affecting dairy farmers.

Mr Drury said, "It is clear that small retailers and vendors have suffered and lost business as a result of the discounting war started by Coles and that farmers have been directly impacted.

In Queensland, many dairy farmers have been impacted already by the clear shift in sales to home brand milk with some set to lose around \$8,000 this year.

Almost twenty dairy farmers have left the industry in Queensland citing Coles' actions as the main contributing factor – they know the price is unsustainable.

The price cuts are unsustainable and the plain fact is milk priced at \$1 per litre doesn't bring in enough money to support farmers, processors and retailers. Coles knows it.

Mr Drury said "Dairy farmers certainly do not believe that Coles has been absorbing the cost of its marketing stunt. There are over 20,000 products in Coles stores and we believe Coles has been using milk as a loss leader to draw in customers while fleecing them on other products.

The ACCC has obviously conducted a very narrow inquiry that did not look at issues around false advertising, any long-term impacts of this cynical marketing tactic on farmers, corner stores, independent service stations and milk vendors or what the cost is to Coles at the checkout.

The ADF is disappointed that the ACCC did not publicise its terms of reference or actually discuss this inquiry with farmers.

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