

# Media Release



---

Monday 30 September 2013

---

## **Down Down - Coles ethics are down : Australian Dairy Farmers**

---

**For immediate release**

---

Australian Dairy Farmers Limited  
Level 2, Swann House  
22 William Street  
Melbourne Victoria 3000

Phone +61 3 8621 4200  
Fax +61 3 8621 4280

[www.australiandairyfarmers.com.au](http://www.australiandairyfarmers.com.au)

ABN 76 060 549 653

Australian Dairy Farmers (ADF) has condemned views contained in a Coles branded communications document that featured in the SBS1 program – The Observer Effect on Sunday night.

The “Reputation Management Case Study” came to light during a broad-ranging interview with Coles CEO, Ian McLeod.

“To say this document is dripping with cynicism would be a major understatement,” President of Australian Dairy Farmers, Noel Campbell, said.

Sentiments expressed in the case study included ‘we use every PR tactic possible to neutralise the noise’, ‘there was the inevitable farmer protest’, ‘grandstanding agri-politicians’ and ‘rural and regional noise was loudest’.

Mr Campbell said he was particularly disappointed Coles would allow their brand name to be associated with such views, at a time when dairy farmers supplying from regions influenced by domestic price issues, are severely affected by current farm gate milk prices.

“By maintaining unsustainable supermarket branded milk pricing, Coles is taking so much money out of the value chain as to make dairy production in many areas unsustainable,” he said.

“Not only have farmers’ incomes dropped in Queensland, Western Australia and Northern New South Wales but processors have said that milk priced at \$1 per litre cannot give a fair return to anyone in the value chain.

“Mr McLeod stated that dairy prices are driven by export returns, however export returns to dairy farmers in the export focussed states have increased by 15% to 20% without any relative movement in Queensland, New South Wales and Western Australia.”

Mr Campbell said consumers, farmers as well as processors are all paying for Coles’ significant increase in profit, from \$470 million in 2008 to over \$1.5 billion in 2013.

“Only last week, a supplier of home brand yoghurt to Coles, Tamar Valley Dairy in Tasmania, collapsed with media reports citing pressure on margins as well as a slowdown in sales as key reasons for the businesses’ failure,” he said.

“And then along comes a document like this, with Coles’ name stamped all over it, which only adds insult to injury for many dairy farmers.”

Mr Campbell said Coles’ indifference to the plight of dairy farmers was one of a number of compelling reasons why ADF is advocating strongly for a Mandatory Supermarket Code of Conduct.

“This is about basic fairness and the ADF will continue to strongly press the case for a Mandatory Supermarket Code of Conduct as well as changes to the Competition and Consumer Act,” he said.

“The new Federal Government has committed to a ‘root and branch review’ of competition policy and ADF looks forward to putting its case on behalf of the industry.”

-ends-

**For further information please contact:**

Australian Dairy Farmers Office  
Communications  
Tel: (03) 8621 4200  
Email: [adfcommunications@australiandairyfarmers.com.au](mailto:adfcommunications@australiandairyfarmers.com.au)