

Media Release



Monday 7 April 2014

ADF welcomes ACCC ruling on misleading 'Our Coles Brand Milk Story'

For immediate release

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Australian Dairy Farmers (ADF) has welcomed the Australian Competition and Consumer Commission's (ACCC) findings that the 'Our Coles Brand Milk Story' video and cartoon are likely to have contravened Section 18 of the Australian Competition Law.

ADF Board member and Gippsland dairy farmer, Chris Griffin, said section 18 prohibits misleading or deceptive conduct, with Coles admitting it is likely to have contravened this part of the act.

"The 'Our Coles Brand Milk Story' video and cartoon was a real slap in the face for dairy farmers on top of the damage already inflicted by \$1 per litre milk, and we welcome confirmation of the ACCC's findings today," Mr Griffin said.

"The ACCC's investigation followed complaints from dairy farmer organisations, including ADF and the Queensland Dairyfarmers' Organisations (QDO), about the misleading nature of the video and cartoon, which was published on social media.

"The video and cartoon were a cynical exercise by Coles to convince consumers that farm gate prices had increased for dairy farmers when they had actually decreased.

"Coles has also claimed that their own margins decreased on Coles-brand milk – something that the ACCC has said could not be substantiated.

"The ACCC's ruling is an indictment of Coles and undermines their key claim that they have absorbed the cost of \$1 per litre milk."

The ACCC has also found that the cartoon and video represented as 'fact' that processors received around \$1 per 2 litres of Coles-brand milk in 2011-11 and 2011-12, when in fact these figures were estimates and unable to be substantiated.

Mr Griffin said ADF had, since January 2011, consistently said that milk priced at \$1 per litre is simply unsustainable and does not give a fair return for dairy farmers and others in the supply chain.

"The ACCC's findings reflect this and prove beyond all reasonable doubt that Coles' claims cannot be trusted," he said

"That's why ADF continues to strongly push for a Mandatory Code of Conduct, including the establishment of an independent Supermarket Ombudsman with penalties to balance the excessive market power of the major retailers."

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