

Media Release



7 August, 2014

ADF Urges Government to adopt Mandatory Grocery Code of Conduct

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

ABN 76 060 549 653

Australian Dairy Farmers (ADF) notes the release of the draft opt-in voluntary prescribed Food and Grocery Code of Conduct (the Grocery Code) and urges the Government to adopt a Mandatory Code of Conduct.

The opt-in voluntary Grocery Code has been developed by the major retailers, Coles and Woolworths, and the Australian Food and Grocery Council (AFGC).

ADF has been vocal about the urgent need for a Mandatory Code of Conduct, including the establishment of an independent Supermarket Ombudsman with penalties to balance the power of retailers.

Since \$1/litre milk was introduced in 2011, ADF has consistently stated that milk priced at \$1 per litre is plainly unsustainable and does not give a reasonable return for dairy farmers and others in the supply chain.

We are seeing the impact on farmers and supply levels in Queensland, Western Australia and northern New South Wales.

ADF President Noel Campbell said he was "pleased that many parts of the Mandatory Code ADF has developed with Queensland Dairyfarmers' Organisation (QDO) have been included in the draft Grocery Code.

However, it is unfortunate that there appear to be no specific penalties for non-compliance with the draft Grocery Code and no-one to specifically enforce the code.

This is why ADF is calling for a Mandatory Code of Conduct without the option to opt-out and an independent Supermarket Ombudsman with penalties to balance the excessive market power of the major retailers" Mr Campbell said.

ADF has long advocated for amendments to the Competition and Consumers Act including a reintroduction of an Effects Test to investigate whether the conduct in question has the effect or likely effect of bringing about a lessening of competition.

"Farmers want to work cooperatively with the supply chain – all participants must work together to achieve the best result for the consumers we all work for."

-ends-

For further information contact:

Australian Dairy Farmers Office
Tel: (03) 8621 4200
Email: media@australiandairyfarmers.com.au