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Senate releases final report into the dairy industry

For Immediate Release

Australian Dairy Farmers (ADF) acknowledges the release of the Economic References Committees report (*Australia's dairy industry: rebuilding trust and a fair market for farmers*) yesterday into the dairy industry as a positive move towards strengthening the entire dairy value chain.

ADF President, Terry Richardson said he recognised the interest of the Senate and their support as an acknowledgement of Parliaments willingness to work on long-term solutions on behalf of dairy farmers.

“We are pleased to see support for the Code of Practice and the work we have been doing with the Australian Dairy Products Federation (ADPF), our state dairy farming members and key industry bodies to establish a fair, long-term solution to improve profitability of Australian dairy farmers”, Mr Richardson said.

“The recommendations of the report will help improve farmers negotiating powers, and will contribute further to ensuring there is fairness and transparency throughout the supply chain”.

“We have been working with industry partners on establishing solutions to a number of issues within the dairy industry for a long time and are pleased we are finally getting the tools needed to increase transparency and fairness”, Mr Richardson said.

“The Effects Test, Unfair Contracts Legislation and Small Business and Family Enterprise Ombudsman, are among the tools we have been advocating for since 2011”.

ADF notes the Committees recommendation to cease development of the Commodity Milk Price Index, while the Coalition Senators support the development of the index.

“The Index is not a magic bullet, but if done right will importantly provide independent and transparent market information to dairy farmers that is easily accessible and useful in making decisions about their businesses”.

“In isolation, tools such as Code of Practice, the Effects Test and the Commodity Milk Price Index will not fix the problems with the dairy industry. However, when combined and used alongside other reforms such as the Small Business and Family Enterprise Ombudsman will ensure fairness along the supply chain”.

“We will continue to advocate for improved transparency regarding the impact of retailer actions on suppliers, and for the regulating bodies to have the power to prevent potentially damaging situations such as retailer predatory pricing in future”, Mr Richardson said.

Mr Richardson also noted the committee’s recommendation for the Government to hold an independent review of the Dairy Services Levy and Dairy Australia.

“While we recognize the need to continuously assess organisational practices, we can confirm that Dairy Australia has recently undertaken a review and put in place mechanisms to ensure dairy farmers are receiving the best value for money from their levy”.

“There is absolutely no doubt that the research and development levy has delivered enormous benefits to all dairy farmers over the past 35 years and Dairy Australia are focused on delivering long-term research, development and extension strategies for the dairy industry”, Mr Richardson said.

ADF acknowledges the ACCC inquiry into the dairy industry and are awaiting the outcomes and measures that can be taken from the inquiry to further reduce the power imbalances between retailers, processors and farmers and help reduce the transfer of risk onto farmers.

As an industry, we want to recognise the efforts of Australian Parliament for their support and willingness to listen to the dairy industry to get the effective solutions in place.

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Australian Dairy Farmers Limited (ADF) is a not-for-profit organisation representing the interests of Australian dairy farmers. We are a strong collective voice to Government and the community on national issues affecting dairy farmers and their profitability. The ADF has a long history of successfully lobbying for the rights of dairy farmers on many fronts – including trade, value chain, water, carbon and animal health and welfare issues.