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ADF supports mandatory dairy code

For Immediate Release

PEAK dairy farmer group Australian Dairy Farmers (ADF) has supported a mandatory code of practice for the dairy industry.

ADF advised the federal Government that a mandatory code must guarantee coverage across the entire industry and improve bargaining power for Australian dairy farmers.

The organisation stressed that a future mandatory code must:

- include an ***independent dispute resolution procedure***, with small claims to be investigated;
- ***outlaw retrospective milk price step downs***;
- enforce ***contract and price transparency***; and
- ***be reviewed within three years***, including an assessment of the code's effectiveness.

This was a difficult decision and one that ADF did not take lightly. There are a broad range of views within ADF's membership and these views are deeply respected and understood.

ADF's position comes after several months of working with industry body the Australian Dairy Industry Council (ADIC), which led to the development of a strengthened code.

ADF expects to play a leading role in the development of a new industry code, using the work undertaken by the ADIC as a foundation.

Key elements of the ADIC code, which is still in draft form from guidelines set by the Australian Competition and Consumer Commission (ACCC), include:

- retaining clauses in the current code where there is no stakeholder objection or issue; and
- adding clauses where there is universal agreement between states and processors, such as good faith provisions, standard contract timelines, protection for collective bargaining groups, independent complaints management and dispute resolution processes, penalties regime and improved administrative arrangements.

But ADF warned there are still issues to be resolved around the implementation of a mandatory code of practice for the dairy sector.

The competition watchdog, in recommending a mandatory code, didn't disclose the costs of administration, investigation thresholds, performance standards and accountability metrics.

The organisation will urge the Government to address these concerns through a Regulatory Impact Statement (RIS), to be disclosed to industry as soon as possible.

It's hoped the introduction of a mandatory code will be a vital step in rebuilding trust and confidence along the dairy industry supply chain.

The debate over the future of the industry has often been volatile. ADF is now calling for unity in dealing with the immense challenges facing the sector as we move forward through difficult times.

Every step along the value chain depends on strong relationships, and farmers are encouraged to collaborate and support each other to influence positive change for the dairy sector.

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