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Thursday February 21 2019

Dairy industry solutions require one voice

For Immediate Release

PEAK dairy farmer group Australian Dairy Farmers (ADF) has renewed calls for industry unity in finding reasonable solutions to address declining farm gate returns.

Federal Opposition Leader Bill Shorten and Shadow Minister for Agriculture, Forestry and Fisheries Joel Fitzgibbon yesterday announced that Labor would investigate the efficacy of a minimum farm gate milk price if Labor wins the next election.

ADF chief executive David Inall said the organisation this morning held an urgent meeting with Mr Fitzgibbon and Shadow Minister for Rural and Regional Australia Lisa Chesters around the proposal.

"We are committed to working constructively through this proposal because farmers are telling us that something must change to secure the future of the Australian dairy industry," he said.

"We appreciate the recognition from the federal Opposition and other stakeholders, but there are no immediate or simple solutions to address all problems afflicting farmers."

"It is vital now that we work with the Australian Competition and Consumer Commission (ACCC) and our members in a dedicated effort to represent dairy farmers in what are unprecedented, difficult times."

The latest Dairy Australia Situation and Outlook report, out yesterday, attributed a trend of declining farm profitability to soaring production costs combined with relatively steady milk prices.

Mr Inall said the immediate challenge was to urge supermarkets to raise the price of their discount milk lines on the back of Woolworths move to raise its \$1 per litre milk brand to \$1.10, with the full 10 cent increase to go directly to farmers.

"Coles has just raised the price of bread due to high grain prices so there is no reason why they shouldn't also acknowledge the hard work and tight margins of their dairy suppliers," he said.

"Retailers cannot continue selling cheap milk while simultaneously raising the price of other products to help drought-stricken farmers."

Coles has refused to follow Woolworths with a similar initiative, instead proposing an industry-wide levy on milk.

Aldi has so far rejected calls to raise the price of its discount milk line, which retails for 99 cents.

"The dairy industry has suffered from the debilitating effects of dollar milk for eight years, since Australia Day 2011, and the retailers have an opportunity to come to the table and help us implement change," Mr Inall said.

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