

Submission to Senate Inquiry- the Impacts of supermarket price decisions on the dairy industry

To whom it may concern

I am very concerned about discounting of milk and the potential flow on effects it may have on farm gate milk prices and how this will impact my future earnings and career in dairy.

Recently in Jan 2011 I relocated back to the family farm to be the 5th generation farmer on the family property. When my parents offered me a salaried position it was equal to my existing position in Northern QLD.

I now feel the uncertainty created by the current price war between supermarkets that my future in dairy and agriculture is at risk. Why?, because I do not believe the retailers when they say that farmers will not be impacted by price discounting.

Due to the extended dry periods and now recent flooding, the farm finances have been exhausted, the very thought of a reduction in milk prices, changes our attitude to farming and threatens our viability as an agriculture enterprise. It is unfortunate that the farm consists of a number of titles and it is highly likely that the closure of the dairy would mean the sale of highly productive land to the hobby farming sector and hence no longer used for agriculture.

Having been a purchaser of fresh milk from the major retailers over the last eight years, I am astounded at the difference between the quality and taste to the farm fresh product. My research has told me that the addition of permeate alters the taste and keeping time of milk. Why is it that consumers are not notified on the label about the addition of permeate?

Having just completed an on farm audit which is mandatory for every dairy farm, I am amazed at the level of scrutiny of on farm practices. How can it occur that bottled water which requires little effort in production, distribution and marketing be dearer than milk?

It is my view that the Senate inquiry should investigate the current dominance of the two major retailers Coles and Woolworths. The current strategy of these two major retailers of winning market share from smaller independents is threatening smaller businesses viability. If this continues consumers will have less choice and competitive tension in the market place.

Finally if the Federal Government wants agriculture food products produced in Australia, then they need to invest in the farmers who produce the quality products that we do today. If this is not done, I and others will leave the land and pursue careers in industries that offer greater reward and recognition for our efforts.

Thank you, for allowing me the opportunity to present my views to the Senate Inquiry.

Regards

Andrew McNamara
Young Dairyfarmer