

SENATE ECONOMICS REFERENCES COMMITTEE

Answers to Questions on Notice  
The impacts of supermarket price decisions on the dairy industry  
Melbourne, 6 October 2011

Dear Dr Grant,

The following data relate to Senator Xenophon's question on notice regarding grocery price increases and decreases by the major supermarket chains.

These charts relate to the number of increases and decreases only where retail prices have changed (that is, not to the prices of all items in the stores).

These are retail price changes that are not caused by a change in the suppliers' normal wholesale price. However, in the instance of some of the decreases they are reflective of a supplier's promotional activity to reduce their shelf price in those stores.

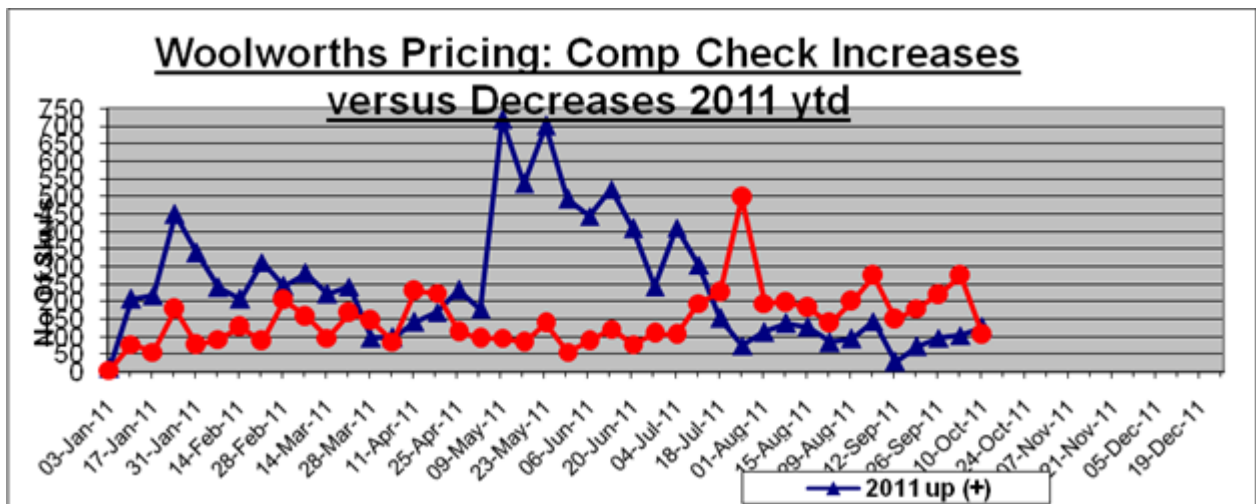
The exercise is margin management on the retailer's behalf and the net effect, we believe, would be an increase in overall margin.

As an illustration, the price reductions relating to private label milk would be included in the decreases and price increases for branded milk would be included in the increases.

Please contact me if you need further information.

Yours sincerely,

Ken Henrick  
CEO NARGA



## Coles Pricing: Comp Check Increases versus Decreases 2011 ytd

