

Good afternoon

We are dairy farmers near Allora on the Southern Downs. Our business provides an income to five families. We previously had six in the team but the reduction in price since the new National Foods contract of 10 cents per litre meant expenses had to be cut.

We have read that Parmalat is reducing the price to farmers on that % of their milk to Coles branded product by 14c a litre. That is not a sustainable income.

Our milk goes into the fresh milk market. If on the renewal of our contract we were to suffer the same price reductions as the Parmalat suppliers there would not be jobs on our farm for anyone. We would go broke. We spend over \$1m dollars per annum in the Southern Downs business district, on goods and services. Our exit will be noticed.

Farmers have to be profitable and receive a reasonable return on their labour and capital otherwise they won't be there.

The Board of Directors of Coles is not even Australian. How can the Australian Government allow a foreign controlled business destroy an essential food supply industry? There was panic buying of milk when there was no supply due to the floods. That was over a two day period. What will happen when sufficient farmers send their cattle to the meat works and the supply is permanently short of demand?

Coles and Woolworths have too much control of the fresh food market. These companies should be forced to sell off a percentage of their retail stores to reduce their monopoly of the market. Predatory pricing such as is occurring with the milk and egg market should be prosecuted.

Unless the government forces Coles and Woolworths to charge comparative prices to the branded products the effect on dairy farmers and small retail shops will be devastating.

The alternative is to take pricing out of the hands of big business and return it to Government .

The last time an enquiry was held the silence was deafening. Let us all hope this enquiry has the courage to make a decision which puts an end to the destructive activity of Coles. Professor Fells was heard commenting that the processors need to be looked at. Perhaps the enquiry can be extended to make the entire milk supply chain transparent and accountable.

As our elected representatives I implore you to have the balls to actually do something.

Peter R. Lever

**SUNNINGDALE
DAIRY**

