



OFFICE OF THE MAYOR

ALEXANDRINA COUNCIL

Preserving the Past – Securing the Future – Together Enhancing our Lifestyle

3 March 2011

Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Senators

Inquiry into the impacts of supermarket price decisions on the dairy industry.

I write to make a submission to the Parliament of Australia Senate inquiry into the impacts of supermarket price decisions on the Dairy Industry because I have grave concerns for the future sustainability of the important Dairy Industry.

Dairy farmers have been under enormous financial pressure after suffering years of low prices, drought and an ever strengthening Australian dollar effecting export returns.

The "Down Down" campaign by Coles and followed by Woolworths to discount generic milk to \$1 per litre poses another threat to the viability of our dairy farmers. We have already seen milk prices drop to some dairy farmers in Queensland and as the milk companies' contracts with the multi-nationals (Coles/Woolworths) are renegotiated one must believe that they will be at lower rates, thus reducing the amount that can be paid at farm-gate for milk and affecting adversely the viability of our farming families.

Dairy farming is an important industry in my Council area of South Australia and to the South Australian and Australian economy and our Federal Government should be doing all

possible to encourage and maintain its viability against this unfair assault by these market share driven, ruthless multi-nationals. Our dairy farmers may well be innocent casualties of these actions and it would be a travesty if this behaviour was allowed to continue unchallenged.

While we can not blame consumers for maximising the return on their housekeeping dollar and being attracted to cheap subsidised generic brand milk, we must be aware of the cost and damage to our dairy industry and farming families.

I wish you well with your deliberations and commend the Senate on this enquiry. The future of the Australian Dairy Industry may well be in your hands and I would strongly encourage you do whatever in your power to have Coles and Woolworths discontinue this unfair practice and meaningfully support our farming families future sustainability.

Yours faithfully
Kym McHugh
Mayor
Alexandrina Council