

28th February 2011

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

Submission to Inquiry: The impacts of supermarket price decisions on the dairy industry

Thank you for the opportunity to make a submission to this Inquiry, which I make in consideration of the MADGE Australia network. MADGE is a volunteer community based organisation of 'mothers and others'. MADGE researches the food system to allow people to choose food that is good for those who eat it, grow it, produce and sell it; and that is also good for land and environment. We have roughly 1,000 members on our email information lists, and another 1,000 on net-based social media forums.

On a personal note I have been pursuing a major research project into the history of dairy cow numbers and milk production in Australia, and driving forces behind changes in the numbers over years, and have been in receipt of monthly Dairy Industry statistics for some years.

There was a major increase in milk production efficiencies in the late 1980's/90's when the Industry began moved towards the grain-feeding of dairy cows. However, the consequential nutritional properties of the milk and of the eventual meat from the cows seem to have suffered considerably.

The different qualities of forage and grain/silage based diets have been well established, and I direct the Committee's attention to gross deficiencies in the omega 3 fatty acid content of grain-fed as opposed to grass-fed animal products in the studies/review below. There have also been changes that are regarded unfavourably to other nutritional variables, such as large declines in beta carotene and alpha tocopherol.

- **A review of fatty acid profiles and antioxidant content in grass-fed and grain-fed beef;** Cynthia A Daley, Amber Abbott, Patrick S Doyle, Glenn A Nader, Stephanie Larson Daley et al. Nutrition Journal 2010, 9:10
<http://www.nutritionj.com/content/9/1/10>
- **Quick changes in milk fat composition from cows after transition from fresh grass to a silage diet;** A. Elgersmaa, G. Ellenb, H. van der Horst, H. Boerc, P.R. Dekkerb, S. Tammingac; Animal Feed Science and Technology 117 (2004) 13–27
<http://www.journals.elsevierhealth.com/periodicals/anifee/article/PIIS0377840104001701/abstract>
- **The Linear Relationship Between the Proportion of Fresh Grass in the Cow Diet, Milk Fatty Acid Composition, and Butter Properties;** S. Couvreur, C. Hurtaud, C. Lopez, L. Delaby, and J. L. Peyraud; J. Dairy Sci. 89:1956–1969
<http://download.journals.elsevierhealth.com/pdfs/journals/0022-0302/PIIS0022030206722639.pdf>
- **Comparing the Fatty Acid Composition of Organic and Conventional Milk;** K. A. Ellis, G. Innocent, D. Grove-White, P. Cripps, W. G. McLean, C. V. Howard, and M. Mihm; J. Dairy Sci. 89:1938–1950
<http://download.journals.elsevierhealth.com/pdfs/journals/0022-0302/PIIS0022030206722615.pdf>

We ask the committee to become acquainted with the nutritional differences of milk from apparent 'efficiency-based' diets.

We ask the committee to prevent any price competition that would maintain or lead to the nutritional decline of milk. We ask the committee to promote pricing policies that would foster pasture-based dairy agriculture.

MADGE does not consider that food security is served by moving from a large number of family sized farm producers to a few large scale corporate producers that dominate the market. As well expressed in a recent article:

"...a knee-jerk faith in the "free market" has led to overwhelming centralized control of nearly all our food stuffs, from farm to fork."

<http://www.csmonitor.com/Commentary/Opinion/2011/0223/Control-over-your-food-Why-Monsanto-s-GM-seeds-are-undemocratic>

We ask the committee to respect the right of small scale/family sized farmers to earn an income in their production of nutritionally rich dairy products that allows them to live at a respectable standard.

I live in a mixed farming area in Victoria. Even though the farmers I have spoken to are supplying milk to the manufacturing market, they expect this price competition will impact on them before long.

They have a concern that a prolonged reduction in price will lead to permanent changes in consumer preference, leading to the change of current supply arrangements. There is an obvious concern that this would lead to a downward pressure on farmgate prices. The farmers are also concerned that the two large supermarkets want to grow their own milk production business and that this will lead to the sale of their farms.

We ask the committee to require the supermarkets to show how they intend to source supply of their price-reduced homebrand products, should increased consumer demand for their homebrand be persistent.

We ask the committee to investigate how the price received by small scale/family sized farmers may be affected by increasing supply to homebrand products.

We ask the committee to prevent the loss of family sized farms as a result of supermarket pricing policies.

Yours faithfully

Madeleine Love