

To Whom it May Concern

I am writing in disgust to the recent unsustainable price cuts by Coles on their home brand milk, cream and butter.

I am a fourth generation dairy farmer and run a dairy farm with my wife and three young children. Our farm is located in Casino Northern NSW and has been in the one family for over 100 years. I am very doubtful that my children will become the fifth generation farmer on this parcel of land, due to the current price war on milk.....

The current prices offered to dairy farmers across the board are unethical, untenable and totally unviable. The market dominance and dictation by Coles and Woolworths on prices provided to processors is an outrage and needs to be addressed by the Government.

Farmers are already struggling to respond financially to years of drought, floods and the cost of production which has been on an upward spiral for the past 10 years. There will be no security within the dairy industry. There will be no young farmers coming onto the land as it will not be tenable for them.....What then Coles ! Will you start importing milk from overseas.....

For Coles and Woolworths to say that their price to processors is dictated by the export market is a complete untruth. There is no export market available to the areas of Northern NSW and South East Queensland as it is all liquid milk. The cost of production all year round comes at a higher cost. Industry data shows that in the most exposed region of southern Queensland and northern New South Wales a 10% shift toward home brand milk alone would halve farmers' profits. Coles has already said that the sale of its' home brand milk has climbed considerably in such a short period of time.

Coles generic home brand milk at \$1 per litre is taking market share away from branded products. This reduces the amount farmers receive from processors as more Coles home brand milk is being sold at little or no margin and less of the sustainably priced branded milk is being sold.

Coles have pledged that they will not decrease the price paid to farmers. WHAT A COPE OUT. This statement is a lie. Coles do not deal directly with the farmers on milk price. The nature of the beast will come into place as processors get paid less from Coles, the processor will pay less to the farmer via an unsustainable milk price. As always, the farmer is the price taker at the bottom of the food chain.....

Coles should be ashamed that they have targeted an important food source to create market share..... why don't they pick on Coca Cola.

Coles actions are not only hurting dairy farmers. They are hurting small businesses like local corner stores, milk vendors, independent service stations and other small retailers of milk. As dairy farmers exit the industry, local communities will also suffer as the money injected into the local businesses by dairy farmers will be lost.

Don't let Coles destroy dairying in Australia.....

Terry & Anne Toohey
Dairy Farmers