

27th February 2011

Dear Senate Committee Members,

I am concerned at the recent moves by large supermarket chains to drop the retail price of milk.

My concern is that this may lead to a number of negative outcomes including:

- (a) Forcing dairy farmers to cut their profit margins or alternatively decreasing their quality assurance/ workplace health & safety/environmental sustainability &/or animal husbandry standards;
- (b) The potential for producers to leave the industry resulting in a corresponding decrease in:
 - Australian milk production; &
 - the viability of communities that rely on dairying as an economic driver;
- (a) Forcing smaller retailers out of the market leading to the end of real price competitiveness.

We educate on the need for healthy eating & lifestyle choices, why do we not make some effort to educate on the long-term economic, safety, environmental ramifications of a supermarket duopoly discounting staples to unsustainably low prices.

Many thanks for your consideration of this submission,
Michelle Martens