



**ALDI Stores**

(A Limited Partnership)

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9 December 2019

Senator Glenn Sterle  
Chair  
Rural and Regional Affairs and Transport References Committee  
Senator for Western Australia

Cc: [rrat.sen@aph.gov.au](mailto:rrat.sen@aph.gov.au)

Dear Senator,

**Inquiry: Performance of Australia's dairy industry and the profitability of Australian dairy farmers since deregulation in 2000**

On behalf of ALDI Stores, thank you again for the opportunity to appear before the Committee yesterday in Canberra in relation to this inquiry.

There were a number of questions asked by Committee members that we undertook to follow up in writing. Based on our understanding of the Committee's interest in receiving answers to these questions in a short timeframe, ALDI responds to these questions as follows:

*Question: When was ALDI's ethical sourcing policy last reviewed?*

Answer: ALDI's ethical sourcing policy was last updated in April 2019.

*Question: How can ALDI establish with certainty that its Queensland processor, Lactalis, pays farmers above the cost of production for their milk?*

Answer: As part of our contractual arrangements, ALDI receives detailed financial information from Lactalis on their costs of supply to us. This includes the average cost they are paying Queensland dairy farmers at a given point in time, and ALDI is then able to compare this against the average price published by Dairy Australia for Queensland. To be clear, this excludes the 10 cents/litre drought levy, which is a separate line item and is over and above the farmgate milk price paid to farmers.

*Question: In the context of the current renegotiations that are underway between Lactalis and Queensland farmers, please advise the Committee what steps ALDI has taken to ensure that farmers will be paid above their cost of production moving forward?*

Answer: The same contractual arrangements and mechanisms as outlined above apply between ALDI and Lactalis on an ongoing basis. Lactalis has advised ALDI that January 2020 negotiations have been finalised with and ACCC certified bargaining group on behalf of farmers.

Yours sincerely

Oliver Bongardt  
Managing Director of Corporate Buying, ALDI Australia