Chapter 4

The effect of major retailers on the raw milk price

4.1 The introduction of $1 per litre milk in 2011 was controversial then and continues to be over 6 years later. Indeed, during this time, the relative importance of private label dairy products has extended well beyond just milk, and, as a result, has significantly reduced the value add of the entire domestic dairy industry.

4.2 The committee investigated the impact of $1 per litre milk soon after its introduction in 2011.[1] That inquiry concluded that $1 per litre milk had benefited consumers and that these types of free market outcomes should not be a matter for government, especially in a deregulated industry. That inquiry also concluded that dairy farmers in a diversified dairy product market like the Southern Milk Region would not be significantly worse off because of the lower milk retail price. That said, the committee did recognise that in Western Australia and Queensland, where there are few processors and production is primarily limited to drinking milk, pressure on retail prices could potentially impact the farm gate price.

4.3 This chapter explores the effect of dairy pricing decisions by major retailers on consumers, farmers and processors.

Lower dairy prices give consumers choice

4.4 Intense retail competition between major supermarkets and relatively new market entrants has driven the prices of many consumer staples lower over the last decade. Dairy products have been at the forefront of much of the price deflation, not only with the advent of $1 per litre milk, but also through other private label dairy products, including cheese and cream. Increased competition from imports of cheese and butter from New Zealand has also contributed to reduced prices.

4.5 Lower dairy prices have the potential to increase the purchasing power of consumers, particularly low income consumers where dairy is an important staple and source of nutrition. Coles sought to bring the committee's attention to the benefits to consumers from lower dairy prices:

> We hear a lot what customers should want and what they should be able to afford…Most of our customers feel the impact of cost-of-living pressures every week…[2]

4.6 Both Coles and Woolworths emphasised the range of dairy products offered across their stores. Woolworths noted that:

> When it comes to the dairy section…our shelves are reflection of what our customers want to buy. We compete by offering an extensive product range. In dairy alone, our customers can choose from more than 270

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1 Senate Economics References Committee, *The impacts of supermarket price decisions on the dairy industry*, November 2011.

2 Mr Alister Jordan, Coles, *Committee Hansard*, November 2016, p. 49.

> different fresh milk products…over 400 different cheeses, 650 yogurts and 80 creams.[3]

4.7 Coles highlighted that:

> …we are a customer-first driven organisation and we provide a very wide range of choices for our customers—in this case, in the milk range that we offer. This is a range based on the types of milk we provide and the types of budgets that we cater for. That ranges from the Coles brand anywhere up to the $5.69 range for branded milk. We let our customers decide what they want to choose and we stock appropriately.[4]

4.8 By providing a range of private label and branded dairy products, the major retailers contend that consumers have choice in how they support the Australian dairy sector. Indeed, following the announcement of the retrospective price step-down in May 2016, many consumers chose to purchase branded milk instead of private label milk. Dairy Australia reports that:

> The market share of branded fresh white milk was 34% in April 2016, before rapidly increasing and peaking at 49% in early June. Since then, branded milk's market share has fallen, and now sits at 42% in March, which is still around 8% higher than in the period prior to the 'Milked Dry' segment on The Project. [5]

Private label branding initiatives also provide choice

4.9 In addition to working with local dairy suppliers, both Coles and Woolworths have developed specific initiatives to support dairy farmers either directly or indirectly.

4.10 Since 2013, Woolworths have supported a private label range of milk that is sourced directly from farmers and is available in five states. According to Woolworths, contracts for Farmers' Own branded milk are negotiated directly with farmers and these longer term contacts provide greater transparency and certainty, while also delivering a higher farm gate milk price.[6]

4.11 In relation to the Farmers' Own initiative, Woolworths noted that:

> The relationship gives the farmers end-to-end transparency from shed to shelf, a longer term contract and a closer relationship with the customer.
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> …
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> It has proven very popular with customers, eventually. In the initial years…it did cost us many millions of dollars, but we saw fit to honour our arrangements that contracted with…[7]

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3 Mr Stephen Donohue, Woolworths, *Committee Hansard*, 15 November 2016, p. 41.

4 Mr Alister Jordan, Coles, *Committee Hansard*, November 2016, p. 50.

5 Dairy Australia, *Dairy Situation and Outlook*, June 2017, p. 15.

6 Mr Stephen Donohue, Woolworths, *Committee Hansard*, 15 November 2016, pp. 41–42.

7 Mr Stephen Donohue, Woolworths, *Committee Hansard*, 15 November 2016, pp. 41, 44.

4.12 The success of the Farmers' Own initiative has led Woolworths to consider further initiatives to continue to develop and grow partnerships directly with dairy farmers.[8] While this initiative may be beneficial to the small number of farmers involved, it is of no benefit to the vast majority of farmers who cannot access these arrangements.

4.13 Coles has established relationships with industry bodies in Western Australia, South Australia and Victoria, whereby a margin from specifically branded private label milk is placed into 'industry funds which farmers can obtain access to for additional assistance'.[9] For example, the Victorian Farmers Federation has partnered with Coles to raise money for the Farmers' Fund, which is designed to increase the resilience and sustainability of dairy farmers through the provision of grants. The initiative raises money through the sale of Farmers' Fund milk, where 40 cents from every two litre bottle is directed into the Farmers' Fund. Dairy farmers can apply for grants up to $10 000 for programs, training or infrastructure that enhances productivity, builds resilience and stimulates sustainable growth.[10]

4.14 While the approach of Coles does not increase the farm gate milk price directly, farmers do benefit indirectly from the sale of this milk.[11] Reflecting on the Farmers' Fund initiative, Ms Alana Brennan contended that:

> Dairy farmers do not want grants from supermarkets but rather a fair price for the produce. These organisations are all reluctant to speak out against factory behaviour for fear of upsetting the milk companies. They do not represent dairy farmers. Trying to stay loyal to two opposing masters is impossible.[12]

Wider effects of lower dairy prices

4.15 While there is no doubt that lower retail prices have benefited consumers, the effect on processors and farm gate milk prices is more complex due to contracting arrangements for private label dairy products, cost allocations between private label and branded products, access to shelf space, and the devaluation of dairy products in the minds of consumers.

Profitability of private label dairy products

4.16 Stakeholder views were mixed on the profitability of processors supplying $1 per litre milk to retailers. The different views on the capacity of $1 per litre milk to support the farm gate milk price reflect variations in the costs of the production across dairy producing regions. For example, Parmalat Australia, a processor with operations

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8 Mr Stephen Donohue, Woolworths, *Committee Hansard*, 15 November 2016, p. 41.

9 Mr Alister Jordan, Coles, *Committee Hansard*, 15 November 2016, p. 50.

10 Victorian Farmers Federation, *The Farmers' Fund Story*, https://www.vff.org.au/farmersfund (accessed 3 April 2017).

11 Mr Alister Jordan, Coles, *Committee Hansard*, 15 November 2016, pp. 54, 56.

12 Alana Brennan, *Submission 35*, [p. 3].

across different dairy regions, explained the financial viability of $1 per litre milk across the different production areas:

> With a long term farm gate milk price of circa 45cpl ($6/kgMS), milk collection of 3cpl and processing costs (including packaging) of approximately 25-27cpl, it is more than obvious that a Victorian, Tasmanian or SA retailer can expect to source local fresh milk from processors and sell that product for $1/litre. That price will cover the retailers own distribution cost plus achieve a real in-store margin on sales albeit at [a] lot lower level than other chilled dairy categories…
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> But in central NSW and WA where farm gate milk price is closer to 52cpl and milk collection 5cpl or Qld with a farm gate of 57cpl and collection also at 5cpl the economics of $1/litre Private Label must be even more questionable and the market distortion against branded milk and independent retail channel even more pronounced.[13]

4.17 A number of processors stated that private label contracts for milk were a positive influence on the milk price paid to farmers. For example, in relation to its 10 year contract with Coles, Murray Goulburn stated that:

> The milk price paid to MG by Coles locks in a margin that delivers additional profits to MG farmer-suppliers over the life of the contract. The margin is not affected by price fluctuations in international dairy markets or movements in the Australian currency and the contract contains rise and fall provisions to protect the margin farmers receive.
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> …
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> To clarify, MG has received a better return for the milk solids sold via daily pasteurised milk than it would have received if these solids were sold into many of our other dairy markets.[14]

4.18 Norco, a cooperative operating out of northern NSW and southern Queensland, has been able to strengthen its financial position and the farm gate milk price while also having contracts to supply $1 per litre milk through retail channels.[15]

4.19 Indeed, Coles stated that their contracts for private label milk are priced at levels that they considered to be sustainable for processors and farmers:

> …we pay a range of production costs…as well as a margin back to the processors to ensure their sustainability and the sustainability of their farm base.[16]

4.20 But WA Farmers were critical of the defence used by supermarkets that contracts are with processors, not farmers:

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13 Parmalat Australia, *Submission 16*, pp. 4–5.

14 Murray Goulburn, *Submission 8*, p. 16.

15 Norco, *Submission 18*, p. 4.

16 Mr Alistair Jordan, Coles, *Committee Hansard*, 15 November 2016, p. 57.

> Because the processors are being screwed and that is where Coles and Woolworths say, 'We don't have contracts with farmers. We don't make the farm gate price. The processors do that.' We are at the end of the chain and we are the weakest in the marketplace, so it ends up coming our way.[17]

4.21 Mr Greg Dennis, a dairy farmer from Queensland, outlined his experience following the introduction of $1 per litre milk in 2011:

> Immediately following the price war on milk, Australia Day 2011, as dairy farmers in Queensland were coming off existing contracts for that first year or so, our big milk-processing companies wore the losses as they negotiated new contracts with particularly Coles and Woolworths. The year following that, our contracts were renegotiated and we saw immediately a loss of between 20 and 25 per cent, which took us back to 1990s farm gate milk prices.[18]

4.22 And it appears that price pressures on farmers persist, predominately in drinking milk production areas. The QDO provided some anecdotal insight into the cost of supplying private label milk in Queensland:

> Anecdotal evidence suggests that in some regions the cost to get milk to stores is around 73c/L if not lower, some like Queensland are very close to $1/L while other markets are reportedly $1.25/L. These costs of supply do not include a reasonable apportionment of retailer costs or a profit margin for retailers.[19]

4.23 At the Brisbane hearing, the QDO elaborated:

> The price we are being told in Queensland is that the milk sent to a distribution centre is at least 95c[/L]. You have the biggest decentralised state in Australia and to suggest that it costs less than 27c to move around Queensland would be a joke. By getting it at 95c to 98c, plus 27c [for distribution] and probably plus another few cents as well, and then selling it at $1, you can see what effect that is having in the marketplace.[20]

4.24 Similarly, at the hearing in Perth, Western Australian processor, Brownes Dairy, confirmed that private label milk supply was not profitable for them:

> …I can tell you we make nothing on selling the $1 milk to Woolies. In fact, if I do a full value attribution on it, we probably lose money on it. It certainly does not pay for my salespeople or any of the sort of support services that we provide.[21]

4.25 It is worth noting, however, that the relative profitability of private label dairy, particularly in the Southern Milk Region, is linked to the export price for dairy commodities. The prices of other dairy commodities play an important role in

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17 Mr Michael Partridge, WA Farmers, *Committee Hansard*, 1 February 2017, p. 26.

18 Mr Greg Dennis, *Committee Hansard*, 15 November 2017, p. 34.

19 Queensland Dairyfarmers' Organisation, *Submission 9*, p. 3.

20 QDO, *Committee Hansard*, 31 January 2017, p. 9.

21 Mr Tony Girgis, Brownes Dairy, *Committee Hansard*, 1 February 2017, p. 32.

determining how $1 per litre milk affects farm gate milk prices. Mr Barry Irvin reflected on the dynamic nature of pricing:

> The thing that I am always careful to say is that there are actually a lot worse returning products in the dairy industry than $1-a-litre milk and so it needs to be held in perspective in terms of how much of the volume there is. For example, last year, in the pit of the commodity price crash, whole milk powder was worth 34c. Bulk cheese was lucky to be worth 40c. Of course, at the other end of the spectrum infant formula was quite nice to be involved in. That has all changed around this year.[22]

Cost allocations and pricing transparency

4.26 Consistent with the evidence to the 2011 Senate inquiry into supermarket prices, the QDO was critical of the cost allocations and margins between brands of white milk which are applied by supermarkets:

> …retailers apply different cost allocation methodologies and margins for different products they sell. For their own milk brands they sell, the allocation of retail costs and margins is often low or zero to make these products attractive to consumers and to gain market share. For processor branded milk, there are usually a higher allocation of retail costs and significant retail margins, reported to be between 24 and 40% which makes the price of branded milk higher and less attractive to the consumer.[23]

4.27 Processor margins on dairy lines are also reduced through promotional activity. Brownes Dairy outlined the impact of supermarket promotions on processors:

> Promotions are mostly funded by the processor, in other words the retailer's margin is nearly always protected. This can be very detrimental to the processor if there are multiple and frequent promotions between competitors, effectively all competing for a smaller share of shelf. For example, during 2016, flavoured milk promotional activity in one of the major supermarkets increased by 40%, significantly eroding processor margins through effectively reduced volume share on crowded shelves.[24]

4.28 Pricing transparency issues extend throughout the value chain. Harris Farm Markets explained their difficulties of finding an ethical source of drinking milk due to the limited options to move outside the existing supply chain:

> As a retailer we now find it difficult to find any supply that give certainty that farmers are not being held over a barrel. We also fear that the milk we are selling is coming from farmers who are underpaid regardless of how much we pay for the product.[25]

4.29 Despite wanting to, Harris Farm Markets are not able to inform consumers about whether more expensive branded milk results in higher farm gate prices. They

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22 Mr Barry Irvin, Bega Cheese, *Committee Hansard*, 2 February 2017, p. 33.

23 Queensland Dairyfarmers' Organisation, *Submission 9*, p. 4.

24 Brownes Food Operations, *Submission 42*, [p. 6].

25 Harris Farm Markets, *Submission 1*, [p. 2].

highlighted the transparency issues that many small retailers and general public face when interested in knowing the price paid to farmers:

> We were told by the major multinational processors that the farm gate price was confidential and would not be disclosed. No matter how we tried we were not able to influence the price or even ascertain the price that farmers would get and hence we could not provide this information to a public that wanted to do the right thing.[26]

4.30 In response to claims that higher branded milk sales do not increase the farm gate price, Lion commented that:

> …claims that farmers do not benefit from increases in branded milk volumes are a gross over-simplification and are focussed on short-term market dynamics. It is precisely because Lion is a branded milk player focused on sustainable margins and profitability that it can offer the sort of price premiums, contract security and choice to farmers…Any further erosion in branded milk and dairy volumes will only compound margin compression in the processing sector, which is already struggling to generate sustainable commercial returns.[27]

4.31 And processors have adjusted their business models to take account of private label milk with relatively low returns. For example, Lion stated that:

> We are committed to creating sustainable partnerships with our dairy suppliers and this premium on milk price comes as Lion continues to lose money on our white milk business in Australia. Throughout the past year we have again experienced a decline in modified white milks—this is offset by our performance in other dairy categories namely milk based beverages and yoghurt.[28]

Access to shelf space

4.32 A number of stakeholders highlighted the link between supply of private label dairy and better access to supermarket shelf space for branded products. For example, Brownes Dairy noted that supply of private label dairy had led to other opportunities:

> …the nature of dealing with these people [supermarkets] is that it is a portfolio of products.[29]

4.33 Similarly, Mr Ben Govett, a farmer supplying Parmalat, commented that:

> …my company was one of the companies involved in the liquid milk market and, when Murray Goulburn decided to get into that market, our company actually lost the contract and they were actually happy about it…
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> Our company was in that market because they got better deals on paying for shelf space and advertising in the supermarkets for their branded products.[30]

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26 Harris Farm Markets, *Submission 1*, [p. 1].

27 Lion Dairy and Drinks, *Submission 13*, p. 6.

28 Lion Dairy and Drinks, *Submission 13*, p. 2

29 Mr Tony Girgis, Brownes Dairy, *Committee Hansard*, 1 February 2017, p. 32.

4.34 When asked about the Norco-Coles supply arrangement, the QDO considered that:

> …the real reason Norco does that deal is to get all its other products into those Coles stores, and make sure they can sell the other things—where they make more out of them—in those stores, whether it be their own-branded white milk, flavoured milks, and other manufactured products. And I think for the other people that do deals with those larger supermarkets, I think it is also the case for them: the deal is done because you need to sell other products.[31]

4.35 However, Norco disputed this claim saying that it was continued demand that ensured shelf space:

> It is never guaranteed. You have to have a product that is desired by the consumers. It has to have turnover and it has to provide margin. They are not going to place a product on the shelf which does not sell. So you actually have to have an active marketing campaign, a product that suits the needs, and generates the turnover that supports its position on the shelf.[32]

4.36 That said, Norco acknowledged that relationships with retailers are important for value creation:

> Business is all about relationships, and we need to have a strong relationship with retailers to be able to access that channel. Their strategies may not necessarily be aligned to ours, but our strategy needs to be: how do we access that channel to get the best value for our members?[33]

4.37 Access to shelf space for smaller milk processors can present challenges not faced by the larger processors. Mr Greg Dennis from 4RealMilk conveyed his experiences:

> We have made a decision to only sell milk into independent retailer outlets. We have been approached by Coles and Woolies. We have chosen not to go there. There is still a lot of pressure within the independent sector. We have found that coming from large milk companies, who are choosing to turn our bottles around so customers cannot read labels. They are shifting milk into poor locations in the shop and narrowing our facings. That has had a negative impact on our milk sales, despite the fact that we have grown from 60 stores to over 300 stores in the past three years. It is not just one sector of the market that is creating a problem here; it is both retail and processing that is concerning me.[34]

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30 Mr Ben Govett, *Committee Hansard*, 2 February 2017, p. 18.

31 QDO, *Committee Hansard*, 31 January 2017, p. 8.

32 Mr Andrew Burns, Norco Cooperative Limited, *Committee Hansard*, 31 January 2017, pp. 26–27.

33 Mr Greg McNamara, Norco Cooperative Limited, *Committee Hansard*, 31 January 2017, p. 29.

34 Mr Greg Dennis, *Committee Hansard*, 15 November 2017, p. 35.

Devaluation of dairy products in the eyes of consumers

4.38 Many stakeholders outlined that private label dairy, and the low prices associated with it, had effectively devalued the dairy industry in the eyes of the consumer. For example, the United Dairyfarmers of Victoria noted that:

> Devaluation of milk is not confined to drinking milk. This devaluation has spread throughout the dairy supply chain to products such as yoghurt and cheese. This means less value for dairy products across the industry.[35]

4.39 Similarly, the Australian Food and Grocery Council commented that:

> The $1 milk—and it has just ticked over six years since it came in—really had nothing to do with the cost of production of the milk. It was about driving foot traffic into the supermarkets…Of course, milk is at the furthest point from the entrance, so the consumer attracted by $1 milk walks right through the supermarket and they pick up sales along the way…but we had a concern at the time, and we still have a concern, that when the retail price drops that sharply it reduces the profit pool right back through the whole supply chain.[36]

4.40 Reflecting on the ethics of using a $1 per litre price point, WA Farmers considered it was not appropriate to place the blame on the consumer for their purchasing decisions:

> It does not reflect value, it does not reflect the cost of production, it does not reflect the cost of transport, retail or any of those things. It is just a marketing ploy. And then they say the consumers wanted it. If you asked a consumer, 'Do you want to pay $1.50 or $1?' they are going to say $1. That is a cheap way to get out of the question, and I think it is an irresponsible way to get out of the question. If you asked a consumer, 'Do you think the price of milk should be what sustains a sustainable industry and enables farmers to farm sustainable long term? Do you think the price should deliver that action or not?' I think the consumers would answer 'yes'. So it depends how you ask a question. You cannot blame the consumer for picking up a dollar-litre milk. It is there in front of them. We would argue that it should not be there in front of them.[37]

4.41 Australian Dairy Farmers cited research by Dairy Australia that $1 per litre milk had not increased per capita consumption:

> …$1 per litre milk has failed to deliver on Coles' claim that their marketing strategy has increased dairy consumption. Their strategy has failed to increase milk consumption, has seen millions of dollars taken out of the value chain and has severely impacted many dairy farmers.[38]

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35 United Dairyfarmers' of Victoria, *Submission 39*, [p. 4].

36 Mr Gary Dawson, Australian Food and Grocery Council, *Committee Hansard*, 3 February 2017, p. 26.

37 Mr Michael Partridge, WA Farmers, *Committee Hansard*, 1 February 2017, p. 22.

38 Australian Dairy Farmers, *Submission 10*, [p. 7].

4.42 Dairy Connect considered that the effect of domestic competition from private label dairy across the entire product range had reduced the farm gate milk price by \$0.70/kgMS or about 5–6c per litre:

> The marketplace has pushed a lot of pressure back down onto the farmers. We, as farmers, believe that the current supply agreements put us in a very weak position. We are not able to go out into the marketplace and take out milk to other suppliers because of the conditions and perishability of our commodity.[39]

4.43 Many stakeholders commented that \$1 per litre milk had devalued milk as a commodity and this has adversely affected farmer confidence and self-worth:

> The way the farmers feel about it [\$1/L milk], which I absolutely understand, is that they feel devalued by it and they feel like, when they look at water and they see that as more expensive, which is inevitably always mentioned, it does affect confidence. It does affect the way they feel that their work is viewed.[40]

> There is no doubt that the introduction of \$1/L pricing has had a significant impact on predominantly processors. Further, processors suddenly found their biggest wholesale customers have turned also into their formidable competitors, with considerable leverage over other dairy products supplied by processors, not just milk.[41]

4.44 Relatively low retail prices have led to underinvestment in value-adding manufacturing capacity in regions where farm gate milk prices are relatively high. In Western Australia, for example, Brownes noted that:

> The erosion of processor margins have been of such scale that capital investment in research and development as well as upgrading plant and equipment, beyond maintenance capital, have become unviable.[42]

> The underinvestment in processing equipment to manufacture stored milk products is presenting challenges for processors in times of significant surpluses.[43]

4.45 The QDO questioned the overall sustainability of \$1 per litre milk in high cost production regions:

> It is clear that the current use of milk as a close to or below cost 'advertising agent' by major supermarkets is having a direct cumulative and detrimental impact on the domestic fresh milk dairy industry. It is progressively undermining the viability and sustainability of the domestic dairy industry.
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> …

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39 Mr Graham Forbes, Dairy Connect, *Committee Hansard*, 31 January 2017.

40 Mr Barry Irvin, Bega Cheese, *Committee Hansard*, 2 February 2017, p. 33.

41 Brownes Food Operations, *Submission 42*, [p. 6].

42 Brownes Food Operations, *Submission 42*, [p. 4].

43 Brownes Food Operations, *Submission 42*, [p. 1].

> Because of dollar a litre pricing, farm gate prices in Queensland are below farm subsistence levels—they do not allow the necessary and normal range of business expenses to be incurred…[44]

4.46 The QDO further submitted that, in the long term, this may have adverse price implications for consumers:

> It is short sighted to believe that forcing retail milk prices down is in the interests of consumers. In the short term, consumers do benefit from lower milk prices. In the longer term though, as retailers wipe out other retailers and milk brands, consumers will pay for the lack of competition.[45]

Committee view

4.47 While there is no doubt that an increased volume of private label products has affected processor margins and farm gate milk prices, there have also been significant benefits to consumers from the expansion of private label dairy products. Given the intense competition between retailers, it is unlikely that private label dairy prices will rise significantly anytime soon. Indeed, it is more likely that there will be further pressure on processors to continue to lower prices even further.

4.48 The committee does not consider that it is the role of government to intervene in the contracting and marketing decisions of supermarkets and the relationships that they have with their suppliers. The proposed introduction of an effects test is considered in chapter 6.

4.49 The committee does, however, recognise that many consumers are willing to support farmers through the purchase of branded products which have the potential to increase farm gate milk prices. In the interests of fairness and equity, it seems inappropriate that private label products should have relatively low retail margins compared to branded products, as consumers who would like to support higher farm gate prices are disproportionately supporting the profit margins of supermarkets and processors.

4.50 Increased consumer awareness has the potential to make a difference, particularly if pressure can be placed on retailers and processors to be more transparent about how different products affect farm gate milk prices and the role of branded products in supporting the industry and dairy farmers. Accordingly, the committee considers that all stakeholders in the industry need to take a proactive role in educating consumers about the dairy industry so consumers can make an informed choice when purchasing dairy products.

4.51 In addition, retailers need to ensure that supply contracts for private label and branded dairy products continue to be set at levels that ensure farmers receive a fair and sustainable price. Consistent with the recommendations in the previous chapter, the committee encourages retailers to enter into contracts that, in principle, seek to

44 Queensland Dairyfarmers' Organisation, *Submission 9*, pp. 3, 6.

45 Queensland Dairyfarmers' Organisation, *Submission 9*, p. 3.

reduce the volatility in farm gate pricing and provide sustainable outcomes for dairy farmers.

Recommendation 4

4.52 The committee recommends that representative organisations of the dairy industry, together with retailers, develop an education campaign to promote awareness about the dairy industry so consumers can make informed choices when purchasing dairy products.