

Submission to Senate Inquiry Milk Pricing

To Whom it may concern

The actions of the Chain Stores in abusing their market dominance by flooding the market with milk at below cost, is not just effecting dairy, it is effecting all agricultural commodity groups.!

I have spoken to a number of small retailers ie fruit and butcher shops, petrol stations in my area, most of these small independents carry milk, bread, and some grocery items, as a service to their customers.

The fruit shop (family owned, the husband has to off set his income from the fruit shop, by working part time as a sparkie {bit like farming}) at Glenorie, informed me that prior to the milk price reduction, they were selling 10 crates of milk a week, this week they sold ONE crate! a 90% reduction!!!!

Woolworths recently opened a store in Glenorie, Glenorie consists of Post Office/Newsagent, Take Away, fruit shop, Butcher, Small Independent Grocery, Hardware, Hair Salon and Club. The service station closed when Woolworths got into the fuel retail business (nearest fuel is 10 ks away now, nearest independent 20ks), the hardware store closed when Bunnings opened at Dural, the independent grocery store closed two months after Woolworths opened. For the first two weeks after Woolworths open, the fruit shop's trade dropped 75%, but now has returned to near the previous Woolworth arrival takings. (this is a reflection of quality and service over price).

This a serious issue, it is, and will effect entire communities, as a farmer producing Asian vegetables and herbs, I am concerned that if the Government does not step in we will lose many small independent businesses, thus removing any alternate market for both consumers and producers.

The closure of small local businesses has a number of negative effects.

- a) loss of competition in the town or village as a result of the closure of the local small business.
- b) Increased carbon foot print as a result of customers having to travel greater distance to the regional centre to shop at the chain store.
- c) Increased carbon foot print of the transport ware housing system of the Chain Stores
- d) In the case of petrol, the increased danger of carrying petrol in jerry cans for use on lawn mowers, quad bikes etc, and then the increased risk of fire and explosion as a result of storing petrol on rural properties.
- e) the removal of employment opportunities,(be it part time after school), for locals to be employed by the small village retailers.
- f) The removal of the opportunity for local product products to be sold locally.

In conclusion I believe that the price reduction/cross subsidisation of milk prices by the Chain Stores, is NOT in the public or the dairy industries interests either in the short term, and definitely not in the long term.

Regards
Fred Haskins
commercial horticultural producer