

To whom It may Concern,

I am 38 years old and along with my wife Sharon own and operate a dairy farm at Lismore in Northern NSW, We milk 300 cows producing 2 million litres. We are very concerned with the current Coles manipulation of market power for the following reasons:-

1. Both Coles and Woolworths have far too much market dominance in the Australian market where they manipulate their contract terms as to gain an advantage over the milk processors.

SOLUTION is to make them divest assets allowing more competition in Australia.

Their contract negotiations need to be transparent so farmers can see if the prices we receive in fact reflect the market

2. Coles is using \$1 /litre to take business away from small business, such as corner shops and service stations, take away and smaller retailers. Predatory pricing.

Solution Strong changes to the Trade Practices Act...

3. The continual use of cheap milk by the Supermarkets to lure shoppers in at the expense of farmers

Solution A pricing system by which supermarket pay a reasonable price and that farmers have a sustainable price to cope with cost pressures.

It was 1992 when milk was last at \$1/litre. No body could live on the wages of 1992. In 2000 farmers received 54 cents/litre for liquid market milk and we receive 48 cents 2011.(That's a disgrace). It has been Government policy which has put us farmers in this position. SHAME SHAME both sides.

4. The loss of market premiums in the milk sectors in an attempt to bring the price to the farmers back to export levels. This will devastate the northern industry and will lower the price in Victoria. The Northern Industry(North of Sydney through to Cairns) is all liquid milk, no export market available to these areas.The fact is that the liquid milk market is set up for year round supply. The markets want the same milk everyday of the year ,thus requires a higher input costs due to seasonal demands(certain times of the year that grass doesn't sustain cows alone, feed is brought in) Where as in the export regions of the country, seasonal milking occurs.This is when the farmers calve down their whole herds in line with grass growth and generally don't milk over winter.

5. The losses will be seen throughout regional Australia where dairy exists. I spend over \$1 million dollars in our local community alone. Grain growers,transport carriers who bring seed, fertilizer,grain and all inputs to our farm as well as rural stores and local service businesses will be effected.

All ready the milk vendors are losing their businesses.

Solution Make amendments to the current systems to make a fairer and transparent price paid for milk.

6. Food security

If the northern industry is shut down by these corporate monopolies, you will be left with all milk produced in the southern states and as with the Queensland floods,it will only take one disaster before you have no milk for consumers in the eastern seaboard.

You only have to look back in history to see the reasons why the government " Quota" systems were put in place.It was to set up to make sure there was milk in the large cities everyday of the year as farmers were operating seasonally and that left certain times of the year there wasn't milk in the cities.If Coles is to get away with this, it will be only time before we are back to this point again.

We have been just through the worst drought in 100 years and the questions were being asked about the viability of dairy (and agriculture in general) in the Murray Darling Basin. If this is to play out like the Federal Government wants, and you have let the northern industry demise, what will be left.

On the North Coast of NSW we have the best supply of (most consistent) rainfall other than the Northern tropics(where it is too hot for milking cows.)

Export.

The dairy is an exporter of products(bring valuable dollars to Australia) because of our ability to supply our domestic milk,locally, and in places like Victoria, clusters of farms supply larger factories with the economies of scale needed to run efficient factories.

This will be all in the balance if you let Coles and Woolworths dictating to primary industries. Fair Go

This could have been avoided if the weak Federal Government acted upon the last senate inquiry. Nothing has been done.

Rural Australia is dying because both sides of government does not respect the rural sector. It was agriculture in the last quarter which stopped Australia sliding into recession, but nothing was said. This lack of respect is shown by the amount of foreign investment in Agriculture by other countries, They see a future need for food security and value it.

I pray that something is done to protect small business (like mine) from the predators Coles and Woolworths.

Very angry and disillusioned

Paul Weir