

I am the General Manager of Norco Foods a division within the Norco Co-operative. I have been with Norco for five years however Norco has been around for 115 years. I am very concerned about the retailers' pricing and the impact it may have on the future of the business I work for, my future employment and that of my 600 colleagues.

Working for a dairy based cooperative over this short period of time as highlighted to me the difficulties primary produces are faced with each and every day from drought, floods, animal welfare, farming inputs etc and the slim profits (if any for some) they return for their hard days work.

The value that Coles has placed on the daily produced yet labor intensive commodity "milk" is disappointing and unsustainable.

Coles have stated that they will wear the costs of their internal marketing program, which maybe the case, however for the larger processors (and smaller co operatives like my employer) from a branding perspective where larger margins are available, the loss of branded sales to generic profiled milk, will see a transfer of profitable margins and returns from branded to generic, which will ultimately lead to a reduced farm gate price, as the larger processors will need to bridge the profit gap for their shareholders.

Coles may wear it, however they will ultimately through this exercise, have a direct impact on future and negative farm gate pricing.

The senate enquiry needs to address the issue of implementing a sustainable milk price for our farmers.