

Dear Committee Member

I am writing this submission to you to outline my concerns on how I see the possible impacts of the Coles price reduction of white milk.

I am 41 years of age and have been dairying with my wife in our own right for 6 years and now also our 5 year olds Brady and Ella. I am a 6th generation dairy farmer, with both my father's family and mother's family of dairying origin.

The dairy industry is one of consistent change, with one of the biggest being in 1970 with the introduction of bulk milk and cold storage from cream cans and one of the most impacting and financially devastating in 2000 with deregulation being introduced.

I love this industry and befriended many fellow farmers up and down the eastern seaboard, all I ever wanted to do from the age of 5 was take on the family farm and milk cows.

Now with a family of my own and a farm producing One and a half Million litres annually and a substantial farm debt, we are finding it harder and harder to keep the tradition alive. Dairying is like no other agricultural pursuit, 7 days a week including Christmas day and Good Friday is only the start, on call 24/7 to cows calving or having to be a master of all things (a Vet, a mechanic, a secretary etc....) but an expert of none.

Since Deregulation some eleven years ago we have seen continual price fluctuations, making it near impossible to secure commodities on a long term basis to maintain production or grow our farming business.

I thought by now our industry would have stabilised at a viable price for us all to prosper but now we have seen Cole's and/or Wesfarmers battling for more of the consumer trade at whose expense? And I would be surprised if this translated to more milk sold across Australia. Over time it has also been increasingly difficult for small businesses like the corner store to survive and I see this as another way for the big guys to push the little people out of business.

Traditionally it has been the farmer who takes the financial hit as he is a price taker not a price maker and I am not optimistic enough to say it will be any different this time.

When deregulation occurred hundreds of millions of dollars annually was taken from the farm gate and placed in the laps of the retail sector. As a farmer I can not forget 23 cents per litre in October 2000.

I read through the media that Cole's believe that they should be paying the same for white milk as is paid for milk used in products for the export markets; this is unjustified as it is two totally different sections of industry. If we want fresh milk daily it comes at a higher cost for our population to enjoy high quality fresh milk day in day out.

I hope our submission is taken and read with heart, as the way I hope I have expressed my heart to you and our deepest fears that this could be the straw that would break most expanding and improving young dairy farmers businesses.

Thank you

Kind Regards

Peter & Suzanne Graham