

6 November 2011



Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Committee Secretary,

**RE: CONSTITUTIONAL CORPORATIONS (FARM GATE TO PLATE) BILL
2011**

The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises of all Australia's major agricultural commodities. Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

Following a restructure of the organisation in 2009 a broader cross section of the agricultural sector has been enabled to become members of the NFF, including the breadth and the length of the supply chain.

The NFF appreciates the opportunity to provide input into the Senate Standing Committees on Economics on the Constitutional Corporations (Farm Gate to Plate) Bill 2011.

The NFF notes that at its essence, the Bill will require certain grocery retailers to display the farm gate price of fresh fruit and vegetables next to the retail price and on its website. The NFF understands that the object of the Bill is to "enable consumers to understand the pricing practices of grocery retailers". The Bill provides for penalties to be imposed on retailers who breach its provisions.

The NFF is supportive of a transparent value chain and obtaining appropriate prices for primary producers. While the NFF believes this is the intent of the Bill, we believe that this proposal will not achieve these outcomes and is potentially unworkable (or at least extremely difficult to implement) in practice. The NFF does not believe that the Bill will improve farm gate prices and will instead create a confusing layer of information for consumers.

Therefore, the NFF does not support the Constitutional Corporations (Farm Gate to Plate) Bill 2011.

This is not to suggest that the NFF is ignoring the concerns of its members about transparency and price setting arrangements within the food and grocery supply chain.

The last 12 months has seen the relationship between farmers and retailers strained on a number of levels and the NFF is actively examining options to address this, both through legislative and non-legislative means.

The NFF also notes that there remains “unfinished business” for the Government in bedding down the Horticulture Code of Conduct and responding to a number of recommendations from the Australian Competition and Consumer Commission (ACCC) to enhance the Code’s workability. The NFF encourages Government to engage with industry on this reform agenda as a matter of urgency as a means of delivering transparency in the horticulture supply chain price setting process.

For further information regarding the NFF views on this matter, please contact the NFF General Manager – Policy, Charlie McElhone on (02) 6269 5666.

Yours faithfully

MATT LINNEGAR
Chief Executive Officer