

2 October 2009

R & J Oliver

**Submission to the Senate Select Committee Agriculture and Related Industries –
Inquiry into Dairy Matters**

Senators

Thank you for allowing us to present this submission.

My wife and I want you to hear how National Foods, a large corporate multinational is ruining our lives.

On 1st of October 2007, we signed a 5 year contract with Hillwood Cheese for all milk produced on our property. The milk price agreed to was 35cents per litre plus 5% minimum monthly floor price.

On 27th February 2008 we started milking and all payments were made to Lake River Dairy Pty Ltd

On 25th September 08 we were advised that Hillwood Cheese had changed business owner and sought my confirmation that the supply agreement would be transferred to Lactos Pty Ltd.

On 29 September 08 National Foods took over as business owner.

On December 08 National Foods employees Paul Rees and Greg Henry visited us seeking our agreement to a new contract. I declined on the basis there was a contract in place.

Early this year National Foods contract on the February milk payment, paying us 25cents (21cents nett).

In early April this year I met the National Foods employees Paul Rees and Glen Bake at Westbury to discuss the company's breach of contract.

I was advised that National Foods were interpreting the contract to be an average of 35 cents per litre plus 5% over the whole year.

Very quickly after the meeting I received a letter from National Foods confirming they were bound to perform the obligations of Hillwood Cheese.

On 28 May 09 our barrister wrote to National Foods, about the coming season price offer of 29 cents and sought confirmation from the company of our contract price. We did not receive a reply from the company.

On 1 July we received from National Foods a letter querying the clarity of the contracting parties to our agreement, but recognizing its obligations to purchase our milk.

Amazingly on the basis of National Foods 'lack of clarity', not previously raised with us, National Foods offered us a new milk supply agreement.

National Foods did not pay the 08/09 growth incentive. We complained to Glen Bake and demanded payment. Glen Bake said he "would look into it". I subsequently received a telephone call from Paul Rees advising National Foods would pay it. This was subsequently confirmed in a telephone call that afternoon from Glen Bake who said he was "The Corporate Bully Boy" when I answered the phone.

On 16 July we received payment of the growth incentive for 9 months only with July, August, September 2008 still outstanding.

The outstanding amount owed by National Foods is \$255,666.11.

We sent a letter of demand to the company on 10 August and subsequently on 31 August received a letter from National Foods offering \$62,745.82.

22 September sent letter accepting the offer without prejudice as part payment to the full amount. Have received no reply.

So the sorry saga and the financial and emotional hardship is continuing.

I must add that during these attempts to recover the funds from National Foods an offer on the sale of our property was lost.

Senators, the actions of National Foods are unfair, unreasonable, indeed outrageous they have treated us disgracefully and are using their market power and financial resources in a most Unconscionable manner this we believe contravenes the Trades Practices Act.

We have formally complained to the ACCC and await a successful outcome.

We have copies of correspondence available for the information of Senators if required.

Signed:

Richard Oliver

Jo Oliver