

Two thousand two hundred and three days...since the WAR on MILK was launched Australia Day 2011.

2,203 days the Dairy Farmer has been expected to front up to a 3am or 4am start...to milk and feed their cows, knowing full well that the farm-gate milk price returned to them is the result of a corrupted retail price point. A retail price set solely as a loss leader, predetermined by retail giants, bearing no relevance to global commodity price, or domestic supply and demand.

I remain astonished that we see the continuation of a talkfest, compliments of the ACCC and the Australian Senate – because we covered all this same ground in 2011/2012. My understanding is that back then the findings suggested the consumers were getting a great benefit in saving money on milk, that every level of Government were afraid to intervene, happy to maintain the status quo of the \$1/L milk market, at the undeniable expense of the dairy industry – and especially the Dairy Farmer.

Let's look at some cold hard truths –

1. Fresh Milk had not been sold at retail for \$1/L for 19 consecutive years, since 1992
2. Recent dairy farmer survey from the QDO showed that 70% of Queensland dairy farmers were unable to pay their bills every month
3. Milk production continues to crash in QLD, since the Milk Wars – we've lost about 35% of our farmers, milk production is down about 150 Million litres p/a
4. We rely almost 100% on domestic producers for fresh milk, our shortfall of liquid white milk (imported from southern states) has grown from 40 Million litres in 2012...to 182 Million litres last year.
5. In the first 3 consecutive financial years following the launch of the War on Milk – the Duopoly enjoyed double digit growth percentages, and returned staggering combined PROFITS, growing from \$3.7 Billion in 2010/2011 to almost \$5 Billion in 2013/2014.
6. Don't be alarmed by the frightening news of their drop in profits the following year. As Woolies and Coles hit a pothole in the road, they posted a drop in profits of 12.5% and 9.3%. Does that mean they experienced a loss? NO WAY - Woolies and Coles profits for the 2014/2015 financial year were \$2.15 BILLION and \$2.44 BILLION respectively! That represents the fourth consecutive financial year while selling \$1 milk that they have both exceeded \$1.5 billion profits...yes profits not revenue!!
7. Rural and regional Australia have copped the full brunt of Corporate Greed – as once strong and vibrant farming communities have been bled dry at grass roots level. With farmers exiting, or remaining no better than on life-support, the flow on to local businesses, contractors and service providers has been financially devastating.
8. The flood of people from country to city is now creating a whole new set of problems with all levels of Government hopelessly playing catch-up on infrastructure for roads, hospitals, schools – when facilities remain unrequired in our abandoned rural ghost towns.

It's incredibly frustrating to yet again be openly invited, to give evidence to yet another hearing, coordinated by people whose financial existence is funded by hard earned tax payer dollars. All the farmers in the room today, have come at their own expense, with no reimbursement forthcoming. Their time away from farm, the fuel in their vehicle, costing money they may not even have, and most probably can't afford. Just as I was invited to fly to Melbourne in November last year to give evidence to the Senate Hearing, no funding was available in the government budget for my airfares or accommodation...yet for some reason beyond my basic intelligence – I paid the cost and turned up.

In modern agriculture – the farmer has today become easy pickings for Corporate Giants. The all too familiar line of "Get big or get out" will resonate with farmers across all industries. It is driven by the greed of these giants who choose not to fairly share profits along the chain – ensuring the CEO's and Shareholders are given the greatest reward. With the small individual family farm, at the end of the line given whatever deemed appropriate by huge Australian or internationally owned companies. Farmer payments have become less likely in recent years to reflect or even cover the cost of food and fibre production. As we've seen even Co-ops are now failing to apply morals and ethics to their business dealings. If a fair distribution of profits were to flow, farmers could get better rather than bigger. They could, and would invest more time and money into infrastructure, make improvements to sustainability of soils and waterways, work towards better animal health and wellbeing, and especially see the burden of their own personal mental health being alleviated. All of the above positive and beneficial actions at farm level bear no relevance to farmers who are focused on their exit strategy.

Since the 1980's Big Business has thrived under the 'Greed is Good' mantra. There appears to be no desire of countering their dominant position in the market place, as Governments and their various Departments have shown time and again an impotence to take action when the necessity arises. Dishing up fines in the \$\$ millions – to companies whose profits are in the \$\$ Billions, is as laughable as fining a sports star worth \$\$ Millions a percentage of match fee for bringing their game into disrepute!! Coles and Woolies continue to bring the game of Retail into disrepute, yet their only consequence appears to be \$\$ Billion profits!!

You will likely find once again in favour of the CONSUMER – that \$1 MILK is a good deal for them! I would like to question the merit of such decisions, from the air conditioned comfort of the not so real world you live in. How can the decimation of local food producing industries be a good outcome for the consumer? How can being force fed inferior quality 'fresh' food imported from other countries be a good outcome for the consumer, or for that matter our National Security, and the balancing of the Federal Budget.

As the Aussie farmer's financial health continues to spiral out of control...so will the physical and mental health of the Australian consumer. All the while, public servants in positions who could quite literally make a positive difference simply watched on happily, that consumers were temporarily saving a buck!!



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