



Country Women's Association of NSW

ABN 82 318 909 926

Incorporated in 1931 by an Act of NSW Parliament

All Communication to be addressed to the Secretary of **HUNTER RIVER GROUP** Branch/Group

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Australian Competition &
Consumer Commission
Attention Ms Amy Bellhouse
Assistant Director
Agriculture Unit
GPO Box 520
MELBOURNE VIC 3001

Dear Ms Bellhouse,

CWA Hunter River Group contacts you regarding the plight of dairy farmers in our area who are experiencing dire hardship within their industry due to low milk prices and the ever-increasing outlay for overheads.

The milk prices received by one dairy farmer over the past sixteen years are set out below, accompanied by a cost comparison of expenses for overheads over the past eight years.

Milk Price:

Date	Average cents/litre	Kg milk solids	Details
April 2000	54.97		
2000-01	28.97	4.05	
2001-02	31.66	4.39	
2002-03	34.58	4.80	
2003-04	30.82	4.28	
2004-05	33.61	4.77	
2005-06	35.01	5.07	DROUGHT - no irrigation water end 2006 until end Aug 2007. Milk production state wide dropped by 250,000,000 litres causing big price increase late 2007-08 year.
2006-07	35.54	5.25	
2007-08	48.32	6.81	
2008-09	57.91	8.19	
2009-10	56.35	8.24	
2010-11	51.50	7.44	
2011-12	49.45	7.24	
2012-13	45.02	6.54	
2013-14	47.45	7.12	
2014-15	52.21	7.77	
2015-16	53.39	7.97	

Cost Comparisons:

Service	July-September 2008	July-September 2016
Council Rates	\$2046.08	\$3159.03
Irrigation Electricity	\$0.11/kwh	\$0.25/kwh
Irrigation Water	\$16.51/meg used	\$28.11/meg used

Dairy Costs

Service	July-September 2008	July-September 2016
Electricity	0.10/kwh 90 days \$4464.15	0.20/kwh 31 days \$3255.42
Milk Filter Socks/pkt	\$55.00	\$62.72
Cluster Liners x 200	\$9.50ea	\$10.45ea

Herd Recording

Service	July-September 2008	July-September 2016
Recorder Sample	\$13.25ea	\$15.60ea
Misdi access - Dairy Express	\$10.50	\$15.00
Reports	\$2.00	\$4.00

As you can see, some overheads have doubled in the past eight years.

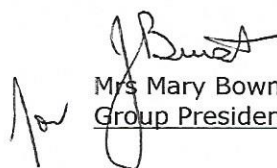
This family, like most in the dairy industry has farmed this area for over one hundred years. The workload is passed on through the generations; there may be members of a few generations working side by side. Operators within the industry need stability to ensure they are making the right decisions within their families to keep their farms viable. Without a generous rise in milk prices this is not possible.

Presently the older family members are propping up the business financially and this practice cannot continue. Also, younger wives are employed part-time in other occupations, which is another drain on family resources and should not be necessary in a viable farming operation.

CWA Hunter River Group appeals to ACCC to increase milk prices in line with the increased cost of dairy farm overhead prices which threatens a potential breach of Section 46 of the Competition and Consumer Act 2010 in relation to predatory pricing.

Operators within the industry are resilient, they know about market volatility, but they need to be in better position to manage their farms for long-term productivity and profitability and this price increase in respect to the increase in overhead costs is all that is required.

Yours faithfully,


Mrs Mary Bowman
Group President