

1 October 2020

Ms Danielle Staltari
Director | Adjudication | Merger & Authorisation Review Division
Australian Competition & Consumer Commission
GPO Box 3131
Canberra ACT 2601

By email adjudication@acc.gov.au

Dear Danielle

**Queensland Dairyfarmers' Organisation Limited (ACN 090 629 066) (QDO) –
Application for authorisation and interim authorisation**

1. QDO wish to apply for authorisation pursuant to Part VII of the *Competition and Consumer Act 2010* (Cth) (**Act**). The authorisation is sought regarding a proposal to offer eligible persons a licence to use the Fair Go Dairy® logo (**Trade Mark**) on milk and dairy produce (**Products**). The purpose of the mark is to signal to consumers that licensees of the Trade Mark are paying farmers a sustainable and fair farmgate price for the milk which is used to make the Products (**Scheme**). Licences will be granted under the proposed licence agreement and incorporate the Fair Go Dairy® Scheme Rules (**Scheme Rules**).
2. We **attach** for your consideration an application for authorisation, along with the corresponding attachments.

Interim Authorisation

3. In addition, QDO also wish to apply for an interim authorisation at the time of the ACCC's draft determination and continuing until such time as the ACCC makes a decision in respect of the QDO's substantive application for authorisation. QDO seeks authorisation to:
 - a) continue with preparation and commence advertising and marketing of the Scheme;
 - b) entering into licence agreements with target milk processors (**Processors**) pursuant to the licence agreement and Scheme Rules; and
 - c) giving effect to, or being knowingly involved in the negotiation of licence agreements (specifically in respect of the Representative).
4. QDO considers that the following matters are relevant to the ACCC's decision in respect of whether to grant interim authorisation:

- a) QDO seeks interim authorisation in order that it may commence negotiations with Processors regarding the terms and conditions of possible milk supply agreements. In particular, we are instructed that these Processors are unwilling to deal with QDO in the absence of an authorisation or interim authorisation, due to the potential uncertainty which is associated with the risk of exposure of liability under the Act.
- b) In order to align with the reporting date for publication of milk supply agreements of 1 June each year as required under the Dairy Code of Conduct, QDO intend to set the sustainable and fair farmgate price by 28 February 2020 for the following financial year (2021-2022). QDO wish to do that to allow potential licensees to make any required changes to participate in the program. The Scheme Rules are to take effect on and from 1 July each financial year.
- c) As noted in section 9 (competitive constraints) and section 11 (public detriments) of the attached application, the proposed conduct of QDO is unlikely to have a significant impact on the current state of competition in the market of the dairy, wholesale milk purchasing and retail industries.
- d) For this reason, the state of any competition in any relevant market is unlikely to change if interim authorisation is granted to QDO.
- e) QDO submit that a net public benefit will flow from the granting of an interim authorisation as set out in section 10 of the application.

Please contact Eric Danzi on  if you have any questions.

Yours sincerely



Eric Danzi
Executive Officer
Queensland Dairyfarmers' Organisation