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The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
P.O. Box 119
Dickson A.C.T. 2602

Dear Mr Stuart

Thankyou for the opportunity to make comment on the authorisation application made in relation to the seeking of authorisation to enable chicken meat processors of Victoria to give effect to contracts already negotiated.

I am a Bartter Enterprises grower, so will speak to you of what I know and have experienced with this company.

12/04/2011
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Applicants proposed benefits to consumers to flow from collective bargaining arrangements.

I have deep concern that the proposed bargaining arrangements will have no real benefit to the consumer.

I say this because, since July 2003 we have had to work under the proposed new contract system. This was a situation that had to be accepted by growers, as the negotiation team representing growers, were not skilled negotiators but elected fellow growers. The team was subject to very forceful negotiation and already set contract ideas, resulting in what I felt was the processor having definite advantage to dictate all terms to growers. As a consequence of having to grow under these arrangements I have seen no real benefits to the consumer, ie the price has not fallen in the market place and as I see it the foundation has been layed to some serious long term problems for the industry.

If the A.C.C.C. decided to grant authorisation to processors in Victoria the consumer may benefit in the very short term from some sort of price war among processors, but this would pass very quickly. Bartter are poised in such a position at present that growers have to accept what they are paid. If other processors do not have themselves and their growers in a similar position they may crumble under such pressure. Leaving Bartter with a large share of the market and able to dictate price to consumers giving no long term benefit to the consumer.

There would also be no long-term benefit as I see it in quality of product to the consumer. In that the current price being paid to growers is averaging 48-50 cents per bird. Given that our key costs of gas, electricity, insurance and labour have increased the necessary money for capital maintenance is probably not being set aside to maintain and update capital in the next 5-10 years. This decrease in ability to reinvest in our businesses given the hi-tech nature of operating our industry gives rise to the very real chance of high bird losses and a poor quality product if the technology is not functioning at its absolute best. This would be of no benefit to the consumer, grower or processor.

The current system we have worked under since July 2003 has not allowed a proper system in which disputes about bird quality or payment can be settled. This has resulted in a soured relationship between Bartter and the majority of its growers. I feel that if this situation is allowed to continue growers would become desperate and take industrial action (ie strike) this would be of no benefit to the consumer, as prices would rise due to lack of product. Worse still it could lead to the importation of chicken meat. This would never do as the healthy clean green 'disease free' image of our industry would suffer. If disease were to enter Australia the whole Australian community would suffer.

Likely detriment to flow on to the public from the proposed authorised bargaining arrangements.

The idea of collective bargaining is not all bad, but it does need to be done under the guidelines of some form of legislation. Enabling the grower to perform to the best of his ability and produce a quality product that is going to be in demand by the consumer.


Growers are business people and as such need a fair price for the meat they produce. The grower has taken a huge financial risk in the development and maintenance of capital equipment and would not enter any form of negotiation for contracts unless it was going to be fair to all parties involved. The grower realises the importance of the interdependent relationship of grower, processor and consumer.

A fair contract system for the growing of chicken meat is very important to the Australian community, as this has become a basic food in our diet. Independence in the production of chicken meat needs to be maintained given the uncertainty of world situations (ie disease and terrorism).

Some form of legislation allowing collective bargaining between representatives of growers and processors is needed so all can have a fair say. The current situation is not suitable for any party. Grower insecurity prevents the development of capital equipment to produce a quality product and financial institutions have little enthusiasm for investment in our industry given the current situation.

I hope to see all growers and processors come to an amicable agreement regarding contracts. To see only one or two processors left in Victoria would be very detrimental to chicken growing and the consumer in that processors would set the price for chicken meat and the payment to growers.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Donald V Grant'.

Donald Grant
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