



Australian Competition & Consumer Commission

File reference: A90914
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25 March 2004

Name
Address

letter sent
to attached
list.

Stefanee Lovett

Dear

**Authorisation application lodged by the
Tasmanian Farmers and Graziers Association (A90914)**

On 23 March 2004, the Australian Competition and Consumer Commission (the Commission) received an application for authorisation (A90914) from the Tasmanian Farmers and Graziers Association (the Association).

By way of background, the Commission is the Commonwealth agency responsible for administering the *Trade Practices Act 1974* (the Act). A key objective of the Act is to prevent anti-competitive conduct, thereby encouraging competition and efficiency in business, resulting in a greater choice for consumers in price, quality and service.

The Act, however, recognises that competition may not always be in the public interest. It therefore allows the Commission to grant immunity from the Act for anti-competitive conduct in certain circumstances.

One way businesses may obtain immunity is to apply for what is known as an 'authorisation' from the Commission. Broadly, the Commission may 'authorise' businesses to engage in anti-competitive conduct where it is satisfied that the public benefit from the conduct outweighs any detriment to the public constituted by any lessening of competition. The Commission conducts a comprehensive public consultation process before making a decision to grant or deny authorisation.

Application for authorisation

Broadly in their application, the Association seeks authorisation on behalf of its vegetable grower members for those members to collectively bargain, through grower representatives on their various commodity group boards, terms and conditions of growing contracts with the processors to whom they supply, namely McCain Food (Aust) Pty Ltd and Simplot Australia Pty Ltd. It is proposed that such negotiation occur on a commodity-group by commodity-group basis. Authorisation is also sought for the Association to join with grower representatives from the various commodity groups and assist them negotiations with processors. Authorisation has been sought for a period of 5 years.

Additionally, the Association has requested interim authorisation. Interim authorisation allows the parties to the proposed arrangements to engage in the subject conduct as if it had authorisation while the merits of the application are considered by the Commission.

A copy of the Association's application is enclosed. The application will also be available on the Commission's website: www.accc.gov.au.



Lodging submissions

As a potentially interested party you are invited to make a written submission to the Commission regarding the likely public benefits and effects on competition of the arrangements for which authorisation is sought. In particular, the Commission would be interested in your views on the following:

- Do you agree with the public benefits that the Association has claimed will flow from the collective bargaining arrangements?
- Do you agree with the comments the Association has made about the likely public detriment flowing from the collective bargaining arrangements?
- Do you consider that there might be any other detriment to the public caused by the arrangements?
- Do you have any other comments on the proposed collective bargaining arrangements?

The Commission asks for submissions to be in writing so that they can be made publicly available. Submissions are placed on a public register and may also be placed on the Commission's website. The Commission may, where appropriate, supplement written submissions with discussions with relevant parties on a mutually convenient basis.

Should you lodge a submission with the Commission you may request that information included in the submission be treated as confidential and not placed on the public register or the Commission's website. In such circumstances you must justify why the Commission should treat such information as confidential, otherwise it would be expected to be made public. The Commission may take confidential information into account during its assessment of an authorisation application. Guidelines for seeking confidentiality are attached for your information.

If you wish to lodge a submission, please address it to:

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

Submissions can also be lodged by email to adjudication@accc.gov.au, or by facsimile on (02) 6243 1211.

Submissions regarding the authorisation should reach the Commission by close of business **Friday 23 April 2004**. In addition, we request that submissions in relation to the interim authorisation reach the Commission by close of business **Thursday 8 April 2004**.

Should you have any queries or if you wish to discuss any aspect of this matter further please contact Stefanee Lovett on (02) 6243 1359.

Yours sincerely

Gavin Jones
Acting Director
Adjudication Branch

NAME	SURNAME	POSITION	PRODUCT	ADDRESS	LOCALITY	STATE	POSTCODE
Mr	Ian	Chairman	Tasmanian Farmers & Graziers' Association	265 Greens Creek Road	Sassafras	TASMANIA	7307
Mr	Phillip		McCain Processed Potatoes	17905 Bass Highway	Sisters Creek	TASMANIA	7325
Mr	Craig		McCain Brassicas	203 Boyndey Road	Black River	TASMANIA	7321
Mr	Keeton		McCain Seed Potatoes	394 Gaunts Road	Nietta	TASMANIA	7315
Mr	Andrew		McCain Peas	152 Broomhalls Road	Sisters Creek	TASMANIA	7325
Mr	Ian		McCain Beans	265 Greens Creek Road	Sassafras	TASMANIA	7307
Mr	Glen		Simplot Brassicas	1378 Sheffield Main Road	Barrington	TASMANIA	7306
Mr	Mike		Simplot Carrots	PO Box 103	Deloraine	TASMANIA	7304
Mr	Chris		Simplot Seed Potatoes	159 Masters Road	South Riana	TASMANIA	7316
Mr	Bruce		Simplot Peas	936 Bishopsbourne Road	Bishopsbourne	TASMANIA	7301
Mr	Phillip		Simplot Processed Potatoes	315 Zig Zag Road	Sulphur Creek	TASMANIA	7316
Mr	Geoff		Simplot Beans	580 Chapel Road	Sassafras	TASMANIA	7307
Mr	Sergio	Executive General	Simplot Australia Pty	Private Bag 4	Flemington	VICTORIA	3031

First Name	Last Name	Title	Company Name	Address	City	State	Post Code
Mr	Tony	Director of Agriculture	McCain Food (Australia) Pty Ltd	PO Box 105	Wendouree	VICTORIA	3355
Mr	John	Food, Agriculture and Fisheries	Department of Primary Industries, Water and Environment	GPO Box 44	Hobart	TASMANIA	7001