

Simmonds, Martine

From: Danny Pagoda [dannypagoda@waff.org.au]
Sent: Wednesday, 23 November 2005 7:37 PM
To: Adjudication
Subject: A90961/A90962
Attachments: ACCC.doc

Dear Sir/Madam

Please find attached a submission to the ACCC with reference to the above.

Yours faithfully
DANNY PAGODA
Executive Officer – Livestock
WAFarmers
9486 2100.

**SUBMISSION TO THE ACCC SEEKING TO
COLLECTIVELY BARGAIN WITH MILK PROCESSORS
BY WAY OF A MILK NEGOTIATION AGENCY
(ACCC A90962).**

November 2005

Prepared by

TONY PRATICO

for the

Western Australian Farmers Federation



The Western Australian
Farmers Federation (Inc.)

Western Australian Farmers Federation

The Western Australian Farmers Federation is WA's largest and most influential rural lobby and service organisation.

WAFF represents around one third of WA farmers including grain growers, wool producers, meat producers, horticulturalists, dairy farmers, beekeepers and many other producers in a range of primary industries.

It is estimated that collectively our members are major contributors to the \$4.5 billion gross value of production that agriculture in its various forms contributes to Western Australia's economy.

Additionally, through differing forms of land tenure, our members own, control and manage many millions of hectares of the state's land mass and as such are responsible for maintaining the productive capacity and environmental well being of that land.



The Western Australian Farmers Federation (Inc.) (WAFarmers) supports the application from Dairy WA seeking authorisation to collectively boycott milk processors under certain circumstances.

WAFarmers was a supporter of Dairy WA's original submission in March/April of this year.

It is important that the Federation is clear on its support for boycotting provisions. We support the boycott only in so far as it would permit a collective negotiation of terms and conditions of contracts; no support whatsoever is given with a view to withhold supply.

WAFarmers does not feel that the boycotting provision within the ACCC authorisation is of such significant value that it should trigger such a barrage of fire power from opponents. In reality the dairy industry produces a perishable product that dairy farmers must move everyday. This makes any attempt at withholding supply completely illogical.

Dairy farmers need an authorisation to establish an agency on their behalf because Western Australia has the cheapest milk in the world and milk that is also of the highest quality. Through a milk negotiation agency (MNA) we seek to ensure the availability of supply. As the industry in this state continues to shrink in size, with more and more farmers selling their farms, there is a growing potential for one processor to have a significant monopoly over another. Simply, one would have supply and the other wouldn't.

The MNA is an appropriate vehicle to ensure the continuation of supply and retain a competitive market for our milk. It would further allow for the rationalising of the state's dairy industry in areas such as transport, milk testing and QA auditing.

WA dairy farmers have applied for the boycott provision because the ACCC did not feel that the authorisation adequately deals with boycotting provisions.

WAFarmers requests the ACCC's authorisation to establish a milk negotiation agency in Western Australia.