
FACSIMILE TRANSMISSION

DATE: 9 May 2007
TO: Mr Tony Ford
ORGANISATION: McCain Foods
Wendouree Head Office, Ring Road
Wendouree VIC 3355
FAX: (03) 5338 1007
FROM: Sharon Clancy
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Message:

Dear Mr Ford

I am writing in relation to application for authorisation A91048 lodged by the Victorian Potato Growers Council (VPGC) (as set out in the ACCC's earlier letter to you of 24 April 2007).

Late yesterday the VPGC amended its request for interim authorisation so that interim authorisation is now sought for the McCain Growers Group to commence collective negotiations with McCain Foods for the 2008 supply year, rather than the 2007 supply year.

The ACCC is interested in your views on the request for interim authorisation. Should you intend to make comment on the amended request for interim authorisation, I would appreciate if you could do so by close of business **14 May 2007**.

For your information, a copy of the VPGC's correspondence regarding its amended request for interim authorisation and a copy of a submission received today from the McCain Growers Group are attached.

Please do not hesitate to contact me should you have any queries.

Regards

Sharon Clancy

Sharon Clancy
Assistant Director
Adjudication Branch

From: Laura Bowles [mailto:laura.agchall@hotmail.net.au]
Sent: Tuesday, 8 May 2007 3:07 PM
To: Clancy, Sharon
Subject: Re: VPGC application for authorisation - questions [SEC=UNCLASSIFIED]

Sharon,

Thankyou very much for the reply.

The file note is correct, though perhaps a further explanation of the association with the VFF Horticultural Council should be entered into. The VPGC is a commodity group that 'stands alone' in the VFF. We have been asked to join the Horticultural Group, and receive Horticultural Group newsletters and assistance when required, however we are not yet members of the horticultural group, but sit underneath it as an individual branched commodity group. Lis Blandamer, the manager of the horticultural group in the VFF, could perhaps explain in detail where the VPGC sits in regards to other commodities.

I request that the application is changed to request interim authorisation for the 2008 supply year, instead of 2007. The reason for this, is that almost all growers in the McCain Growers group have already supplied McCain Foods with potatoes for 2007, under individual contracts.

The McCain Growers Group would like to begin negotiations with McCain Foods for the 2008 supply season as soon as possible. With an interim authorisation, the growers and the company will be able to begin negotiations before potatoes are planted for the 2008 growing season, which will significantly benefit both the company (who will then know what sort of tonnage should be expected for the 2008 season and the price that must be paid for those potatoes to growers) and the grower, who can then decide what to plant for the 2008 season and know what contract he will have with McCain Foods before planting.

As soon as interim authorisation is granted, the negotiations will start with McCain Foods for the 2008 supply season. It is preferred that the negotiations take place before planting, and thus August will be too late for most growers. May/June is the ideal time of year for negotiations to begin.

I thank you for all your help and hope that you will consider this request.

Sincerely,

Laura Bowles.
Executive Officer
Victorian Potato Growers Council

8th May, 2007

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

SUBMISSION IN SUPPORT OF INTERIM AUTHORIZATION

This submission supports the request for interim authorization by the V.P.G.C. until the authorization is finalized.

The indicative timetable suggests a final determination by July / August, 2007. If this happens to be delayed, potato growers will be severely disadvantaged again. The members of the McCain Growers Group need to begin negotiations with McCain Foods for the 2008 supply season for the following reasons;

Contract price determined prior to planting crop.

Seed potato purchases

Field preparation.

Actual tonnage to be grown

This also gives security to the company regarding what production tonnage they may expect in 2008.

Growers have serious financial decisions to make in regard to their potato growing operations. As growers we need to look to the future. Supply contracts for the year 2007 were incomplete. The interim authorization, if granted, is too late to have any bearing on the supply year 2007 but is very important for 2008.

As such, on behalf of the McCain Growers Group, I strongly support the application for interim authorization to allow negotiations to commence as soon as possible for the 2008 season.

David Myers

Chairman, McCain Growers Group

