

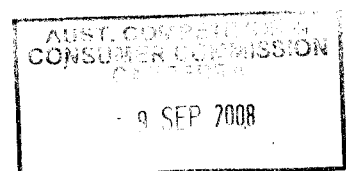
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From Ian Williams  
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1 page follows  
Re DFMC/ACF authorisation



**Submission re  
DFMC and ACF application for authorisation and request for interim  
authorisation – amended application**

I respond to the invitation to make a submission as Chairman of the Fleurieu Collective Bargaining Group.

Our comments and concerns have been expressed in our original response to the DFMC and ACF application for authorisation.

The amended application gives some further detail of the Farmer Supply Contracts being contemplated.

However I am not aware of the full content of these contracts and I believe if these contracts are to be fair and not pose barriers to trade the following questions need satisfactory answers.

- What inducements will be offered to sign a revised contract?
- Will it just be an attractive milk price?
- Or will only contracted suppliers participate in capital distributions from the sale of ACF ( probably of \$2-\$3 per DFMC share)?
- Will there be minimum and maximum volumes specified?
- If so what will those volumes be for each farm?
- What will be the penalties if farm volume falls outside the range?
- Is it correct that if a farm or herd is sold the Supply Contract must go with the farm or herd?
- If, during the term of the contract, the price being paid for milk drops below industry bench marks, will farmers have the right to withdraw from the contract?

DFMC's desire to secure milk supply is understandable and it could be in the best interests of milk suppliers to have a secure market for farm milk, but some of the contractual conditions of supply may be detrimental to the suppliers of raw milk.

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