



## **Tasmanian Farmers & Graziers Association application for authorisation A91197**

### **Interim authorisation decision 4 December 2009**

The Australian Competition and Consumer Commission (the ACCC) has decided to grant interim authorisation in respect of the application for authorisation lodged by the Tasmanian Farmers & Graziers Association on 13 November 2009.

The Tasmanian Farmers & Graziers Association is seeking authorisation of an arrangement between present and future vegetable grower members to collectively negotiate the terms and conditions of growing contracts with two processors – McCain Foods (Aust) Pty Ltd and Simplot Australia Pty Ltd (Processors), and to assist vegetable grower members in their negotiations.

#### **Interim authorisation**

The ACCC grants interim authorisation to the Tasmanian Farmers & Graziers Association for an arrangement between present and future vegetable grower members to collectively negotiate the terms and conditions of growing contracts with Processors and to assist vegetable grower members in their negotiations.

Interim authorisation will remain in place until the date the ACCC's final determination comes into effect or until the ACCC decides to revoke interim authorisation. The ACCC's decision in relation to interim authorisation should not be taken to be indicative of whether or not final authorisation will be granted.

#### **Reasons for decision**

In assessing the request for interim authorisation the ACCC considered that the conduct to be engaged in under interim authorisation will effectively maintain the status quo and is unlikely to have any impact on the competitive dynamics of the market. The ACCC considers that the arrangements are unlikely to result in significant public detriment and notes that the method of negotiating prices has not been altered since the initial authorisation. Interim authorisation will allow TFGA to continue to engage in collective negotiations with Processors while the substantive application for authorisation is being considered.