

Donohue, Erin

From: Daniel Morgan [dmorgan@willedwards.com.au]
Sent: Tuesday, 9 February 2010 8:55 AM
To: Palisi, Joanne
Cc: Donohue, Erin
Subject: FW: TFGA further information [SEC=UNCLASSIFIED]

Further (and in reference) to my email of 8 February, 2010 I am instructed as follows:

1. The arrangements set forth in the 2004 Authorisation remain applicable. My client notes that the make up of the committees under the Authorisation is not very prescriptive other than they must be a supplier of that company and that product. Some conflict arises when a grower supplies both companies. The TFGA accepts that a grower who supplies both Simplot and McCain cannot be on both negotiating committees and can only qualify for one. However, they do not believe that growers should be prejudiced by being excluded from both committees as was implied in the Simplot submission. The TFGA also reserves the right to determine the make up of the farmers negotiating committees within the limitations of the Authorisation. The TFGA notes that these negotiations are not exactly commercial in-confidence as all information is publicly available when negotiations are finished.
2. The "other potential buyers" is intended to encapsulate new entries into the vegetable processing market in Tasmania (i.e. someone who is not Simplot or McCain). The TFGA also wants the authorisation to cover growers who are not yet TFGA members or who may not yet grow processing vegetables.
3. Negotiations under the current Authorisation have been operating relatively smoothly. Prices generally received by growers have been within market expectations. Price and conditions variation occur according to the relative bargaining power of suppliers or buyers. For example two years ago growers received a price increase inline with increasing costs and increasing demand, while during the current season growers accepted a lower price due to softer demand, decreased input costs and import threats from New Zealand. The TFGA would like to emphasise that negotiating arrangements that currently exist have been in place since before the Authorisation was granted and is widely accepted within the Tasmanian industry.

If you require this correspondence to be contained on this office's letterhead, or, if anything further is required, please do not hesitate to contact me.

I look forward to hearing from you soon.

Regards Daniel

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