



FILE NOTE							
Matter name:	Australian Dairy Farmers Ltd - Revocation & Substitution - A91263						
ACCC parties:	Joanne Palisi, Erin Donohue, Gareth Jamieson						
TRACKIT No:	45252	Date/Time:	5 May 2011				
Other parties:	James Wyatt, Murray Jeffrey (Group General Manager milk procurement and inbound logistics) – National Foods						
Phone to	<input checked="" type="checkbox"/>	Phone from	<input type="checkbox"/>	Meeting	<input type="checkbox"/>	Other	<input type="checkbox"/>

ACCC staff had a telephone discussion with James Wyatt and Murray Jeffrey of National Foods on 5 May 2011 on the Australian Dairy Farmers Limited application for re-authorisation.

National Foods (NF) made the following statements:

- NF's experience has been that some Collective Bargaining Groups (CBGs), particularly those which have strong farmer leadership and knowledge of the marketplace operate more effectively than others.
- The collective bargaining process is voluntary and processors can choose whether to negotiate with CBGs and farmers can choose whether or not to bargain collectively. This is important to NF and is a key condition of the authorisation.
- The collective bargaining process does not provide substantial benefits to NF, but does provide time savings through the ability to reach a consistent contract with members of a CBG.
- NF considers that the current conditions are operating effectively and are well understood by the industry.
- In relation to Condition 1, NF takes the view that farmers do not necessarily need third party negotiators and that there is a risk that their presence may complicate the process and compromise the spirit of the negotiations.
- In relation to Condition 2, NF considers that CBGs should stay localised, as they can then focus on local issues and local markets. Dairy regions across Australia are very different from one another.
- In relation to Condition 5, NF emphasized that it is important that farmers be able to choose whether to participate in the collective bargaining process, as each farm has different financial circumstances.
- NF submits that Condition 6 is important as it makes clear to farmers that information sharing is prohibited and confidentiality is important.
- NF noted that it rarely has to consult the roster of CBGs maintained by Australian Dairy Farmers under Condition 7, as CBGs generally provide lists of their members, which are taken on trust.