

27th October 2016

Australian Competition & Consumer Commission

23 Marcus Clarke St

Canberra ACT 2601

Attention David Hatfield & Jamie Martin

Re: Adjudication A 9558 Queensland Cane Growers Organisation
Application for Authorisation

Submission by Kalamia Cane Growers Organisation Ltd

There has always been a major difference in market power in favour of the miller in the relationship between sugar cane growers and the sugar cane miller. This is due to the nature of harvested cane, being prone to rapid degrading, the logistical complexity of getting cane to a mill and the capital intensive investment to establish a mill meaning there is effectively only one mill per harvesting region which comprises many growers. Historically this has been redressed to some extent by the Sugar Industry Act providing specifically for growers to be able to collectively bargain with the miller on the Cane Supply Agreement, an agreement required under the Act.

Changes to the Act have allowed the miller who owns all four of the mills in the Burdekin cane growing district and sole mills in several other regions to construct a series of commercial agreements to cover different aspects of the commercial arrangements affecting the growers, and to define a number of them to be agreements other than Cane Supply Agreements. In such circumstances the growers do not have the rights conferred under the Sugar Industry Act to bargain collectively on these other agreements.

It is Kalamia's view as a representative of 150 cane growers that it is in the growers' interest and not unduly detrimental to the miller's interest for collective bargaining to be allowed in relation to all matters between growers and miller.

Kalamia fully supports the application of Queensland Cane Growers for the Authorisation they seek.

Regards,



David Rutledge B Com

Executive Manager / Company Secretary

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