

Your Ref: ATL 55894

Our Ref:

Reply to: Melbourne

Contact: Andrew Lumb  
[alumb@nevetford.com.au](mailto:alumb@nevetford.com.au)

**Nevett** *ford*

LAWYERS

**MELBOURNE** Level 16 South Tower Rialto  
525 Collins Street Melbourne 3000 DX 490  
Tel: 03 9614 7111 Fax: 03 9614 3192  
email: melbourne@nevetford.com.au

7 April 2016

The General Manager  
Adjudication Branch  
Australian Competition & Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601

**BY EMAIL: [david.hatfield@acc.gov.au](mailto:david.hatfield@acc.gov.au)  
[tanya.hobbs@acc.gov.au](mailto:tanya.hobbs@acc.gov.au)**

Dear Sir

**Victorian Farmers Federation  
Application for Authorisation under Section 88(1) of the  
Competition and Consumer Act 2010**

On behalf of Victorian Farmers Federation, we enclose the following:

1. Application for Authorisation pursuant to Section 88(1) of the Competition and Consumer Act 2010; and
2. letter dated 30 March 2016 from the Commission with respect to fee waiver.

Yours faithfully

**Nevett** *ford*



Andrew Lumb  
**Special Counsel**

Encl

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(1)

# Form B

Commonwealth of Australia

*Competition and Consumer Act 2010 — subsections 88 (1A) and (1)*

## AGREEMENTS AFFECTING COMPETITION OR INCORPORATING RELATED CARTEL PROVISIONS: APPLICATION FOR AUTHORISATION

To the Australian Competition and Consumer Commission:

Application is hereby made under subsection(s) 88 (1A)/88 (1) of the *Competition and Consumer Act 2010* for an authorisation:

- ~~to make a contract or arrangement, or arrive at an understanding, a provision of which would be, or might be, a cartel provision within the meaning of Division 1 of Part IV of that Act (other than a provision which would also be, or might also be, an exclusionary provision within the meaning of section 45 of that Act).~~
- ~~to give effect to a provision of a contract, arrangement or understanding that is, or may be, a cartel provision within the meaning of Division 1 of Part IV of that Act (other than a provision which is also, or may also be, an exclusionary provision within the meaning of section 45 of that Act).~~
- to make a contract or arrangement, or arrive at an understanding, a provision of which would have the purpose, or would or might have the effect, of substantially lessening competition within the meaning of section 45 of that Act.
- to give effect to a provision of a contract, arrangement or understanding which provision has the purpose, or has or may have the effect, of substantially lessening competition within the meaning of section 45 of that Act.

*(Strike out whichever is not applicable)*

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

### 1. Applicant

- (a) Name of Applicant:  
*(Refer to direction 2)*

A91534 Victorian Farmers Federation

- (b) Short description of business carried on by applicant:  
*(Refer to direction 3)*

The Applicant is a company limited by guarantee incorporating a federation of different groups of agricultural growers including the Chicken Meat Group, which has the following branches:

- the Baiada Growers Group;
- the Hazeldene Growers Group;
- the Inghams Growers Group;
- the Turi Growers Group;

and as such is the representative organisation for chicken growers contracted in Victoria to each of the relevant processors:

- (c) Address in Australia for service of documents on the applicant:

Victorian Farmers Federation Chicken Meat Group, Farrer House, 24-28 Collins Street, Melbourne VIC 3000 – email – lmannix@vff.org.au

**2. Contract, arrangement or understanding**

- (a) Description of the contract, arrangement or understanding, whether proposed or actual, for which authorisation is sought:  
*(Refer to direction 4)*

See Annexure “A”

- (b) Description of those provisions of the contract, arrangement or understanding described at 2 (a) that are, or would or might be, cartel provisions, or that do, or would or might, have the effect of substantially lessening competition:  
*(Refer to direction 4)*

See Annexure “A”

- (c) Description of the goods or services to which the contract, arrangement or understanding (whether proposed or actual) relate:

See Annexure “A”

- (d) The term for which authorisation of the contract, arrangement or understanding (whether proposed or actual) is being sought and grounds supporting this period of authorisation:

See Annexure “A”

**3. Parties to the proposed arrangement**

- (a) Names, addresses and descriptions of business carried on by other parties or proposed parties to the contract or proposed contract, arrangement or understanding:

See Annexure “B”

- (b) Names, addresses and descriptions of business carried on by parties and other persons on whose behalf this application is made:  
*(Refer to direction 5)*

See Annexure “B”

**4. Public benefit claims**

- (a) Arguments in support of authorisation:  
*(Refer to direction 6)*

See Annexure “C”

- (b) Facts and evidence relied upon in support of these claims:

See Annexure “C”

**5. Market definition**

Provide a description of the market(s) in which the goods or services described at 2 (c) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):  
*(Refer to direction 7)*

See Annexure "D"

**6. Public detriments**

- (a) Detriments to the public resulting or likely to result from the authorisation, in particular the likely effect of the contract, arrangement or understanding, on the prices of the goods or services described at 2 (c) and the prices of goods or services in other affected markets:  
*(Refer to direction 8)*

See Annexure "E"

- (b) Facts and evidence relevant to these detriments:

See Annexure "E"

**7. Contract, arrangements or understandings in similar terms**

This application for authorisation may also be expressed to be made in relation to other contracts, arrangements or understandings or proposed contracts, arrangements or understandings, that are or will be in similar terms to the abovementioned contract, arrangement or understanding.

- (a) Is this application to be so expressed?

No, see paragraph 2(a) which sets out the categories of contracts, arrangements or understandings in respect of which application is made.

- (b) If so, the following information is to be furnished:

- (i) description of any variations between the contract, arrangement or understanding for which authorisation is sought and those contracts, arrangements or understandings that are stated to be in similar terms:  
*(Refer to direction 9)*

Not Applicable

- (ii) Where the parties to the similar term contract(s) are known --- names, addresses and descriptions of business carried on by those other parties:

Not Applicable

- (iii) Where the parties to the similar term contract(s) are not known — description of the class of business carried on by those possible parties:

Not Applicable

**8. Joint Ventures**

- (a) Does this application deal with a matter relating to a joint venture (See section 4J of the *Competition and Consumer Act 2010*)?

No

- (b) If so, are any other applications being made simultaneously with this application in relation to that joint venture?

Not Applicable

- (c) If so, by whom or on whose behalf are those other applications being made?

Not Applicable

**9. Further information**

- (a) Name and address of person authorised by the applicant to provide additional information in relation to this application:

Mr Andrew Lumb

Nevett Ford Lawyers

Level 16, South Tower Rialto

525 Collins Street

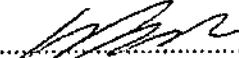
MELBOURNE VIC 3000

Telephone: 03 9614 7111

Email: [alumb@nevettford.com.au](mailto:alumb@nevettford.com.au)

Dated.....18/02/2016.....

Signed by/on behalf of the applicant

..........

(Signature)

.....Graeme Ford.....

(Full Name)

.....Chief Executive Officer.....

(Position in Organisation)

## DIRECTIONS

1. Use Form A if the contract, arrangement or understanding includes a provision which is, or might be, a cartel provision and which is also, or might also be, an exclusionary provision. Use Form B if the contract, arrangement or understanding includes a provision which is, or might be, a cartel provision or a provision which would have the purpose, or would or might have the effect, of substantially lessening competition. It may be necessary to use both forms for the same contract, arrangement or understanding.

In lodging this form, applicants must include all information, including supporting evidence, that they wish the Commission to take into account in assessing the application for authorisation.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

2. Where the application is made by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the application and the application is to be signed by a person authorised by the corporation to do so.
3. Describe that part of the applicant's business relating to the subject matter of the contract, arrangement or understanding in respect of which the application is made.
4. Provide details of the contract, arrangement or understanding (whether proposed or actual) in respect of which the authorisation is sought. Provide details of those provisions of the contract, arrangement or understanding that are, or would or might be, cartel provisions. Provide details of those provisions of the contract, arrangement or understanding that do, or would or might, substantially lessen competition.

In providing these details:

- (a) to the extent that any of the details have been reduced to writing, provide a true copy of the writing; and
  - (b) to the extent that any of the details have not been reduced to writing, provide a full and correct description of the particulars that have not been reduced to writing.
5. Where authorisation is sought on behalf of other parties provide details of each of those parties including names, addresses, descriptions of the business activities engaged in relating to the subject matter of the authorisation, and evidence of the party's consent to authorisation being sought on their behalf.
  6. Provide details of those public benefits claimed to result or to be likely to result from the proposed contract, arrangement or understanding including quantification of those benefits where possible.
  7. Provide details of the market(s) likely to be effected by the contract, arrangement or understanding, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the authorisation.
  8. Provide details of the detriments to the public which may result from the proposed contract, arrangement or understanding including quantification of those detriments where possible.

9. Where the application is made also in respect of other contracts, arrangements or understandings, which are or will be in similar terms to the contract, arrangement or understanding referred to in item 2, furnish with the application details of the manner in which those contracts, arrangements or understandings vary in their terms from the contract, arrangements or understanding referred to in item 2.

## ANNEXURE A

### 2. Contract, arrangement or understanding

#### (a) Description of the contract, arrangement or understanding whether proposed or actual for which authorisation is sought:

The Applicant seeks authorisation on behalf of the members of each of the growers groups of the following chicken meat processors (including present members and those who become members in the future):

Baiada Poultry Pty Ltd  
Hazeldene Chicken Farm Pty Ltd  
Inghams Enterprises Pty Ltd  
Turi Foods Farming Division Pty Ltd

to in each case act collectively in negotiating with the processor to which they provide growing services:

- (i) growing fees and other terms and conditions of chicken growing contracts;
- (ii) adjustment and review of growing fees and other matters arising from time to time under/or in relation to the terms of chicken growing contracts;
- (iii) resolution of disputes which from time to time arise under chicken growing contracts or otherwise arise between the processor and a grower or growers.

The Applicant also seeks authorisation to give effect to agreements collectively negotiated pursuant to sub-paragraphs (i), (ii) and (iii) above, or pursuant to authorisations previously granted under Section 88 of the *Competition and Consumer Act 2010* or predecessor legislation.

#### (b) The description of those provisions of the contract arrangement or understanding described at 2(a) that are or might be cartel provisions or that do or would or might have the effect of substantially lessening competition:

Insofar as the collective negotiation by chicken growers with their processor results in contract terms and conditions and pricing arrangements with the processor that are common to all growers, they might be considered as lessening competition, because without collective negotiation the processor might negotiate differing arrangements with individual growers.



- (c) **Description of the goods of services to which the contract arrangement or understanding (whether proposed or actual) relate:**

Chicken growing services.

- (d) **The term for which authorisation of the contract arrangement or understanding (whether proposed or actual) is being sought and grounds supporting this period of authorisation:**

The term applied for is 10 years. The necessity for authorisation is an industry structural issue and not a temporary or localised situation requiring protection for a limited period. A number of authorisations have been granted in the past to chicken growers in different parts of Australia, and some of these, particularly in more recent years, have been granted for terms of 10 years, thus minimising the necessity for growers to go through a renewal or replacement process. It should also be noted that increasingly growing contracts are entered into for 10 year terms because of the very high capital costs of establishing new farms, which tend to be significantly bigger than in the past, and the resulting necessity to amortise those costs over the contract period as required by a financier.

## ANNEXURE B

### 3. Parties to the proposed arrangement:

- (a) Names, addresses and descriptions of business carried on by other parties or proposed parties to the contract or proposed contract, arrangement or understanding:

Baiada Poultry Pty Ltd – 642 Great Western Highway, Pendle Hill NSW 2145;

Hazeldene Chicken Farm Pty Ltd – 74 Hazeldene's Road, Lockwood VIC 3551;

Inghams Enterprises Pty Ltd – 203 -209 Northumberland Street, Liverpool NSW 2170;

Turi Farming Division Pty Ltd – 5 Lipton Drive, Thomastown VIC 3074.

Each of the above is an integrated chicken meat processor operating breeding farms, hatcheries and processing plants. All of them have Victorian operations and Baiada Poultry Pty Ltd and Inghams Enterprises Pty Ltd operate nationally.

- (b) Names, addresses and descriptions of business carried on by parties and other persons on whose behalf this application is made.

Names and address of the present members of each of:

The Baiada Growers Group;

The Hazeldene Growers Group;

The Inghams Growers Group;

The Turi Growers Group.

are listed as attached to this Annexure. Each carries on a business of providing chicken growing services to a chicken meat processor.

Application is also made on behalf of persons who are the members of each of such groups from time to time in the future, all of whom will carry on businesses providing chicken growing services to a chicken meat processor.

**NAMES AND ADDRESSES OF MEMBERS OF GROWERS GROUPS**

Branch	First Name	Last Name	Company & Business Name	Address	Location	State	Postcode
Baiada	Zoran	Postolov	TGP Pty Ltd	105 Tomahwak Creek Road	PIRRON YALLOCK	VIC	3249
Baiada	Xi	Fan	Fan Family Trust	45 Lower Somerville Road	SOMERVILLE	VIC	3912
Baiada	Heather	King	P & C King Pty Ltd	559 English Road	LETHBRIDGE	VIC	3332
Baiada	Cheryl	King	P & C King Pty Ltd	559 English Road	LETHBRIDGE	VIC	3332
Baiada	Peter	King	P & C King Pty Ltd	559 English Road	LETHBRIDGE	VIC	3332
Baiada	Chris	Green	C.J & J.M Green Pty Ltd	75 Ingersoll Road	BAXTER	VIC	3911
Baiada	Jan	Green	C.J & J.M Green Pty Ltd	75 Ingersoll Road	BAXTER	VIC	3911
Baiada	Michael	Xerri	D.J.N. Growers Pty Ltd	151 Leakes Road	LAVERTON NORTH	VIC	3026
Baiada	Doris	Xerri	D.J.N. Growers Pty Ltd	151 Leakes Road	LAVERTON NORTH	VIC	3026
Baiada	John	Clarke	John Clarke	Villa 104/165 Osborne Drive	MT MARTHA	VIC	3974
Baiada	Pamela	Clarke	John Clarke	Villa 104/165 Osborne Drive	MT MARTHA	VIC	3974
Baiada	Audrey	Staples	R.J, AW & GD Staples	144 Roberts Rd	MAIN RIDGE	VIC	3928
Baiada	Glenn	Staples	R.J, AW & GD Staples	144 Roberts Rd	MAIN RIDGE	VIC	3928
Baiada	John	Ritchie	J & M Ritchie	485 Evans Rd	COCKATOO	VIC	3781
Baiada	Maxine	Ritchie	J & M Ritchie	485 Evans Rd	COCKATOO	VIC	3781
Baiada	Joe	Lopes	J & C Lopes	157 Mackelroy Rd	PLENTY	VIC	3090

Baiada	Chris	Lopes	J & C Lopes	157 Mackelroy Rd	PLENTY	VIC	3090
Baiada	Joe	Acciarito	Taylorign Pty Ltd	79 K Rd	WERRIBEE SOUTH	VIC	3030
Baiada	Yvonne	Acciarito	Taylorign Pty Ltd	79 K Rd	WERRIBEE SOUTH	VIC	3030
Baiada	Sham	Sharma	Nevas Farm	742 Greigs Road	ROCKBANK	VIC	3335
Baiada	Balbir	Gill	Nevas Farm	742 Greigs Road	ROCKBANK	VIC	3335
Baiada	Cheryle	Evans	Tabone Evans Pty Ltd	320 Western Port Road	LANG LANG	VIC	3984
Baiada	Joe	Tabone	Tabone Evans Pty Ltd	320 Western Port Road	LANG LANG	VIC	3984
Hazeldene	James	Lazenby	Lazenby Farm Products Pty Ltd	PO Box 66	LOCKWOOD SOUTH	VIC	3551
Hazeldene	Timothy	Scott	Gallus Lane Pty Ltd	Gallus Lane	MARONG	VIC	3515
Hazeldene	Anita	Scott	Gallus Lane Pty Ltd	Gallus Lane	MARONG	VIC	3515
Hazeldene	Brian	Stephens	Nikian Enterprises	139-141 Gleasons Rd	STRATHFIELDSAY E	VIC	3551
Hazeldene	Nikki	Stephens	Nikian Enterprises	139-141 Gleasons Rd	STRATHFIELDSAY E	VIC	3551
Hazeldene	Marie	Mannes	Hillcroft Contractors	116 Mannes Lane	STRATHFIELDSAY E	VIC	3551
Hazeldene	Paul	Mannes	Hillcroft Contractors	116 Mannes Lane	STRATHFIELDSAY E	VIC	3551
Hazeldene	Tony	Mannes	Hillcroft Contractors	116 Mannes Lane	STRATHFIELDSAY E	VIC	3551
Hazeldene	Darren	Powell	Powell Farms	1303 Borung Highway	AREEGRA	VIC	3480
Hazeldene	Sharon	Powell	Powell Farms	1303 Borung Highway	Areegra	VIC	3480
Hazeldene	John	Scott	Gallus Lane Pty Ltd	74 Barnes Rd	WILSONS HILL	VIC	3515

Hazeldene	Janet	Scott	Gallus Lane Pty Ltd	74 Barnes Rd	MARONG	VIC	3515
Hazeldene	Peter	Lazenby	Lazenby Family Trust	PO Box 66	LOCKWOOD STH	VIC	3551
Hazeldene	Sue	Lazenby	Lazenby Family Trust	PO Box 66	LOCKWOOD STH	VIC	3551
Inghams	Bevan	Hillen	Choix De Vie Pty Ltd	8 Alden Street	TYABB	VIC	3931
Inghams	Joanne	Hillen	Choix De Vie Pty Ltd	8 Alden Street	TYABB	VIC	3931
Inghams	Ljubisa	Knezic	J & L Knezic	675 Dunns Creek Road	DROMONA	VIC	3936
Inghams	Jelena	Knezic	J & L Knezic	675 Dunns Creek Road	DROMONA	VIC	3936
Inghams	Dragan	Milic	Main Ridge Poultry Pty Ltd	213 Main Creek Rd	MAIN RIDGE	VIC	3928
Inghams	Snezana	Milic	Main Ridge Poultry Pty Ltd	213 Main Creek Rd	MAIN RIDGE	VIC	3928
Inghams	Mark	Hillen	Hillrose Pastoral Pty Ltd	273 Bungower Rd	MOOROODUC	VIC	3933
Inghams	Ferdi	Hillen	Hillrose Pastoral Pty Ltd	273 Bungower Rd	MOOROODUC	VIC	3933
Inghams	Andrew	Peart	Meadows Poultry Pty Ltd	22-24 Worthing Road	DEVON MEADOWS	VIC	3977
Inghams	Penny	Peart	Meadows Poultry Pty Ltd	22-24 Worthing Road	DEVON MEADOWS	VIC	3977
Inghams	Jeff	Wiggins	Paragon Trading Enterprises Pty Ltd	590 Stumpy Gully Rd	TUERONG	VIC	3915
Inghams	Mary	Wiggins	Paragon Trading Enterprises Pty Ltd	590 Stumpy Gully Rd	TUERONG	VIC	3915
Inghams	Lucy	Crehan	Yellingbo Free Range	1280 Macclesfield Road	YELLINGBO	VIC	3139
Inghams	Branislav	Miljanic	MB Nyora Pty Ltd	540 Yannathan Rd	NYORA	VIC	3987

Inghams	Marjana	Miljanic	MB Nyora Pty Ltd	540 Yannathan Rd	NYORA	VIC	3987
Inghams	John	Albanese	Bunyip Free Range	120 BackHouses Road	Bayles	VIC	3981
Inghams	Diana	Albanese	Bunyip Free Range	120 BackHouses Road	Bayles	VIC	3981
Inghams	Eddie	Ryan	Heath Hill Poultry	4 Frankston Gardens Drive	CARRUM DOWNS	VIC	3201
Inghams	Harry	Kip	Heath Hill Poultry	4 Frankston Gardens Drive	CARRUM DOWNS	VIC	3201
Inghams	Xu	Li	Hangrace Family Trust	33 Dandenong-Hastings Road	TYABB	VIC	3913
Inghams	Grace	Li	Hangrace Family Trust	33 Dandenong-Hastings Road	TYABB	VIC	3913
Inghams	Miodrag	Kalajdzic	Bayles Poultry Farm	3590 Ballarto Road	BAYLES	VIC	3981
Inghams	Milos	Kalajdzic	Bayles Poultry Farm	3590 Ballarto Road	BAYLES	VIC	3981
Inghams	Boyd	Johnston	19 Twenty West Pty Ltd	1920 Frankston-Flinders Road	HASTINGS	VIC	3915
Inghams	Alan	Murray	Providence Found Pty Ltd	1336 Frankston-Flinders Road	SOMERVILLE	VIC	3912
Inghams	Vivienne	Bradford	Providence Found Pty Ltd	1336 Frankston-Flinders Road	SOMERVILLE	VIC	3912
Inghams	Paul	Drennan	Kape Jess Pty Ltd	253 Old Cape Schank Road	BONEO	VIC	3939
Inghams	Katrina	Drennan	Kape Jess Pty Ltd	253 Old Cape Schank Road	BONEO	VIC	3939
Inghams	Anna	Fedele	Trussardi Pty Ltd	397 Main Creek Rd	MAIN RIDGE	VIC	3928
Inghams	Joseph	Ciccione	Trussardi Pty Ltd	397 Main Creek Rd	MAIN RIDGE	VIC	3928
Inghams	Mable	Cui	Mable International Pty	203 Mornington-Tyabb	TYABB	VIC	3913

Inghams	Meng	Cui	Ltd	Road	TYABB	VIC	3913
Inghams	Leigh	Zhenpeng	Superleigh Pty Ltd	432 Bentons Road	MOOROODUC	VIC	3933
Inghams	Bao	Pinping	Superfeigh Pty Ltd	432 Bentons Road	MOOROODUC	VIC	3933
Inghams	Guoming	He	Ming Mornington Pty Ltd	357 Purves Road	Main Ridge	VIC	3928
Inghams	Harry	Kipouropoulos	Heath Hill Poultry Pty Ltd	11 Parkview Tce	LYSTERFIELD SOUTH	VIC	3156
Inghams	Jenni	Kipouropoulos	Heath Hill Poultry Pty Ltd	11 Parkview Tce	LYSTERFIELD SOUTH	VIC	3156
Inghams	Domenic	D'alberto	Quasit Pty Ltd	271 Mornington-Tyabb Rd	MOOROODUC	VIC	3933
Inghams	Julie	D'alberto	Quasit Pty Ltd	271 Mornington-Tyabb Rd	MOOROODUC	VIC	3933
Inghams	Albert	Schembri	A Schembri	3590 Ballarto Rd	BAYLES	VIC	3981
Inghams	Michael	Shaw	Donoghmore Pastoral Enterprises	890 Derril Rd	MOOROODUC	VIC	3933
Inghams	Paula	Shaw	Donoghmore Pastoral Enterprises	890 Derril Rd	MOOROODUC	VIC	3933
Inghams	Noel	Williams	Exeat Nominees Pty Ltd	860 Frankston-Dandenong Rd	BANGHOLME	VIC	3175
Inghams	Margaret	Williams	Exeat Nominees Pty Ltd	860 Frankston-Dandenong Rd	BANGHOLME	VIC	3175
Inghams	John	Govan	J E & W Govan	570 North Rd	PEARCEDALE	VIC	3912
Inghams	Elaine	Govan	J E & W Govan	570 North Rd	PEARCEDALE	VIC	3912
Inghams	Mike	Zutic	M & A Zutic	Lot 4 Browns Rd	RYE	VIC	3941

Inghams	Anna	Zutic	M & A Zutic	Lot 4 Browns Rd	RYE	VIC	3941
Inghams	Paola	Shaw	D.W & C.W Shaw Pty Ltd	183 McIlroy's Rd	RED HILL	VIC	3937
Inghams	Owen	Shaw	D.W & C.W Shaw Pty Ltd	183 McIlroy's Road	RED HILL	VIC	3937
Inghams	Anthony	Van Roy	SGA Poultry Pty Ltd	83 Oakview Lane	NAR NAR GOON	VIC	3812
Inghams	Theo	Van Roy	SGA Poultry Pty Ltd	83 Oakview Lane	NAR NAR GOON	VIC	3812
Inghams	Greg	Spero	Labertouche Farm Pty Ltd	385 Labertouche Road	Labertouche		1241
Inghams	Allan	McCracken	Labertouche Farm Pty Ltd	385 Labertouche Road	Labertouche	VIC	3816
Inghams	Robert	Bonaddio	JRB Trinity Pty Ltd	95 Murray Road	CORA LYNN	VIC	3814
Inghams	Claudia	Bonaddio	JRB Trinity Pty Ltd	95 Murray Road	CORA LYNN	VIC	3814
Inghams	Shannon	Smith	Hilltop Hens Pty Ltd	735 Robinsons Road	PEARCEDALE	VIC	3912
Inghams	Rachel	Jones	Hilltop Hens Pty Ltd	735 Robinsons Road	PEARCEDALE	VIC	3912
Inghams	Catherine	Porter	Portbridge Lodge Pty Ltd	50 Harrisons Rd	DROMANA	VIC	3936
Inghams	Dean	Rhodes	Choice Engineering Vic P/L	100 Males Road	MOOROODUC	TAS	3933
Inghams	Lynne	Rhodes	Choice Engineering Vic P/L	100 Males Road	MOOROODUC	TAS	3933
Inghams	Garry	Smith	Melling Farm Pty Ltd	96 Stanleys Road	RED HILL SOUTH	VIC	3937
Inghams	John	Myers	Melling Farm Pty Ltd	96 Stanleys Road	RED HILL SOUTH	VIC	3937
Inghams	Matthew	Shaw	Grass Tree Farm	2-4 Hyslops Road	BONEO	VIC	3939
Inghams	Kirsty	Shaw	Grass Tree Farm	2-4 Hyslops Road	BONEO	VIC	3939



Inghams	Colin	Peacock	C & T Peacock	252 Coolart Rd	MOOROODUC	VIC	3933
Inghams	Tracey	Peacock	C & T Peacock	252 Coolart Rd	MOOROODUC	VIC	3933
Inghams	Phillip	Bate	Pashlak Pty Ltd	297 Hodgins Rd	TUERONG	VIC	3915
Inghams	Alanna	Bate	Pashlak Pty Ltd	297 Hodgins Rd	TUERONG	VIC	3915
Inghams	Robert	Fergusson	Bokarina	335 Shands Rd	MAIN RIDGE	VIC	3928
Inghams	Sue	Fergusson	Bokarina	335 Shands Rd	MAIN RIDGE	VIC	3928
Inghams	Robert	McKee	Illawong Poultry	243 Coolart Rd	TYABB	VIC	3913
Inghams	Greg	Mckee	Illawong Poultry	243 Coolart Rd	TYABB	VIC	3913
Inghams	Kim	Mckee	Illawong Poultry	243 Coolart Rd	TYABB	VIC	3913
Inghams	Rodney	Wooley	R.D & K.J Wooley	84-86 Shoreham Rd	RED HILL SOUTH	VIC	3937
Inghams	Kathy	Wooley	R.D & K.J Wooley	84-86 Shoreham Rd	RED HILL SOUTH	VIC	3937
Inghams	Graham	Hopgood	Wahgunyah Farm	16 Callanans Rd	RED HILL SOUTH	VIC	3937
Inghams	Robyn	Hopgood	Wahgunyah Farm	16 Callanans Rd	RED HILL SOUTH	VIC	3937
Inghams	Joe	Horvat	Derwent Bay Pty Ltd	Lot 1 Limestone Rd	BONEO	VIC	3939
Inghams	Mira	Horvat	Derwent Bay Pty Ltd	465 Limestone Rd	BONEO	VIC	3939
Turi Foods	Catherine	Greaves	RA & SD Rand	262 Hodgins Rd	HASTINGS	VIC	3915
Turi Foods	Stephen	Rand	RA & SD Rand	262 Hodgins Rd	HASTINGS	VIC	3915
Turi Foods	Joseph	Buttigieg	Mount Cottrell Poultry	Lot 671 Troups Rd South	MOUNT COTTRELL	VIC	3024
Turi Foods	Nicolas	Matthews	Somerville Sweetwater Pty Ltd	63 Whitneys Rd	SOMERVILLE	VIC	3912
Turi Foods	Margot	Matthews	Somerville Sweetwater Pty Ltd	63 Whitneys Rd	SOMERVILLE	VIC	3912
Turi Foods	Ross	Blamey	R & R Blamey	163 Browns Rd	CRANBOURNE	VIC	3977

Turi Foods	Robyn	Blamey	R & R Blamey	163 Browns Rd	CRANBOURNE	VIC	3977
Turi Foods	Vladimir	Micic	03PEH Pty Ltd	250 Middle Rd	PEARCEDALE	VIC	3912
Turi Foods	Bobby	Micic	03PEH Pty Ltd	250 Middle Rd	PEARCEDALE	VIC	3912
Turi Foods	Daniel	Vanovac	Vano Pty Ltd	665 Baxter Tooradin Road	PEARCEDALE	VIC	3912
Turi Foods	Pietro	Currenti	PC Agriculture	145 Scout Drive	Loch	VIC	3945
Turi Foods	Charlene	Zwar	PC Agriculture	145 Scout Drive	Loch	VIC	3945
Turi Foods	Millie	Rai	Ask Agriculture Pty Ltd	500 Seven Mile Rd	NAR NAR GOON	VIC	3812
Turi Foods	Makhan	Rai	Ask Agriculture Pty Ltd	500 Seven Mile Rd	NAR NAR GOON	VIC	3812
Turi Foods	John	Paras	Arcadia Poultry Pty Ltd	990 Thompsons Rd	CRANBOURNE	VIC	3977
Turi Foods	Bill	Katsimalis	Arcadia Poultry Pty Ltd	990 Thompsons Rd	CRANBOURNE	VIC	3977
Turi Foods	Frank	Femino	Femino Enterprises Pty Ltd	10 Boes Rd	HASTINGS	VIC	3915
Turi Foods	Nuccia	Femino	Femino Enterprises Pty Ltd	10 Boes Rd	HASTINGS	VIC	3915
Turi Foods	Sally	Smedile	Loto Poultry Pty Ltd	136 Coolart Road	Tuerong	VIC	3915
Turi Foods	Joe	Smedile	Loto Poultry Pty Ltd	136 Coolart Road	Tuerong	VIC	3915
Turi Foods	Terry	McMasters	Morfen Holdings Pty Ltd	PO Box 68	SANDRINGHAM	VIC	3191
Turi Foods	Chris	Morton	Morfen Holdings Pty Ltd	PO Box 68	SANDRINGHAM	VIC	3191
Turi Foods	Dragan	Jorgovic	Jorga Poultry Pty Ltd	11 Carpenters Lane North	HASTINGS	VIC	3915
Turi Foods	Bill	Jorgovic	Jorga Poultry Pty Ltd	11 Carpenters Lane North	HASTINGS	VIC	3915
Turi Foods	Jenny	Wilson	Wilson Family Trust	137 Eramosa Road East	SOMERVILLE	VIC	3912

Turi Foods	David	Wilson	Wilson Family Trust	137 Eramosa Road East	SOMERVILLE	VIC	3912
Turi Foods	Maria	Hutchinson	Bonison Poultry	81 Graydens Road	HASTINGS	VIC	3915
Turi Foods	Mary	Pittard	Cramal Pty Ltd	545 Dunns Creek Rd	RED HILL	VIC	3937
Turi Foods	Craig	Pittard	Cramal Pty Ltd	545 Dunns Creek Rd	RED HILL	VIC	3937
Turi Foods	Timothy	Young	The New Capitalist Pty Ltd	PO Box 358	KANGAROO GROUND	VIC	3097
Turi Foods	Sam	Zoobi	KWR Poultry Ltd	390 Healesville-Kooweerup Road	KOOWEERUP	VIC	3981
Turi Foods	Christophe r	Shaw	Ballywarra Farms	170 Chambers Road	MODELLA	VIC	3816
Turi Foods	Benjamin	Shaw	Ballywarra Farms	170 Chambers Road	MODELLA	VIC	3816
Turi Foods	Bindi	Shaw	Ballywarra Farms	170 Chambers Road	MODELLA	VIC	3816
Turi Foods	Lai	Wei	Isabella Farm Discretionary Trust	100 Tyabb- Tooradin Road	SOMERVILLE	VIC	3912
Turi Foods	Sam	Huang	Isabella Farm Discretionary Trust	100 Tyabb- Tooradin Road	SOMERVILLE	VIC	3912
Turi Foods	Don	Liu	Comlynx Pty Ltd	173 Coolart Road	HASTINGS	VIC	3915
Turi Foods	Lily	Bai	Comlynx Pty Ltd	173 Coolart Road	HASTINGS	VIC	3915
Turi Foods	Michael	Vukadinovic	Pavilion Partners Pty Ltd	415 Carrs Road	ANAKIE	VIC	3213
Turi Foods	Milan	Petronijevk	Livada Pty Ltd	530 Baxter Tooradin Road	PEARCEDALE	VIC	3912
Turi Foods	Vesna	Petronijevic		530 Baxter Tooradin Road	PEARCEDALE	NSW	2715
Turi Foods	Ron	Metz	E & S Metz	95 Linehams Rd	CATANI	VIC	3981
Turi Foods	Steven	Metz	E & S Metz	95 Linehams Rd	CATANI	VIC	3981

Turi Foods	Karen	Scott	Madamika Park Pty Ltd	161 Browns Rd	CRANBOURNE	VIC	3977
Turi Foods	Robert	Vojtkiv	Vojplumb Pty Ltd	131 Fogarty Rd	TYNONG	VIC	3813
Turi Foods	Anka	Vojtkiv	Vojplumb Pty Ltd	131 Fogarty Rd	TYNONG	VIC	3813
Turi Foods	Martin	Stockdale	Bendale Farm Pty Ltd	545 Hamilton Rd	RIDDELLS CREEK	VIC	3431
Turi Foods	Hayley	Stockdale	Bendale Farm Pty Ltd	545 Hamilton Rd	RIDDELLS CREEK	VIC	3431
Turi Foods	David	Llewelyn	Mattlew Pty Ltd	1385 Ballarto Rd	CLYDE	VIC	3978
Turi Foods	Ken	Matthews	Mattlew Pty Ltd	1385 Ballarto Rd	CLYDE	VIC	3978
Turi Foods	Frank	Pegan	F Pegan	60 Mill Rd	LARA	VIC	3212
Turi Foods	John	Sandy	J & R Sandy	410 Tooradin Station Rd	TOORADIN	VIC	3980
Turi Foods	Robyn	Sandy	J & R Sandy	410 Tooradin Station Rd	TOORADIN	VIC	3980
Turi Foods	Dunia	Carrio	Wollert Poultry	160 Bodycoats Rd	WOLLERT	VIC	3750
Turi Foods	Jacquie	Carrio	Wollert Poultry	160 Bodycoats Rd	WOLLERT	VIC	3750
Turi Foods	Barb	Bullen	Tanderry Farm	Private Bag 35 Milners Rd	LANG LANG	VIC	3984
Turi Foods	Allan	Bullen	Tanderry Farm	35 Milners Rd	LANG LANG	VIC	3984
Turi Foods	Andrew	Bullen	Tanderry Farm	35 Milners Rd	LANG LANG	VIC	3984
Turi Foods	Bruce	Thompson	Misty-Sun Pty Ltd	37 Dandenong-Hastings Rd	TYABB	VIC	3913
Turi Foods	Jacqueline	Thompson	Misty-Sun Pty Ltd	37 Dandenong-Hastings Rd	TYABB	VIC	3913
Turi Foods	D	Vukadonovic	D & Z Vukadonovic	70 Godfrey Lane	OFFICER	VIC	3809
Turi Foods	Peter	Thompson	D & Z Vukadonovic	70 Godfrey Lane	OFFICER	VIC	3809
Turi Foods	Marko	Jelic	Jelic Services Pty Ltd	40 Chipperfield Dr	MOOLAP	VIC	3221

Turi Foods	Mirosliv	Jelic	Jelic Services Pty Ltd	40 Chipperfield Dr	MOOLAP	VIC	3221
Turi Foods	Malcolm	Leitch	Leitch Enterprises Pty Ltd	71 East Rd	PEARCEDALE	VIC	3912
Turi Foods	Anne-Louise	Leitch	Leitch Enterprises Pty Ltd	71 East Rd	PEARCEDALE	VIC	3912
Turi Foods	Donald	Bigham	D & P Bigham Pty Ltd	103 Killara Rd	GRUYERE	VIC	3770
Turi Foods	Patricia	Bigham	D & P Bigham Pty Ltd	103 Killara Road	GRUYERE	VIC	3770
Turi Foods	Andrew	Grant	D.J & S.J Andrews Pty Ltd	230 Holden Rd	WANDIN EAST	VIC	3139
Turi Foods	Shirley	Andrews	D.J & S.J Andrews Pty Ltd	230 Holden Rd	WANDIN EAST	VIC	3139
Turi Foods	Slobodan	Kuzmanovic	Kuzmans Pty Ltd	100 Lyppards Rd	LANGWARRIN	VIC	3910
Turi Foods	Arthur	Kasickis	A & A Kasickis	4 Murrays Road	MOOROODUC	VIC	3933
Turi Foods	Andrew	Kasickis	A & A Kasickis	Murrays Road	Mooroooduc	VIC	3933
Turi Foods	Cathryn	Kelly	MV & M & NT Armstrong	95 Dandenong-Hastings Rd	SOMERVILLE	VIC	3912
Turi Foods	Jennifer	Acciarito	AJAK Enterprises Pty Ltd	362 K Rd	WERRIBEE SOUTH	VIC	3030
Turi Foods	Anthony	Acciarito	AJAK Enterprises Pty Ltd	362 K Road	WERRIBEE SOUTH	VIC	3030
Turi Foods	Ernest	Acciarito	AJAK Enterprises Pty Ltd	362 K Rd	WERRIBEE SOUTH	VIC	3030
Turi Foods	Alex	Horvath	Horvath Trading Co Pty Ltd	10 Kristen Close	FRANKSTON SOUTH	VIC	3199
Turi Foods	Charles	Utting	Utting Farm	2-8 Mooney Road	YARRAMBAT	VIC	3091
Turi Foods	Henny	Utting	Utting Farm	2-8 Mooney Road	YARRAMBAT	VIC	3091

Turi Foods	Vladimir	Micic	03PEH Pty Ltd	445 Eleven Mile Road	CORA LYNN	VIC	3814
Turi Foods	Bobby	Micic	03PEH Pty Ltd	445 Eleven Mile Road	CORA LYNN	VIC	3814
Turi Foods	Sam	Azzopardi	Azzvic Pty Ltd	709 English Road	LETHBRIDGE	VIC	3332
Turi Foods	Victoria	Azzopardi	Azzvic Pty Ltd	709 English Road	LETHBRIDGE	VIC	3332
Turi Foods	Joe	Arrigo	AJAK Enterprises Pty Ltd	360 "K" Road	WERRIBEE SOUTH	VIC	3030
Turi Foods	Anthony	Acciarito	AJAK Enterprises Pty Ltd	360 "K" Road	WERRIBEE SOUTH	VIC	3030
Turi Foods	Snez	Tomic	Tomic Poultry Pty Ltd	380 Koo Wee Rup Road	KOO WEE RUP	VIC	3981
Turi Foods	Dusan	Tomic	Tomic Poultry Pty Ltd	380 Koo Wee Rup Road	KOO WEE RUP	VIC	3981
Turi Foods	David	Mumby	Koolangarra Farm Pty Ltd	146 McIlroys Road	RED HILL	VIC	3937
Turi Foods	Kerry	Watson	Koolangarra Farm Pty Ltd	146 McIlroys Road	RED HILL	VIC	3937
Turi Foods	Darren	Hall	Bray Kelleem	27 Finsbury Rd	DEVON MEADOWS	VIC	3977
Turi Foods	Sarah	Hall	Bray Kelleem	27 Finsbury Rd	DEVON MEADOWS	VIC	3977
Turi Foods	Donald	Grant	DV & LJ Grant	McCalliums Road	INVERLEIGH	VIC	3321
Turi Foods	Lorna	Grant	DV & LJ Grant	McCalliums Road	INVERLEIGH	VIC	3321
Turi Foods	Mark	Dall'oglio	Dalliane Australia Pty Ltd	19 Bottomley Dr	EMERALD	VIC	3782
Turi Foods	Dianne	Dall'oglio	Dalliane Australia Pty Ltd	19 Bottomley Dr	EMERALD	VIC	3782
Turi Foods	Branko	Maruschich	Marushich Pty Limited	45 Lynnburn Rd	BATESFORD	VIC	3221
Turi Foods	Milena	Marusic	Marushich Pty Limited	45 Lynnburn Rd	BATESFORD	VIC	3221

Turi Foods	John	Albanese	Bunyip Free Range	120 Backhouses Rd	BAYLES	VIC	3981
Turi Foods	Diana	Albanese	Bunyip Free Range	120 Backhouses Rd	BAYLES	VIC	3981
Turi Foods	Jo	Thomson	R.B & J.M Thomson	PO Box 631	TORQUAY	VIC	3228
Turi Foods	Roger	Thomson	R.B & J.M Thomson	PO Box 631	TORQUAY	VIC	3228
Turi Foods	Barry	Shulze	B & K Schulze Pty Ltd	PO Box 95	BELMONT	VIC	3216
Turi Foods	Peter	Gill	Thornbirds Longwary	71 Dandenong Hastings Road	Somerville	VIC	3912
Turi Foods	Gary	Robertson	Ford Farm	PO Box 1201	KANGAROO FLAT	VIC	3555
Turi Foods	Scott	Robertson	Ford Farm	PO Box 1201	KANGAROO FLAT	VIC	3555
Turi Foods	Scott	Robertson	G Robertson	PO Box 1201	KANGAROO FLAT	VIC	3555
Turi Foods	Gary	Robertson	G Robertson	Suttons Road	LOCKWOOD SOUTH	VIC	3555
Turi Foods	Mark	Wehner	M & L Wehner	22 Graydens Road	TYABB	VIC	3913
Turi Foods	Linda	Wehner	M & L Wehner	22 Graydens Road	TYABB	VIC	3913
Turi Foods	Harold	Croston	Stumpy Gully Poultry	746 Stumpy Gully Road	HASTINGS	VIC	3915
Turi Foods	Vincent	Croston	Stumpy Gully Poultry	746 Stumpy Gully Rd	TUERONG	VIC	3915
Turi Foods	Tina	Angelepoulos	Miena Bay Pty Ltd	700 Tooradin Station Rd	CARDINIA	VIC	3978
Turi Foods	Charlie	Angelopoulos	Miena Bay Pty Ltd	700 Tooradin Station Rd	CARDINIA	VIC	3978
Turi Foods	Vicki	Quinlivan	I & V Quinlivan	49 Bungower Rd	SOMERVILLE	VIC	3912
Turi Foods	Ian	Quinlivan	I & V Quinlivan	49 Bungower Rd	SOMERVILLE	VIC	3912
Turi Foods	Karen	Gill	P Gill	73 Dandenong-Hastings Rd	SOMERVILLE	VIC	3912

Turi Foods	Peter	Gill	P Gill	73 Dandenong-Hastings Rd	SOMERVILLE	VIC	3912
Turi Foods	Gary	Robertson	Angry Pty Ltd	Catto Street	KANGAROO FLAT	VIC	3555
Turi Foods	Andra	Robertson	Angry Pty Ltd	Catto Street	KANGAROO FLAT	VIC	3555
Turi Foods	Irene	Balog	Balong Nominees	84 Groves Rd	CONNEWARRE	VIC	3227
Turi Foods	Adrian	Balog	Balong Nominees	84 Groves Rd	CONNEWARRE	VIC	3227
Turi Foods	Chris	Jones	Charnwood Park Agricultural	165 Punt Lane	SHOREHAM	VIC	3916
Turi Foods	Barbara	Jones	Charnwood Park Agricultural	165 Punt Lane	SHOREHAM	VIC	3916
Turi Foods	John	Zdero	Sinimay Pty Ltd	51 Browns Lane	PARWAN	VIC	3340
Turi Foods	Val	Zdero	Sinimay Pty Ltd	51 Browns Lane	PARWAN	VIC	3340
Turi Foods	Sally	Peel	C & R Peel	13 Lochgoin Mews	HIGHTON	VIC	3216
Turi Foods	Colin	Peel	C & R Peel	13 Lochgoin Mews	HIGHTON	VIC	3216
Turi Foods	Rowan	Peel	C & R Peel	13 Lochgoin Mews	HIGHTON	VIC	3216
Turi Foods	Kevin	Guzelian	Lothain Pty Ltd	990 Ballan Road	LOVELY BANKS	VIC	3221
Turi Foods	James	Hepburn	Bryarah Pty Ltd	505 Reservoir Road	MORIAC	VIC	3240
Turi Foods	Bryan	Hepburn	Bryarah Pty Ltd	505 Reservoir Road	MORIAC	VIC	3240
Turi Foods	Abdul	Dannaoui	Ledba Pty Ltd	39 McCurdy Rd	GHERINGHAP	VIC	3331
Turi Foods	Theo	Ballis	Piriac Pty Ltd	1650 Barwon Park Road	INVERLEIGH	VIC	3321
Turi Foods	Stephen	Leigh	Lyndale Trading Company Pty Ltd	390 Ondit Road	WINCHELSEA	VIC	3241
Turi Foods	Keith	Leigh	Lyndale Trading Company Pty Ltd	390 Ondit Road	WINCHELSEA	VIC	3241



Turi Foods	Malcolm	Palmer	Lady Hay Farm	990 Princes Highway	MT MORIAC	VIC	3220
Turi Foods	Janet	Palmer	Lady Hay Farm	990 Princes Highway	MT MORIAC	VIC	3220
Turi Foods	Paul	Bonacci	Nar Nar Goon Poultry Partnership	Po Box 120	BUNYIP	VIC	3815
Turi Foods	Kevin	Crehan	Nar Nar Goon Poultry Partnership	Po Box 120	BUNYIP	VIC	3815

## ANNEXURE C

### 4. Public benefit claims:

#### Arguments in support of authorisation:

##### Industry Structure

For some years in Victoria, nearly all chicken meat production has been in the hands of four processing companies. As has been well documented previously the industry is vertically integrated with the production process of each processor typically extending from breeding farms to sale of the processed product to supermarkets, the fast food industry, wholesalers and other retailers. However, the growing phase, which involves raising day old chickens to processable condition is mostly outsourced to contracted growers who provide extensive facilities including shedding and associated equipment and also provide the husbandry services. The processing companies deliver and collect the batches of chickens and provide feed and medication in accordance with the processors nutritional requirements. A number of factors, including bio-security considerations, geographical location, necessity for an assured continuous supply and contractual certainty, militate against mobility in processor grower relationships.

##### Industry Stability

The industry structure and the relatively minimal influence on growers in the supply chain creates an imbalance of bargaining power between an individual grower and the processing company, particularly in the case of the nationally operating processors. Historically in Victoria a balancing factor has been necessary to provide stability in the industry. In the 1970's following a period of unrest and instability in processor grower relationships, the *Broiler Chicken Industry Act* in 1978 provided stability via what was in effect industry wide collective bargaining under a regulated system. When this was dismantled in 1999, a further period of instability followed until Authorisation A40093 for collective bargaining was granted, and each of the groups of contracted growers in Victoria managed over a period of time to negotiate contractual terms including pricing arrangements which have provided relative stability and certainty since that time.

##### Encouragement for Investment

Without stability and certainty, it would not be possible for growers to invest the very significant amounts now required to establish new farms, or to purchase existing

efficient modern farms. Currently the approximate cost of new shedding in Victoria is \$1million for a 50,000 bird shed. New farms are much larger than in the past and comprise multiple sheds. The capital cost of establishing farms in Victoria is exacerbated by the Victorian Code for Broiler Farms which is incorporated in all planning schemes in Victoria and prescribes buffer zones necessitating larger farm areas, resulting in higher land cost. Traditionally, most farms on the Mornington Peninsula in Victoria were located on much smaller areas.

### **Revenue Flows**

Lending institutions are becoming increasingly sensitive about the necessity to amortise borrowings over the contract term and the necessity for the contract terms and conditions to ensure consistent revenue to enable the grower to service finance commitments. As growing fees are for the most part based on a price per bird raised, fluctuations in numbers of birds placed by the processor mean fluctuations in revenue unless there are adjusting mechanisms (referred to as productivity adjustments) built into the payment provisions in the contract to address fluctuations in mortality rates, density levels (numbers of birds placed in a batch) and batch rates (the number of batches of chickens placed with the grower each year). Under the regulated system in Victoria, the statutory Victorian Broiler Industry Negotiation Committee used to authorise variations to the standard fee designed to address some of these issues to an extent. Since Authorisation, A40093 was granted, each of the grower groups in Victoria has collectively negotiated varying but more comprehensive adjusting mechanisms of this type. These arrangements are from time to time revisited on a group basis and there are other arrangements of a group nature, such as pool schemes, which similarly from time to time are the subject of collective negotiation or dispute resolution.

### **Grower Input**

It is contended that satisfactory arrangements of this sort would not have been achieved by individual negotiation, and on an ongoing basis they are necessarily matters which require collective negotiation. Negotiation on a group basis has become an inbuilt reality, and is to a greater or lesser extent recognised in the contract terms and conditions of all of the processors. Grower input generally into contract terms and conditions would be very much less in the absence of collective bargaining, as standard processor mandated contracts would inevitably prevail. There are likely to be less disputes if contract terms and conditions are negotiated and signed off collectively by growers.

### **Reduced Transactions**

There are obvious benefits for both growers and processors in eliminating multiple individual negotiations.

### **Market Information**

Individual growers are likely to have limited understanding of the market and other forces at work in the supply chain which impact on contract terms and conditions. In recent years changing market trends and emergence of the so called "welfare brands" have led the two major supermarket chains to require processors to supply either some or all of the processed product with branding evidencing production in accordance with particular accreditations. Apart from Free Range Egg and Poultry Association (FREPA) accreditation, RSPCA accreditation has required significant capital expenditure on facilities by growers and has increased growing costs. Recompense for these costs has necessarily been an across the board issue for each group, affecting all or a significant proportion of growers, and has been negotiated collectively with processors by the grower groups. There are unresolved issues rebounding in contract terms and conditions as to the consequences of a grower failing accreditation audits, in particular as to where loss should lie with respect to product unable to be sold by the processor with the relevant accreditation. These issues are perceived by growers to involve potential shifting of risk to growers, emanating initially from pressure down the supply chain, and as such require a common approach. There are a number of other issues potentially impacting on growers arising from accreditation and branding, and the resulting changes rapidly occurring in the manner in which processors are conducting their businesses. Individual growers would normally have very limited ability to deal with processors over such issues and it is submitted that it is far more efficient and less likely to result in dispute if growers can deal collectively with processors in relation to matters of this sort.

### **Conclusion**

It is difficult to see how the industry could operate with stability and efficiency under the complex conditions now applying, without collective bargaining.

## ANNEXURE D

### 5. Market definition:

#### Market for processed chicken meat

Chicken meat production and consumption in Australian has increased exponentially over a period of years as the followings quotes and statistics indicate:

"Over the past 2 decades, consumption has increased by over 60% while over the same period price has decreased by 40%.<sup>1</sup>

Nationally, slaughterings and consumption figures in 2014 compared with 2006 were as follows:

	2006	2014
Slaughterings	448,800,000	587,300,000
Consumption per person	37.7kg	44.8kg <sup>2</sup>

"On the basis of the most recent statistics the industry forecasts chicken meat consumption to increase to 46kg by 2015 – 2016 and exceed total red meat consumption before 2020".<sup>3</sup>

There appears to be no indication of decline in market demand for processed chicken meat, although there are changes in product for which market demand exists e.g. emergence of free range and other welfare brands and the increased demand for further processed chicken meat products.

Despite burgeoning production over a period of years, ownership of production is narrowly held, more so rather than less so over recent years.

"Two large integrated national companies supply more than 70% of Australia's broiler chickens – Baiada and Inghams Enterprises – following the acquisition of Bartter – Steggles by Baiada in July 2009 ..... The balance of the market is supplied by another six medium sized privately owned companies with each supplying between approximately 3% and 9% of the national market, and a myriad of smaller processors".<sup>4</sup>

It is increasingly the case that the market for processed chicken meat is a national market and far less State based than it was 20 years ago. The two nationally

<sup>1</sup> ACMF-The Australian Chicken Meat Industry – an Industry in Profile Page 28.

<sup>2</sup> Australian Government Department of Agriculture Commodities Statistics 2014.

<sup>3</sup> ACMF – The Australian Chicken Meat Industry – an Industry in Profile Page 43.

<sup>4</sup> ACMF website <http://www.chicken.org.au>

operating processors with 70% of national production, shift production and finished product around Australia as it best suits them commercially. A major contributing factor to this processor flexibility has been the increased market demand for different product types, whether it be free range or further processed products. Baiada once grew free range chickens in Victoria but no longer does so and grows free range in South Australia and in New south Wales. Several years ago Inghams switched all of their growers in Western Australia to free range, but are now establishing free range farms in South Australia. Inghams have several plants spread across Australia for further processing of specific products. Smaller birds processed earlier are required for the fast food industry and larger birds, grown out for a longer period are required for supermarkets. Requirements in this respect may mean shifting of product from one State to another.

Inghams is now organised and managed on the basis of two regions, the Southern Region comprising Victoria, Tasmania, South Australia and Western Australia, in the Northern Region comprising New South Wales and Queensland.

The two national companies have the ability to grow chickens where it best suits them. If land costs and establishment costs are high in one State and become reflected in growing fees, they can over a period of time shift their requirements for expansion in available shedding and expansion in growing services to another State where these costs are lower.

These sorts of ebbs and flows are reflected in the fact that by 2011 Victoria's proportion of national production had shrunk to 23.8% from approximately 28% some years earlier.<sup>5</sup> In the same period South Australia's proportion of national production rose from approximately 8% to 13.2%. Although growers do not have available statistics, it is thought that Victoria is now a net importer of processed product and South Australia a net exporter.

While processors, particularly the two nationals, have flexibility and the ability to influence demand for chicken growing services in a State or region, growers have very little mobility or ability to engage in a market for chicken growing services. A further factor in this respect, in addition to the traditional structural constraints on growers mobility, is the increasing role of accreditations. Processors, depending on their principal markets, have differing facility requirements in this respect. As an example, Inghams are requiring many new farms to be both FREPA and RSPCA barn raised accredited, to provide them with flexibility in placing product in the market

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<sup>5</sup> ACMF – The Australian Chicken Meat Industry – an Industry in Profile Page 15.

place. In the past, one chicken growing farm was pretty much like another, irrespective of the processor to which it was contracted, and it was common for farms to be lent by one processor to another to accommodate shifts in shedding requirements. The differing facility and accreditation requirements of processors which have been developing in recent years has had the effect of creating what are almost single processor farms.

### **Market for chicken growing services**

There are four processors operating in Victoria. These are:

- Baiada Poultry Pty Ltd with a processing plant at Laverton North;
- Hazeldene Chicken Farm Pty Ltd with a processing plant at Bendigo;
- Inghams Enterprises Pty Ltd with a processing plant at Somerville; and
- Turi Farming Division Pty Ltd with processing plants at Thomastown and Geelong.

Hazeldene has some company owned farms, as well as contracted growers, but the other three processors raise chickens in Victoria using only contracted growers.

The VFF Baiada, Hazeldene, Inghams and Turi grower groups have total of 258 members, comprising most of the contracted chicken growers in Victoria.

Some shuffling of growers and facilities has taken place over the recent years when Baiada acquired a substantial proportion of the former Bartter and as a result a number of growers formerly contracted to Bartter and also to Baiada were transferred to Turi, and more recently by Baiada reduced its activities in Victoria and transferred a number of growers and facilities to Turi.

The traditional nexus between locations of growers and the location of their processors processing plant was to some extent eroded by these transfers. Traditionally, the hubs for location of growers have been Bendigo, Geelong and Mornington Peninsula. By reason of the Bartter, Baiada transfers, Turi has growers in the Geelong region and east side of Port Phillip Bay and also on the west side, on the Mornington Peninsula. Baiada also had growers on both sides of the bay but has essentially withdrawn from the west side of the bay. Inghams growers are mainly located on the Mornington Peninsula in proximity to the Somerville processing works, but because of the Broiler Code it has ceased to be possible to establish new farms or expand existing farms on the Mornington Peninsula. Inghams have encouraged some of the smaller older farms on Mornington Peninsula to convert to growing free

range chickens with lower density levels. Establishment of new farms has been pushed further out into Gippsland, and Turi has some new farms contracted as far away as Beaufort on the Western Highway beyond Ballarat. Baiada has had farms contracted at Nagambie and Lethbridge for some years. Close geographical proximity between growers' farms and processing plant remains in the case of Hazeldene, the plant and contracted farms being situated in the Bendigo area.

The main cluster of growers in Victoria remain situated in the Bendigo, Geelong and Mornington Peninsula areas, but because of the Broiler Code growers are geographically more widely spread than in the past.

While there may be more flexibility in the system in relation to geographical spread, it remains the case that there is no competitive market for growing services in Victoria and an important factor in this respect is the national nature of the market for processed chicken meat and processor flexibility, as against grower immobility. As mentioned above Victoria's proportion of national production has fallen quite significantly in recent years. Almost all moves by growers from one processor to another are processor initiated. A relatively common example is the situation with respect to some of the older and smaller farms where the processor may indicate to a grower that the processor will not renew the grower's contract, but another processor when approached agrees to give the grower a contract as a free range farm if the grower will carry out the necessary conversion for FREPA accreditation.

New larger farms are not built and then shopped around to processors for the best deal. They are built by prior arrangement for a processor which has a requirement for the additional shedding in its long term production planning.



## ANNEXURE E

### 6. Public detriments

#### Constraints on competition

Authorisation of collective bargaining by grower groups with their processors will not create a constraint on competition, as growers have very little ability to move between processors, and in any event there is not a competitive market place for growing services in Victoria, in which processors compete with each other for growers.

Growers are not in competition. They cannot be competitive in the sense of providing innovative or different services, as the manner in which growers provide their services is totally mandated by the processor. Choices between its growers by a processor occur when the processor needs to reduce its shedding or wishes to do so in a particular State or area, and these choices will normally be made by non-renewal of the contracts of growers perceived to be the least efficient (as measured by the processors pool and efficiency schemes), or least commercial because of old or smaller sheds, or occasionally, by termination when a grower becomes "inefficient" under the Efficiency Rating provisions of the contract.

#### Higher growing fees

Authorisation may result in growing fees paid by processors being higher than if processors negotiated with growers individually, the reality being in that in the latter case, growing fees in each case would be as unilaterally determined to be appropriate by the processor. If growing fees are higher as a result of authorisation of collective bargaining, it is submitted that this will not result in a public detriment. Historically growing fees were estimated as constituting approximately 6% of the retail cost of chicken meat to the public. The percentage appears to be less in the case of chicken meat sold with accreditation branding, such as free range. There has never been any indication that authorisation has influenced increases in prices to the public. As mentioned elsewhere in this application, the retail price of chicken meat has fallen steadily and very significantly over recent decades.

#### Barriers to entry

It has been suggested in the past that authorisation of collective bargaining may enable long term contracts to be negotiated which create barriers to entry. It is not credible to suggest that the counterfactual to collective negotiated contract terms of five years or even ten years would be short term contracts or batch to batch

contracts, and it would be highly prejudicial to industry stability and efficiency if this were so. The length of contract terms, however negotiated, is driven by the necessity to amortise significant investment in facilities over a period of time, and the requirements of lenders in this respect.

**Conclusion**

There would be no consequences of the authorisation applied for which will result in public detriments.



Australian  
Competition &  
Consumer  
Commission

Our ref: 40904  
Contact officer: David Hatfield  
Contact phone: 02 6243 1266

23 Marcus Clarke Street  
Canberra ACT 2601

GPO Box 3131  
Canberra ACT 2601

tel: (02) 6243 1111

fax: (02) 6243 1199

adjudication@accc.gov.au

www.accc.gov.au

30/03/2016

Andrew Lumb  
Special Counsel  
Nevett Ford

**By email: [alumb@nevettford.com.au](mailto:alumb@nevettford.com.au)**

Dear Mr Lumb

**Fee waiver request – Victorian Farmers Federation**

I refer to your letter of 1 March 2016 to the Australian Competition and Consumer Commission (ACCC) asking that we waive the fee for an application for authorisation.

In particular, you requested that the fee to be paid in relation to an application for authorisation to be lodged by the Victorian Farmers Federation on behalf of the members of its chicken grower groups to collectively bargain with chicken meat processors be waived in whole.

In support of your request, among other things, you submitted that:

- (a) each of the grower groups has only limited funds
- (b) the Victorian Farmers Federation is a not for profit organisation.

I have considered the information provided and, as a person authorised to assess fee waiver requests for and on behalf of the ACCC, I have decided that the application fee to be paid by the Victorian Farmers Federation will be waived in whole. No application fee will apply for the application for authorisation to be lodged by the Victorian Farmers Federation.

This decision will remain in force for a period of three months. The three month period will expire on 30 June 2016.

A copy of this letter should accompany the application for authorisation to be lodged by the Victorian Farmers Federation. The cover letter to the application should mention that a letter from the ACCC regarding a fee waiver is enclosed. The application together with this letter will be placed on the public register at that time.

If the application for authorisation is lodged after 30 June 2016, a full application fee of \$7500 will apply, unless a subsequent request for a fee waiver is made and approved by the ACCC.

If you have any queries in relation to this matter, please contact David Hatfield on 02 6243 1266.

Yours sincerely

Baethan Mullen  
Acting General Manager  
Adjudication