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Lactalis blocks 5c pricing increase

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Lactalis blocks 5c pricing increase

BY MARK PHELPS

DAIRY processor Lactalis has been accused of 'unreasonable corporate bastardry' for refusing to agree to a higher price for milk produced by southern Queensland farmers.

The 110-strong farmers' collective, Premium Milk, was seeking a 5c/litre rise in the farmgate price for milk.

However, talks broke down with the French multinational when agreement could not be reached.

Senator Susan McDonald said it was no wonder that dairy farmers were on their knees when it cost 65c to produce a litre of milk.

Last year Lactalis paid between 59c and 60c/L, meaning farmers lost money on every litre of milk they produced.

Lactalis supplies Woolworths with dairy brands including Pauls, Vaalia, Oak, Breaka and Ski.

"This is an act of unreasonable corporate bastardry

at a time when Australian dairying is fighting for its existence," Ms McDonald said.

"So I ask Woolworths and Coles: at a time when you are doing everything possible to promote your endorsement of exploitation-free products, why can't you ensure our dairy producers are paid fairly and reasonably in line with the cost of production?"

Lactalis said it was continuing to negotiate in good faith with Premium Milk, which represented its Queensland farmer base, on the milk price for the 2020 year in line with the existing Lactalis/Premium agreement.

"Lactalis will not discuss the details of our commercial negotiations with Premium or our farmers," a statement issued to *Queensland Country Life* reads.

Senator McDonald said the Morrison government's proposed Dairy Code of Conduct was designed to specifically address unconscionable conduct by producers.

However, KAP Queensland leader Robbie Katter said the draft code of conduct was farcical, saying it was based on 'good faith'.

"But it also includes a clause that says in exceptional circumstances, processors can vary milk supply agreements without a dairy farmer's permission," Mr Katter said.

In the year 2000, Queensland had about 1500 dairy farmers. There are now just 340.



This is an act of unreasonable corporate bastardry.

Senator Susan McDonald