



27 NOV, 2019

No cream with dairying

Courier Mail, Brisbane

PARLIAMENTARY
LIBRARY
INFORMATION | ANALYSIS | ADVICE

Copyright Agency Limited (CAL) licensed copy
or Copyright Act 1968 (Cwth) s. 48A copy

Page 1 of 1

Farmers leave industry as prolonged drought and low prices take a toll

No cream with dairying

EXCLUSIVE

MATTHEW KILLORAN

FEDERAL POLITICAL REPORTER

QUEENSLAND is losing a dairy farmer a week as the crisis gripping the industry enters a shocking free fall.

There are just over 300 dairy farmers in the state now, when there were 350 at the start of the year, according to the Queensland Dairyfarmers Organisation.

LNP Senator Susan McDonald is ramping up the pressure on supermarkets and processors to give farmers a fair go and sign up to a proposed dairy code of conduct.

Queensland Dairyfarmers Organisation boss Brian Tessmann said a 20 cents/litre levy added on to all milk was needed to stop farmers continuing to exit the industry and keep Australian milk on the supermarket shelves.

"We need to make drastic decisions because it really is an emergency," Mr Tessmann said.

He said the rapid drop in farmer numbers would not

stop while the drought kept adding costs and dairy farmers were squeezed on the price of milk they sold. "I don't think it will stop at all. It will continue to free fall while the drought continues," he said.

Mr Tessmann said farmers were being driven out by the drought pushing up costs, while the price they were paid for milk barely covered costs.

Senator McDonald has written to Coles and Woolworths chief executives, as

well as major milk processors, urging them to sign up to the proposed code of conduct

and "commit to paying fairer milk prices immediately".

"If they are serious about being good corporate citizens they should care about this. They should care about what price their processors pay their farmers," she said.

She said consumers had already shown they were willing to pay more to support farmers and noted New Zealand's average milk price was \$A2.20/litre. Milk prices in supermarkets yesterday

ranged from \$1.20 to \$2.20 per litre. Supermarkets have already added 10 cents/litre on to homebrand milk, which is passed on in full to farmers, but it does not apply to other milk products.

Labor's agriculture spokesman Joel Fitzgibbon said it had been 19 months since the Australian Competition and Consumer Commission had recommended a code of conduct to deal with pricing.

"Farmers are still waiting and Government MPs and senators are still fighting over what it should look like," Mr Fitzgibbon said.

A Woolworths spokesman said they had been taking steps for a more sustainable dairy industry, while the Government delivered reforms recommended by the ACCC.

"Since September 2018, our drought levy has contributed an extra \$29 million in relief

to more than 450 Australian dairy farmers," he said.

Coles was contacted for comment.

EDITORIAL P22