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Council supports Australian dairy farmers

Shoalhaven City Mayor Councillor Paul Green has supported the Shoalhaven dairy industry in his submission to the Senate Inquiry into Milk Pricing.

Clr Green said the dairy industry has a vital and sustainable role to play in the Shoalhaven.

"The dairy industry in the city is iconic," Clr Green said. "The city has been founded largely through agricultural and fishing industries. I fully support the Southern Group of Council's submission of support to the current Senate Economics Committee inquiry into the impacts of supermarket price decisions on the dairy industry."

Currently the agricultural and fishing industries in the city provide \$37.4 million in turnover with 2.3 per cent of our workforce engaged in the industry. In 2004/5 there were 40,000 cattle in the Illawarra, specifically for milking, on 149 dairy properties. Southern NSW, including the Shoalhaven, is producing about 50 per cent of NSW milk production and 5.4 per cent of the Australian total.

In his submission to the Senate inquiry, Clr Green stated: "The Dairy industry is important to our region and the local economy. It is an industry that is productive and supported by Council and the community. Council does not want to see any price cutting "war" that may jeopardise the financial viability of the dairy industry that are primarily all traditional family farms in the Shoalhaven.

"We support the Australian Dairy Farmers (ADF) call for an Australian Competition and Consumer Commission inquiry on behalf of dairy farmers and understand they have written to the Government and the ACCC asking them to take action.

"We believe that the actions by large supermarkets constitute predatory pricing under the Trade Practices Act and impacts the viability of branded dairy products and will lead to less product variety on supermarket shelves.

"It is our view that these actions will ultimately lessen competition for consumers through increasing prices and decreasing product choice as the experience in the United Kingdom has shown.

"These actions are not only hurting dairy farmers. They will also damage small businesses such as local corner stores, independent service stations and other small retailers of milk. The industry's that services these stores, such as delivery drivers will also be affected."

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