

ROBBIE KATTER

Member for Traeger



MEDIA RELEASE

November 15, 2019

FARCICAL DAIRY CODE PROTECTING THE WRONG PEOPLE

Katter's Australian Party (KAP) MPs have lashed out at the Federal Government's farcical draft dairy industry code of conduct, claiming it gives a free pass to the people it's meant to hold to account – namely the processors that are ripping farmers off and refusing to pay them a fair price for their milk.

KAP Queensland State Leader and Traeger MP Robbie Katter said the draft dairy code was a joke and further proved the major parties were all talk when it comes to backing Australia's struggling dairy producers.

The draft dairy industry code states processors and dairy farmers must operate in 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.

Even the Australian Competition and Consumer Commission has warned the code could entrench the market power of big multinational companies.¹

Mr Katter's comments follow news today that negotiations between milk producer Lactalis, who is behind popular brands like Pauls, and a group of 110 Queensland farmers have broken down.²

It's understood the dairy farmers were being offered 62c/L for milk that costs 71c/L to produce, highlighting the sheer market failure that the KAP has warned about for years.

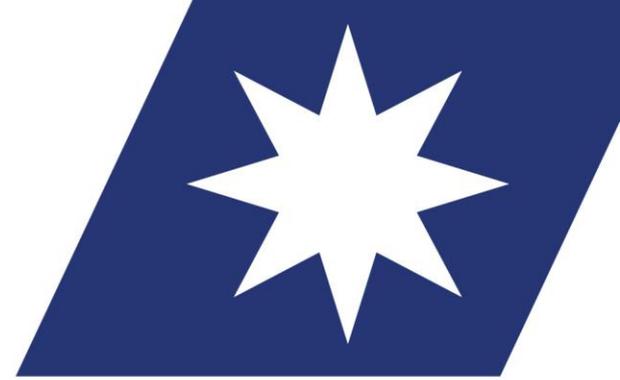
"Governments have shown absolute contempt for the dairy industry since they deregulated it 19 years ago, but this new code in the face of the crisis the industry is in is a new low for them," Mr Katter said.

¹ "Dairy farmers say draft code of conduct meant to protect them gives power to milk processors instead", ABC News, November 12, 2019, <https://www.abc.net.au/news/2019-11-12/dairy-farmers-angry-over-new-milk-processor-regulations/11694996>

² "QLD farmers 'exploited' in new milk price rip-off", Courier Mail, November 15, 2019, <https://www.couriermail.com.au/news/queensland/qld-farmers-exploited-in-new-milk-price-ripcoff/news-story/4e4691ba525f1ce3d562661c6cd13efe>

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“Exceptional circumstances – like the Murray Goulburn retrospective price slashing fiasco – are exactly when our dairy farmers will need the code most but under the current draft of the code, it won’t apply.

“On top of the exceptional circumstances get out clause, the code won’t apply to processors with a turnover of less than \$10 million per year, but it will still apply to all farmers – how is that fair?”

Mr Katter said the KAP had tried multiple times to protect dairy farmers at the state-level, but all efforts had been rejected by Labor and the LNP.

The KAP’s Sustainable Queensland Dairy Production (Fair Milk Logo) Bill, which was rejected numerous times, was essentially cost-neutral and would have introduced a logo scheme to show that farmers were getting a fair price for their product at the farm gate.

This would have allowed informed consumers to easily decide what milk products were worthy of purchase.

“We believe that our Fair Milk Logo scheme would have gone a long way to at least make consumers very aware of the dairy crisis each time they go to the shop,” Mr Katter said.

“Unfortunately this has been rejected, as has a recent attempt in the Federal Parliament to introduce a minimum price for milk.

“So we are now left with this dairy industry code to work with, and the point of it was to protect dairy farmers but now, as before, government has shown they can’t be trusted to protect those in need.

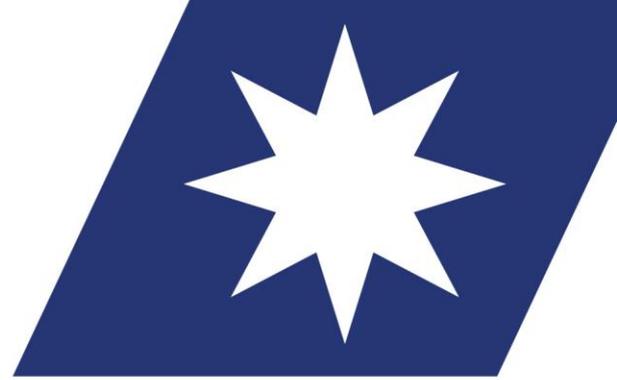
“Absurdly this time around, they are actually protecting the processors.”

The Australian dairy industry was deregulated in the year 2000,

Deregulating the industry has been an unmitigated disaster with hundreds of dairy farmers having been sent broke and been forced to walk away from the industry.

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

“The major parties are continuing with their blind commitment to free market policies that are destroying our industries,” Mr Katter said.

The Federal Government’s draft dairy code of conduct is accepting public submissions until November 22, 2019 – go to <https://haveyoursay.agriculture.gov.au/dairy-code-conduct> if you would like to contribute.

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