

## submissions

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**From:** Jane Stanley [REDACTED]  
**Sent:** Friday, 10 January 2014 12:37 PM  
**To:** submissions  
**Subject:** submission to inquiry into raw milk sales

Dear Sir or Madam,

Please accept the following submission, made on behalf of Farmer Power.

Regards,

Dr Jane Stanley  
For Farmer Power  
[REDACTED]

### **Submission to the Food Standards Australia New Zealand (FSANZ) inquiry into the production and sale of an increased range of raw milk products in Australia.**

Please be advised that Farmer Power is preparing a submission to the Minister for Agriculture in relation to the proposed White Paper on Agricultural Competitiveness in Australia. One of the terms of reference for the White Paper is “*Means of improving market returns at the farm gate*”. Farmer Power believes that there are a number of restrictive practices in the Australian Dairy Industry which are adversely impacting on the viability of farming, through removing the negotiating power of farmers in relation to the farmgate price for their milk.

Many dairy farmers are aware that sale of raw milk directly to the public is permitted in many other countries, subject to quality control on the individual farm. In New Zealand the requirements include a farm based food safety plan. This recognises the fact that controlling the quality of milk along the value chain from farmer to consumer significantly reduces contamination risks. It is not clear why Australian farmers should be denied the right to sell their produce to consumers in this context, while (for example) New Zealand farmers can do so. Requiring that farmers only sell to a very limited number of dairy processors, who have a vested interest in keeping milk prices as low as possible, has led to a situation where the Australian dairy industry is collapsing.

Across Australia milk production fell by 3.85% last year, and by around 9% in Victoria. Dairy farming is not sustainable with the current price regime – the farmgate price fell by 6 cents a litre last year while costs increased by 6-10 cents a litre. The price has not been adjusted upwards as the value of the Australian dollar has fallen, and (unlike New Zealand) farmers do not benefit from a clear linkage to global dairy prices. At the current rate of production decline, Australia will be a net importer of dairy products in five years' time, possibly sooner. By contrast New Zealand production rose by 6.6%, and it has doubled over the past ten years. Clearly a greater reliance on imported dairy produce will open up new risks to our food safety, given the difficulty of quality assurance over imported product.

***Farmer Power will be recommending to the Minister that the current FSANZ review of raw milk sales in Australia be conducted with a view to responding constructively to consumer demand for less processed milk, as well as the need for farmers to be able to sell directly to the public.***