



Sid Sidebottom MP ... for a fair go in Braddon

Media Release

September 25, 2009

National Foods challenged on milk pricing

FEDERAL Member for Braddon Sid Sidebottom has challenged National Foods to provide firm evidence of its claim the company can't afford to lift its price to dairy farmers.

Mr Sidebottom said he has written a second letter to National Foods CEO Ashley Waugh to question the company's claims it had been adversely impacted by international markets and could not lift its price to farmers.

"Just this week we have seen Fonterra make a small price increase for struggling farmers, I want National Foods to tell me why they can't do the same," Mr Sidebottom said.

"Farmers are facing some of the toughest weather conditions on record combined with a very low price, and the future of the industry is at threat if they can't maintain their farming businesses.

"In response to my earlier letter, National Foods told me they were paying a premium compared to Fonterra, but I have since seen evidence that this may not be the case. I am yet to be convinced that National Foods' farmers are getting a fair go.

"From what I have seen, Fonterra is much more impacted by movements in international markets, yet it has done something to help farmers at this difficult time."

Mr Sidebottom said the whole structure of pricing for dairy products was being put under the spotlight by Senate inquiries, including the relationships between the major processors and retailers. However, Mr Sidebottom said his major concern was the welfare of farming families.

"This is a major social issue with severe hardship facing farmers and the people who work for them, and this is becoming increasingly evident in our rural communities," Mr Sidebottom said.

"As I said in Parliament last week, the dairy companies must share the pain and the gain with the farmers who are a vital part of their businesses.

"If farmers can't continue to make a reasonable living then they will walk away and nobody will benefit from their expertise and abilities.

"It is crunch time for some and National Foods must do its bit to help out or come up with a lot more evidence to show it can't do any more."

Mr Sidebottom also queried whether local decision makers for National Foods had made the dire situation of many of its farmers clear to major decision makers in Japan.

For more information: Luke Sayer 0438 311 355