



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

Main Committee

CONSTITUENCY STATEMENTS

Braddon Electorate: Dairy Farmers

SPEECH

Wednesday, 25 November 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner		Responder	
Speaker	Sidebottom, Sid, MP	Question No.	

Mr SIDEBOTTOM (Braddon) (9.39 am)—It is with sadness that this morning I have to raise some issues that are really striking at the heart of my local community and certainly do not seem to be getting any better. The first and foremost issue is that National Foods is in conflict with a number of milk suppliers in Tasmania generally but particularly in my electorate. Effectively speaking, National Foods is offering these milk producers prices way below production costs at a time when, climatically, they have had a very, very serious wet spring which has impacted on their capacity to produce.

Prior to this National Foods, along with Fonterra, had encouraged milk producers to invest heavily in the future with plant and equipment on their properties. So what we have now is a company claiming that a lower price overseas is affecting domestic production and domestic prices and they are still offering a price that is well below par compared to the actual production cost. I beg and implore National Foods to do the right thing by their producers and come to a reasonable and fair arrangement as quickly as possible; otherwise, producers are going to go down the drain, the relationship between National Foods and the producers will be irreparably harmed and an important industry in Tasmania will go to the wall.

Only last Friday, without notice, McCain have announced that they will close their vegetable processing plant at Smithton, in Circular Head. This will affect up to 200 staff directly—both part-timers and full-timers—and of course the farmers who produce vegetables for McCain. On their website, McCain say:

No matter how big we grow, we never lose touch with what's important to the people who depend on our local operations. We pride ourselves on "drinking the local wine" and involve ourselves in our local communities in many ways.

Without notice to anybody, they made an announcement that they will close their vegetable processing plant. They claim that vegetable processing will go on until April, the packing sheds will operate until the end of the year and potato processing will go on. You cannot do business like this. I implore McCain to reconsider this decision. The federal government, with the state government and the local community, will do everything we can to have this decision rescinded. You cannot keep doing business like this in Australia. It is not fair.