

Media Release

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Mandatory Code won't deliver all that is needed for a bright future

The United Dairyfarmers of Victoria (UDV) notes today's announcement by Minister Littleproud regarding the advancement of a dairy Mandatory Code of Conduct.

"This has come about due to the unacceptable events of 2016 led by two major processors," said Mr Paul Mumford, President, United Dairyfarmers of Victoria.

"We call on processors to behave like good corporate citizens and to demonstrate behaviour that supports our farmers and the future of the dairy industry.

"One of the greatest issues faced by our industry in 2016 was a processor's ability to claw-back money from farmers or step down the milk price so significantly it was in effect a claw back.

"We remain unsure if government legislation will resolve this or whether processors will still find a way to manipulate the system to suit their bottom line.

"The Australian dairy industry is extremely complex, supplying a variety of different markets from fresh milk to export products and a 'one size fits all' nation-wide code may not produce the best outcomes and protections for either domestic or export market suppliers.

"UDV members have expressed disappointment at the lack of inclusion of milk swaps and the retail sector, and feel the consultation process raised more questions than answers regarding some of the Code clauses.

"The UDV calls for the establishment of an independent Dairy Ombudsman to assist farmers with disputes that may fall under the Code," he said. "The ACCC will not investigate all complaints and an Ombudsman can provide dairy farmers with information on the Code, assistance in understanding and negotiating contracts for their milk supply, options to resolve disputes and access to mediation services.

"In relation to today's announcement we are looking for clarity in terms of the opt out for small business and the next steps for the Code, given that Parliament is likely to only sit for one more week for the Federal Budget on 2 April," he said. "We call on the Minister for Agriculture and Water Resources and the Shadow Minister for Agriculture, Fisheries and Forestry to clarify their approaches in delivering the Code.

"The UDV is listening to its members and has recognised the diversity of views. We remain committed to delivering genuine solutions for our farmers," said Mr Mumford.

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About the VFF

The Victorian Farmers Federation (VFF) is dedicated to representing the interests of farmers and making a positive difference to their businesses and communities. We strive to create an environment for our members, our farmers, that enables profitable, safe, sustainable production to ensure an enduring social licence in a community that respects and values the sector.