

Media Release



Victorian
Farmers
Federation

4 December 2023

Government can't hide behind supermarkets in cost-of-living spotlight

The Victorian Farmers Federation (VFF) says politicians shouldn't use supermarkets as a smoke screen as they probe into grocery prices through the recently announced Senate inquiry.

VFF President Emma Germano said whilst supermarket power and competition should be examined, so should the impact of government decisions on the cost of producing food.

"It is hard not to be cynical in thinking politicians are wanting to use the supermarkets as a smokescreen for their policies that are driving up costs for farmers and consumers."

"Parliament must be looking at how government is directly contributing to peoples' grocery bills through policies that increase the cost of production and doing business across the supply chain."

"Government policies are leading to ever increasing energy, water and labour costs, whilst the failure to invest in infrastructure is driving down productivity."

"The last thing farmers want to see is another political sideshow that doesn't solve the real issues."

Ms Germano said investigating supermarket prices would have little benefit as governments won't step in and regulate. Examining how supermarkets use their power to dominate their relationships with farmers would be more useful.

"The idea that government will come in and start regulating food prices is nonsense and any move to do so would not be supported by the VFF."

"The most important thing this inquiry can do is to focus on how supermarkets use their power to manipulate markets and create unfair trading terms for suppliers."

"We have one of the most concentrated domestic grocery markets in the world. There's no denying that having two retailers controlling two-thirds of the market hurts competition and both farmers and consumers pay the price."

"Unwinding this system however is very complicated and could see a raft of unintended consequences."

"We should focus on the things that we can actually fix. That's why the VFF is keen to talk to the supermarkets directly about how efficiencies can be found, whilst also ensuring everyone agrees to a set of rules that are fair and transparent," Ms Germano said.

ENDS

Media Contacts: Ryan Moloney, VFF, 0400 874 589

Farrer House 24-28 Collins Street Melbourne 3000

Ph. 1300 882 833 | Fax. 03 9207 5500 | E-mail. vff@vff.org.au | www.vff.org.au