

DAIRY FARMERS — MILK PRICES

4970. Mr M.P. Murray to the Minister for Agriculture and Food

I refer to the Minister's statements in the Legislative Assembly on 17 February 2011 claiming that he would be watching closely and keeping an eye on the milk price war, and I ask:

- (a) has the Minister met with or contacted the Federal Minister for Agriculture, Fisheries and Forestry to discuss what course of action can be taken to safeguard farm-gate prices for milk;
  - (i) and if not, why not;
- (b) has the Minister met with the Minister for Commerce to discuss what course of action can be taken to safeguard farm-gate prices for milk; and
  - (i) if not why not; and
- (c) has the Minister prepared a plan of action should attempts be made to force the farm-gate milk price lower; and
  - (i) if so, will the Minister table that plan; and
    - (A) if not why not?

Mr D.T. REDMAN replied:

- (a) Yes. I wrote to the Federal Minister for Agriculture, Fisheries and Forestry on 17 March 2011 to inform him of the actions the State Government has taken to ensure that the Western Australian dairy industry is not compromised as a result of the intense pricing policies and to raise our concern.
  - (i) Not applicable
- (b) No
  - (i) I am in regular contact with various segments of the dairy supply chain and have received assurances from representatives from the retail sector that the current competition will not directly impact farm gate prices for milk. This is something I will continue to monitor. I have also been in contact with milk processors to discuss the potential implications of the pricing strategy and raised the issue with WA Farmers.
- (c) No specific plan of action has been prepared to respond to any attempt to force the farm-gate milk price lower, however the Department of Agriculture and Food is undertaking a number of activities to support the dairy industry, including the development of new overseas markets to reduce reliance on the domestic market.
  - (i) Not applicable
    - (A) Farm gate milk prices are affected by national and international supply and demand factors. This government will not interfere in legal commercial pricing arrangements.