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Chairman's update: 'the grass isn't always greener'

On behalf of the DFMC Board, I'd like to take this opportunity to thank our loyal Dairy Farmers Milk Co-operative members for re-signing with us this year. It is a very competitive industry and we appreciate your ongoing support.

I think there can be some misleading and exaggerated claims in the race to sign new farmers and sometimes it pays to look back and let history speak.

We remember the bitter taste Tier 2 milk left for us and the dairy industry as a whole. As a co-operative with our fair and equitable ethos, we did not cull members unnecessarily, but stuck by our farmers and continued to push for better pay at the farm gate. While T2 milk is completely behind DFMC, there are signs that the ghost of T2 milk could follow some of those who signed with Murray Goulburn (after it won the generic Coles contract).

In the opening weeks of the MG and Coles partnership, milk has been sold for a mere 75 cents per litre off the shelf. Has MG bought too much milk or signed too many farmers? We are not even in the peak Spring months. In any event, this low price sends all the wrong signals: it devalues the farmer and undersells the dairy industry. DFMC campaigned strongly against \$1 milk and it seems MG (in NSW) & Norco (in SEQ) and Coles have in effect endorsed \$1 milk for the foreseeable future.

The consumer quite rightly wants to buy a quality product and that can only be achieved if dairy farmers are valued and paid accordingly.

Again, thank you for your support.

A handwritten signature in black ink, appearing to read "D. McInnes".

Duncan McInnes
DFMC Chairman