

Portfolio Committee No. 5 – Industry and Transport
Inquiry into the sustainability of the dairy industry in New South Wales

**Supplementary questions for Mr Tim Bale, Chairman, Taree Collective
Bargaining Group**

1. Your submission also noted that “In 2008, a so called milk shortage saw our biggest gain ever, a rise of 7 cents a litre.” We have heard testimony that there is a current milk shortage. Why isn’t this seeing an increase in the price of milk paid to farmers?

Reply to supplementary question

In 2008 the milk shortage was brought about by the fact that dairy farmers co-op was still operating and they process every litre for members regardless of the return

National foods had the woollies contract and were short of milk so had to buy large volumes off dairy farmers

However when National foods bought dairy farmers the mentality changed

Factories were shut down and non productive lines like powder and some cheeses were ceased so the quantity of milk through NSW and queensland was not needed

They then announced an oversupply however it was created by their own choices

This dropped the price to which we have not yet recovered

Now a so called shortage of milk is fixed by buying from other processors at a wholesale price

The need to have direct farm supply is minimised because of the quantities of cheaper milk coming from Victoria

So we may be short of milk but there is plenty of wholesale milk to buy

Kind Regards

Tim Bale HDA

Tijulen Holsteins