




Speech By  
**Shane Knuth**

**MEMBER FOR DALRYMPLE**

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## **MILK PRICING (FAIR MILK MARK) BILL**

### **Introduction**

 **Mr KNUTH** (Dalrymple—KAP) (2.34 pm): I present a bill for an act to provide for the setting of a fair price to be paid for the production of milk and to establish a fair milk mark to assist consumers to purchase milk for which a fair price has been paid to dairy farmers. I table the bill and explanatory notes. I nominate the Agriculture, Resources and Environment Committee to consider the bill.

*Tabled paper:* Milk Pricing (Fair Milk Mark) Bill 2013 [[2563](#)].

*Tabled paper:* Milk Pricing (Fair Milk Mark) Bill 2013, explanatory notes [[2564](#)].

It is with great honour that I present the Milk Pricing (Fair Milk Mark) Bill 2013 to the House. The dairy industry is one of Queensland's leading rural industries. It employs about 4,500 people, with 2,700 people on farm, and contributes \$1 billion ex factory to the state economy. For 2012-13, the gross value of milk production is forecast at \$230 million, with an expected decline in production of six to eight per cent. In 2000, there were 1,545 dairy farms in Queensland. In 2010, there were 610. That number has dropped below 540 and likely will be below 500 by the end of 2013. Reports indicate that up to 50 farmers have left the industry since the supermarket duopoly began a price war over store-label fresh milk, with more farmers forecast to leave the industry due to nonviable returns.

This is merely the continuation of a steady trend of decline since the deregulation of the Australian dairy industry in 2001. Deregulation has resulted in great personal cost and increased debt burden. With continued downward pressure on farm-gate prices, production declines have continued with no statutory intervention to restore the competitive imbalance.

Considering the Queensland dairy industry is reliant on a domestic fresh milk market, the need for legislative reform and statutory controls is greater than in southern states with a large export industry. There is growing consumer awareness that the market power of the retail duopoly is a real threat to Queensland's milk supply chain and to the production of fresh milk in Queensland.

The Milk Pricing (Fair Milk Mark) Bill 2013 introduces a non-compulsory marketing mechanism to: address the competitive imbalance created by deregulation and unethical marketing practices of the supermarket duopoly; give consumers the opportunity to express their support of our domestic dairy industry; outline a program of ministerial consultation with other state jurisdictions to introduce similar legislative instruments to ensure the Queensland dairy industry is not disadvantaged by increased transborder trade; and legislate an ethical market for fresh milk in the Queensland dairy supply chain.

The bill will introduce a fair milk mark for all milk that is sold in Queensland where the farmer is paid at least 8c per litre above the cost of production. I seek leave to incorporate the remainder of my speech in *Hansard*.

**Madam DEPUTY SPEAKER** (Mrs Cunningham): Order! Prior approval has been granted by Madam Speaker.

Leave granted.

The bill will introduce a penalty system for any milk that is sold in Queensland bearing a Fair Milk Mark for which the farmer has been paid less than 8c per litre over the cost of production.

Without the re-regulation of the Queensland dairy industry and the introduction of a mandatory minimum arbitrated farm-gate price for milk, there is no other way to achieve the policy objectives.

This bill is simple: it creates a Fair Milk Mark placed on a milk container that identifies where the farmer is paid at least 8c per litre above the cost of production.

When a consumer goes to purchase a bottle of milk, the Fair Milk Mark on that bottle clearly identifies that our dairy farmer has been paid a fair milk price.

While arbitration is proven to be the most effective way to negotiate the farm-gate price, deregulation has placed a noose around the negotiation table.

The Fair Milk Mark will help restore the viability of this valuable industry, rebuild confidence and keep our farmers doing what they know best, and that is to provide fresh milk for Queenslanders.

### **First Reading**

**Mr KNUTH** (Dalrymple—KAP) (2.37 pm): I move—

That the bill be now read a first time.

Question put—That the bill be now read a first time.

Motion agreed to.

Bill read a first time.

### **Referral to the Agriculture, Resources and Environment Committee**

**Madam DEPUTY SPEAKER** (Mrs Cunningham): Order! In accordance with standing order 131, the bill is now referred to the Agriculture, Resources and Environment Committee.