

IN THE AUSTRALIAN COMPETITION TRIBUNAL

of 2013

MURRAY GOULBURN CO-OPERATIVE CO LIMITED

**RE: PROPOSED ACQUISITION OF WARRNAMBOOL CHEESE
AND BUTTER FACTORY COMPANY HOLDINGS LIMITED**

Certificate identifying annexure

This is the annexure marked RAP60 now produced and shown to Robert Arthur Poole at the time of signing his statement on 28 November 2013.

Annexure RAP60
Extract from Dairy Australia website regarding
the Australian dairy industry

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The Australian dairy industry

Australian dairy is a \$13 billion farm, manufacturing and export industry. With a farmgate value alone of \$4 billion, the Australian dairy industry enriches regional Australian communities.

Australia's 6700 dairy farmers produce around 9.5 billion litres of milk a year. The Australian dairy industry directly employs 43,000 Australians on farms and in factories, while more than 100,000 Australians are indirectly employed in related service industries.



- [View dairy R&D projects](#)

Dairy is also one of Australia's leading rural industries in terms of adding value through downstream processing. Much of this processing occurs close to farming areas, thereby generating economic activity in country regions. ABARE estimates the regional economic multiplier effect at 2.5 from the dairy industry.



Dairying is a well-established industry across temperate and some subtropical areas of Australia. While the bulk of milk production occurs in south-east states, all states have dairy industries that supply fresh drinking milk to nearby cities and towns. A range of high-quality consumer products, including fresh milks, custards, yogurts and a wide variety of cheese types,

are produced in most Australian states. Nevertheless, the manufacturing of longer shelf life products, such as cheese and specialised milk powders, is becoming more concentrated in the south-east region of Australia.



The Australian dairy industry today

Dairying continues to be an important rural industry of Australia. On-farm productivity continues to increase through improved pasture, feed and herd management techniques.

While supplementary feeding with grains is becoming increasingly common, the Australian dairy industry remains predominantly pasture-based. All States (Victoria being most dominant) have viable milk productions, supplying fresh milk to nearby cities and towns. As a major regional employer, the industry value-adds through the processing of milk to produce fresh lines such as butter, cream, cheese and yogurt. Bulk milk and specialised powdered milks are also significant.

Australia's dairy heritage

In 1788, Captain Arthur Phillip and the First Fleeters came ashore at Sydney Cove with seven cows and two bulls bred to survive a hostile environment. This small herd soon moved to the greener pastures of Parramatta where they escaped into the bush not to be seen for some seven years. Upon their recapture, the herd comprised 61 cattle. It was the cows of this group which became Australia's first dairy herd. By 1800, through breeding and importing, there were 332 bulls and 712 cows in the colony. The settlers were adapting to their new Australian environment. They made butter and cheese during spring and summer (when cows produce most milk), and preserved these commodities with salt for autumn and winter.

Pioneers such as John Macarthur imported more dairy cattle to his Parramatta farm while, in 1805, Dr John Harris built Sydney's first commercial dairy at what is now inner-suburban Ultimo. However, Tasmania gave Australia its first cheese industry. In the 1820s, the Van Dieman's Lan Company established Australia's first commercial cheese factory. Farmers from the NSW district of Illawarra began to send their cheese and butter to Sydney markets by sea, and as more ports opened, dairying extended all the way down to Bega.

In 1832, with two cows and two calves, John Fawkner arrived in what was to become Melbourne. With the ideal dairying conditions around Port Phillip Bay, the herd grew. Within a year, there were 155 cattle in the district. By 1850, there were 347,000. South Australian dairy farmers were becoming so successful that they were selling cheese to Tasmanians. In 1891, there were almost 1 million dairy cows in Australia. The gold rush brought thousands of people to Australia. With its collapse, many were offered Government pastoral leases on the outskirts of inland towns. By 1900, there was hardly a township, even in remote outback Australia, that did not have its own fresh milk. The future of an extraordinary industry.

