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**From:** Laura Hartley <laura.hartley@addisonslawyers.com.au>  
**Sent:** Friday, 2 February 2018 2:46 PM  
**To:** Dairy Inquiry  
**Cc:** 'Barry Irvin'; Brett Kelly (email)  
**Subject:** HPE CM: ACCC Dairy Inquiry interim report - next steps [DLM=For-Official-Use-Only]  
[ADDISONS-iManage.FID124908]

**Record Number:** D2018/00015551

Dear Ms de Havilland

We refer to the Dairy Inquiry Interim Report and your email to our client below.

Our client has a number of concerns in relation to various conclusions drawn by the ACCC in the Interim Report. However, our client's primary concern relates to the ACCC's support for fixed pricing in contracts between processors and dairy farmers.

While fixed price contracts may operate effectively for "market milk" companies and give certainty to their suppliers, for companies whose products are destined for international markets or linked to international markets, fixed price contracts would not be an effective alternative. The ability for processors to announce an opening price and later increase that price if currency relativities or global commodity prices demand that is vital to allow "manufacturing milk" processors to effectively compete for raw milk in Australia. The ability of processors to increase prices during a season also allows farmers to benefit from improved returns.

Barry Irvin would be willing to discuss this further if requested by the ACCC.

Kind regards

**Laura Hartley | Partner**  
**ADDISONS**

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