

SADA UPDATE

Friday 6 April 2018

Saputo-Murray Goulburn: ACCC decision

The Australian Competition and Consumer Commission has opened the path for the sale of Murray Goulburn, to Saputo. The ACCC has declared it will not oppose Saputo's acquisition of Murray Goulburn. The regulator had expressed concern about the sale when questioned the initial deal due to what it saw as a potential concentration of the milk market in south-west Victoria.

Saputo at Allansford and Murray Goulburn at Koroit own large dairy factories near Warrnambool that process over two thirds of the milk produced in the region. This was interpreted as being potentially an unfair advantage in the milk market by the ACCC. Saputo responded a plan to sell the Koroit plant, which the ACCC has now accepted.

The plan provides that Murray Goulburn will still sell the plant to Saputo who will continue to operate the factory with a view to on selling it to another dairy company. If the factory is not sold by a nominated date it will enliven a forced sale clause which will see it taken over and independently run until it is sold to the highest bidder. The future sale of the Koroit plant will require ACCC approval.

On Thursday shareholders voted overwhelmingly in favour of the sale paving the way Saputo will takeover Murray Goulburn on May 1.

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Animal Welfare Issues

Animal welfare issues will make headlines again this weekend. Sixty Minutes will broadcast footage of sheep dying of heat stress on a vessel called the Awassi Express in August last year. The footage has come from a voyage which saw a mortality rate of 3.76% (2,400 sheep out of a consignment of 64,000).

From a dairy perspective there will be some anticipated wash over into our industry as the debate shifts to the broader issues of Animal Welfare over the days following the broadcast.

SADA urges farmers not to directly engage with activists but rather contact SADA CEO Andrew Curtis. As your representative body we will continue to remind South Australians that as an industry we maintain some of the highest standards of animal care and husbandry in the world and we are proud of what we do.

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Position Vacant

Primary Producers of South Australia (PPSA) have a position vacant on their transport committee. Considering the importance of many issues surrounding animal transport, including welfare, it would be a great way to get a SADA voice into the area.

Any takers please contact Andrew Curtis.