

TYPEWRITTEN COPY OF HAND WRITTEN SUBMISSION

'Cherrybank'
Range Road
Mittagong NSW 2575

15-12-98

Impact of Competition Reform Inquiry
Productivity Commission

Dear Sir

Our family has been involved in the Dairy Industry for 40 years. We have seen a lot of changes in our time.

The introduction of the Quota Exchange brought stability to our industry, enabling the family business to expand without the necessity of acquiring more land, consequently as our sons left school and wished to work on the farm, we took this option to enable the family farm to remain viable for the next generation. Our boys would be the fourth generation of our family to farm the home property.

With the introduction of farm gate deregulation, their future in the industry becomes extremely insecure.

All the 'experts' say you have to get bigger to survive. In our area, it is virtually impossible to purchase more land to expand. Due to the influx of city business people, who are forcing the price of land out of reach of the average dairy farmer.

Many young farmers with a high level of debt could also be forced out of the industry. These are the very people the industry needs to retain.

Production costs continue to rise. Ongoing programs such as E.B.L. eradication also add to farmers costs, who may be expected to accept a lower price for their product, thus lowering their standard of living.

Historically, the deregulation of rural industries, result in increased prices to consumer and reduced return to producers. This cannot in any way benefit our industry.

To keep the young "enthusiastic" farmer in the industry, there must be a stable reliable future. This cannot be attained under the uncertainty of deregulation.

Yours sincerely

John Cole