

## Merger enemies act

By NATALIE CAMPBELL & ANNA WALLIS

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A protest against the \$12 billion Global Dairy Company was launched today, with Feilding farmer Malcolm Bailey a driving force behind the eleventh hour campaign.

A Better Dairy Deal wants a no vote in the June 18 dairy farmer vote and the dairy industry to reconsider its future.

The group is led by former Dairy Farmers of New Zealand chairman Mark Masters and includes Mr Bailey, a former Federated Farmers president and Treasury economist, and former New Zealand Dairy Group director Hilary Webber.

It also includes Wellington economist and Infometrics managing director Gareth Morgan, Act MP Stephen Franks, members of the 1999 dairy producer board project team Tony Baldwin and Quentin Hay, and Agricultural New Zealand adviser Ian Macintosh.

Other farmer members are primarily from Taranaki, including Ms Webber, Tom Mason and Rob and Stephen Poole. Other members are Rob Thompson, a Canterbury dairy farmer, Matura dairy farmer RC Cole, and New Plymouth accountant David Russell.

The group says several options are better than GlobalCo. Its favoured ones are:

- the Dairy Board continues to deal with commodities and basic ingredients and a new company is set up to foster value-added businesses. Kiwi and NZDG would remain;
- one of the big two co-operatives sells its shares in the Dairy Board to the other. The vendor would invest the cash in new businesses;

the 1999 Mega Co-op plan formed could be implemented. Differences between it and GlobalCo include the required Commerce Commission approval; separate A shares for a commodities business and allowing farmers the choice on overseas investments.

The Better Dairy Deal group hopes to sway the country's 14,500 dairy farmers before this month's vote on the proposed merger of New Zealand Dairy Group, Kiwi

Co-operative Dairies and their marketing arm, the Dairy Board. The group has organised a package to be sent to dairy farmers this week.

Its move has concerned Dairy Farmers New Zealand chairman Charlie Pedersen, of Himatangi. Before today's announcement, he said he was "disappointed" with Mr Bailey and Mr Masters, who both held the national chair before him.

Neither had represented farmers' views at that time, and they did not now, he said.

Mr Pedersen said he was "absolutely confident" New Zealand's dairy farmers would still vote in favour of GlobalCo.

"GlobalCo is there because farmers want it," he said.

But Mr Masters said GlobalCo was a political deal to fix a stalemate between Kiwi and the New Zealand Dairy Group over control of the Dairy Board.

"It's not about maximising returns for farmers," he said.

The package the group will send to farmers includes parts of the 1999 report produced for the Dairy Board by business consultants McKinsey and Co. It outlined 32 possible options for the New Zealand dairy industry.

Mr Bailey said he had "mixed emotions" about going against what seemed to be the popular decision - voting for GlobalCo.

But, he said, he and his supporters had the industry's best interests in mind.