

Policy Statement: Competition in Agricultural Supply Chains

Approved by Policy Council 19 February 2026

General Principles

1. The VFF believes competitive markets are essential for efficient, productive and innovative agriculture. Effective competition ensures fair pricing, timely information flows, and prevents the exercise of undue market power along supply chains.
2. Victorian farmers are vulnerable to exploitation due to the firms which sell them inputs or buy their products having significant market power. This imbalance reduces farm profitability, resilience and long-term sustainability.
3. Effective competition policy must recognise the small-to-medium scale of most farm businesses, the perishable nature of produce, fluctuations in input costs, and the uneven distribution of market power.

Competition and Market Issues

4. Existing competition laws are insufficient to protect farmers from anti-competitive conduct, including:
 - Misuse of market power, for example forcing farmers to accept take-it-or-leave-it contracts who feel obliged to accept because of fear or retribution or loss of markets
 - Unfair contract terms, such as unilateral variation clauses which allow the buyer or processor to change prices, quality specifications or delivery requirements at any time
 - Commercial arrangements transferring excessive risk to farmers, for example clauses the push commercial, biosecurity or weather risks entirely onto farmers, even where the farmer has limited control over the risk.
5. Current enforcement is limited by under-resourcing of the ACCC and Consumer Affairs Victoria, consumer-focused legislation, and narrow unconscionable conduct provisions.
6. Planning and zoning regulations also restrict the expansion of existing businesses and the entry of new firms, limiting competition in agricultural supply chains.

Policy Positions

7. The VFF supports reforms that promote fair and competitive agricultural supply chains, including measures to:
 - Prevent the misuse of market power and ensure businesses operate on fair terms, for example, preventing the imposition of unfair contract terms on farmers
 - Encourage and support competitive agricultural supply chains
 - Strengthen protections for farmers in commercial arrangements to ensure such arrangements are fair and not impose excessive costs and risks on farmers
 - Encourage transparency, accountability, and fairness in business-to-business dealings
 - Support collective approaches where appropriate to improve bargaining power and reduce imbalances in market power

- Facilitate innovation and competition to benefit both farmers and consumers.
8. The VFF supports measures to ensure mergers and acquisitions do not undermine competition, including consideration of:
 - Market concentration and the potential impact on competition, prices and the range of products available
 - Impact of mergers in regional and commodity-specific markets
 - Fair and transparent assessment processes
 - Public consultation where market power may be affected.
 9. The VFF supports adequate resourcing of regulatory bodies to monitor, enforce, and promote competition in agricultural supply chains.
 10. The VFF encourages the removal of unnecessary barriers to the expansion of existing businesses, the entry for new businesses and the promotion of a level playing field across markets.
 11. The VFF opposes practices that allow supply chain participants to dictate prices or terms in a way that is unfair or exploitative to farmers.