

June 2012 Update



Unsustainable Retail Milk Price (1)

On Tuesday 12 June ADF and QDO hosted Parliamentary Secretary for Agriculture, Fisheries and Forestry the Hon Sid Sidebottom MP in Queensland.

Along with QDO, ADF took Mr Sidebottom and three of his staff to two dairy farms near Beaudesert and the Parmalat factory in Brisbane. Mr Sidebottom has responsibility for dairy issues in the government and we feel it is important for our elected leaders to visit dairy farms and hear directly from farmers what the issues facing them are.

The key purpose of the visit was to help Mr Sidebottom, and his staff, understand the issues facing the dairy industry due to the pricing of milk at \$1 per litre by the major retailers.

Mr Sidebottom listened closely to our concerns and we pressed home the point that there is strong evidence that farmers are being impacted by the unsustainable milk price due to the pressure on processor margins flowing through to them. He got to hear from several different farmers how it is affecting them directly and we also showed evidence of farmers in Queensland and New South Wales having to sign contracts at three cents per litre (or more) less than last year. We explained that for many dairy farmers this means they will become unprofitable.

The latest ABARES figures on dairy farms' financial performance, which were published at the end of May, show that in Queensland and Northern NSW farm business profit for the 2011-12 financial year fell to an average per farm loss of \$22,000. In Southern and Central NSW farm business profit fell by almost \$50,000 compared to 2010-11 and South Australia experienced a fall of over \$72,000 against 2010-11. All other dairy regions experienced a fall in profit of varying sizes except for Northern Victoria/Riverina and Tasmania which saw a fairly substantial increase.

We explained the financial situation for dairy farmers and made the point to Mr Sidebottom that milk priced at \$1 per litre is devaluing milk as a product itself and taking a substantial amount of money out of the dairy value chain right across Australia.

We will continue to lobby politicians from across the political spectrum and put dairy farmer's issues forcefully with the backing of strong evidence

Mr Sidebottom had also been to Western Australia recently and understood the situation for dairy farmers there was not good due to milk priced at \$1 per litre.

It was pleasing then that Coles has once again acknowledged that its pricing of milk is unsustainable and given Harvey Fresh in WA a 3.3 cents per litre price increase. This is a good result for WA dairy farmers, although we question if the increase is enough, but the question must also be asked as to why did Coles give only WA a price increase when they have devalued milk right across Australia?

ADF has written to Coles seeking an explanation of why they are not giving an increase to dairy farmers right across Australia who are impacted by their unsustainable pricing.

Contact: David Losberg



Australian Dairy Industry Council Inc.

ADIC submission to Regional Australia Committee inquiry into Murray Darling Basin draft plan

In early June, the House of Representatives Regional Australia Committee advised there would be yet another inquiry into the MDB draft plan. The ADIC Basin Response Taskforce met the short response time frame and the submission was sent on Friday 15 June.

In this submission, the ADIC briefly revisited industry concerns with the draft plan and advised that it was disappointed the substantive issues previously raised had not been taken into consideration by the MDBA when producing the revised draft plan.

The submission continued by outlining the ADIC's analysis on proposed environmental works and measures across all Basin states that will benefit both the environment and the dairy industry.

The ADIC was recognised as the peak dairy industry body and was one of few organisations (six) invited to present on infrastructure issues at the public hearing sessions held in Canberra (Daryl Hoey and Claire Miller). It should be noted the comments at the time of the invitation that this was based on the Committees recognition of the high quality submissions and supporting presentations.

Contact: Beverley Wallace

ADF outcomes are a result of dairy farmer membership to the six state dairy farmer organisations who are ADF's constituent members, being:



ADIC Basin Response Taskforce meetings

The ADIC Basin Response Taskforce has held a considerable numbers of meetings with politicians and the staff in Canberra during June.

Independent Tony Windsor; Greg Hunt Shadow Minister for Climate Action, Environment and Heritage; a Policy Adviser for Minister Tony Burke; Senator Simon Birmingham and a Senior Policy Adviser for the opposition; Senator Barnaby Joyce and John Cobb Shadow Minister for Agriculture.

Upcoming (but separate) meetings include Minister Tony Burke and Opposition leader Tony Abbott.

Contact: Beverley Wallace

AHA General Meeting

A General Meeting of Animal Health Australia was held early in June 2012 for the purpose of endorsing the AHA Annual Operating Plan for 2012-2013. ADF had earlier provided input to the development of the plan at meetings in November 2011 and March 2012. The General Meeting also agreed funding commitments for the coming year to be provided by the Commonwealth, State and Territory governments and industry members of AHA.

Contact:

Terry Toohey 0428 663 636

Kevin Shiell 0413 800 349



FMD Movement Control Workshop

ADF representatives Chris Griffin and Terry Toohey, participated in a Foot and Mouth Disease (FMD) - Movement Controls Workshop in

Melbourne on 18 and 19 June 2012. The workshop involved representatives from all of the FMD susceptible industries, the Commonwealth and State and Territory governments, and was convened by Animal Health Australia. Representatives from Dairy Australia and Australian Dairy Products Federation were also involved.

The purpose of the workshop was to gain agreement on:

1. the general principles of movement controls during an emergency animal disease outbreak
2. a final draft 'Recommended quarantine and movement controls' for FMD-susceptible animals and associated relevant commodities

Following recommendations in the Matthews review of Australia's FMD preparedness, updates to the FMD AUSVETPLAN Disease Strategy are to be finalized by October 2012.

The workshop agreed on general principles and to drafts covering the movement of live susceptible animals during an outbreak, being released for further stakeholder consultation. With regard to the movement of milk, drafting of a revised Dairy Industry Enterprise Manual is to be finalized by August 2012, following which it will be available for industry and government public consultation.

Contact: Terry Toohey 0428 663 636



Australian Government
Department of Agriculture,
Fisheries and Forestry

Unsustainable Retail Milk Price (2)

ADF had a series of meetings in Canberra on key issues such as the retail milk price, the carbon tax, water, labour costs, collective bargaining and other issues. The

meetings were held with the National Farmers' Federation, Department of Agriculture, Fisheries and Forestry, the Australian Competition and Consumer Commission and the Australian Food and Grocery Council. The meetings were a good exchange of views and ideas with ADF strongly putting dairy farmers views.

Contact: Natalie Collard, David Losberg

Disease Surveillance

A series of state meetings between government and industry have been scheduled by DAFF, Animal Health Committee (AHC) and in association with State Chief Veterinary Officers to canvass views on a regionally based approach to General Surveillance that has been under discussion at AHC.

The proposal is being developed in recognition of the need for more to be done in the area of general surveillance to assist in the early detection of an Emergency Animal Disease (EAD). DAFF have developed modelling tools to:

- o assess the effectiveness of current surveillance
- o assess the potential extent of spread of disease, using FMD as a case study, by the time the first case is detected

With the Mathew's report on FMD preparedness as a major driver, AHC are now canvassing views on a regionally based surveillance approach that better reflects livestock distribution and risk, rather than state boundaries.

Following on from the state meetings, consideration will be given at the AHA Industry and Members Forums in September 2012, whether to seek the development of an AHA program on general surveillance.

Contact: Kevin Shiell 0413 800 349

ADF outcomes are a result of dairy farmer membership to the six state dairy farmer organisations who are ADF's constituent members, being:



Meeting with NFF, Manager Rural Affairs

Natalie Collard and David Losberg met with David McKeon, NFF's new Manager for Rural Affairs. David joined NFF from the Department of Agriculture, Forestry and Fisheries (DAFF). Key issues discussed included Drought Policy, education and training and rural health.

Contact: Natalie Collard, David Losberg

Udderly Fantastic Update



Udderly Fantastic now has over 1,130 members and over 2,500 photos uploaded by dairy people, for dairy people.

Current popular discussions on Udderly Fantastic include "The Three P's of Climate Change", "No Quick Fix for Chinese Dairy" and "60 seconds with Emily Brown".

Emily is an aptly named Brown Swiss Breeder from Strathmerton in Northern Victoria. Emily and her partner Stephen sharefarm a 250 cow herd. They enjoy showing their animals at International Dairy Week and the Royal Melbourne Show at which they had Senior Champion Brown Swiss in 2011. Join up to find out more!

Udderly Fantastic is secure website and a great way to share your stories, photos and discuss the many different issues currently facing the dairy industry.

Contacts: Natalie Collard, Sarah Chahine



Horizons 2020

ADF Vice President, Peter Evans, is one of five farmers on the working group for Horizons 2020, a joint initiative of Dairy Australia and the Gardiner Foundation focused on the future challenges and opportunities for the Australian dairy industry.

From 9 – 30 June Peter was part of a Horizons 2020 delegation that took on a challenging visit schedule comprising Beijing, Shanghai, London, Brussels, Amsterdam, Chicago and San Francisco. In these countries, the delegation met with farmers, farmer organisations, non governmental organisations (NGOs), processors, retailers and official EU and country representatives. The findings of the visit will be incorporated into a report due for release in December 2012.

Contact: Peter Evans

ADF Natural Resources Policy Advisory Group reviews dairy industry draft sustainability plan

The ADF Natural Resources PAG met by teleconference on Friday 29 June to hear a presentation from Dairy Australia on the draft dairy industry sustainability plan. Over the past month DA has undertaken extensive consultation across the industry which has included both dairy farming organisations and manufacturing companies. At the meeting the PAG members provided informed feedback on the draft plan.

ADF will continue to work closely with DA to ensure there is a good balance between the yet-to-be-agreed targets and what can be achieved on-farm.

Contact: Beverley Wallace



ADF outcomes are a result of dairy farmer membership to the six state dairy farmer organisations who are ADF's constituent members, being:

