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Federal Budget 2014-15 delivers mixed results for dairy industry

For immediate release

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The 2014-2015 Federal Budget has delivered on some important priorities for the dairy industry amid other cutbacks, Australian Dairy Farmers (ADF) said today.

ADF President, Noel Campbell, said the Coalition Government has struck a difficult balance between the need to find savings and the ability of the agricultural sector, including dairy, to grow and prosper in future.

“The dairy industry understands this was always going to be a tough, no-frills budget with little in the way of major new spending initiatives in agriculture,” Mr Campbell said.

“Pleasingly however, the Government has delivered some key priorities for the dairy industry, while also honouring commitments to support drought affected farmers and provide additional rural research and development funding.”

Relevant highlights for dairy in the budget include:

- \$100 million of additional funding over four years¹ for Rural Research and Development Corporations (RDCs), targeted to projects that enhance agricultural profitability;
- The Federal Government’s re-commitment to the Roads to Recovery and Black Spot road infrastructure programs² will have a positive benefit for dairy farmers who rely on local roads being well maintained so that milk and cattle transport can easily and safely access their properties;
- \$15 million funding over four years³ to support small exporters in sectors where there are specific export certification registration changes;
- \$20 million funding over four years⁴ towards establishing a “Bio-security Flying Squad” for urgent Bio-security issues, and creating a first response Bio-security containment fund; and
- \$8 million funding over four years⁵ to improve access by farmers for minor use agricultural and veterinary chemicals.

Mr Campbell said, by contrast, ADF was disappointed to see a substantial cut in funding to Landcare and an end to the freeze on fuel excise.

“Landcare is an important and beneficial program that has delivered enormous improvements to our natural environment, including on many dairy farms,” he said.

¹ Budget Measures 2014-15 – Part 2: Expense Measures p.48

² Budget Measures 2014-15 – Part 2: Expense Measures p.175

³ Budget Measures 2014-15 – Part 2: Expense Measures p.49

⁴ Budget Measures 2014-15 – Part 2: Expense Measures p.49

⁵ Budget Measures 2014-15 – Part 2: Expense Measures p. 48

“It is our sincere hope that this funding can be fully restored and built upon in future.”

Mr Campbell said the decision to end the freeze on fuel excise would not be welcome news for farmers.

“While undoubtedly good for the government’s coffers, this decision will only add to the cost of doing business for farmers,” he said.

Mr Campbell said ADF would continue to lobby Government to implement policies and programs that will enable the dairy industry to increase production and boost profitability in future.

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