

With the official announcement of last weekend's election yet to be made, the dairy sector (like the rest of the nation) is watching very closely and working to ensure that all political parties understand our priorities. Whatever the outcome, it is essential that stability reigns – effective policy formation and clear action to overcome challenges will be otherwise impossible.

Australian Dairy Farmers (ADF) has made clear its priorities for the next government – extend and streamline access to the concessional loans and Farm Household Assistance for all affected farmers, create a safer, more resilient workforce, ensure secure sustainable access to water resources and above all, address the imbalance of market power within the dairy supply chain.

It's good to see that all parties have recognised the importance of supporting our farmers through the current challenge, as well as committing to developing innovative solutions to building long term sustainability of our industry.

However, it is concerning to see some are still calling for a fresh milk levy – an unworkable solution, not supported by the majority of farmers. If a fresh milk levy was imposed, it would potentially result in farmers who supply domestic markets subsidising their export market oriented counterparts. This is not a workable solution.

There are also potential difficulties associated with such a levy breaching Australian Competition and Consumer Commission regulations as well as potential issues with the World Trade Organisation.

The fundamental issue our farmers continue to face is that they wear the bulk of financial risk in the dairy supply chain. We need a practical and viable solution to increase transparency in the way the milk pricing system works and to simplify milk contracts to ensure the volatility of the market is better balanced along the supply chain.

This week UDV and ADF met with farmers in South West Victoria – to hear concerns, answer questions and build feedback about the current supply chain into our policy work. This is one of many meetings ADF will continue to participate in throughout the year, to ensure we are effectively representing farmers' interests.

The discussion was robust. Overall, the consensus in the room was that trust has been broken and we need to find a way forward.

The challenges faced by farmers in Western Australia due to processor decisions reinforce the sector as a whole is enduring tough times – no state is immune.

Collaboration is what will get us to where we need to be. Our industry relies on all the elements to operate effectively. Farmers need processors and vice versa – so the solutions will require input from all parties.

Beyond this the public and the government ignore us if we do not operate as one. If we have a hung parliament, dairy will need parliamentary champions to advocate our policy priorities and the industry must work together to feed them that case.

David Basham

Acting ADF President