



## The China FTA – a great outcome but just the beginning...

Over the past six months, the majority of our time and effort has been dedicated to making sure that the whole dairy industry was giving itself the best possible chance of securing a meaningful deal as we got closer to the Government's stated aim of securing a China Free Trade Agreement (FTA) by the end of 2014. It is now the end of 2014 and we have an agreement.

The industry had a coordinated approach: Australian Dairy Farmers (ADF), our national representative body; UDV and the other state equivalent representative bodies; Dairy Australia our services body, and the processors all collaborated to provide the data, analysis, agreed priorities and the energy required to drive and advocate for the industry position.

The result was a sustained assault on our politicians from every dairy corner of the country – the outcome: tariff reduction to zero on all our dairy products in to China over a period of 4 to 11 years – a very good outcome.

I can very confidently say that by the end of October there wasn't a politician in the country who wasn't aware that we wanted a meaningful outcome from the FTA. The Victorian MPs Dan Tehan, Darren Chester and Russell Broadbent and Senator Bridget McKenzie were pivotal. They listened and understood the value of dairy, not only in their electorates, but to the national economy. They championed our cause and offered us advice along the way. Later in the campaign we saw Sarah Henderson bring the central figure, Minister for Trade and Investment, Andrew Robb to a farm in Larpent to meet with farmers and give us his views about the importance of the FTA.

As we built the story, the rural, national and business commentators all followed the developing story and were very supportive. The Dairy Farm Investment Forum, run by Dairy Australia, was also a pivotal point which brought Minister Robb to talk to the industry and potential investors. The media coverage was substantial. Following the Investment Forum, ABC's *The Business* questioned Minister Robb rigorously about his support for dairy in the China FTA negotiations and he reiterated the support he stated at the event.

Through this effort and the political outcome achieved, we have demonstrated the value of strong, coordinated, effective advocacy.

*continued on page 2*

### Inside this issue

- China FTA: The details
- Participants selected for 2015 NZ Study Tour
- A new government elected
- Developing future dairy industry leaders
- Migration advice for our members
- Happy Christmas
- YDDP State of the nation
- Keep your cows cool
- GippsDairy and Westvic Dairy appoint new EOs



Kiewa Valley dairy farmers, farming couple Lindsay and Ann Jarvis, were honoured with the Australian Dairy Industry Council's (ADIC) Outstanding Service Award at a recent Dairy Industry Leaders event in Melbourne. Celebrating the Jarvis's ongoing contribution to the industry, the ADIC award recognises their lifetime commitment to the industry, the people and the north east communities. Lindsay Jarvis has dedicated his dairying career to the management of natural resources, actively advocating the use of sustainable on farm practices. Lindsay has a lifetime in various roles with the UDV and also spent 31 years as a Director at Murray Goulburn. Ann Jarvis, also an active UDV representative, has devoted her time to educating, training and supporting the people of agriculture, particularly women and young farmers.

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# China FTA: The details

UDV was thrilled with the successful completion of the China-Australia Free Trade Agreement announced last month.

It concludes over six months of lobbying, advocacy and negotiating by the whole industry working with government to get the deal across the line.

UDV is delighted that our Minister for Trade and Investment, Andrew Robb, has delivered on a deal which will mean savings in tariffs, and importantly, opens the door to keeping us competitive in the world's largest and fastest growing dairy market.

**Key tariff outcomes include:**

- Elimination of the 15% tariff on infant formula within 4 years.
- Elimination of the 10 - 19% tariff on ice cream, lactose, casein and milk albumins within 4 years.
- Elimination of the 15% tariff on liquid milk within 9 years.
- Elimination of the 10 - 15% tariff on cheese, butter and yogurt within 9 years.
- Elimination of the 10% tariff on milk powders within 11 years.

Importantly, the absence of restrictive safeguard measures is of great benefit to our industry.

New Zealand's FTA with China contains restrictive safeguard measures on a wide range of dairy products, including liquid milk, cheese, butter and all milk powders. These safeguards, or quotas, mean that China raises the tariff back to the normal rate when New Zealand exports exceed a certain volume of product. In contrast, under our FTA dairy will only face a discretionary safeguard on whole milk powders (WMP), with the safeguard trigger volume set well above current trade levels and indexed to grow annually. For all other dairy products there will be no safeguards and Australia will receive unlimited preferential access.

UDV recognises the work of Australian Dairy Farmers, the other state dairy farmer organisations, Dairy Australia, the dairy companies and our members who were involved in the campaign for the coordinated industry approach which has delivered such a great outcome. Special mention also to the Victorian based federal backbenchers that worked with and actively supported the dairy industry lobbying.



*continued from page 1*

We have demonstrated that when we have clear messages supported with conviction we can deliver for our paying members. On this outcome alone, there is no excuse for any Australian dairy farmer not to be a paid up member of their state dairy organisation.

However, for all the thanks and recognition we need to give for the efforts to achieve a meaningful result; it is now up to us!

We have passed the first step of creating an opportunity for the industry to compete and thrive in the world's largest and fastest growing consumer market.

From here, we all need to hold the processors to account. They are investing heavily. It is our dairy export companies which need to drive down our exposure to price volatility through better relationships with the consumer markets and delivery of higher value products to those markets. As Minister Robb has pointed out, Australia is an expensive place to do business. As a result of this, we cannot compete in the commodity market. We need to be clever and invest strategically to maintain a competitive advantage in the global market.

As the producers of the raw material, this China FTA demonstrates overwhelming Government and wider community support

for our industry. It is my hope that this demonstration of goodwill by the Federal Government will translate into a more positive outlook and a more confident dairy community which is willing to take up the challenge of investing in new technology and farm business management techniques to keep the dairy industry growing. We need to focus on this to be in a position to take advantage of the massive opportunity we have now been offered.

## **A call to all dairy farmers:**

- When you see your local, federal or state politician, say thank you for their support in making the China FTA the "dairy deal". You can also mention that the job is not yet done and we will be asking them to do more to make it easier for us to sell our high quality, high value, safe dairy products to even more overseas consumers.
- When you see your factory representative or a milk company director, manager, or especially the CEO, ask them what they are doing to take advantage of the China FTA and what they are doing to reduce our exposure to the market volatility which periodically cripples us. Hold them to account for investing to ensure we have the customer relationships and the

high value products we need to be selling to maximize the return to us, the dairy producers.

These areas are critical for our medium to longer term future.

We must also bear in mind that the markets are tough at the moment and we need to be very mindful that even if the companies manage to maintain the price this year, there is serious pressure on milk price and it is likely we will see a significant drop next season. We must prepare ourselves and our businesses now because the warning signs are there – act on them and second guess every spending decision for the next six months.

2015 will be another big year for us. From a UDV perspective, we will start a dialogue about innovation in our dairy industry – the new tools and technologies that will assist us in delivering more milk. This will feed into our annual conference in late April at which I am hoping for strong member attendance and input.

For now, I thank everyone for your efforts and support this year. Best wishes to all for a happy and safe Christmas period spent with loved ones.

*Tyran Jones, UDV President*

# Participants selected for 2015 NZ Study Tour

The next group of future dairy industry leaders has been selected for the 2015 New Zealand study tour.

UDV was incredibly impressed by the standard of applications this year; we received twice as many applications this year than ever before.

The group of six were selected on their capacity to grow from the experience, their passion, and demonstrated dedication to the dairy industry.

The opportunity was given to people who would gain the most from the trip. Each person selected demonstrated how they will promote their learnings upon their return. The focus is not only about their personal benefit; UDV wants the whole of Victoria's dairy industry to grow from these young people's experience.

Leaving Melbourne in February 2015 for eight days, the tour will be conducted on the South Island of New Zealand and will include visits to dairy farms, research and processing facilities and agricultural sites to meet the framework of learning identified by the participants.

The tour will be led by dairy farmer and UDV Policy Councillor Gordon Nicholas and James Goulding, Industry Trainer with the NCDEA.

The NZ study tour is funded by the Gardiner Foundation and is organised by the UDV.



## Kerrilyn Bassett

Kerrilyn is currently studying Cert III Agriculture at NCDEA and working as a farm hand. Kerrilyn has been involved with dairy for four years,

having started work on a farm after many years working in retail. Kerrilyn is passionate about the dairy industry and is looking to continue studying and to work towards one day managing and owning a dairy farm.

From NZ she would like to learn about feeding regimes, nutritional programs, and how they get young people into the industry and what training is available, as well as pathways in the industry and public perceptions of the dairy industry.



## Hayden Hanratty

Hayden is currently studying Certificate IV Agriculture at NCDEA and works as a farm manager. Hayden is involved with YDDP and focus farm groups.

From NZ Hayden would like to learn about pathways and share farming options, differences in feeding regimes and alternative ideas for future farming.



## Jason Bermingham

Jason is a dairy farm owner from Nambrok. He is currently studying Certificate IV Agriculture with Agri Train. Jason is the

chair of East Gippsland YDDP and the treasurer of the East Gippsland sub-branch of Holstein Association and is part of the Denison discussion group.

From NZ Jason would like to learn about different automation options, including dairy, heat detection and calf rearing automation systems. He would also like to learn more about the way NZ encourages and attracts young people to the industry and how they support them in achieving their goals.



## Sarah Saxton

Sarah holds a Bachelor of Animal Science and Management and currently works as an Extension Officer at Australian Dairy Herd Improvement Scheme

(ADHIS). Sarah aims to pursue a leadership role in the Victorian dairy industry. Sarah is passionate about building stronger relationships between consumers of Victoria's agriculture and people from the industry.

From NZ Sarah would like to learn how the industry manages its public image, how the industry engages with education, the latest R&D projects, the NZ model for extension, how farmers approach breeding and genetics, what the industry is doing to prepare itself for the effects of climate change. Sarah is also keen to talk to young people entering the industry and discuss what the key drivers were for them, as well as challenges and aspirations.

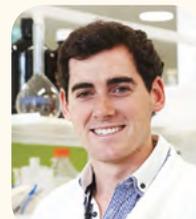


## Aaron Thomas

Aaron is currently share farming and is completing a Diploma of Agriculture through NCDEA. Aaron comes to the dairy industry from a nursing career.

In his nine years in the industry Aaron has shown his dedication to dairy, having progressed from a farm hand to farm manager and now to share farmer.

From NZ Aaron is seeking to learn about how they attract young people to the industry, the challenges facing NZ farmers, the successes seen in the industry and how biological farming can fit in to Victorian systems.



## Will Ryan

Will was selected for the 2014 NZ Study Tour however due to personal reasons he had to withdraw. This year Will reapplied and was again

selected to join the 2015 tour. Will is from a dairy farming family in Gippsland where he has managed the farm and he now works there on weekends. He has just completed his studies at Melbourne Polytechnic (Bachelor of Agriculture & Technologies – Majoring in Agribusiness). He is a recipient of the Rural Finance Undergrad Scholarship program.

Of particular interest is that he has designed and manages a Facebook page called "Appreciating Australian Agriculture" which engages the audience in discussion topics, and promotes the awareness and importance of Australian agriculture. Will is an active member within YDDP in South Gippsland and is on the Young Agribusiness Professionals committee. Will has also been selected for a debate team for agricultural related issues in South Gippsland.

From NZ he would like to find out about market based decisions, effluent/nutrient management practices, marketing options for NZ dairy products on an international market, current pasture practices, young farmer groups and agricultural advocate groups.

# A new government elected

UDV congratulates the Labor Party on winning government and looks forward to working with them for the future prosperity of the Victorian dairy industry.

In the lead-up to the election, UDV met with candidates in key dairy electorates to highlight the importance of dairy to their communities. This work will continue as an ongoing relationship with local UDV representatives and elected state members.

UDV developed the UDV Victorian Election Policy Platform which outlined priorities for the Victorian dairy industry and how the state government can support us to continue towards a profitable, growing export-focused industry.

The UDV's vision is to:

- Increase Victoria's milk production from 6.2 billion litres to 8 billion by 2020, and 10 billion litres produced by 2025.
- Increase Victorian dairy export value from \$2.4 billion to \$3.5 billion by 2020 and \$4.6 billion by 2025.

To reach these targets we need increased profitability; cost-effective, efficient infrastructure and logistics; to attract and retain new entrants and skilled workers; and continuous improvement in environmental sustainability. This is what we are asking the UDV government to support.

UDV travelled to Gippsland, Western, and Northern Victoria and met with candidates in dairy electorates. The response has been very positive; all were aware of the importance of dairy to their region and were keen to develop further relationships with local UDV representatives.

Labor has made the following commitments to the rural and dairy sector:

- Introduction of an inflation cap on council rate rises
- \$1 billion over eight years for country roads (\$125m/year)
- \$7.8 million for a new Food and Fibre Centre at Bendigo TAFE
- \$500 million regional development fund
- \$4 million over four years to save the National Centre for Farmer Health
- \$20 million for its Food Source Victoria Plan
- \$125,000 to a Young Farmer Scholarship program
- \$1 million towards Wangaratta and Euroa saleyard upgrades

The UDV looks forward to working with an Andrew's Government in delivering these commitments and other programs and investments to maximise the opportunities for jobs and growth in the Victorian dairy sector.

## Developing future dairy industry leaders

It is often said that the future of the dairy industry is dependent on the quality of its people. If this is the case then the industry can rest assured that it has a bright future ahead with a group of young passionate and engaged industry members attending a two-day development program during the last week of November.

*The Gardiner Foundation UDV 2014 International Year of Family Farming Young Dairy Leadership Development Program* was inspired by the number and quality of applications received for next year's New Zealand study tour. The UDV realised there was great potential to engage the young group of inspiring dairy leaders.

Previous participants and applicants for next year's tour were invited to attend a two-day program held on Thursday the 27th and Friday the 28th of November, generously funded by the Gardiner Foundation. The program included workshops on pathways and share farming options, networking opportunities with dairy industry leaders, and a tour of AgriBio, Centre for AgriBioscience at LaTrobe University.



The Young Dairy Leadership Development group at AgriBio



Retiring inaugural Australian Dairy Farmers (ADF) Board members Peter Evans and Chris Griffin at the recent ADF Annual General Meeting. Chris, who farms at Moe, is the immediate past President of ADF and a former President of the UDV. Peter, who farms in WA, has been active in ADF for many years. The new ADF Board comprises farmer representatives Noel Campbell (Chairman), Tyran Jones (Vic), Simone Jolliffe (NSW) & David Basham (SA). Dr Anne Astin is an independent member of the ADF Board.

# Migration advice for our members

UDV is pleased to announce that we have formed a historic partnership with True Blue Migration (TBM) to offer our members specialist advice on immigration matters. As part of our commitment to offer more services to members, UDV members will now receive a discount on the scheduled fee when engaging this migration agency. With their down-to-earth nature, detailed industry knowledge and client-focused migration agency, UDV is confident TBM will be able to service members' immigration needs. TBM directors Maryanne Gruar and Joy Hay are sisters, born and raised on a sheep and hay farm in Tahara, west of Hamilton, Victoria.

We asked TBM to answer the following questions to help our members understand their services.

## 1. Why should a dairy farmer consider engaging a migration agent for immigration matters?

Migration law is complex, and rules and regulations change over time. Just as a migration agent could not confidently operate an auto teat spray system, a dairy farmer cannot be expected to successfully navigate immigration policy. A migration agent knows what needs to be done and how to avoid the common pitfalls.

## 2. What is different about TBM?

TBM is a family-owned migration agency and we take pride in offering a hands-on and personalised approach to managing our client cases. TBM also offers a "No Visa, No Fee" guarantee, which is quite rare in the migration industry. We only take on a case when we are very confident of a successful outcome.

## 3. What services do TBM offer?

TBM help employers to sponsor overseas nationals on work visas, ranging from occupational trainees to long term temporary visas to regional sponsorship of permanent residency. TBM also helps New Zealand business owners self-sponsor on a permanent residency visa. TBM manages all stages of the application and liaises directly with Immigration on our clients' behalf.



True Blue Migration directors and sisters Maryanne Gruar and Joy Hay are pleased to provide specialist immigration advice to UDV members.

## 4. Do UDV members receive extra benefits?

Yes. We are pleased to provide UDV members with a 5% discount on our visa management fee.

## 5. Why have you agreed to partner with UDV?

TBM has worked with a number of Victorian farmers and successfully managed their visa cases, often finding pathways that other migration agents overlooked. We understand farmers and what they are looking for with staff. TBM looks forward to helping UDV members find workable visa solutions.

## 6. What is the number one issue people should look out for when considering immigration matters?

It is crucial to gather factual information specific to your visa situation. Many people jump online and read migration forums or hear stories from other people, and take this information as fact. The migration process is expensive and it is important to get your information from an experienced, qualified professional, ensuring that you get your application right the first time.

For more information please check out TBM's website [www.truebluemigration.com](http://www.truebluemigration.com) or phone them on 9038 9070 or contact UDV Project and Policy Officer Adele Beasley on 9207 5572.

# Happy Christmas

On behalf of the UDV President Tyran Jones, UDV Vice-President Roma Britnell, Policy Council and Staff, we wish you a happy Christmas and a safe new year.

Please note the UDV office will be closed from 1pm Christmas Eve, Wednesday, December 24 and re-open on Monday, January 5.





# State of the nation

In the last 12 months reporting period YDDP membership has been stable with minor updates to the membership database. During this period 37 events - which have included 31 technical events and 6 networking events - have been run throughout the two regions with a total of 1413 people in attendance.

An average of 38 people attended YDDP events throughout the regions who indicated an overall average satisfaction rating of 4.3 where 4 indicates a "very good" event and 5 an "excellent" event. These statistics are a strong endorsement of the work done at the grass-roots level.

YDDP is a part of the national Young Dairy Network Australia (YDNA) which brings together the young dairy programs of the eight Regional Development Programs throughout Australia. This development offers opportunities for young people to share ideas across different states eg National Dairy Challenge in South Australia.

The YDDP program would not be possible without the support of our sponsors. We thank them for their continued financial and network support and look forward to announcing further new sponsors early in 2015.

Key dairy people also provide great support to YDDP which we never take for granted. eg the Christmas BBQ for West

Gippsland has Noel Campbell, Chris Griffin and John Verstedden coming along. Does it get any better for young dairy farmers than having dairy royalty cooking the snags and having a yarn!

YDDP is grass-roots driven, which means all young farmers and service providers can have an input into the events run each year by each Local Advisory Committee. Your ideas are always welcome. A special thank you to all members of our LAC's who give of their time to meet the needs of young people in their districts.

May your family enjoy a peaceful and safe festive season.

*By Bill Dullard, Project Coordinator*

## Keep your cows cool

Taking the best care of dairy farmers' important investment, their cows, becomes even more important in the summer months when heat stress can severely affect production yield and cow heath.

Dairy Australia's Cool Cows website <http://www.coolcows.com.au> provides information for dairy farmers and their advisers to keep cows cool and reduce the effects of heat stress.

Cool Cows has been refreshed and the alert service updated to include more options to personalise where and how often you receive your weather alerts, and can be customised to deliver forecasts for your exact farm location.

The effects of heat stress include a drop in milk production, reduced herd fertility and lower milk protein and fat tests. During the 2014 January heat wave the average drop in milk production across Victorian herds was 15% (based on milk tanker volumes) and heat stress can trigger live weight losses and create animal health problems.

Dairy Australia's free tailored weather forecast service sends an SMS directly to a farmer's phone alerting of upcoming hot spells that could impact on the health and well-being of their herd.

Tips to reduce the impact of heat stress on milk production:

- Anticipate high risk weather conditions. These are periods of sustained high daytime temperatures, high overnight temperatures. (Make sure everyone on the farm can recognise the signs of heat stress: cows panting more than 60 breaths per minute, drop in milk production) and what action to take
- Increase access to cool drinking water, particularly at the exit to the dairy - in hot weather cows will drink 200-250 litres per cow per day
- Provide access to shade. The best way to help cows beat heat stress is to shade them from radiant heat
- Adjust milking times to cooler parts of the day
- If you have a sprinkler system – use it. For a sprinkler system to be effective and cost-efficient, without raising the risk of milk quality downgrades, aim to have the sprinklers on for 3 minutes then off for 8 minutes, using a moderate to large water droplet rather than a fine mist
- Provide cows with the highest quality pasture available to graze overnight when they are cooler.

## GippsDairy and Westvic Dairy appoint new EOs

UDV welcomes both Paula Doran and Laurie Jeremiah to the Victorian dairy industry.

Paula Doran, a professional with extensive experience running her own communications business and agency who is passionate about the honest and fair representation of rural Australia, has been appointed Executive Officer for WestVic Dairy.

Laurie Jeremiah has been appointed Executive Officer for GippsDairy. Laurie has extensive experience in the public sector and in his most recent role the South Gippsland native worked as Business Manager with the Department of Environment and Primary Industries.

UDV wishes both Paula and Laurie all the best in their roles and looks forward to working with them on issues which affect the Victorian dairy industry.

Disclaimer: This publication is provided in good faith and as a guide only. It may be of assistance to you, but the VFF/UDV does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or consequence that may arise from you relying on any information in this publication.

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