



AUTUMN | March 2015

# HOTLINE

Newsletter of the United Dairyfarmers of Victoria

## Profitability, social licence and new technologies on the agenda

From dodging lightning bolts, thunderstorms and fire strikes, to mixing with record numbers at the Sungold Field Days in the south west to the balmy summer days in the North at the GM forums and the Murray Dairy breakfast, I have hit the ground running over the last couple of weeks and hope to grab a quick breath and get to the east in the near future.

From the outset, I am very encouraged by the strong support our members, stakeholders, industry partners and the wider farming community have for the direction the UDV has been taking over the past 18 months. I want to reiterate that with your involvement we will continue to develop policy that will aim at increasing farm profitability and sustainability and ensure our industry is on a continuous path to improvement. I also want to thank many of you for your kind invitations to visit and to inform me of the issues you face in your area. My door is always open.

Whilst we now have a different leadership team, I want to reassure our members that your dedicated, skilled and dutifully engaged Policy Council and UDV staff, will continue to stand united on issues of the up-most importance to our dairy farmers, our businesses and the communities in which we live. We have many challenges on the horizon including social licence to farm, with increased market volatility and new technology. With

all these issues we must work within the system we have and continue to engage our stakeholders, partners and industry, which means that we need to be having those sometimes difficult, but necessary, conversations to ensure we are all headed in the same direction of increased farm profitability and sustainability. That's why we have been holding GM forums across the state and will be presenting forums on Onshore Gas next month.

Dairy farming can be both rewarding and challenging all at the same time. It can present many opportunities, whether you are building a business from scratch (as in my family's case) or expanding existing businesses for the next generation of family farmers to create some real long-term value, or winding down and reviewing your retirement plans.

We operate in an environment that has increased market volatility, which in itself presents opportunities and challenges. Coupling this with increasing pressures on

our social licence to farm makes it more important that we stand together on issues placing an impost on our businesses.

With all the challenges we face as farmers, we have to remember that the UDV's aim is to enhance and increase your profitability.

With only a few months to go the close of the current season and the start of a new opening price season, it's timely to start reviewing our budgets and business plans.

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# Adam Jenkins – UDV President

Adam Jenkins is a first generation dairy farmer from South Purrumbete, Victoria. He, his wife Cath and four children moved into dairy farming 10 years ago. At a national level Adam is on the ADF National Council and is a representative on the Markets and Trade PAG. In Victoria Adam was the Region 9 United Dairyfarmers of Victoria Policy Councillor from 2011 to 2015. He is also a representative on the South West Regional Extension committee.

In 2011 Adam was awarded a Nuffield Scholarship which allowed him to travel the globe studying the dairy industry markets and milk processing. In 2014 he was a dairy industry representative on the Victorian Trade Mission to China with the Gardiner Foundation.

Adam has a Bachelor of Agricultural and Resource Economics and a Graduate Diploma in Education. He has completed the AICD course and served as a director on the Bonlac Supply Company (BSC) board from 2007-2013. Adam completed Dairy Australia's 'Advance in Dairy Leadership' Program in conjunction with the BSC Leadership Development Program in 2007. He has been involved in the rural industry for 20 years with roles in rural finance, extension and education.

Adam is passionate about representing the farmers of the dairy industry and ensuring the ongoing success and sustainability of the dairy industry.



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I have always been intrigued by our industry's fixation on a financial year projected milk price when most of our calving patterns fall in predominantly autumn or spring. It's not the price per se; it's the promise of a closing price which may not be delivered fully until 13 months after opening, which makes it difficult to budget on a number that may not be reached. This, in my mind, is attributing to the lack of investment in our businesses, inhibiting long-term growth in our industry. Market volatility has contributed to this. Historically global milk prices moved \$200 SMP a tonne over a season, but now we are seeing fluctuations of up to \$2,500 SMP a tonne. This means that we have to take into account a 30% possible decrease in our bottom line, highlighting the importance of focusing the things we can control, ie grazing management, calving dates, input management. Therefore, I encourage all of us to start asking our advisers, milk supply officers and consultants to run sensitivity budgets so we can plan better for next season. Do you think BHP or Rio Tinto would wait until the 1st July to organise their business plans for the next 12 months?

When we overlay this volatility with increasing pressures from animal activist groups such as Voiceless, it highlights the need for us to come together as an industry and make sure we have a seat at the table when policy and legislation is decided.

These issues will be discussed at our Conference on April 29th when we ask the experts how best we can lead the debate on social licence issues and ensure our industry is on the front-foot of matters which directly affect us.

*Adam Jenkins, UDV President*



UDV hosted a workshop on Monday, February 9 to introduce Victorian dairy migration experts to each other. Through the UDV's involvement in this space, we have come across many fantastic people who are working to assist dairy farmers with migration issues. We thought it was timely for them to all meet each-other to discuss the issues hampering the employment of overseas labour and possible solutions to these problems. PICTURED: Fiona Mayers, Maryanne Gruar and Joy Hay from True Blue Migration with Bernie Baxter, Dairy Australia Industry Engagement Manager.

## WorkSafe focussing on Bass Coast

WorkSafe inspectors will be visiting businesses in the Bass Coast in March as a part of their Safe Towns campaign.

The visits which will occur from 16 – 20 March will focus on education and encouraging compliance with health and safety laws.

Whilst the number of workplace injuries has declined over the past three years, around 130 injuries from the region were reported to WorkSafe during 2013-14, at a cost of almost \$8.9 million.

Almost 37 per cent of reported injuries came from the manufacturing and health care

sectors. Musculoskeletal-related injuries – such as sprains and strains – were the most common injuries. They accounted for around 41 per cent of all reported injuries in 2013-14.

Inspectors will visit businesses in a wide range of industries including agriculture.

The next Safe Towns will take place in Colac at the end of May. For more information about the Safe Towns campaign or to download an inspection checklist, go to [worksafe.vic.gov.au](http://worksafe.vic.gov.au).

# 2015 UDV Annual Meeting and Conference

## Social Licence and The Dairy Farm

**The UDV will hold its 2015 Annual Meeting and Conference at the MCG on Wednesday, April 29.**

The conference will focus on Social Licence and the Dairy Farm.

The agenda will include:

- New tools and technologies in dairy from both the farmers' and experts' perspectives
- Asking how farmers lead the debate on social licence issues?

The conference will kick off on Tuesday, April 28th with UDV Welcome Drinks and conclude on Wednesday, April 29th with the UDV Presidents' Dinner.

Elections of the UDV Vice-President and Commodity Council Representatives for Regions 1, 3, 5, 7 and 9 will be held at the Annual Meeting.

All resolutions for debate at the 2015 UDV Conference and Office Bearer nominations should be submitted to the office of

Graeme Ford, VFF Chief Executive Officer, by no later than close of business (5pm) on Friday, March 20th 2015.

*Nomination forms are available on the [www.vff.org.au](http://www.vff.org.au) website under "Industry Groups" -> "Dairy (UDV)" -> "Conference tab".*

**Please contact the UDV office on 1300 882 833 if you require any further information.**

## GM Forums address queries

The dairy industry, through the Dairy Futures CRC, has been utilising a number of plant science tools to improve pasture varieties. One of the outcomes of this research is the development of a genetically modified high energy ryegrass which could hold the key to a significant increase in milk production.

The development of high energy ryegrass was the main point of discussion at 10 UDV GM Farmer Forums held across the state last month. The forums aimed to provide dairy farmers with facts about GM crops - the science, regulation and market and trade considerations - to start a conversation about this research and discuss the steps and considerations required if the ryegrass was to proceed from research to commercialisation.

The high energy ryegrass stores extra sugar in the plant and early modelling suggests it could deliver an increase in milk production of 10-15 per cent per hectare.

Participants at the forums held in Cohuna, Numurkah, Kyabram, Heywood, Warrnambool, Colac, Noorat, Warragul, Inverloch and Tangambalanga heard that gene technology may be one tool to help farmers increase their production.

Questions from the floor included queries on coexistence, consumer sentiment, lessons from other commodity sectors which have adopted GM crops, international markets, intellectual property ownership and other traits of interest to dairy.

Paula Fitzgerald, Dairy Australia's Manager Biotechnology and Strategic Initiatives provided answers to the questions.

"Analysis shows that Australia's top 10 dairy export markets all import GM for food or feed, which means they also have products on supermarket shelves with GM ingredients. In addition, many dairy cows



UDV President Adam Jenkins engaging with farmers at the Cohuna GM Farmer Forum.

around the world are eating GM feed such as canola and cotton meal and GM alfalfa (lucerne)," Ms Fitzgerald said.

"GM crops are now 19 years old, grown in 28 countries by 18 million farmers on over 180 million hectares," she said. "These plant varieties are widespread around the world and are no longer a 'new' development."

"On consumer sentiment, we know from a decade of market research that about 60 per cent of Australians are fine with GM crops and foods, 25 per cent do not support them and the others have changing opinions depending on the particular genetic modification."

In addition to the science and regulatory considerations, Ms Fitzgerald noted that a coexistence plan was an important piece of the work that would need to be done to allow different farming systems to operate alongside each other. Ms Fitzgerald said

that the dairy industry could look to other sections, such as the grain and canola industry, to develop a coexistence model.

Ms Fitzgerald noted that another important factor was the need for the dairy industry to find a commercial partner to work with the industry to take the high energy ryegrass to market. A commercial partner would assist in compiling the data for the Federal regulator for approval, in addition to bulking up the seed and marketing the final product.

Considerable work needs to be done for high energy ryegrass to get to a point where dairy farmers could have the choice to plant the new pasture. The UDV Forums have started a conversation to gauge farmer interest in having this choice.

The discussion about GM ryegrass will continue at the UDV Conference to be held at the MCG on 29th April.

# Onshore Gas Forums postponed

The UDV Onshore Gas Farmer Forums have been postponed until April due to unforeseen changes to a speaker's availability. Originally planned for early March, the meetings will now be held during the first week of April.

The Onshore Gas Forums will provide information on onshore gas mining including coal seam gas, and will lead into discussions at the UDV Conference on April 29th.

The onshore natural gas industry has the potential to affect dairy farming in Victoria. Its development is one that concerns many people and many do not know where to find

credible information. The moratorium on new exploration licences for onshore natural gas and on approvals for hydraulic fracturing (fracking) will come to an end in July 2015.

Now is the time to find out more information.

Dairy Australia commissioned a study into onshore gas and the potential issues for dairy. The report outlines current processes and regulation, key areas of concern, and

options for strengthening regulation in Victoria.

At the UDV farmer forums you will hear from the Dairy Australia report and from dairy farmers who have experienced the onshore gas industry first hand.

To find out about forums in your area please contact the UDV on 1300 882 833 or go to the UDV website [www.vff.org.au/udv](http://www.vff.org.au/udv).

## Fair Work Ombudsman targets dairy farmers

The Fair Work Ombudsman targeted dairy farmers in the Campaspe region during the week commencing 23rd February 2015.

The Ombudsman advised that the Victorian – Loddon/Elmore – Campaspe Campaign 2015 was to focus on compliance with Commonwealth workplace laws.

In particular, the Ombudsman sought evidence of compliance with laws surrounding wages and conditions of employment within the Pastoral Award 2010, as well as record keeping obligations.

The VFF Workplace Relations Department reminds members to have accurate documentation of employee work hours, in particular, additional hours which may be synonymous with the industry.

In many cases, additional hours will trigger overtime provisions under the Pastoral Award 2010, so it is critical that your pay records and agreements reflect these requirements.

UDV members with any enquiries concerning obligations with respect to employment records, have access to the expertise of the VFF Workplace Relations Department.

The UDV Member Employment Advice Service entitles UDV members to at least two free phone calls as part of the Service. Call toll free 1300 442 481.

## UDV Workplace Relations Sessions

Over the last few months UDV together with the VFF Workplace Relations Department has been hosting panel discussions around the regions.

The sessions have touched on aspects of employment, including hiring and inducting new employees and how to better understand the modern pastoral award classifications. Other speakers have talked about superannuation compliance made easy and careers in agriculture.

There will be two more WR Panels in May in Camperdown and Timboon.



VFF Membership Development Representative Rob McLoughlin with UDV Members Andrew Wortley and Will McDonald at the Workplace Relations Panel Session in Macarthur.

### Events communication

UDV communicates to members about upcoming events through direct mail, email, and SMS.

Please contact the UDV office on 1300 882 833 to update your details if you have not been receiving these.

# NZ Study Tour inspires the young

The New Zealand Study Tour captured even more of our closest neighbour's dynamic industry when it ventured to the South Island for the first time in recent years. The tour, which takes six of the brightest young dairy farmers and industry representatives to NZ each year, is organised by the UDV and funded by the Gardiner Foundation.

The South Island certainly has the wow factor with a phenomenal level of growth and production in dairy. The numbers of farms, cows, and milk solids have more than doubled in the past 10 years and the average herd size is now 596 cows (and 761 in the Canterbury region). It is only a matter of time now for NZ's reputation to move from sheep and onto dairy. Just wait for the cow jokes.

The tour travelled to farms, research, and industry sites from February 2nd to February 9th. The group was lucky enough to see the largest milk processing site in the world (volume of milk) in Edendale, as well as the Van Leeuwen mega dairy farm with a 1.3 hectare shed that can house 1500 cows milked by 24 robots. Competing in the speed hand milking competition at the NZ Rural Games in Queenstown was also a highlight.

The participants were interested to learn about the wintering practices in Southland, where almost every farm sends their dry cows off-farm during the winter months. This has become a great business opportunity for many livestock farmers who spend the rest of the year preparing their farms to house dairy cows during the winter months. Participants also learnt about a fascinating value-add product called 'sleepy milk'. Cows are milked under red lights in the middle of the night to maximise the amount of melatonin produced.

Perhaps the most impressive aspect of the tour was the business mentality of the farmers that were met; all ambitious and pushing their investments to the limit. The drive and positivity was inspirational. NZ dairy farmers were even optimistic during a time when they are experiencing a halved milk price. Despite facing similar issues to dairy farmers in Victoria, NZ farmers seemed to take it all in their stride; seeing potential barriers as opportunities to become more efficient operators. This was shown during discussions about the introduction of caps on nitrogen leaching on-farm.

The social media aspect of the tour was also a great success. Almost 400 visitors from 29 countries (including Guatemala, Qatar, Brazil and India) viewed the tour blog during the tour. We also received great reception on Facebook with 110 more likes since last year's tour and one post reaching 2,418 people.

Have a look at the blog at [www.udvdairytour.com](http://www.udvdairytour.com)



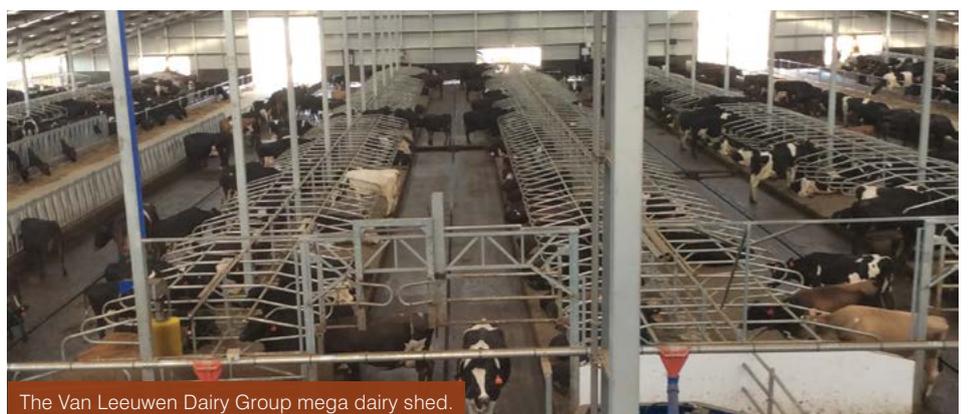
Tour group at Fonterra Edendale, largest processing site in the world.



Talking with Chris Withy on his 440 cow farm in Southland.



Jason Bermingham and Hayden Hanratty enjoying the cow brush in a wintering shed in Southland.



The Van Leeuwen Dairy Group mega dairy shed.

# Raw milk and the risks

The tragic death of a toddler in Mornington and illnesses of four children as a result of drinking unpasteurised (raw) “bath milk” has generated much discussion on the sale and supply of raw milk.

Before and after these incidences, UDV has been working with both Dairy Food Safety Victoria (DFSV) and the new Victorian Government to toughen milk regulations on the sale of raw milk. We called upon the regulators to maintain the integrity of the systems designed to protect our consumers. We welcome DFSV implementing a new licence condition to ensure that cosmetic milk products are clearly differentiated from dairy food.

Under the new condition, any licence holder that intends to sell, deliver or supply milk or milk products not intended for human consumption is required to advise DFSV of this intention and obtain DFSV's approval of the proposed treatment of these products to meet the licence condition. If a licence holder intends to supply raw milk to a manufacturer other than a licenced dairy food manufacturer they will be required to demonstrate how they will ensure that products made from that milk will meet the condition.

This condition and the unlawful status of selling and supplying raw milk has led to many questions being asked of the regulator. DFSV provided these responses:

## Why is drinking raw milk considered a health risk?

A wide variety of organisms that can cause illness can be found in raw cow's milk. These include bacteria such as Campylobacter, Listeria, Salmonella, pathogenic Escherichia coli and parasites such as Cryptosporidium. Drinking raw milk increases your risk of acquiring various gastrointestinal illnesses, with symptoms ranging from mild discomfort (diarrhoea and vomiting) to life-threatening illnesses such as Listeriosis or haemolytic uraemic syndrome (HUS) and can result in renal failure, paralysis or even death in otherwise healthy people.

No matter how carefully it has been produced, raw milk may be unsafe because it can contain organisms that cause illness. There are various ways that raw milk may become contaminated by these organisms.



Some contamination may arise in the milk itself –directly from the cow prior to milking. However, the environment also provides a significant source for contamination at the point of milking.

That is why dairy products produced in Victoria for human consumption are made from pasteurised milk, which means the milk has been heat treated for a short period, or they have been treated in some other manner to kill any pathogenic bacteria that may be present.

## I grew up on a farm and drank raw cow's milk. Why didn't I get sick?

Most of the organisms that cause illness if present in the milk at the point of milking will grow and multiply in raw milk over time and as such the risk posed by consumption of raw milk increases significantly with transportation and

storage of the product. Whilst there is a risk of consuming raw cow's milk on farm the provision of raw milk into a retail setting away from the farm presents a significantly increased risk.

## Will farmers still be able to consume raw milk on their farms?

DFSV's role is to regulate the dairy food chain to protect public health and it is not DFSV's intention to investigate the use of raw milk by dairy farmers on farm. However, farmers should understand the risks posed by raw milk and are expected to manage those risks in the farm environment and beyond. Farmers are reminded that it is an offence for anyone to provide milk for human consumption which has not been treated as required by the DFSV Code of Practice.

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