



Focussing on the Future

Dear Members,

Many farmers have responded to the new season price signals and the impact of the wet winter by reducing cow numbers according to recent industry data. Further confirmation comes from milk production for July being down by more than ten per cent, and not just in Victoria.

Reports from across the industry also confirm that cows with questionable production or interrupted health are being moved on quickly. Strong meat prices have been maintained, despite the increased numbers of choppers moving to processors, providing valuable farm income.

Many herds are now definitely younger with reports of farmers keeping heifers despite reducing the number of milkers. This strategy provides some flexibility to increase milk production in the future if milk prices improve to the required level. Keeping more heifers on farm has also been influenced by a cooling of the export trade.

Processors are reporting that one outcome from the heavy culling strategy is that milk quality is up. This is an obvious, but important, outcome and the expectation is that this should be maintained with a younger herd.

Apart from meat prices holding at high levels, farmers across the state are encouraged by the current state of the season. Good winter rains have reinstated our important moisture profile and provide great hope for the spring.

Average rains should provide ample opportunity for farmers to maximise pasture and crop potential and if it stays mild, and we fluke a few rains late in the year, the potential is for the pasture growing season to be extended.

The rains have also filled farm dams and boosted water storages. Irrigators have been encouraged by opening season water allocations which may be boosted further by big rains filling the Darling and Murray systems in recent weeks. The supply/demand drivers of water now have water prices much lower.

Further encouragement for dairy farmers comes from the grain and fodder growing regions of the country where crops look magnificent. Growers report strong, healthy crops that have the potential to provide impressive yields. World grain prices are subdued thereby allowing dairy farmers to factor in lower supplementary feed input costs.



AFL Legend Kevin Sheedy and 2016 UDV NZ Study Tour participant and young farmer, Alec Young at the Legendairy Football Day between Girgarre and Stanhope, an event supported by Look Over the Farm Gate

All of this would be perfect if our farmgate price wasn't so low. There are a few encouraging signs with world prices for some dairy lines including our key SMP and WMP creeping up and world production easing. The \$A is expected to stay higher than we would prefer on the back of US Presidential election unease.

As reported last month, the UDV continues to focus on the key areas of seeking improvement in the balance and transparency of milk price structure and supplier agreements/contracts to ensure the dairy industry never faces the circumstances of 2016 again.

We continue to work closely with ADF in our dealings with the ACCC, ASIC, the federal and state governments to meet our objectives. We are working closely with the farm consultants and advisors.

In the meantime I encourage as many people as possible to take up the support package offers that are available. It can take time but the

benefits are significant. There has been some frustrations that we believe have been largely dealt with. Don't self-assess.

If we don't use the opportunity, we run the risk of losing it.

Until next time, happy farming.

Adam Jenkins
President, United Dairyfarmers of Victoria

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Cutting Farm Deaths in Victoria

Quad bike rollovers are the leading cause of farm deaths in Australia. Farmers and their families will now benefit from \$6 million in rebates being granted by the Victorian Government, to improve quad bike safety.

VFF will manage the scheme, in conjunction with WorkSafe Victoria, which will offer farmers the rebates over two years from 1 October, 2016 for purchases from 1 September, 2016, or until funds run out.

In 2015 alone, there were 22 quad bike fatalities and around 70 injuries across Australia - and with eight already this year, local farming communities are being rocked by these tragic but largely preventable deaths.

Farmers can apply online, or lodge the form with VFF, by post or email.

To help applicants the VFF and WorkSafe Victoria have put together the following list of frequently asked questions.

Below is a few examples of the FAQ's. For a full list, or for a rebate application form, head to: www.bequadsafe.com.au.

What are the approved safety solutions I can get a rebate for?

Eligible farmers can apply for a rebate of either:

- ▶ \$1200 for the purchase of an alternate vehicle such as a side-by-side vehicle (SSV) or a small utility vehicle (SUV). The alternate vehicle must be designed for use in agriculture and at point of sale have rollover protection and a fitted seatbelt. Sport vehicles and small commercial vehicles, such as utes, are excluded.
- ▶ Up to \$600 for the purchase of up to two operator protection devices (OPD). The OPD must have been designed and manufactured in accordance with approved engineering standards and independently tested to be eligible for the rebate. There are currently two OPD devices that meet this criteria and are eligible for the rebate. They are the Quadbar™ and the ATV Lifeguard.

Rebates are available for safety solutions purchased on or after 1 September 2016.

Who is eligible to apply for a rebate?

The rebate is available to farmers that:

- ▶ live and operate a business in Victoria
- ▶ have no more than 19 full-time employees
- ▶ own a quad bike for work purposes
- ▶ have farming as their main source of income.

Farmers who are owner-operators with no employees are eligible to apply.

When can the rebates be claimed?

The rebates will be available to claim from 1 October 2016 for safety solutions purchased on or after 1 September 2016.

Can I use the rebate for purchases made prior to 1 September, 2016?

No. You can only apply for a rebate for approved safety solutions purchased on or after 1 September 2016.

Can I claim the rebate if I don't own a quad bike?

No. You must own a quad bike for work purposes to be eligible for the rebate.

Can I claim the rebate on an OPD I make myself?

No. The rebate is only available for OPDs that have been designed and manufactured in accordance with approved engineering standards. Any new design will need to be signed off by a competent and suitably qualified person, such as an engineer and independently tested.

A person seeking to build their own OPD takes on the responsibility of the designer and manufacturer, and both have duties under the Occupational Health and Safety legislation. It would be preferable (and probably cheaper) to buy an approved product already on the market.

Will fitting an OPD void my warranty or affect my insurance?

A rollover protection device is an accessory for a quad bike that needs to be fitted in accordance with its manufacturer's instructions. Australian consumer law applies to the purchase of quads and OPDs so if you buy something that isn't right, you have consumer rights.

The VFF is unaware of any concerns in relation to warranties or insurance. However, farmers should seek advice from the appropriate insurer and manufacturer. If a manufacturer of dealer states the fitting of an OPD voids the quad bike's warranty, then please request they put that claim in writing.

How can I apply?

You will be able to apply online, by email or by post. Further details will be available soon on the WorkSafe and VFF websites. You will need to include proof of purchase with your application (e.g. tax invoices and receipts). Your proof of purchase must include the business name, address, ABN number, payment date, description and cost of the safety solution for which the rebate is being claimed.

What is not covered by the rebate?

Rebates will not cover:

- ▶ the design or manufacturing of new items including items that you have designed and manufactured to your specifications,
- ▶ owner-built items,
- ▶ purchase of raw materials,
- ▶ purchase of second-hand items,
- ▶ service repairs or maintenance.

Rebate solutions do not cover products or equipment for domestic, recreational or social activities.

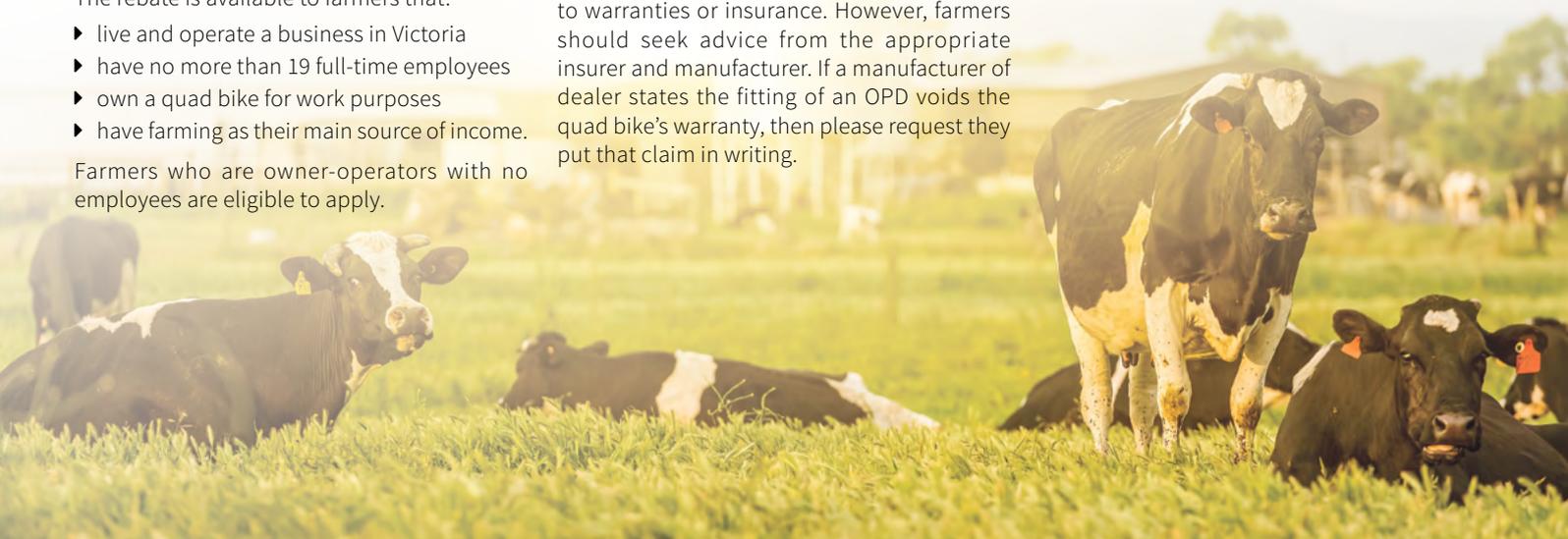
Do I have to be a member of VFF or United DairyFarmers of Victoria to apply for the rebate?

No. Membership of an association or commodity group is not an eligibility requirement.

Where can I find further information?

As further details are finalised, information will appear at worksafe.vic.gov.au or on the VFF website bequadsafe.com.au

For a full list of the FAQs, or for more information, please head to: www.bequadsafe.com.au



Look Over the Farm Gate Update

As our farming communities are managing through tough seasonal conditions and dealing with the drop in farm gate milk price, we understand the importance of making sure farmers and the communities they support, look after themselves and “look over the farm gate” to look out for their neighbours.

The Victorian Farmers Federation, together with the Royal Flying Doctors Service Victoria, Country Fire Authority, Country Women’s Association, National Centre for Farmer Health and the Victorian Government has been delivering “Look Over the Farm Gate” in your community.

Almost 100 events have been held under the Look Over the Farm Gate banner since January 2016.

Training and activities have been held across Victoria to help to raise awareness and support physical and mental health, as well as issues of domestic violence in rural communities.

Funding for the program has now been oversubscribed for social events and training workshops.

There are many events scheduled for the coming two months, as advertised on www.lookoverthefarmgate.com.au. We encourage members of the community to head along and participate at one of these sessions.

A further round of funding for social events may be made available to the dairy industry later in 2016. The availability of a round of further funding will be advertised on the website and through other media channels.



VFF Conference participants attended a tour by boat of the Port of Melbourne

2016 UDV Policy Council

The UDV Policy Councillors are your regional representatives to shape the future policy of the UDV. All farmers are encouraged to contact them when you have issues of concern in your region, especially through such difficult times in industry.

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Recent Industry News

Rising beef price puts floor under price of dairy cattle

The surging beef market is underpinning values of dairy stock, with some agents surprised there is demand at all for restocking dairy cattle.

Maddison Livestock and Property agent Craig Cox has been surprised there was demand for cows in Victoria’s north considering the low farmgate milk prices received.

Milk processor Bega Cheese announces financial results

Update: Bega Cheese Limited has posted a healthy \$28.8 million after tax profit in what its chairman Barry Irvin described as “an extraordinarily volatile” year.

The profit for the 12 months to June 30, this year, was 132 per cent more than the \$12.4 million posted in 2014-15.

It came off revenue of \$1.2 billion — a significant 7.5 per cent rise from the previous year.

Compare apples when you shop opening milk prices, farmers told

Dairy farmers have been urged to make sure they are comparing apples with apples should they go down the path of ‘processor shopping’ based on opening milk prices.

Processors tailor pay schemes to attract the type of supply that best matches the markets they sell into.

Because no two dairy farms are the same, that means producers need to look carefully at where their best opportunities are, given their individual set of circumstances, industry leaders say.

Milk enters ‘ugly’ zone as low prices and wet bite

Victoria’s July milk production has taken the biggest year-on-year hit since 2001.

Low farmgate prices have prompted large cow culls and encouraged farmers to dry off early. This and wet weather have put an 11.5 per cent dent in the state’s production.

Preliminary July figures from Dairy Australia suggest milk production nationally would be down 11 per cent for the first month of the season.

Victorian Government’s school milk boost claims don’t add up

The Victorian Government has announced a school breakfast program which they claim will support the state’s dairy industry.

The \$13.7 million program will see up to 25,000 children in 500 Victorian Government school receive a free breakfast of milk and baked beans.

About 400,000 litres of milk will be used in the program annually, which the State Government said would “boost the state’s struggling dairy industry”.

Celebrations and Achievements at VFF Conference

Support for volunteer fires, defence for the diesel fuel rebate and a program to manage the impact of koalas. The VFF Conference had it all.

More than 200 farmers crowded into the Rydges Hotel in Melbourne over a jam-packed two days in late July to discuss the year's biggest issues and shape the organisation's policy platform for the next twelve months.

Premier Daniel Andrews chose the Conference to announce the State Government's \$6 million quad bike safety rebate scheme, while the farm lobby group provided its members with entertainment and insight from successful agribusiness professionals.

Over the course of the event, there was a guided tour of the Port of Melbourne with Ports Minister Luke Donnellan, a keynote address from Southern Gin Cotton General Manager Kate O'Callaghan and a panel discussion on investment opportunities.

At a special dinner for outgoing VFF President Peter Tuohey, the organisation celebrated its achievements, while two longstanding horticulture members – Michael McCormack and Bob McDonald – earned life memberships.

Amidst the excitement, a new President and Vice President were elected. Wimmera grain grower David Jochinke took the reins from Mr Tuohey, while Mallee grain grower Brett Hosking took over from Mr Jochinke as Vice President.

Resolutions debated at the Conference included motions to:

- ▶ Ensure equal standing of economic, social and environmental outcomes in the delivery of the Murray Darling Basin Plan
- ▶ Advocate for Wimmera-Mallee channel easements to be removed without cost to the customer
- ▶ Support co-investment in Australian family farms from Australian super funds
- ▶ Review the legislation establishing Infrastructure Victoria
- ▶ Defend the diesel fuel rebate for primary producers
- ▶ Upgrade load capacity on Victorian rail networks to 23 tonnes per axle
- ▶ Lobby for increased capacity on our roads to support the increased use of B-triple trucks and road-trains
- ▶ Acknowledge the support of ex-Minister for Emergency Services, Jane Garrett, in the opposition to union control of the CFA and volunteers



Victorian Premier Daniel Andrews announces the Victorian State Government Quad Bike Rebate and discusses CFA volunteers at the VFF Conference

- ▶ Cap any increase to the fire services levy payment per property to the consumer price index
- ▶ Develop a policy to investigate and encourage renewable energy options and energy saving devices in agriculture
- ▶ Acknowledge agricultural democracy and supporting Australian small and medium farm enterprises
- ▶ Encourage State and Federal government funding for shelter belts and wildlife corridors
- ▶ Seek government funds for programs to manage the impacts of koalas in the South West of Victoria.

Dairy symposium brings industry together to move forward

Australia's dairy industry has committed to work towards fixing the ongoing crisis engulfing the sector following a Federal Government symposium today in Melbourne.

The United Dairyfarmers of Victoria praised the Symposium as an ideal forum for farmers to have their voices heard in the same room as government, processor and retail representatives.

"Dairy farmers had an opportunity today to confront the processors and retailers responsible for the milk price cuts and low milk prices, and demand greater transparency from the farm gate across the whole supply chain," UDV President Adam Jenkins said.

"It was a productive and frank discussion where we got to put our case forward regarding clawback clauses, we got to say what needs to change, and we got an outcome that the whole supply chain can address."

Deputy Prime Minister Barnaby Joyce chaired the meeting, announcing the Australian Competition and Consumer Commission (ACCC) would be given expanded powers in its inquiry into the dairy industry, with the consumer watchdog being handed the authority to obtain information from companies.

The inquiry, which is due to begin in November, will look at sharing the risk along the supply chain, supply agreements and contracts, competition, bargaining and trading practices in the industry and the effect of world and retail prices on profitability.

Mr Jenkins welcomed the inquiry as a fair way to ensure greater transparency across the dairy supply chain.

"We're extremely encouraged by Minister Joyce's comments that dairy farmers deserve

fair returns at the farm gate, as well as transparency in milk price arrangements and supply contracts," he said.

"It's vital that we uncover all the inefficiencies and inequities our dairy farmers face, and we agree an in-depth and independent inquiry would achieve a thorough and fair result."

The ACCC's Agricultural Unit will lead the inquiry, engaging with stakeholders through public and private hearings, with a final report to government to be released in the second half of 2017.

Mr Jenkins said the UDV would contribute to the inquiry and urged others in the dairy industry to work together to solve issues currently affecting the sector.

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