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HOTLINE

Newsletter of the United Dairyfarmers of Victoria

UDV's vision to start discussion for the future

The UDV released its vision for the Australian Dairy industry at the Annual Meeting and Conference held last month.

Newly elected UDV President Tyran Jones, who assumed the position at the end of conference after Kerry Callow stepped down, released The (draft) Vision for Australian Dairy which identifies key priorities for the future of the dairy industry.

"The purpose of the Vision, and setting targets, is to start the discussion," Mr Jones said.

"We should have aspirations if the industry is to grow into the future.

"Our goals are to lift return on farm assets by seven to 10 per cent for the top quartile of farmers. If this is achieved the dairy industry will have profitability and confidence, which unlocks capital.

"We aspire to grow milk production nationally from nine billion litres now, to 12 billion litres by 2020 and 15 billion litres by 2025. To do this the industry must embrace new tools, technologies and skills if we are to lift production by 30 per cent.

"If we do these things then we will reclaim Australia's position as the third largest dairy exporter."

The conference included a session where a panel of key dairy industry leaders offered their view of the way for the industry to meet the targets.

Matt Shaffer and Chris Murphy from Dairy Australia, Australian Dairy Farmers President Noel Campbell, former ADFF Chief Executive John McQueen and Tim Ada from DEPI answered tough questions from the audience with each panel member offering their ideas on how best Australian dairy farmers can be profitable and a major player in the export market.

Panel members highlighted that the key areas for industry to focus on include improved management of genetics, farm succession, tools for farmers to increase their understanding of the cost of production and ensuring there is continued skills development in the sector.

Mr McQueen looked to the past to find lessons for the future and he stated that the industry needs to be united to be successful.

"Division is death," he said, which became the most common tweeted quote with the conference hashtag #UDV2014.

UDV Policy Councillor Adam Jenkins presented 'Milk Price Structure – Review and Next Steps' a wrap-up of the results of a consultation meeting in October last year. The UDV has developed a Discussion

paper that is now being circulated through the industry.

"In October last year, the UDV got a group of agricultural consultants together to evaluate at the existing complex pricing mechanisms whether they are having a negative impact on farmers producing milk profitably," Mr Jenkins said.

"We have to remember, if we don't produce profitable milk, our markets will disappear."

The UDV also launched its 2014 Victorian Election strategy document, which UDV Manager Vin Delahunty said focusses on how the state government can help farmers increase profitability by among other measures, better managing logistics and attracting skilled workers to the industry.

The Annual Meeting & Conference was held at the MCG on March 26 and 27.

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UDV President Tyran Jones told Conference that the Victorian Dairy Industry needs aspirations if it is to grow in the future.

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2014 UDV Annual Conference Resolutions

The following resolutions were presented at the UDV Conference which was held on the 26th and 27th of March at the Melbourne Cricket Ground.

Change to Levy Authority

1. "That the Levy Authority section of the Dairy (UDV) Membership Application be re-worded to authorise the VFF to have the Membership Levy deducted from the current and any subsequent factory the farmer supplies. The VFF would send a "certified copy" to the factory & keep the original for use for future certified copies for any subsequent factory supplied. Protocol would be best served by contacting the farmer & factory before enacting the new Levy Authority."

Submitted by: **Wannon Region Dairy Branch**
Moved: Chris O'Keefe
Seconded: Basil Ryan **CARRIED**

UDV Policy Council Agendas

2. "That the Head Office of the UDV make all Agendas for all Policy Council Meetings available to each branch via the branch secretaries at least a week prior to each meeting, so that each Policy Council Representative can attend their meetings fully prepared and informed on the opinions of their respective branches. Such a move will ensure that the meetings run more efficiently, more productively, and more professionally. Which will eventually lead to an increase in information flow and member satisfaction."

Submitted by: **West Goulburn UDV/VFF Branch**
Moved: Tim Leahy
Seconded: Robert Schloss **LOST**

Farmgate Competition

3. "That there be a review of UDV Policy to promote farmgate competition, including farmers being able to transfer from one factory to another without penalties, e.g. "loyalty payments not being paid".

Submitted by: **Wannon Region Dairy Branch**
Moved: Bruce Valance
Seconded: Basil Ryan **AMENDED**
AMENDMENT: "That there be a review of UDV Policy into the effects of farmgate competition, including farmers being able to transfer from one factory to another without penalties."
CARRIED

Australian Owned

4. "That the UDV continues to support Australian ownership of Australian owned dairy farms and Australian owned milk companies."

Submitted by: **West Goulburn UDV/VFF Branch**
Moved: Tim Leahy
Seconded: Robert Schloss **WITHDRAWN**

Level Trade Playing Field

5. "That the UDV seek support from

Government, Federal and State, to assist the dairy industry to create an environment locally & internationally, to compete with our overseas competitors by creating as near as possible a level playing field".

Submitted by: **Wannon Region Dairy Branch**
Moved: Roma Britnell
Seconded: Basil Ryan **CARRIED**

UDV's actions in WCB takeover

6. "That the UDV's endorsement of MG's bid for WCB- Colac branch members were disappointed that the UDV directly supported MG in their takeover bid for WCB."

Submitted by: **Colac UDV/VFF Branch**
Moved: John Miller
Seconded: Allan Osborne
LOST – ACCEPTED AS A COMMENT FROM BRANCH

Right to Farm

7. "That the UDV support the efforts of the VFF to have the "Right to Farm" clauses reinstated on the Section 32 of land sale contracts".

Submitted by: **Wannon Region Dairy Branch**
Moved: Basil Ryan
Seconded: Roma Britnell **CARRIED**

Agricultural skills in schools

8. "That the UDV lobbies the Government to develop an agricultural based practical skills course in secondary schools."

Submitted by: **West Goulburn UDV/VFF Branch**
Moved: Tim Leahy
Seconded: Robert Schloss **AMENDED**
AMENDMENT: "That the UDV continues to lobby the Government to promote agriculture as a career in secondary schools."

Independent Dairy Research

9. "That UDV lobbies the Vic Government to purchase and develop a research dairy farm in Northern Victoria that is overseen by a private dairy consulting company for the purpose of genuine non bias research. We need a research facility that reflects our climate and our challenges, not that of Gippsland. Want and need realistic trials with realistic outcomes."

Submitted by: **West Goulburn UDV/VFF Branch**
Moved: Robert Schloss
Seconded: Tim Leahy **LOST**

On Farm Energy Production

10. "That the UDV seek assistance from Government for support of all forms of on farm energy production and energy efficiency measures for the dairy industry."

Submitted by: **Wannon Region Dairy Branch**
Moved: Basil Ryan
Seconded: Bruce Valance **CARRIED**

RD&E Funding

11. "That the UDV calls on the State Government to increase the real value of funding to dairy industry RDE&E programs"

Submitted by: **UDV Policy Council**
Moved: Roma Britnell
Seconded: Ron Paynter **CARRIED**

Resolution submitted from the floor

"That all water resolutions go to the VFF Conference on the 12th and 13th June."

Moved: Darryl Hoye
Seconded: John Keely **CARRIED**

Transparency with GMW

12. "That the UDV push GMW for more transparency in the understanding of water volumes held in storage, and what the trigger will be for low reliability water to become available."

Submitted by: **West Goulburn UDV/VFF Branch**
RESOLUTION MOVED TO VFF CONFERENCE

Fires in irrigation areas

13. "That the UDV and the VFF lobby government to rejuvenate the irrigation industry in Northern Victoria in order to reinstate the massive level of fire protection thawt irrigated agriculture provides to these communities. In addition call for an inquiry into how much extra fire danger the northern Victorian community is now in because of government policies to close down large parts of the irrigation industry in this area."

Submitted by: **West Goulburn UDV/VFF Branch**
RESOLUTION MOVED TO VFF CONFERENCE

Water connections Program

14. "That the UDV and VFF call on the Victorian Government to take immediate action to address wastage and delays that threaten to undermine the \$2.2 billion Connections project".

Submitted by: **West Goulburn UDV/VFF Branch**
RESOLUTION MOVED TO VFF CONFERENCE

Overseas Workers

15. "That the Colac branch would like the UDV to seek clarification on the process of employing overseas workers."

Submitted by: **Colac UDV/VFF Branch**
Moved: Allan Osborne
Seconded: John Miller **CARRIED**



Developing the next generation of leaders

The annual GippsDairy tour to Tasmania, the Don Campbell Memorial Tour, was held March 24 -28, 2014.

The tour is a tribute to the inaugural chairperson of Gippsdairy, Don Campbell, and is providing young dairy farmers with the opportunity to tour the northern dairy belt of Tasmania to build their knowledge, skills and contacts within the dairy industry. YDDP South West coordinator Liza Fahey led the tour for the first time and said it was a great success.

"I really hope the tour inspired the participants to forge a future in the dairy industry," she said.

The tour brought the participants in contact with forward thinking farmers and encouraged the participants to think positively of the dairy industry.

It aimed to give young farmers the feeling that the industry had a bright future and can provide a satisfying and rewarding career.

Participants were exposed to many different dairying systems, as well as different ideas on how to approach the business of dairy farming.

Mr Fahey said all the farmers the group spent time with were positive and optimistic, which was great for the young people looking at a future in the dairy industry.

Each of the participants had to write a report on the farms visited and verbalise their thoughts of the entire trip.

An important aspect of the tour was the social side, with participants relishing the chance to relax in the company of each other.

Mrs Fahey said the group was a great mix of people that all got along really well, which made for an excellent time in Tasmania.

"We had great weather for the whole five days, so everyone was in a good mood, getting along well and making the most of the opportunity," she said.

"The tour is a great way of supporting young people in the industry and helps develop the next generation," Mrs Fahey said.

All of the participants were enrolled in a unit of the Diploma in Agriculture developed by the NCDEA, "Analyse and Interpret data" and they were able to complete most of the course work throughout the tour with the final piece being finished after the tour.

Mrs Fahey said she would like to thank the support of sponsors GippsDairy, NCDEA, and DairySA, as well as Leanne Bunn from NCDEA for her support and hard work that she put into this tour in making it run as smoothly and easily as possible.



Young Dairy Network Australia (YDNA) visited Hayden and Jess Vanderdrift's farm in North West Tasmania on the Don Campbell Memorial Tour.

FTA a lost opportunity for Australian dairy

The UDV wants to ensure the Victorian dairy industry is not ignored in another Free Trade Agreement with Asia.

The UDV was extremely disappointed at the lost opportunity to secure a better trade deal with Japan and is now looking to the China FTA to target the 'dining boom'

"Dairy farmers currently pay \$116 million a year in import tariffs on \$511m of processed dairy products going into Japan," UDV President Tyran Jones said.

"That equates to almost a quarter of the value of our total dairy trade to Japan.

"We understand that all we received out of this FTA is a few million dollars of tariff relief at best.

"Japan is a huge market for us, with 130,000 tonnes of Australian dairy produce

hitting their shores each year. We deserved a better deal," Tyran said.

Tyran said dairy is the classic 'value-add' product with regional towns across the state providing the capability for the fresh milk to be processed locally.

"While the trading situation for dairy farmers has improved this year the government should understand the world dairy market is undergoing significant transformational change.

"The US and European Union are set to swamp the global marketplace with subsidised dairy products, making it even harder for Australia to compete on a level playing field."

The Australian Government is set to secure an FTA with China by the end of the year and the UDV hopes it will secure a better deal for dairy.

"New Zealand has had a deal in place since 2008 and we will be looking for similar tariff concessions when our Government negotiates with China," Tyran said.

"By 2012, there will be no taxes imposed on cheese, infant formula and skim milk imported into China from New Zealand and by 2019, all key dairy products will be tax free.

"Australia currently pays a 15 per cent import tariff on milk, cream, skim milk and infant formula; 12% on cheese and 10% on skim milk powder, whole milk powder and butter.

"This provides a huge advantage to our biggest competitor and we will be advocating strongly for the same advantages in an FTA with China."

2014 UDV/VFF Numurkah and District fire fencing recovery program

In February this year fires burned through approximately 30,000 acres in the heart of the Goulburn Valley. Much of the burnt land was flooded during the 2012 floods.

Damage was the greatest in the areas south and west of Numurkah.

The local UDV branch quickly moved into action and with the support of former dairy farmer, Numurkah resident Peter Cooper, coordinated volunteers to assist with the massive task of cleaning up damaged fence lines.

It is estimated that Peter Cooper coordinated 2,200 volunteer hours from service clubs, church groups, cubs and scouts, recreation clubs, schools and individuals on behalf of the UDV.

His work was made possible with the support from the VFF Disaster Relief Fund.

In 23 days volunteers removed approximately 140 kilometres of road side fences and 50 kilometres of internal boundary fences.

According to Peter many land holders shared boundaries with Goulburn Murray Water, Broken Catchment Management Authority, Goulburn Valley Water, Moira Shire and DEPI.



"Each of these had different criteria required in regard to shared fences. This was quite difficult for some land holders to comprehend and sometimes needed extra consultation to ensure that both parties were kept informed," Peter said.

The coordinator role had its challenges requiring mediating fencing disputes between neighbours, facilitating contact between landholders and appropriate statutory bodies, fielding enquiries from suppliers and contractors and instructing work crews, both in regards to OH&S matters and techniques for effective fence removal.

Vale - Yvonne Elizabeth Crawford

On Tuesday morning, 18th March, 2014, the dairy industry lost a special person when Yvonne Crawford passed away peacefully in her sleep. Not only did her family, husband Ross, sons Hamish, Fergus, Duncan and Angus (and their families) lose a very special person in their lives, but those in and associated with the dairy industry who knew her, lost someone special as well.

For more than a decade, and despite being actively involved on the family farm, Yvonne also found time to work for and on behalf of her fellow dairy farmers within her local UDV Branch, UDV Policy Council, various industry committees as a UDV Rep. Yvonne also found time to participate in some Leadership Programs - Marcus Oldham Rural Leadership Program and the Fairly Leadership Program.

Yvonne was a person of the highest integrity and respected by all who knew her. For those who had the pleasure of calling her a friend, we are all the richer for having been able to share a small part of her life. She will be deeply and sadly missed.

Fuel tax credits helping primary producers cut costs

The Australian Taxation Office (ATO) is urging primary producers and associated businesses to take advantage of assistance it's offering to get their fuel tax credit (FTC) claims right.

"The online tools and information on our website helps them get their fuel tax credits claims right and avoid costly mistakes, such as claiming for fuel they use in light vehicles (4.5 tonne GVM or less) when they travel on public roads," the ATO's Pauline Zdjelar said.

"And any fuel used for private purposes regardless of the GVM of the vehicle is not eligible for fuel tax credits."

She says some primary producers are also making errors calculating their claim, which they can easily avoid.

"FTC rates do change, so I'd urge everyone to use our online Fuel tax credit calculator every time they do their BAS to get their calculations right.

"This can help you avoid mistakes, saving time and money.

"And our Fuel tax credit eligibility tool is a must to make sure they can claim the fuel they use in their business."

Did you know?

- i** Each Australian drinks approximately 104 litres of milk a year.
- i** In December last year a woman was jailed for smuggling infant formula out of Hong Kong and into China. It was her fourth conviction.

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