

HOTLINE

Newsletter of the United Dairyfarmers of Victoria



A New Year of Joy and Hope

The new year awaits with improving circumstances for a dairy industry that was once again been pushed to the limits of its capability. World prices for dairy products have risen and that has been reflected in improving farm gate prices. Our never ending cool and damp spring has assured us paddocks laden with grass, even after replenishing our depleted fodder reserves. Our dry farm dams have refilled and irrigators appear assured a number of seasons of healthy water allocation as our key water reserves are near capacity.

As the year draws to a close we often reflect on what has been before recasting our view forward. For a majority of dairy farmers this is a year we would hope to never see again. Talk about challenging!

A very tough spring/summer/autumn made finding affordable quality feed, and in some instances reliable supplies of drinking stock water, the priority farm management issue. Production costs increased. This seasonal stress on farming businesses was compounded for many with a number of companies announcing variations to milk price payments. Budgets were reviewed with all possible costs slashed from businesses. Families were definitely very stressed.

The state and federal governments, in conjunction with the dairy industry, quickly responded with a raft of support measures. Businesses, including some banks, also introduced support measures. Whilst these cannot be guaranteed to meet the needs of everyone, and there was certainly a number of issues in some of the eligibility criteria, a significant number of farming families have benefited.

By mid November, almost 250 businesses had applied for the Dairy Recovery loans (now called Farm Business Concessional Loans Scheme) to refinance debt and take benefit from the low interest, 10 year term, interest only five year options. Many hundreds of families have accessed the Farm Household Allowance support. Additional Rural Financial Counsellors were appointed to meet the increased demand. Almost one thousand dairy farm businesses have taken up access to Tactics for Tight Times. The state government dairy grants offer was fully subscribed.

The community also got involved by organising many social activities right across the state under the Look Over the Farm Gate banner. These provided farming families with an important opportunity to get off the farm and relax as best they could. It is pleasing that more events are planned in the lead up to Christmas and into early next year.

Off farm it has been a very busy year for the UDV with the primary focus of the past few months being milk supply agreements, milk price structure and the milk price index. We have worked closely with the processors and ADF on the development of the industry Code.

It is easy to forget one of the biggest outcomes ever from work done by the farmer lobby with the VFF led negotiated outcome from the sale of the lease of the Port of Melbourne resulting in \$970million being set aside in a fund for regional Victoria.

The dairy industry has also been at the forefront of developments in the GMID specifically but the Basin plan more broadly.

In the coming weeks and months we will support the ACCC meetings across the state to discuss their review of the dairy industry and participate in a similar federal government review of issues around dairy farmers access to the Farm Household Allowance.

I am also pleased to report that the three UDV regional staff are all now operating and making a difference already in their regions. Welcome to Ebony, Peter & Alison.

As I look back at a year that I hope will never again be repeated, a very special thanks to my wife Cath, and my children, for supporting me in my work representing Victorian dairy farmers through this year's stresses and strains.



I would especially like to thank all our members for their support in this last year. There has been many, many, many phone calls, SMS's, Facebook messages and tweets to ensure that we continue to represent the people who count, our farmers.

It would be remiss of me not to thank our UDV staff, Vin, Alastair and Ashlee for their work this year – thanks team.

Finally, I would like to thank all the UDV Policy Councillors for their guidance and representation this year as it is difficult enough to focus on industry matters when your own business is affected by the seasonal conditions and pricing down turns.

As I look forward I can only wish for kind seasons, fair prices and the hope that dairy farmers can enjoy the beautiful pleasures of milking cows.

Lastly, look out for you neighbours and friends and have a happy, safe and festive New Year.

Merry Christmas to all!

Adam Jenkins

President, United Dairyfarmers of Victoria

Dairy Concerns at Planning Definitions

The Victorian Government has released the Advisory Committee Report into Intensive Animal Industries and the government response.

Existing intensive animal industries planning requirements specifically cover the broiler, pig and commercial feedlot operations, whilst the egg industry also has requirements.

The VFF has provided initial response to the Government and outlined the recommendations requiring further involvement to ensure the promise that red tape is not increased for farmers is delivered.

Throughout this process the UDV has been concerned that the dairy industry will be unnecessarily drawn into new planning requirements thereby adding expense and delays in future dairy developments.

The VFF has raised concern that the state government response to recommendation 4 in

which they have stated that the omission of a separate definition for dairy is a gap and that the "Victorian Government will work with the dairy industry to assess the off-site impacts of intensive production systems and identify the specific production systems that should require a planning permit". We are arguing that dairy is a commodity with excellent internal regulatory and quality systems and that land use definitions / permits are not best placed to deal with the management and continuing improvement of management practices.

An initial meeting between the DEDJTR, Dairy Australia and UDV/VFF has been held. UDV/VFF has requested regional consultation with dairy farmers and has offered to run information sessions round the state.



\$970 Million Bonus for Ag Infrastructure

The 50 year lease for the Port of Melbourne was sold, to the Lonsdale Consortium, for \$9.7billion in late September, and has since meant big things for the Victorian agricultural sector with a welcome \$970 million bonus for rural and regional infrastructure projects.

This welcome bonus has come about after VFF's lobby, in conjunction with the opposition, was recognised when the Government agreed to incorporate both price control measures, for future port fee structures, as well as allocate a portion of the profit, from the sale of the lease, back into rural and regional infrastructure funding.

The total \$970 million infrastructure funding package will benefit infrastructure investments with capital injections for irrigation modernisation, pipelines connectivity improvements, freight rail line upgrades, market access campaigns, energy projects as well as the \$200 million Agriculture Infrastructure and Jobs Fund (AIJF), which will focus on driving economic growth.

The AIJF, committed by the Victorian Government, will focus on increasing production and performance efficiencies for farmers and agribusinesses through funding investments in economic infrastructure and agriculture supply chains. In a bid to drive economic growth, create jobs and boost exports, the AIJF will commit funds to two funding streams; Infrastructure (\$175 million) and Programs (\$25 million).

The Infrastructure stream will focus on projects and activities that address inefficiencies often beyond the control and influence of farm businesses yet pose a great threat to farm profitability and competitiveness. Such projects set to benefit

will include Major Capital Works for enabling infrastructure along agriculture supply chains and the Local Roads to Market Program to develop first/last kilometre local roads along key agriculture freight routes.

The Program stream will focus on increasing the resilience of the agriculture sector through developing programs to support market access development, enhance the traceability of Victorian produce, build business and risk management capabilities and support agribusiness networks to develop products and markets.

By VFF Grains Group



2017 Gardiner UDV New Zealand Study Tour Participants

Six young industry leaders have been selected for the 2017 Gardiner Dairy Foundation – UDV New Zealand Study Tour.



UDV received the highest number of applications since the Study Tour inception seven years ago. In what has been an extremely difficult 12 months for the dairy industry, the outstanding quality and quantity of applications show there are still many young, passionate people in the industry who are focussed on moving forward and becoming industry leaders.

The opportunity was given to applicants who would gain the most from the trip, both being able to trial alternative management practices on farm and promote their learnings upon their return.

Participants will be touring the South Island of New Zealand for eight days in early February 2017 including visits to dairy farms, research and processing facilities and the Federated Farmers of New Zealand to discuss some of the policy issues for dairy across the ditch.

The Tour will be led by Oonagh Kilpatrick, Koroit dairy farmer and UDV Policy Councillor for Region 10, Tony Seymour, NCDE Industry Trainer & Short Course Co-ordinator and Ashlee Hammond, UDV Project & Policy Officer.

UDV and Gardiner Dairy Foundation congratulate the selected participants that represent the diversity of Victoria's dairy industry and look forward to seeing what experiences and key learnings they gain from this fantastic opportunity.



Alistair Harris, Larpent

Alistair is currently the Manager and a partner of Writhgil Pty Ltd, a 600 cow pasture based dairy farm at Larpent, also carrying 180 heifers and rearing 200 female calves each year. Alistair studied an Advanced Diploma of Agriculture at University of Melbourne (Dookie) and is extensively involved in the Larpent community including the Fire Brigade and hall committee and has been a previous Chairman of the Colac Young Dairy Development Program.



Evan Campbell, Yannathan

After completing a Bachelor of Engineering/ Bachelor of Commerce at the University of Melbourne, Evan worked in the Middle East for 5 years. In 2014, he returned to Australia and has since been working as a senior farmhand on a family owned dairy operation in Gippsland. During this time, he has completed Certificate IV in Agriculture and participates in local YDNA events and discussion groups. Evan has been rearing heifers for the past 18 months in preparation for his next step in the industry.



Lauren Peterson, Boorcan

Lauren is currently Managing Gratton's Gate, a 140 cow dairy farm she & her partner lease and have built up after purchasing 30 cows in 2014. Lauren has just completed a Bachelor of Human and Community Services majoring in Psychology and is currently enrolled in a Diploma in Agriculture majoring in Dairy Production. She is an active member of the South West Young Dairy Network and is currently completing the National Rural Women's Coalition Farm Sustainability Program.



Denise Jones, Stony Creek

Denise is currently Herd Manager at Homebush Pastoral Company, a 900 cow dairy farm in Gippsland. Denise has completed her Advanced Diploma through NCDE and is currently completing a Bachelor of Agribusiness Management through CSU in Wagga Wagga. Further to this, she has been actively involved in the local young farmer group and the Young Dairy Development Program (YDDP, now known as YDNA).



Janelle Fisher, Irrewillipe

Janelle is currently Assistant Relationship Manager at Westpac Agribusiness in Warrnambool whilst also running a 50/50 share-farm with her partner in South West Victoria. Janelle has completed a Diploma in Agriculture, Diploma in Agronomy, an Advanced Diploma in Agribusiness and has completed the Emerging Dairy Leaders Program. She also assists in facilitating her local discussion group, with a focus on using Dairy Base.



Nick Minogue, Katandra

Nick is currently a Farm Manager on his family owned 180 cow dairy farm in Northern Victoria. Nick completed a Bachelor of Agriculture at the University of Melbourne and during his last year also completed a Certificate IV in Agriculture through NCDE. He is actively involved in his local YDN and discussion groups and is the Treasurer of the Goulburn Valley Vintage Tractor and Farm Machinery Club.

UDV Regional Staff are Now in Your Area

UDV recognised the need for increased regional resources and have appointed three regional staff members.

We now have a full-time staff member in each region of Victoria. If you haven't already, please introduce yourself. The staff are there to help you so please get in touch and get an update on UDV activities.

Alison Lee

South West Victoria

Contact: 0428 592 856

Peter Costello

Northern Victoria

Contact: 0428 870 746

Ebony Arms

Gippsland

Contact: 0428 865 692



Left to right: Alison Lee, South West Victoria, Peter Costello, Northern Victoria and Ebony Arms, Gippsland.

Quad Bike Safety Rebate Scheme



Victorian dairy farmers are urged to take part in the \$6 million Victorian Government Quad Bike Safety Rebate Scheme currently being administered by the VFF.

The rebate for approved safety solutions is intended to help improve workplace safety on Victorian farms.

Currently, quad bike accidents are the leading cause of deaths on farms, with 22 people dying in quad bike accidents across Australia in the last year alone.

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).

- ▶ Up to \$600 (excluding GST) 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.

Further details on the scheme and application forms can be found at www.bequadsafe.com.au or by contacting the VFF on 1300 945 030.



Cattle Underpass Scheme (CUPS)

The State Government has announced a sixth round of funding under the Cattle Underpass Scheme (CUPS) with the aim to improve farm safety.

The program aims to improve workplace safety for farmers and their employees, along with improving farm efficiency and productivity. The VFF will administer the \$3 Million dollar program, which will make available grants of up to \$50,000 for farmers to build cattle underpasses on their properties.

The program commences on 1 December 2016, and applicants are required to obtain two contractor quotes prior to submitting their application to the VFF.

Please contact VFF 1300 882 833 for any further information.

ACCC Releases Issues Paper for Inquiry into the Australian Dairy Industry



The Australian Competition and Consumer Commission says its dairy industry inquiry will examine competition between milk processors, contracts between processors and farmers, global supply markets, and the profitability of dairy farms.

In its Dairy Inquiry Issues Paper published in November, the ACCC has laid out the key issues it will look at as part of its 12-month inquiry which it has been directed to carry out by the Australian Government.

“The ACCC is seeking feedback from interested parties on issues across all product and geographical markets in the Australian dairy industry. This inquiry will closely examine the key competition and fair trading issues affecting the dairy industry,” ACCC Chairman Rod Sims said.

“As a formal inquiry, the ACCC will also have the ability to compel information from parties including processors and retailers.

Our aim is to present a really clear picture of the issues facing the market today, and make any recommendations to ensure it remains fair and competitive.”

Key issues to be considered include:

- ▶ competition between milk processors
- ▶ contracting practices
- ▶ the availability of price and other market information
- ▶ the effect of private label products, including pricing, on the industry
- ▶ options for supply into global markets
- ▶ the key factors influencing the profitability of dairy farms.

“The ACCC will hold public forums in a number of dairy producing regions so we can speak with dairy farmers about their concerns, and we will release further information about these forums in the coming months,” ACCC Commissioner Mick Keogh said.

The ACCC must provide its final report to the Treasurer by 1 November 2017.

The Issues Paper, Terms of Reference and further information about the Inquiry is available at www.accc.gov.au and following the links: About us > Information for > Agriculture > Inquiry into the dairy industry.

Background

On 27 October 2016 the Treasurer issued a notice requiring the ACCC to hold an Inquiry into the competitiveness of prices, trading practices and the supply chain in the Australian dairy industry. The Inquiry formally commenced on 1 November 2016.

Separate to the Inquiry, the ACCC investigations relating to the cuts to the price paid to dairy farmers for milk solids, announced by Murray Goulburn and Fonterra Australia in April and May 2016 are continuing.

The ACCC has been provided with additional funding of \$11.4 million over four years to establish an Agriculture Unit that will conduct investigations and engagement in rural and regional areas.

The ACCC has established an Agriculture Information Network. Subscribers to this information network will receive emails about developments concerning new or updated resources, enforcement action as well as upcoming events, surveys and other opportunities to engage with the ACCC.

Dairy Effluent Stock Take and Use Plan



Dairy effluent is a valuable resource that can provide nutrients, grow more feed and reduce costs.

In 2016, Agriculture Victoria is offering dairy farmers free effluent testing with a dairy extension officer to develop an Effluent Use Plan. This will assist to utilise nutrients effectively and reduce the risk of nutrients entering local waterways.

Why Develop an Effluent use plan?

Effluent is a valuable resource which is often underutilised. Many farmers do not know the amount and value of nutrient, which has already been paid for, available in their effluent ponds.

An effluent use plan can assist you to:

- ▶ Determine the volume and nutrient content of effluent ponds
- ▶ Identify appropriate effluent application rates and areas
- ▶ Identify best options to boost forage or fodder production
- ▶ Complement the use of traditional fertilisers gaining a better economic response
- ▶ Ensure nutrients are kept on farm and meet industry guidelines

What does the plan include?

Each farm will receive:

- ▶ A farm visit and free effluent nutrient test
- ▶ A stock take of the effluent system including volume and value of the effluent
- ▶ A dairy shed water use estimation
- ▶ An aerial map identifying application areas
- ▶ A summary report and use plan

Contacts

For more information or to express interest in an Effluent Use Plan please contact your local Agriculture Victoria Dairy Extension Officer:

Gippsland

David Shambrook

Call: 0427 350 928

Email: david.shambrook@ecodev.vic.gov.au

North

Sarah Brown

Call: 0417 316 345

Email: sarah.brown@ecodev.vic.gov.au

South-West

Rachael Campbell

Call: 0447 347 162

Email: rachael.campbell@ecodev.vic.gov.au

Assistance is Still Available

Dairy Farmer Central is still an up-to-date, centralised source of information for programs, initiatives and events available for dairy farmers, their families & their communities.

DAIRY FARMER CENTRAL

The central source of information for programs, initiatives and events available for dairy farmers and their communities

www.dairyfarmercentral.com.au

The website is managed by the UDV and has information on:

- ▶ Farm Business Management
- ▶ Farmer Wellbeing & Support
- ▶ Events
- ▶ Contact Details

Dairy Farmer Central will be continually updated with more information as it becomes available. With UDV, Gardiner Dairy Foundation, Australian Dairy Farmers, Australian Dairy Products Federation, Dairy Australia and the Victorian State Government

all involved, the industry is confident in promoting the site as the most up to date source of information and as the first point of reference for dairy farmers.

Head to www.dairyfarmercentral.com.au to learn more.

Farm Household Allowance & Dairy Concessional Loans

Many Victorian dairy farmers have accessed the Farm Household Allowance and Dairy Concessional Loans.

Between May and November more than 400 Victorian dairy farmers had been approved for the Farm Household Allowance and are receiving payments.

Since the Dairy Concessional Loan applications opened in June:

- ▶ More than 250 applicants have registered for assessment
- ▶ 84 applicants have been approved, totalling \$42.6 million
- ▶ 5 applicants have been declined. When applicants have been declined it is usually because there may not be an ability to service debt into the future
- ▶ More than 40 applicants have been asked to provide further information before they can be registered for assessment*

We encourage farmers to apply for the range of support that is still available, including Dairy Development Grants. Information on all the available support measures is still available on the Dairy Farmer Central website.

**All numbers listed current as of 24 November 2016*

FHA Supporting Documents Checklist

Every Farm Household Allowance claim is unique, therefore information required to support your claim may vary.

Supporting Documents:

- Centrelink Reference Number (CRN)
- If you have a partner who wishes to apply, they will need to complete and submit their own claim (with their own CRN)
- Proof of identity documents
 - One document to verify your birth or arrival in Australia, such as a birth certificate, visa or citizenship certificate
 - Two other documents showing in use of your identity in the community - a primary document, such as an Australian Drivers Licence and a secondary document, such as a bank ATM card
- Shire rates notice
- Title details of every property
- Water Rights Allocation documentation
- Bank account balance of each account at the date of claim
- Loan statements
- Latest tax returns and financials – personal and business
- Off farm income - from the commencement date of your claim
- Current financial year profit and loss e.g. contracting, agistment, farm profit and loss is separated from contracting
- Milk Company share statements
- All shares and investments and their statements to support this
- List of assets e.g. Land, major plant & equipment, livestock, shares, cash in bank
- List of liabilities- e.g. all loans, hire purchase, plus any other loans or money owed

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