



HOTLINE

Newsletter of the United Dairyfarmers of Victoria

June 2010

President's Report



How can we have a real and positive influence on agricultural and farming policy in modern times? Australia has evolved into one of the most urbanised countries in the world, where the wider community is not fully aware of the importance of agriculture and many kids grow up believing milk comes from a supermarket.

Representative organisations like the United Dairyfarmers of Victoria (UDV) have been working for many years to champion the dairy farmer's cause, but what techniques should we be using in today's environment? What can individuals do to demonstrate the importance of dairy farming to increasingly urbanised communities? As farmers, are we being as effective as we can in promoting the value of our industry? What can we learn from other countries and industries?

These are the tough questions the UDV explored during its 35th Annual Conference, held in Moama on 26 and 27 May. A unique program of speakers challenged the audience on the topic of earning respect and influence, provoking diverse and thoughtful discussion. The line-up showcased a range of organisations and lobbying styles from within and outside the dairy and agricultural industries, exposing the audience to some remarkable people with great stories to tell.

In recent months we have seen European dairy farmers grab global headlines by pouring thousands of litres of milk out onto the paddocks in protest against low prices. This exercise certainly gained attention, but did it make any real difference to their situation? Did it have a positive influence on the decision makers?

UK dairy farmer and farm lobbyist/commentator David Homer discussed this issue in his address to Conference, delivered via video link live from the UK. Having recently completed his Nuffield scholarship studies on relationships in the dairy industry, David's perspective on this issue was that influence and respect can only be earned by presenting positive messages, and negative actions tend to breed only further negativity – particularly in the public mindset.

David also talked about the importance of getting the right people involved in lobbying and representation, particularly in the vital roles of gathering the information to create powerful, positive messages, and in the delivery of those messages. We need to encourage the right people to step into these roles to ensure that our lobbying messages come from personal, farmer-driven perspectives, and that they are truly representative of dairy farmers' interests.

If you have not been actively involved in dairy industry lobbying or advocacy before, you might consider joining the UDV and adding your voice to boost our collective influence. If you are already a member, you may consider taking on a more active role or nominating for a leadership position. At the very least, we should all start engaging with our local communities to promote the positive messages of dairy.

Victorian dairy farmers are the biggest single exporter out of the Port of Melbourne. We are the third largest rural industry in Australia, worth around \$4 billion at the farm gate and \$12 billion in manufactured food products. If we work hard on disseminating these positive messages, together we can build our reputation as a vital part of this country's economy, and earn greater

respect and influence on government policy and public opinion.

I would like to thank all the members, sponsors, dairy industry representatives and guests who came along to the 35th Annual UDV Conference in Moama and helped to make it a great success.



Chris Griffin
President
United Dairyfarmers of Victoria

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Dairy farmers welcome new silage cart regulations

At last month's UDV Conference, State Minister for Agriculture Joe Helper announced the introduction of new farmer-friendly regulations for the use of silage carts on roads. This announcement was the culmination of nearly two years of discussion and negotiation between the VFF/UDV, VicRoads, the Tractor and Machinery Association, and a number of silage contractors, on developing a workable safety framework for silage carts.

We all know that moving silage is extremely time sensitive, and the new regulations recognise this. At the outset, the proposed regulations were very strict and it seemed likely that they may prohibit the use of over-width silage carts on roads without a pilot vehicle, and ban the use of all silage carts on roads after dark.

However the new regulations for over-width and under-width silage carts are very sensible, supporting farmers' ability to transport silage when needed without compromising public road safety. We have also been able to ensure that silage carts, as defined as an agricultural trailer, do not have to be registered.

This is a very significant win for Victorian dairy farmers in both practical and financial terms, and we thank the VFF policy team for working with us over many months to achieve these successful outcomes for dairy farmers. For more detailed information about the new regulations, please contact VicRoads on 131 171.

"Why should I join the UDV/VFF when I can receive some benefits of membership without becoming a member?"

It is true that many of the UDV and VFF's policy wins benefit all farmers, not just members. For example, our work on lobbying the State Government to improve silage cart regulations is a win for all dairy farmers.

The UDV's influence, however, is weakened if dairy farmers decide that it is acceptable to "free-ride" on the hard work of the organisation and its members, much of which is done behind the scenes. Those who do contribute shoulder the cost burden for the rest. If every dairy farmer adopted this attitude, then eventually membership would decline so much that the UDV would cease to exist. This would result in dairy farmers being left out on their own, with governments passing laws which could severely impact your farm business.

Resolution outcomes

UDV 31st Annual Meeting Resolutions

1. The levy for UDV members, currently 0.042 cents/litre, be changed to 0.06 cents/litre for twelve months from 1 July 2010, 0.07 cents/litre from 1 July 2011, and 0.08 cents/litre from 1 July 2012.

Amended to: The levy for UDV members, currently 0.042 cents/litre, be changed to 0.06 cents/litre for twelve months from 1 July 2010, and the levy amount reviewed annually.

Amended resolution CARRIED.

2. The UDV introduce on July 1 2010 a subscription based rate for those farmers who wish to continue being members of the UDV WHO ARE NOT SUPPLYING MILK and wish to continue to be involved in the dairy industry, based on the minimum VFF base rate for voting members (currently \$550 GST inc).

Amended to: The UDV introduce on July 1 2010 a subscription based rate for those farmers who wish to continue being members of the UDV WHO ARE NOT SUPPLYING MILK either in their own name or through an associated entity, and wish to continue to be involved in the dairy industry, based on the minimum VFF base rate for voting members (currently \$550 GST inc).

Amended resolution CARRIED.

UDV 35th Conference Resolutions

Resolution 1053 from DC 9:

That the UDV seek a moratorium on the installing of, and the charging for, the new electricity Smart Meters until the costs and benefits are demonstrated to the dairy farmer.

CARRIED.

Resolution 1058 from DC 7:

The UDV direct all resources at its disposal towards forming a national advocacy and service organisation to represent all dairy farmers, whilst maintaining linkages with state farmer organisations.

Amended to: This conference endorses the Central Council working group of 3 UDV, 2 VFF and 2 ADF representatives, to explore the opportunities of a joint proposal/working relationship/business relationship between the UDV, VFF and ADF.

Amended resolution CARRIED.

Resolution from Kyabram Branch:

Nominations be called from interested UDV members to apply for ADF board position and that these to be voted on at the UDV annual general meeting.

LOST.

NB: The current situation is that nominations are called from the UDV membership, but the Central Council votes on these positions.

Dairy Apprentice of the Year and Travel Awards



Tom Mills, UDV Dairy Apprentice of the Year 2010.

Tom Mills of Yanakie in South Gippsland has been announced the 2010 Dairy Apprentice of the Year, and dairy finalist in the VFF/Elders Insurance Agricultural Apprentice of the Year Awards.

Tom is a 20 year-old dairy apprentice who is currently completing his Certificate IV in Agriculture at the National Centre for Dairy Education Australia (NCDEA) in Leongatha, whilst working as a herd manager on a dairy property nearby. Tom demonstrated outstanding knowledge and passion for the industry, along

with a strong ambition to remain involved in agriculture throughout his career. He is also dedicated to motivating young people to enter the industry, and looks forward to one day owning his own dairy farm.

As part of his prize, Tom has won a 12 month VFF student membership, and will also participate in the UDV/Gardiner Foundation Study tour of New Zealand Dairying. He is now in the running to win the VFF/Elders Insurance Agricultural Apprentice of the Year award, to be announced at the VFF Conference Gala Dinner in Bendigo on 24 June.

Dairy Apprentice of the Year runner-up and Travel Award winner, David O'Connell of Kirkstall, will join Tom and the three other dairy finalists on the New Zealand study tour in October this year, visiting a number of dairy farms and industry highlights on the South Island. The other Travel Award winners were Sarah Chant and Tim Gallert, both of Colac, and Amber McCracken of Meeniyah.

Congratulations to all of the 2010 Dairy Apprentice and Travel Award winners for their outstanding achievements and dedication to the dairy industry. We look forward to seeing you succeed and inspire as young ambassadors for dairy.

Diary dates

17th June

Traralgon Branch General Meeting. Kath Teychenne Centre, Breed Street Traralgon, 8pm. The Branch needs your support – come along to discuss the future of the Branch and elect Office Bearers. Contact Lloyd Edwards, 03 5174 1915.

24th and 25th June

VFF Conference and AGM. All Seasons Quality Resort, Bendigo. This year's Conference will feature a number of speakers and workshops on the topic of "Driving Your Farm Business", with members also voting on revised Constitutional changes. Contact VFF Member Services to register on 1300 882 833.



Dairy Apprentices were presented with their awards at the UDV Conference dinner.

From left: David O'Connell, Sarah Chant, Tim Gallert, and Tom Mills.

Smart Meter update

The UDV has continued its work on the Smart Meter issue during the past month, and is now in the process of investigating the facts and identifying the actual benefits and risks of the new metering system to dairy farmers. We continue to await a response from State Minister for Energy and Resources Peter Batchelor to the VFF's April letter requesting government clarification about metering fees and other costs associated with the roll-out. We have also undertaken to seek answers to our questions from some of Victoria's five electricity distributors.

As a starting point, the Central Council invited a representative from Powercor to address its May meeting on the topic of Smart Meters. Powercor is the electricity distributor for the South West and Northern Victorian dairying regions. As well as receiving a general briefing on the features of Smart Meters and the roll-out process, it was an excellent opportunity for Central Council to ask some questions about the costs associated with installation and ongoing metering charges.

Here are a few key points about the Smart Meter issue, as advised by Powercor:

- Installation costs of Smart Meters are being charged per meter, not per account. Therefore, account holders with multiple meters on the one account will pay installation fees for every meter.
- Metering fees are already charged to all electricity account holders, but they have not always been itemised on bills. An annual increase on existing metering fees of between \$61 and \$70 has been approved by the Australian Energy Regulator for 2010 only, to cover installation costs of Smart Meters. The total cost of installation will be spread over a number of years.
- If upgrades or repairs to the existing electrical infrastructure are required at the time of installation, these costs will be covered by Powercor – as long as the repairs are minor in nature. If asbestos removal is required, these costs will also be covered by Powercor. Major upgrades will be the responsibility of account holders.

- The development of new "time of use" tariffs, based on peak and off-peak electricity usage times, has been put on hold until 2011.
- Activation of remote meter reading functionality will not commence until the end of 2010.
- In areas where wireless connectivity is currently unreliable, eg. the North-East valleys, Smart Meters will be still installed regardless of connectivity, and account-holders charged for installation costs. Distributors will then work to try and get the signal up and running once the meter is installed.

The UDV will continue its close monitoring of this issue, and as a result of the resolution passed at Conference last month, we will also be requesting that the Victorian Government suspend the roll-out process until the costs and benefits are clearly and consistently demonstrated.

Australian dairy farmers riding the roller-coaster

Australia's dairy industry has experienced a remarkable turnaround in the past 12 months, however farmers are still managing a rollercoaster of volatility and confidence levels remain unchanged from last year.

Analysis undertaken by Dairy Australia as part of the 2010 Situation and Outlook report, has revealed that the changeable nature of the industry is making many farmers cautious about future expansion, as they seek reliable returns for the long term viability of their business. Others are quickly adapting their farming systems to the changeable environment and responding to the most positive operating conditions the industry has seen for a number of years.

The report indicates demand for dairy products and expectations of improved milk prices were linked to the positivity expressed by about two thirds of farmers across the nation.

Farmers who participated in the National Dairy Farmer Survey (NDFS) were similarly positive about the industry's future in their local region, but were significantly more confident about their own business, with 70 per cent of farmers responding to the NDFS feeling positive about the future of their own farms.

However, milk price remains the greatest current and future challenge for farmers and was the main driver for negative sentiment. Climate and the cost and availability of irrigation water were the next most often mentioned challenges, both currently and in the future.

Dairy Australia Manager Strategy and Knowledge Joanne Bills said while some uncertainty remained, particularly around the wider global economy and currency, opening prices would be considerably higher than last year.

Dairy Australia Managing Director Ian Halliday said conditions had improved in the second half of the 2009-10 season and believed there was

a bright future for the Australian dairy industry. However, the negative cash flow of 2009 was still weighing heavily on farm businesses, and many farmers were remaining cautious, Mr Halliday said.

Ms Bills said the Australian dairy industry's position has had a significant change for the better in 2010, with global economic recovery underpinning renewed demand growth in key markets. The international demand recovery had been led by China, indirectly as a major driver of the global economy, and directly as a significant and growing importer of whole milk powder, she said.

Situation and Outlook has also revealed Australia's milk production in 2009-10 is forecast to fall to 8.95 billion litres. As production contracted an increasing proportion of the industry's milk, around 55 per cent of annual output, was supplied to the domestic market. Production for 2010-11 is forecast to reach 9 billion litres.



Young Dairy Development Program

Twelve months has passed since the Young Dairy Development Program (YDDP) entered a new era in April 2009, with administration of the program transitioning from the UDV to Dairy Australia's three regional development programs in Victoria - WestVicDairy, GippsDairy and MurrayDairy.

YDDP continues to provide industry information, knowledge and skills, and leadership opportunities to young dairy farmers. We currently have three Local Advisory Committees in both Gippsland and the South West and four in Northern Victoria. See our website www.yddp.org.au for the locations.

Over the past 12 months YDDP has secured major sponsorship from Genetics Australia Cooperative and Rural Finance Corporation of Victoria. Additional sponsorship has been provided by Dairy Australia via WestVic Dairy, GippsDairy and Murray Dairy. The UDV and the National Centre for Dairy Education Australia (NCDEA) have also provided sponsorship. We thank these organisations for their support without which YDDP simply would not exist.

YDDP events are driven by grass-roots needs, ensuring activities are successful and well-attended by our incredibly supportive 1100 plus members. During the past year 52 events have been run by YDDP, with many focusing

on farm finance and farm management issues. Several events have been run in partnership with other dairy industry organisations including The People in Dairy on human resources and industrial relations issues, the Australian Dairy Herd Improvement Scheme on genomics and breeding, and the UDV on strengthening industry relationships.

YDDP signposts a huge number of activities and opportunities for young dairy farmers to further develop their skills and benefit their own careers, as well as elevate the whole dairy industry. It is great to see young dairy farmers making the most of these opportunities. The future is in good hands!

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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