

Regional Workshop: COBDEN

Workshop Output Report



Background

The Cobden regional workshop is one of 23 regional workshops designed to contribute to the development of the Australian Dairy Plan – a nationwide plan for a profitable, confident and united dairy industry. This report captures the discussions held at that workshop. It is intended to provide a record for workshop attendees and a basis for those who could not attend the workshop to contribute to the conversation. This report will be combined with the reports of the other 22 regional workshops in the development of the Australian Dairy Plan.

Workshop sessions

1. **The Set-Up: Why will this Plan be different?**
2. **How big is the appetite for change?**
3. **What needs to change?**
4. **What needs to be done?**
5. **What is success for the Australian dairy industry?**

Workshop details

Date: 15 May 2019

Location: Cobden Golf Course, Neylon St, Cobden VIC

Facilitator: Stephen Petris, Nous Group

Attendees: 70 people including 54 farmers. Included were representatives from the UDV, Dairy Australia, Farmer Power and various service providers.

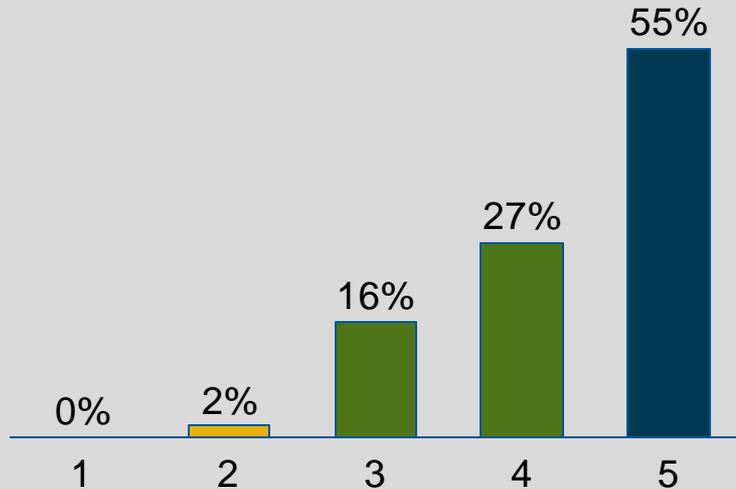
1. The Set-Up: Why will this Plan be different?

The facilitator set out the purpose of the Australian Dairy Plan and the workshop

- This is a great opportunity to shape the future of dairy by contributing to the development of the ADP
- But you've heard this before - what's different about this plan? Why get involved?
 - The key players are working towards one national dairy plan, one set of national priorities, one voice in championing these priorities – that gives us more ability to drive change
 - This time the plan is being built from the 'bottom-up' i.e. by the people with 'skin in the game' – you!
 - The partners are committed to turning the plan into action through their individual strategic plans.

2. How big is the appetite for change?

Participants voted on “how much change is required to get the industry to a better place”



N=62

1 = minor change, 5 = major change

In discussing the results, we agreed...

For those that felt a great deal of change was required, it was due to:

- Production, on-farm profitability, and farmer numbers are all falling
- There is too much duplication at the top – why are there so many organisations? One would be better (especially now that our world has changed)
- Young people are not staying in the industry
- We do not have a good relationship with processors
- The price of milk is driving farmers out of the business

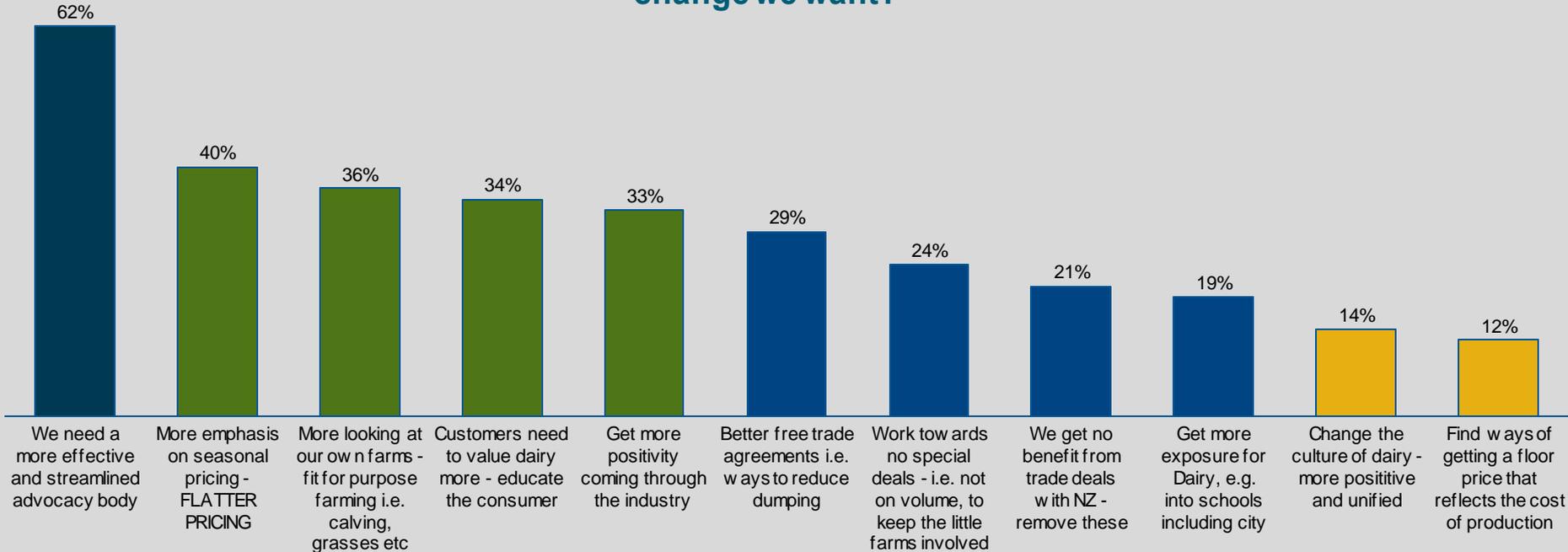
However, a significant proportion of participants, typically younger farmers, told a very different story. For them:

- The milk price is actually at a historically high level – its costs are the challenge
- If you work hard you can do well – where there is a will there is a way
- A significant number of people in training actually come from outside the industry
- In short: “I really enjoy farming and can see a future in it!”

In fact it is the negativity in the industry that is really putting young people off!

3. What needs to change?

Participants voted on “where should we be focusing our efforts and energy to get the change we want?”



4. What needs to be done?

We further developed our top 5 prioritised ideas by thinking about what success would look like, how we might get there and what might hold us back.

We need a more effective, streamlined, advocacy body

We need a strong body that can lead the change, driven from the bottom up – could be ADF?

Let's rationalise the bodies into one farmer-driven organisation that has teeth, and can make decisions that benefit us (not dominated by processor interests) – should be able to do advocacy, price negotiation, R&D, administration

This needs to happen with a degree of urgency to win back trust

More emphasis on seasonal pricing i.e. FLATTER pricing

Flat milk prices will grow volume – the industry was built on low cost seasonal and sustainable farming – history tells us that the way to grow milk supply is to grow your peak to suit the season

It would be good if processors sent price signals to dairy farmers that did not encourage unprofitable outcomes for farmers

Let's look at the New Zealand and Irish dairy models where they have a flat milk price based on seasonal pasture-based systems

More looking at our own farms – more fit for purpose farming i.e. calving, grasses etc

We want to increase profitability and reduce debt to free cash flows – we need to understand this better at the level of individual farms.

We need applied financial/business training, better matching of pasture production to herd requirements, and a better understanding of risk (financial, HR/OHS, climate, pricing).

It is mostly about collating information from farms that are profitable: what systems are they using, how do they manage them, what are they doing that works? – we never hear 'boo' from those that are doing well

4. What needs to be done?

Customers need to value dairy more – we need to better educate the consumer

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We need to educate consumers about the nutritional value of dairy so that they are willing pay for good food

Consumers should want to purchase 'Australian' as a matter of practice – clear labelling will help

'Discounting' dairy products is counter-productive

Get more positivity coming through the industry

We should create an Australian dairy 'brand' that we can be proud of e.g. as the Irish have done with Irish Green

Change the culture to create a more vibrant, united industry

Let's get some inspiration from dairy states who have a positive culture e.g. Tasmania

Appendix: What needs to change? (full list of results)

- We need a more effective and streamlined advocacy body
- Better free trade agreements, ways to reduce dumping
- More emphasis on seasonal pricing – FLATTER PRICING
- Find ways of getting a floor price that reflects cost of production
- Work towards no special deals – i.e. not on volume, to keep the little farms involved
- Get more positivity coming through the industry - change the culture to be more vibrant and transparent with more integrity
- Reduce the costs and fees needed to be a dairy industry e.g., change the Water Act to reduce cost and fees in line with other industries
- More looking at our own farms - more fit-for-purpose farms i.e. calving, grasses etc
- Change the culture of dairy - more positive and unified
- We do not get benefit from trade deals with NZ - remove these
- Learn from other farmers and other farming bodies
- Find ways to get what our product is actually worth – we should not be price takers
- Make the industry more professional i.e. qualifications and learning
- Customers need to value dairy more - educate the consumer
- More support with paper work e.g. HR and IT
- Be prepared for more WorkSafe scrutiny
- Get more exposure for dairy e.g. into schools including cities
- Find ways of making dairy farming more attractive to young people