

DAIRY FARMERS AND THE WATER MARKET SURVEY

STAKEHOLDER REPORT



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INTRODUCTION

In October 2020, Dairy Australia (DA), the industry's Research and Development Corporation, commissioned Propagate Projects to undertake a short voluntary survey of dairy irrigators in the Murray Darling Basin (MDB), in order to better understand irrigators' interactions with and attitudes to the water market. This survey was developed to help the dairy industry respond to the **Australian Competition and Consumer Commission's (ACCC) MDB Water Markets Inquiry Interim Report**.

Method

The ACCC Interim Report posed a range of questions about water market participants' experiences with trading water assets. DA and Propagate Projects designed a set of survey questions to provide qualitative data to respond to these questions.

The survey was produced using the SurveyMonkey online platform and disseminated to dairy farmers in the MDB through industry networks via email and social media channels. The survey was open for two weeks from the start of October 2020 and received 95 responses. Of these, 55 respondents answered all the questions.

Findings from the survey, while being **indicative only** due to the relatively small sample size and its self-report nature, provide useful insights to farmer attitudes. The dairy industry submission subsequently developed to respond to the ACCC Inquiry utilising this data is available **here**. The results from the survey will also help shape further research in this key area.

This *Dairy Farmers and the Water Market Survey Stakeholder Report* provides a snapshot of the results collected through the survey and includes de-identified quotes as provided by respondents.

Key themes

The key themes that emerged from the survey include:

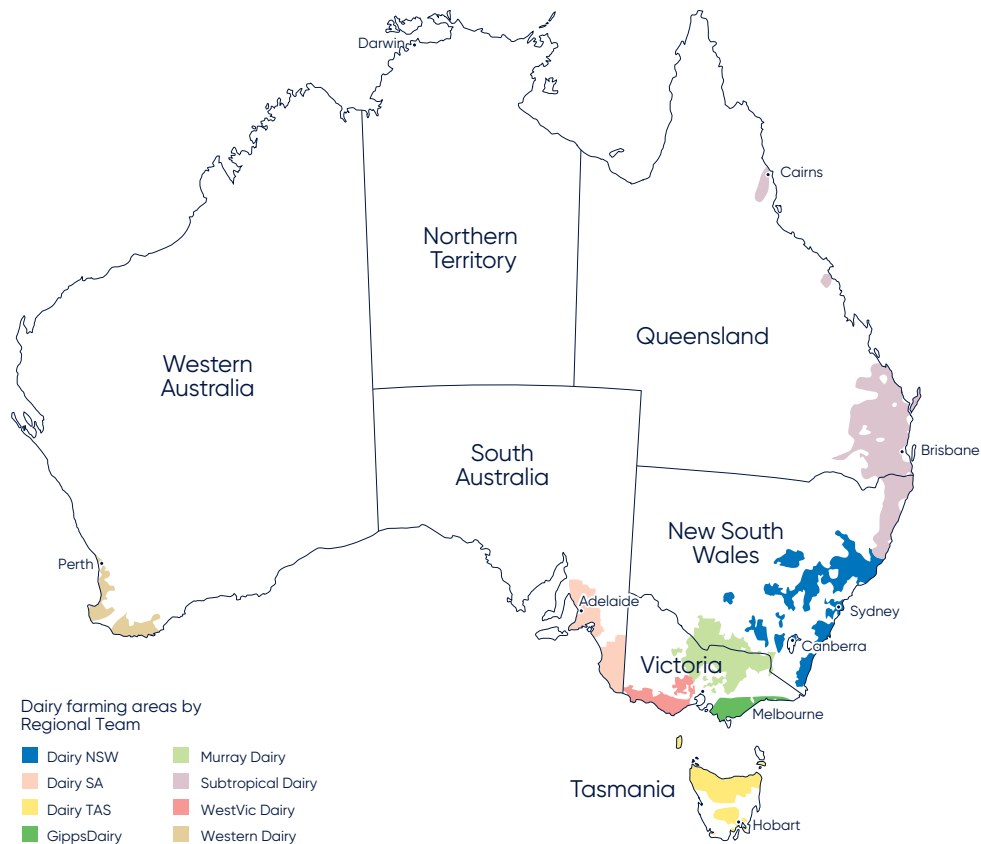
- Dairy irrigators are highly engaged in the water market, buying and selling a wide range of water products, with many planning to enhance the diversity of their water portfolios over the short to medium term.
- 'Water market literacy' amongst dairy irrigators is generally high.
- Price was the number one barrier to irrigators using different water products, followed by cash-flow and exposure risk. Dairy irrigators are very price sensitive.
- Dairy irrigators are accessing a wide range of information sources to help make trade decisions, in particular seasonal forecasts. Much of this information is from peers, as well as publicly available sources and water brokers.
- Dairy irrigators are on the whole relying on water brokers to undertake the actual buying and selling of water, for a range of reasons including access to information, timeliness and understanding of complex trading rules.
- Cost of brokerage services was flagged as the number one challenge to engaging their services.
- Farmers also flagged transparency of brokers (that is, confidence that they are working in their 'best interests') as a key challenge in engaging a brokerage service. Trust and organisational reputation were the key factors in choosing a broker.
- Dairy irrigators are using a range of strategies to manage their water resources when they exit dairying – including selling the water along with the business and keeping ownership of the water separate to the business.

The dairy industry in the Murray-Darling Basin

While most dairy production is located along Australia's coastline, where pasture growth depends on natural rainfall, there are several inland dairying areas reliant on irrigation schemes, producing pasture or fodder. It is the irrigated areas of northern Victoria, southern New South

Wales and smaller numbers of farms around Forbes and Wagga Wagga in New South Wales, Toowoomba and Warwick in Queensland and Murray Bridge in South Australia that are located in the MDB. **Figure 1** illustrates Australia's eight dairying regions.

Figure 1 Australian dairying regions¹



¹ Dairy Australia 2019. *Australian Dairy Industry in Focus 2019*. Melbourne, 52pp. See Appendix 1 p. 33.

SNAPSHOT OF DAIRY IN THE BASIN FY 2019/20:²

- 1159 dairy farms across four states, 78% of which are in Victoria and the remainder split between South Australia, New South Wales and Queensland
- 35% reduction in dairy farm numbers since 2012, when the Basin Plan began
- 1.66 billion litres of milk, with a farm gate value of \$906 million, representing 19% of the total volume nationally
- 30% reduction in total milk production since 2015. (Note that while the value of total MDB milk production has increased recently, despite volumes decreasing, this is in large part a function of farm gate milk price in the recent period.)
- 24 milk processing companies operating in the Basin to transform perishable milk into a range of valuable products, creating local employment and injecting income back into local communities
- Community flow-on impacts valued at \$2.3 billion
- In the past five years, \$493 million has been invested in on-farm infrastructure on dairy farms in the Murray region, as well as \$500 million in milk processing infrastructure in the GMID and Southern Riverina sub-regions. This confidence in the industry, manifested by large employers providing local jobs, demonstrates the strategic national importance of dairying in the Basin
- Dairy irrigators are key participants in the MDB water market. Anecdotally, water entitlements make up around 25% of capital assets for dairy farm businesses in the MDB
- Dairy irrigators in the MDB have become more efficient water users. They are using approximately 50% of the irrigation water they consumed twenty years ago.



² Dairy Australia, multiple sources.

SURVEY RESPONSES

Topic area 1: About respondents and their water usage

Objective: This section was designed to give an understanding of who was responding to the survey and how they are irrigating. Survey respondents covered a wide range of locations, contexts, and business arrangements. This survey was only open to dairy irrigators in the MDB, whether current or retired.

Question 1: What is your role in the water market?

Answer choices	Responses	
	Percentage	Number
Irrigated dairy farmer	96%	91
Retired dairy farmer	4%	4
Total respondents for this question		95

Responses were primarily from current irrigators.

Question 2: What State do you live in?

Answer choices	Responses	
	Percentage	Number
Victoria	84%	80
New South Wales	9%	9
SA	6%	6
QLD	0%	0
Total respondents for this question		95

Responses were primarily from Victorian dairy irrigators. However, the percentages of response by state are roughly in line with the actual percentage split of farm numbers by state as shown in data sourced from DA levy data. DA understands that very few Queensland dairy farms are irrigating within the MDB, explaining the zero response rate from Queensland. This comparison with DA levy data suggests that the response rates by state are reasonably representative and not skewed to any state.

Postcode data provided in Q3 demonstrated a wide geographic spread of respondents.

Number of dairy farms operating in the MDB by state 2020 (source: Dairy Australia levy data)

State	Number of Dairy Farms*	% of total dairy farms
Victoria	899	77%
Queensland	104	9%
South Australia	87	7%
New South Wales	69	6%

* Note: not all farms are necessarily irrigators as data does not allow this level of analysis.

Question 4: On average, how many ML do you use for irrigation each season including water you own and purchase? Please provide the range of usage from low to high usage if possible.

Survey respondents' annual use of irrigation water varied widely, from 0ML to 3600ML, indicating the respondent group represented low, medium and high volume users (and in particular was not skewed to 'big irrigators').

Question 5: Thinking about your average water use, which water market products do you typically use and can you estimate how many ML they make up of your total water portfolio?

Data provided by respondents confirms the use of a diverse mix of water market products on farm. Most respondents indicated they use at least 2 of the following:

- Temporary Trade Purchase
- High Reliability Water Share
- NSW General Security (*available in NSW only*)
- Carryover on entitlements owned or leased
- Leasing an entitlement (Limited term transfer)
- Groundwater

No respondents indicated using forward contracting for a volume of entitlement.

Question 6: Have you changed the mix of water market products you use over the last 5 years?

Answer choices	Responses	
	Percentage	Number
No	58%	39
Yes	42%	28
Total respondents for this question		67

Over half of dairy irrigators have not changed water products over the past five years. This is despite a large change in water market conditions and a range of newer products becoming available over this time period. This warrants further investigation to understand whether or not there may be barriers to uptake.

Question 7: Do you plan to change or add water market products to your portfolio in the next 5 years?

Answer choices	Responses	
	Percentage	Number
Yes	36%	24
Unsure	36%	24
No	28%	19
Total respondents for this question		67

There was not a clear consensus amongst respondents to this question. Respondents are looking at a wide range of strategies and products based on a variety of factors as reported in the comments:

- *"Closing the dairy so will probably lease out the water.*
- *Might lease some water.*
- *If prices come down this year we will be purchasing permanent entitlements we couldn't afford when buying 2 years ago.*
- *May try to secure more low security to allow for carry over purchases.*
- *We will buy more high security water shares.*
- *May purchase extra LRWS for carryover.*
- *Trading water out on temporary market.*
- *Buy more permanent.*
- *Look at longer term leasing if favourable."*

Question 8: Aside from the products you currently use, which others would you consider using in next 5 years? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Temporary Trade Purchase	45%	27
High Reliability Water Share	36.7%	22
Leasing an entitlement (limited term transfer)	33.3%	20
Carry over on entitlements owned or leased	31.7%	19
Forward contracting a volume of entitlement	28.3%	17
Groundwater	15%	9
Other (please specify)	6.7%	4
NSW General Security	1.7%	1
Total respondents for this question		60

Questions 6, 7, and 8 together demonstrate that while over half of surveyed irrigators have not changed water products over the past five years, nearly three quarters were considering it, either planning to or still unsure about changing the mix in the next five years. Only 28% of surveyed irrigators reported they were NOT considering changing their water product mix. This shows a high level of engagement with the water market.

Though difficult to draw generalised conclusions about why this may be, some of the commentary illustrates that dairy irrigators are considering a range of strategies, including 1) a significant number who are buying more permanent water shares 2) many who are looking at leasing arrangements and 3) many who are considering low reliability purchase for carryover use. A few respondents indicated that they are considering selling the herd and leasing or selling their water.

Question 9: What barriers, if any, prevent you from using different water market products? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Price of water market product	84.6%	55
Cashflow	61.5%	40
Exposure to allocation risk	27.7%	18
Not sure how much water I will need each year	12.3%	8
Plans to exit farming	9.2%	6
No barriers	7.7%	5
Complexity – don't understand how some water products work	7.7%	5
Other (please specify)	7.7%	5
Plan to reduce irrigation	6.2%	4
No benefit to capital appreciation of entitlement	3.1%	2
Total respondents for this question		65

Additional comments from the survey include:

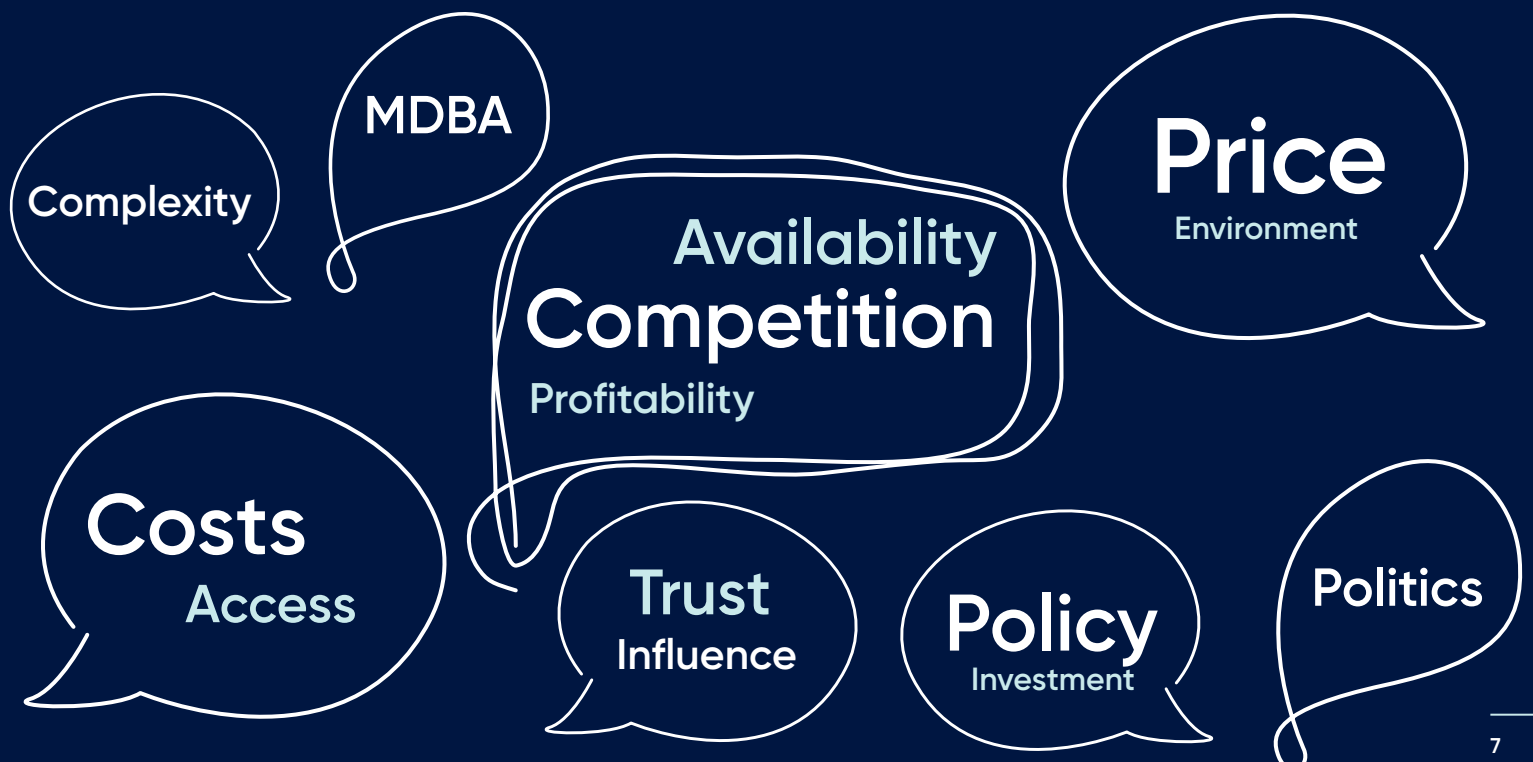
- "Depends on cost of water versus bought in fodder."
- Ability to pump and size of system.
- Seasonal weather."

Price, cashflow availability and risk exposure were the key factors in dairy irrigators choosing water products, according to the survey. Results indicate that respondents generally have a high level of 'water market literacy' and this is reflected in the low response for 'complexity of products' as a barrier to trade.

Question 10: What other issues do you see for yourself or other dairy farmers in accessing the water market and different products?

The results of this open-ended survey question are listed in Appendix 1 and presented by key theme, as a 'Word Cloud' below. The larger the font, the more common the theme was as an issue in the comments. Price in this instance relates to the price of purchasing water, while cost relates to input expenses associated with using irrigation infrastructure and systems.

As previously, price was identified as the key issue for irrigators, as well as competition and availability. This is not surprising given that the three factors are related – increased competition and decreased availability will result in increased price. There was also comment about availability needing to be at a price that was affordable. Irrigators are also concerned about the impact of the Murray Darling Basin Plan implementation and policy on water market access, particularly in terms of impact on prices, and they are concerned that this is occurring without sufficient consultation. Some respondents mentioned a need to compete against better-resourced investors, as well as uncertainty and volatility of water prices compounding existing uncertainty around farm systems and business, and impacting decision making on farm.



Question 11: If you were to exit dairying (sell, succession planning, change enterprise etc.) what would you consider doing with your water assets? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Retain water assets with farming assets for sale or use in new enterprises	36%	23
Retain water assets separate to farming assets	31%	20
Unsure	23.4%	15
Retain water assets for succession planning	21.9%	14
Sell water assets permanently	10.9%	7
Other (please specify)	10.9%	7
Total respondents for this question		64

Additional comments from the survey include:

- *"Water is our superannuation!"*
- *Depends on value offered in sale of business.*
- *Already sold entitlements.*
- *Don't own much water asset so not significant."*

Most of the respondents to this survey were from current irrigators, with a handful of responses from retired farmers. Consistent with the ACCC finding that water entitlements make up around 25% of capital assets for dairy farm businesses, only 11% of survey respondents indicated that on exit, they would sell their water asset permanently. A large percentage of respondents reported an intention to 'retain water assets separate to farming assets', suggesting they plan to use their water assets to generate income post farming and as a form of superannuation.

Topic area 2: Water broker roles, practices, and conduct

Objective: This section was designed to understand how widespread the use of water brokers is, what services the dairy sector are accessing, and any concerns farmers have with the process of engaging a broker. This is a key question being asked by the ACCC through the **Murray Darling Basin Water Markets Inquiry**, including whether there is a need for further regulation.

Respondents to the survey reported the following:

- Almost all respondents use brokerage services at least sometimes, with a majority of respondents using brokerage services always or most of the time.
- Respondents use brokers primarily to purchase water but also to access information on pricing and availability. A few rely on them to develop water portfolio strategies.
- Farmers surveyed reported that the benefits of using brokers included timeliness of transactions, accessing up to date information on pricing, and helping negotiate complex trade rules.
- Of those who responded to the survey, price was the key factor in dairy farmers' choice to use a broker.
- Dairy irrigators on the whole had concerns about the water brokerage sector – trust, reputation, independence and transparency were all flagged as concerns in choosing and using a brokerage service.

Only a small number of respondents did not use brokerage services at all.

Question 12: Do you use water brokerage services (including exchange platforms)?

Answer choices	Responses	
	Percentage	Number
Always	39.1%	25
Mostly	34.4%	22
Sometimes	23.4%	15
Never	3.1%	2
Total respondents for this question		64

Question 13: What do you use water broker services for? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
To execute purchasing of water	84%	56
Advice on pricing and availability	49%	33
To access water exchanges and pool pricing e.g. Water Pool	39%	26
To execute selling of water	22%	15
To execute lease arrangements	18%	12
Other (please specify)	7%	5
To execute forward contracting	6%	4
Advice to develop a water portfolio strategy	6%	4
Total respondents for this question		67

Additional comments from the survey include:

- "Carryover capacity lease.
- Assist with GMW paperwork.
- Get information about how they see the current state of play in the market, what demand is like, where is that demand etc, they sometimes have forums and newsletters with information about trading and water policy etc."

Most respondents used a broker to manage the administration of a transaction. Half of respondents seek advice on pricing and water availability from their broker.

Only a small number of respondents suggested that they used brokers to 'develop their water portfolio strategy'.

Question 14: What do you see are the benefits from using water broker services? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Access to buyers/sellers	66.2%	43
Saves time	47.7%	31
Provides up to date information on price and/or availability	46.2%	30
Helps work through market complexity including trade rules	38.5%	25
Expertise in intervalley/cross border trades	26.2%	17
Access to other expert knowledge	15.4%	10
None	7.7%	5
Other (please specify)	4.6%	3
Total respondents for this question		65

Additional comments from the survey include:

- "Just easy, less risk.
- It is impossible for the average farmer to get water through the choke or IVT. We have no choice but pay these brokers.
- Water always available for sale (through brokers)."

Question 15: What are the challenges of using water broker services? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Cost of utilising broker service	53.9%	35
Lack of transparency in terms of other interests a broker may have, and who else they may be acting for	46.2%	30
Lack of regulation	35.4%	23
Trust in terms of determining what is a quality service and/or advice	27.7%	18
Lack of independent information to ground-truth broker advice against e.g. price and availability	27.7%	18
None	16.9%	11
Quality of advice or previous bad experience	15.4%	10
Ability to deliver water product	7.7%	5
Availability of local brokers	7.7%	5
Other (please specify)	3.1%	2
Total respondents for this question		65

Additional comments from the survey give an indication of the source of mistrust:

- *"Commission charged to both buyer and seller.*
- *Who are they really working for?"*

Question 16: When selecting water broker services, what do you look for? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Trust	72.3%	47
Organisational reputation	55.4%	36
Experience in specific water market products	24.6%	16
Other (please specify)	21.5%	14
Experience in inter-valley or cross border trade	12.3%	8
Insurance	3.1%	2
Total respondents for this question		65

Additional comments from the survey include:

- *"Price.*
- *Who we have always used.*
- *Just use the one always have, happy with those experiences.*
- *Best price.*
- *Whoever has water available.*
- *Who they are really trying to benefit.*
- *Local.*
- *I choose [name removed] as the transparent trade room platform allows me to see that bids are genuine and not just scaremongering from the Brokers which I experience with other brokers.*
- *Availability of water for sale through them*
- *Cost/commission rates, network of buyers/sellers, ability to find willing traders.*
- *Local and previous positive experiences."*

Responses and comments on questions 15 and 16 reveal that irrigators rely heavily on brokers to access available water for purchase, to negotiate complex trade rules, and to save time in undertaking transactions. However, they have concerns regarding the cost of these services and trust in the quality of the advice.

Survey respondents stated that they would not be able to manage inter-valley trade transactions, given the complexity of the rules and requirements of these trades, without using a broker.

As discussed above, trust in brokers was given as the top consideration by respondents when choosing a broker. Respondents also flagged a lack of regulation, lack of transparency in terms of other interests a broker may have, and who else they may be acting for, and a lack of independent information upon which to ground-truth broker advice as the top challenges when using a broker. Overall, dairy irrigators are clearly concerned that brokers may not be working in their best interests and that they may not be legally protected from unscrupulous behaviour.

Question 17: What information do you use to effectively understand and use water markets and products? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Seasonal forecasts/updates on water availability and allocations	93.4%	57
Pricing in terms of current bids and offers for water market products	78.7%	48
Trade and carryover rules	49.2%	30
Production planning and water budgets	39.3%	24
Historical trading information including water market products and price	34.4%	21
Information on different water products and how they work	26.2%	16
Carryover limits for each valley	26.2%	16
Other (please specify)	0%	0
Total respondents for this question		61

Question 18: How do you access this information? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Water broker services	77.8%	49
Farmers/peers	61.9%	39
Print material, e.g. newspapers	46%	29
State water resource manager websites	41.3%	26
Other advisors	41.3%	26
Workshops/seasonal update events	34.9%	22
Industry Websites	31.8%	20
State water register websites	17.5%	11
Other (please specify)	3.2%	2
Total respondents for this question		63

Survey respondents flagged that they are accessing a wide range of information sources to effectively understand and use water markets and products. This information was largely sought through other farmers and peers, brokerage services, and freely accessible sources such as websites. One respondent commented on a reliance also on ‘*gut instinct and years of experience*’. The survey results, though not a statistically relevant sample, indicate that dairy farmers in the MDB highly value seasonal forecasts and water availability updates, as well as trading bids and offers for particular products.

Question 19: Do you engage in cross-border trade?

Answer choices	Responses	
	Percentage	Number
No	63%	41
Yes	29%	19
Unsure	8%	5
Total respondents for this question		65

Question 20: What challenges, if any, do differences in State management of water create for cross border trade? (Choose all that apply)

Answer choices	Responses	
	Percentage	Number
Differences in Trade Rules between states	51%	28
Confusing and inconsistent language used between States	49%	27
Physical deliverability of a trade	42%	23
Timeliness of transactions	33%	18
Lack of central ownership register or differences between State registers	25%	14
Confusion about what drives price	24%	13
Confusion about roles and responsibilities between different agencies about services products and information	20%	11
Other	15%	8
None	13%	7
Total respondents for this question		55

Additional comments from the survey include:

- “*State management changes that drive prices in other districts*”
- *Utilising a Broker eliminates any challenges as they take care of the transaction*
- *Water brokers who own and trade water. Manipulate the market.*
- *Rules change each year”*

Respondents reported that differences in trade rules and language between jurisdictions were the biggest challenges to cross-border trade. There was also some question as to the actual deliverability of water traded in this way, along with the timeliness of transactions.



DISCUSSION

While the survey methodology does not allow for drawing statistically significant conclusions, the results are drawn from 95 respondents across a wide range of irrigation zones and illustrate a number of key insights:

- Dairy irrigators are using a range of water market products and strategies to manage water market volatility.
- Well regulated and well-informed water brokers would appear to be valued highly by the dairy farmers trading in the MDB.
- State Governments need to work together efficiently to ensure interstate trade is timely and cost-effective.

Research from the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) and the Bureau of Meteorology suggests that high water prices are likely to continue due to increased competition and reduced inflows, the result of water recovery for the environment, land use change and agricultural investment, drought, and ongoing climate change. They suggest that it is extremely unlikely, given these long term trends, that the price of temporary water will ever return to previous lows.

Nevertheless, the forthcoming **2020 Dairy Australia Land, Water and Carbon (LWC) survey** found that 58% of dairy farms across Australia are irrigated, using an average of 586 ML per year. Water is typically sourced through permanent allocations, but LWC survey results reveal that almost one third of farms have had to purchase temporary water over the past year, including a significantly higher proportion of Murray Dairy farms (59%) than those in other regions. The results of the Dairy Farmers and the Water Market Survey demonstrate that farmers recognise the risk associated with needing to purchase temporary water and are engaging in a range of market strategies to help manage these purchases.

Managing a water portfolio is not the only response to managing water risk, however. The forthcoming **Murray Dairy 2020 Trends Report** and the **Dairy Farm Monitor Program** document a transition occurring in dairy farm systems operating in the Murray Darling Basin. There is evidence of dairy farmers moving away from reliance on intensively irrigated pastures, to systems utilising different grazing crops and feeding infrastructure to manage water (and feed quality) more efficiently. For example, results from the forthcoming **Murray Dairy 2020 Trends Report** indicate that the use of pasture as the primary

feedbase is decreasing in this region, with 60% of milking herds now being fed either a Total Mixed Ration (TMR), a Partial Mixed Ration (PMR) or a Total Component-fed Ration (TCR) diet without grazing pastures or forages for some period over the past 12 months. Another strategic decision becoming more prevalent is to purchase feed from other irrigated croppers/hay producers, whereby the grower manages the water risk on behalf of the purchasing dairy farmer. In addition, since the Millennium drought (1997–2009), consolidation has continued with fewer but larger and more efficient dairy farms and increasing milk yields per cow. Farmers have also increased their use of technology and new systems to help manage irrigation, including using a water balance accounting approach to irrigation scheduling or tools and soil moisture monitoring via a basic probe or telemetry. While these issues were not explored with this Dairy Farmers and the Water Market Survey, it is important to understand the results in this wider context.

The dairy industry is working hard to remain profitable in this changing context, and DA will continue to undertake research that provides a strong foundation for decision making in these complex environments.

The Final Report for the ACCC Murray Darling Basin Water Markets Inquiry is expected in February 2021. While it's unlikely that any of the future recommendations of the Inquiry will significantly reduce water prices, there is the potential to improve the operation, transparency and confidence in the market, all of which would be of benefit to dairy irrigators. With this in mind, DA will continue to provide technical information and data to support industry and government in their considerations on water policies governing the Murray Darling Basin, ensuring that the issues facing the dairy industry are well understood and appropriately addressed.

APPENDIX 1

Individual responses to Question 10 "What other issues do you see for yourself or other dairy farmers in accessing the water market and different products?"

Over-priced

Availability of water when required

People who own water without having ever been a farmer or involved in farms. BIG Business. INVESTORS

Some people think they are entitled to water more than others. If you sold water, for any reason in the past 20 years, then complain about temp price you did NOT do a proper business plan. It has only EVER gone up, with more wanting to buy.

Price and location on the system.

Can't trust brokers and the water market in general.

Price volatility.

Availability and price.

Price of water.

Water users seem to pay all costs associated with running the systems. Water traders pay minimal only dam storage costs.

People who trade water for a profit and don't use water to grow something. A big issue is that water traders can carry water over as a way of reducing supply thus increasing the price of water on the market as while they may not own a big percentage of the total Poole they do have a very large percentage of the water traded.

Competition from higher profitability farming sectors.

Lack of water available when planning season crops at a price that allows crop to be profitable.

There's no issue accessing water it's just the high cost. The burden of expensive water price makes dairy unsustainable.

Our max flow rate is only 9mgl over 24 hrs, which consumes a significant amount of time, however additional diesel pumps are too expensive to run.

Getting a fair deal that allows the end user to make a margin.

The availability of tradable water and the price of this water.

Priced out of business.

Great concern regarding water. For new entrants or young farmers owing permanent water is rarely an option, thus having full dependence and great risk exposure to market fluctuations creating financial and emotional stress. The price variability from year to year is so extreme. The water system in place is discouraging new entrants. If there is no change to water policies the landscape of dairying in northern Victoria will only be a thing of the past.

The irrigation network in zone 7 (and dairy) has been left to ruin while the PONZI scheme almonds run their life cycle and the environment using the Murray as it's irrigation system and making the real network of GMID defunct. Dairy farmer left paying huge water rates but can't afford the water. Natural carry ways (the Murray) are being used to distribute irrigation water previously for use in the GMID. No political will to arrest this. Happy to lose the dairy industry.

The reduced reliability of High Security water in the GMID due to the MDBP .

The fact that water trading has become a play thing for speculators and investors which forces the price of water beyond a price that is profitable to use in a dairy farm operation.

The introduction of a "Single Trade " rule on Temporary Water would ensure that anyone entering the Temporary water market would use the water to produce food and fibre.

Being priced OUT of the system.

MDBA

Brokers using their preferred tool for trading rather than what may be best for the buyer/seller.

Uncertain of using water to irrigate grass for grazing cows and not willing to invest in TMR to supply milk to an industry that is failing its suppliers on a cost basis.

Mainly price. It is getting too expensive if you are too exposed to the water market.

Competing for a reducing volume of water at the same time as expansion of almond plantations and other high value crops and the amount of water that will be required to service these crops when they reach maturity.

Complexity e.g. inter valley restrictions, requirements for contracts that are fair and binding to both parties (understanding the fine print in contracts drawn up by corporates), policy change done without consultation (in response to squeaky wheels or those with power in govt circles) which undoes the efforts made by individuals to provide medium to long-term water security, competition in the market place with corporate businesses who have paid staff members whose full-time role is to watch water markets and study policy and rules for loopholes while the majority of dairy farmers have to milk, feed calves cut hay etc etc AND manage their water portfolio.

Knowledge and understanding the market. Good long-term weather forecasts. Knowing our water storage levels and predicting final water allocations. The cost to trade water on the market. Both admin costs and broker costs. Having well-regulated and informed water brokers or intermediaries. Need to keep State authorities but States working efficiently together to process interstate trades timely and low cost.

Too much water is owned by investors now. Should have never been unbundled from land ownership.

Price, price, price, MDB Plan, non-farming investors.

Price of temporary water.

Competing with state govts, environment water holder for available temp water.

Availability of water at a reasonable price.

Competition.

Price exposure.

Uncompetitive return on water usage compared to other users. Banks too slow to act to help make timely purchases. Cashflow often too tight to make timely actions.

Getting capital backing.

Large non-irrigation companies trading water at high prices.

Seems to be less and less water available each year.

No allocation and price.

Reliability of entitlement or lack thereof and price.



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