

Regional Workshop: Leongatha

Workshop Output Report



Background

The Leongatha 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: 20 June 2019

Location: Leongatha

Facilitator: Stephen Petris, Nous Group

Coordinator: GippsDairy

Attendees: approximately 54 people including around 30 farmers.

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

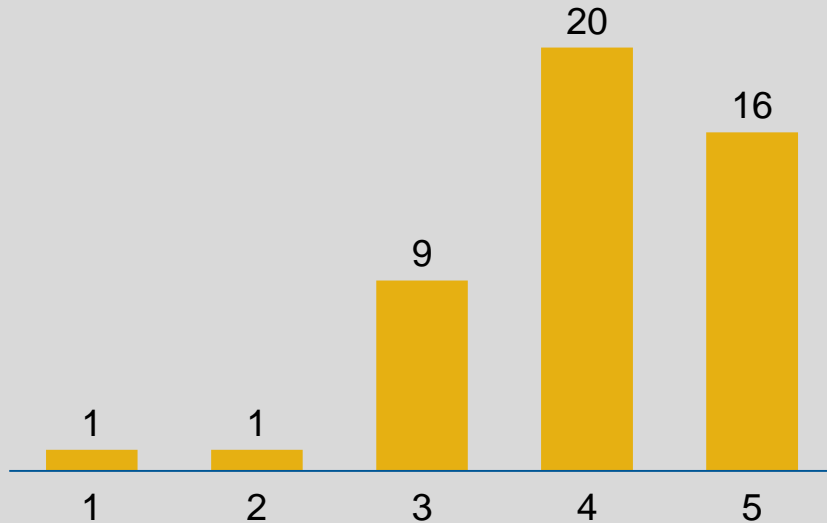
The workshop was opened by John Versteden, local farmer and a Director on the ADF Board

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=47

1 = minor change, 5 = major change

In discussing the results, we agreed...

Why do we need to change:

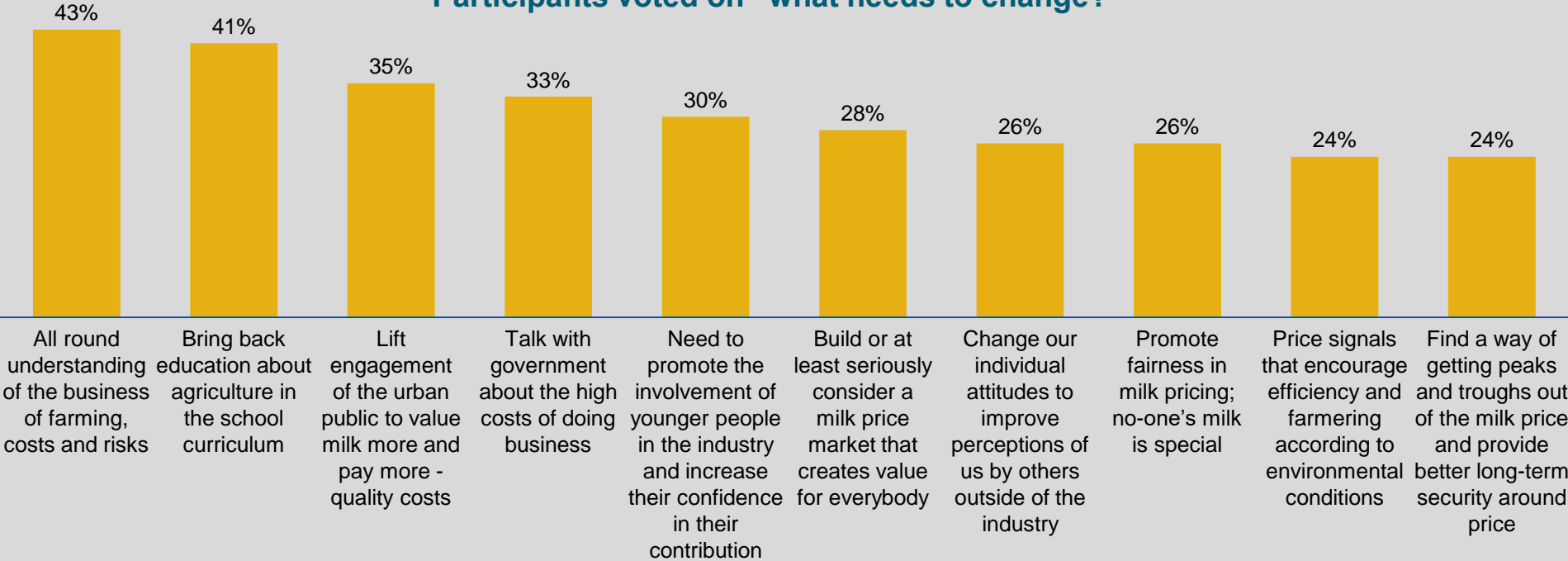
- The industry is in a rapid contraction phase, production results from DA show that this will continue for another 12 months. The cost of operating is dropping. What we have done in the past won't work
- The industry structure is dysfunctional; the number of bodies, what they do, how they interact, who is responsible for what
- The younger generation don't want to farm - they see the older generation struggle – “why would I want to do this?”
- Putting in good science - a lot of the science in the past has been directed to product use e.g. herbicides, insecticides; what is the right way to go forward, to get life back into the soil?
- We have allowed the factories to dictate how to pay us from 05/06
- Understanding of the dairy industry is very limited, some consideration needs to be made that the price is cheap relatively to the cost it makes. "Happy to pay \$3 for a 600ml bottle of water, but not \$3 for 600ml of milk"
- We are the only developed dairy nation not to have a market price for milk and the only market where farmers are paid a different price within a factory

On the other hand:

- We are dairy farmers because we like doing it, we have a good lifestyle
- We are very open to helping each other do what we do
- The industry has exceptional resources and we don't understand that at times.
- There are some skilled, profitable operators that we can all learn from

3. What needs to change?

Participants voted on “what needs to change?”



N=46

Top 10 ideas by percentage votes with participants voting on their top 5

4. What needs to be done?

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

All round understanding of the business of farming, costs and risks

An all round understanding of the business of farming, costs and risks means that farmers will have an understanding of their expectations of their own business. We recognise that success is different for everybody, and success doesn't always have to mean profitability.

We want farmers to understand what they get from their business, so that they can understand the drivers. We also want farmers to understand that risk management is business specific. With this understanding, farmers will be able to make decisions on-farm to achieve goals and desired outcomes.

Bring back education about agriculture in the school curriculum

We would like to see an understanding of career pathways in dairy and a structured course focussing on agriculture in schools.

Our idea is to have a pool of passionate and skilled agriculture teachers and ambassadors, beginning at primary school level to generate awareness of agricultural products, at secondary level, agriculture will be a structure elective subject that includes industry and hands on experience. Careers teachers will have an understanding of career pathways in agriculture and see agriculture as a viable career option. A state-wide body will organise this in a coordinated approach.

Lift engagement of the urban public to value milk more, pay more – quality costs

In 2025, we would like to see supermarkets buy and sell milk at its "real cost" and a changed perception of milk by the consumer. We want supermarkets to value and respect Australian dairy products.

To do this, we want milk to be marketed as a super food. We value the power of the supermarkets and want to use them to help lift the profile and consumption of dairy, e.g. how MLA has worked with supermarkets. We would like the promotion of Australian dairy products by supermarkets, industry and processors so people understand they are buying Australian.

"Buy Australian dairy"

4. What needs to be done?

Talk with government about the high costs of doing business
e.g. energy, wages,
transportation, regulation

Farmers face many costs. There are costs of complying to regulation – local, state and federal government compliance costs. Currently, the costs at factory / manufacturing level are driving increased costs for farmers.

We propose benchmarking Australia against global competitors against all costs e.g. energy, ports, transport to understand what we are competing against. We also need to understand our competitors who are competing for the same resources, not just dairy.

Need to promote the involvement of younger people in the industry and increase their confidence in their contribution

Businesses need to provide security and keep up with technology and development. We need to figure out incentives to retain Millennials. This means that we need to understand what motivates Gen Z and Millennials.

We propose the creation of more career paths in dairy to follow, combined with training. This includes discussion and education on generational differences. An example of this could be a website: farmerneedsafarmer.com

Another idea is to explore different ways of entering dairy farming e.g. tax incentives for leasing farms and more discussion and education about the younger generation.

Build or at least seriously consider a milk price market that creates value for everybody

There needs to be some sort of fair and transparent pricing and if that is a milk price model, then that is great.

We propose the development of a milk price market that benefits all participants in the value chain. It is recommended to be a coordinated approach that is viewed as equitable.

5. What is success for the dairy industry?

Imagining the future of the industry, we articulated our vision by developing the front page of the industry newspaper.

THE DAIRY TIMES

June 2025

In this issue, we look at dairy's journey to 2025 & celebrate the people and successes that have got the industry to where it is today.

The dairy industry has changed a lot since 2019. Now we see positive direction, farm profits, and industry and produce is recognised.

“ I'm making money, it's sustainable and I can see a future

”

- Dairy farmer

“ Partnerships between farmers and processors have never been better

”

- Processor

“ The industry adjustments of 2019 have greatly aided the industry to be more sustainable throughout the supply chain”

- Minister for Agriculture & Water Resources

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

Need to promote the involvement of younger people in the industry and give them confidence they can contribute	Have a look at FTAs - should not be able to dump product here illegally
Price signals that encourage farmers to farm according to environmental conditions and how to be efficient	Build or at least seriously consider a milk price market. Value for farmers, processors and customers. Helps with long-term planning, transparency. About policy infrastructure
Change our individual attitudes to improve the perceptions of others outside of the industry of us	Support some form of government intervention where there is "predatory pricing" (permanent loss-leading)
Bring back education about agriculture in school curriculum	Supporting the development of your labour force, create more opportunities, encourage them to step up
Find a way of getting the peaks and troughs out of the price; better long term security around price	Talk with government about the high costs of doing business energy, wages, transportation, regulation
Some form of regulation of price, \$1 per L milk is stupid; support regulation for a base price *ACCC approval required	We need to factor in the costs of implementation of R&D that supports best practice
Need more confidence and trust in the industry to encourage more longer-term planning at farm gate level	Explore the scope for land stewardship payments
Lift engagement of the urban public to value milk more, pay more - the bottom line is the domestic price of dairy has to increase. Quality costs	Attack in a meaningful way the supermarket culture that you "will never pay more"
All round understanding of business of farming, costs at farm gate, input costs, understand costs post farm gate, cost of production, profitability, risk management, all through the chain	Navigate where we sit in the marketplace beyond farm gate, a better understanding how we sit globally
We collectively bargain to get the volatility out of costs *ACCC approval required	Look at regulatory barriers to accessing support for investments in energy-saving technology
Better understanding of our core business, all organisations, DA down	
Promote fairness in milk pricing; no-one's milk is special	