

# Regional Workshop: Nowra

Workshop Output Report



# Background

The Nowra 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:** 14 May 2019

**Location:** Nowra

**Facilitator:** Michele Konrad, Nous Group

**Coordinator:** Dairy NSW

**Attendees:** Approximately 35 participants including around 23 farmers, 2 processor representatives, 6 service providers and 4 others.

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

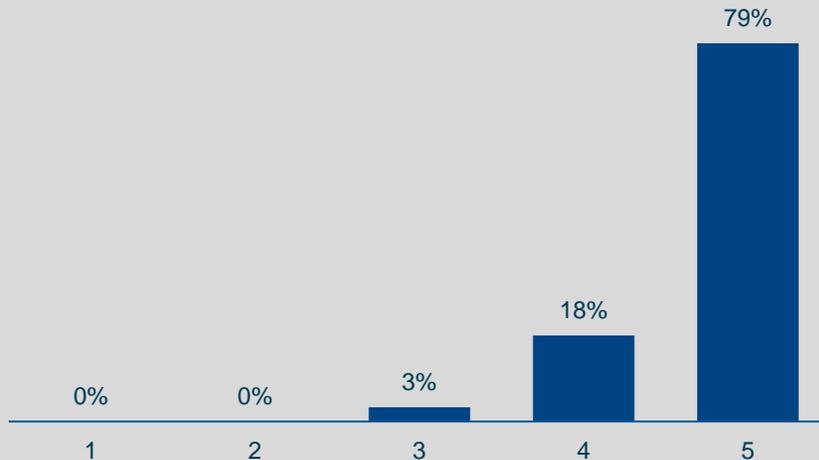
*The workshop was opened by local farmer Tim Cochrane.*

## **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=34

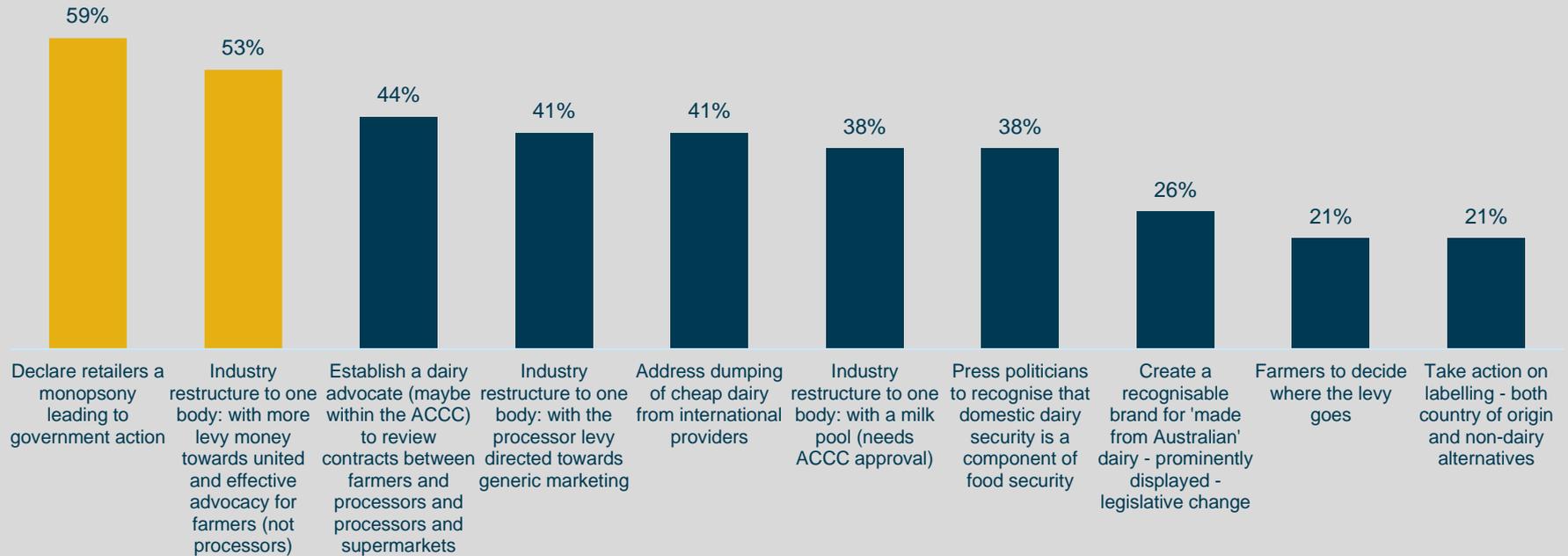
1 = minor change, 5 = major change

In discussing the results, we agreed...

- Major change is needed right across the industry
- Everything needs to be on the table through the ADP process and it is important that farmers are listened to
- The group has already met to discuss the changes required and we have many of the solutions already

# 3. What needs to change?

Participants voted on “what needs to change?”



N=34

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

# 4. What needs to be done?

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

## Address dumping from international suppliers

In 2025 we need to have stopped dumping and grown our food security through more domestically produced food.

Getting there will require more attention to be given to dairy in trade agreements so that our industry is not traded away.

It will also require clear country of origin labelling.

Making a change may require changes to legislation.

## Industry restructure to one body: with the processor levy directed towards marketing

We need to change perceptions so that dairy is seen as a premium, valued product.

We will achieve this through generic marketing (not brand-specific). We will need to invest more in marketing, using a combination of many approaches to drive consumption of Australian dairy products.

We can look to other industries such as lamb for inspiration on how to do this.

## Establish a dairy advocate (maybe within the ACCC)

The dairy advocate will review contracts between farmers and processors and processors and retailers.

The dairy advocate should work independently of government and processors at the highest level.

It will be important to be united. We could be held back by politics and a lack of leadership and cohesion.

## Additional levy raised through consumer products aimed at advocacy

The new levy would be paid to Dairy Australia with a new structure which then funds the advocacy group.

We will have a united and sustainable dairy industry and united advocacy with a clear farmer focus without processor power and financing.

Current arrangements would hold us back as there are government restrictions as to what the levy is used for.

## Implement a national milk pool (needs ACCC approval)

By 2025 we will have a national co-op with regional prices based on a scientific assessment of costs.

The milk pool would not be mandatory for farmers but we expect a majority would join because of the merits of the scheme.

Processors would be required to purchase a set percentage (maybe 75-80%) of their milk from the co-op.

Getting there would require ACCC approval and someone great to lead the project.

## Declare supermarkets a monopsony leading to government action

Government needs to take effective action to rebalance the market. This means stopping generic milk being a loss leader for retailers.

We should consider other support programs including:

- An adjustment package for farmers (like Canada)
- A market assurance program (like the USA)

The ACCC is more geared towards consumers and needs to consider producers.

# 5. What is success for the dairy industry?

Imagining the future of the industry, we articulated our vision

## If we succeed, in 2025 we will see...

- Australia produces the best quality milk in the world and consumers want to drink it
- People are knocking on the door saying “how can I be part of it?” (workers, investors, young people)
- The price of milk is higher for a sustainable, prosperous industry
- I will be proud to be a dairy farmer and have the respect of the community
- We're professional, we sustain local communities, we treat our environment well and we treat our animals well (we can afford to do so)
- The Australian Dairy Plan worked, it was implemented and adopted across the industry

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

Declare retailers a monopsony leading to government action

Industry restructure to one body: with more levy money towards united and effective advocacy for farmers (not processors)

Establish a dairy advocate (maybe within the ACCC) to review contracts between farmers and processors and processors and supermarkets

Industry restructure to one body: with the processor levy directed towards generic marketing

Address dumping of cheap dairy from international providers

Industry restructure to one body: with a milk pool (needs ACCC approval)

Press politicians to recognise that domestic dairy security is a component of food security

Create a recognisable brand for 'made from Australian' dairy - prominently displayed - legislative change

Farmers to decide where the levy goes

Take action on labelling - both country of origin and non-dairy alternatives

Advocate for separating the domestic and international markets in how we treat them

Educate and train the farmers of the future including more professional development of farmers (may be compulsory)

Reassign risk and reward

Declare a 'force majeure' due to drought and build this into contracts

Provide education to encourage people into dairy and help them be profitable - make them fit for the future

Educate consumers about what Australian made means - share our story better

Bring drought interest rate subsidies back for exceptional circumstances

Farmers to vote on their industry leaders across all organisations

Have qualified and up to date agriculture teachers and make agriculture taken seriously in schools (curriculum change)

Understand consumers through a study - what they know and what they want so we can communicate the value we bring and convince them to pay for what they want