

Regional Workshop: Wagga

Workshop Output Report



Background

The Wagga regional workshop is one of 23 regional workshops 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: 27th June 2019

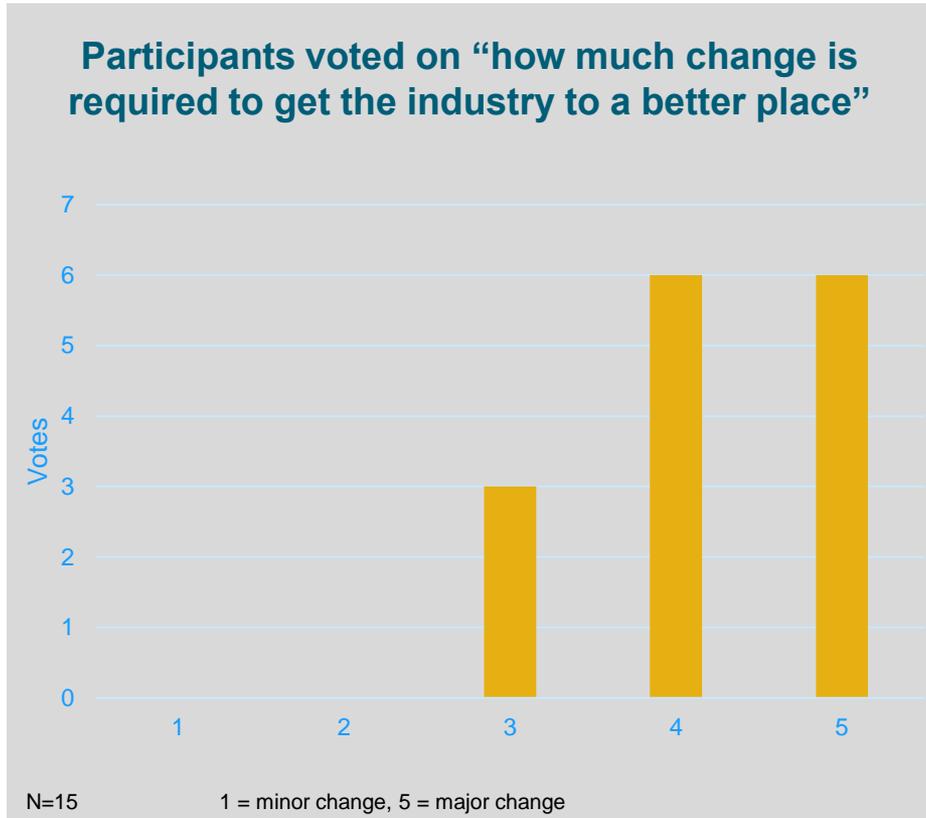
Location: Wagga RSL Club

Facilitator: David Nation and David Inall

Coordinator: Elizabeth Warren

Attendees: 21

2. How big is the appetite for change?

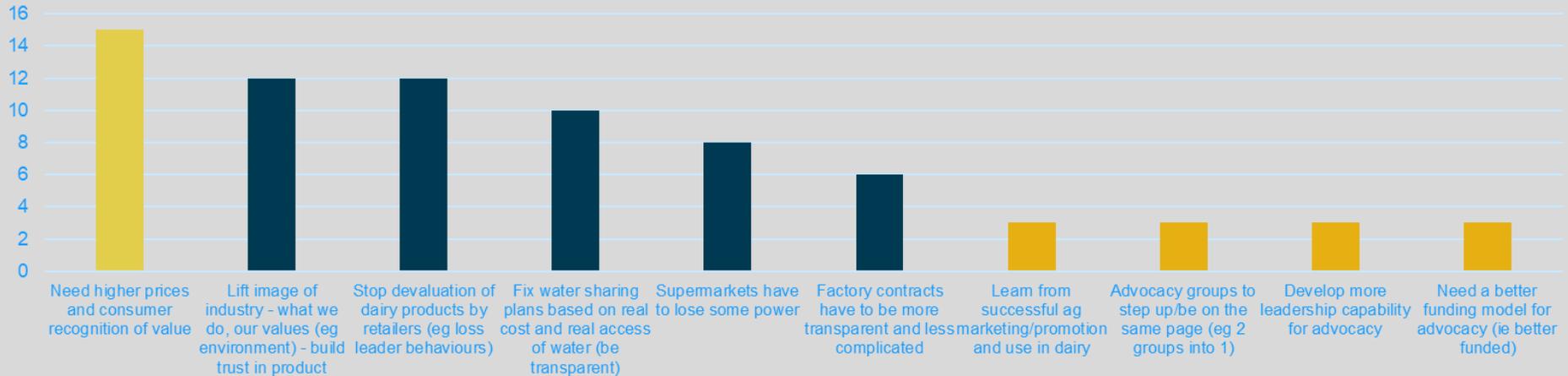


In discussing the results, we agreed...

- Industry needs a complete overhaul
- Plan is 4 years too late (crisis started years ago)
- The high barrier to entry for a new entrant is a big problem
- Decreased milk price since deregulation (52c then and now, 20 years later)
- Industry is shrinking
- Free trade agreements are giving away our industry through subsidized imports
- Low profile of the industry
- Rising input costs
- Supermarkets are holding down prices

3. What needs to change?

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



N=17

Top 10 ideas by votes

4. What needs to be done?

We further developed our top 4 prioritised ideas by thinking about what success would look like, how we might get there and what might hold us back.

Need higher prices and consumer recognition of value

Where do we need to be in 2025

- Being profitable leads to growth
- Being sustainable leads to farm succession

What needs to be done

- Unity in Advocacy
- Make the retainer value our product

What will hold us back?

- Diminishing industry
- Lack of Unity
- Lack of corporate direction

My idea is we need a “Donald Trump” figure head who will “Make Dairy Great Again”!

Lift image of industry – build trust

Where do we need to be in 2025

- Milk is good for you and natural
- People value what dairy products do for them
- Dairy businesses and their teams are valued and add value to their communities

What needs to be done

- More R&D in nutrition
- More marketing that connects back to the farmer and their cows
- More farm gate margins lifts confidence and self promotion

What will hold us back?

- Activists who are better organised, nimble, agile
- Funding for R&D and marketing

4. What needs to be done?

Stop devaluation of products through retail behaviour

Where do we need to be in 2025

- Less power in retailers to set price (prices paid need to create more than a survival lifestyle for farmers)
- New people in industry
- Processors are profitable also (everyone is making something)

What needs to be done

- Public awareness of quality product
- ACCC play a better role in regulating retail behaviour (including contracts that set out fair trading)
- Free trade should not allow subsidised product

What will hold us back?

- Lack of political will (sitting on the fence; moral choice of farmer vs consumer, strong interest groups, short term electoral thinking)

My big idea is that a minimum of shares of big retailers should be for farmer interests so that they part-own the business

Fix water sharing plans based on real cost and real access of water (be transparent)

Where do we need to be in 2025

- Water arrangements are clear & consistent (cohesive plan)
- Can't trade unless on land
- Water needs to be available and affordable

What needs to be done

- Reduce amount of carryover water
- Fix inconsistencies in regulations (role of Fed Govt and national control of water)
- User pays principle

What will hold us back?

- Interest groups, lack of understanding, state interests, fragmented decisions, lack of consensus

My big idea is to make water a role for the commonwealth

Summary of ideas for what needs to change

- Need higher prices and consumer recognition of value (vs cheap staples) to grow whole supply chain - a step-change in price
- Lift image of industry - what we do, our values (eg environment) - build trust in product
- Stop devaluation of dairy products by retailers (eg loss leader behaviours)
- Fix water sharing plans based on real cost and real access of water (be transparent)
- Supermarkets have to lose some power
- Factory contracts have to be more transparent and less complicated
- Learn from successful ag marketing/promotion and use in dairy
- Advocacy groups to step up/be on the same page (eg 2 groups into 1)
- Develop more leadership capability for advocacy
- Need a better funding model for advocacy (ie better funded)
- Subsidised imports need to be stopped or fixed
- Create a working life for farmers that eliminates mental health pressures
- Water rules need flexibility for unique situations (e.g. creeks)
- Processors reducing duplication through greater rationalisation (e.g. cheddar and yoghurt plants)
- Facilitate succession pathways
- Better training of mid- and senior- management for farms
- Build a sustainable sized industry i.e. sustainable margins
- Stimulate people movement to regions with capability for high skills/technology jobs
- No manipulation of cost-of-production or pricing statistics of the supply chain across regions; need a real analysis of real regional splits (not diluted by lower cost regions)
- Greater visibility throughout supply chain