

15/10/09

Re dairy industry enquiry

Dear Senators,

I have become aware of a senate committee enquiry through our local paper and thought this may be a good opportunity to put forth some of my thoughts and ideas.

It has been with great sadness that I am witnessing the stress many dairy farmers are facing physically, mentally and financially.

I feel we are well positioned to give an opinion as my husband was a dairy farmer for 34 years until 4 years ago when he decided to pursue his studies and enter another field, whilst I am a senior health care worker.

While the cycles in farming are predominantly driven by weather and market forces even those with the best business models and farming practices are stressed and how long they can endure such conditions is anyone's guess.

There are some factors that the general public may not be aware. The list is as follows:

- There are huge capital outlays involved with farming, if landowners the cost of land &/or share farmers with capital equipment purchases & stock purchases.
- Farmers are conservationists by nature – if they don't look after their land then they don't get rewarded. They are fined if weeds are not managed. If animals are not looked after or die they are not productive.
- They outlay large sums of money setting up & maintaining their own water infrastructure– The rain that falls on their property is harvested & piped & pumped and care is taken to minimize usage.
- They get a fraction of the price the public pay for their milk in the shops yet they take all the risks and most work a 7 day week. The farmer has been receiving 19 cents litre and the cost to produce is 24 cents litre or more depending on debt level.
- The world markets are not providing a level playing field with overseas farmers being subsidized - aided by other industries.

If this government doesn't put measures in place to assist the farmer the following is sure to be the outcome:

- Farmers will go out of business and land prices will plummet and local & federal revenue from taxes generated will reduce significantly.
- Cheap property will be snapped up by foreign owners gaining control of our natural resources and controlling markets. This is already happening with Timbercorp and Great Southern and other stations.
- Displaced farmers will add to the strain on social services and health facilities.
- Other supporting communities who rely on farmers to spend will also flounder i.e. the local shops, farm supply businesses also adding to the strain on social support.
- Our markets will be flooded by cheap produce initially from overseas, then once they gain the market share, will put further pressure on prices and we will be at the mercy of overseas price demands, so ultimately prices will escalate. A prime example is the tomato economy in Jamaica as the American cartels took control. There are parallels within the dairy industry.

This government may think it has the right philosophy looking after the environment for the future, but this doesn't mean they have to disadvantage Australian industry- sure, as we develop industry we choose the cleanest and best way to grow.

Australia only generates 1% of the world's greenhouse gas and the jury is out to determine if what we are experiencing is not just a world cycle in the climate change, so the debate can go on.

Why is this government proposing to make it so difficult for farmers to farm by adding to the uncertainties :

- Considering a carbon tax on cows methane gas emissions (Passing of wind), a very natural phenomenon – will the government eventually consider doing that to humans? Cows have provided for the basic needs of humans since beginning of time.
- Considering adding a tax for shed water usage when farmer has financed the harvesting of water from their properties and maintaining the equipment for that to happen. Does government want farmers to tap into government developed, supported & funded water sources which would require further development? This would ultimately be paid by the general consumer in our taxes and or massive hikes in water rates. Currently we have a lot of water just going out to sea, while this government spends millions to harvest from the sea and producing lots of green house gas in generating the power to do the harvesting.

Consider the consequences if we eliminate the cow with its milk & meat production:

- Will we end up with Iron, Vitamin B deficiencies and reduced calcium in our diets? Imagine the additional health costs.
- If we grow more vegetables to make up for the change in diet will we have more land degradation, fertilizer use, water use or genetically modified food stuffs?
- What will be the outcome for those abandoned farms? Will off shore companies like Monsanto take over to grow GM foods on large scale – if they do watch out neighbors, you could end up in court as they fight over the wind blowing or birds dropping their seed on your property holding you responsible for “stealing” their genetically “owned” material.

Rationalization of resources is what is required on the world forum – grow rice in Asia, grow beef in Australia. Let local industry flourish with a sensible monitored approach to reducing pollution and green house emissions. The world cannot in the long term continue in its current form with destruction of world heritage rain forests and indiscriminate development of “dirty” industry in 3<sup>rd</sup> world countries and we should continue to put pressure on those governments to prevent this.

Large nations direct their monies and power to influence world markets, flexing their industrial might at our cost. This misdirected funding and energy also comes at great social cost even to those countries, such as poor health systems and social services.

If we help our farmers rather than hinder, the broader community benefits too. Farmers work very hard and by nature of the work and take lots of risks. Our farmer’s by and large are already recognized as the most efficient in the world.

The answers are clear –

- Short term support for our farmers is essential for the health of the farming family, industry, local and broader community and the nation. Follow in the same vein as OS governments & give direct subsidies to support the dairy farmer or indirect subsidies by imposing import duties on foreign imports. At least so that the primary producer is on a level playing field.
- Investigate the mark ups on produce past the farm gate & address anomalies.
- Evenly distribute the income sacrifice throughout the industry from the tanker drivers to the CEO of the dairy companies i.e. All parties involved in the food chain take say a 25% reduction of income and work the same hours.
- Investigate the distribution of Australia’s milk within regions and factories. Provide farmers with a more equitable distribution between export milk products & the fresh milk market.
- Exempt farmers from the proposed new tax for harvesting water falling from the sky over owned/leased land.
- Exempt live stock from any ETS.
- Provide grants for weed control and land management initiatives including fencing to ensure maintenance of current farming land.
- For all primary producers provide farm land interest rate relief for the next 12 -24 months and provide tax relief on all farm machinery and implements.
- Control foreign ownership of property and prevent whole sale control of our resources such as water.
- If none of the above measures are workable, provide farmers a dignified and viable exit plan; allow subdivision into smaller plots so that “unviable farming” land income can be maximized.

We need to recognize, protect and support grass root farmers; our best assets and augment the nation’s capacity & ability to feed our growing population.

We should not destroy our functional capacity to chase ideals which may lead to self destruction.

C & J FitzGerald