

THE SOUTH AUSTRALIAN

DAIRYMEN'S . . .

Journal

The Official Publication of the



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Adelaide JAN/FEB 1978

PASTORAL (SA) AWARD

Pay rates effective from 1st June, 1978

ADULT RATES (without keep) \$ per 40 hr. week

- | | |
|---|--------|
| 1. Station hand with less than 12 mths.
experience | 128.50 |
| 2. " " " more " " | 130.00 |
| 3. General Station hand | 131.20 |

With Keep: the above rates less \$27.40 per day

By the day: minimum rate.....\$25.70

JUVENILE RATES (without keep) \$ per 40 hr. week

At 15 years of age	57.80
" 16 " "	64.30
" 17 " "	70.70
" 18 " "	83.60
" 19 " "	96.40
" 20 " "	115.70

With keep: the above rate less \$27.40 per day.

PRICE

40c



THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL

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THE SOUTH AUSTRALIAN DAIRYMEN'S ASSOCIATION
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Aston House, 13 Leigh Street, Adelaide. 5000. 51 3034

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Advertising Rates on application

STAGE II IS NOW LAW

As we predicted in the previous issue of the Journal, as the States had failed to endorse the "Selective Underwriting" scheme put forward by the Federal Government as an alternative to the Market Share Entitlement Scheme (because the States could not agree about that scheme, either), legislation implementing selective underwriting was introduced directly into the Commonwealth Parliament and passed by both Houses.

So "selective underwriting" now becomes Stage II, but for one year only, after which it must be assumed that the Government will again look at the direction in which the industry is heading, to see whether it needs a push, or some restraint.

In simple terms "selective underwriting" means that the Federal Government will, during 1978-79, underwrite 96 000 tonnes of butter (and the equivalent byproducts, skim powder and casein), an unlimited quantity of cheddar and gouda cheese, and all wholemilk powder made against firm orders, at a total value that should enable an "efficient factory" to pay its suppliers 165¢ kg fat at the farm gate.

Alternatively the Government offered to underwrite these products at 176¢ kg fat to dairy farmers in any State where that State Government was prepared to put in \$1 for each \$2 of Federal money to provide the additional 11¢ kg fat.

As may be guessed, the response of State Ministers has not been enthusiastic (with the possible exception of W.A., yet to be verified). The Victorian Minister of Agriculture has stated that Victorian dairy farmers can be assured that they will receive at least 176¢ kg, but although the Minister has not said so, the additional money promised is, we expect, only the market milk premium that all dairy farmers in that State are now receiving from the new State-wide milk equalisation scheme.

Certainly Mr. Chatterton has spoken strongly against the "participation" offer, and it must be admitted that the underwriting of returns from primary products sold on export markets is not a State matter.

But, on the other hand, although actual production levels and returns can, at present only be guessed at, there is a strong possibility that cheese will return 176¢ kg or better without any Federal (or State) input, although this possibility may be dependent on the Government's policy concerning increases in product manufacturing costs.

STANDARD PLATE COUNT

In the article in the previous issue of the Journal, under the heading "Bacterial Count Testing" reference was made to a recommendation for the introduction of "Total Bacterial Count" as a standard for all milk, replacing the methylene blue and thermoduric tests. (Incidentally, there was an error in the article; milk having a count of more than 100 00 would not be classed as "reject").

The Metropolitan Milk Board has now decided to introduce the Standard Plate Count (or Total Bacterial Count) from 1st July 1978, the thermoduric test being discontinued from that date and the methylene blue test being discontinued in November.

The procedure from 1st July will be that treatment plants will carry out a modified test (plate loop count") once per month, and, in the event of failure to conform to the standard, the producer and the Board will be notified "as soon as possible". A sample will then be collected by the Board (presumably from the treatment plant) for testing by the Board within ten days after the first failure.

During this interval every effort will be made by the Board's supervisors to help the producer solve his problem, by discussing the methods used and by inspecting milking equipment. It is to be hoped that the supervisors will also satisfy themselves that the sampling and storage procedures are correctly carried out.

If this second test (which will be a standard test, not the simpler "loop test) is satisfactory, the producer's milk will revert back to monthly "loop" testing, but if the producer's milk fails the second test it will be retested by the Board within the next ten days. A failure in this second 10 day test will result in the application of a penalty, and the penalty, and the 10 day testing interval, will continue until the milk conforms to standard, after which the testing interval will revert to monthly and the penalty will be removed.

As stated in the previous article, the plate count standard of less than 50 000 colonies has been in the Board's regulations for many years, and its introduction now cannot cause objection. There are, however, some aspects of the proposed procedure which require further examination, and to which the Association will be giving its attention in the period before its introduction.

CENTRAL COUNCIL ANNUAL MEETING

Thursday 29th June from 10.30 am

As well as the formal business, which includes the President's Annual Report and the election of officers, the Council will discuss a wide range of subjects of importance to dairy farmers, and some hard-hitting motions from Districts, criticising the Metropolitan Milk Board, the Australian Dairy Corporation, the proposed State Dairy Authority, the cartage and storage of milk by factories, and the proposed Standard Plate Count test.

Although the Central Council is composed of delegates appointed by the Districts, any member may attend as an observer. A luncheon is provided.

FREEZING POINT TESTING OF MILK

The Metropolitan Milk Board has, (possibly since its inception) issued notices to dairy farmers, on occasions, informing them that a sample of milk contained "added water", a statement at which offence was, at times, taken by people who were absolutely convinced that no water had been added, intentionally or accidentally.

The truth of the matter is, of course, that the test carried out by the Board determines the freezing point of the sample, against the standard of minus 0.535° C, and where water has been added, a higher freezing point almost certainly will be found.

Until recently the situation was generally tolerated, but early in 1977 it appeared that failure to achieve standard for freezing point was so widespread as to indicate that something was seriously wrong.

Most of the evidence pointed to nutrition as being the likely cause, as the "epidemic" tended to accompany the early autumn period where paddock grazing is practically non-existent and hand feeding becoming increasingly uneconomic.

Following the Association's request, the Northfield Dairy Research Centre conducted a trial on the effect of different planes of nutrition on the composition of milk, and its freezing point, the now published results of which have supported the hypothesis.

The Metropolitan Milk Board has also acceded to a request to change the wording of the notice, and future notices will inform the producer of the actual freezing point of the sample of milk from his farm, with the comment that "this is consistent with the presence ofper cent added water". thereby avoiding giving offence to those producers who

have not knowingly or otherwise allowed water to get into the milk.

This does not mean that the Board will not investigate every variation from freezing point standard. Accidental, and perhaps even intentional addition of water is not unknown, and the causes need to be traced to prevent recurrence. The Board's current policy, and an explanation of the background is given in the following article by Mr. W.J. Taylor, the Board's Chief Supervisor:-

"Milk regulations are made for many purposes. The most important is to make sure that milk is safe to drink, sufficiently fresh to be palatable, and unadulterated. Other regulations concern matters of price, labelling, composition and standards, which although of economic importance and a benefit to trade are of less direct public health importance.

The standards for milk sold or intended to be sold as liquid milk in S.A. include a stipulation that milk shall have a freezing point not higher than -0.535° C. The method of determining the freezing point is specified in the Regulations.

These are specified in Regulations made under the Food and Drugs Act and also in Regulations made under the Metropolitan Milk Supply Act.

All other State Authorities concerned with the production and distribution of liquid milk have Regulations which include a freezing point standard.

The freezing point standard in N.S.W. is -0.535° C but in the other States of Australia the standard is fractionally lower being -0.540° C.

(continued on page)

NUTRITION AND MILK FREEZING POINT

(An Experiment Carried out Feb/Mar 1978)

Thirty six Friesian cows in their second and third month of lactation from the Northfield Research Centre herd were used in an experiment to determine the effect of plane of nutrition on the freezing point of milk. During the 3 weeks before the experiment began all cows were fed approximately 12 kg of pasture hay and 4.5 kg of rolled barley per head per day, this quantity of feed being equal to their feed requirements. At the end of this period, milk yields of all cows were measured and fat, solids not fat, protein and lactose concentrations of the milks determined. The freezing point of the milks were also measured and cows were weighed. The cows were then divided into 3 treatment groups, each of 12 cows, on the basis of number of lactations and on milk fat production. Each group was allocated to one of the feeding treatments which were

- (1) fed at 50% of feed requirement using pasture hay (average of 8.3 kg/cow/day)
- (2) fed at 75% of feed requirements, using pasture hay (average of 13.9 kg/cow/day)
- (3) fed at 100% of feed requirements, 75% being as pasture hay (average of 14.6 kg/cow/day) and 25% being as rolled barley (average of 3.7 kg/cow/day)

On one day of each week, milk yields of all cows were recorded and the milk samples tested for fat, solids not fat, protein and lactose as well as freezing point. Cows were

also weighed each week. Results obtained just before the experimental feeding commenced and those obtained 5 weeks later are shown in the accompanying table.

The results clearly demonstrate the production changes which accompany a decrease in plane of nutrition. There were decreases in milk production and liveweight, but little effect on fat percentage. Decreases in solids not fat, protein and lactose percentages were noted. Freezing point, which can also be expressed as equivalent added water, was shown to increase as the feed intake of the cows decreased. It may be noted that the maximum difference in freezing point or in "equivalent added water" between treatments was less than that which has been recorded in one experiment conducted in Queensland. In the Queensland experiment, freezing point differences equivalent to over 3% added water were induced by nutritional effects.

It is evident from the attached table that under South Australian conditions, low energy feeding can result in elevated freezing point of milk, and that the level rises above the level equivalent to one percent added water quite soon after energy intake falls below feed requirements.

Feeding standards used in the experiment were those set out in the recently published Bulletin 33 of the U.K. Ministry of Agriculture, Fisheries and Food.

Milk production, milk composition, liveweight and water to milk" at the commencement of experiment

	% of required diet fed to cows	Milk (kg)	Fat % w/v	SNF % w/v
Commencement of experimental feeding	100%	17.1	4.0	8.8
End fifth week of experimental feeding	50%	8.0	4.4	7.9
	75%	12.2	4.4	8.2
	100%	15.5	4.5	8.6

DOG REGISTRATION FEES

Although the amount may be small in comparison with other farm costs, the proposed increase in dog registration fees (perhaps to as high as \$15 per year) led the Association to make a submission to the Select Committee seeking a concessional registration fee for working dogs on farming properties.

As with other special rates for primary producers, the question was "how to define a primary producer", as, if we were not careful, our request could have led to the concession being available to the miscellaneous variety of canine breeds owned by hobby farmers and "week enders" which constitute a potential menace to livestock.

The submission, as finally presented, asked for a registration fee of not more than one-fifth of the standard fee to be applicable to Border Collies, Kelpies,

milk freezing point and "equivalent added
 experimental feeding and after 5 weeks
 feeding.

Protein % w/v	Lactose % w/v	Liveweight (kg)	Freezing Point (°C)	Equv, added water
3.2	5.1	501	-0.531	0.7%
2.8	4.7	416	-0.526	1.7%
3.0	4.8	469	-0.527	1.5%
3.5	4.9	499	-0.530	0.9%

Queensland Blue Heelers, and crosses thereof, where such dogs were owned by "primary producers" as defined in the Motor Vehicles Act, i.e. "as person who carries on as principal a business of agriculture etc., or who under a written sharefarming agreement works any land as a sharefarmer". It is realised that this definition (which, in the case of motor vehicle registration must be endorsed by a local police officer, may include some 'Rundle Street'farmers, but its major application will be to bona-fide, full-time primary producers. The Report and recommendations of the Select Committee may not be available for some time.

PRACTICAL FARM WORK WANTED

Two to four weeks practical farm experience is sought by male University student (21) studying Agricultural Science, at any time during September, October, or December (not November). Award rates do not apply to University students gaining practical experience. Apply in the first instance to this office.
 (08) 513034.

The standards for city milk, which include the freezing point, were made in 1951 and in 1954 freezing point testing became a weekly routine test in the Board's program of testing.

Although freezing point testing has been a regular feature of the Board's laboratory work since July, 1954, there are still considerable misunderstandings concerning the significance of the freezing point of milk. Reports of seminars and articles from both interstate and overseas indicate similar problems concerning the relative complexity of the factors influencing marginal variations in the freezing points of milk.

A brief technical explanation of the freezing point of milk and its significance concerning added or extraneous water is given in the report of the sub-committee of the Scientific Advisory Committee to the Department of Health (Scotland) published in 1946, which includes the following:-

The physiological basis of the validity of the freezing point as an indication of added water is as follows:- The osmotic pressure of a solution is dependent on the nature and concentration of dissolved substances present. To maintain life the osmotic pressure of the blood of a given species must remain practically constant. Theoretical considerations confirmed by practical experiment show that milk is isotonic with blood and that the osmotic pressure of milk must therefore also remain practically constant for any given species. The addition of extraneous water, by lowering the concentration of dissolved substances, will however result in an abnormally low osmotic pressure.

Measurements of the osmotic pressure of milk are not readily made, but the osmotic pressure is directly related to the freezing point depression, which can be accurately and conveniently determined. Thus there are sound physiological grounds for the view that the freezing point depression may be relied on as a criterion of the genuineness of a sample of milk.

This view has received ample practical confirmation from the work of numerous investigators, who have shown that the freezing point depression not only constitutes the most constant of the physical properties of milk, but is capable of furnishing conclusive evidence regarding the presence or absence of added water.

From the point of view of detecting added water the important consideration is whether a reliable minimum value can be fixed for genuine milk below which adulteration may be presumed with reasonable certainty.

On the available evidence the Sub-Committee considers therefore that the minimum freezing point depression of genuine milk may for all practical purposes be assumed to be 0.530° C. On rare occasions it may be very slightly less than this figure, e.g. between 0.525° C and 0.529° C. Recorded values for genuine milk samples of less than 0.525° C are attributable to differences in technique and/or the application of special correction factors.¹

In reviewing literature on the freezing point of milk it was noted that W.F. Shipe, Department of Dairy and Food Science, Cornell University, Ithaca, New York made the following observations which were published in the Journal of Milk and Food Technology.

'Does all undiluted milk have the same freezing point?' The answer to that question is an unqualified 'No'! Obviously, then, a single value cannot be given in answer to the question - 'What is the freezing point of undiluted milk?'

It is evident that any fixed arbitrary standard is not equally valid for all milks. In recognition of this fact, the Association of Official Agricultural Chemists has revised its recommendations, as published in the 1960 edition of Official Methods of Analysis (1), are essentially as follows:

1. The presence of added water is indicated if the freezing point is above -0.530°C .

2. It should not be assumed that milk with a freezing point below -0.530°C is necessarily free of added water. In fact, samples representing large mixed lots of milk will probably have freezing points below -0.540°C . Such milk having a freezing point above -0.540°C , or showing large fluctuations in freezing points from day to day should be regarded with suspicion.

These revised recommendations are similar to those adopted by the British Standards Institution (3) in 1959.

These recommendations call attention to the fact that freezing points do vary and that this variability should be considered in interpreting results. The use of the term, "minimum percentage of added water" calls attention to the fact that it is not possible to calculate the exact percentage of added water.

In spite of the variations between samples, analysis, and interpretations, the freezing point of milk is the most reliable index of added water. As with any index, its usefulness is limited by one's understanding of its meaning."

As stated earlier in this report routine testing for added water became a regular routine feature of the Board's laboratory in 1954. Since that time about 45,000 (44,878) samples of milk supplied by producers have been tested.

Practically all of these samples were obtained from milk supplied to treatment plants or receival depots but where further investigations have been necessary samples have been obtained at the producers' premises. In such cases milking operations have been supervised and the series of samples taken have covered the complete milkings.

The pattern of freezing point levels over 23 years in the city milk production area have shown a similar range of values to those established by the two overseas authorities referred to in this report.

Ever since freezing point testing has been in operation in this State it has been observed that in the months of January, February, March and to a lesser extent April the freezing point levels of milk have been higher than for the remainder of the year.

There are various factors affecting the freezing point levels of milk but these are mainly of academic interest except where it is known that added water is causing the freezing point level to be higher than the standard.

Under the Board's present policy freezing point results are classified according to the percentage of added water. Results indicating 3% or more added water are considered for disciplinary action, namely a warning by the Board. Rechecking is continued until it has been established that the milk does not contain added water. In the event of a second unsatisfactory result consideration is given to the suspension of the producer's licence.

When results indicate less than 3% added water an advisory approach is adopted. The producer is advised of the result by the Board's District Supervisor who discusses this with the producer and if considered necessary further investigations and tests are made.

The original certificate certified that the sample of milk was tested and the results indicated the presence of a certain percentage of added water. This is the purpose of freezing point testing. Freezing points higher than the legal standard are indicative of added water.

Prior to June, 1976 all such certificates were posted to producers. It was considered that this system created considerable misunderstanding, particularly during those months when freezing point depressions are generally and marginally higher.

Minor modifications have been made to the certificate recently. The certificate as amended will give the freezing point result and the percentage of added water which is "compatible" with the result.

MILKING MACHINE INFLUENCE ON CELL COUNT

Dairy farmers whose milk has a high cell count may have faulty milking machine components, according to Mr. R.D. Kaye, advisor in the Dairy Branch of the Department of Agriculture.

"The Department, in assisting dairy farmers concerned with high cell counts, has found the problem to be greatest where such faults as badly perished rubberware, dirty vacuum regulators and dirty or perished pulsator components exist" he said.

"Milking systems operating with too low a vacuum reserve - caused by worn out vacuum pumps - are also often associated with high cell counts."

Mr. Kaye said that, to assist dairy farmers installing new machines, the Australian Standards Association had published a Code of Practice for milking installations and it was in a dairy farmer's interest to ensure that the machine was installed accordingly.

The Code of Practice involved testing of the plant by an independent authority acceptable to the purchaser and to the supplier. After testing, a written report on the machine's performance should be supplied to the purchaser by the authority before completion of sale.

"When a machine is installed, the dairy farmer should ask for a working demonstration from the fitter to show him how to clean and maintain the components of the machine," he said.

The maintenance section of the Code of Practice suggests that the following parts be inspected weekly:

- Milk dropper, pulsation and claw rubber ware.
- Vacuum regulator/controller, air inlet (for cleanliness).
- Vacuum tank and sanitary trap (for cleanliness).
- Pulsation system (for correct speed and operation).

The vacuum line should be washed out weekly and all drain points should be checked. The Code also recommends that the dairy farmer dismantle and clean the vacuum regulator, and check the vacuum pump and pulsator system driver belts for correct tension and signs of belt slip or wear.

CALF PICK-UP SCHEMES UNDER WAY

After lengthy negotiations with several interested companies the Association has arranged two calf pick-up schemes, one covering the South Coast, the other covering both sides of the River, from Mannum to Wellington. Other areas have not been included because the calving season is practically over.

Pick-up on the South Coast run begins at 9 a.m. on Wednesdays at the intersection of Page's Flat and Myponga Adelaide roads, then at 45 minute intervals at Wattle Flat, Normanville, Parawa, Inman Valley, Back Valley turnoff, Hindmarsh Valley, Mount Compass (factory turn-off) and Hope Forest. Pick-up on the River is on Tuesdays, starting at Mannum at 9 a.m. Calves will be picked up wherever indicated by a poly super bag tied to the gatepost. Details are obtainable from your District President or Secretary.

E.E.C. DAIRYFARMERS NOT TEMPTED

The EEC has established an ambitious plan to entice dairy farmers into abandoning milk production in favor of other products, receiving premiums for doing so. Response has been slow and far below target.

They hoped that up to 150 000 EEC farmers might be tempted to leave the industry, but a generous estimate of applications in late 1977 from all nine countries shows that fewer than 15 000 producers had elected to switch out of dairying.

In Britain, according to Milk Marketing Board estimates, about 9 000 small-time dairy farmers are classed among those who would benefit most from the schemes agreed at the annual Common Market farm price fixing last spring.

The Ministry says, however, that a fresh flush of applications should come early in the new year. Farmers are expecting an increase in the price of milk in January and since the size of the EEC exit incentive payments is related directly to the price of milk at the time of the application, it could pay them to hold off.

One senior UK Ministry official said he could see no reason to expect more than 18 000 to 20,000 British cows to be affected. This implied that only about 2,000 farmers at the most in the UK are expected to take up the Commission's offer.

Tempting as the Commission's grants are; milk production is even more attractive than last year, when EEC plans to cut down dairy surpluses finally started to take shape.

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PRODUCTION AND SALES STATISTICS

Adelaide Metropolitan Milk Supply Area.....

PRODUCTION (000 litres)

May	145.34	114 351	468.8	462.9	217 231	217 534
June	14 660	15 311	488.7	510.4	218 263	218 185

MILK SALES (000 litres)

May	8 597	8 883	277.3	286.5	99 547	100 513
June	8 355	8 284	276.5	276.1	99 710	100 478

RATIO (Sales to Production%)

For Month 12 Mths.Cum.

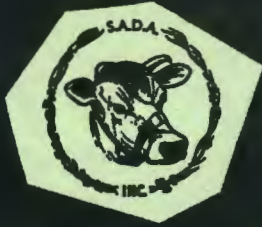
BASIC PRICE

(Cents Kg BF)

	1977	1978	1977	1978	1977	1978
May	59.2	61.3	45.8	46.2	126.76	161.18
June	57.0	54.1	45.7	46.1	126.76	161.18

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THE GENERAL PRESIDENT'S ANNUAL REPORT for the year ending 31st March, 1978

The question that we must now ask is whether the dairy industry has at last come to that stage to which we have looked forward for so long, when "it will be all right for the survivors".

Looking first at the national scene we find that, at the close of the present season, with the moral support of the Commonwealth Government, (for it is unlikely that much actual funding will be required,) the return in the Adelaide region for milk used for cheese manufacture will be of the order of 165 cents per kilogram of butterfat.

The opening value for milk for cheese in the new season can confidently be expected to be no less than 165 cents, and although it is to be regretted that the Commonwealth Government could not accede to the request of the Australian Dairy Farmers' Federation for an underwritten value of 176 cents without attempting, somewhat unreasonably, to impose on State Governments some of the financial burden that would have been incurred at that figure, there is every possibility that for cheese, at least, the market itself, will return somewhere near, if not more than the value sought by the Federation, once again without any direct Government contribution.

The producer price for market milk was lifted in August to 18.05 cents per litre, to take into account rising farm costs revealed in the Metropolitan Milk Board's 1976-77 production cost survey, and I am confident that we can expect a further adjustment to compensate for the still higher costs in the latest survey, even though the increase during the past year was less than might have been expected, having regard to the continued unfavorable seasonal conditions and the consequent difficulty of producing milk during the critical autumn period.

Perhaps it is this slowing down of the rate of increase in average production costs, in contrast to the steadily continuing rise in input prices, that demonstrates that we may be reaching the point where those who remain in the industry can be classed as "the survivors".

Against this is the fact that, so far, (and we cannot tell, with certainty, until we know how many producers' licenses will be renewed for the coming season) there is no discernible reduction in the rate at which dairy farmers in the Adelaide region are leaving the industry, the rate having averaged 6 per cent per annum for at least the past 10 years.

It is probably not possible to determine accurately the factors causing this rate of exit, which is somewhat lower than the national average of just over 7 per cent, but comparable with the Victorian rate so dramatically illustrated by Mr. Pyle, the President of the United Dairyfarmer's of Victoria, who, at the recent Annual Conference of that organisation, asked 22 delegates to stand as a demonstration of the number of dairy farmers who, on average, leave the dairy industry in that State each week.

Have we, by establishing that the rate of exit is, so far, undiminished, answered the question? Perhaps it is not yet "all right for the survivors"

4. But this answer raises another question - "What else is needed to stabilise, if not to improve the position of the dairy farmers?"

It is doubtful whether the answer to this question would have been found in the Market Share Entitlement Scheme which the Minister of Primary Industry has now replaced by the selective underwriting, that, in the coming fiscal year, but quite possible for no longer, will form Stage II of the Dairy Marketing Arrangements which followed the Industries Assistance Commission's second inquiry into the Australian dairy industry.

It cannot be denied that, for the dairy farming sector at least, there is some merit in a market share entitlement scheme, and the Association, for many years, sometimes as a single voice among dairy farmers' organisations, urged the study of such a scheme as a possible solution to the industry's recurring surplus problems. But the effectiveness of a market share entitlement scheme is directly related to the extent to which the aggregate entitlement approximates domestic demand, or, an alternative definition, the magnitude of the difference between the prices received for entitlement and over-entitlement production.

I believe it is because it conforms with both these conditions that the Canadian scheme is so successful, with a margin, or "sleeve" as it is called, of only 5 per cent above domestic requirements and an over-entitlement price of only 40 per cent of the entitlement price.

By contrast, the attractiveness of the entitlement scheme proposed by the I.A.C. was, almost from the beginning, considerably diminished by the insistence of the Australian Agricultural Council on a 40 per cent margin above domestic requirements, and a correspondingly small price difference, and the subsequent decline in milk production which occurred, chiefly as the result of unfavorable seasonal conditions in most of the dairying regions of the Commonwealth, without the imposition of any artificial restraints, further diminished the effectiveness of the proposed scheme to a point where its value when contrasted with the complexity of its administration, became questionable.

Furthermore, it was obvious, at each meeting of the Australian Agricultural Council, that there was less than full agreement among the Ministers of Agriculture from each State, and that no modification could be devised that would bring unanimous support.

It is, therefore, not surprising that the Federal Minister has, for the coming year at least, introduced an alternative which has only a faint resemblance to a market share entitlement scheme, and which will require a Government financial input in excess of \$25 million, in contrast to the market share entitlement scheme which, in theory at least, should need virtually no support.

So at the Commonwealth level, for the next 12 months, we are assured of stability, rather than prosperity; what ensues after then will depend on the trends followed by production, consumption, prices and costs, each of which is equally unpredictable.

The situation at State level, in the year upon which we are now entering, is rather less assured. Although the primary reason for the Committee of Inquiry into the Dairy Industry in South Australia was to recommend the means to be used to administer the Market Share Entitlement Scheme in this State, the Committee's Terms of Reference, and its subsequent recommendations, covered every aspect of the industry's regulation and administration, and the suspension (and it may be no more than that) of the introduction of an entitlement scheme has not halted movement towards a major revision of all State Dairying legislation.

We cannot object to the principles on which the revision is based; the Committee's recommendations vary little from our submission to it, but details of the legislation may not accord quite so closely with our views, and, if this is so, we will seek to have these matters amended during the review period which the Minister of Agriculture has promised to provide before the final Bills are debated by the Parliament.

Our understanding is that, unlike the present situation, in which the Metropolitan Milk Board is responsible for the regulation and control of all operations involved in the production, processing, distribution and sale of milk in the Adelaide producing district, whilst in the rest of the State these responsibilities are shared between the Department of Agriculture and other State and local government authorities, the proposed new legislation will provide for a uniform division of duties throughout the State, the Department of Agriculture being responsible for regulating the production and processing of milk and the manufacturing of dairy produce, whilst a new State Dairy Authority will regulate the distribution, sale, and pricing of milk and, possibly, of milk products in both metropolitan and country regions.

Such an arrangement is logical and practical if it is confined to those functions. It is where the powers of the instrumentalities extend into areas of administration and policy more appropriate to the industry itself that we must be vigilant.

The dairy industry in this State has a tradition of autonomy no better demonstrated than in the now 42 years-old Milk Prices Equalisation Scheme, a scheme unique in the simplicity and economy of its administration. Whilst it may not be possible to exclude from the proposed legislation power for the State Dairy Authority to oversee, or even, in a crisis, to assume the administration of the scheme, such power must be minimal and strictly confined.

Our determination in this area has already been shown in response to the Committee of Inquiry's "augmentation plan" for the South East's Regional Equalisation Scheme, which proposed that the State Dairy Authority, using powers which were not defined, would transfer funds from the Metropolitan scheme to dairy farmers in the South East.

Although such an "augmentation plan" would, in theory at least, appear to reduce the revenue of dairy farmers in the Adelaide producing district, the Central Council has recognised that the barrier of distance, which once prevented the South East from supplying the Adelaide market, has now been replaced by a much more fragile legislative barrier which, in other State, is in the process of being dismantled, and a plan is now being negotiated, on mutually acceptable terms, between the two regions, without the interference or intervention of a State instrumentality.

Simplicity and economy are, however, not the only attributes of the Association's direct participation in the milk prices equalisation scheme. At least equally important is our collaboration with the manufacturing sector and, more recently, the vending sector of the industry.

The task of promoting and marketing the products of the dairy industry rightly belongs to the three groups directly involved, and, although one of the proposed Bills may be entitled the Dairy Marketing Bill, the industry should, I believe, stand firm on the principle that marketing and promotion are not appropriate functions for a statutory authority, a principle that has the support of the Minister of Agriculture who, earlier this year, referring to the marketing of primary produce, criticised "the majority (who) still expect all problems to be solved through legislation and government administration".

The industry must, however, do more than merely adopt principles. There has been a long-standing criticism, in which the Association has often joined, that promotion and marketing of dairy products, particularly of market milk, have not been undertaken with sufficient vigor. The overwhelming superiority of the domestic market is freely acknowledged, but it is possible that not enough is done to increase, or even to satisfy the local demand.

STATISTICAL APPENDIX TO GENERAL PRESIDENTIAL

Year	Milk Production <u>Million L</u>	Milk Sales <u>Million L</u>	Flavored Milk <u>Million L</u>	Cream Sales <u>Million L</u>
1967-68	218.6	99.3	na	0.6
1968-69	242.0	97.7	na	0.6
1969-70	266.0	98.4	na	1.1
1970-71	263.8	100.3	na	1.4
1971-72	262.0	99.0	3.2	1.5
1972-73	247.9	101.6	4.1	1.7
1973-74	255.6	100.0	6.0	1.8
1974-75	249.7	97.5	5.5	2.1
1975-76	237.0	96.5	7.0	2.2
1976-77	217.5	97.4	7.0	2.2
1977-78	217.5	98.2	7.7	2.4

- Explanatory Notes
- (1) Ratio is ratio of milk and cream sales
 - (2) Basic Price does not include bulk sales
 - (3) Retail price is price per litre of milk
 - (4) Basic prices and equalised prices for
 - (5) Producers' licences for 1977-78 are

REVIEW OF CALF P

The four calf pick-up runs - (Northern, Central, South, and West) - started in the second month of operation. Generally they are proving to be popular with the farmers and are being well patronized.

But we are now going to review them, to see whether any suggestions you may have to bring more benefit to dairy farmers. All, we started with nothing but an idea, and it would have been a failure which needed no improvement.

For one thing, we hope that we can improve the timing. The time-table, so that the truck waits for the sellers, than a time when the truck is waiting too long at some stops it would be better. distance. So we want your ideas.

Phone (08) 51

ANNUAL REPORT - ADELAIDE MILK PRODUCING DISTRICT

	Basic	Equalised		Producers'	Retail	Producers'		Production	
	Price	Price		Licences	Price	Price		Cost	
	¢ kg	¢	kg	at 30.6.	¢ L	¢	L	¢	L
7	93.8	146.1		2042	9.0	9.46		8.62	
7	94.3	143.3		1968	0.9	9.46		8.47	
4	95.8	142.3		1870	9.5	9.68		7.77	
6	104.3	149.1		1760	9.5	9.68		8.06	
5	118.4	161.3		1666	10.4	10.23		8.26	
6	123.3	169.2		1526	10.4	10.23		9.20	
8	129.3	176.3		1397	11.4	10.89		10.26	
7	159.3	210.9		1342	14.2	13.09		13.21	
6	146.6	222.5		1245	18.0	14.65		14.32	
8	147.1	243.7		1169	19.0	15.50		16.95	
8	160+	280+		1136	22.0	18.05		17.23	

(excluding flavored milk) to total production premium payment

in pint or 600 ml bottles

1975-76, 76-77, and 77-78 are forecasts

beginning of June, and do not include non-renewals

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PICK-UP RUNS - SUGGESTIONS WANTED

(Hills, Lower Murray and Fleurieu Peninsula) are now into their success, and, generally again, have been welcomed by dairy

and how the scheme can be improved, and we will welcome farmers. (We will also listen to any criticisms, too). After a miracle if we had organised a scheme from the beginning

principle that we have adopted is "It's better to have an easy time-table so that the sellers wait for the truck", but, if to add another pick-up point, and cut down on your travelling

Although the pending disappearance of the Amscol company from the local scene will mean the loss of a household name and a dairy industry tradition of nearly 60 years standing, and to that extent is a cause for some sadness, the reduction to three in the number of dairy companies with which the Association is directly involved will, I hope, allow a correspondingly greater intensity in marketing activities in which we can play a worthwhile part.

But joint effort takes time, sometimes more time than is available, and the Association, acting alone, has already taken an admittedly small step into the field of active marketing by the leasing of a Kiosk at the Showgrounds, an initiative that has so far attracted much commendation, and a widespread desire to participate.

It is to be hoped that we can, in this project, use the blended dairy spread, which was initially developed at Northfield, and, which, appropriately, in view of that fact, and of the support given to its development, at the time, by this Association, and by the Department of Agriculture, will be test marketed in Adelaide during a 6 months period, beginning on the day that the Royal Show opens.

Perhaps we can hope that this test-marketing, and the very expensive promotion that will accompany it, will be the start of a success story in the national advertising carried out by the Australian Dairy Corporation, now that the Australian Dairy Farmers' Federation has matched its criticism of the Corporation's performance by a more than three-fold lift in promotional funds for the coming year.

Perhaps, in view of that decision, and the increased contribution which will be made by dairy farmers in this State, we might seek the reopening of the Dairy Foods Information Centre and the resumption of what this Association has always held to be an important function in educating consumers in the value of dairy foods.

Nowhere was the DFIC's work more valuable than in imparting the knowledge that Australian made cheese was at least equal, and often superior, to imported cheese, the volume of which has more than doubled in 10 years.

It is, therefore, pleasing to be able to announce, at last, that next month, an inquiry will be conducted by the Industries Assistance Committee into the level of protection that should be provided for Australian cheese against imported cheese, an inquiry in which, for the first time, the dairy farming sector will be allowed direct participation.

I have, thus far, dealt with the disposal of our production, but the ability to produce is also a condition for survival. The past few weeks have so far given indications of a promising season, and milk output is showing the expected upturn. But an unknown factor in this coming year is the loss of milk production that will be caused by the aphid infestation of the lucerne stands from which a large proportion of the region's supply is drawn, particularly in the autumn. Although the Minister of Agriculture did not invite the Association to be represented on the Pasture Aphid Consultative Committee, he has undertaken to ensure that we will receive the minutes of the meetings of that Committee, whilst, on our own initiative, we are maintaining close contact with the work being carried out in Victoria both on aphid control and on the development and propagation of resistant varieties of lucerne and other now threatened legumes.

Hopefully, some of the expected loss from aphid infestation, and some of the effects of continually increasing costs generally, will be offset by better returns from dairy calves, due to the coincidence of a marked improvement in calf prices with the calf pick-up scheme that the Association has negotiated with W. Jacobs. Delegates will recall that, at the previous Annual Meeting, the Central Council asked for an investigation into a more satisfactory method of market- P/11

ing dairy calves than selling at country markets for unpredictable and generally unsatisfactory prices. The three regular runs that have now been established have been widely commended, and it is expected that the fourth run, commencing next week, will be equally satisfactory to both the Association's members and the Company.

If, despite the success of this project, the question is asked "Why did it take so long?" the answer is "Because there are so many other things to do as well". The subjects that appear on the Agendas of the regular monthly meetings, and the occasional special meetings, of the Executive Committee are numerous, and cover a wide range, because of the Association's active involvement in the dairy industry at local, State and National levels. Each subject must be researched, discussed, decided and acted upon, and each of these steps takes time. Regrettably, the Association's activities do not always come to the attention of its members soon enough, sometimes not at all, and a change has now been made in the format of the Journal, both to save costs and to speed up communication between the Association and its members. It is hoped that the new style although outwardly less attractive, meets with your approval.

The year that we have now almost completed has seen the retirement from the industry of some of its most notable figures; Mostyn Garrett, Graham Itzerott and Bill Taylor, each after a long period of service of a high order.

Fortunately their places have been taken by men of comparable calibre, and with their support, and the continued co-operation and help of the Minister of Agriculture, the Department of Agriculture, and the members of the Metropolitan Milk Board, the Association will, I am convinced, be able to meet the changes in the coming year and turn them to the advantage of its members and the advancement of the dairy industry in this State

N.M. Green J.P. General President

PARTICIPANTS WANTED FOR COST SURVEY

One of the most important economic tools available to the Association is the continuing production survey carried out each year by the Metropolitan Milk Board.

The survey, which is now in its 20th year in its present form, is designed to measure the average cost of producing milk on dairy farms licensed by the Board, and takes into account all cash costs paid out for production inputs, plus imputed allowances for labor (depending on herd size), managerial skill, return on the capital value of the property, and depreciation of farm assets.

The credibility of the survey depends, in part, on the number of farms involved, and the Board is looking for more dairy farmers to take part, in order to maintain a reasonably-sized sample.

As well as providing a realistic measure of production cost, participation in the survey brings direct benefits to those involved, in the form of confidential performance comparisons, both physical and financial, with other dairy farmers in the same region, thereby providing a guide for better economic management.

To apply to be included in the survey, or to ask any question you may have about the survey, telephone the Board's Cost Officer, Mr. Geoff Ellis, at 223 2277.

OUR ROYAL SHOW KIOSK IS ON THE WAY

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And Thank You Ladies, For Your Response

As we expected, the ladies responded enthusiastically to our request for help in the Association's Kiosk at the forthcoming Royal Show.

We now have a good team on which to call, and in a week or two we will be making up a roster. Much depends on the physical layout, which is being modelled on the outstandingly successful Dairy Sandwich Bar operated at the Brisbane Royal Show by the Queensland Butter Board.

SUCKLING CALVES LIFTS SALEABLE MILK YIELD

The successful introduction of the calf pick-up scheme has raised the question of calf quality. Calves that would otherwise not have been retained, as well as more suitable calves, are now being sold at a few days to a week old. The prices being paid reflect their marketability; there is a considerable difference in the price per unit weight, as well as in the weights of the calves.

The general impression is that, in most cases, the time involved, and the value of the milk or the price of the calf-food used, do not warrant raising a calf for a period longer than that which will just make it marketable.

Two research studies, one at Ruakura in New Zealand, the other at Ellinbank Dairy Research Station in Victoria, have now overthrown that belief, and shown that calves can be raised on cows with subsequent lifts in milk yields from the cows, so that marketable calves are combined with additional saleable milk.

In the NZ experiment, freshly calved cows were suckled twice daily, by 4 calves each, for 4 days, after which the cows were placed into the milking herd. Over the whole lactation milk production was 5% greater, and fat 4% greater, than production from the control (non-suckled) group. Average length of lactation was the same.

In the Ellinbank series of experiments, maximum results were obtained when calves were suckled for 4 weeks, the average milk production during the remainder of the lactation being 4.3% increase for each week of suckling up to 4 weeks (to a maximum of 17.2%).

Making a gain of this magnitude (some \$50 worth of milk and 4 very marketable calves) is not without its problems; where to get the additional calves, plus the risk of introducing calf ailments, and how to satisfactorily house and manage the cows and calves during the suckling period? However, neither Ruakura nor Ellinbank record any difficulty in introducing the cows into the milking herd after the suckling period.

NIGHTINGALE CHEMICALS

Australia's Leading Company in the Field of
Dairy Sanitation

with over sixty years' service to the dairy industry

The NIGHTINGALE range comprises products for every phase of cleaning in the dairy industry, including specialised detergents for the care and maintenance of all equipment used in the dairy.

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You can contact our Field Officers by phoning Adelaide 262 1649 or, after hours, Mount Pleasant 168 (Mr Mick Pohl): Adelaide 264 1509 (Mr Kevin Smith), or by a request transmitted through the Dairy Factory which you supply.

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at no charge.

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THE SOUTH AUSTRALIAN

DAIRYMEN'S . . .

Journal



The Official Publication of the

Published Bi-monthly

Vol.17 No. 6

ADELAIDE MAY/JUNE 1978

OPENING BASIC PRICE IS 166.03 cents

The Commonwealth Government's underwriting of the opening cheese price for 1978-79 at \$974 per tonne has resulted in the highest ever opening basic price of 166.03 cents per kilogram of butterfat.

RETROSPECTIVE PAYMENTS

The 1975-76 and 1976-77 cheese equalisation pools, have now been closed, and final retrospective payments will be made shortly.

The rates will be 1.41¢ kg b.f. (equalised) for all production during 1975-76 and 1.26¢ kg b.f. (equalised) for all production during 1976-77.

PRICE

40c



THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL

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REPORT OF CENTRAL COUNCIL ANNUAL MEETING BRINGS CHANGES

Tony Kenny Steps Down as Senior V-P

The Annual Meeting of the Central Council brought some changes in the ranks of the Association's office holders.

Mr. Norman Green, of Monteith, was re-elected as General President, but Mr. Tony Kenny, of Ponde, who has been Senior Vice-President for the past 2 years, declined to accept nomination, and was replaced by Aub. Kretschmer, of Wellington.

Mr. Kenny continued to serve as a member of the Executive Committee, the other members of which are Messrs. Michael Diener, of The Point, Alan Manning, of Birdwood, Andrew Mc.Ewin, of Inman Valley, and Don Zweck, of Blyth, who replaced Mr. Bill Kerr as the Earossa-Mid-North Co-op. representative.

SUBSCRIPTION INCREASE

Although the proportion of dairy farmers who are members of the Association continues to rise, the actual number of members is declining because of the reduction in the number of dairy farmers, and the Association's income from subscriptions has fallen correspondingly.

The Central Council consequently decided to increase the rate of annual subscription to \$12 per year, commencing in the current year.

TOTAL PLATE COUNT STANDARD

Delegates were concerned that the Metropolitan Milk Board had replaced the Thermoturic Test by the Total Plate Count, ahead of the proposed State-wide introduction in January 1979, with licence suspension as the penalty for confirmed non-compliance, which was a much more severe imposition than the 30% price reduction proposed for the State-wide scheme.

Mr. Diener, who, with Mr. Kretschmer, has just returned from a visit to the dairying regions of New Zealand, said that in that country, if a producer's milk failed to comply with the Total Plate Count Standard tests were carried out each day, and the penalty was imposed only on the actual days that the standard was not achieved. He then moved "that the Metropolitan Milk Board be requested to defer, until 1st January 1979, the suspension of a producer's licence as a penalty for failure to conform with the Total Plate Count standard, and that, in the meantime, the Association negotiate with the Board a more acceptable level of penalty than that imposed by the suspension of a producer's licence".

The motion was seconded by Mr. Schoell, and carried by the Central Council.

INDUSTRY COMMITTEE REPORTS

Perhaps it is not widely realised just how involved the Association is in the activities of specialist committees related directly to the dairy industry or to other rural matters. The following Reports on the activities of these committees were given to the Central Council by the Association's representatives on each committee.

Artificial Breeding Advisory Committee (Mr. Diener)

This Committee had held only one meeting this year, because of the decrease in involvement following the transfer of all responsibility to VAB. Its main purpose is to oversee premises used in connection with artificial breeding and ensure the maintenance of a satisfactory level and quality of service.

VAB has now asked to be relieved of these duties in this field, and has literally withdrawn from South Australia, except for a representative located at Northfield, responsible for liaison. Sales are now conducted through HISCOL and the committee is looking to an increase in the level of services available.

The introduction of regulations prescribing quality standards for semen has continued to be deferred.

State Planning Authority Primary Producer's Advisory Committee (Mr. Diener)

The Committee has met frequently during the year, concerning itself with possible conflicts in planning between urban expansion and rural interests.

The effective introduction of Regulation 70A is being watched with interest, and some concessions have been allowed in respect to this Regulation.

All Development Plans have now been issued, and a review of all plans will be undertaken in the coming period, as some have been in operation for many years, and need revising.

Water Resources Committee (River Murray) (The Chairman and Mr. Turvey)

The Committee has held a large number of meetings and carried out onsite inspections of the region under its jurisdiction. A very great amount of information has been accumulated, but action is slow because of the nature of the administrative structure.

research findings did not justify telling the whole community to change its eating habits.

Professor David Kelly, Scandrett Professor of Cardiology at Sydney University, agreed and so did Dr. Eric Schiller, director of the Personality, Stress and Heart Disease Risk Project, a study involving employees of the NSW Public Transport Commission.

And Professor Ralph Blacket, a member of the Heart Foundation's committee on diet and heart disease, said the results of recent overseas trials demanded a change to thinking about modifying diet. "It is fairly to say that the position for which I was in part responsible, has changed", he said.

A call by the American Heart Association 17 years ago for people to change to a low-fat low-cholesterol diet rich in polyunsaturates had been made without a full understanding of the role of diet in coronary heart disease.

"Attractive as the hypothesis appeared to be on the data available, it had never really been tested by taking a group of people and demonstrating that they lived longer on a low-fat diet, with heart attacks, or not," Professor Blacket said. "There have now been a number of trials and the results have been equivocal".

In Philadelphia last September Professor Blacket presented to the sixth International Symposium on Drugs Affecting Lipid Metabolism the results of his own trial of secondary prevention - modifying diet as a protective measure for people who have already had a heart attack.

The study which started in 1966, showed survival was slightly better among 237 men given no specific dietary instruction than among 221 men put on a low saturated fat diet.

The Consultative Committee's direct involvement in the work of drought relief has indicated that the Government in this State has been more active in providing drought relief than have Governments in other States, and the Governn.ent has listened to, and acted on the advice given to it by the Committee.

Producer Action Committee (Mr. Tyrvey)

No meeting of the Committee has been held during the year. The "Live sheep dispute" was dealt with by a special committee set up by the two organisations mainly involved, without the calling together of the standing Producer Action Committee.

Milk & Cream Promotion Advisory Committee (The Chairman and the Secretary)

This Committee meets approximately every two months to decide on promotional activities to be carried out with funds collected through Milk Board levies, and to oversee the activities while they are being undertaken. Currently the Committee has approved a continuation of the TV series "Milk is a Natural" and a new series directed to shifting customer preference from shops to vendors. The Committee has made a close study of the Victorian "Big M" campaign, and has discussed the possibility of carrying out a similar campaign, or of using the actual "Big M" campaign under a "payment by results" arrangement.

MAINS SYSTEM INTER-COM FOR UNDER \$40

A two-way loud-speaking intercom system, which uses the power mains as both power-source and signal connexion, suitable for room-to-room (e.g. "baby-cry monitor"), house-to-dairy, or even house-to-house, is available for under \$40, complete.

Installation is simple; just plug in to a power point in the areas between which the inter-com is required.

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Recent research has indicated that certain fats in the blood - so-called high-density lipoprotein, or HDL - actually protect against coronary heart disease. HDL is not distinguished from low-density cholesterol in the routine measurement of blood cholesterol. It is believed to be higher in people who exercise regularly and those who live to an advanced age.

Routine cholesterol testing remains useful despite the HDL finding, but undoubtedly a few people have been treated for raised levels which mask a large proportion of HDL. Such people may have a lower than average risk of heart attack. As yet, however, testing for HDL is inaccurate and without clear clinical application.

With polyunsaturated foods thrust forward in shop cabinets and even polyunsaturated beef on the hoof being considered as a coronary preventative, people can be excused for believing that there is a unanimous message to the nation to switch from saturated to unsaturated fats. Indeed, a recommendation to this effect came from the Australian Academy of Science in 1975. But the National Heart Foundation has maintained a more conservative line, recommending diet modification for people with raised blood cholesterol (more than 250 milligrams per 100 millilitres) or raised blood triglyceride (more than 160 mg per 100 ml).

Professor David Fergusom, Professor of Occupational Health at the School of Public Health and Tropical Medicine at Sydney University, said yesterday that

A major change is that water licences can now be Amalgamated under certain conditions. Salinity continues to be a major problem, and much planning into salinity control has been undertaken.

The committee has been asked to review all allotments to bring them into line with usage, but an equally urgent task is to ensure better utilization of the water available.

The problem of "losing" the River after a period of high level is under review.

T.B. and Brucellosis Committee (Mr. Kerr)

The major portion of the work of this Committee has been involved with beef cattle, with only minor involvement with dairy cattle.

Improvements in tail tag availability and tagging procedure have been made.

Brucellosis control measures have to some extent, been slowed down and made rather more expensive by problems relating to carcass disposal.

Drought Consultative Committee (Mr. Kretschmer)

Because of the severity of the drought in that region, most of the Committee's work has been concentrated on the West Coast.

On the administrative side a worthwhile achievement has been the great reduction in the amount of paperwork involved in an application for assistance.

The major interest to dairy farmers has been in assistance for the transport of stock and fodder because of hardship arising out of drought conditions.

A re-stock assistance scheme is now underway and it is hoped that details will be available later.

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"You can't laugh off a negative result", Professor Blacket said, "If you look at what the population has been eating in the past 50 years, there hasn't been sufficient change in our food, particularly in the amount of fat eaten, to account for the current epidemic of heart disease. For this reason you can't blame fat for the epidemic".

In a recent article in *New Doctor*, journal of the Doctor's Reform Society, Professor Blacket wrote "All of us who undertook studies in secondary prevention of heart disease in the 1960s were over-optimistic. It was too much to expect that the simple expedient of reducing fat intake and using polyunsaturated oils in their stead would make good the ravages of a lifetime or bring to a halt processes we understand only in part".

Professor Blacket, who is professor of medicine at the University of NSW has arrived at a new hypothesis from his study: overweight and lack of exercise are important, if not the major factors in coronary heart disease in Western Society.

Overweight has been regarded as of minor or no importance in heart disease, although the high blood pressure and raised cholesterol which often go with it were regarded as major coronary risk factors.

"The emphasis now is not so much to changing the fats you eat as in cutting down what you eat generally to get your weight down". Professor Blacket said, "When you remove obesity, high blood cholesterol often disappears.

"This is not necessarily due to reducing the fats eaten. It can be because you are eating less - a non-specific response to weight reduction".

Despite a vigorous public education campaign on heart disease, the average person is still uncertain about the broad lessons from recent research.

Most people would come close if asked to name the three major coronary risk factors - high blood pressure, raised blood cholesterol and cigarette smoking. Fewer know that raised total cholesterol ceases to be a call to action after a person reaches the age of about 60.

"If hardening of the arteries has been going on until a person reaches retiring age, it is no longer very reversible", said Dr. Leon A. Simons, director of the Sydney Coronary Heart Disease Prevention Program: "That doesn't mean that a person who has been concerned to keep his blood cholesterol down should give up after that age".

Other factors apart from diet govern blood cholesterol. But if diet did not cause a person's high cholesterol, a modified diet can certainly reduce it. This is the basis on which Dr. Simons' program proceeds. He advocates that people should lower their cholesterol as a protection against heart disease if a test shows the blood level is raised.

"The final scientific evidence that lowering blood cholesterol will prevent heart disease is not available", he said, "But there is a lot of suggestive evidence that it will".

Professor Ferguson said that in the absence of proof of the benefit of lowering cholesterol there was no justification for telling people whose level was not raised to restrict their intake of cholesterol or other saturated fats. He believed that coronary heart disease eventually would be linked to some unidentified factor, possibly a chemical in the food, water or atmosphere of Western urban societies.

"Such things as lack of physical activity, raised cholesterol and cigarette smoking have an influence on the expression of the disease, but some overriding factor predisposes people to it," he said.

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THE SOUTH AUSTRALIAN

DAIRYMEN'S . . .

Journal



The Official Publication of the

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Vol. 18 No. 1

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PROPOSED NEW DAIRY LEGISLATION

Regional Meetings, at which the proposed new South Australian dairy legislation will be discussed, and the amendments sought by the Association will be announced and explained, will be held at 8 p.m. on the dates, and at the places shown below.

Springton Hall	Fri. 22nd September
Murray Bridge Council Chambers	Wed. 27th September
Macclesfield Hall	Fri. 29th September
Charleston Hall	Mon. 2nd October
Hindmarsh Valley Hall	Wed. 4th October
Saddleworth Hall	Fri. 6th October

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THE NEW DAIRY LEGISLATION -

Draft Bill for Consideration

Toward the middle of August, the Minister of Agriculture (Hon. B.A. Chatterton M.L.C.) distributed to producer organisations and dairy companies the draft of a Bill intended to replace the 6 existing Acts relating to the Dairy Industry with a single Act, to be entitled the "Dairy Industry Act, 1978".

The reason for this massive revision of the State's Dairy Legislation was to consolidate the, (sometimes over-lapping) provisions of the existing Acts, and to replace the Metropolitan Milk Board by a single State Dairy Authority, as recommended by the Committee of Inquiry into the South Australian Dairy Industry ("Webb Committee").

In distributing a draft Bill to the dairy industry for comment, the Minister did not follow usual Parliamentary procedure. Generally, Bills are not made available for study until they have been presented to Parliament, but, in this case, the Minister made it quite plain that he wanted the opinion of the industry before the Bill was presented to Parliament in its final form, and he has reiterated, on numerous occasions, that he is "flexible" in his views, and will revise the draft to conform with the industry's wishes.

Because the document presented to the industry was only a draft, its circulation was limited to organisations and companies with access to other materials, such as the Acts which were to be repeated, and comparable legislation in other States, which would assist in the evaluation of the proposed legislation and lead to informed submissions concerning the changes required.

Regrettably, this limited circulation has been interpreted as having a sinister intent, as has also the relative silence of the Association since the draft Bill was received. In fact, the relative silence has been due to an almost continuous conference with other sectors of the industry, with the intention of presenting a unified submission, which would represent the combined views of the whole dairying industry in South Australia.

Discussions between the industry organisations are now drawing to a close, the Central Council, at a Special Meeting held on 13th September, endorsed the action of the Executive Committee thus far, and instructed that a series of Regional Meetings be held, so that members of the Association can be informed of the action taken and the nature of the submission that will be made.

What Went Before

Before considering the contents of the draft, it is of some value to know what has taken place elsewhere in the industry, along similar lines to those proposed in the draft.

Vesting, which is the term used for the compulsory acquisition of milk, has generally been a feature of dairy legislation in all other States where milk contracts have applied, and the vesting provision of the NSW Milk Supply Act was incorporated, without change, into the Act which, in 1970, replaced the NSW Milk Board with the NSW Dairy Industry Authority.

In the following year, the Australian Dairy Industry Council's Two Price Quota Scheme recommended the setting up, in each State, of a Statutory Dairy Authority in which "all milk produced would be vested" and which would, in addition, "control all milk, produced in the State". Since that time, all States except South Australia have passed legislation setting up Dairy Authorities each having the power to vest all milk produced, and having the power to buy and sell dairy produce, although in Queensland the title of "Milk Board" has been retained in the new (1977) legislation in that State.

South Australia was, consequently, left as the only State not having a single State Dairy Authority, and, consequently, not subject to the vesting of the ownership of milk.

To the extent, then, that it provides for the vesting of the ownership of milk in an Authority, and gives to the Authority the power to buy and sell dairy produce, the draft does not differ from the legislation in all other States; in fact it is considerably less severe than that in most other States.

But merely because other States have legislation which provides for this or that does not mean that South Australia should follow. The dairy industry in this State has a history of innovation and self-help, and it would be a tragedy if these unique attributes were sacrificed in the interests of uniformity.

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Provisions of the Draft Bill

As has been stated above, the proposed "Dairy Industry Act, 1978" will replace 6 existing Acts, namely the Dairy Cattle Improvement Act, the Dairy Industry Act, the Dairy Industry Assistance (Special Provisions) Act, the Dairy Produce Act, the Margarine Act, and the Metropolitan Milk Supply Act, and approximately nine tenths of the draft Bill consists of a restatement of the provisions in the legislation to be repealed.

There are, however, some contentious clauses which do not appear in the existing legislation and, there are, as well, some omissions where the provisions of existing legislation have not been incorporated into the draft Bill.

An explanation of each section of the Bill is as follows.

Sections 1, 2 and 3 set out the title of the Act, the time when it shall come into operation, and the manner in which the Act is divided into parts and divisions.

Section 4 contains the definitions of the terms used throughout the Act.

Section 5 lists the Acts that are to be repealed and replaced by the new Act, and states that the Metropolitan Milk Board will be abolished, and all property and commitments of the Board will be ceded to the Minister. As well, this Section provides for the protection of the salary and status of all employees of the Board, by transferring them either to the Authority or to the Public Service.

Licensing and Supervision

Section 6 refers to the licensing of farms and factories and is virtually a restatement of the relevant sections of the Dairy Industry Act.

Section 7 refers to the building or alterations of premises, and is, again, a restatement of the relevant sections of the Dairy Industry Act.

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Sections 8 and 9 refer to controls relating to the quality of dairy produce, and, again, repeat the relevant sections of the Dairy Industry Act.

Section 10 which is a restatement of Section 18 of the Dairy Industry Act, prohibits the sale of dairy produce that is unfit for human consumption or is derived from a diseased animal.

Dairy Marketing Authority

Section 11 sets up the Dairy Marketing Authority, which shall be under the control and direction of the Minister, and shall be a body corporate, capable of suing and being sued, and capable of acquiring, holding, and disposing of property.

Section 12 provides that the Authority shall consist of 3 members appointed by the Governor, one of whom shall be appointed as Chairman and another as Deputy Chairman.

Section 13 states that the members of the Authority shall be appointed for not more than 3 years, and sets out the grounds on which a member of the Authority may be removed from office.

Section 14 provides that the members of the Authority are entitled to be paid fees and allowances.

Section 15 states that a quorum shall be two members of the Authority, and that minutes of meetings shall be kept.

Section 16 provides that proceedings of the Authority shall be valid even though it may not have a complete membership.

Section 17 requires any member of the Authority to declare his financial interest in any contract being considered by the Authority.

Section 18 sets out the functions of the Authority, which are:

- (a) to promote the orderly marketing of dairy produce;
- (b) to promote the sale and consumption of dairy produce;
- (c) to carry out any other duties assigned to the Authority under this Act.

Section 19 allows the Authority to appoint staff.

Section 20 allows the Authority to borrow money, with the consent of the Treasurer.

Section 21 requires the Authority to keep proper accounts of its financial affairs, and subjects the finances of the Authority to the scrutiny of the Auditor-General.

Section 22 requires the Authority to publish an annual Report, and requires, also, that, before the Report is published, it must be perused by the Dairy Marketing Consultative Committee.

The Consultative Committee

Section 23 provides for the setting up of a Dairy Marketing Consultative Committee, which shall consist of representatives of producers and manufacturers, one representative of vendors, one representative of consumers, and one expert in dairy matters.

Section 24 provides that members of the Dairy Marketing Consultative Committee shall be appointed for a term not exceeding 3 years, and sets out the grounds on which a members of the Committee may be removed from office.

Section 25 provides for the payment of fees and allowances to members of the Committee.

Section 26 refers to the quorum of a meeting of the Committee and the keeping of minutes.

Section 27 provides that meetings of the Committee shall be held when the Committee thinks fit, and shall be held at least once in each half year, or when required by the Authority.

Section 28 sets out the functions and powers of the Committee which are:-

- (a) to keep the administration of this Part of the Act under review;
- (b) to initiate policies for the consideration of the Minister or the Authority;
- (c) to examine the annual report of the Authority and append thereto an independent report by the Committee on any matters that require, in the opinion of the Committee, the attention of the Minister or of Parliament;
- (d) to advise the Minister or Authority on any matter referred to the Committee for advice.

Division into Regions and Zones

Section 29 states that the Governor may, by proclamation, divide the State into regions and divide any regions into zones....

(It is assumed that this is in connection with either regional equalisation, or the setting of regional prices).

Vesting of Milk

Section 30 provides that the Governor may, by proclamation, vest the property in all milk in the Crown, and fix a royalty to be paid in respect of milk so produced.

On the surface this is a very contentious clause, but its intention is to provide funds for the running of the Authority.

At present the Metropolitan Milk Board is funded by a levy imposed on all market milk, but this levy is, theoretically at least, in breach of Section 86 of the Commonwealth Constitution, and would, if challenged, almost certainly be found to be unconstitutional. Although, in all other States the power of vesting, which transfers the ownership of the milk to the Authority, is used for the purpose of directing milk to milk processing companies, the assurance has been given that such is not the intention of this Section, which is to be limited solely to the raising of administration funds.

The milk becomes the property of the Crown only for a brief interval; when milk is supplied to a factory it becomes the property of the producer as soon as it is drawn from the cow, and only in the case of "warm milk" vendors, who vend their own milk, does any special arrangement have to be made concerning the payment of royalties.

Payment by Grade and Composition

Section 31 changes the requirement at present set out in the Dairy Industry Act, that payment shall be according to the grade of milk and its butterfat content, to a requirement that payment shall be based on grade and composition.

Licensing and Control of Vendors

Sections 32, 33 and 34 deal with the licensing of milk vendors.

Price Fixing and Orderly Marketing

Section 35 empowers the Authority to fix prices for dairy produce, and also to order vendors or factories to supply milk to consumers or to other manufacturers "at a reasonable price".

It is presumed that the intention of this Section is to ensure that no manufacturer is deprived of the ability to service a profitable market, but it must be asked whether such a power is necessary in a State where,

so far, milk has been freely traded between manufacturers, as the need arose.

Authority's Power to Buy and Sell

Section 36 states that the Authority may

- (a) buy and sell dairy produce; or
- (b) sell dairy produce as agent for the producers.

The question must be asked why the Authority should engage in commercial transactions of this sort. Certainly the property to buy and sell dairy produce is contained in the Acts in other States, but, with the exception of market milk, it is doubtful whether the powers of buying and selling possessed by the Dairy Authorities in other States have ever been exercised. The question the industry must ask is whether it wants an additional commercial force, presumably in competition with the existing companies.

The power to "sell dairy produce as agent for the producers" is, presumably to offset the reduced competition existing now that only two companies remain in the Adelaide area. Again, the industry must ask itself whether it needs such outside intervention, or whether it is capable of ordering its own affairs to the satisfaction of all parties.

Statutory Backing for Equalisation Schemes

Section 37 is supposed to deal with "equalisation schemes.

This Section, which is stated to be copied from the Barley Marketing Act, differs very greatly from the existing provision in the Metropolitan Milk Supply Act which provides legal backing for the Metropolitan Milk Equalisation Scheme.

The means whereby it will operate is not clear, and the Minister has been asked for an interpretation.

The Dairy Industry Appeal Board

Sections 38 to 44 deal with the setting up, the composition, and the powers of the Dairy Industry Appeal Board.

Provision for an Appeal Board is contained in Section 17 of the Dairy Industry Act, but it is doubtful whether that provision has ever been used; certainly it has not been used for many years. The industry was expecting an Appeal Board to be set up in connection with the allotting of Farm Entitlements under a Market Share Entitlement Scheme, but the proposed legislation does not make it obvious that disputes regarding the allotting of entitlements may be referred to the Appeal Board set up in this Act.

Section 45 sets out the grounds on which an appeal may be made. They are complaints against

- (a) a refusal to grant a licence;
- (b) the imposition of any conditions under which a licence is granted; and
- (c) any direction or order of the Minister, the Authority, or an inspector.

It is possible that an appeal against the allotting of an entitlement could be interpreted as coming under the last category.

Section 46 states that "there shall be no appeal from any decision of the Appeal Board".

This rather objectionable clause is a repetition of Section 17 (5) of the Dairy Industry Act. Nevertheless, it is contrary to the provisions in Acts dealing with subjects other than dairying, such as the Planning and Development Act, and the Water Resources Act.

The Dairy Industry Fund

Section 47 deals with the "Dairy Industry Fund".

This is an existing fund, set up under the Dairy Cattle Improvement Act, and retains this fund under the control of the Minister, to be used for administer-

ing the Act and for purposes connected with the advancement and encouragement of the dairy industry in this State.

Commonwealth Grants

Sections 48, 49 and 50 are a restatement of the Dairy Industry Assistance (Special Provisions) Act, which was a "mini" -Act introduced early in 1978 to administer the Market Share Entitlement Scheme that was, at that time, expected to be set up under Stage II of the Commonwealth Government's Dairy Marketing Arrangements.

Work Done by Public Service

Section 51 provides that the Authority may pay for services provided by the Public Service.

This Section does not mean that the cost of dairy farm and dairy factory supervision and inspection carried out by the Department of Agriculture, will be paid for by dairy farmers, (as is the case at present, under the Metropolitan Milk Supply Act). Under the new Act, the dairy industry will pay only for the cost of administering the Authority whilst the costs incurred by the Department of Agriculture in supervision and inspection will be borne by general revenue. The charges for "services" relate only to those tasks which have been carried out by Departments of the Public Service (not being confined to the Department of Agriculture only) which the Authority has specifically requested, such as special analysis, or economic surveys. A similar provision is contained in Section 13(3) of the Metropolitan Milk Supply Act.

Section 52 is a restatement of several sections of the Dairy Industry Act, and empowers an inspector to take such action as is necessary to enforce the provisions of the Act.

Prohibition of Imitation Milk

Section 53 prohibits the manufacture or sale of imitation or "filled" milk, and is almost an exact repetition of the corresponding Section in the Dairy Industry Act.

Offences and Court Proceedings

Section 54 provides that any offence against the Act shall be disposed summarily (that is to say, before a magistrate).

Sections 55 and 56 relate to court proceedings and are a repetition of corresponding Sections in the Dairy Industry Act.

Regulations

Section 57 deals with the making of regulations, and, as is usual in such cases, gives the Governor very wide powers to make such regulations as are required by the Act.

Although it is not possible to foresee what regulations will ensue from this Act, there is the safeguard that, unlike Acts, regulations may be disallowed by a vote in either House of Parliament, and the industry has some small protection through that avenue against any regulations which it considers to be oppressive.

NORTHFIELD RESEARCH REPORTS

Daily Fat Test Variations

Although the occasional discrepancy between butter-fat tests taken by factories and those taken by herd recorders have created much dissatisfaction, similar concern has been expressed when, following a complaint of this nature, daily tests have subsequently been taken in which very wide variations have been shown in the fat tests from day to day.

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When this subject was being considered, last year, by the Central Council, some delegates expressed the view that such wide variations threw doubts on to the accuracy of the tests. It was argued that, although it was agreed that fat tests tended to move in one direction or another during a year, under the influence of the season, the method of feeding, and the stage of lactation, from one day to the next there would generally be so small a variation in type and level of feeding, or in other husbandry practices that there would be no reason to expect wide fluctuations between fat tests on successive days.

A request from the Association to the Northfield Dairy Research Centre produced a report that showed that fat tests can vary quite markedly, from day to day, regardless of the type of fodder, but possibly related to weather conditions.

During a 2 weeks experiment, 4 cows each fed on a different fodder, demonstrated some marked fluctuations in fat test during that period, even though there was a variation between the fat test levels of each cow.

The maximum variations in any 3 successive days was +0.8% to -0.7%.

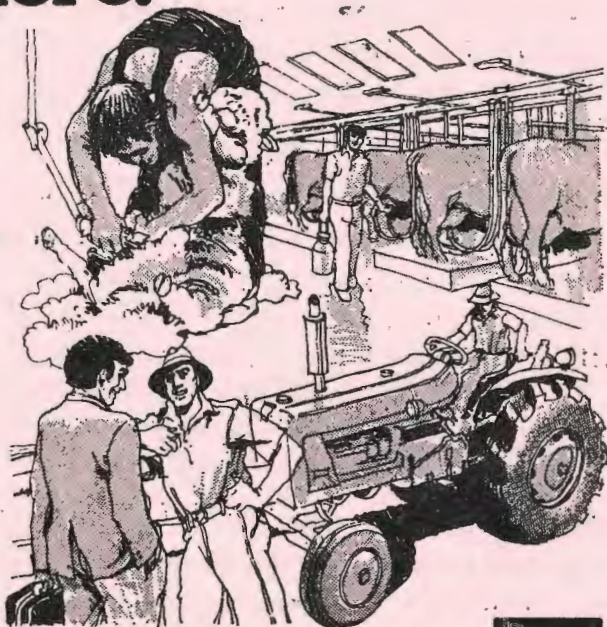
The missing of one milking, and of two successive milkings, also had the effect of lifting the fat test by 0.5% or more when milking was resumed.

Probably the most significant of all was the difference recorded when there was a wide disparity in the milking interval. With equal intervals of 12 hours, there was no detectable difference in fat test, but increasing the differences in interval to 9 and 15 hours, 6 and 18 hours, and 3 and 21 hours, brought increasing differences in fat test, to a maximum of 5.6% difference in the last case. However, total fat yields were not significantly different, whatever interval was employed.

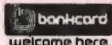
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CHANGES IN CALF RUNS

Because of the seasonal drop in calf numbers, the time-tables for the calf pick-up runs will be changed on and from WEDNESDAY 22nd NOVEMBER 1978, until the beginning of the autumn calving season next year, including an extension to the Northern run.

In the present revision the Northern and Central runs have been combined, for the time being, and on all runs some pick-up points have been dropped, others changed or added as shown in CAPITAL LETTERS, and times have been changed to conform with the new arrangements.

The changes are shown on Page 11.

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THE DRAFT DAIRY BILL - ITS PRESENT POSITION

The Need for New Legislation

Although, at the 6 well attended Regional Meetings, there appeared to be general support for the course that was being followed in preparing a unified submission for presentation to the Minister of Agriculture on behalf of the whole dairy industry in this State, at Macclesfield and Hindmarsh Valley the question of whether new dairy legislation was needed was put very forcibly, and the same question was repeated by Mr. C. Yelland, Chairman of Directors of Southern Farmers Co-operative Limited, at that Company's Annual Meeting.

The answer is that new dairy legislation is not "needed" in the sense that the industry could not get along without revised legislation, but some amending and consolidating of the legislation contained in the 6 Acts by which the industry is regulated, is desirable. The industry could, without doubt, continue to operate for, perhaps, a very long time, without any changes whatsoever in the Acts, with the exception of the repeal of the Dairy Produce Act and the Margarine Act, both of which are now redundant.

Nevertheless, in the 4 Acts that would then remain, there are some areas of overlap, some areas of duplication, and some portions of legislation which are no longer relevant to the South Australian Dairy Industry in the 1980s.

Recognition of these admittedly minor deficiencies was included in most of the submissions made to the Webb Committee, but in most, if not all, cases, these submissions expressed the view that the extent of the change should be minor.

It was submitted that the tradition of self-regulation which is practised by the dairy industry in this State made a major revision to the legislation quite unnecessary, and all that was required was a tidying-up of some of the "rough spots" that are inevitable when there is a duplication of legislation in respect to a single industry, and when the legislation is of long standing, and has been subject to a number of amendments during its life (as, for example, the Dairy Cattle Improvement Act and the Dairy Industry Act, which have been in existence for 57 and 50 years respectively).

It can, therefore, be said that the Executive Committee of the Association, and, as far as can be observed, the senior management of most, if not all, of the dairy companies in the State, were not violently opposed to the concept of change, or to the knowledge that the findings of the Webb Committee would be followed by revised legislation, even apart from the fact that new legislation appeared, at that stage, to be essential in order to enable the State Government to play its part in the implementation of Stage II of the Commonwealth Government's Dairy Marketing Arrangements.

Nevertheless, the industry, at all levels, made it quite clear to the Minister of Agriculture, that it saw no need for revolutionary changes; that the existence, in other States, of all-powerful Dairy Authorities, having a very high involvement in the affairs of the industry in each State, was not to be taken as demonstrating that there was, in South Australia, an urgent need for change.

On the contrary, it was emphasised, time and time again, that South Australia was unique in the extent to which the dairy industry was administered from within, and in the degree of co-operation that existed between the producing, manufacturing, and vending sectors, without the need for the heavy hand of bureaucratic control.

Because of this insistence, the industry was somewhat surprised, on receiving the draft Bill, to see just how far the proposed legislation went toward the setting-up of an Authority with power to assume total control of the industry.

Admittedly, the industry was assured, frequently, that it was not intended that these powers should be used, except in the most extreme cases, but it was not clear, from the proposed legislation, what the nature of these "extreme" cases would be, nor did the proposed legislation provide any curbs on the ability of the Authority to invoke its very despotic powers in the absence of "extreme" cases.

But, in any case, the question had to be asked - "Was it necessary for the Authority to have such powers, anyway, or should it not be left to the industry to tackle the 'extreme' cases as they occurred?", and it can be said that this question has been both asked and answered, by those persons present at the Regional Meetings, where it was clearly shown that, despite the possible risks that such a course might bring, the dairy farmers at least believed that the degree of regulation of the industry should be a minimum, and that the retention, in the proposed legislation, of extreme powers was to be opposed.

Control - Divided or Unified?

It was with this principle in mind that the question of which body, or bodies, was to administer the industry, was looked at.

One of the major changes proposed in the draft Bill was to bring uniform procedure into the division of regulatory powers across the whole of the dairy industry in the State. In the Adelaide Producing District, the Metropolitan Milk Board is responsible for control of the industry from the farmyard to the consumer's doorstep, including the licensing, supervision and inspection of dairy farms and milk processing plants, the setting of standards, pricing, the zoning of milk vendors, and the inspection of vendors' vehicles.

In the rest of the State the Dairy Branch of the Department of Agriculture is responsible for the licensing and supervision of dairy farmers (though it probably combines supervision with its rather wider-ranging advisory role), and the licensing and supervision of dairy factories (which includes milk treatment), whilst the other powers which, in the Metropolitan area, are exercised by the Board, are divided among various other State Government and Local Government bodies.

A further difference is that, in the Adelaide Producing District, all the functions carried out by the Board are paid for by levies on the producers and the treatment plants, whereas the same functions (or, at least, very similar functions) carried out by the Department of Agriculture and other State and Local Government bodies are paid for by the tax-payers and rate-payers, other than for the quite minor contributions made by way of licence fees.

The draft Bill provided that the Department of Agriculture would be responsible for all licensing, supervision and inspection of dairy farms, milk treatment plants, and dairy factories, throughout the State, whilst the State Dairy Authority would be responsible for "orderly marketing", which meant pricing, promotion, and vending, plus power to monitor and, "if necessary", to take over milk prices equalisation schemes.

This division of function brought uniformity into the regulation of the industry, and prevented overlapping, duplication, and, hopefully, friction between the two bodies responsible for the control of the industry.

Furthermore, it was believed that the costs of performing these functions would follow the precedent of present practice; that is to say, the functions now performed by the Department of Agriculture and State and Local Government bodies, would continue to be paid for out of general revenue, for the very good reason that such functions were performed in the interests of consumers, whilst the "orderly marketing" function of the Authority would be paid for by the industry, because this activity was predominately in the interests of the industry.

ief has now been contradicted by the Minister of
ure, who argues that, although it may be claimed
that the supervision of production and processing is in the
interests of consumers, it is very clearly in the interests of
the dairy industry to make sure that its products are of
satisfactory quality, and, hence, the bearing of this cost by
the industry is fair.

This statement made it necessary to revise the acceptability
of divided control. On the one hand there was a
State Dairy Authority, continually under the scrutiny of
a representative Consultative Committee, being required to
carry out its powers with a considerable degree of
reference to the Committee, and, indeed, able to be rebuked
by the Committee by way of a supplement to the
Authority's Annual Report, whilst the Department of
Agriculture would be carrying out functions of comparable
magnitude, with no need to answer for its stewardship,
and no curb on its activities, yet being financed by the
industry.

Might it not be better, from the industry's point of view,
to have only one body responsible for its control; to have the
whole range of regulatory functions, from the licensing and
supervision of dairy farms right through to the vending of
milk, performed by the State Dairy Authority, under the
continual scrutiny of the Consultative Committee, which
would have the power to make sure that the Authority did
not exceed either its mandate or its budget?

The issue is not entirely clear cut, because there may be
some difficulty concerning manufactured dairy produce, such
as butter and cheese, which, hitherto, was not under the
control of the Board, and might, consequently, not appro-
priately come within the scope of the powers of the Authority.
But, with this minor exception, a possible solution to which
may be found in excluding manufactured dairy produce from
the Authority's control, the principle of confining the
administrative power to a single body has been incorporated
in the submission.

Commercial Powers of the Authority

Undoubtedly the greatest change in the draft Bill was to give to the proposed Authority **very** broad powers to engage in, and even to take over entirely, commercial functions in connection with the collection, purchase, and sale of dairy produce.

Neither the Metropolitan Milk Board nor the Department of Agriculture had possessed any such powers, although the Dairy Authorities in every other State, including the Milk Board in Queensland, have, and partially exercise, powers even more sweeping than those proposed in the draft Bill.

It is, however, the considered opinion of all sectors of the South Australian industry that the Authority should not have the power to engage in trading in dairy produce, or otherwise assume the functions now performed by the producing, processing, and vending sectors, with two exceptions, which are explained below.

As a matter of principle there is strong opposition to a situation where the Authority, which has, and exercises, powers to regulate the industry, should also have the powers to engage in competition with, or even to takeover the activities of, those persons and companies engaged in dairying as a matter of business.

The view is, therefore, most strongly put to the Minister, that the Authority should have no power whatsoever to engage in transporting, processing, buying, or selling dairy produce, although a minor exception is made, with some misgivings, that the Authority may engage in the sale of dairy produce (which must, of course, be preceded by the purchase of dairy produce) if such is necessary as an adjunct to any promotional activity carried out by the Authority.

There is, also, a belief held in some quarters, that the Authority should possess "reserve powers" to be exercised only in the event of a nation-wide breakdown of orderly marketing, which would necessitate the imposition of total

COMPARISON OF CAPITAL CITT

	Sydney
Price structure effective from	8.9.71
Estimated net return to producer at farm gate	20.31
Estimated average cartage costs to depot	1.78
Price at depot/processing plant	22.09
Federal (ADC) admin, promotion & research levies	0.10
Milk Authority or Board levy	2.86
Factory margin (d)	7.86
Vendor's margin (d)	<u>10.42</u>
Price to consumer (d)	43.33
(" " " in cents per 600 mL bottle)	(26)

- (a) Cartage costs borne by processing plants, but
- (b) Price of milk delivered to Brisbane after
- (c) Weighted purchase price landed Canberra.
- (d) For comparative purposes the price to the have been based on the sale of a 600 mL may vary for milk in bulk and cartons.

* The above table was prepared by the figures originally shown for Adelaide were were deducted. Similar errors may still

URRBRAE STUDENT

17, with tractor licence, wants work on farm during Christmas vacation, in preparation for taking full-time farm employment after completing course. Phone R. Pow
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MILK PRICE STRUCTURE (cents per litre)

Melbourne	Brisbane	Adelaide*	Perth	Hobart	Canberra
1.10.78	13.7.78	27.8.78	1.3.78	1.7.78	14.7.78
16.20	19.90	18.55	18.44	16.40	n.a.
1.87	1.20	(a)	1.16	1.36	n.a.
18.07	21.10(b)	18.90	19.60	17.76	16.67(c)
0.10	0.10	0.10	0.10	0.10	0.10
31.13	0.24	0.50	4.00	2.08	0.20
5.94	10.73	8.95	7.55	10.81	9.84
<u>14.43</u>	<u>11.16</u>	<u>10.23</u>	<u>10.42</u>	<u>11.25</u>	<u>11.52</u>
41.67	43.33	38.33	41.67	42.00	38.33
(25)	(26)	(23)	(25)	(25.2)	(23)

average around 0.21¢ per litre.

allowance for Milk Board levy of 0.12¢ per litre ,

consumer and the margins for processing and distribution
bottle of milk from vendor direct to customer. Margins

Department of Primary Industry in Canberra. The
incorrect, because of the stage at which Board levies
exist in other columns.

RELIEF MILKER AVAILABLE

for week-ends, and fulltime from 21st December to 22nd
January, or any portion thereof.

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Page 9

control by every State Authority, in conjunction with total regulation of the industry under Commonwealth Legislation.

The argument is that the Authorities in other States now possess powers permitting them to acquire the ownership of all milk and dairy produce produced in the respective States, and that such powers could be invoked in the event of any attempt, by a dairy company in any State, to break away from the restrictions of the Commonwealth Dairy Marketing Arrangements, or to invade the milk market in another State. Is it, therefore, reasonable that the South Australian Authority should not have similar powers in order to permit simultaneous action to be taken by every State Authority in the event of such a "breakdown".

Against this proposal must be put the argument "How can legislation be written that restricts such power only to an eventuality of that nature?". It is very difficult to write into legislation a power to be used only in certain circumstances, particularly when those circumstances would arise outside the State. The bogey of a breakdown of orderly marketing has been with the industry for many years, and it seems unwise to make provision for something that may never happen, when such provision, itself, may be used in circumstances quite unrelated to the breaded "breakdown".

The "Protection" of Equalisation

Allied to the commercial powers is a power presumably intended to "protect" equalisation schemes, which gives power to the Governor to declare that, in any region, producers may not sell their milk to other than the Authority, and the Authority shall then sell the milk to best advantage.

The purpose of this provision appears to be that when, in any region where a milk prices equalisation scheme exists (and there is only one such region at present, namely the Metropolitan Area), there is a threat to the continuation of the scheme (either from outside or inside), the Authority may takeover the scheme entirely, and become the sole

owner of all milk, presumably then selling the milk to the dairy companies in the region, or elsewhere.

Whether the virtual destruction of a voluntary equalisation scheme can be claimed as "protection" is problematical, and it is proposed that the type of legislative backing to be given to equalisation schemes should be that which is already contained in the Metropolitan Milk Supply Act, namely the setting of quotas to be used against any dairy company attempting to pull out of an equalisation scheme (though such action, nowadays, is hardly likely).

The Timetable

The time taken to prepare the submission, and the time that will be taken by the Minister, and his advisors, for its consideration, mean that it will be sometime in the New Year before the legislation is redrafted, and returned to the industry for further consideration.

When the redrafting is complete it will, once again, be subject to further scrutiny and debate at District or Regional Meetings, depending on how closely the revised legislation follows the industry's proposals.

CALF RUN TIMETABLES FROM 22.11.78

<u>MONDAY</u> (Northern) moved to	<u>THURSDAY</u> (Central)
<u>THURSDAY</u> as below	9.00 Kangarilla
<u>TUESDAY</u> (River & Lakes)	9.30 Kyeema
<u>WEDNESDAY</u> (Southern):	10.00 Pages Flat Rd.
9.00 Myponga	10.30 MT. COMPASS (5)
10.30 YANKALILLA (1)	11.00 Prospect Hill
11.00 Inman Valley	11.30 Meadows (Kuitpo Rd.)
11.30 Back Valley	12.00 " (Mt. Bold turnoff)
12.15 Hindmarsh Valley	<u>THURSDAY</u> (Northern)
1.00 CURRENCY CK. (2)	1.30 Lobethal
1.30 Tooperang	2.00 Kenton Valley
2.15 STRATHALBYN (3)	2.30 Gumeracha
2.45 MACCLESFIELD(4)	3.00 Birdwood
	3.30 Mt. Torrens
(1) (2) (3) (4) (5) see page	4.00 Charleston
	4.30 Woodside

THE SOUTH AUSTRALIAN

DAIRYMEN'S . . .

Journal



The Official Publication of the

Published Bi-Monthly

Vol. 18 Nos. 3,4,5

ADELAIDE Nov.1978/April 1979

ASTORAL (S.A.) AWARD

Pay rates effective from 12th December, 1978

DULT RATES (without Keep)	per 40 hr* week
Station Hand, less than 12 mths.exp.	\$ 133.70
" " more " " " "	135.20
General Station Hand	136.50

With Keep: the above rates less \$28.36 per week.
 By the day: minimum rate without keep - \$26.74.

JUVENILE RATES (without keep) per 40 hr* week

At 15 yrs. of age	\$60.20	12.00 per day
" 16 " "	66.90	13.40 " "
" 17 " "	73.50	14.70 " "
" 18 " "	86.90	17.40 " "
" 19 " "	100.30	20.10 " "
" 20 " "	120.30	24.10 " "

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 see explanation on page 2.

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THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL

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PASTORAL (S.A.) AWARD

A note on Hours of Work (see front cover)

The Pastoral (SA) Award has more flexibility than is generally realised in respect to hours of work, to enable employers to cope with emergencies and seasonal work-load fluctuations. Although the hours of work are, in theory, 40 hours per week, the award actually states that the ordinary hours of work SHALL NOT EXCEED 160 HOURS IN ANY CONSECUTIVE PERIOD OF 4 WEEKS.

Overtime becomes payable after a total of 160 hours has been worked in a 4 week continuous period, at the rate of time and one half, or else by the granting of an equal period of time off duty, the choice being at the option of the employee.

The work itself must, however, be scheduled in a constant pattern in each week, i.e. over 5 days per week, Monday to Friday inclusive, or over 5½ days per week, Monday to Saturday morning. All work on Saturday (or Saturday afternoon in the 5½ day schedule) and on Sunday must be paid for at time and one half, (or by an equal period of time off duty, at the employee's option).

THE PROPOSED DAIRY LEGISLATION

The Present State of Play

Previous issues of the Journal have examined the content and possible impact of the proposed new Dairy Industry Act, and a newsletter distributed to all dairy farmers on 24th February 1979 informed them that, although a number of the changes sought in the industry's unified submission had been accepted by the Minister, the revised Bill, which was now before Parliament, still contained some clauses that were not acceptable to the industry.

Discussions had been held with the Minister's technical and legal advisers, to emphasize the industry's insistence that these clauses be changed, and the Minister had given an assurance that the Bill would not be debated before he had replied to the industry's proposals, either accepting the changes required, or giving his reasons for rejection.

As events turned out, the Minister withdrew the Bill just before the close of the Parliamentary session.

The Minister then convened a meeting of all dairy companies and organisations to decide on the steps to be taken before resubmitting the Bill to Parliament in the session beginning in July.

It was clear at the meeting that the contentious clauses were still strongly, though not unanimously opposed, and industry spokesmen proposed the forming of a "working party" of the industry to carry on negotiations during the Minister's impending overseas visit.

The "working party", which comprised Messrs. R. Barker, B. Bowker, J. Spinkston, N. Green, K. Turvey and D. Higbed, and a representative to be nominated from the South-East, came to the conclusion that as things were, a deadlock appeared to be inevitable.

A Representative Authority?

Although the Minister had removed from the draft Bill the powers of the proposed Authority to buy and sell dairy produce, and to sell dairy produce as agents for the producers, he had retained the power for the Authority to order the interchange of dairy produce between companies "at a reasonable price", and the power of the Authority to set up equalisation schemes or to take over existing equalisation schemes, by "becoming the sole buyer of milk from producers", and selling the milk "to best advantage".

The retention of these powers was consistent with the Minister's earlier statement that he was not prepared to have an Authority "without teeth", and although, in theory, the Consultative Committee, which contained majority industry representation, could maintain a watch on the way that the Authority used its "teeth", it could do little more than complain to the Minister; it had no power of veto, or other means of intervening in the Authority's activities.

Although the powers of the Authority which were in dispute were much greater than those recommended by the Webb Committee, the working party decided that it was worthwhile considering whether a representative Authority, similar to that proposed by the Webb Committee, would be more acceptable to the industry, if the Minister insisted that the disputed powers be retained.

The idea of a representative authority was then discussed at a meeting with the Director and staff members of the Department of Agriculture, and the Parliamentary Counsel, and it was agreed that the Minister's reaction be sought before the industry proceeded to examine the idea.

The working party believed that the idea only should be considered initially, and that the actual composition of a representative Authority should be discussed only when the

Minister, and the industry, had both accepted the new concept, but the Director insisted that any communication to the Minister should include a reference to the membership of a representative Authority, and the working party agreed that, as an "example" only, a composition similar to that of the Consultative Committee could be suggested.

This is where the matter now stands. The Minister has neither rejected nor expressed his support of the idea of a representative Authority and other than at District meetings of the Association, the subject has not been further discussed by either the working party or the industry, or generally.

The Regional Meetings

In the meantime, at the request of the Director, as instructed by the Minister, a series of meetings has been held to enable the Director, with the assistance of the Acting Chief Dairy Officer, Mr. Feagan, to discuss the draft Bill, as it now stands, which is in the same form as it was presented to Parliament in February.

The three meetings held in the Adelaide producing district (at Victor Harbor, Mount Barker and Murray Bridge) have shown that dairy farmers' opposition to the Bill is undiminished.

Despite the Director's interpretation of the purposes of some of the more contentious parts of the Bill, and his explanation of the Minister's intentions with respect to the draconian powers which the Bill confers on the Authority, particularly clause 36(2)(b) and section 38, the meetings have demonstrated a continuing suspicion of the purpose of the Bill, and a deep concern at the effects that the Bill may have on the industry, and on the freedom of operation and the degree of self-regulation that the industry now enjoys.

Although, because the purpose of the meetings was for explanation and not for decision, formal motions were avoided, the tone of the questions and discussion clearly

indicate that, in the Adelaide Hills and Lower Murray regions, there was overwhelming support for the retention of the Metropolitan Milk Supply Act and the Metropolitan Milk Board.

Is "No Change" the Answer?

What would be the effect on the industry, both in the Adelaide producing district and the rest of the State, if the Bill was scrapped?

As far as the Adelaide producing district is concerned, no practical or discernible change at all, as was stated in the Sept/Oct 1978 issue of this Journal.

The Board would continue to license and supervise dairy farms and treatment plants; the Department would continue to license and supervise dairy products factories. The Board would continue to set milk and cream prices for sales in the Metropolitan area, and would, with the advice and consent of the representative, but unofficial Milk and Cream Promotion Advisory Committee, continue to promote milk and cream sales.

The Metropolitan Milk Equalisation Scheme would continue to operate unchanged, protected against breakdown by Section 43 of the Metropolitan Milk Supply Act, and by the commonsense of the two dairy companies involved.

In the South East the absence of new legislation would not prevent the implementation of the newly created S.E. Milk Equalisation Scheme, or change the present relationships between the Department and the dairy farmers and factories, whilst the Golden North, Port Lincoln and Upper River regions would continue to operate their single company schemes, again still under the supervision of the Department.

For the industry as a whole, in the now very unlikely event of a Federal scheme of production regulation, admit

istration of such a scheme in South Australia could be undertaken by whichever instrumentality the Minister decided to choose, by way of the Dairy Industry (Special Provisions) Act passed early in 1978 solely for that purpose.

The only perceptible "losses", if that is the right word, that would be sustained, if the Bill was not proceeded with, would be (i) the absence of a set producer price for market milk outside the Adelaide producing district, (ii) the absence of legislative protection for the South East equalisation scheme, (iii) the absence of legislative support to assure supplies of "accommodation milk" to companies suffering from seasonal shortages, or for specialist manufacturers without access to farm milk, and (iv) the possible loss, to farmers in the Adelaide producing district, of any help in sharing the costs of the Milk Board.

The South East augmentation scheme would not be affected. It could be administered as well under the present legislation as under the proposed Bill.

How important are these possible losses?

Dealing first with (i) the absence of a set producer price for market milk outside the Milk Board area, (the Prices Commissioner sets only wholesale, semiwholesale and retail prices, and has no power to set producer prices) it can be argued that, even without such a price, dairy companies are paying as high a price as they can, both because, in a declining industry, they are trying to encourage increased supply, and because, the Adelaide region provides an example that can be used by dairy farmers as a basis of negotiation.

In fact the setting of producer prices for market milk across the State, by the Authority, may well create serious anomalies and demarcation problems, even to the extent of destabilizing the present position.

The absence of (ii) legislative support for the S.E. equalisation

scheme presents no problem. The only reason that any company would have for withdrawing from the SEMEC scheme would be the opportunity to capture a larger share of the South East milk market, but any company so doing would no longer have access to the augmentation contribution, which will, after the initial period, represent as high a financial gain as could be obtained from a total capture of the local market.

The absence of (iii), "assured accommodation milk" is less easily dismissed. Milk is, at present, made readily available, throughout the year, to a number of dairy produce manufacturers without direct access to a farm milk supply. Chief of these in volume required is Alaska Foods Ltd. but lesser quantities are purchased by small-scale makers of "fancy" cheese and other specialised dairy products. The prices now charged to these purchasers reflect the ex-farm value of the milk plus the cost of pick-up, recording and reselling.

Whilst it is possible that milk could be refused to these customers, it would be economic folly to do so if the prices they are willing to pay are higher than the marginal returns received by the dairy company for the alternative uses. Equally it would be economic folly to sell milk to these potential customers at less than the marginal returns from alternative uses.

Under what circumstances, then, would the Authority be forced to issue an order to supply; and what, in such a case, would the Authority regard as a "reasonable" price? Would the "reasonable price" be related to the marginal return which the dairy company could receive, or to some other criterion, and, if so, what criterion?

It is not impossible that a dairy company might refuse to sell milk to a potential small-scale manufacturer out of fear of some imagined competitive threat, but such action would have to be an entrepreneurial judgement,

and an attempt by an Authority to override what the company sees as the interests of itself and its suppliers would need to be undertaken with considerable care.

The operative clause 36(2)(b) has been interpreted as providing some assurance to Golden North for its autumn requirements, but there is no reason whatsoever to assume that the "reasonable" price set by the Authority would be any more favorable to the buyer than the prices now negotiated by the Metropolitan Milk Equalisation Committee.

Provided the changes that would take place with the formation of the Authority were as proposed during the discussions on the Bill, the total of the cost of running the 3-man Authority (including the office staff) plus the cost of the supervisory staff transferred from the Milk Board to the Department should be very little more, if at all, than the present overall cost of the Board, i.e. approximately \$500,000 per year. The sharing of this amount by the State's total of about 1600 producers would considerably reduce the cost burden, now borne by the 1090 producers licensed by the Board.

It remains now to look at the questions that were asked by the members present at the 3 "Regional Meetings", which were called to give the Director of Agriculture and Mr. Feagan the opportunity to clear up the misconceptions and confusion that were supposed to exist in the minds of dairy farmers.

Were there, in fact, any such misconceptions? Some of the more elementary questions concerning the nature of the legislation had been answered at the Regional Meetings in September, and the Sept/Oct issue of the Journal that followed those meetings went further into the implications of the legislation.

It is from this point onwards that the Director and the ACDO enter the debate. We are able only to read what

is in the Bill; we cannot interpret "intentions", nor can we foresee the circumstances under which the powers in the legislation may be used.

So we must leave it to the Minister's spokesmen to fill the gaps in our knowledge, even though the information we receive is not written into the legislation, and subsequent Governments and subsequent Ministers may not regard themselves as bound by the intentions and assurances of the present Minister.

OUR ROYAL SHOW DAIRY BAR

Full Time Staff Wanted

Our experience last year in running a Dairy Bar at the Royal Show taught us a lot, including the need to have a regular, full-time staff, instead of the short-period rostering, as we had then.

If you enjoyed the experience, and are prepared to work for the same number of hours on each day, for 8 days, please write or phone and tell us.

The hours will be from 8.30 a.m. to 3.00 p.m. and from 3.00 p.m. to 8.30 p.m., but we would be interested to learn how many of you would prefer to work on the day shift for 4 days and then on the night shift for next 4 days, and vice versa.

The Show runs from Friday 31st August to Saturday 8th September. Although that seems a long time ahead, we must start planning now, so please phone or write as soon as you can.

DAIRY FARMS WANTED TO LEASE

Lease property required (one with option to purchase) with or without dairy herd. Here is your opportunity to take things easy, while retaining your interest in the property without fear of loss of assets. Apply this office (08) 51 3034.

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R.I.L. Has Good News for Owners.

The Federation Insurance Limited advises that no claim bonuses for both private and commercial vehicles have been extended so that the careful driver now receives the benefit of a higher bonus. Federation will be putting this system into operation from the 1st July. Particulars of the extended bonuses are:

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1	20%
2	35%
3	50%
4	60%*
5	70%

*previous max.

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<u>Years Claim-Free</u>	<u>Old Scale</u>	<u>New Scale</u>
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2	25%	30%
3	33.33%	40%
4	40%	50%
5		60%

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Fully skilled and reliable operator. Would prefer long engagement but available weekends in the meantime.
R. Albury, (08) 296 9539, or this office (08) 51 3034.

ANNUAL VACATIONS -

- And the Problem of Relief Milking

The difficulty of arranging for a reliable experienced relief milker to look after the farm is probably not the chief reason why most dairy farmers don't take an annual vacation, but there are some who do like to take a break from the everyday routine of the farm, and the problem of relief milking often has to be resolved before any firm plans can be made. On the other hand, from the relief milkers' point of view, engagements tend to be either a "feast or a famine". Sometimes there are more bookings than they can handle; at other times they run the risk of starving to death.

For some years the Association ran a very successful relief milking service; first, with Jenny Blackett, and later with Pat Jenkins and Penny Jones, but patronage began to shrink in the late 1960's and subsequent attempts to maintain an official service failed through lack of engagements.

But occasionally the Association makes the acquaintance of a capable and trustworthy person who could provide a permanent relief milk service if regular patronage could be ensured (and it should be noted that regular patronage is the key to an economical service, as long spells of idleness, with no income, necessitate charging a higher fee than would otherwise be the case, in order to survive the idle periods).

It has been suggested that the Association seek to provide for dairy farmers intending to take a vacation a **SCHEDULED RELIEF MILKING SERVICE**, which, on the one hand provides a dependable and skilled service, and, on the other hand, assures the relief milk of continuous employment.

All that is needed for such a service is for 12 dairy-farmers to indicate that they would use such a service on a pre-booked basis, to schedule the relief milker's engagements throughout a 12 month period. If you are (Con

interested (or may be interested one day) please let us know.

CALF PICK-UP CHANGE

Lower Murray Run Suspended Until Spring

Reduced calf numbers on Lower Murray dairy farms have caused the suspension of the calf pick-up scheme in that region, the last run in the present season being on Tuesday 5th June.

The run will recommence on TUESDAY 28th AUGUST, and minimum prices to be paid for each class of calf will be broadcast from radio station 5 MU at 6.40 a.m. each Tuesday morning.

SEASONAL CHANGES IN MILK COMPOSITION

We have all observed the changes that take place in milk composition from November onwards, when fat tests tend to drop, and from early Autumn, when the low plane of nutrition leads to problems with elevated freezing point, similar to the effect of adding water. We are also aware that maintenance of satisfactory fat levels requires the feeding of adequate quantities of long-stalk hay. But less of us may know just why long-stalk hay is related to fat test.

The following extract from the "Ontario Milk Producer" explains the subject in a way that may help producers who have had problems with the nutrition/composition relationship.

"A depressed fat test results when the feeds that cows eat don't supply enough 'scratch' or 'roughage effect'. On these rations, cows spend less time chewing their cud, and produce less saliva. Because saliva is necessary to maintain a proper acid balance in the rumen, rations which lack roughage effect result in high acidity, destroying the bacteria responsible for converting feeds to the form used to make butterfat. Recent research indicates that, cows should chew their cud at least 28 minutes per kilogram of feed to support normal test.

Two other factors may cause below-normal summer fat test: an imbalance in the ration, (particularly a deficiency in magnesium) and extremely hot weather. Considering these factors, it is easy to see why fat test depression occurs more often in summer.

Dairymen should be particularly careful when cattle are first turned out to pasture. Early pasture growth is very lush and palatable, but provides very little stimulation for cud chewing. Even when herds are fed stored feed, the first growth on the two or four hectare exercise area can be enough to cause a severe drop in test. To avoid this problem, cattle should be introduced to pasture gradually, by limiting the number of hours of grazing, and increasing grazing time over a two-week period. During this period, the cattle should be fed gradually decreasing amounts of hay before they are turned out, to moderate their appetite while grazing.

Even when cows are adjusted to pasture, it is a good practice to continue feeding 1.5 to 2 kilograms of hay per cow per day, to provide some extra 'roughage effect'.

Lush, fast growing grasses are also high in potassium, which interferes with the cow's ability to absorb magnesium from her diet. Because low magnesium levels can be involved in fat test depression, adding five kilograms of magnesium oxide per tonne of grain mix during the first month of the pasture season is recommended.

When hay feeding is not possible, artificial buffers can be added to the grain mix. Sodium bentonite (at up to 20 kilograms per tonne) or sodium bicarbonate (at up to 10 kilograms per tonne) can help to maintain the correct acid balance when cows are not chewing their cud properly. Because these additives can cause feed refusal and scouring, they must be introduced gradually, and are at best, a poor substitute for hay.

When summer temperatures rise to over 25°C dairy cows reduce their forage intake, and fat test suffers. This effect of hot weather can be minimized by providing plenty of shade and water as close as possible to the feeding area. Where cattle are fed from storage, covered feeding areas are a real asset on hot days.

Late in the summer, pasture quality is unpredictable, and nutrient imbalance can result in poor production, low test or both".

DAIRY MASTER

Would like to advise dairy farmers that they are now personally servicing milking machines, vacuum pumps, supplying all spare parts and dairy equipment.

For further particulars contact

Allen Russell, 5 Vincenzo Street,
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Telephone Adelaide - 08 - 251 3583

RISE IN SAHWAL-X CONTRACT CALF PRICES

Bennetts Farmers announce that they have renegotiated the price for Sahiwal-cross heifer calves, the price now being \$100 for each calf conforming to specifications.

SHAREFARMING WANTED

with large herd, or additional cows can be provided to increase medium sized herd.

Fully experienced, careful operators; able to look after whole range of farm and herd management. Apply this office. (08) 51 3034.

THE SOUTH EAST AUGMENTATION SCHEME

A History of the Proposal

It is probable that serious consideration of the admission of the South East into the Metropolitan Market milk scheme dates back to the opening, in 1963 of the then United Co-op Bordertown dairy factory, by the Chief Dairy Officer at the time, Mr. Graham Itzerott, who stated that "Bordertown milk would be going to Adelaide within 10 years".

Ever since that time the eyes of the dairy industry in the South East have been turned towards what they regard as the gold at the end of the rainbow, and not without reason as they are now the only dairy farming group of any size in Australia that is denied access of some sort to a capital city market.

And, despite the lower production costs in that region, which are due partly to natural advantages in rainfall, soil fertility and readily available water, and partly to seasonal calving (which cannot be reconciled to any ambitions of large scale market milk supply), the subject of the admission of the South East has gradually assumed a political complexion, quite unrelated to the practical realities or economics of the subject.

But the arguments used have been hard to refute. On the one hand, there has been an undeniable decline in milk production in the Adelaide producing district, and if the decline continues (and there is no clear sign that it will not) there may come a time when the present region will not be able to fully supply the metropolitan area's requirements (though projections of trends over the past 10 years put that date anywhere between 16 and 20 years away).

On the other hand, as stated earlier, in every other State but South Australia, some move has been made towards allowing every dairy farmer some sort of access to the capital city market (although only Victoria has a plan for completely equal access).

Consequently, as a "political" matter, it was inevitable that the question of the relationship of the South East to the Adelaide milk market should have been raised in the Committee of Inquiry into the South Australian Dairy Industry, set up by the Minister of Agriculture in 1977, under the chairmanship of Professor Roy Webb.

The terms of reference given to the Webb Committee did not expressly refer to the South East, (they asked only that the Inquiry "should consider the present distribution of markets for market milk between various regions in South Australia") but no one was under any illusion that the South East was the major topic of discussion, and it was inevitable that the Committee's report would contain an emphatic reference to that subject.

The recommendation that emerged from the Inquiry was that a market milk equalisation scheme should be set up in the South East, and that the equalisation scheme, when established, should be augmented by funds from the market milk levy pool generated by the Metropolitan Milk Equalisation Committee.

The amount of augmentation was to be geared to the decline in production in the Adelaide hills area, by freezing the city milk bonus value at a level equal to a ratio of 45 per cent (market milk sales to total production).

In its submission to the Webb Committee, the South Australian Dairymen's Association opposed any form of sharing with the South East, stating that it believed that the principle of "regional equalisation" should be retained whilst the regions were capable of being self-sufficient, adding that, in the event of a decline in dairying bringing about a situation where continuity of supply was no longer assured, merging of regions should take place over a period of not less than years.

As was to be expected, the South Eastern Dairymen's Association proposed full state equalisation, subject only to modification with respect to freight differentials.

The organisations representing dairy companies, namely the S.A. Butter Manufacturers Association, the S.A. Cheese Manufacturers Association, and the Wholesale Milk Buyers and Distributors Association, proposed that the South East producers should be phased in over 10 years, although one member company proposed early inclusion.

It is not clear from the Webb Committee's Report just which company proposed early inclusion, as the Mount Gambier Co-op. proposed that "all milk be equalised on a State basis, irrespective of end use", and Kraft Foods Ltd., the other major South East company, also proposed State-wide equalisation for market milk.

Dairy Vale Metro Co-op. claimed that immediate extension of the milk producing zone was not fair or desirable, and proposed that the extension be phased in at 10% per year over 10 years, with freight differentials applied.

Southern Farmers Co-op.Ltd. held views similar to those of Dairy Vale Metro Co-op. that the present Metropolitan Milk Equalisation Scheme should be expanded to cover the whole State with South East producers being phased in over a period of 10 years, and the possible exclusion (presumably on the grounds of size) of Port Lincoln, Golden North, and Upper River Regions.

Leaving out the demands of the South East groups for "instant equalisation", the present augmentation scheme must be regarded as much better than a compromise between all these proposals, each of which proposed eventual total integration, or about 3 times the impact of the scheme now under consideration.

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