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THE SOUTH AUSTRALIAN DAIRYMEN'S . . . Journal

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'ASTORAL (S.A.) AWARD

'ay 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

'ith Keep: the above rates less $28.36 per week.

y the day: minimum rate without keep - $26.74.

JVENILE 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 " "

With keep: the above rates less $28.36 per week

see explanation on page 2.

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

President: N. M. GREEN, Esq., J.P.
General Secretary: DAVID J. HIGBED, B.Ec.

Advertising Rates on application

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 WEEK

Overtime becomes payable after a total of 160 hours has been worked in a 4 week continuous period, at the rate o 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 constar 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 t 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 retentio 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 continu 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 Advisoty Committee, continue to promote milk and cream sales.

The Metropolitan Milk Equalisation Scheme would continu 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 relation ships between the Department and the dairy farmers and factories, whilst the Golden North, Port Lincoln and Upper River regions would continue to operate their singl company schemes, again still under the supervision of th Department.

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

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 suppo to assure supplies of "accomodation milk" to companies suffering from seasonal shortages, or for specialist manu facturers 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 accomodation 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 please with the formation of the Authority were as proposed during the discussions on the Bill, the total of the cost of running the 3-ma 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.

I 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.

NO-CLAIM BONUS RAISED ON CAR INSURANCE

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:

Private Type Vehicles

Years Claim-Free	No-Claim Bonus
1	20%
2	35%
3	50%
4	60%*
5	70%

*previous max.

Goods Carrying Vehicles - up to 5 ton carrying capacity

Years Claim-Free	Old Scale	New Scale
1	20%	20%
2	25%	30%
3	33.33%	40%
4	40%	50%
5		60%

These rewards for the "claims-free" driver again prove that Federation is making every effort to assist members to reduce their insurance costs. Why not contact Federation for quotes on Motor Vehicle Insurance (and any other types)? Simply pick up the telephone and ring 212.4541 or call at the corner of King William Street and South Terrace. You will be under no obligation.

ANNUAL VACATIONS -
- And the Problem of Relief Milking

The difficulty of arranging for a reliable experienced relief milker to look after th farm is probably not the cheif reason why most dairy farmers don't take an annua 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 succesful 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 attempt 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(Co 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 anough 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 magnessuim 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 gradully, 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".

RISE IN SAHIWAL-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.

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 t he 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 rsied 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 ratic 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 impast of the scheme now under consideration.

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NEW UNDERWRITTEN VALUES ANNOUNCED

Ten Per Cent Up On Last Year

The Federal Government's announcement that it would underwrite the opening values for dairy produce at a level that would permit an "efficient" factory to pay 175 cents per Kg fat at the farm gate has been followed by the news that the underwritten value for cheese will be $1075 per tonne, just over 10 per cent higher than the 1978-79 figure of $974. The new basic price for milk for cheese will be announced shortly.

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CENTRAL COUNCIL SAYS "DROP BILL"
Supports Executive Committee's Proposal

The Central Council, at its meeting on 28th June unanimously endorsed a recommendation from the Executive Committee that the Minister be asked to defer any further action on the controversial dairy legislation.

The recommendation followed the Executive's view that the legislation would bring no economic gain to any sector of the dairy industry anywhere in the State, but it could bring the risk of a high level of government intervention through t additional powers which the Bill would give to the proposed Authority.

Although the intention of the legislation was to bring the advantages of "orderly marketing" to the industry outside the Central region, the recent formation of the South East Milk Equalisation Committee meant that "orderly marketing schemes" of one form or another now extended throughout the State, and it was doubted that the Bill could make any worthwhile changes to present position.

Delegates expressed concern that the Central Council's decision might be regarded by dairy farmers elsewhere in the State as a move to preserve the higher returns received in the Central region, but it was not possible to find in the Bill anything that would improve the economic position of any members of the industry, anywhere.

GENERAL PRESIDENT'S ANNUAL REPORT 1978-79

For the dairying industry in South Australia the past year has, without doubt, been dominated by the proposed revision of the State's dairy legislation.

In this matter your Association has played a leading part, having initiated the preparing, editing and, finally, presenting of the industry's case in a document which was supported, with only minor reservations, by all but one of the companies and organisations of which the industry is composed.

It is both gratifying and humbling to realise the regard in which the Association is held by the rest of the industry, as shown by the readiness with which the representatives of the companies and the other organisations attended, often at considerable expense in money and time, the many conferences convened by the Association in the months that elapsed between the release of the draft Bill and its subsequent temporary withdrawal, and by the support which continued to be given to the Association as it explored alternatives.

The members of your Executive Committee have, in this past year, devoted to this single subject a total of time and concern without precedent in the Association's history.

The year has brought many other changes to the dairy industry, both in this State and nationally, and the Executive Committee have continued to give their full attention to these numerous other issues, endeavoring to insure that the interests of our members are safeguarded and enhanced.

Chief among these changes was the introduction by the Commonwealth Government of selective underwriting. Fortunately, because of the insignificance of butter production in this State, the local industry was saved from most of the worry and disruption caused by the application of selective underwriting, and although, at the beginning of the season, fears were expressed at a possible national over-production of cheese, with consequent low-price disposals, it is now certain that the year's output will be sold on a market that may almost be called buoyant, with a final return, when all stocks are cleared, in excess of 180 cents per Kilogram fat at the farm gate.

The coming season will open with Commonwealth Government underwriting which will permit "an efficient dairy company" to pay a price at the farm gate of 1.75 cents per kilogram butterfat, for milk for manufacture. This figure is 10 cents higher than the underwritten value of the year under review, during which the two dairy companies supplied by the majority of our members were able to pay an interim basic price of 166.03 cents per kilogram plus a bulk milk premium of 4.4 cents.

As the Commonwealth Government's new underwritten value has been determined after making allowance for increased manufacturing costs, it is to be hoped that the two companies will be able to pay at least the present margin of almost 5½ cents above the opening price level promised by the Government, and a final value for the coming season in excess of $2.00 per kilogram fat is not impossible, without any contribution from Government sources.

The industry's continuing reliance on Government assistance through underwriting, and the eventual cash contribution (admittedly small in comparison with the direct and indirect hand-outs received by other dairying countries) to those commodities which have failed to reach the underwritten value, though helpful in providing a better cash flow early in the season than would otherwise be the case, is not without its shortcomings, and its consequent critics.

The criticism is directed at the extent of direct government involvement into its affairs which the industry must accept as the price for underwriting, and, worse, the possibility that the higher returns from the more buoyant products, particularly cheese, will be drawn on to offset the losses suffered by the products which are less fortunately situated.

The recently publicised proposal by Mr. Bill Pyle, the President of the United Dairyfarmers of Victoria, appears to aim at removing the first problem by changing the possibility of the second problem to a certainty. Mr. Pyle proposes a stabilisation fund collected by the industry on all milk, including, it is presumed, market milk, the fund so created being used to guarantee a floor price for all products, the result of which would be to obscure, if not remove, the "market signals" which have, in the past few years, made an increasingly important contribution to the industry's recovery.

A less controversial proposal now being considered by the Australian Dairy Industry Conference is for the establishing of a modest, stabilisation fund for each commodity separately, the funds being created by deductions from returns in "good" years and paid out when returns from the commodity fall below some economic indicator. But before even this latter, far more logical, proposal is given any support, we must ask ourselves what merit there is in reducing our own incomes as they improve, and paying ourselves from our own funds when returns are less satisfactory.

Whatever uncertainties there may be about our attitude to Government intervention and the desirability of stabilisation, there can be no doubt about our relief at the return, after three years of continuous drought, of a more nearly normal season, even though the improvement is not as wide ranging as we could hope.

The seasonal improvement began with milk production in February being a little greater than that in the corresponding month in the previous year. By March, milk production was well above that in March of the <u>two</u> previous years and in April and May, well above that of the <u>three</u> previous years, demonstrating that the low output since 1975 was, without doubt, seasonal in nature and not the sympton of a dying industry.

Regrettably the same improvement cannot be claimed for market milk sales. The very slight, almost imperceptable, upward trend that occurred after the disasters of the middle 1970's when the termination by the Commonwealth Government of the school milk scheme was followed by the decision of the milk vending sector to adopt 6-day delivery, was replaced, in July 1978, by a marked decline which, although briefly reversed at the beginning of 1979, has now resumed.

Although the cost burden imposed by three years of drought, during which the cost of milk prpductio as assessed by the Metropolitan Milk Board's continuing survey rose by 42.6 per cent, was almost matched by a 41.7 per cent rise in the market milk price received by dairy farmers, when it is seen that, during the same period, the return received for milk for manufacture rose by only an estimated 16.5 per cent, (taking into account an estimated final basic price in excess of 180¢) it becomes obvious that at least stable, and preferably improving, milk sales are essential to the continued viability of the producing sector.

We are no longer able to rely on large increases in productivity to offset continually rising farm costs, and although the average productivity per farm is now well in excess of 200,000 litres, the annual rate of increase in the drought period has fallen to 2.5 per cent, compared with 3 times that rate a decade ago. The resumption of a more normal seasonal pattern may bring an improvement in the rate, but an upper limit must, sooner or later, be reached.

It is, therefore, not paradoxical, despite the welcome given to the improved output arising from better seasonal conditions, to claim that, in the absence of substantially increased returns for market milk and manufacturing milk, or of higher sales of market milk, the greatest hope for the financial stability of the individual dairy farmer appears to lie in the continued decline in the number of dairy farmers, and a consequent increase in the proportion of milk production that is used for market milk.

During the past 3 years of drought the number of producers licensed by the Metropolitan Milk Board has fallen by more than 20 per cent, and although, in the same period, the sales of market milk have shown only a very slight increase, each producer's share of market milk sales has risen proportionately to the fall in numbers. It was from this share that the Committee of Inquiry into the South Australian Dairying Industry (the Webb Committee) recommended that a contribution be made to the dairy farmers in the South East of the State, as an alternative to their inclusion in wider market milk price equalisation scheme.

Whilst the concept of such a contribution, seeing that the economic position of producers in the Central region has not kept pace with costs, is far from welcome, it must be recognised, first, that dairy farmers in the South East are now the only group denied some degree of access to the benefits of a major milk market, and second, that the earlier technological barrier to the long distance transport of milk no longer exists.

In recognition of these facts, therefore, and conscious of the possibility that less palatable alternatives might, otherwise, be imposed on us, a so-called augmentation scheme is being negotiated with the South Eastern region, at a level which recognises both the natural advantages enjoyed by the South Eastern dairy farmers, and the costs which the industry in the region would incur in any physical involvement in the supply of market milk.

	Milk Production (million L)	Milk Sales (million L)	Cream Sales (million L)	Ratio (%)	Basic Price (¢/kg fat)(1
1967-68	218.6	99.3	0.6	45.7	93.8
1968-69	242.0	97.7	0.6	46.7	94.3
1969-70	266.0	98.4	1.1	37.4	95.8
1970-71	263.8	100.3	1.4	38.6	104.3
1971-72	262.0	99.0	1.5	38.5	118.4
1972-73	247.9	101.6	1.7	41.6	123.3
1973-74	255.6	100.0	1.8	39.8	129.3
1974-75	249.7	97.5	2.1	39.9	159.3
1975-76	237.0	96.5	2.2	41.6	147.0
1976-77	218.3	97.4	2.2	45.8	149.6
1977-78	219.5	98.1	2.3	45.8	160+(3,4
1978-79	222.7	96.4	2.3	44.3	185 (5)

(1) Excluding Bulk Tank Premiums (2)
(3) Rate for General Hand (SA Pastoral Award per week. (4)
(5) Forecast (6)
(7) Excluding non-renewals at 30 June 1979

RETROSPECTIVE PAYMENTS

First of Current Season to Come Soon

The first retrospective payment for the 1978-79 season has been announced, and, should be available in cheques received in September. The step-up rate is 6.6. cents kg. fat, which will be equalised over all milk produced from 1 July 1978 to 30 June 1979 at about 3.5 cents. Small retrospective payments in respect of the previous season will be made about the same time, at equalised rates of about ½ cent kg fat on milk produced between 1.7.77 and 31.12.77 and about 3/4 cent for 1.1.78 to 30.6.78.

Equalised Price (¢/kg fat)	Licensed Farms at 30.6	Retail Price (2) (¢/L)	Farm Price (¢/L)	Farm Cost (¢/L)	Award Wages ($)	Consumer Price Index March ¼
146.1	2042	16.7	9.5	8.6	-	100.0
143.3	1968	17.6	9.7	8.3	-	102.8
142.3	1870	17.6	9.7	7.8	-	105.7
149.1	1760	17.6	9.7	8.1	-	116.0
161.3	1666	18.5	10.2	8.3	48.70	117.1
169.2	1526	18.5	10.2	9.2	57.27	123.8
176.3	1397	22.9	11.8	10.3	69.80	141.7
210.9	1342	28.3	13.8	13.2	97.20	169.4
222.7	1245	31.7	15.5	14.3	110.10	189.7
243.9	1169	33.3	16.3	17.0	115.20	219.6
290+(3)	1108	36.7	18.1	17.2	129.51	237.5
300+(3)	1090(7)	40.0	19.6	18.8	136.50	254.7

Per 600 mL bottle, converted to per litre

Estimated average of 2 pools
To 31 May 1979

****DAIRY FARM WANTED**********************
Small to medium size, preferably with potential for further development. Must have 2 houses or be within easy reach of township where rental housing is available. Please reply by telephone to R. EVERES (08) 255 3619

**** ROSTERED RELIEF MILKING**************
We need just a few more applicants for our scheme for an Association sponsored relief milking service for members wishing to take annual vacations on a regular basis.

We are now approaching the end of these negotiations. The details are almost completed, and the industry in the South East has in principle, if not yet in fact, fulfilled the conditions we demanded, by creating the South East Milk Equalisation Scheme, modelled almost identically on the Metropolitan scheme, and administered by an industry-appointed body similar to the Metropolitan Milk Equalisation Committee. However, neither the augmentation scheme nor the South East equalisation scheme can commence until the Minister of Agriculture's approval is given to the changes necessary in the metropolitan equalisation agreement, and, at this time, this approval is not forthcoming.

The existence of the augmentation scheme makes it all the more important that we look for additioanl sales of high value dairy products, chief of which is probably flavored milk.

Spectacular results are reported from the highly publicized, and expensively promoted "Big M" campaign in Victoria, and the similar "Moove" campaign in New South Wales.

The eventual results of both these campaigns have been a settling down of sales at between 8 and 10 per cent of white milk sales, a level not much above that of our own flavored milk s ales in rec ent years, which have been achieved without costly advertising and publicity. But perhaps the absence of promotion is to be deplored rather than approved, as sales have declined during the present financial year, and thought should be given to the desirability of adopting (and paying for) the campaign material for flavored milk which will be available from the Australian Dairy Corporation.

Such promotion cannot, however, be undertaken unless any increased sales that follow provide some return to the dairy farming sector, for which it will be necessary either for a producer price to be fixed, or for the dairy companies to pay a voluntary levy.

On more directly practical levels, though of economically lesser importance to farmers, are the calf pick-up scheme, which, despite teething troubles, now merits the title of "success story of the year", and the Association's Kiosk at the Royal Show, which, although less spectacularl successful than the calf scheme, has provided the Association with a valuable means of contact with the publi and a brief and small scale, but nevertheless effective promotional campaign.

To these must be added the almost uncountable number of other matters to which the Association has given its attention, through the Executive Committee and the office staff, to whom, for their untiring efforts I express, on your behalf, and mine, our gratitude.

Despite its magnitude, the workload which the Association has carried has been considerably lightened by the support that we have received from the dairy companies with which we are linked, a relationship that owes much to our involvement in the administration of the milk equalisation scheme, and my thanks go to the Senior management and staff os those Companies.

We are grateful also to the Minister of Agriculture and Fisheries, (the Hon. Brian Chatterton M.L.C.) for the degree of access and consultation that he has granted to us at all times, to the Director and staff of the Department of Agriculture and Fisheries, and to the Members and staff of the Metropolitan Milk Board.

Finally, I thank you, the delegates to Central Council, for defining the guidelines for the Executive Committee to follow, and for endorsing the results which the Executive Committee have achieved.

N.M.GREEN J.P.   GENERAL PRESIDENT

TONY KENNY STEPS DOWN FROM EXECUTIVE

Replaced by Hills Farmer Max Green

Mr. Tony Kenny, of Ponde, after 11 years as a member of the Executive Committee (and Vice President for 10 years, until 1978), announced at the Annual Meeting of the Central Council on 28th June that he would not be available for renomination for any office in the coming year.

Mr. Norman Green, of Monteith was relected General President; and Messrs. Ken Turvey, of Milang and Aub. Kretschmer, of Wellington, were re-elected as Senior and Junior Vice Presidents.

The nine delegates nominated for the five vacancies on the Executive Committee were Messrs. *Michael Diener (The Point), Ron Fromm (Gawler), *Max Green (Lobethal), *Alan Manning (Birdwood), Peter Leane (Mt. Jagged), *Andrew Mc.Ewin (Inman), Stan Schofield (Maccles.), Peter Silver (Mt. Barker), and *Don Zweck (Blyth). (*indicates elected candidate).

REPRESENTATIVES ON SPECIALIST COMMITTEES

Members May Make Direct Contact

The Association is represented on several governmental committees concerned with primary industry matters, and members with queries in these areas should contact these representatives directly, either to receive immediate advice, or to have their questions, problems or points of view put to the committee concerned. The members are as follows.

Water Resources Council Advisory Committee:-
Messrs. N. Green (085 323904) & K. Turvey (Milang 38).
Primary Producers Committee of State Planning Authority and Artificial Breeding Advisory Board:-
Mr. M. Diener (The Point 42)
Brucellosis and T.B. Eradication Committee:-
Mr. A. Manning (085 685268)

PRODUCTION COST SURVEY UP

Application Made for Rise in Farm Milk Price

The continuing survey of farm production costs carried out by the Metropolitan Milk Board shows an increase in the year ended 31 January 1979 of 9.3% above that of the previous year, from 17.23 to 18.84 cents per litre.

It has been the practice in recent years to add a "safety margin" of 10% to the result of the survey to cover inflationary trends occurring since the beginning of the year of the survey, as the basis of adjustment to the farm price for milk.

The latest price revision, which took place in early March, occurred before the latest survey results were available, and the current farm price of 19.57 cents per litre is, consequently, only 4% above the survey figure.

An application has been made to the Metropolitan Milk Board for an increase in the farm price to at least reinstate the 10% margin.

As, since the increase in retail milk price in Tasmania in May, Adelaide milk, at 24 cents per 600 mL bottle, is now the cheapest milk in Australia, it is hoped that a price increase will be announced soon, in order to restore the farm price basis, and bring retail price in line with other capital cities, as shown below:-

Capital City	From	Per Bottle
Sydney	1.9.78	27¢
Melbourne	1.10.78	25¢
Brisbane	15.3.79	27¢
Adelaide	4.3.79	24¢
Perth	1.1.79	26¢
Hobart	1.5.79	25¢

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Minister of Agriculture

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DAIRY LEGISLATION - WHERE, NOW?

The question "What will the new Government do about the proposed dairy legislation" must have been asked by everyone connected with the dairy industry in South Australia since last month's State election.

But for the election and its unexpected result, the Bill would probably have come before Parliament by now, with the possibility that, in the new year, the industry would have been regulated by an Act that, whilst it made a number of changes, would not have measurably increased, or decreased, the income of any dairy farmer, or measurably changed the costs incurred in running his farm.

However, the question remains; "What now?" Certainly in the Central region, the result of the election has brought a feeling of relief, but it is less certain that dairy farmers in the North and in the South-East share that feeling, nor is it certain that the new Government will not give consideration to legislative changes.

It is, therefore, important that the period between now and that event, if it occurs, should be used constructively by all sectors and all regional groupings of the industry, to determine just what changes, if any, are needed, or alternatively, why, in contradiction to the Webb Committee's recommendations, no changes should be made.

The changes which would have been brought about by the Dairy Bill, as it stood at the time of the election, after numerous amendments agreed to by the then Minister, can be summarised thus:-

(i) the repealing of 6 existing Acts and their replacement by a single Act;

(ii) the consolidating of all supervisory and licensing functions (except the licensing of milk vendors) in the hands of the Department of Agriculture;

(iii) the creating of a 3-person, independent Dairy Authority, assisted by a representative Consultative Committee, to be responsible, throughout the State for the balance of the powers now exercised by the Metropolitan Milk Board in the Central Region, namely price fixing, promotion, and the regulation of distribution and orderly marketing;

(iv) the creating of a permanent Appeal Board to hear appeals concerning licensing, and directions and orders made by the Minister, or by the Authority or by an inspector;

(v) the creating of a "Dairy Industry Fund" to be used for administering the new Act and for "advancing and encouraging" the industry.

But with only two significant exceptions, these "changes" did not create new aspects of industry regulation; they merely re-arranged the means by which regulation was carried out.

For example, the powers to be exercised, on a State-wide basis, by the new Authority are now carried out jointly by the Milk Board, the Prices Commissioner, and local government; and licensing and supervision are now shared between the Department and the Milk Board.

Even the Appeal Board was not really a new concept, as power to create a Board of Appeal has been provided in section 17 of the Dairy Industry Act since 1928, whilst the proposed "Dairy Industry Fund" was merely an expansion of the "Dairy Cattle Fund" set up by the Dairy Cattle Improvement Act, with an enlarged funding base, and wider powers of use.

The two "significant" exceptions were the powers granted to the Dairy Authority by section 36(2)(b) and by section 38, and to these must be added a further power attributed to the Bill, but not in fact, contained in it.

Section 36(2)(b) gave to the Authority power to order a dairy company to transfer milk in its possession to another company, and to fix a price to be charged for such milk, and although an amendment accepted by the Minister placed tight restrictions on the Authority in the setting of the price, the Authority would have still possessed the power to intervene (or "interfere", depending on the point of view) in a company's commercial decisions.

Whilst it is not certain that this subsection was written with the regular Autumn shortages of Golden North in mind, it is clear that both Golden North and its suppliers, the Barossa-Mid North Co-operative, regarded the provision of this power as a desirable extension of statutory control over industry affairs, and a necessary addition to existing legislation in the event of the Bill being shelved.

Section 38, again an unprecedented extension of regulatory power, permitted the Authority to "muscle in" on an existing equalisation scheme, or to impose an equalisation scheme in a region where no scheme was already in existence, and compulsorily acquire all milk from producers in the region, for resale either to the dairy companies or elsewhere, as it saw fit, "to best advantage".

Despite the draconian scope of the power given to the Authority by this Section, its retention was, for some time, urged in the belief that the section provided the means of effecting the payment of contributions from the Central Region to the South-East in connexion with the S.E. Augmentation scheme, a belief that was frequently propagated by the then Minister of Agriculture, who claimed that the passing of the Bill was necessary in order to allow the Augmentation Scheme to proceed.

The fallacy of this belief can be seen merely by reading section 38, but what is less generally appreciated is that it is quite likely that the Bill will not facilitate the augment tion scheme. Claims to this effect have been countered b the assurance that provision for the augmentation scheme will be "in the Regulations", overlooking the fact that regulations cannot go outside the scope of the Act under which they are made.

The position at present is that the augmentation scheme could commence soon after the new Minister of Agricultur has given his approval to an amendment to the Equalisatio Agreement, but the scheme could not go more than halfwa towards the proposed ceiling without legislative change.

So there remain, on this subject, two questions. First, i the Dairy Bill makes no provision for the augmentation scheme, what legislative change is needed and, second, a equally important, will the South East producers question our sincerity if we ask for the Bill to be abandoned?

There is, therefore, a possibility that the new State Government, and the new Minister of Agriculture, will be faced with conflicting demands, with both North and South-East interests looking for changes in dairy legislation, whilst producers and companies in the Central region, representing two thirds of the industry in numbers and in volume, oppose change, on the grounds that change is both unnecessary and unproductive.

Whilst the Liberal Party's Rural Policy does not refer specifically to the dairy legislation, it offers the very acceptable reassurance that it "...respects the high standard of self-regulation within the Dairy, Wool and Beef Industries, and will not legislate to interfere with those pursuits unless the need and the desire to do so is clearly expressed by the industry".

The dairy industry does not lack problems, despite its self-regulation. Returns to the farmer's labor and investment are less than adequate, and there seems to be no end to the continuing rise in input costs. But these are not matters that come within the Minister's portfolio or can be cured by State Legislation.

As for the regional problems - the promise of a superlative season will diminish the need for the North to rely on milk from the Central region, whilst the augmentation scheme can go ahead for a couple of years at least, without any legislative assistance. There seems, therefore, at this moment, and for a long time to come, no reason why we should bother the Minister with requests for legislative change, and we have his Party's assurance that the Minister will not attempt to impose change on us against our wishes.

So we can wish the Minister well in the position he occupies, and, whilst offering him every support, not seek to add our burdens to those he already carries.

* * *

DR. DOOLITTLE IN THE DAIRY

Many farmers that I have worked for, are often amused at my habit of talking to the cows as I am milking them although the same farmers do not complain about the increase in their milk output, and hence in their cheques.

Cows are like humans. They like being talked to so they can judge the temper of the handler, which in turn governs their response.

Even after a hard, tiring day; when I go into the shed to milk, I often have to "school" myself into being pleasant, as the animals will pick up the handler's attitude; which, in turn, affects their response, and so affects the farmer's return in cash.

Thus the animals are given confidence that the handler knows what he is doing, which, conversely, gives the handler confidence in the animal, especially in heifers.

I suppose what I am trying to say to dairy farmers is to sing, shout, talk to them but never, never, ignore them.

Richard Albury.

LIBERAL PARTY RURAL POLICY

Selected Points

Reference has already been made, elsewhere in this issue, to the Liberal Party's Rural Policy statement concerning the dairy industry, but the statement is sufficiently important, in view of events during the past year, and the possible emergence of pressures in the near future, to warrant restating.

In delivering his Party's Rural Policy, the then shadow Minister, and now Minister of Agriculture, Mr. Ted Chapman, had this to say:-

*THE LIBERAL PARTY RESPECTS THE HIGH STANDARD OF SELF-REGULATION WITHIN THE DAIRY, WOOL AND BEEF INDUSTRIES, AND WILL NOT LEGISLATE TO INTERFERE WITH THOSE PURSUITS UNLESS THE NEED AND THE DESIRE TO DO SO IS CLEARLY EXPRESSED BY THE INDUSTRY.

The Policy Statement contained no other reference to the dairy industry, but it did contain three specific items which have, for many years, been supported by the Association:-

- TO ABOLISH SUCCESSION AND GIFT DUTIES IMMEDIATELY:
- TO DETERMINE RURAL PROPERTY VALUATION ON ACTUAL LAND USE AT THE TIME OF ASSESSMENT, AND NOT ON ITS POTENTIAL USE:
- TO RIGIDLY ENFORCE THE FULL PROVISIONS OF THE PEST PLANTS ACT:

and one item, of more recent origin, which will also have the Association's support:-

- TO REBATE STATE FUEL TAX ON ALL ON-FARM LIQUID FUEL USAGE.

The Association congratulates the new Government on its success, and particularly the Minister of Agriculture on his election and appointment, and looks forward to the early implementation of the policy items quoted above.

* * *

THE DAIRY FOODS SNACK BAR

Despite the unpleasant weather conditions at the 1979 Adelaide Royal Show, the Association's Dairy Foods Snack Bar (Pavilion 123 on the Kingsway) attracted much more custom than in the previous year, which was our first attempt at this type of activity.

The theme of the project is to demonstrate that dairy foods are nutritious, flavorsome and economical, and there were numerous comments from customers (many of whom were employed on other stands, and visited the Snack Bar regularly) that our products were "the best value in the Show" in contrast with the general trend to make food prices at the Show even higher than usual.

As in 1978, the Snack Bar was staffed by wives and daughters of Association members, dressed in green and gold uniforms that attracted much commendation.

If we have problems, they are that, in only our second year, we are still not well enough known, and that our location is out of the main areas of traffic.

An attempt to correct the first of these (and to make the second less important) was the parading, through the Show Grounds, of an Ayrshire heifer, Geelunga Patty's Showgirl, wearing a green cow rug, advertising the Snack Bar's products, with attendants handing out promotional leaflets.

Getting the Snack Bar better known will be the main thrust of next year's efforts.

The illustration, (by courtesy of Stock Journal) opposite shows the heifer in front of the Snack Bar, attended by two of the staff.

MOLASSES IN DRUMS

Although most of the mess and hard labor have been eliminated with the availability of bulk molasses, price considerations still make molasses in drums attractive in some cases.

Consignments of mill molasses are now being brought down from Northern NSW, at a price of around $24 per drum, (approximately 12¢ per litre), drum included, delivered, for large orders, or picked up by the buyer for small quantities. Members who wish to obtain supplies in this way should telephone the office, (08) 513034.

* * *

CHANGES IN CALF PICK-UP SCHEME

(1) - Price Grading

To avoid complaints that prices paid against the liveweight of calves did not always tally with the prices broadcast on the ABC's "Country Hour" each Friday, the grading has been revised to introduce a "condition" factor, in addition to liveweight.

The first figure under the new grading system represents liveweight in kilograms, e.g. "grade 40" is a calf of 40 kg liveweight or more, while "grade 35" is a calf from 35 to 39 kg liveweight. Each weight grading is followed by the letter "A" or "B", "A" representing a meaty calf with some degree of finish, "B" representing an inferior calf, without meatiness, including poddy calves.

A separate grade "C", without a liveweight prefix applies to small (less than 25 kg) immature calves. IT MUST BE REMEMBERED THAT the prices quoted are MINIMUM and any calf grading better, in the seller's opinion, than the bare grade, either a superior calf better than "A" grade, or a calf not quite good enough for "A" but better than the bare "B" grade, should bring a premium above the broadcast price.

(2) - Time Tables:

The reduction in the number of calves available in the Hills, now that the calving season is approaching its close, has necessitated a change in timetables and routes, which will be as under, from the week COMMENCING 22nd OCTOBER 1979.
(Note, particularly, the changed DAY for MYPONGA)*

MONDAY

9	Lobethal
9.30	Kenton Valley
10	Gumeracha
11	Flaxman Valley
11.30	Eden Valley
12	Springton
12.30	Birdwood
1	Mt.Torrens
1.30	Charleston
2	Woodside

TUESDAY

The Lower Murray Flag-Run has recommenced and calves for sale should be tied adjacent to the farm gate, with a super bag over the gatepost to signal that a calf is available.

WEDNESDAY

9	Meadows 1
9.30	Meadows 2
10	Kangarilla
10.30	Kyeema
11	Hope Forest
11.30	Yundi
12	Mt. Compass 1
12.30	Mt. Compass 2
1	Tooperang
2	Finniss

THURSDAY

9	MYPONGA*
11	Normanville
11.30	Inman Valley
12	Back Valley
1	Hindmarsh Valley
1.30	Mt.Jagged

Current MINIMUM prices are (per kg liveweight)

Grade	40	35	30	25
A	110¢	100¢	80¢	45¢
B	90¢	70¢	60¢	30¢
C	Less than 25 kg - $4.00 per beast			

Changes in these prices are broadcast each Friday in the ABC's "Country Hour" and on 5RM's Farm Notes each Tuesday morning.

RESPONSIBILITY FOR STRAYING STOCK IN ACCIDENTS

Whose Responsibility?

Like riparian rights, the question of responsibility where straying stock are involved in vehicular accidents, is an aspect of law that has the primary producer bewildered, because of the conflicting nature of the advice he receives, and because of apparent inconsistencies in the cases that are reported to him.

But a recent High Court decision (by a 5-1 majority, Mr. Justice Murphy dissenting) on a local case appears to have, once again, reaffirmed the application in South Australia of English common law, which itself had been reaffirmed by the House of Lords in 1947.

In the English case the Lords found that "the owner or occupier of a property adjoining the highway is under no legal obligation to users of it to keep and maintain his hedges, fences and gates as to prevent animals from straying on to it, and that he is not under any duty as between himself and users of it to take reasonable care to prevent any of his animals, not known to be dangerous, from straying on to it."

The advice that primary producers can gain from this case is that, at present, the Australian High Court, holds, by a majority, that the above pertains also in South Australia. But it should be noted, first, that the English situation has now been changed by Parliament, so that the above no longer applies in that country, and, second, that it is not impossible that, in another case, very similar in a laymen's opinion, a High Court Bench, perhaps differently constituted, might, for a number of reasons, arrive at a different decision.

It is, of course, significant that one of the parties in the High Court case was Federation Insurance Limited, a company that, because of its involvement with primary producers, has a special interest in cases of this kind.

CHOLESTEROL - WHERE, NOW?

The spreads battle has now, finally, and probably irretrievably, been lost!

The latest statistics, released this month (October), but applying only to 1977-78, show, that for the first time, annual consumption of table margarine, at 5.7 kg per head, exceeded that of butter, at 5.0 kg per head.

In reality, butter had been left behind in the race two years before, when, in 1975-76, consumption at 6.8 kg per head was exceeded by the combined total, at 7.0 kg, of table margarine (3.1 kg) and cooking margarine (3.9 kg), and, of course, butter's true position at the moment when compared with the combined total (8.6 kg) of both margarines is much worse than the 5.0:5.7 relationship.

Where do we go now? Should we keep trying? Can the damage ever be repaired and, if so, at what cost?

It all started with the theory, nearly 20 years ago, that there was a link between heart disease and blood cholesterol levels, and a link between blood cholesterol levels and the dietary intake of animal fats, a theory that was very cleverly exploited, right around the world, by the manufacturers of margarine, with the support of many (although not all) members of the medical profession.

The theory has come under increasing attack during the past 10 years, but unfortunately (and the fault lies largely, if not solely, with the dairy industry) the later thinking, because it has been publicised only as an occasional brief news item, and not as a fully orchestrated advertising campaign, has not had a fraction of the impact of the original theory.

A recent book, entitled simply "Cholesterol", published in the USA, but written by a South Australian research scientist, Dr. John Sabine, of the Waite Institute, examines the present state of knowledge on the subject, with the claim "There is too much cholesterol in the literature".

Dr. Sabine concludes his highly readable book of nearly 500 pages with the statement "....I like meat, eggs and butter, and I intend to keep eating them", and the challenge "You and I can lick this problem yet - if we work together".

It is up to the dairy industry to involve itself in this challenge, not only in arriving at the truth, but in ensureing that knowledge of the truth is as widespread, and as accepted, as was the original linkage theory.

And, for a brief summary of facts about cholesterol, the Canadian National Dairy Council has published the following:-

* CHOLESTEROL - WHAT IT IS *

1. Cholesterol is not a fat. It is an alcohol in solid form very similar to plain old glycerine.
2. You manufacture within your body, every day, three times as much cholesterol as you can possibly consume in your diet.
3. About 80 percent of patients with heart attacks have normal blood cholesterol levels.
4. Cholesterol is an essential part of human metabolism. If you don't know enough to include it in your diet, your body is compelled to manufacture it for you.

Cholesterol is absolutely essential for survival. It must be present in all body tissues, and it is especially vital in the brain, spinal cord, nerves, liver and blood. It is a basic part of bile, vitamin D, cortisone and sex hormones.

* * *

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You may have read in the daily press, or seen on national television, details of a new concept in Motor Vehicle Insurance being offered by our affiliated Insurance Company - Federation Insurance.

The new F.I.L. policy offers cover for $50 or $85, with $500 and $300 excesses applicable. The premium remains the same irrespective of the type of vehicle. Enquiries can be made to Federation Insurance Limited, (08)2124541.

THE SOUTH AUSTRALIAN DAIRYMEN'S . . . Journal

The Official Publication of the

Published Bi-monthly

Vol. 19 No. 2 Adelaide SEPTEMBER OCTOBER, 1979

MILK PRODUCTION DECLINES, SALES UP

Milk production in the Central Region has failed to fulfil the promise, earlier, in the year, for a return to past levels of output, with statistics for October abd November being only 2 per cent above that of the previous year. Milk sales have, on the other hand, shown a welcome upturn, and, in the same two months, slightly above those for 1978.

	PRODUCTION (thousand litres)		MILK SALES (thousand litres)	
	1978	1979	1978	1979
Jul.	17 048	18 693	8 051	7 919
Aug.	19 232	20 629	8 058	8 119
Sep.	22 033	22 853	7 908	7 602
Oct.	25 595	26 056	7 624	7 966
Nov.	23 995	24 554	7 771	7 814

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THE SOUTH-EAST AUGMENTATION SCHEME
Held Up In A Legal Tangle

The Background

It is now just two years since negotiations began on an "augmentation scheme" for the South East that would be less damaging to producers in the Central region than the alternatives that were then being proposed. At that time legislative changes were being made in other States that would enable all dairy farmers, wherever they were located, to have some degree of access to capital city milk markets, and in their submission to the Webb Committee, the dairy industry in the South East had sought the same treatment.

The submission was no new thing, as three years before, in June 1974, the South Eastern Dariymen's Association had proposed to the then Minister of Agriculture, Hon. T.M. Casey, the introduction of State-wide milk equalisation.

Such a scheme would have cost licensed producers in the Central region something over $3 million per year, and the fact that the Webb Committee did not recommend State-wide equalisation was greeted with relief in this area.

The Webb Committee's Proposal

The alternative proposed by the Webb Committee was for a scheme in which, as dairy farmers in the Central region left the industry, their share of the total city milk bonus pool would be diverted to the South-East.

On the face of it, this proposal appeared to be costless; producers in the Central region would not be giving anything away, they would merely not receive the benefit of the city milk bonus that was no longer going to those producers who had renewed their licences. But, in fact, if the rate of decline in production that had prevailed over the seven years prior to the Webb Committee's recommendation, were to continue in the future, the equivalent, in money terms, of full equalisation for the South East would have been achieved by 1987, with no legal obligation being incurred by the South East.

Equally important, producers in the Central region would have gained no benefit from any increase in milk sales, whether these increases were from promotion (for which the producers and processors are currently providing, throught levies, over $100,000 per year) or by taking other products, such as flavored milk, into the equalisation pool.

The Association's Opposition

There were, as well, several other objectionable feature in the Webb Committee's proposal. First, the scheme was to contain a "ratchet" principle, which meant that, even if there was a lift in production in the Central region, so that the ratio of milk sales to production fell, there would be no corresponding fall in the level of payments to the South East, and, second, the Webb Committe took no account of the lower costs incurred by dairy farmers in the South East through seasonal production, nor of the costs of transport and the much higher costs of milk treatment that they would have to meet if the region were required actually to supply milk to the metropolitan area.

It was against this background, and the knowledge that Government policy favored South-East participation, that the Association informed the Minister of Agriculture (Hon. B.A. Chatterton) that it opposed both equalisation with the South-East and the Webb Committee's alternative proposal, and preferred to negotiate directly with the South East for a more equitable scheme, that, whilst being acceptable to the South East dairyfarmers, enable them to retain the benefits of seasonal production, would minimise the size of the contribution to be made by the Central region.

The "Augmentation" Alternative

The Association's Executive Committee before commencing discussions with the South East, looked at a number of alternatives, and eventually adopted a proposal for a contribution to be paid, annually to South East dairy farmers of a percentage, increasing after which there would be no further increase.

The percentage finally agreed on started at 2 per cent in the first year, 4 per cent in the second year, then rising by an additional 1 per cent each year for the next 6 years, to a ceiling of 10 per cent, with a proviso that if, at any time during the 8 year period, the ratio of milk sales to production fell to 42 per cent or below, further percentage increases would cease and owuld not resume until the ratio again exceeded 42 per cent.

The Executive Committee's aim was to devise a scheme which whilst imposing the minimum burden on the Central region, was sufficiently accceptable to the South East to prevent an approach being made to the Government for a more generous arrangement. In this they were forced to take into account the fact that the Kraft company, which occupies a prominent position in the South East, draws a substantial part of its milk supply from dairy farmers across the border, who would, if they were supplying a factory in Victoria, be sharing in a plan that will bring about State-wide equalisation whithin the next 7 years, and the scheme proposed by the Executive comes very close to providing the same level of benefit as the Victorian scheme.

The Costs to the Central Region

At present levels of production, sales, and prices, the augmentation contribution would have commenced at just under $200,000 in the first year, rising, over 8 years, to just under $1 million in the eighth and subsequent years.

In unit terms, this means, in the first year, a reduction, for the Central region, of 2 cents from about $3.25 to $3.23 per kg b.f., and an increase of 6 cents in the South East, from about $2.05 to $2.11, culminating, in the eighth and subsequent years, in a reduction of 10 cents per kg, to about $3.15, in the Central region, and an increase of about 30 cents, to about $2.35 in the South East, compared with a fully equalised rate of $2.94 in each region, at a cost to the Central region of $3 million.

However, although these amounts are referred to as contributions, because they are deductins from the incomes of producers in the Central Region, there are good reasons for proposing that the should be offset by quite small increases in the producer price fixed by the Metroploitan Milk Board, and so added to the retail price, as was done in similar instances in both Victoria and Western Australia. This Proposal has not been developed because, at the moment, there is something of a legal tangle.

The Legal Requirement - Ministerial Approval

Before the augmentation scheme can commence, the Equalisation Agreement, which now prohibits the disbursement of any money to anyone outside the Central region, must first be amended, such amendment having been "...first approved by the Minister of Agriculture on the recommendation of the (Metropolian Milk) Board..." When approval was sought, 12 months ago, from the Minister of the day (Hon. Brian Chatterton), it was refused on the grounds that advice to him by the Crown Solicitor was that his approval was not necessary for the augmentation scheme to be introduced.

The same advice was given to the present Minister (Hon. Ted Chapman) who has, consequently, also declined to give his approval to the scheme, on legal grounds, but who has since arranged a conference between the Equalisation Committee's Solicitor and the Crown Solicitor's staff.

"Substantially As Proposed"

At the time of announcing his refusal, the Minister added a request to the Association's Executive Committee to "...make certain it has the support of its members before starting the augmentation scheme", a request that was considered by the Central Council at its meeting on 15th November, when it was resolved "...that this Central Council still support the augmentation scheme substantially as proposed." The question now to be asked is whether the changes that have occured in the industry, and in the relativity of the two regions, in the two years since the Webb Committee made its recommendations, warrant a re-examination of the scheme.

At that time (August 1977) the Committee's Report (p 14-18) stated that there were 204 licensed producers in the Central region, producing 227.2 million litres of milk, of which 102.4 million litres, or 45.1 per cent, was sold as market milk, whilst in the South East there were 441 dairy farms, (of which 62 were in Victoria), producing a total of 90.9 million litres,of which 2.7 million litres was sold as market milk.

Now, the number of licensed producers is 1050, down 12.8 per cent, with production almost unchanged at 228.4 million litres, and milk sales down to 98.7 million litres, a ratio of 43.2 per cent. In the South East (the statistics from which are less accurate) the number of dairy farms (excluding those in Victoria) is reported as having declined to "about 290",(a fall of at least 25 per cent) though production appears to have fallen by a much smaller extent.

This unequal reduction means that the benefits of the augmentation scheme will be enjoyed by a decreasing number of recipients, at an increasing unit rate when spread over decreasing production. On the other hand, the 3 year economic study carried out by the Department of Agriculture from 1975 to 1977 showed a turn-around in the relative earning powers of dairy farms in the two regions. Whereas, in 1975, average household income, per dairy farm, in the South East, at $10,427, was higher than the average of $9,691 for farms in the Central region (Adelaide Hills - $9,451; Murray Swamps - $10,635) by 1977, in a drought which afflicted both regions, South East household income had dropped to $7,997, whilst that in the Central region had actually risen, slightly, to $9,732 (though Adelaide Hills incomes at $8,872 were lower than in 1975, but now above the S-E whilst the Murray Swamps incomes, less affected by drought, had risen to $13,648).

Although broad agreement has been reached on some items, there is still much fine-tuning to be done, including the possibility of imposing curbs on participation by Victorian dairy farms, either on numbers or on output. Because of the size of the amounts that will be transferred, and the impacts (one negative, one positive) on the two regions, it is essential that, before any agreement is finally sealed, all the factors involved must be re-examined, in their most up-to-date form.

* * * * *

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CAPITAL TAX REFORM NOT A CURE-ALL

Estate Management Still A Necessity

The Tonkin Government's abolition of gift duty and death duty, whilst greatly appreciated, does not put an end to the financial problems of the family farm and the typical husband/wife/children partnership. There are still snags awaiting the participants in these simple arrangements, including the imposition of massive stamp duty when the property passes to surviving parnters, compounding when, as so often happens, the deaths of the senior partners occur within a short interval.

There is also the impact of income taxation, rising steadily as inflation increases the partnership's income whilst not improving the real economic position.

And, as well, [but not finally, as there are additional complexities often undreamed of] there are the problems actually caused by the recent State Government initiative, such as the disposition of "probate" insurance, taken out in years past, to cover an eventuality that seems, now, no longer to exist.

The Association has enlisted the services of a solicitor specialising in estate and taxation law, to assist members wishing to order their affairs in a way that will minimize or, in some cases eliminate, taxes and charges imposed during the operation of the business, and on the death or retirement of any of the partners.

Advice on Estate Management is free to members, a fee being charged only if, after receiving this advice, members decide to rearrange their affairs accordingly.

* OAT HULLS *

* * * * *

WHAT VICTORIAN FACTORIES PAY

An Attempt At A Comparison

Differences in method of payment for milk for manufacture, such as whether or not factory bonuses are included in the quoted rates, or whether or not retrospective increases in returns are subsequently added, make comparisons between dairy factory payments difficult.

The following table is provided just to provide an idea of the trend of prices. (All in cents per kg fat at the farm gate).

	Current 1979/80	Estimated Final 1978/79
MMEC	194.53	179 (plus 22¢ factory bonus)
Tatura	180	206
Drouin Co-op	185	196
Ibis	187	191
M-Goulburn	190	190

CALF PICK-UP SCHEME

Nine-Day Cessation Of Service

Because of the need to tie-in with the schedule of slaughterings over the Christmas-New Year period, the calf pick-up scheme will not operate from Friday 21st December 1979 to Tuesday 1st January 1980, recommencing on the normal schedule from and including WEDNESDAY 2nd January.

Prices Are Firm, But How Do They Compare?

It is practically impossible to state, with any certainty, what calves are bringing in the auction market at any time as weekly fluctuations combine with the recognised differences in demand at the various markets.

And, as well, there may be the temptation, when comparing market prices with those received from the Calf Pick-Up scheme, to remember only the times when the market was above the pick-up price, and not the times when it was below.

So we cannot comment on how the steady prices offered on the Pick-Up ($1.10 for a good calf of 40 kg or over) compare with the generally fluctuating market prices, - whether they average about the same, or otherwise.

We can, however, compare prices on the pick-up with those paid in Victoria, as collected by the United Dairyfarmers of Victoria's market information. This information indicates that, although the local pick-up prices for 40 kg calves and over are on a level with Victoria, those for lighter calves are not comparable.

The following table shows respective prices in October, (cents kg liveweight):-

Weight	40kg	35kg	30kg	25kg
Pick-up	90-110	70-100	60-80	30-45
Kyabram	107-109	97-101	78-90	-
Shepparton	107-110	96-101	83-90	84-90
Cobram	105	96	90	87
Orbost	95-100	95-100	95-100	90-95

PETMOL CHANGES MANAGEMENT AND PRICES

Changes have been made in the administration of the molasses distributors, Petmol, with the previous company secretary, Mr. A.D. Taylor, becoming managing director. Coupled with this change, and extensive market study and cost analysis, has been substantial reduction in the price charged for farm-delievered bulk molasses.

The Company has also enlarged its range to include prepacked molasses in a range of sizes from 655 gram jars to 20 litre drums, and are currently negotiating for the distribution of molasses in bulk powder and "lick-block" form.

* * * * *

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MORE MASTITIS WITH OVER-WORKED OPERATORS!

A survey involving 115 diary farmers in N.S.W., on the relationship between the incident of sub-clinical mastitis and milking shed practices revealed significantly lower somatic cell counts where teat dipping, no udder drying, and pulsation cycle with 30-40% milking phase prevailed, the effects being reinforced when teat dipping was combined with blanket dry-cow therapy.

One surprising result of the survey was a tendency for mastitis to be more prevalent with most sets of cups per operator.

POSITION WANTED

by tertiary student *(male adult), as part of diploma course at Lincoln College, N.Z.

*Award rates do not apply to tertiary students.

[illegible]

CENTRAL COUNCIL DECISIONS

At the Meeting Held on 15th November, 1979

State Dairy Legislation

The Executive Committee be instructed to review all current dairy legislation, and, after consultation with the rest of the industry, present a recommendation to the Central Council concerning the changes that it considers necessary to improve the operation of the legislation.

South East Augmentation Scheme

This Central Council still supports the Augmentation Scheme substantially as proposed.

Flavored Milk Pricing

The Association requests the Metropolitan Milk Board to proceed forthwith to set a producer price equal to the current producer price for milk and low fat milk, for flavored milk, skim milk, fortified milk, UHT milk, UHT flavored milk, UHT skim milk, UHT fortified milk and UHT low fat milk in conformity with the policy determined at the Biennial Conference of Milk Boards and Authorities, as supported by the Australian Dairy Farmers Federation.

Capital Taxation (Death Duties and Gift Duties)

The Association to write to the Premier commending the action of his Government in the reform of capital taxation. and informing him that the Association looks forward to speedy implementation.

Mastitis Monitoring

This Association supports the continuation of the Mastitis Monitoring Scheme (somatic cell count).

Regulations on Control of Use of Semen

The Central Council endorses the action of the Executive Committee in convening a seminar for the purpose of determining the attitude of the dairy industry to the proposed Regulations under the Artificial Breeding Act, and directs the Executive Committee to proceed as soon as possible.

Elevated Freezing Point ("Water in Milk")

The Association supports the convening of a "workshop" to discuss the causes and remedies of elevated freezing point in milk (generally referred to as "water in milk") at Mount Pleasant in the coming Autumn, and that the conference be advertised widely to allow all interested and affected persons to attend.

THE SOUTH AUSTRALIAN

DAIRYMEN'S . . .

Journal

The Official Publication of the SOUTH AUSTRALIAN DAIRYMEN'S ASSOCIATION INCORPORATED

Published Bi-monthly

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IN THIS ISSUE

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A Backward Look - With No Regrets

With the last year of the 1970's decade now behind us, it may come as a shock to remember that seven of those 10 years were involved with iether inquiries into the industry or with the aftermath of such inquiries.

At the Federal level there were the two IAC inquiries which, from the inception of the first inquiry to the end of the many plans and counterplans for marketing sharing devices stretched from 1974 to 1977.

Then there was the as yet unfinished but now 2 years old, IAC inquiry into imported cheese, and as if all this was not enough, the dairy industry chose to inflict on itself a spate of inquiries and proposals of its own making.

On the State scene there was, first, in 1975, the inquiry into the need for a dairy Authority in this State, presided over by Milk Board Chairman Brian Hannaford; then the inquiry into Herd Recording, chaired by Dairy Branch head John Feagan, followed by the Webb Inquiry and the proposed new legislation, the corpse of which has now not long been laid to rest.

And what came of it all, really?

Is it unfair to say, that from the IAC inquiries came little more than a change in the name of the old Australian Dairy Produce Board to the Australian Dairy Corporation, and a change of little more magnitude in the industry representation in the Corporation's membership?

It would be difficult for an astranaut returning to Earth after a 5 year journey into space, to say just how different the structure and the operation of the industry was today, compared with then, and what real changes have been made by the operation of Stage I and Stage II of the "stabilization" scheme which replaced the previous equalisation.

In this State, the only change that has been effected, and, ironically, <u>against</u> the recommendation from the inquiry, has been the removal of herd-recording, in South Australia, from the direct administration of the Department of Agriculture.

The question may well be asked - isn't the industry more prosperous now than it was at the beginning of the decade? Aren't the prices being received by dairy farmers higher, in real value terms, than they were then?

Although the answer must be a not very emphatic "Yes" to both those statements, it is impossible not to recognise that much (though how much is impossible to say) of the improvement has been brought about, as we always new it would be, from a shrinking in the size of the industry; from the continuing reduction in the number of dairy farmers, and from the lessening of the volume of milk flow into dairy factories, and the consequent amalgamating and rationalizing of factory capacity.

As has so often been prophesied, "it will be OK for the survivors!" and now we are coming closer to knowing who the survivors will be, and, the most important factor of all, closer to a position where the bulk of the industry's activity is devoted to servicing the domestic market, with the export markets (admittedly paying better now, than in the past, but not necessarily so for ever) acting as shock absorbers to take care of the necessary safety margin that must be provided at all times, and unavoidable seasonal upsurges in exess of that margin.

But to return to the local scene. Although draft legislation was interred in September, with the change of Government, we will, for certain, continue to be haunted by its ghost, by the expectations that it raised, and by the fears that it engendered.

It must be admitted that proposed legislation contained a lot of good ideas; it contained means to cope with a number of the industry's continuing and recurring problems. It's one great defect was that it was to be administered by an arm of Government, that the proposed Authority, ostensibly a part of the industry, would, in fact, have been part of the bureaucracy, deriving it's powers from sectional legislation.

The problem that we face in the 1980's is how can the minor changes that the South Australian dairy industry may see that it needs, be brought about without inviting, or invoking, Government intervention?

The drafting of a submission for legislative changes (if any such changes are indeed necessary) must be done very carefully, with the full awareness of the possible dangers, and certainly without haste or urgency.

With that word of caution, we can look forward to a year of introspection and consolidation, freed of what seems, in retrospect, to have been an agony of inquiry.

THE AUGMENTATION SCHEME

Limited By Current Legislation

In considering the "legal tangle" referred to in the previous issue of the journal, it must be realized that the augmentation scheme was negotiated at a time when it was expected that new dairy legislation was soon to be introduced.

Further, as the new legislation was, presumably, to be based on the recommendations of the Webb Committee, which included a proposal for an augmentation scheme not essentially different from that which was negotiated, it was expected that the new legislation would contain provisions which would enable the scheme to be implemented. As it turned out, the draft Dairy Industry Bill, which was released to the industry for study some 6 months after the augmentation scheme was negotiated did not make any such provisions, and it was accepted that the scheme could not progress as planned beyond the third year, unless a change was made to the Bill.

The change of government in September brought about a situation when the Dairy Industry Bill was shelved, but it brought no change to the position of the augmentation scheme.

Right from the start it had been known that the scheme could not operate fully under the existing legislation, namely the Metropolitan Milk Supply Act, but this had been disregarded because of the expected new legislation.

Now, with the Dairy Industry Bill no longer a factor to be considered, the augmentation scheme must be considered in the light of the restrictions placed on it by the current Act.

The restriction that the Act places on the augmentation scheme is that the contributions made to the South East cannot be taken from levies on milk sold in the metropolitan area, though levies on milk sold outside the metropolitan area can be drawn from, as these subs are not covered by the Act.

The Minister has, consequently, indicated that he is agreeable to amendments being made to the Equalisation Agreement which will permit the payment to the South East of contributions out of the levies received from milk sales outside the metropolitan area.

These amendments, if approved by the two dairy companies which are the signatories to the Equalisation Agreement, will allow the augmentation scheme to commence at the originally agreed level, and to increase in the second and third year, but with no further increases in subsequent years, as the increase in the third year would take the contributions up to the limit of receipts from non-metropolitan subs, which is currently somewhat more than $500,000.

A number of other factors must still be taken into account, such as, for example, the extent to which the benefits of the scheme can be shared by the 65 Victorian dairy farmers supplying Kraft's factory in the South East, and a meeting with the South Eastern Dairymens Association will be held this week, to decide on the details of the agreement between the two regions.

STOP PRESS..............

After

Black Wednesday

FEDERATION INSURANCE

service was provided

there on the spot

within 24 hours!

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The Association expresses its

appreciation of this action!

CARE-LESS CALF REARING

For many dairy farmers, bucket-feeding of calves went out 25 years ago with the introduction of the Calfeteria - it not only took most of the hassle out of teaching calves to drink, and making sure that they drank enough but not too much, it also eliminated digestive problems through the greater ensalivation induced by sucking through a teat.

But the Calfeteria did not eliminate the need for scrupulous hygiene, and although it was possible, it was not wise to permit ad libitum access to the Calfeteria - the feeding process still required supervision. All that is, now, in the past - an automatic calf feeding machine is now available on the Australian market.

Known as the Legrain 2000 Automatic Calf Feeder, it has recently undergone field trials by Copanapra Pastoral Company, at Virginia, using Friesian heifer calves, which were fed from 4 days old to 56 days old on a commercial milk replacer, with access to pasture hay and brewers grain.

Weight gains averaged 0.73 kg. per head per day, compared with 0.60 kg. with similar calves conventionally fed twice a day from buckets. Total labour inputs over the period were approximately halved and the improved weight gains permitted weaning at 8 weeks, compared with 12 weeks for bucket-reared calves, leading to reduced milk replacement costs of about $16 per head.

The machine consists of a powder hopper fitted with an auger, a water tank with heater and pump, and a mixing bowl in which powder and water are mixed by means of a high-speed agitator. Mixing occurs when calves draw on the machines rubber teats (of which there can be 2 or 4), thereby lowering the fluid milk level in the mixing bowl. This activates the auger, water pump and agitator, so that freshly prepared milk is continuously available.

The Legrain 2000 which is priced at $1600, is distributed in Australia by The Van Diemen's Land Company Pty. Limited, Sydney, and in South Australia by Woodcroft Holdings Pty. Limited. Development and market research is being conducted by R. Scott Young & Co., Agricultural Consultants of St. Peters, South Australia.

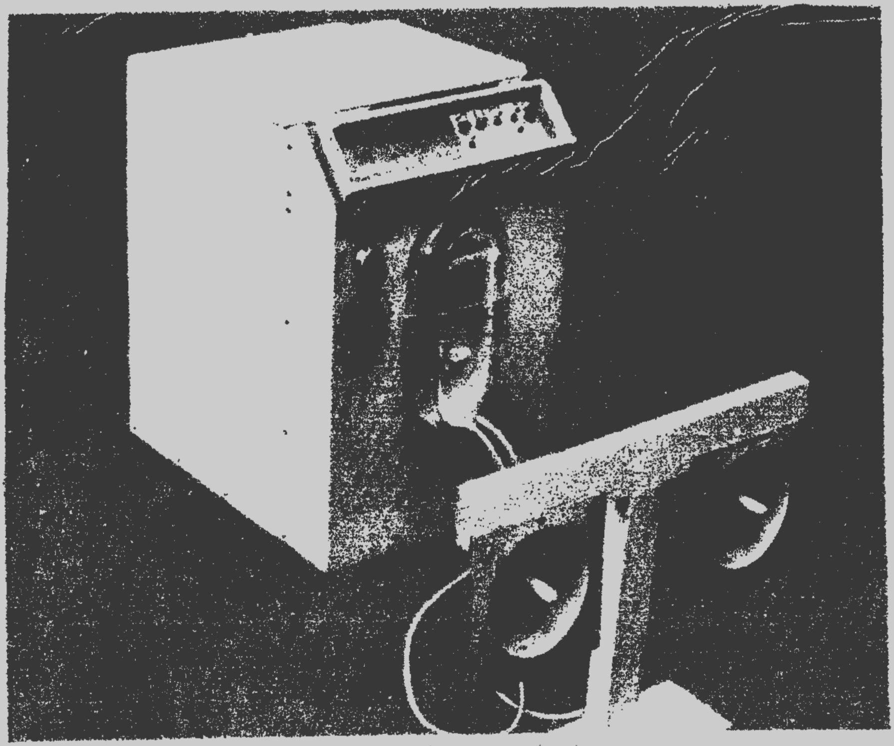

Photo by courtesy "Stock Journal"

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Full Schedules to Resume

With the approach of the Autumn calving season, the calf-run routes and time-tables will revert to the full schedule ON AND FROM MONDAY 24TH MARCH 1980 as under:-

NORTHERN - MONDAYS

9.00	Lobethal
9.30	Kenton Valley
10.00	Gumeracha
10.30	Williamstown
11.30	Flaxman Valley
12.00	Eden Valley
1.00	Springton
1.30	Mount Pleasant
2.00	Birdwood
2.30	Mount Torrens
3.00	Charleston
3.30	Woodside

RIVER (Flag Run) TUESDAY

CENTRAL - WEDNESDAY

9.00	Meadows (Mt. Bold Corner)
9.30	" (Kuitpo Corner)
10.00	Kangarilla
10.30	Sawmill Corner
11.15	Kyeema
11.45	Hope Forrest
12.15	Yundi
12.45	Mount Compass (Munetta Corner)
1.15	Mount Compass (Factory)
1.45	Tooperang
2.15	Finnis

SOUTHERN - THURSDAYS

9.00	Myponga
10.00	Wattle Flat
10.30	Normanville
11.00	Second Valley
11.30	Delamere
12.00	Parawa (Kentish Corner)
12.30	" (Reserve)
1.30	Willow Creek
2.00	Waitpinga
2.30	Back Valley
3.00	Inman Valley
4.00	Hindmarsh Valley
4.30	Mount Jagged