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# SADA Newsletter

## February 2019

### SA Farmer Makes Headlines for all the wrong reasons

Our heart goes out to the Treloar family and their decision to walk off their farm. Just over a week ago, Casey Treloar made an impassioned Facebook post about the family's decision to shut up shop on the farm because circumstances have evolved to the point that there is no light on the horizon.

Suppressing tears, Ms Treloar said that this was the video she hoped that she would never have to post. "It breaks my heart, but the clock has run out and it's time to say goodbye" she said.

Ms Treloar said that the one-dollar milk price was an artificial price that was set by supermarkets which forced returns low and shifts in feed prices pushed the farm over the

edge. The prices being paid were simply not enough to keep going.

The Facebook post has received over one million views and led to a flurry of publicity around Ms Treloar. Sadly, to add insult to injury certain sectors of the community have celebrated the Treloar family's hardship.

We have been speaking with Casey and continue to offer any support that can be provided in responding to media and political enquiries.

What has not been widely reported is that this is not the only dairy farm to shut up operations in South Australia because of the marginal nature of dairy in this state.

## Dollar Milk

### It's time for the supermarkets to relent

The shutting down of the Treloar farm must be a signal to processors and supermarkets alike. The dairy industry in Australia is wilting at the hands of Dollar milk. This artificial impost has now been in operation for the best part of a decade and in that time in real terms the consumer is now buying milk for \$0.89. This is unsustainable and the supermarkets are placing pressure on the whole system. The time has come for sensible heads to prevail or there will be a



much smaller industry in Australia into the future. SADA calls on the supermarkets in particular to relent. While we appreciate that commercial imperatives exist there is now no rational public benefit in maintaining this pressure. If Coles and Woolworths want to loss lead that is up to them. But asking farmers to pay for their commercial ambitions with their farms and their livelihoods is not acceptable.

# The Advertiser

## Why supermarkets can't squeeze oil giants to cap fuel prices as they do with our farmers

Andrew Curtis, The Adelaide Advertiser  
February 20, 2019 5:29pm



**Compare milk to petrol, two staples of our lives where the supermarkets maintain an interest.**

The suppliers of petrol are big enough to vary their prices and the supermarkets follow the lead.

There is no doubt supermarkets would become more popular if they changed the price of fuel to \$1 per litre and held it there for a decade. But they don't because they cannot bully BP and Shell.

Nothing prevents a supermarket from offering \$1 petrol, but what they cannot do is bludgeon international oil companies into a lower price as they do with processors and farmers.

The dairy industry doesn't mind if supermarkets make milk cheap. In fact the dairy industry wouldn't mind if the supermarkets gave the milk away for free if they still paid the processors and farmers a price that reflected the cost of production.

The problem is supermarkets artificially declare prices then expect to be subsidised by both processors and farmers.

To find the genesis of the milk crisis we need to go back to 2001. Then, the milk-pricing mechanisms were changed to allow the markets, not regulation, to set the price.

For a decade things ticked along and the market operated so that the milk price paid by the consumer was reflective of the whole supply chain, the supermarkets, the processors and the farmers.

In the middle of this world sat the farmer co-operative, Murray Goulburn. Everything orbited around MG.

MG represented both processors' and farmers' interests because it was a co-operative and a seller of milk. MG's size and broad representation meant it was mindful of the whole supply chain.

Then several things happened. MG lost its way as it sought to become a company rather than a co-operative. It failed to negotiate the challenges of the commercial world and it failed to balance the needs of farmers and processors.

In 2011, as MG commenced its metamorphosis, the major supermarkets, Coles then Woolworths, began their \$1 milk campaign. This campaign didn't focus on the cost of production, it focused on the retail price.

In its quest to be "commercial" MG played along and suddenly the power to set a price shifted. A few years later, MG collapsed.

Since that time there has been no single processor big enough to challenge the supermarkets, leaving the major retailers in charge of prices while demanding their \$1 milk continued to be profitable. By 2017 the distorting forces had become so pronounced the Commonwealth Government referred the industry to the ACCC.

The ACCC made many findings but basically laid the blame of farmers suffering at the feet of the processors. All that was needed was that when the cost of production changed, the processors exercise the price variation clauses in their contracts.

There is little evidence any of the major processors have exercised their options under their price variation clauses with the supermarkets. No processor is large enough to challenge the supermarkets with a price variation. To do so would be at the peril of their other products on the shelf.

While welcome, the Woolworths announcement of \$1.10 litre milk does nothing to address the artifice which is a milk price totally disconnected from the cost of production.

The South Australian Dairyfarmers' Association, supports a free market to set a milk price.

What is occurring isn't a free market. The supermarkets are setting a course and shackling farmers and processors to it.

The supermarkets need to be mindful they are placing demands that will break the system. The casualties are already real. Since the introduction of \$1 milk the number of dairy farms in SA have fallen from 286 to 228. They continue to walk away.

The supermarkets sell water which reflects the cost of production, which is why bottled water now costs much more than bottled milk. If processors cannot move on price it won't be long before some of them join Murray Goulburn as a memory and many more farmers go with them.



A series of fish kill events, an emotive report from the South Australian Royal Commission, and concerns about water theft have many Australians talking about how we manage irrigated agriculture in the Murray Darling Basin. But when such a complex issue makes headlines, the basic facts are often forgotten.

The Murray Darling Basin Plan is a bipartisan multi-jurisdictional collaboration a century in the making.

The aim of the Basin Plan is to bring the Basin back to a healthier and sustainable level, while continuing to support farming and other industries for the benefit of the Australian community. It is complementary to other water management arrangements, including natural resource management and other Commonwealth and state government policies.

Despite the political posturing's of some who purport to represent South Australia, the plan is good for dairy farmers, communities and the environment of the South Australian Murray Darling Basin.

It is a Plan, and there are still a range of parts of it that need to be enacted for us to reap its full benefits, but there is nothing that suggests the future parts of the plan will not become reality, except due to political manoeuvring.

One significant step forward with implementing the plan was the agreement reached by the Ministerial Council in December last year which will see Victoria and New South Wales participate in the full range of water saving projects which enables the delivery of an additional 450GL of environmental water for the system. Without such an agreement we would not see the Murray-Darling Basin Plan delivered in full.

It remains critically important to maintain community and industry involvement in designing and implementing the Basin Plan. It is heartening to see that the MDB Authority is committed to continued innovation and best practice engagement in Basin Plan implementation.

At SADA we support the comments of Minister Spiers when he stated that abandoning the Basin Plan and starting again would be a "reckless act – setting back progress towards a healthy and sustainable Basin and causing substantial uncertainty for Basin communities".

### ***Information sessions for River Murray water users.***

A series of information sessions is being organised by DEW For the lower Murray these 2 will be

Murray Bridge	Monday 18th March 10:30am
Langhorne Creek	Monday 18th March 2:30pm

Issues to be discussed include:

- water availability and outlook across the basin
- water policy changes since the last drought; changes to the Water Allocation Plan; carryover & allocation announcement process;
- understanding the water market and options available.
- Facilitated Q&A panel session (non-govt facilitator) – 15-30 minutes

There will also be the opportunity to discuss specific topics such as carryover, the WAP and allocation announcements.

# Need insurance? You need WFI.

Proud insurance  
partner of South  
Australian Dairyfarmers  
Association.



At WFI, we take the time to thoroughly understand your business and how it operates. Because when we get to know a business, we can protect everything that matters.

We're available to meet with you face-to-face to discuss your insurance requirements. That's just one of the reasons why we're good people to know for insurance.

WFI Rural Plan consists of a range of different policies, covering a wide variety of risks. This approach gives you greater flexibility, and if circumstances change it is easy for you to add another policy.

WFI Rural Plan policies you can choose from:

-  Farm Property Damage
-  Farm Loss of Income
-  Farm General Property
-  Farm Transit
-  Farm Legal Liability
-  Farm Machinery Breakdown
-  Farm Electronic Equipment
-  Farm Burglary and Theft
-  Motor Vehicle
-  Personal Legal Liability
-  Domestic Workers (WA only)
-  Classic Home
-  Standard Home
-  Personal Valuables
-  Pleasure Boat
-  Personal Accident and Illness

**Need an insurance quote?**

**Call your local WFI Area Manager on  
1300 934 934 or visit [wfi.com.au](http://wfi.com.au)**



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SADA Fresh has ramped up its contributions to the South Australian Dairy Industry. The board comprises Mr Will Rayner, CFO of Rural Bank (Chair), the Hon. Rob Kerin former premier of South Australia, Councillor Melissa Rebbeck, applied agricultural and climate scientist and Mr Nick Brokenshire SADA Vice President.

## SA Dairy Industry Fund

### Quad Bike rebate scheme:

The Quad Bike rebate scheme is aimed at providing an \$800 rebate to any dairy farmer who purchases and approved roll over device on their farm quad as a farmer safety measure. The scheme has had a limited subscription at this point so it has been extended to make sure as many dairy farmers as possible take advantage of the offer. Please take the opportunity to make your farm safer.



Other current projects include:

- The Well Being Project
- Port Elliot Museum support
- Pasture Mapper
- Biochar project
- Pure Limestone Coast
- Cows Create Careers

If you're a farmer with a proposal that can demonstrate a benefit to the SA Dairy industry contact SADA and discuss the matter. SADA will be

only too happy to assist with a few pointers that will increase the likelihood of success for the applicant.

### Applying

You will be able to apply via email by contacting John Elferink at or alternatively phone John on 0418 406400 or 82932399. Be prepared to provide the address of the farm and your Dairy Producer's Licence Number for verification purposes.

## Churchill Fellowship

Every year more than 100 Australians are awarded a Churchill Fellowship so they can bring their ideas to life. This prestigious yet accessible award enables recipients to travel independently overseas, for four to eight weeks, so they can meet with leaders in their chosen field of endeavour to gain and exchange knowledge and experience. No prescribed qualifications are required to apply, the scope of projects people can propose is limitless, providing the applicant demonstrates a willingness to share the knowledge gained and there are evident benefits to their wider community, industry or profession.

While every applicant is considered for a general Fellowship, there are also dedicated sponsored fellowships for the agriculture and food sector, including the **Jack Green Fellowship** for a project relating to the Australian dairy industry; the **Ron Badman Family Fellowship** for a project with a focus on seed production, pasture development and irrigation; and the **Dr Susan V Nelle Fellowship**, for someone from South Australia who wants to investigate a topic that will advance the State's food and beverage industry.

People interested in applying for a Churchill Fellowship are encouraged to attend an Information Session being held in Mt Gambier next week, on Tuesday, March 5, at the Lakes Resort, from 5.30pm to 7.30pm. The session is one of 24 regional events being held around Australia this year, as part of a concerted effort by the Winston Churchill Memorial Trust to encourage more people from regional and rural communities to apply. A session is also planned for Adelaide on Thursday, March 14.

We hope that you and your colleagues will consider attending, and that you will help us to spread the word by sharing this email and the attached flyer with your members and wider industry networks. You can also share relevant posts from our Facebook page or find us on Twitter @churchilltrust. A media release is available if that would be of assistance.

For the full program of events and to register, people should visit [www.churchilltrust.com.au/events](http://www.churchilltrust.com.au/events).

# Save on business energy costs and win

Through SADA's partnership with energy specialist, **Make it Cheaper** you have the chance to do just that.

For 10-years, **Make it Cheaper** have been helping Australian businesses reduce the cost of energy bills, and in 2018 alone identified and saved over **\$18.7m\*** for their customer's. You could say 'helping their customer's save is what they do best.

The service is 100%:

Obligation Free

Secure

Fast

Unbiased

And now they want you to WIN!

As a promotional offer to SADA members, you can **win a \$1,000 VISA Card** by simply following the 3-steps below and uploading your farm's energy bill.

Make it Cheaper will compare your current bill against a panel of Australia's top energy retailers\* to see if they can find you a saving on the cost of your energy. And, with the submission of your bill, you automatically go into the draw to win – it's that easy.



## Step 1

Upload your most recent energy bill and register for a **100% obligation free** bill comparison at [bit.ly/SADA-MIC](https://bit.ly/SADA-MIC)



## Step 2

Compare the offer



## Step 3

Make the switch & start saving



So, upload your farm's energy bill through the secure link provided to win, or contact **(02) 8077 0006** to speak with one of **Make it Cheaper's Energy Experts**.

\*Analysis across 47,802 Residential & Business meters; Jan18-Dec18. \*\*Offer available through to Fri 15th Mar 2019.

\*Make it Cheaper does not compare all energy offers in market.

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the saving experts