

THE SOUTH AUSTRALIAN

DAIRYMEN'S . . .

# Journal

The Official Publication of the



Published Bi-monthly

Vol. 10, No. 4

Adelaide, JANUARY-FEBRUARY, 1971

## PRODUCTION CONTROL!

•

### The A.D.I.C. Proposal

SPECIAL MEETING OF THE AUSTRALIAN DAIRY FARMERS' ASSOCIATION WILL BE HELD ON JUNE 4 TO DISCUSS THE PROPOSAL OF THE AUSTRALIAN DAIRY INDUSTRY COUNCIL FOR A LONG-TERM PLAN FOR THE AUSTRALIAN DAIRY INDUSTRY

PRICE

**20c**

Registered at G.P.O., Adelaide  
for transmission by post as a periodical.  
Category "A"

\$1.20 per Year, Post-Paid

---

---

**WAY**

---

---

# **MILKING MACHINE AND REFRIGERATED FARM TANKS**

The Way Deluxe Milking Machine recently released on the Australian Market is now available to South Australian Dairymen. This machine features:

## **Completely Re-designed Releaser System**

giving high capacity output on all machines.

## **Exclusive Pulsation Booster System**

eliminates fade giving fast constant and safe milking without periodic adjustment as is experienced on less advanced designs.

## **Our Inflation and Teat Cup Design**

must be seen by all Dairymen.

For further information and quotation for all types of installations, contact:

**South Australian Agent,**

# **ORAM & WRIGHT**

**VICTOR HARBOR,  
South Australia. 5211.**

**Phone: 521 644**



# THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL

Published by

THE SOUTH AUSTRALIAN DAIRYMEN'S ASSOCIATION  
INCORPORATED

Aston House, 13 Leigh Street, Adelaide, 5000. 51 3034

President:

N. M. GREEN, Esq.

General Secretary:

DAVID J. HIGBED, B.Ec.

Advertising Rates on application

## PRODUCTION CONTROL

The A.D.I.C. Proposal for

### A Long-Term Plan for the Australian Dairy Industry

*At a combined meeting in Melbourne on November 13th, 1970, the Australian Dairy Farmers' Federation and the Australian Dairy Industry Council, the plans which had been submitted by dairy industry organizations and by qualified persons, (most of which were published in the September-October, 1970 issue of this Journal), for the control of dairy production in Australia were considered, and a special committee was formed to examine all the proposals in detail, to assess their feasibility, and to prepare, on behalf of the Australian Dairy Industry Council, a plan which would then be submitted to the producer organizations for their acceptance. This plan, in the form of a proposal, has now been prepared and circulated for comment. Such a plan, if implemented, will exert massive and lasting influences on all sectors of the industry. It is essential that dairyfarmers know how a plan will work, what its total effect will be, and how it will affect them as individual producers.*

*It is equally essential that they be aware that the plan is, at present, termed "a proposal"; modifications and alterations can be made to the proposal before it is submitted to the Federal Government. There are several items that are, intentionally, tentative in nature.*

*In order that dairyfarmers may be able to assess the alternatives that may be put forward in completing the plan, once the proposal has been generally accepted, annotations, in italic type, have been added, by the Editor of this Journal, to the notes, which are included as part of the A.D.I.C.'s proposal.*

#### Introduction:

In May, 1970, the Australian Dairy Industry Council advised the Minister for Primary Industry that the Council was examining the advantages and disadvantages of a number of alternative ways of planning overall milk production to meet market requirements.

After considering the views of State dairy farmers' organisations and discussing the quota proposals of a number of agricultural economists with two of the economists concerned, representatives of the Council discussed with the Minister a proposal for a long-term plan for the industry. This plan included provision for the compensation of dairy farmers agreeing to cease dairy production but did not include quotas.

The Minister made it quite clear that he considered that the payment of compensation to dairy farmers to cease production was not sufficient and that the industry must—"prepare the mechanism of a plan for restraining production which could be applied, if necessary". He indicated that it would be necessary if the United Kingdom entered the European Economic Community. He suggested a "two-price" scheme which would—cover home consumption plus a percentage of viable exports; include processed milk products and provide for Commonwealth financial assistance to the industry by way of grants to the State under Section 96 of the Commonwealth Constitution.

While emphasis has been given by the Minister and the Economists in public statements, to the need for a "quota" or "two-price" scheme to solve the industry's long-term problems, no industry plan would be complete unless it provided for agreement by both the Commonwealth and State Governments to take action in relation to a number of matters within their respective spheres of responsibility. Dairy farmers could not be expected to accept a scheme designed to restrain their production unless they were assured of continued Commonwealth Government financial assistance, protection of the Australian market for dairy products and a restriction on new farmers entering the industry.

In view of the undertaking given by the Council and of the advice given by the Minister for Primary Industry, the following is submitted for consideration by industry organisations as the essential features of a plan for the industry which would require the agreement of the Commonwealth and all State Governments.

#### **PROVISIONS OF PLAN FOR THE AUSTRALIAN DAIRY INDUSTRY**

1. ACTION BY ALL STATE GOVERNMENTS TO LICENSE EXISTING DAIRY FARMS WITH PROVISION THAT NO NEW LICENCES BE ISSUED EXCEPT BY AGREEMENT AT THE AUSTRALIAN AGRICULTURAL COUNCIL AFTER CONSULTATION WITH THE AUSTRALIAN DAIRY INDUSTRY COUNCIL AND TAKING INTO CONSIDERATION THE MARKET REQUIREMENTS FOR DAIRY PRODUCTS.

Note: Action by State Governments, as outlined above, is considered by the Council and the Australian Dairy Farmers' Federation to be essential to protect the interests of existing dairy farmers, and as a prerequisite to acceptance by the industry of any quota scheme.

2. AGREEMENT BY THE COMMONWEALTH GOVERNMENT TO PROVIDE FINANCIAL ASSISTANCE TO THE INDUSTRY AT LEAST AT THE PRESENT LEVEL FOR A PERIOD OF SIX YEARS.

Note: The six year period is proposed to cover the last year of the present stabilisation plan and the five year period of the plan commencing on July 1, 1972.

3. ACTION BY THE COMMONWEALTH GOVERNMENT TO PROHIBIT IMPORTATION OF CHEESE UNTIL AUSTRALIAN MILK PRODUCTION LEVELS ARE ADJUSTED TO MEET FUTURE DOMESTIC AND OVERSEAS MARKET REQUIREMENTS FOR DAIRY PRODUCTS.

4. THE INTRODUCTION BY ALL STATE GOVERNMENTS, OTHER THAN VICTORIA AND TASMANIA, OF LEGISLATION TO CONTROL THE PRODUCTION AND SALE OF COOKING MARGARINE COLOURED AND FLAVOURED TO RESEMBLE BUTTER, ALONG SIMILAR LINES TO THE LEGISLATION IMPLEMENTED IN VICTORIA AND TASMANIA.

5. THE INTRODUCTION BY ALL STATE GOVERNMENTS, OTHER THAN VICTORIA, OF LEGISLATION TO CONTROL THE PRODUCTION AND SALE OF IMITATION MILK, ALONG SIMILAR LINES TO THE LEGISLATION IMPLEMENTED IN VICTORIA.
6. THE EFFECTIVE POLICING OF THE TABLE MARGARINE PRODUCTION QUOTA LEGISLATION BY STATE AUTHORITIES.
7. APPROPRIATE ACTION BY STATE AUTHORITIES TO ENSURE, AT ALL LEVELS, THE HIGHEST POSSIBLE QUALITY OF DAIRY PRODUCTION.
8. AGREEMENT BY THE AUSTRALIAN DAIRY INDUSTRY, THE COMMONWEALTH GOVERNMENT AND ALL STATE GOVERNMENTS TO INTRODUCE, IF NECESSARY, A TWO-PRICE QUOTA SCHEME ALONG THE LINES OF THE SCHEME OUTLINED AND EXPANDED IN THE FOLLOWING PAGES.

### AN OUTLINE OF A DRAFT PROPOSAL FOR A TWO-PRICE QUOTA SCHEME

The object of the proposal for a two-price quota scheme is to ensure that, if it becomes necessary to introduce production restraints, for all production within their quotas, dairy farmers will receive the full benefit of proceeds of sales on the Australian market plus Commonwealth Government assistance. For production in excess of their quotas, they will receive the export return only.

Farm quotas will be based upon Australian sales of manufactured dairy products, plus a quantity of the same products sold on higher-priced export markets.

No one can predict future production and marketing trends accurately, but the outcome of the United Kingdom negotiations to join the European Economic Community could be the major factor influencing any decision on the introduction of the scheme. If these negotiations are successful and the United Kingdom market for Australian butter and cheese is lost, it would be almost certain that some form of production restraint would be necessary to protect the interests of producers. On the other hand if Britain does not join the Common Market, the quota scheme might not be necessary.

The quota scheme would require both Commonwealth and State Government support and legislative backing, but it has been designed to fit in, as far as practicable, with the existing industry organisational structure.

Because of the multiplicity of dairy products manufactured, the application of the quota scheme to the industry and the administrative procedures necessary for its effective operation, are rather complex. However, the general principles of the scheme are reasonably straightforward and the main provisions are outlined below.

It is proposed that the quota scheme should cover prescribed products, e.g. butter, butteroil and other related butterfat products, cheese and specified processed milk products.

As the production and marketing procedures relating to table cream differ from State to State, there are special problems associated with the inclusion of table cream as a prescribed product. However, the exclusion of table cream from the scheme could jeopardise the price structure for that product in some States and an examination will be made to find the best way of ensuring stability in this important section of the industry.

The quota scheme provides for the determination each year, of an Australian butterfat quota covering an estimate of the butterfat in all of the prescribed products sold in Australia; plus a quantity of butterfat in the same products sold

on the higher-priced export markets. This quota would be divided amongst the States on the basis of the quantity of butterfat in the prescribed products produced in the respective States, taken as an average over a period to be determined.

Individual dairy farmers would receive a farm quota allocated from the State quota. The basis of allocation would be the quantity of butterfat produced on, and supplied from the farm for manufacture into prescribed products, taken as an average over a period to be determined. A percentage of the State quota would be held in reserve to cover successful appeals against farm quota allocations.

When determining the level of a farm quota, the butterfat equivalent in milk supplied for liquid consumption as such, would be taken into account, either in whole or in part, depending on the percentage of liquid milk supplied for consumption as such to the total farm production.

A dairy farmer would lodge his quota with the factory of his choice. As the transfer of a quota from one factory to another factory at any time during the year would raise administrative difficulties, it is proposed that transfers should take place only on July 1 in any year, after three months' notice of intention to transfer had been given.

Farm quotas would remain with the farm concerned unless the transfer to another farm was approved.

To ensure that dairy farmers supplying a butter or cheese factory receive, in respect of their farm quotas, the full benefit of the proceeds of sales on the Australian market, the scheme provides for:—

- (i) The payment of a levy by manufacturers and the distribution of the proceeds thereof to dairy farmers on their quota production. The levy, which in effect would be a levy on Australian sales, would be paid to and distributed through the Equalisation Committee.
- (ii) The equalisation of returns from butter and cheese sold on the Australian and export markets, along similar lines to the present equalisation arrangements with the levy commitment incorporated in the reclamation on local sales.

The scheme is designed also, to ensure, as far as possible, that dairy farmers supplying milk for manufacture into prescribed processed milk products receive the benefit of the proceeds of Australian sales on their quota production by a levy and distribution arrangement similar to that proposed for butter and cheese. However, an equalisation scheme for processed milk products is not proposed.

For all production in excess of their farm quotas, dairy farmers supplying milk for manufacturing purposes—whether for butter, cheese or prescribed processed milk products—would receive the export return only.

Commonwealth Government assistance to the industry would be distributed over quota production only.

#### FOR SALE

Almost new, 7.5 h.p. 3-phase ELECTRIC MOTOR, complete with switch-board; originally fitted to bulk vat, now on single phase. OFFER WANTED. — Apply this office: 51 3034.

## DETAILS OF THE PROPOSED DAIRY PRODUCE TWO-PRICE QUOTA SCHEME

The basic features of the scheme shall be:

### 1. Australian Butterfat Quota:

- 1.1 The determination each year by the Australian Agricultural Council, on the recommendation of the Australian Dairy Industry Council, of an overall Australian butterfat quota covering an estimate of the butterfat in all prescribed dairy products (refer para. 1.3 below) sold on the Australian market, plus the butterfat in a determined quantity of the same products sold on export markets.

The effect, and the effectiveness, of a two-price quota scheme, and the possible complexities which will ensue, will depend on the proportion of export dairy products included in the quota. In the original "Gruen Plan" the quota was based on the home market sales only, so that the return received by a producer for his quota production (which would be just over half of his total previous output) would be approximately 60 cents lb. butterfat (including Government assistance), whilst the return for over-quota production would be the equalised return (about 20 cents lb. b.f.) from export sales. A quota which included portion of export sales would yield a lower return, but each producer's quota would be correspondingly larger. Consideration has been given, by the S.A. Dairymen's Association, to the desirability of having a quota which covered the whole production in an appropriate base year. Such action would avoid some of the problems which some persons see as resulting from a plan based on the domestic market only.

### Examples (hypothetical only):

Before the introduction of a two-price quota scheme, 55 per cent of Australian dairy production is sold on the home market at 50 cents lb. b.f., the remainder (45 per cent) is sold on the export market at an average return of 20 cents lb. b.f. The equalised (i.e. average) return is 36.5 cents, to which is added Government bounty at 7 cents, to give a total return of 43.5 cents. A farmer producing 20,000 lbs. b.f. will gross \$8,700.

Under the "Gruen Plan" his quota would be 11,000 lbs., for which he would receive 50 cents plus Government bounty of 12.75 cents (now paid on quota only), to give him a return for his quota of \$6,900. For the remainder, if he continues to produce it, he will receive \$1,800. The total is still \$8,700, but he has the option of reducing his production by 45 per cent, with a corresponding reduction in revenue of only \$1,800, or of increasing his production for a return of 20 cents lb.

Under a plan in which 40 per cent of exports was included in the quota in addition to the home market quantity, his quota would be 14,600 lbs, for which he would receive 42.6 cents plus Government bounty of 9.6 cents (on the quota only), to give him a return for his quota of \$7,620. For the remainder, if he continued to produce it, he will receive \$1,080. The total is still \$8,700, but he now has the option of reducing his production by 27 per cent, with a corresponding reduction in revenue of \$1,080, or of increasing his production and receiving 20 cents lb. as before.

Under a "full-width quota" plan in which his quota is equal to his average production in the base year, his total income is still \$8,700; if he reduces output he will forfeit 43.5 cents (or 36.5 cents if the Government bounty is paid on home production only, i.e. a "two quota" system) but if he increases output he will receive only 20 cents on his increased output and will not reduce the income received by his fellow producers. A quota scheme of this type would have less (or probably no) immediate effect on the production plans of producers, and consequently of factories also.

- 1.2 The overall Australian butterfat quota shall consist of the sum of the butterfat in Australian sales and the determined quantity of export sales, of each prescribed product, estimated separately.
- 1.3 As an example, the prescribed products could include—
  - (a) Butter, anhydrous fat and other related butterfat products;
  - (b) cheese;
  - (c) specified processed milk products or types of processed milk products containing butterfat;
  - (d) table cream (see paragraph 13).

*It should be noted that the items included above are examples only. Butter, butterfat products, and cheese would certainly be included from the start, but the extent to which processed milk products (and the types of processed milk products) were included in the Australian butterfat quota would depend on a close examination of the processed milk section of the industry.*

*The inclusion of table cream in the "prescribed products" is not considered to be desirable, as table cream is, in most States, under the control of State Milk Boards, and consequently should be treated in the same way as market milk.*

## 2. State Butterfat Quota:

The allocation by the Australian Agricultural Council, on the recommendation of the Australian Dairy Industry Council, of a butterfat quota to each State based upon the quantity of butterfat in all of the prescribed products produced in the respective State, taken as an average over a period to be determined. The sum of all State quotas to equal the total overall Australian quota.

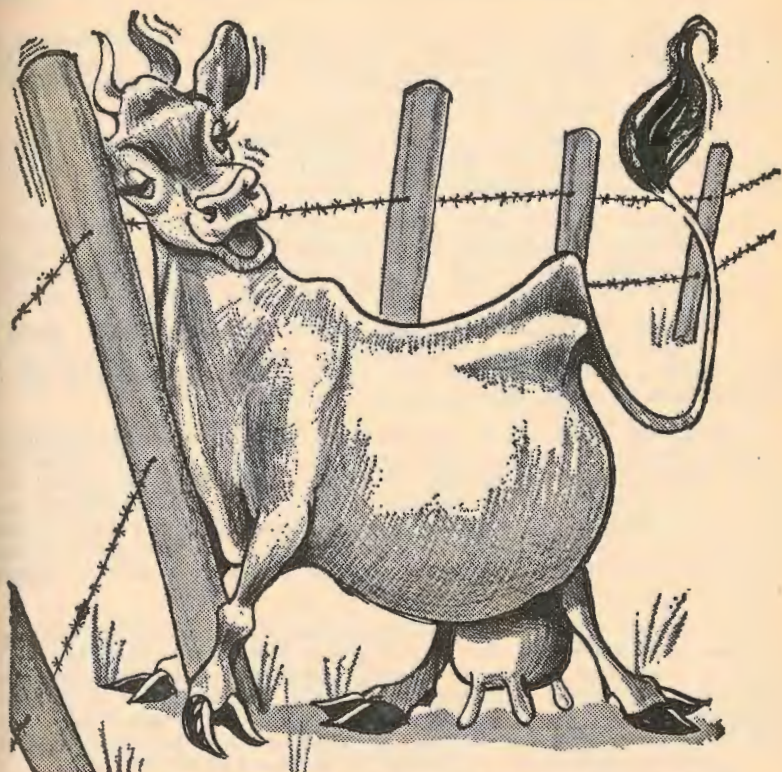
*The Australian Dairy Industry Council comprises three representatives of the Australian Dairy Farmers' Federation (each of the representatives having 2 votes), three representatives of the Australian Dairy Produce Board, and three representatives of the Commonwealth Dairy Produce Equalisation Committee. The function of the Australian Dairy Produce Board is the overseas marketing of dairy produce surplus to Australia's domestic requirements, whilst the function of the Commonwealth Dairy Produce Equalisation Committee is to administer the equalisation scheme. The desirability of having either of these two bodies participating in the setting of an Australia-wide quota must be questioned, as their functions are completely subservient.*

*The introduction of production control will almost certainly cause a conflict of interests between the dairy farmers and the dairy factories. There is little or no difference in the margins received by dairy factories from local and export sales; rather the increased through-put that results from an expansion of export sales actually tends to increase factory profitability. To the farmer, however, the return from export markets is much lower than that from the domestic market. Therefore the producers must question whether the setting of the Australian quotas, which involves a decision on the quantity of exports which shall be included in the quota in addition to the domestic requirements, should be carried out by a body which is only indirectly representative of the interests involved.*

## 3. Farm Butterfat Quota:

- 3.1 The allocation by an Authority, set up in each State (see paragraph 4), of a farm butterfat quota to each dairy farmer supplying milk or cream to a factory for manufacture into prescribed products. The level of such farm quota to be based upon the quality of butterfat produced on, and supplied from, the farm for manufacture into the prescribed products, taken as an average over a period to be determined, subject to the proviso in 3.2.

*No decision has yet been made concerning the "base period" to be used in calculating the "State butterfat quotas" and the "farm butterfat quotas" (see next*



## SAVE YOUR FENCES

With the coming of winter and the colder weather, cattle lice will become an increasing problem.

The principal symptom is irritation, and this is seen most commonly in winter and early spring. Affected cattle constantly rub themselves, causing patches of hair to fall out, giving a shaggy appearance to the rest of the coat, and the skin becomes extremely scurfy.

# COOPER'S BERCOTOX

CATTLE SPRAY

**ENSURES THRIFTINESS • HIGHEST MILK YIELD • TOP DRESSED WEIGHT AT MARKET-TIME**

Available in 1-gallon and 1-pint tins.



Obtainable from:

**Elders - SM**

and

**DALGETY - N.Z.L.**

paragraph). This decision will depend upon circumstances at the time of the introduction of the Scheme. Because of this factor any "base period" used in illustrative examples, such as "average of three years", "best three years in five", etc. are hypothetical only.

The "farm butterfat quota" is not an absolute limit. Total production by any producer may exceed his "farm butterfat quota" by as much as he wishes, but he will receive for over-quota production only the average export price.

- 3.2 Provision shall be made in determining the level of the farm quota for the butterfat equivalent in milk supplied for liquid consumption as such to be taken into account, either in whole or in part, depending on the percentage of liquid milk supplied to the total farm production.

In the original "Gruen Plan" it was proposed that each producer would be allotted a "farm butterfat quota" calculated by applying to that quantity of his output which went to manufacture the ratio between the domestic sales and the total Australian output of manufactured dairy produce.

Consequently, as shown in the preceding examples, a producer who did not change his production pattern would receive exactly the same total income (but now received in two portions—a high "quota" price and a lower "non-quota" price) after the introduction of the Scheme as he received beforehand by selling the same quantity of production at the previous equalised price. This would apply regardless of whether or not he was also a town-milk supplier, as the portion of his output supplied as town-milk would not be taken into account in calculating his butterfat quota.

The proposal in this paragraph deviates from the "no-change" principle, and will penalise a town-milk supplier to a greater or lesser degree, depending on the portion of his output going into town-milk, and on the decision subsequently made, when the Scheme is introduced, concerning the magnitude of the sliding scale proposed in the above paragraph. However, it should be noted that the proposal in this paragraph is less stringent than the proposal, earlier put forward, that a producers' town-milk output be included in his quota in its entirety.

The following examples demonstrate the effect of various scales on the income of town-milk producers. It is assumed that prices received are per lb. butterfat—

Town-milk—100 cents

Dairy produce (home market)—60 cents (including subsidy)

Dairy produce (export market)—20 cents

and that the home market consumes 50 per cent of all dairy produce, so that the equalised price is 40 cents (including subsidy).

#### BEFORE THE SCHEME

##### Producer A

Total output—20,00 lb. b.f.

Town milk—15,000 lbs. b.f. (75%)

Income—

15,000 lbs. @ 100c (town milk) = \$15,000

5,000 lbs. @ 40c (equalised) = 2,000

Total \$17,000

##### Producer B

Total output 20,000 lbs. b.f.

Town milk 8,000 lbs. b.f. (40%)

Income—

8,000 lbs. @ 100c (town milk) = \$8,000

12,000 lbs. @ 40c (equalised) = 4,800

Total \$12,800

After the introduction of a Two-Price Scheme—

### 1. ORIGINAL GRUEN PROPOSAL

As proposed in the original "Gruen Plan", in which the quota is applied to surplus (i.e. manufacturing) milk only.

(The quota is assumed, in this hypothetical example, to be 50% of manufacturing milk only)

Producer A

Quota will be 50% of 5,000 lbs. = 2,500 lbs.

Income—

15,000 lbs. @ 100c (town milk) = \$15,000

2,500 lbs. @ 60c (quota) = 1,500

2,500 lbs. @ 20c (over quota) = 500

Total \$17,000

No change from the introduction of the Scheme.

Producer B

Quota will be 50% of 12,000 lbs. = 6,000 lbs.

Income—

8,000 lbs. @ 100c (town milk) = \$8,000

6,000 lbs. @ 60c (quota) = 3,600

6,000 lbs. @ 20c (over quota) = 1,200

Total \$12,800

No change from the introduction of the Scheme.

### 2. QUOTA ON TOTAL OUTPUT

(i) Where the quota is applied to total output, regardless of town-milk supply, with the town-milk being included in the quota. (The quota is assumed, in this hypothetical example, to be 50% of output)

Producer A

His quota will be 50% of 20,000 lbs = 10,000 lbs., but as his town-milk supply is greater than this amount he will receive no quota allowance for his surplus (manufacturing) milk.

Income—

15,000 lbs. @ 100c (town milk) = \$15,000

5,000 lbs. @ 20c (over quota) = 1,000

Total \$16,000

\$1,000 (6%) less than before the introduction of the Scheme.

Producer B

His quota will also be 50% of 20,000 lbs. = 10,000, which is 2,000 lbs. more than his town-milk supply.

Income—

8,000 lbs. @ 100c (town milk) = \$8,000

2,000 lbs. @ 60c (quota) = 1,200

10,000 lbs. @ 20c (over quota) = 2,000

Total \$11,200

\$1,600 (12½%) less than before the introduction of the Scheme.

NOTE that this method of dealing with town milk progressively reduces the income of producers, both in absolute and relative terms, as the proportion of town milk in their total output declines.

- (ii) If the quota is applied to total output, as in 2, but the quota is based on domestic consumption plus portion of the export market. (The quota in this hypothetical example is assumed to be 74% of total output, the quota price being 47 cents.)

#### Producer A

His quota will be 74% of 20,000 lbs = 14,800 lbs, but as his town milk supply is greater than this amount he will receive no quota allowance for his surplus (manufacturing) milk.

#### Income—

15,000 lbs. @ 100c (town milk)	=	\$15,000
5,000 lbs. @ 20c (over quota)	=	1,000

Total		\$16,000
-------	--	----------

\$1,000 (6%) less than before the introduction of the Scheme.

#### Producer B

His quota will also be 70% of 20,000 = 14,800 lbs, which is 6,000 lbs. more than his town milk supply.

#### Income—

8,000 lbs. @ 100c (town milk)	=	\$8,000
6,800 lbs. @ 47c (quota)	=	3,196
5,200 lbs. @ 20c (over quota)	=	1,040

Total		\$12,236
-------	--	----------

\$564 (4.4%) less than before the introduction of the Scheme.

NOTE that as the quota is based on a progressively greater portion of total output the position of a town milk producer with a small town-milk output improves relatively in comparison with the position of a producer with a large town milk output, but his income is still lower than it was before the Scheme was introduced.

### 3. SLIDING SCALE

An alternative proposal is for the allocation of quota to be on a sliding scale,

No actual scale has yet been submitted, but it is possible to devise scales that will have various effects, e.g., a constant proportional reduction in the incomes of all town-milk producers, an increasing proportional reduction as the proportion of town-milk increases, etc. etc. Whatever the scale adopted, the effect will be a reduction in the income of town-milk producers after the introduction of the Scheme.

- 3.3 A percentage of the State Quota shall be held under the control of a Farm Quota Appeal Committee (see paragraph 5), for allocation to a dairy farmer successfully appealing against the quota allocated to him by the State Authority, or for the allocation of a quota to a dairy farmer who has not received a quota from the State Authority and who, in the opinion of the Appeal Committee, is entitled to a quota.

Although no decisions have yet been made concerning the period on which the quota is to be based (see para. 2) there will, whatever the period, be some producers who can claim that the quota allotted to them should be increased, because of such factors as unfavourable seasonal conditions during all or part of the base period, the stage of development of the farm, or some other reason or reasons of comparable validity. Such producers should be given the right to appeal against the quotas which have been allotted, and to receive increased quotas if their appeals are successful.

# Insure totally and save with Federation

PROMPT  
CLAIMS  
ATTENTION

Your helpful Federation man will offer you expert advice on all insurance matters — and serve you promptly when making a claim. And, the unique Federation service to Associations, benefits Members in many ways.



## A SECURE FUTURE?

Can you afford to take a risk?

In fact your family's future, and your own, depends on carefully planned Life - retirement assurance from The Federation Insurance Limited. Let your helpful

Federation man assess your needs and establish a sound insurance plan. All your insurance commitments can be easily covered by Federation's unique insurance service . . . so why take the risk?

7x6-1250

## Federation for total protection

check the "one-renewal-date" plan

### The Federation Insurance Limited

342 Flinders St., Melbourne, 3000. Tel. 62 0101.  
168 George St., Sydney, 2000. Tel. 27 2266.  
376 Queen St., Brisbane, 4000. Tel. 2 2366.  
Cnr. King William St. and South Terrace,  
Adelaide, 5000. Tel. 8 4541.  
206 Adelaide Tce., Perth, 6000. Tel. 23 1931.  
71 St. John St., Launceston, 7250. Tel. 2 4085.



your  
helpful  
Federation  
Man

100%  
Australian Company—  
you insure well  
with F.I.L.

- 3.4 A dairy farmer receiving a farm quota shall lodge the quota with the dairy factory of his choice. No transfer of a farm quota from one dairy factory to another factory shall take place except on July 1 in any year and any transfer shall be subject to three months' prior notice.
- 3.5 Farm quotas shall remain with the farm concerned unless a transfer to another farm is approved by the State Authority.

The original "Gruen Plan" proposed that farm quotas should be "negotiable" that is, able to be sold or leased by the producers to whom the quotas were originally granted. The effect of negotiability would be to attract dairying towards the more "efficient" (i.e. low cost) producers (because they would be able to offer the highest prices for the quotas) and away from the less economic producers and producers who wished to reduce their scale of operations or withdraw from the industry entirely.

Although the producers selling their quotas might be regarded as "less economic", the value of the quota to a buyer in a low cost region would be such that sellers would receive a relatively high price for their quota, so that sellers would be able either to offer their farms for sale (for a non-dairying activity) at a much lower price than as a going concern, or to regard the now less-valuable property as a reasonably priced location on which to live in retirement.

But the ability to negotiate quotas between properties might eventually result in large scale movements of dairying activity between regions, and even between States, and because of the deleterious effect such movement would have on the economy of regions, townships, and communities, it is proposed that quotas should not be negotiable, but should remain with the properties to which they were originally allotted, except in cases to be approved by the State Authority, a typical case being when a dairy farmer is forced, by compulsory acquisition, to abandon dairying on his original property, and to resume his dairying activities on a new property.

#### 4. State Statutory Dairy Authority:

- 4.1 There shall be a Statutory Dairy Authority in each State.
- 4.2 The Constitution of any State Authority could be designed to meet the requirements of the particular State. In the absence of any special requirements a State Authority could consist of a Chairman, representing the State Government, three members representing dairy farmers and three members representing manufacturers of prescribed products.

A Statutory Dairy Authority means no more than that it is an Authority established by statute (i.e. by legislation) in each State, and it would be quite appropriate for a State Act to state that an appropriate body already existing within the industry in that State is to be the Statutory Dairy Authority for the purpose of allotting quotas. It must be noted that the Australian Dairy Industry Council is proposed as the supreme authority at Federal level, and may therefore be regarded as a precedent to be followed by the States.

This is a proposal only, and represents what may be regarded as a typical Authority. As, however, owing to the possible conflict of interests between producers and factories to which reference has already been made, an Authority of this composition might find itself in permanent deadlock, with the casting vote of the chairman in permanent use, the choice of Chairman will be of vital importance. Because of the very great effect that the Scheme will have on the future of dairy farming and dairy farmers, the appointment, as a Chairman, of a senior representative of the producers could be more appropriate than the appointment of a public servant.

#### 4.3 All milk produced shall be vested in the State Authority.

The purpose of this clause is to prevent the "bootlegging" of over-quota milk across State borders. Experience has shown that State legislation, because of the protection granted by Section 92 of the Commonwealth Constitution, is powerless to regulate the sale of milk and dairy products in accordance with the laws of the State. It is believed that the uniform State legislation necessary to implement the Two-Price Scheme could not prevent over-quota milk being sold, in another State, at a price somewhere between the higher domestic (i.e. quota) price and the low (export) price paid for over-quota milk, unless the milk is "vested" in (i.e. becomes the legal property of) the State Authority, in which case its sale in any market other than that permitted by the Authority would constitute an offence akin to theft.

#### 4.4 The State Authority shall have authority to:

- (a) Control all milk produced in the State.
- (b) Determine the level of each farm butterfat quota and allocate such quota to the farm concerned.
- (c) Approve or disapprove of the transfer of a farm quota to another farm.

The phrase "Control all milk produced in the State" may imply a wider-ranging power than is actually intended. If the Authority is intended in fact, to "control all milk produced in the State", the work required to draft the legislation, and the effort involved in obtaining the approval of Parliament, in appointing the members of the State Authority, and in staffing its office, could equally be put into establishing a plenipotentiary State Dairy Production and Marketing Authority, IF THIS IS WHAT THE INDUSTRY WISHES. If the industry's intentions fall short of such revolutionary action, item (a) requires more precise definition.

#### 5. Farm Quota Appeal Committee:

##### 5.1 There shall be a Farm Quota Appeal Committee in each State.

5.2 The constitution of any Farm Quota Appeal Committee could be designed to meet the requirements of the particular State.

##### 5.3 The Farm Quota Appeal Committee shall have authority to:

- (a) Consider an appeal by a dairy farmer against the level of the farm quota allocated to him by the State Authority.
- (b) Consider an appeal by a dairy farmer against a decision by the State Authority not to allocate a farm quota to him.
- (c) Allocate a farm quota to a dairy farmer, in addition to the quota allocated by the State Authority, or an original quota where, in the opinion of the Appeal Committee, the appeal made by such farmer under (a) or (b) above should be allowed.

The drafting committee, having more or less precisely defined the composition and formation of the State Authority, have, inexplicably, "chickened out" of recommending the composition of the Appeal Committee. The function of the Appeal Committee is simple enough—to decide the extent to which leniency shall be granted to producers who claim, on various grounds, that the quotas allotted to them by the State Authority are less than they should be. Who is to sit in judgement on the Authority? The allocation of additional quotas to the appellants will reduce the amount of the quotas available to the rest of the producers. Is this a job for an independent tribunal, for a group of public servants, or is it a job for a responsible committee of producers allotting the quotas to the appellants (and as there will be a large number of such it must be remembered that "hard cases make bad laws") with due regard to the equity of those who have not appealed. If a

representative Authority is appropriate for the original allocation there may be a case for the Appeal Committee being composed of the producer representatives on the Authority. Thus the Authority is given the ultimate responsibility of fair distribution, rather than leaving the "hard cases" to another body, whilst, at the same time, in its role of a higher court, it is aware of the grounds on which its first decisions were made.

## 6. Australian Dairy Industry Council

The Australian Dairy Industry Council shall:—

- (a) Recommend to the Australian Agricultural Council each year the level of the overall Australian butterfat quota and the level of each State's butterfat quota.
- (b) Advise the Commonwealth Department concerned on the distribution of the Dairy Industry Fund (see paragraph 8), including an allocation from the Fund to cover the cost of administering the quota scheme by the Council and State Dairy Authorities, and on the distribution of Commonwealth assistance to States.

Paragraph 1.1 states that an "overall Australian butterfat quota" shall be determined each year, all allocated to each State on a basis related to the average production in each State "over a period to be determined". Paragraph 6(a) gives the Australian Dairy Industry Council the function of recommending EACH YEAR "the level of the overall Australian butterfat quota and the level of each State's butterfat quota". The implication in paragraph 1.1 is that the performance of each State, during the "period to be determined," (the base period), will entitle it to a permanent fraction of the overall Australian butterfat quota, whilst paragraph 6 implies that the States' allocations may be varied. The latter implication is clearly untenable, at least while the production in each State exceeds the quota to which that State is entitled, as, otherwise, a reduction in the total output of a State, caused by the decisions of the producers in the State to reduce their over-quota production, would jeopardise the share of that State in future annual re-allocations. It is suggested that "the level of each State's butterfat quota" in paragraph 6(a) be calculated by a continuing fraction determined at the introduction of the Scheme.

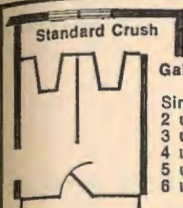
## 7. Equalisation Arrangements — Butter and Cheese:

*These are the steps by which the two-price scheme will be carried out.*

- 7.1 The Commonwealth Dairy Produce Equalisation Committee Ltd. shall administer separate equalisation pools for butter (including butteroil) and cheese, with a single pool for each product as at present.
- 7.2 The butter and cheese equalisation pools shall comprise, in each case, the net realisations from Australian sales less the levy (see paragraph 8) paid thereon and the net realisations from all exports.
- 7.3 The Equalisation Committee shall have authority to make allowance for freight, cold storage or other marketing or administration costs along similar lines to the present equalisation schemes.

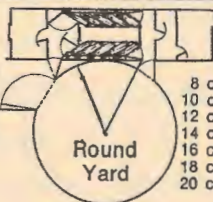
*This differs from the present arrangement only to the extent that the levy described in paragraph 8 is subtracted from the net realisations from Australian sales. Otherwise the operation of the equalisation pools is unchanged.*

# Dairy Equipment and Accessories by Steriline



## MILKING BAILS

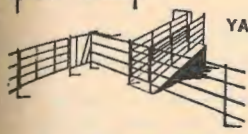
Galvanised	Yoke type & Std. Crush	Backout
Single unit	\$74.00	\$60.00
2 unit	\$158.00	\$120.00
3 unit	\$242.00	\$195.00
4 unit	\$325.00	
5 unit	\$394.00	
6 unit	\$477.00	



High Level or Low Level Herringbone

8 cow unit	\$220.00
10 cow unit	\$245.00
12 cow unit	\$270.00
14 cow unit	\$310.00
16 cow unit	\$340.00
18 cow unit	\$370.00
20 cow unit	\$410.00

YARDS—Continuous Railing, Round, Square or Irregular.



4 rail yard with Entrance Gate, Built-in Vet. Bail and Elevating Race.

Veterinary Bail . . .	\$27.50
Lever operated . . .	\$33.50
Elevating Race:	
Side sections . . .	\$70.00
Karri deck . . .	\$40.00
Deck with catwalk . . .	\$55.00
2 H.P. Electric High Pressure Washing Down Unit . . .	\$175.00



Section of Round Yard with Truss type Back-up Gate. Hinges allow gate to follow floor slope . . . motor drive available.

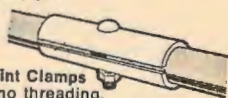
Back-up Gate, 20 ft. and over, \$2.50 per ft., plus \$14.00 for pneumatic tyre. Electric drive unit with reversing switch, \$140.00.

## YARDS

4 rails (straight)	\$2.30 per ft.
3 rails (straight)	\$1.90 per ft.
4 rails (curved)	\$2.40 per ft.
3 rails (curved)	\$2.00 per ft.

Standard specification (gal. clamp construction): 2" gate posts, 1½" fence posts, 1½" continuous railing.

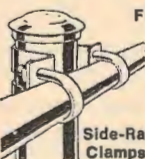
N.B. Prices approximate only—vary slightly according to number of gates. Drawing and firm quotation prepared for every job.



Joint Clamps—no threading.

## GALVANISED COW YARD GATES

	1" pipe	1½" pipe
3 ft. . .	\$13.00	\$16.00
4 ft. . .	\$15.00	\$20.00
5 ft. . .	\$17.00	\$22.00
6 ft. . .	\$19.00	\$24.00
7 ft. . .	\$21.00	\$26.00
8 ft. . .	\$23.00	\$28.00
9 ft. . .	\$25.00	\$30.00
10 ft. . .	\$27.00	\$32.00



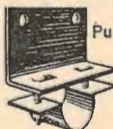
Side-Rail Clamps

make stronger, cheaper yards—any size rail to any size post.

## FITTINGS

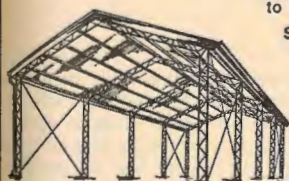


Weld-on Purlin Cleats (black) 20c galvanised 25c

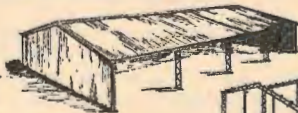


Clamp-on gal. Purlin Cleats for ¾", 1", 1½", 45c 1½", 2" pipe. 60c 100 lots less 10%

SHEDS Complete, or Frames only, for Hay and Implements.



HAY 60' x 34' x 14' \$1060



IMPLEMENT 100' x 30' x 12' \$2034 50' x 26' x 10' \$989



FRAME 100' x 30' x 10' \$788

For further information contact your local supplier or . . .

**Steriline Distributors Pty. Ltd.**

Factory and Registered Office:

Mannum Road, Murray Bridge, S.A. 5253

P.O. Box 434. Telephone 32 2033. A.H. 32 1851

## 8. Dairy Produce Levy and Dairy Industry Fund:

- 8.1 For the purpose of stabilising domestic market values and ensuring the effective operation of the two-price quota scheme, there shall be a separate levy on butter, cheese and processed milk products and such other products as may be prescribed.
- 8.2 The proceeds of all levies imposed shall be paid into a common fund to be established and known as the Dairy Industry Fund, for distribution as provided under paragraph 10.

## 9. Levy Collection and Rebates:

### Butter and Cheese

- 9.1 There shall be a separate product Levy on all butter and cheese produced.
- 9.2 The rate of levy, in each case, for a production period shall be the difference between the assessed net returns from local and export sales.
- 9.3 The levy shall be payable by the manufacturer of the butter and cheese. To facilitate the collection of levies and minimise the financial burden on factories, the Equalisation Committee shall have authority to pay the levies on behalf of manufacturers who are parties to the equalisation scheme.
- 9.4 Pending distribution (see paragraph 10), levy collections on butter and cheese shall be placed in the Dairy Industry Fund.
- 9.5 The levies shall be rebated on all exports of butter and cheese at the rate of collection. Provision shall be made for rebates to be paid to the Equalisation Committee where the levy payment was made by the Committee.

*The levy is imposed on all sales, but refunded in full on all export sales, so that the result is that the levy is, in effect, imposed only on local sales.*

- 9.6 Appropriate payments shall be made to the Equalisation Committee from the Dairy Industry Fund in respect of approved concessional sales on the local market (e.g. butter for butteroil for manufacturing purposes) and administration and marketing costs.

*This procedure is followed at present.*

### Processed Milk Products

- 9.7 Because of the circumstances which apply to processed milk manufacturers and the multiplicity of processed milk products manufactured, an equalisation scheme covering these products would create special problems. The equalisation of returns from these products, therefore, is not proposed. However, it is necessary to ensure, as far as possible, that manufacturers of such products are able to maintain amongst their suppliers the same margin in terms of butterfat between payments for quota and non-quota intake as would operate in the case of suppliers to butter and cheese factories. This could be ensured by the adoption of the following procedure.

*This procedure is similar to that to be applied to butter, cheese, and other prescribed products.*

- 9.8 There shall be a levy on the production of prescribed processed milk products or types of processed milk products.

- 9.9 The rate of the levy shall be fixed for a production period at a butterfat rate on a basis to be determined.
- 9.10 Levy collections on processed milk products shall be placed in the Dairy Industry Fund.
- 9.11 The levy shall be rebated at the rate of collection on all exports of prescribed processed milk products.

**10. Dairy Industry Fund Distribution:**

- 10.1 Provision shall be made for reimbursement from the Dairy Industry Fund, on the recommendation of the Australian Dairy Industry Council, of appropriate expenditure by the Council and State Authorities in the administration of the Quota Scheme.
- 10.2 After payment of export rebates and such other amounts as provided herein, the surplus in the Dairy Industry Fund shall be paid as State grants for distribution through the Equalisation Committee as trust monies to manufacturers for payment to dairy farmers. The payments to dairy farmers shall be made at a uniform rate in respect of butterfat supplied within their approved quotas and used in the manufacture of butter, cheese and prescribed processed milk products. No part of the monies so received by manufacturers shall be paid on production above the farm quota.

*That is, the factory will initially pay to the dairy farmer, shortly after the end of each month, a "first payment", based on export values, for all the milk supplied during the month. Some time later, possibly in the next month, the factory will make a distribution to each farmer, of the Dairy Industry Fund, in the form of a "quota premium".*

*This practice will continue each month until the farmer's production reaches the amount of his quota. From then onwards, until the end of the financial year, the farmer will receive only the "first payment".*

*When a farmer has reduced his output so that he is producing only an amount equal to his quota, he will of course receive, on this reduced quantity, both the "first payment" and the "quota premium" throughout the year.*

- 10.3 Any part of the payment from the Dairy Industry Fund received by manufacturers remaining undistributed because of a shortfall in eligible quota intake from individual dairy farmers, or for any other reason, shall be refunded by manufacturers for credit to the Dairy Industry Fund.
- 10.4 Where butterfat is transferred by a manufacturer of butter cheese or prescribed processed milk products to another manufacturer and used in the manufacture of any of these products, the payment from the Dairy Industry Fund on quota butterfat shall be made to the manufacturer with whom the quota holder is registered.

**11. Commonwealth Assistance to the Industry:**

- 11.1 The amount of Commonwealth Assistance available to the industry on prescribed products shall be paid as State grants for distribution through the Equalisation Committee as trust monies to manufacturers for payment to dairy farmers. The payments to dairy farmers shall be made at a uniform rate in respect of butterfat supplied within their approved quotas and used in the manufacture of butter, cheese and prescribed processed milk products. No part of the monies so received by manufacturers shall be paid on production above the farm quota.

*The Commonwealth Assistance will be included in the Dairy Fund, and will form part of the "quota premium" described above, although, for administrative reasons, it will be necessary to make final payments of both Commonwealth Assistance and Dairy Fund some time after the end of the financial year.*

- 11.2 Any part of the Commonwealth assistance payments remaining undistributed because of a shortfall in eligible quota intake from individual dairy farmers, or for any other reason, shall be refunded by manufacturers for redistribution.
- 11.3 Where butterfat is transferred by a manufacturer of butter, cheese or prescribed processed milk products to another manufacturer and used in the manufacture of any of these products the payment of Commonwealth assistance on quota butterfat shall be made to the manufacturer with whom the quota is registered.

**12. Commonwealth Loans:**

Provision shall be made for the Commonwealth to arrange for loans to the Equalisation Committee so that payments can be made to manufacturers and dairy farmers in advance of payments from the Dairy Industry Fund by way of State grants.

**13. Table Cream:**

- 13.1 The production and marketing procedures relating to table cream differ from State to State making it difficult to include table cream as a prescribed product. On the other hand, the exclusion of table cream from the plan could jeopardise the price structure for that product in some States.

*As the marketing of table cream is controlled, in most States, by the Board responsible for the marketing of town milk, it is desirable that table cream should be treated in exactly the same way as town milk. Apart from the question of the necessity or desirability of including table cream in the prescribed products, a further difficulty would be encountered in the setting of the "first price" and the levy ("quota premium") because of the absence of an export value for table cream.*

- 13.2 Clearly there is a need for some control and this should be examined at the appropriate time, to determine whether it can be achieved through State or industry organisations.

**14. General Comment:**

In the event that production restraints are required, the procedure outlined herein is designed to ensure that, for all production within their quotas, dairy farmers will receive the full benefit of the proceeds of sales on the higher-priced Australian market plus the amount of assistance made available by the Commonwealth Government. For production in excess of quotas only the average export return will be paid.

## MARGINAL DAIRY FARM PLAN PASSED

The long-awaited Marginal Dairy Farm Reconstruction Plan has now been accepted by the South Australian Parliament, and has become law. Details will be published in the next issue of this Journal, but in the meantime members who wish to know more about the Plan, or wish to know whether they are eligible, under the Plan, either as sellers or as buyers, may ring this office—telephone 51 3034, or, at night, 61 4508.

### A FURTHER NOTE ON CLAUSE 3.2

Clause 3.2 states: "Provision shall be made in determining the level of the farm quota for the butterfat equivalent in milk supplied for liquid consumption as such to be taken into account, either in whole or in part, depending on the percentage of total milk supplied to the total farm production."

The argument submitted in favour of the full or partial inclusion of town-milk in the quota is that the basic reason for introducing a "market sharing scheme", which is a term that is used interchangeably with "two-price scheme", is to enable all dairy farmers to share in the returns from the higher-priced Australian market, in which town-milk is included. It is argued that dairy farmers supplying town milk are not under the same financial strain as their fellows outside the town-milk areas, and it is only reasonable that they should make some sacrifice (which will, even so, still leave them with higher returns) in the interests of other producers.

Against this there may be put several counter-arguments, chief of which are

- (i) the greater costs of town-milk producers, caused by higher land values close to the city markets, the generally higher costs of milking sheds built to Milk Board specifications, higher production costs for the round-the-year output necessary to conform with milk contract requirements, and (in some States) the higher costs of refrigeration and meeting more stringent standards;
- (ii) should suppliers who are not supplying a premium market, share in the returns from that market without being required to conform with the standards demanded for that market.

### NEARLY \$16 MILLION MILK SUBSIDY IN N.Z.

The cost of the subsidy on liquid milk in New Zealand was \$15,800,000 in 1970, where milk is sold at 4 cents per pint bottle.

The cost of a gallon of liquid milk is made up as follows:

Payment to producer .....	27.043 cents
Cost of handling surplus milk .....	2.670
Cartage inwards .....	1.281
Processing and bottling .....	6.285
Distribution (vending) costs .....	12.808
Administration (Milk Board and Producer Associations) .....	0.742
	50.829
Subsidy .....	19.676
	31.153
Retail price and other realizations .....	

The greatest single contribution to the difference between the retail prices of 4 cents per pint in New Zealand and 10 cents per pint in South Australia is undoubtedly the subsidy of almost 2½ cents per pint.

Exact comparisons between the prices and margins received by producers, factories, and vendors, are not possible because of the differences in the items included in each category, but it appears that the margins allowed to bottling plants in this State are relatively larger than those received by their counterparts in N.Z.

## ALFA-LAVAL LAUNCHES NEW DAIRY HYGIENE SYSTEM

Dairy farmers can now greatly reduce the bacteria count in their milk and improve milk quantity to high export standards through the use of a newly-developed dairy hygiene system.

The AlfaClean System—introduced this week by Alfa-Laval, world leader in dairy equipment—is a range of non-foaming detergents and sanitisers which can be used with any brand of milking machine.

AlfaClean consists of four basic products, used in a step-by-step procedure. These are (Step 1) a non-foaming **Iodophor** to sanitise the milking machine immediately prior to milking; (Step 2) a **Wetting Agent** for rinsing the machine immediately after milking and also to break up fat globules formed during milking; (Step 3) an **Alkali Detergent** for final washing of the machine; (Step 4) a **Milk Stone Remover** for weekly use to prevent milk stone build-up in the machine.

It is the first time these types of products have ever been offered as a complete hygiene system.

Mr. David Scrine, marketing manager of the Farm Division of Alfa-Laval, said that the AlfaClean System has been developed entirely in Australia and is specifically formulated to meet the requirements of the Australian dairy farmer.

The new products have undergone intensive laboratory research and have been field tested on numerous dairy farms throughout Australia. During test trials, coliform count on the farms was reduced well below 100, and in some cases to 10 or even less, while other normal bacteria counts were significantly reduced, Mr. Scrine stated.

Dairymen will have the choice of Standard Grade Alkali Detergent for use with "soft" to "hard" water supplies, and Heavy Duty Grade for water supplies which are "hard" to "extremely hard".

Alfa-Laval will be the first company to provide its dealers with a water testing kit to help the farmer determine the correct Alkali Detergent for use with his water supply.

Other steps have also been taken to make the AlfaClean System efficient and economical to use. In addition to complete instructions on the container of each product, a measuring scoop will be supplied free of charge to each customer.

The customer will also receive free an instruction card to hang in the dairy. The card contains directions for the use of each product in either manual or in-place cleaning. The containers and instruction cards are colour coded to remove all chance of error.

Mr. Scrine said that the company's extensive field tests had shown that the dairy farmer could maintain a high standard of hygiene in his milking machine through regular use of the four AlfaClean products, provided he followed directions and kept his equipment in good working condition.

Iodophor will be available in either the 2-gallon plastic can or 5-gallon plastic drum; Milk Stone Remover in 5 lb. plastic jars; and Wetting Agent in the 2-gallon plastic can. Both grades of Alkali Detergent are offered in 45 lb. plastic drums.

The AlfaClean System is available now from all Alfa-Laval dealers and distributors.

# look what's new from Alfa-Laval



**ALFACLEAN**—Alfa-Laval's brand new system of detergents and sanitisers offers a complete cycle of hygiene and protection for your milking machine.

The system consists of an **IODOPHOR** as a sanitiser for use immediately prior to milking; **WETTING AGENT** for use as a rinse in preparation for cleaning; **ALKALI DETERGENT** to clean the machine in normal water areas or **ALKALI HEAVY DUTY DETERGENT** for use in hard water areas; **MILKSTONE REMOVER** for use once per week in place of Alkali Detergent.

ALFACLEAN products are individually colour-coded to make your job easier, and can be used with any brand of milking machine.

The **ALFACLEAN** system is the result of intense research and testing—just what you would expect from the world's leaders in dairy equipment.

**ALFACLEAN** products are competitively priced and available now from all Alfa-Laval authorised dealers and their distributors.

BRANCHES IN SYDNEY, MELBOURNE, BRISBANE, ADELAIDE, PERTH

**ALFA-LAVAL**

**ANOTHER ALFA-LAVAL QUALITY PRODUCT  
RELIABILITY THROUGH RESEARCH**

## WHEN WILL THE TWO - PRICE QUOTA SCHEME BE INTRODUCED?

The "Two-Price Quota Scheme" is only one part of the Australian Dairy Industry Council's proposal for a Long Term Plan for the Australian Dairy Industry, but it will, without doubt, have a greater impact on the whole of the industry, throughout the Commonwealth, than all the other items combined. Its effect will be wide-ranging, and long-lasting.

For this reason the A.D.I.C. sees the scheme as being applied only "if necessary", when the cumulative effects of the other items in the Plan have failed to bring about a better balance between overall milk production and market requirements.

The assessment of when, or whether, the two-price quota scheme is "necessary" is a delicate matter, and one concerning which there will be many points of view. But as the initiative to devise such a scheme came from the Federal Government, there is no doubt that the Government's view will play a dominant part in reaching a decision.

The Federal Government's present attitude may be judged from a statement made by the Commonwealth Minister for Primary Industry (Hon. Ian Sinclair) in his opening address to the Australian Agricultural Council on 8 February, 1971.

Mr. Sinclair said: "The arrangements for the dairy industry for 1970-71, involving the payment of \$46½ million in bounty, was made on the clear understanding that the industry would formulate proposals to restrict production to available markets at economic prices. They were essentially an interim measure designed to give the industry time to come up with long term proposals to control production, especially in view of Britain's possible entry into the E.E.C.

"Because of the dairy industry's dependence on the British market, it is imperative that there be established some production control mechanism so that the adjustments that may be required can be made with the least possible disruption to the industry. The mechanism would not be applied unless there was the need, but without provision for such a mechanism there could be chaos extending across the whole of the industry, including the liquid milk sector."

## "GET BIG, OR GET OUT" THEORY REFUTED

### CANADIAN AUTHORITY FORECASTS REDUCTION IN HERD SIZES

Dairy herds of the future would range between 35 and 70 cows and the dairy farm would become a two or three-man operation, according to Mr. George McLaughlin, chairman of the Ontario Milk Marketing Board.

Shortage of competent labor and management problems would soon remove the 200-300 cow herd from the scene, while herds of less than 35 cows, which would not provide a decent living, would also disappear.

Mr. McLaughlin suggested that any dairyman considering expansion beyond this size should first think of improving the quality of his herd.

He did not know of a single dairyman in this category whose herd had become both bigger and better.

## Contented Cows Waste Less, Give More, with Steriline Folding Mangers

No longer is valuable feed trampled underfoot . . . the Steriline Folding Manger combines easy feeding for your cows with simplified management and more profit for you.

**HAY KEEPS CLEAN**—Feed dropped by cows falls back into feeder—raised floor keeps bales off ground.

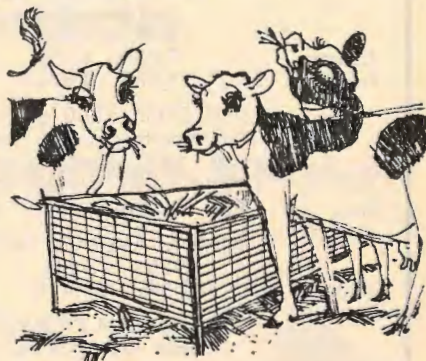
**EASILY MOVED OR STORED** Floor lifts out—sides fold flat.

**LONG LIFE**—All galvanized—328 steel mesh with pipe frame provides ample strength.

**QUICK TO FILL**—Simply drop in bales and cut strings.

**STANDARD SIZE 8' x 3'**—hold 7 bales. Larger capacities and calf models to order.

For economical feeding and increased production invest in Steriline Folding Mangers only \$27.50 each—available from your local supplier, Stock Agent, or . . .



**Steriline Distributors Pty. Ltd.**

Mannum Rd, Murray Bridge S.A. P.O. Box 434, S.A. 5253. Telephone 32 2033, A.H. 32 1851.

## AUTOMATING THE JOB OF FEEDING IN THE BAIL

Some years ago this Journal reported a method of "incentive feeding" for cows, in which the feed delivery mechanism was coupled to a milk-metering device so that the quantity of feed delivered to the cow in the bail was related to the cow's production. A new device displayed at this year's English Royal Show, known as the "Tally Feed" system, operates electronically with the use of plastic "tally cards" about half the size of a playing card. Each "tally" is marked with the cow's name or number and punched with a hole denoting a quantity of fodder in a range from 1 lb. to 10 lbs. (or, with an additional hole, to 15 lbs.).

The milker visually identifies each cow, then selects the appropriate tally and inserts it into the metering device, in which a light beam shining through the punched hole, activates a photo-electric cell which stores information on the quantity of feed. This information is then transmitted to the feeder, and the appropriate quantity of fodder is delivered into the manger where the cow is being milked.

It is surprising, in view of these developments, that no one has yet produced what must be the ultimate in automated feeding. For many years it has been possible, in the U.S.A., to obtain devices which are tuned to the tone of a particular car horn and which, when that car horn is sounded, actuate the motor which opens the garage door. On this basis there should be no trouble in constructing a system which would respond to the "moo" of each individual cow as she entered the bail and deliver a predetermined quantity of fodder.

## Prices and Statistics

### ADELAIDE METROPOLITAN MILK SUPPLY AREA

	PRODUCTION (000 gallons)					
	For month		Total since July 1		Total since Jan. 1	
	1970	1971	1969/70	1970/71	1970	1971
January ... ..	5,080	4,959	38,451	39,212	5,080	4,959
February ... ..	4,089	3,822	42,540	43,034	9,169	8,780

	MILK SALES (000 gallons)				RATIO		C.M.B.	
	For month		Total since July 1		per cent		cents	
	1970	1971	1969/70	1970/71	1970	1971	1970	1971
Jan. ... ..	1,729	1,810	12,553	12,834	34.0	36.5	22.19	23.39
Feb. ... ..	1,805	1,826	14,358	14,660	44.1	47.8	28.41	30.10

	MOVING AVERAGE RATIO for 12 months ended			
	1970		1971	
	31st Jan. ... ..	37.41%	28th Feb. ... ..	37.74%
	38.00%		37.62%	

	CREAM PROMOTION CAMPAIGN				
	Sales expressed as multiples of sales for same month in previous year		12 months cumulative total ended		
	Jan. 1971	31 Jan. 1969	31 Jan. 1970	1.470	
Feb. 1971	1.271	28 Feb. 1969	2.262	28 Feb. 1970	1.496

1970	INTERIM PRICES TO LICENSED SUPPLIERS						
	(Prices are interim only and subject to retrospective adjustment)						
	Basic	C.M.B.	Total	3.5%	4%	4.5%	5%
	(cents per lb. butterfat)						
January ... ..	38.30	23.39	61.69	22.28	25.47	28.65	31.83
February ... ..	38.30	30.10	68.40	24.71	28.24	31.76	35.29

	LONDON PROVISION EXCHANGE QUOTATIONS			
	(Pounds Sterling per ton)			
	January		February	
Butter—Choicest Australian (£'s) .....	1970	1971	1970	1971
Cheese—Rindless Australian (£'s) .....	300	330	300	330
	230	295	225	295

## OVERWHELMING "YES" VOTE FOR EQUALISATION

Dairy farmers voting in the Dairy Industry Rereferendum on 24 February, 1971, indicated their support for legislation providing statutory backing for the existing Commonwealth equalisation arrangements for dairy produce (butter, cheese, skim-milk powder and casein) by casting a 95.1 per cent vote for "Yes" (50,723), whilst only 4.9 per cent (2,609) voted "No".

Voting in individual States was:—

	"Yes"	"No"
New South Wales .....	93.2%	6.8%
Victoria .....	96.8%	3.2%
Queensland .....	92.8%	7.2%
South Australia .....	93.6%	6.4%
Western Australia .....	94.0%	6.0%
Tasmania .....	97.0%	3.0%

**anderson**

**The most advanced refrigerated farm milk tank for the Dairy Farmer**

- \* Certificates of Test of Performance for all models to comply with Australian Standard N46-1963.
- \* Low height for easy cleaning  
Automatic in-place cleaning device optional extra.
- \* 12 months free service on refrigeration equipment.
- \* Competitively priced—better value.



**anderson**  
**equipment**  
co-operative ltd.

N.S.W.: Wetherill & Egerton Sis., Lidcombe, 648 1084. VIC.: 63 Charles St., North Coburg, 36 2347. QLD.: 491b Stanley St., Sth. Brisbane, 4 5452. S.A.: 179 Gilles St., Adelaide, 23 4155. N.Z.: Box 488, P.O., Hamilton.

FROM AUSTRALIA'S LEADING MANUFACTURER OF DAIRY FACTORY EQUIPMENT

THE SOUTH AUSTRALIAN

SEAFARERS' . . .

# Journal

Official Publication of the



Published Bi-monthly

Vol. 10, No. 5.

Adelaide, MARCH-APRIL, 1971



#### CREAM PROMOTION CAMPAIGN

Vendors being farewelled by the Minister of Agriculture  
board a Trans Australia Airlines DC9 for Sydney.

PRICE

**20c**

Entered at G.P.O., Adelaide  
for transmission by post as a periodical.

**\$1.20 per Year, Post-Paid**

---



---

**WAY**


---



---

# **BOOSTER-MATIC MILKING MACHINE AND REFRIGERATED FARM TANKS**

The Way Deluxe Milking Machine recently released on the Australian Market is now available to South Australian Dairymen. This machine features:

## **Completely Re-designed Releaser System**

giving high capacity output on all machines.

## **Exclusive Pulsation Booster System**

eliminates fade giving fast constant and safe milking without periodic adjustment as is experienced on less advanced designs.

## **Our Inflation and Teat Cup Design**

must be seen by all Dairymen.

For further information and quotation for all types of installations, contact your Dairy Company or:

## **F. V. WAY INDUSTRIES PTY. LTD.**

(Receiver Appointed)

A.M.P. TOWER, 535 BOURKE STREET,  
MELBOURNE, 3000

Telephone: 622 174

Postal Address: Box 1676 P, G.P.O., Melbourne

Telex: IYOVIC 32319.

# THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL



Published by

**THE SOUTH AUSTRALIAN DAIRYMEN'S ASSOCIATION  
INCORPORATED**

Aston House, 13 Leigh Street, Adelaide, 5000. 51 3034

President:

General Secretary:

N. M. GREEN, Esq.

DAVID J. HIGBED, B.Ec.

Advertising Rates on application

## What Does Dairy Industry 'Efficiency' Really Mean?

By W. Craven, H.D.A., in collaboration with T. Phillips, B. Com., and  
G. Wilson, D.D.A.

Over the years it has been bruited about that the dairy industry is "inefficient".

There can be no doubt that parts of the dairy industry are a great deal less "efficient" than other parts — the same as some professional people or industrialists are bound to be less efficient than others. But the unqualified blanket accusation is unfair and misguided, as this article shows. "Efficiency" or otherwise must be brought right down to the individual farm or farmer, and even then a number of different yardsticks must be used.

There is no one criterion for judging dairy farming "efficiency" or otherwise and anyone using what has become the rather fashionable label of "inefficient" must be extremely careful.

**If they are not basing themselves on the facts they can do many thousands of dairyfarmers a great injustice, and reveal themselves as careless users of dangerously broad labels.**

So let us look at what dairy industry "efficiency", or "inefficiency", really means.

### OUR COVER PICTURE

*Since the beginning of the Cream Marketing Campaign in October, 1969, sales of "Fresh-as-the-Morning" South Australian Cream have increased two-and-a-half times. As part of the Campaign milk vendors were encouraged to increase their sales by a competition with prizes weekly and monthly, and major prizes, for the top performers, of holiday trips. The cover picture shows the first prize-winners (Mr. and Mrs. G. D. Messner, of Torrens Park), and the second-prize winners (Mr. and Mrs. L. V. Barry, of North Plympton) being farewelled by the Minister of Agriculture (the Hon. T. M. Casey) as they board a Trans-Australian Airlines jet to Sydney on the first stage of their vacation.*

The criteria of "efficiency" include the following:

- **Production per cow** — which is bound up with inherent ability, breeding and proper feeding.
- **Production per acre** — which is dependent on the type of soil, climate, types of grasses or clovers used, the fertilising programme and farm management factors.
- **Production per unit of labour.**
- **Production per unit of capital employed.**

The ultimate "efficiency" is really the ability of the dairy farmer to astutely combine all these factors so that the greatest income can be earned for the least cost or labour input in a given set of circumstances.

Cows may be regarded as agents for turning fodder into milk. Pastures and field crops are by far the cheapest cow foods, not only because they do not cost as much as "concentrates" made from grains and other meals, but because the dairy cow "harvests" them herself.

However pastures and field crops are bulky feeds with a high moisture content and a cow can eat so much and no more. This puts a ceiling on a grazing cow's nutrient intake which, likewise, fixes an upper limit on her milk output.

Milk yield can be increased easily by hand-feeding cows with "concentrates" and rations of grain, bran, pollard and high-protein foods such as meat meal, linseed meal, peanut meal and fish meals. But especially under most Australian conditions, where so much milk is produced for the low-priced export market, the extra milk gained often does not warrant the high costs entailed.

In countries where climatic conditions force cows to be housed in barns for most of the year they have to be hand fed with high cost concentrates. The high capital outlay for barns, the large labour demand, the need to store food for long periods and the limited herd size, makes it essential to retain only the highest producing cows. This, together with the lower variance between barn fed cows' milk production than between cows fed on natural pastures under a wide range of climatic conditions, as in Australia, is why countries such as Denmark and Sweden have an average milk yield of around 800 gallons a cow a year, while Australia averages around 520 gallons and New Zealand averages around 600 gallons.

Australia's dairy industry is based on low-cost grazing, with some limited hand-feeding to maintain domestic milk supplies out of season.

How "efficient" is this system compared with the more glamorous overseas performances? The economists' definition of "efficiency" is "maximum utilisation of resources", or, in layman's language, how to get the most out of the least.

This may be translated into a relative ability to supply at various price levels. Prices received by dairyfarmers in a number of countries in 1968/69 are set out in the accompanying table. This shows quite clearly the relationship Australian dairy farmers have with their overseas counterparts in this regard.

Country	Australian cents per gallon (3.7% fat content)
U.S.A.	48.2c
Italy (North)	44.9c
Netherlands	40.1c
Canada (a)	39.6c

Belgium .....	39.2c
France .....	38.0c
West Germany .....	37.7c
Austria (b) .....	35.5c
England & Wales (b) .....	35.2c
Denmark (b) .....	28.8c
Australia .....	20.9c
New Zealand (c) .....	12.3c

(a) support price

(b) not weighted for seasonal production variations

(c) estimated.

However, this is not to say that other dairy industries are more "efficient" or "inefficient" than that in Australia. But the table does illustrate that Australian dairyfarmers have the ability to supply milk at significantly lower prices than most overseas countries. It also shows how wrong it is to aim criticism at the Australian dairy industry by lining it up against others receiving higher prices for milk.

Let us now look more closely at the performance of dairy cows.

High production per cow may actually suggest that too much money is being spent on concentrated feeds and not enough use is being made of pastures. The outwardly "efficient" or high-producing cow may thus be "inefficient" and vice-versa.

Naturally, the wise Australian dairyfarmer aims to have a herd of high producing cows on pasture, and this should not be overlooked. The point again being made is that outward "efficiency" still needs to be tested before conclusions can be drawn.

A high yield per cow on grassland farms may also show that stocking rates are not heavy enough. For instance, a dairy herd which receives no "concentrates" may have an annual average yield of 380 lb. of butterfat per cow. On this farm, 70 cows may be grazing 120 acres to produce a total of 26,600 lb. fat a year. **If an extra 15 cows were milked, the average production a cow could drop to 340 lb. each, but the total yield from the farm would rise to 28,900 lb.**

Therefore, the lower average production a cow in this case indicated a higher degree of farming "efficiency". It would appear then, that production an acre is more significant than production a cow on grassland farms. But this would vary from district to district. A farm yielding 300 lb. fat an acre on irrigated level river flats may be operating less "efficiently" than a hill farm five miles away producing 200 lb. fat an acre, because of the higher land costs and water expenses on the irrigated property.

Is then, production per labour unit a more accurate guide?

One man milking 80 cows on a farm of 140 acres would have a lower production than his neighbour with an identical farm, but milking 110 cows. But the man with the larger herd, in addition to the possibility of higher capital costs, would probably employ one worker so his overall "efficiency" would be lower.

Likewise, a man with access to other seasonal employment either on his farm or in some other field, could operate at peak "efficiency" by milking cows for only seven months a year instead of the normal 10 months.

His herd may average only 230 lb. fat a cow or 170 lb. an acre, but this would be the most profitable way the herd could be managed under such circumstances.

**This fact completely destroys the arguments that would wipe off all the so-called "marginal" dairyfarmers with an accusation of "inefficiency", and is the reason why some so-called "marginal" dairyfarmers have the lowest production costs per gallon of milk produced. It is emphasised, however, that in stating this the aim is not to champion "marginal" dairyfarmers, but to point out the dangers in assessing dairying "efficiency" or otherwise.**

As has been pointed out by many experts, retention of the "marginal" element is not necessarily in the best interests of the industry or the nation.

In irrigation areas, production an acre foot of water could be a more critical factor than any of the other criteria. A 600 acre farm with a water right of 100 acre feet may have a lower yield a cow and an acre than a 120 acre farm with access to the same amount of water. However, the larger farm may be worked more "efficiently".

**As a converter of improved pasture to high quality edible protein and fats, the dairy cow is way ahead of any other common domestic animal. All of the dairy cow's production can be consumed in a widening range of products.**

**For each pound of butterfat a cow yields, there is double the quantity of high quality protein and other solids, known as solids-non-fat (SNF). This fact is often ignored in comparisons between dairying and oil-seed production. (Also often ignored in such comparisons is the fact that in many dairying areas the relative "efficiency" between producing butter fat and vegetable oil is not valid to argue. For example, most dairying areas are not climatically or topographically suited to oilseed production. Some, in which steep hills are common, are likely never to be considered for anything but animal production. Therefore, dairying would be the most effective utilisation of these land resources.)**

Top Australian irrigation dairy farmers are now producing annually, 500 lb. butterfat an acre on their farms, which, combined with SNF, gives a total yield of **1,500 lb. of edible solids.**

A good average grasslands dairy farm would yield at least 300 lb. of fat an acre, giving a total yield of 900 lb. of milk solids. To this should be added the annual calf from each cow which would give another 20 lb. to 50 lb. of usable matter.

The value of cull cows should also be included. Few dairy cows would stay in a herd longer than five years, and they would dress out at around 500 lb. of carcass or an average of 100 lb. a year.

**Therefore, the total yield an acre from a 300 lb. butterfat farm would be more than 1,000 lb. of usable animal product — fat and protein.**

A similar property grazing beef cattle would carry, at the most, three quarters of a cow and vealer an acre a year. The vealer would produce about 350 lb. of carcass, the cow around 100 lb. to give a total yield of 450 lb. an acre a year.

It could be possible to carry seven ewes an acre on such a farm and they could fatten nine lambs a year. Each lamb would dress out no more than 40 lb. plus the carcass value of the ewe at another 20 lb. This gives 380 lb. of carcass plus 35 lb. of wool from the ewe and lambs.

In comparison, the average yield of oil-producing vegetable crops grown in Australia over recent years has varied considerably from season to season. This

**anderson**

**The most advanced refrigerated farm milk tank for the Dairy Farmer**

- \* Certificates of Test of Performance for all models to comply with Australian Standard N46-1963.
- \* Low height for easy cleaning  
Automatic in-place cleaning device optional extra.
- \* 12 months free service on refrigeration equipment.
- \* Competitively priced—better value.



**anderson  
equipment**  
co-operative ltd.

N.S.W.: Wetherill & Egeron Sts., Lidcombe, 648 1084. VIC.: 63 Charles St., North Coburg, 35 2347. QLD.: 491b Stanley St., Sth. Brisbane, 4 5452. S.A.: 179 Gilles St., Adelaide, 23 4155. N.Z.: Box 486, P.O., Hamilton.

FROM AUSTRALIA'S LEADING MANUFACTURER OF DAIRY FACTORY EQUIPMENT

is because the oil seed industry is in its infancy and no doubt the position can be expected to change toward high production levels.

For safflower, average production has ranged from 280 to 600 lb. an acre, for soybean, from 400 to 960 lb., sunflower to 515 to 644 lb. and for linseed, 225 to 1,008 lb. Much of this yield is wasted in processing.

**As stated however, these crops generally cannot be produced in the high rainfall dairying areas, so there is no real comparison, in terms of "efficiency" or otherwise. No doubt vegetable oilseed crops can be regarded as the most effective utilisation of certain land resources also.**

But to return to the basic argument, although high production of a cow may not necessarily reflect "efficient" dairy farming, extremely low production shows that cows are being poorly bred and managed, or that the climate and pastures are not suitable for dairy farming.

At present, Australia's average yield a cow is comparable with other grass-land dairy countries. But this has not always been the case. In 1957/58 the average was 371 gallons a year compared with the present 520 gallons a year. Each gallon of milk would contain 0.35 to 0.6 lb. butterfat, "efficiency" based on this criteria obviously has increased tremendously in the last 10 years.

This increase is a product of the steady rise in technical developments in Australian dairy farming — a rise pushed along by the "squeeze" between increasing cost of production and declining or static returns.

**No other Australian grazing industry can even approach the degree of technical sophistication employed by many dairy farmers in selecting their stock for improvement and to check their husbandry methods.**

Organised herd testing was introduced to Australian dairying more than 60 years ago. Now each year, government and co-operative organisations measure and record the production of thousands of dairy cows throughout Australia. Details of these records are supplied to farmers to guide them in their selection and cattle breeding programme.

In 1945, the first artificial breeding experiments on dairy cattle were carried out. Now, each year, thousands of calves are born from test-tube matings.

And no longer is selection of these bulls, which have such a wide influence on the Australian herd, left to chance. The best bulls, according to herd test records, have been secured for artificial breeding (A.B.) centres.

Now, an even more sophisticated scheme is being developed to raise average milk yields, while the present and future research by C.S.I.R.O. can be expected to lead to new developments of great economic significance.

So, each year, the average yield a cow in Australia must increase to some limit determined by an optimum breeding-feeding combination unless it is temporarily affected by adverse seasonal conditions.

But not only are yields per cow improving in Australia. Fewer farms are carrying more stock per farm.

The number of commercial dairy farms in Australia has declined from more than 55,000 in 1959 to an estimated 45,000 in 1969.

Employment in dairy farming declined from nearly 98,000 persons as at June 30, 1961, to an estimated 82,000 persons as at June 30, 1969.

Yet milk production increased from 1,339 million gallons in 1960/61 to 1,522 million gallons in 1968/69. These figures indicate increased productivity both at the farm i.e. acreage and the person employed levels.

As converters of pasture, dairy cows are most versatile machines. The raw material they produce, milk, can also be easily manufactured into a widening range of high quality products.

Pasteurised home delivered milk arrives on the doorstep of most Australian homes each morning for a lower retail price than most soft drinks delivered once a week.

Milk comes either plain or in a wide range of flavours. There is low butterfat milk, cream, yoghurt, plain or flavoured, junkets, custards, ice creams, coffee mixes and a host of dairy confections.

The main product manufactured from butterfat is butter. On a food and flavour value basis, it is one of the cheapest lines in any supermarket, and the Australian price is the third lowest domestic butter price among producing countries.

For high quality cooking there is ghee and for the table about 40 different varieties of cheese, from the well-known cheddar to the expanding number of continental varieties being made.

Whole milk and skim milk are manufactured into a wide range of condensed products. Liquid condensed milk, sweetened and unsweetened, long life milks, special baby foods, full cream and low fat powdered milks are just a few retailed in Australia.

But the quality of milk proteins is so high that there is a growing demand for them from countries with a protein shortage. A system has now been developed by C.S.I.R.O. whereby 99 per cent of milk's proteins can be captured in a powder known as co-precipitate.

Also, skim milk powder can be produced as a biscuit of extremely high protein value. These biscuits will provide a large part of the daily food requirements of many people in protein starved countries. Four milk biscuits are equivalent to a glass of milk in food value and have the advantage of not needing refrigeration or specialised transport.

Powder is used in many stock foods and casein has a wide variety of industrial uses.

So when it comes to turning a paddock of grass into a whole host of high quality products at low cost, the dairy cow is the one to do it.

Dairy farming is still the most "efficient" in terms of return per acre, per man or dollar capital input, in those areas where the land resources are best suited to it.

Also, often overlooked, it is the most "efficient" in terms of people employed, or earning a regular income in the many country cities and towns located in areas climatically suited to dairying. It is estimated that at least half a million Australians are directly dependent on the dairy industry for their economic well-being.

Therefore, when next someone uses the word "inefficiency" in relation to the dairy industry, ask him if he really knows much about it. Odds are he is not as well informed as you are and is merely repeating misconceptions gained through uncritical or inadequate reading.

What the criticism may be aimed at is the problem many dairyfarmers face as a result of the high production cost structure forced on them by Australia's high standard of living and protection of secondary industry through tariffs plus the problem of lower returns as a result of massive slumps in export prices.

These factors have confronted a number of dairyfarmers with intolerable hardship — and numbers are leaving the dairy industry because the unit size of capital development of their farming enterprises allows them no further margin to absorb such pressures. In these instances a property has exhausted its productivity potential.

Inevitably this too, agonising as it may be to the individuals concerned, is a part of the dairy industry's continuing progress towards greater "efficiency".

So in conclusion, dairy industry "efficiency" means many things. It is something that can only be decided on an individual basis on many thousands of farms — using many different yardsticks. Nevertheless, overall, Australian dairy industry "efficiency" is high, and is rising higher as new technology is applied and economic pressures have their effect.

# Insure totally and save with Federation

PROMPT  
CLAIMS  
ATTENTION

Your helpful Federation man will offer you expert advice on all insurance matters — and serve you promptly when making a claim. And, the unique Federation service to Associations, benefits Members in many ways.

## Federation for total protection

check the "one-renewal-date" plan



### THE RIGHT BASKET TO PUT ALL YOUR EGGS IN!

A Federation package deal to cover all insurance problems. Now you can have all your insurance commitments handled by the one Company — The Federation Insurance Limited. With Federation's unique service you save time, trouble and

money — up to \$1 in every \$5 on premiums. Your helpful Federation man will tailor a complete plan to cover all business and personal insurance requirements. Be wise, get total coverage through Federation.

724-300

#### The Federation Insurance Limited

542 Flinders St., Melbourne, 3000. Tel. 62 0101.  
168 George St., Sydney, 2000. Tel. 27 2266.  
376 Queen St., Brisbane, 4000. Tel. 2 2386.  
Cnr. King William St. and South Terrace,  
Adelaide, 5000. Tel. 8 4541.  
206 Adelaide Tce., Perth, 6000. Tel. 23 1931.  
71 St. John St., Launceston, 7250. Tel. 2 4085.



your  
helpful  
Federation  
Man

100%  
Australian Company —  
you insure well  
with F.I.L.

# The State of Unity Talks

Following the rejection by the United Farmers' and Graziers' Association of the South Australian Dairymen's Association's original proposal for an affiliation of the two organizations, with the SADA retaining its separate identity and function, in all dairy commodity matters but referring to the senior organization all general matters relating to primary production and rural issues, the Central Council instructed the Executive Committee to examine and negotiate the proposal for full amalgamation which was the only course that the UFGSA considered would be possible under its Constitution.

The Executive Committee conferred as the occasion demanded with the various sections of the UFGSA, and eventually a draft agreement was prepared, which contained the following principal points:

## GENERAL TERMS

1. The SADA would merge with the UFGSA to become the Dairy Section of that body.
2. All members of the SADA would become members of the UFGSA.
3. All assets of the SADA, both monetary and other, would be transferred to the UFGSA, with the office equipment continuing to be used by the Dairy Section.
4. The present staff of the SADA would be employed by the UFGSA under the same terms and conditions as far as possible.
5. For the time being the Dairy Section would continue to occupy the offices in Leigh Street, but with the intention of eventual transfer to the UFGSA offices in South Terrace.

## ADMINISTRATION

6. For the purposes of administration, the State would be divided into three regions:
  - (1) **Central Region**, being the present city milk supply area.
  - (2) **Eastern Region**, comprising the South East and the Upper Murray.
  - (3) **Western Region**, comprising the remainder of the State.
7. In the **Central Region**, there would be a **Regional Council**, equivalent to the present Central Council of the SADA, and a **Regional Executive** of 7 members, equivalent to the present Executive Committee.
8. The **Eastern** and **Western** Regions would each appoint a **Regional Executive** of 7 members, by such a method as would be decided from time to time by each Region concerned.
9. For the **State** as a whole there would be a **Dairy Council** comprising 9 members, of whom 5 would be appointed by the Central Region, 3 by the Eastern Region and 1 by the Western Region. The Dairy Council would elect, from among its members, a Chairman and 2 Vice Chairmen.

## FINANCE

10. The UFGSA would be primarily responsible for paying the administration costs of the Dairy Section, and any expenses not in the ordinary course of its expenditure would need to be approved by the General Secretary of the UFGSA.
11. If the UFGSA agreed to assume additional administration costs it could require the Dairy Section to impose a levy on its members in addition to the annual subscription.

## PROTECTION OF INTERESTS

12. In order to protect existing markets, the Dairy Council is not permitted to pass any resolution relating concerning the regulating or marketing within a Region of any dairy produce, including milk and cream, where the production or sale of such dairy produce is regulated by a statutory body established for the purpose (e.g. the Metropolitan Milk Board), and any decision on such matters shall be made only by the Regional Council concerned.

## REPRESENTATION

13. The Executive of the Central Region referred to in item 7 would be elected by the Regional Council, but it is proposed that, for the first year, Mr. Jack Adams, the Chairman of the present Dairy Section of the UFGSA would be appointed as an additional member of the Executive.

## AFFILIATIONS

14. At present the SADA is a constituent member of the Australian Dairy Farmers' Federation, and of the Milk Council of the ADFP, whilst the Dairy Section of the UFGSA is a member of the Federal Dairy Council (previously the Federal Dairy Committee of the APPU) and a member of the Milk Producers' Association of Australia and New Zealand (from which the SADA withdrew in 1969 after the formation of the ADFP Milk Council).

It is proposed that, for the first year following amalgamation, the persons who are at present the delegates to these Federal bodies should be appointed as additional members of the Dairy Council, but without a vote.

Before the details of the draft agreement had been completed, the dairy industry throughout Australia found itself faced with the possibility of a crisis situation and the necessity to engage in deliberations of great importance, and to make decisions which would have far-reaching effects on the industry, in the form of production controls and the contemplated adoption of a two-price quota scheme.

For this reason it seemed appropriate that the progress of amalgamation negotiations should be speeded up in order that the industry could give its undivided attention to the wider problems of production and marketing. Consequently it was proposed that 1st July, 1971 should be the target date for amalgamation, and a recommendation to this effect was submitted by the Executive Committee to the Central Council.

At the same time the Central Council was informed that finality had not been reached in drafting an acceptable amalgamation agreement, and that several clauses required further negotiation. These aspects were noted, and the Central Council endorsed the Executive Committee's proposal subject to satisfactory decisions being reached in respect to the disputed clauses.

The SADA then referred the draft proposals to its legal adviser, drawing his attention especially to the clauses still unresolved, and, acting on his guidance, the SADA entered into further discussions with the UFGSA.

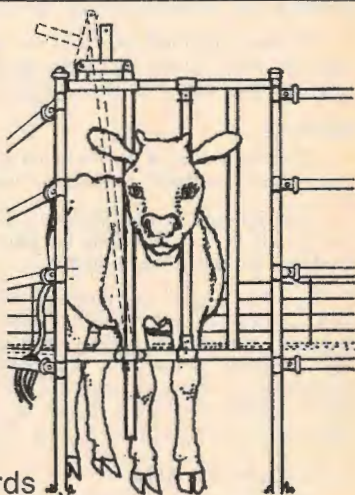
However, the Association's solicitor had pointed out that, in his opinion, the fact that the general subject of unity with the UFGSA had appeared on the agenda of the Central Council was not, in itself, sufficient to satisfy the requirements of the SADA Constitution that 3 months' notice of intention must be given.

(Clause 36 of the SADA Constitution reads: In the event of any proposal being made to amalgamate the Association with any other organisation . . . . 3 months' notice of the proposal shall be given to the General Secretary, who shall forthwith notify the Secretaries of the District Committees and Secretaries of Branch Committees. When the motion comes before the Central Council a two-thirds majority of those present shall be required to carry it.)

The Executive Committee consequently passed a resolution in the form required by the Constitution, which will be considered at a meeting of the Central Council held at some time after 22 September, 1971, which is the date of expiry of the 3 months' notice.

In the meantime the SADA has continued to negotiate with the UFGSA, but has not succeeded in obtaining terms in relation to finance and employment of staff that are completely satisfactory.

# The Steriline Adjustable Dehorning Bail



- ★ Positive locking
- ★ Quick to release
- ★ Galvanised pipe construction
- ★ Adjustable yoke width
- ★ Fits existing pipe or timber yards

Obtainable from your local supplier... or...

**Steriline** DISTRIBUTORS PTY. LTD.

Mannum Rd., Murray Bridge, S.A.

Write Box 434. Telephone 32 2033, A.H. 32 1851 or 32 1605

## DAIRY ASSOCIATION SUBS. RISE IN OTHER STATES

Cost pressures are causing dairyfarmer organisations in other States to increase their subscription rates, sometimes by substantial amounts.

In March the Victorian Dairymen's Association raised its subscription to provide a sliding scale relative to size of herd: Up to 39 cows (also share farmers), \$8; 40 to 59 cows, \$12; 60 to 99 cows, \$16; 100 cows and over, \$20.

The Tasmanian Farmers' Federation (T.F.F.), at its 1971 Annual Conference, has now fixed a flat subscription rate of \$30 per member, payable in two half-yearly amounts of \$15 each.

The State Council of the Queensland Dairymen's Organisation (Q.D.O.), a statutory body, set up by law, with compulsory membership of all dairyfarmers, has recommended to the Minister of Primary Industries in that State that the levy on dairyfarmers be increased to \$14.

# Marginal Dairy Farm Reconstruction Scheme

The long awaited Marginal Dairy Farm Reconstruction Scheme (the "Anthony Plan"), by which \$25 million is to be distributed to all States over a 4-year term in order to assist dairy farmers whose holdings are too small to be economic to leave the industry is now in operation in South Australia.

A more detailed explanation will appear in the next issue of this Journal, but this brief guide is published here in order that producers may determine whether they are eligible to apply.

## PURPOSE

The main aim of the Scheme is to enable small producers to leave the dairying industry without suffering crippling financial loss.

The Scheme is **not** intended to build up dairy farms into economically productive units, but **building up under the Scheme is possible if it assists a small producer to leave the industry.**

In other words, the amalgamation of two small **dairyfarms** into one economic unit is possible under the Scheme because it enables one producer to leave the industry, but the expansion of a small dairyfarm by the purchase of an adjoining non-dairy property is not possible under the Scheme (although the farmer concerned in this case may be able to increase his holding by assistance under the Rural Reconstruction Act or by a loan from the Development Bank or a private bank with the assistance of the Rural Advances Guarantee Act).

## ELIGIBILITY TO SELL

**Very small farms, with less than 20 milking cows, are not eligible for assistance under the Scheme** (except under special circumstances at the discretion of the Authority).

The conditions of eligibility for dairy farmers in the Adelaide supply area are—

1. A minimum of **20 milking cows.**
2. At least **half the gross income** of the farm must come **from milk or cream.**
3. The farm, if it were used only for dairying in its present state of development, **could not produce more than 10,000 pounds of butterfat per year** (but, in special circumstances, a farm capable of producing more than this quantity will be considered, particularly if it is likely to be used for diversification out of dairying).
4. The farm must have been operated as a **dairy farm for at least 2 years beforehand**, except where the application is made because of death, ill-health or other disability.

## THE TERMS OF SALE

The Scheme provides that the Authority will purchase the unwanted improvements, so that the land alone may be sold at a price attractive to a buyer.

The seller will thus receive fair market value for the complete property.

The Authority will, after negotiating terms of sales, make the land available for whatever purpose is most practicable and economic, such as building up a neighbouring dairy-farm or a non-dairy farm, for forestry, or reserves, or any other appropriate use, including use by the State Government.

## ELIGIBILITY TO BUY

The **first condition** to be met by a **dairy farmer** wishing to use the Scheme to build up his farm to a more economic dairy unit is to **find a suitable dairy farm nearby**, the owner of which is **eligible for assistance under the Scheme**, and is **prepared to sell**.

Having achieved first base in this regard, the applicant

1. must have been using his farm for **dairying for at least 2 years previously**. (The 2-year condition does not apply to persons who wish to buy a marginal dairyfarm to build up their farm for other activities than dairying).
2. will, by adding the new property, **raise the capacity** of his farm to the ability to **produce at least 12,500 pounds** butterfat per year under average efficient management.
3. will **not**, by adding the new property, **raise the capacity** of his farm above that necessary to produce **25,000 pounds** butterfat, **except with the special approval of the Authority**.

## TERMS OF PURCHASE

The person wishing to **buy** a marginal farm to build up his own dairy farm will, in addition to purchasing the land at a negotiated price, be able to purchase such redundant improvements on the property as he wishes to use, at a value to be agreed, depending on their usefulness to him.

Advances to purchasers will be made available generally for 20-year terms (but in special circumstances this may be extended to 25 years), at an interest rate of  $6\frac{1}{4}$  per cent per annum, with equal annual instalments of principal and interest payable over the whole term of the loan.

Deposits will be required, but will be kept to a level consistent with a prudent assessment of the capacity of the buyer to service the loan.

In special circumstances repayments may be scaled down so that interest only is paid in the initial stages of development.

Further details may be obtained from the Director of Lands, G.P.O. Box 293A, Adelaide, 5001, or from this office—Phone 51 7034.

## DAIRY RECONSTRUCTION SCHEME ARE YOU INTERESTED?

Although the uses which can be made of farms eligible for assistance under the Marginal Dairy Farms Reconstruction Scheme are not limited to aggregation to other dairyfarms, but can include aggregation to all types of rural holdings, private purchase for any use other than dairying, purchase by State Government departments for reserves, afforestation and similar projects, and purchase by district councils, the most likely use will almost certainly be that of aggregation to a nearby dairy farm.

For a dairyfarmer wishing to purchase such a property for aggregation the first step is to find an owner ready (and eligible) to sell.

Similarly, for a prospective seller, his application will be speeded up if he can contact someone who wants to buy. More than that, if he cannot find a potential buyer he will, in most cases, not be able to make use of the Scheme.

It is suggested, therefore, that members who wish to sell under the terms of the Scheme set out elsewhere in this Journal, and who believe they are eligible, register the details of this property at this office.

Similarly, members who would be prepared to use the Scheme to build up the size of their present holding may also register the details of their requirements.

The telephone number is 51 3034, or 61 4508 after hours.

# BRITAIN AND E.E.C.

## THE INIQUITOUS LEVY SYSTEM

In the next issue we will explain in detail the effects that may be felt by the Australian dairying industry in the event of Britain's entry in the European Common Market.

The most damage to our trade will be caused by the E.E.C.'s iniquitous levy system which operates to shield the European producers from competition from more efficient, low-cost dairying countries. The explanation that follows has been provided by the Minister for Trade and Industry (the Hon. J. D. Anthony).

●   ●

The levy system is not easy to understand at first glance, but the effects of it become readily apparent — and the effects will have serious implications for the Australian dairy industry.

Under the levy system of the E.E.C., the most important feature for countries like Australia is the "threshold price" — threshold in the sense that only when domestic prices rise to that level can imports start to compete with domestic production. Take butter for example. When the market price for butter inside the Common Market is above the threshold price, imports enter freely. So there's no problem — except that it has never happened for butter.

When the world price is below the threshold price, imports are kept out by the simple device of adding enough levy to make the price of imports up to at least the threshold price. In fact, our current price in the U.K. market of about \$1,000 per ton — or as we know it better, expressed in sterling, 460/- per cwt. — although it has increased by almost 50% in the last nine months.

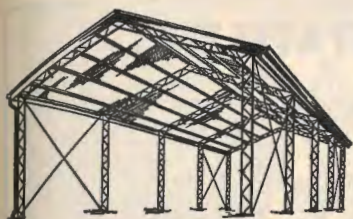
That is the prospect we could face on Britain's entry into the Common Market from the first day of the transitional period — 1st January, 1973. The British threshold price will be lower than the current one in the E.E.C., rising to that level by stages. But the E.E.C., Denmark, Ireland and New Zealand, because of their special arrangements, will all be able to sell to Britain below the threshold price, while Australia will not. And subsidies will ensure that the return to the European producer is no less than from selling in Europe.

Thus, in future when the market price in Britain lies below the U.K. threshold price, the levy makes our butter quite uncompetitive with E.E.C. butter. Dropping our export price will merely result in greater levy, not a lower market price for our butter in the U.K.

At present, the U.K. imports about 425,000 tons of butter. Of this, 320,000 tons is supplied by countries who will have preferred access after 1st January, 1973 — that is the E.E.C., Ireland, Denmark and New Zealand. Whether the remaining market for 105,000 tons currently supplied by Australia (65,000 tons) and others (40,000 tons) will be available, is the critical question.

However, with increasing prices there is likely to be a decline in consumption, and improved markets are likely to stimulate production in the expanded E.E.C. In any case, only two years ago there was a surplus of 300,000 tons of butter in the E.E.C. Thus, there may be just no market for outside suppliers in the British market after 1st January, 1973, even though there is a short-term shortage around the world today.

The importance of this for butter-exporting countries can be seen from the fact that Britain takes 84% of the total world imports. The next largest importer in the western world is Morocco. Thus, to be excluded from the British market means that the chances of finding sufficient markets elsewhere to absorb the butter displaced are very poor indeed. It was for this reason that I placed great emphasis on the importance for Australia of some guarantees during the transitional period to allow time for adjustment.



# Steriline Clear Span Hay and Machinery Sheds

- Fully galvanised 1½" pipe frames eliminate maintenance
- Standard bays simplify future extensions
- First grade timber purlins—all bolts galvanised or cadmium plated
- Continuous Custom Orb sheeting—long length gutters, downpipe, ridge and barge caps.

Length Feet	Complete Shed		Frame Only	
	\$		\$	
30	610		300	
45	840		400	
60	1060		500	
75	1280		600	
90	1500		700	
105	1600		800	
120	1700		900	

**Hay**  
 30 ft. clear spans  
 14 ft. eaves  
 15 ft. bays  
 WALL SHEETING—25c per sq. ft.

## Machinery Sheeting—Roof, Rear and 2 Ends

Length	22 ft. SPAN				26 ft. SPAN				30 ft. SPAN			
	Complete		Frame Only		Complete		Frame Only		Complete		Frame Only	
	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.
25 ft.	\$ 544	\$ 588	\$ 208	\$ 226	\$ 593	\$ 661	\$ 223	\$ 241	\$ 733	\$ 797	\$ 278	\$ 307
37 ft. 6 in.	712	762	284	308	796	858	296	328	937	1002	372	402
50 ft.	864	920	344	374	989	1039	369	399	1125	1217	450	487
62 ft. 6 in.	1024	1090	412	448	1162	1228	442	478	1331	1425	536	580
75 ft.	1182	1251	480	522	1335	1409	515	557	1537	1628	622	673
87 ft. 6 in.	1342	1411	547	589	1502	1584	582	629	1727	1829	702	759
100 ft.	1497	1577	610	663	1675	1768	655	708	1923	2034	788	859
<b>Extras</b>												
25 ft. Opening	\$30				\$30				\$35			
SLIDING DOORS—(G.C. Iron) with single track—70c per sq. ft. twin track—80c per sq. ft. 6 BLADE LOUVRE WINDOW IN FRAME—\$14 P.A. DOOR—L & B with fittings \$17; Steel \$21												

# Steriline

Distributors Pty. Ltd.

Mannum Rd., Murray Bridge, S.A. 5253 Telephone 32 2033, A.H. 32 1851

# PRICES AND STATISTICS

## ADELAIDE METROPOLITAN MILK SUPPLY AREA

	PRODUCTION (000 gallons)					
	For month		Total since July 1		Total since Jan. 1	
	1970	1971	1969/70	1970/71	1970	1971
March ... ..	3,857	3,748	46,397	46,782	13,026	12,528
April ... ..	3,673	3,469	50,070	50,251	16,699	15,997
May ... ..	4,125	3,783	54,195	54,034	20,824	19,780
June ... ..	4,310	3,992	58,505	58,026	25,134	23,772

	MILK SALES (000 gallons)				RATIO		C.M.B.	
	For month		Total since July 1		per cent		cents	
	1970	1971	1969/70	1970/71	1970	1971	1970	1971
Mar. ... ..	1,954	2,084	16,312	16,744	50.7	55.6	31.71	34.43
Apr. ... ..	1,911	1,921	18,223	18,665	51.9	55.4	32.17	33.83
May ... ..	1,830	1,865	20,053	20,530	44.4	49.3	27.54	29.90
Jun. ... ..	1,838	1,845	21,891	22,375	42.6	46.2	26.69	28.61

	MOVING AVERAGE RATIO for 12 months ended				
	1970		1971		
	31st Mar. ...	37.83%	37.91%	31st May ...	37.70%
30th Apr. ...	37.95%	38.05%	30th June ...	37.42%	38.56%

### CREAM PROMOTION CAMPAIGN

Sales expressed as multiples of sales for

Same month in previous year

Mar, 1971	1.126	Apr. 1971	1.166	May 1971	1.083	June 1971	1.112
12 months cumulative total ended							
30th June, 1970	1.778	30th June, 1971	1.290				

### INTERIM PRICES TO LICENSED SUPPLIERS

(Prices are interim only and subject to retrospective adjustment)

	Basic C.M.B. Total			3.5% 4% 4.5% 5%			
	(cents per lb. butterfat)			(cents per gallon)			
1971	38.28	34.43	72.71	26.26	30.01	33.77	37.52
Mar. ... ..	38.28	33.83	72.11	26.04	29.77	33.49	37.21
Apr. ... ..	38.28	29.90	68.18	24.63	28.14	31.66	35.18
May ... ..	38.28	28.61	66.89	24.16	27.61	31.06	35.52
June ... ..							

### LONDON PROVISION EXCHANGE QUOTATIONS

(Pounds Sterling per ton)

			1970		1971	
			1970	1971	1970	1971
Butter—Choicest Australian (£'s)	.....	295	March		April	
			330	295	350	
Cheese—Rindless Australian (£'s)	.....	230	1970		1971	
			295	230	295	
Butter—Choicest Australian (£'s)	.....	295	May		June	
			420	295	460	
Cheese—Rindless Australian (£'s)	.....	245	1970		1971	
			315	255	315	

## OTHER STATES AHEAD WITH THE DAIRY RECONSTRUCTION SCHEME

The Minister for Primary Industry is reported as saying that interest in the Marginal Dairy Farms Reconstruction Scheme has been particularly evident in Queensland and Western Australia. So far Queensland has drawn \$2,750,000 and Western Australia \$352,000 from the \$25 million fund set up by the Federal Government for this purpose.

# look what's new from Alfa-Laval



**ALFACLEAN**—Alfa-Laval's brand new system of detergents and sanitisers offers a complete cycle of hygiene and protection for your milking machine.

The system consists of an **IODOPHOR** as a sanitiser for use immediately prior to milking; **WETTING AGENT** for use as a rinse in preparation for cleaning; **ALKALI DETERGENT** to clean the machine in normal water areas or **ALKALI HEAVY DUTY DETERGENT** for use in hard water areas; **MILKSTONE REMOVER** for use once per week in place of Alkali Detergent.

ALFACLEAN products are individually colour-coded to make your job easier, and can be used with any brand of milking machine.

The ALFACLEAN system is the result of intense research and testing—just what you would expect from the world's leaders in dairy equipment.

ALFACLEAN products are competitively priced and available now from all Alfa-Laval authorised dealers and their distributors.

BRANCHES IN SYDNEY, MELBOURNE, BRISBANE, ADELAIDE, PERTH

**ALFA-LAVAL**

**ANOTHER ALFA-LAVAL QUALITY PRODUCT  
RELIABILITY THROUGH RESEARCH**

THE SOUTH AUSTRALIAN

RAIRMEN'S . . .

# Journal

Official Publication of the



Published Bi-monthly

Vol. 10, No. 6

Adelaide, MAY-JUNE, 1971



TIKI BREATH OF LIFE CALF RESUSCITATOR

(See "New Aids For Difficult Calving",  
page 6.)

PRICE

**20c**

Printed at G.P.O., Adelaide  
Subscription by post as a periodical.  
Library

\$1.20 per Year, Post-Paid

**anderson**

**The most advanced refrigerated farm milk tank for the Dairy Farmer**

- \* Certificates of Test of Performance for all models to comply with Australian Standard N46-1963.
- \* Low height for easy cleaning Automatic in-place cleaning device optional extra.
- \* 12 months' free service on refrigeration equipment.
- \* Competitively priced—better value.



FROM AUSTRALIA'S LEADING MANUFACTURER OF DAIRY FACTORY EQUIPMENT

# THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL



Published by

**THE SOUTH AUSTRALIAN DAIRYMEN'S ASSOCIATION  
INCORPORATED**

Aston House, 13 Leigh Street, Adelaide. 5000. 51 3034

President:

General Secretary:

N. M. GREEN, Esq.      DAVID J. HIGBED, B.Ec.

Advertising Rates on application

## Britain, the E.E.C., and the Australian Dairy Industry

**The effect of current developments in Europe on the future of the Australian dairy food industry.**

Current developments in Britain, the agricultural policies of the E.E.C. and the re-entry of the United States into butter exporting are factors which some have said could have drastic effects on the future of the Australian dairy industry.

However, many dairy product marketing experts view the situation with cautious optimism, although it is agreed that events in Europe could significantly affect Australia's dairy food industry.

It is extremely difficult to measure or predict the ultimate effects of Britain's E.E.C. entry on the Australian dairy industry as this will hinge on many decisions yet to be made in Europe and Australia.

Two questions about the European situation stand out:

- What will be the effects of recent E.E.C. policy decisions and decisions that may be made in the near future?
- What will be the effect of significantly higher consumer prices for butter in Britain?

The future position of the Australian dairy food industry involves these two questions, and concern about them goes well beyond the immediate effects of Britain's proposed entry and the loss of a traditional market for our butter and cheese.

It is the total picture of the industry's export and domestic trading, plus the potential for new products, that must be looked at in the light of events in Europe.

These events are, of course, significant.

The E.E.C. Commission recently issued a statement that, in view of the general economic situation in Europe and farm income trends, its present price policy on farm products would be continued in 1972-73. This would give a total price rise of 5% for all E.E.C. farm products for the 1971-72 and 1972-1973 seasons.

However, the rate of increase for livestock products could be as high as 7%. This is mainly because the level and growth rate of productivity are less for livestock products than those for arable products, in particular grain and sugar.

The E.E.C. Commission hopes that its new price proposals would be approved by the E.E.C. Council of Ministers on August 1.

The effect of these price proposals could be to stimulate dairy production in the E.E.C.

It is already known that, from the end of May this year, the E.E.C. Council of Ministers decided to discontinue the premiums paid to farmers agreeing to convert from milk to beef production.

As a result they had effectively ended the E.E.C. short-term campaign to regulate milk production. The grant of cow slaughter premiums was ended on June 30 last year, and they were not resumed this season because of a threatened glut of pig meat.

The view of the E.E.C. Commission appears to be that discontinuance of controls on dairy production is justified because milk and dairy product markets have provisionally improved. But it is evident that, should E.E.C. milk production rise unjustifiably in the next few months, the Commission may have to intervene again.

However, the Australian dairy food industry has something to fear from the stop-start agricultural policies of Europe — which may generate further dairy product surpluses in a few years to again seriously disadvantage the low-cost dairy exporting nations of Australia and New Zealand.

These two nations have had relatively stable dairy production and are regarded by many food-short nations as an important source of future supply of high quality proteins and fats. To some extent, this had developed already, in Asia and Africa, and some development work is under way in other markets.

But the E.E.C. has had a recent history of overstimulating dairy production beyond its own requirements and it had then been forced to heavily subsidise exports of its high-cost production. The low-cost dairying countries of Australia and New Zealand have been forced to suffer the intense competition from disposal of E.E.C. surpluses.

The E.E.C. also had a history of high consumer prices for butter which, of course, has had the effect of limiting its consumption, so that surpluses develop more rapidly.

The economic well-being of the half million or so Australians dependent on the dairy industry — on farms, in factories, in country towns, and in distribution and marketing — has thus been greatly disadvantaged by artificial factors well beyond their control.

It is hoped that the disposal of recent E.E.C. surpluses will give the E.E.C. policy-makers a chance to re-think their position.

In regard to the British Government's White Paper on its E.E.C. entry proposals, a reference in it to the Australian dairy industry could be misleading.

The White Paper made the point that Australia's total export of dairy products to Britain in 1969-70 represented only 1.1% of Australia's total exports of all commodities. While this was substantially correct the inference was that Australia was not badly off after all.

But it fails to give a picture of what could happen as a direct result of Britain's entry, the continuance of the E.E.C.'s agricultural policies (and their extension to Britain), and the probable drop in butter consumption in the U.K. as a result of higher consumer prices.

The bald figures fail to appreciate the real issues involved for the people concerned in Australia's rural communities. It is for example, of little interest to the man swimming in a river that the average depth is only two feet when he is swept into a 20 foot deep hole by the strong current.

So it is with the Australian dairy food industry in relation to the 1.1% quoted by the British White Paper.

The chief concern is that when Britain enters the E.E.C., British butter prices will rise to the present level of E.E.C. prices. This is from 85 cents to \$1.00 per lb. (Aust.). At these prices it is estimated that British butter consumption could drop by at least one third of the present annual consumption of about 460,000 tons.

With this type of contraction in the U.K. butter market, coupled with the special provisions for New Zealand, the extended E.E.C. could well be fully self-sufficient in dairy products and, in fact, could be expected to have some exportable surpluses. Once the current world shortage of butter is overcome there could be no room for dairy products from Australia within the expanded E.E.C.

A big drop in U.K. butter consumption was reasonable to expect because of the evidence of consumer resistance to price increases already made in Britain.

These had put U.K. butter prices at a higher level than those operating in Australia (from 53 to 64 cents Australian per lb. compared to an Australian average retail price of about 53 cents per lb.).

For the four weeks ending June 17, 1971, British butter consumption had dropped by 16%. On the other hand, sales of cheaper substitutes had risen 18%.

From this it is valid to argue that Britain's E.E.C. entry could lead to another world surplus of butter in a year or so — particularly if present E.E.C. policies are pursued without modification. However, it has also been argued that a butter shortage could continue in the E.E.C., so the position is clouded.

It is believed, nonetheless, that the deliberate policies of the E.E.C. in forcing up U.K. butter prices to seriously damage consumption, could be a bigger problem to Australia's dairy industry than the question of losing a quota on the British market. As a result it is also believed that the enlarged E.E.C. should look closely at its consumer price for butter, in its own interests, as well as those of the Australian dairy food industry.

Another factor intruding into the world situation was the recent announcement by the United States that it intended to re-enter the butter export market, after an absence of about five years.

According to a report from Washington, the U.S. did not want to upset other butter exporting countries and their markets. But it appeared that the Nixon administration was under some pressure from dairying area Congressmen, to extend the government-owned butter export programme to allow surplus stocks to be sold at low prices to a wide range of countries.

Naturally, there is concern in Australia about this development, particularly in view of the possibilities resulting from Britain's E.E.C. entry. However, it is gratifying that the U.S. seems to be taking a very responsible attitude to the matter.

It is hoped that the same reasonable attitude to the world situation can be taken by the E.E.C. so that Australian dairy produce exporters can know where they stand as soon as possible. The industry has been developing alternative export markets in Asia, Africa and other parts of the world, but long-term planning can be jeopardised by the decisions made in Europe.

One hopeful development had come from recent E.E.C. negotiations in Luxembourg. These had brought final agreement on proposals which could affect world trade in dairy products. They were:

- That the E.E.C. would make what progress it could towards a world commodity agreement on dairy products.
- That New Zealand's progress in diversifying her economy would be taken into account in the third year of a transition period after Britain's entry into the E.E.C.
- That the enlarged E.E.C. would "endeavour to pursue a trade policy which would avoid frustrating these objectives."

It is believed in Australia that this has opened the door a little for further discussions and negotiations which could be to the benefit of Australia's dairy food industry, particularly if the approach to a commodity arrangement does not follow past mistakes in pricing policies, and that emphasis is placed on freeing world trade in dairy products.

In regard to both the domestic and export markets there are still a number of good opportunities open to the dairy food industry for development of its traditional products as well as completely new products.

The basic raw material is milk, and milk can be made into a multitude of products—some of which are only in their infancy.

There are areas of the home market that have not been developed to full potential, particularly the important "growth markets" of cheese and cultured milk products, plus the many new products or product variations given to the industry by research scientists of C.S.I.R.O., State Departments of Agriculture and others.

Much closer links can be foreseen between dairy research scientists, technical development personnel and marketing teams, to achieve the necessary development.

In addition there is wide scope for increased sales of butterfat within Australia for industrial purposes. The same applies overseas—though here the considerations of profit to the industry must be kept in mind.

Thus, while the industry will have some serious challenges facing it, marketing experts within the industry believe that implementation of energetic marketing-oriented development, and the hard work that goes with it, can give justification for cautious optimism.

## Contented Cows Waste Less, Give More, with Steriline Folding Mangers

No longer is valuable feed trampled underfoot . . . the Steriline Folding Manger combines easy feeding for your cows with simplified management and more profit for you.

**HAY KEEPS CLEAN**—Feed dropped by cows falls back into feeder—raised floor keeps bales off ground.

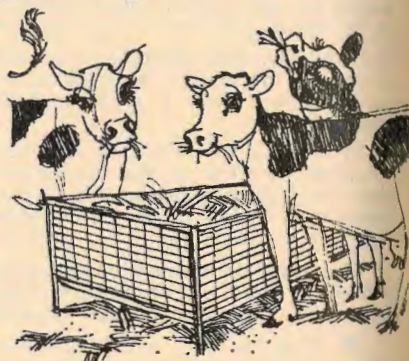
**EASILY MOVED OR STORED** Floor lifts out—sides fold flat.

**LONG LIFE**—All galvanized—328 steel mesh with pipe frame provides ample strength.

**QUICK TO FILL**—Simply drop in bales and cut strings.

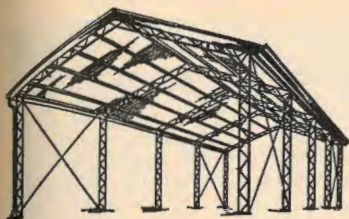
**STANDARD SIZE** 8' x 3'—hold 7 bales. Larger capacities and calf models to order.

For economical feeding and increased production invest in Steriline Folding Mangers only \$27.50 each—available from your local supplier, Stock Agent, or . . .



**Steriline Distributors Pty. Ltd.**

Mannum Rd, Murray Bridge S.A. P.O. Box 434, S.A. 5253. Telephone 32 2033, A.H. 32 1851.



# Steriline Clear Span Hay and Machinery Sheds

- Fully galvanised 1½" pipe frames eliminate maintenance
- Standard bays simplify future extensions
- First grade timber purlins—all bolts galvanised or cadmium plated
- Continuous Custom Orb sheeting—long length gutters, downpipe, ridge and barge caps.

Length Feet	Complete Shed \$	Frame Only \$
30	610	300
45	840	400
60	1060	500
75	1280	600
90	1500	700
105	1600	800
120	1700	900

## Hay

30 ft. clear spans  
14 ft. eaves  
15 ft. bays  
WALL SHEETING—25c per sq. ft.

## Machinery Sheeting—Roof, Rear and 2 Ends

Length	22 ft. SPAN				26 ft. SPAN				30 ft. SPAN			
	Complete		Frame Only		Complete		Frame Only		Complete		Frame Only	
	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.
25 ft.	544	588	208	226	593	661	223	241	733	797	278	307
37 ft. 6 in.	712	762	284	308	796	858	296	328	937	1002	372	402
50 ft.	864	920	344	374	989	1039	369	399	1125	1217	450	487
62 ft. 6 in.	1024	1090	412	448	1162	1228	442	478	1331	1425	536	580
75 ft.	1182	1251	480	522	1335	1409	515	557	1537	1628	622	673
87 ft. 6 in.	1342	1411	547	589	1502	1584	582	629	1727	1829	702	759
100 ft.	1497	1577	610	663	1675	1768	655	708	1923	2034	788	859
<b>Extras</b>												
25 ft. Opening	\$30				\$30				\$35			
	SLIDING DOORS—(G.C. Iron) with single track—70c per sq. ft. twin track—80c per sq. ft.											
	6 BLADE LOUVRE WINDOW IN FRAME—\$14											
	P.A. DOOR—L & B with fittings \$17; Steel \$21											

# Steriline

Distributors Pty. Ltd.  
Mannum Rd., Murray Bridge, S.A. 5253 Telephone 32 2033, A.H. 32 1851

## NEW AIDS FOR DIFFICULT CALVING

### S.A. Firm Markets Range of Equipment

To prevent death of cow or calf during calving concerns every beef and dairy man. It has been stated that 82% of cow deaths on farms occur during this period.

If a beef cow fails to produce a live calf, one whole year's production is lost, and apart from keeping the breeder for 12 months, this loss can never be recouped. Tubebilt Pty. Ltd., manufacturers of animal handling equipment, market three inexpensive aids to help prevent these losses.

The Tiki "Breath of Life" Calf Resuscitator which combines the effect of mouth-to-mouth resuscitation with a 20-minute supply of oxygen can save the life of calves and foals after a difficult birth. This instrument, developed and manufactured in Germany, created much interest at the Melbourne Show last year.

(See Picture on Front Cover)

A moulded rubber mask, with air exit valve, fits over the young animal's face while 2 feet of flexible plastic hose connect the mask to a bellows and rechargeable oxygen container which stores oxygen at a pressure of 3,600 lbs. per square inch. By pulling a short string, a capillary tube is fractured to permit a steady flow of oxygen, at very reduced pressure, into the bellows system which is worked rhythmically to force air with added oxygen into the lungs of the animal. It should be pointed out that once the oxygen element is actuated, the flow of gas cannot be stopped as the calf or foal needs the full 20-minute supply to ensure full resuscitation.

The unit is supplied complete in a small plastic container which measures approximately 10" x 6" for a cost of \$45.00. It is advisable to have a spare oxygen element on hand. This is available for \$12.50 and can be recharged at a cost of \$3.50 plus freight.

As a companion to the Tiki Calf Resuscitator, Tubebilt offer the Tiki "H K" Calf Saver. The action of this device resembles somewhat the well known "rope and cart-wheel" method, in that leverage is applied to help the mother, but that's where the similarity ends.

The Tiki Calf Saver is **scientifically designed** and gives maximum control over the situation. It is so easy on the cow that there is no need to tie her up. It applies a gentle lever action **between cow and calf**, thus supporting the cow while the calf is drawn out. It may be operated with the cow in the lying or standing position but the former is preferable, in fact essential with very difficult births.

The Calf Saver enables the operator to work **with** the mother's efforts, to anticipate her natural strainings and pull alternatively from side to side. It is particularly valuable in avoiding damage to mother and calf during the second phase of delivery when the navel cord is still attached and hips not yet delivered. There is no difference in the method used, whether birth be frontal or posterior.

The Tiki "H K" Calf Saver is a "T" shaped instrument approximately 6 feet long. It consists of 2 noosed nylon drawing cords which are slipped over the calf's forelegs or hindlegs just above the fetlocks. These cords are attached to the pulling hooks which can travel up to 4 feet along the handle. The rubber padded pressure bar forms the head of the "T". This supports the escutcheon of the cow just below the vulva. The lever action includes a ratchet, and one person can easily exert the force of two strong men if necessary. The Tiki "H K" Calf Saver may be purchased from all major suppliers for a cost of \$40.



(Left) Showing position of pressure bar with draw cords attached to feet.

(Right) Ratchet and lever action enables one, without effort, to exert great force. DON'T OVER-DO IT!

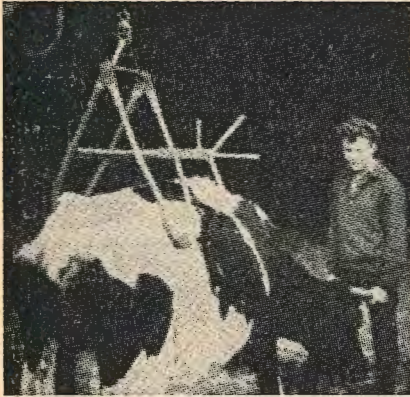


(Left) The "HK" is particularly valuable in avoiding damage during the second phase of birth.



(Right) Delivery may be effected standing or lying down.

A further aid to animal health manufactured by Tubebilt is the Cattle Hoist to provide a simple and safe means of raising "down" stock. For an outlay of only \$25.00, the cattleman or dairyman can have on hand this invaluable piece of equipment which could **save the life** of a prized beast. The Cattle Hoist was developed as a result of a long felt need for an efficient device to lift cows unable to get up because of after-calving paralysis, or cows bogged in creeks, channels or swamps. Hoists based on a similar principle have been used in the past by veterinarians.



To operate the cattle hoist, the clamp is fitted around the hip bones of the beast. The hoist is then raised by crane or front end loader. A swivel above the clamp gives full 300 deg. movement while the quick release enables immediate freedom if required (i.e., when the beast is able to stand unaided). The cattle hoist may also be employed when awkward examinations are to be made or as an aid to restoring muscle tone following sickness.

An interesting and unique item for the dairy, marketed by Tubebilt, is a Non-Kick Clamp which effects a pincer action between the base of the tail and the flank. By drawing the flank upwards it blocks the nerve to the knee joint and thus prevents restlessness and kicking during veterinary treatment or milking.

The present need for T B testing in cattle has also been noted by Tubebilt. Standard Permanent or Portable cattleyard sections manufactured by this company have proved ideal for setting up races for this and similar purposes.



milking is  
made easier  
with

# MASPORT

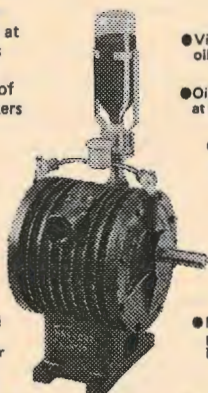
*the great value*

## VACUUM PUMP

● GREATER CAPACITY ● LOWER SPEEDS ● LONGER LIFE

Masport Vacuum Pumps are designed specifically to operate milking machines with maximum efficiency at minimum cost. As a result, Masports are specified as standard equipment on top grade milking machines sold in New Zealand, Ireland and the United States of America, and are also recommended by leading makers in Australia.

When you buy a new milking machine, or when you replace an existing vacuum pump, look for the name Masport — it's a mark of quality. The rugged design, simplicity of operation and precision engineered construction ensure long and satisfactory operating life. IT'S QUIET TOO!



● Every pump factory tested and fully guaranteed for 12 months.

- Visible metered oil flow.
- Oil reserve seen at a glance.
- Constant lubrication to all ball races.
- Automatic oil supply to all moving parts.
- Mounting holes provide easy interchangeability.

**JAQUES  
McDONALD  
Pty. Ltd.**

299 Prospect Rd., Blairathol  
5084 S.A. Phone 65 6117.

**POST TODAY TO YOUR NEAREST STATE OFFICE.**

Please send illustrated brochure and details of Masport Vacuum Pumps.

Name .....

Address .....

..... Post Code .....

Please tick if for School Project

# THE TRUE STORY ABOUT CHOLESTEROL AND HEART DISEASE

Heart Week began on April 26, and was launched with a talk by Professor Blacket, of the University of New South Wales, on the A.B.C. program, "Guest of Honor."

Professor Blacket's views on heart disease are well known. In an article published several years ago in the A.M.A. Journal he advocated the replacement of butter by poly-unsaturated margarine as a counter to heart disease. His hypothesis did not receive the complete support of the medical profession at that time, and no evidence has become available since then which would give greater validity to his theory.

Nevertheless, Professor Blacket chose Heart Week to give further publicity to his views and to launch an attack on the legislation relating to margarine. Refutation was not slow in coming, but, like Professor Blacket's talk, probably did not reach more than a small section of the public.

But what did catch the public's attention was an article in "The Advertiser" dramatically, and irresponsibly titled "This Could be the Diet of a Dead Man", with a large illustration showing a pint bottle of milk, four ounces of lean meat, one quarter ounce each of butter and cheese, and part of one egg.

The irresponsibility of the title lay in the fact that the diet pictured was that regarded by "experts" as a maximum. The article described the illustration in these words: "Just how much dairy produce and other danger foods should we eat? Experts advise no more than a quarter of an ounce of butter a day, no cream, up to a pint of milk (hooray! Ed.), quarter of an ounce of cheese, four ounces of lean meat and less than one egg. **Sugar in tea or coffee should be avoided.**"

Despite the sweeping nature of their statements, particularly the warning against sugar, the experts were not named, nor were their qualifications stated.

Nevertheless, "The Advertiser", in an article written by a journalist without medical qualifications, furthered the proposition that the high level of cholesterol in the blood which is often associated with heart disease is caused by the inclusion of animal fats in the diet.

The truth is quite different. Certainly in many instances heart disease is found to be associated with, and may therefore be considered to be caused by, a high level of cholesterol. But cholesterol is a normal constituent of the blood; it is manufactured within the body, in amounts that exceed the quantity taken in through the food we eat. Furthermore, the propensity to produce cholesterol varies greatly between individuals. There is certainly evidence to show that a diet containing a high proportion of poly-unsaturated oils (remember that the poly-unsaturated oils used in making margarine must be hydrogenated, that is, partly saturated, in order to make them firm enough to hold together as a spread) may cause a reduction in the level of cholesterol in the blood, but there is also some evidence to demonstrate that such a regimen, in removing the cholesterol from the blood actually deposits it in the region of the heart.

So although the connection between cholesterol and heart disease exists, the connection between diet and cholesterol does not, as the following evidence reveals.

The Medical Director of the National Heart Foundation, Dr. Ralph Reader:—"The National Heart Foundation does not agree that the average healthy man in the street should be advised to reduce the intake of saturated fats. The Foundation does not recommend a change in normal dietary habits for the general population."

The Professor of Nutrition, Queen Elizabeth College, London, Professor John Yudkin:—"The theory that animal fats are involved in the causation of coronary thrombosis is at least not proven and at most quite unlikely."

The "Framingham Study," an epidemiological investigation of cardiovascular disease carried out by the University of Massachusetts:—

- (i) "There is a slight **negative** correlation between daily intake of total fat (and also of animal fat) with the serum cholesterol level."
- (ii) "No relationship could be discerned between food intake and serum cholesterol level."
- (iii) "There is, in short, **no suggestion of any relation between diet and the subsequent development of coronary heart disease** in the study group."
- (iv) "With one exception (out of 912 persons) there was no discernible association between reported diet intake and serum cholesterol."
- (v) "In the Framingham Study Group, diet (was) not associated with concurrent differentials in serum cholesterol level."
- (vi) "Was coronary heart disease incidence related prospectively to diet? **No relationship was found.**"

The Director of the Harold Brunn Institute for Cardiovascular Research in San Francisco, Dr. Meyer Fredman:—"There is little room for doubt that it is not milk, nor meat, nor cigarettes either, that have been responsible for our alarming increase in heart disease."

Dr. T. G. Redgrave and Dr. C. E. West, John Curtin School of Medical Research, Australian National University, Canberra:—"There is no convincing evidence that poly-unsaturated fats alter the epidemiological status of heart disease."

These are the statements of authorities, and can be summed up in the words of a press release issued by the National Heart Foundation on April 27th:—"In the absence of conclusive proof the Foundation believes it should only advise dietary changes for those with already high blood cholesterol levels."

#### FOR SALE

PUMP SUITABLE FOR DAIRY SUMP DRAINAGE. Gawler Council is inviting offers for the purchase of one Davey sump pump, fitted with 7½ h.p. 3 ph. 1440 r.p.m. motor, complete with switchgear, connected by 8' enclosed shaft to submerged centrifugal pump with screen, and fitted with float switch. Outlet is 4" flange, and rated delivery is 380 g.p.m. at 30' head. The pump is 4 years old and has done very little work, and may be inspected, by arrangement with the Council. Offers are to be sent direct to Gawler Council in a sealed envelope marked "Offer for Pump" and addressed to the Town Clerk, Town Hall, 84 Murray St., Gawler. 5118.

#### MARGINAL DAIRY FARM RECONSTRUCTION SCHEME

Members who wish to investigate the possibility of using the Marginal Dairy Farm Reconstruction Scheme, either because they wish to leave the industry, or because they wish to increase the size of their property by purchasing another farm in the district (not necessarily an adjoining property) are urged to register the details of their properties with this office so that we may examine the possibility of bringing potential sellers and potential buyers together, or to examine other avenues of disposal. Telephone 51 3034 (after hours: 61 4508).

# Marginal Dairy Farms Reconstruction Scheme

*In the previous issue of this Journal we published a summary of the conditions of eligibility for assistance under the Scheme, for members who wished to make preliminary investigations. We now publish the details in full, as issued by the Department of Lands.*

An agreement has been reached between the Commonwealth and the State of South Australia to implement a Scheme for the Reconstruction of Marginal Dairy Farms.

This agreement is based on the proposition that a low income problem exists within sectors of the Dairy Industry, particularly in cases of producers relying on the sale of milk or cream for manufacturing purposes. This problem varies within different regions of the Commonwealth and has particular application where a farm is of a marginal nature in relation to levels of production. There may be other economic factors which affect the profitability of particular farms.

To implement the Scheme the Commonwealth Government has agreed to provide an amount of \$25 million over a period of four years commencing July, 1970, for the purpose of carrying out this Scheme throughout Australia. No definite allocation of money has been made to this or any other State, and the actual amounts which will be available to each State will be determined by the demand for assistance.

The agreement lays down general terms for its operation and these generally apply to the problems of the Dairy Industry throughout Australia. In addition, special conditions have been agreed between the Commonwealth and this State to enable low income dairy farms within the metropolitan milk producing district to participate in the Scheme.

## OBJECTIVES OF THE SCHEME

The Marginal Dairy Farms Reconstruction Scheme has been undertaken so that **dairy farmers whose farms have insufficient potential to become viable economic units** while based on the sale of milk or cream for manufacturing purposes, **may voluntarily dispose of their land and improvements at fair market value.** The Authority, in this State **the Minister of Lands, after allowing for redundant improvements may make the land available to build up other rural properties to economic levels** having regard to the most practicable and economic use of the land.

**Land may be made available to build up dairy farms into economic units, or it may be disposed of for other land uses and in special cases for specific purposes of which forestry could be an example.**

The Authority is required to have due regard to the objective of securing **the most practicable and economic use of land**, with a view to achieving, so far as is consistent with such land use, **diversification of production** and it must pursue this objective when making additional land available.

## DEFINITION OF A MARGINAL DAIRY FARM

To be considered as a marginal dairy farm a property must comply with the following conditions which are laid down in the agreement:—

- (a) It must have a **minimum of 20 lactating cows.**
- (b) **Not less than one half of the gross income** is obtained from the production of **milk or cream** which is sold at a price pertaining to milk or cream to be used in the manufacture of **butter, cheese or other products.**
- (c) **In its present state of development** the farm, **if used wholly for dairying,** must be incapable of producing an average per annum of **12,000 pounds** of butter fat or equivalent.

When farms are amalgamated and the two particular properties are to be used for dairying there are limits imposed by the agreement on the size of the aggregate farm with regard to both the maximum and minimum areas which may be created. However, this limit does not apply where the land is to be used for forms of production other than dairying, provided the holding is large enough to be operated as an economic unit for the type of farming to be undertaken.

### PURCHASE OF LAND WHICH WAS FORMERLY A MARGINAL DAIRY FARM

As has been previously pointed out it is expected that prospective purchasers will join with prospective sellers in a joint application under this Scheme. It is not intended that farms will be bought and held against applications.

In a case where the Authority determines that the most suitable land use is dairying, an applicant to purchase such land for amalgamation must be the owner or occupier of land for a period of two years prior to the date of application. When the most suitable land use is not dairying, and the land is required for amalgamation, the occupational period is not applicable.

### TERMS AND CONDITIONS AVAILABLE TO PURCHASERS OF RECONSTRUCTION LAND

Reconstruction land disposed of by the Authority will be disposed of for a tenure and on terms and conditions which accord with the practice in this State. Under these conditions the land may be either freehold or Crown perpetual lease.

The terms and conditions will be based on a fair market value at the time of disposal and this will take into account the tenure and the type of land use which is proposed.

The terms and conditions of disposal will include conditions prohibiting the disposal, after amalgamation, by any means of any interests in any part of the amalgamated property during the period in respect of which money is owed or payable to the Authority by the farmer who obtains reconstruction land. Disposal of any such land during this period can only be undertaken with the consent of the Minister of Lands.

Any structural improvements on the reconstruction lands which are available for purchase and which an applicant deems to be useful will be sold to him at values to be agreed with the Authority according to the usefulness for the undertaking to be engaged upon.

Advances will be made available generally for terms of 20 years, but in special circumstances this may be extended up to 25 years, at an interest rate of 6¼% per annum. Credit foucher terms will be available under which equal annual instalments of principal and interest will be payable over the term of the loan.

Deposits will be required but these will be kept to a level consistent with a prudent assessment of the capacity of the purchaser to service the loan and the Authority may require such additional security as it deems fit in any particular circumstances.

In special circumstances a sale agreement may provide for a period when interest only will be payable, i.e. freedom from the repayment of principal may be deferred for short terms in the initial stages of the agreement.

The rate of interest of 6¼% will apply to a farmer who personally conducts his own operations and continues to use the land for the purpose which was specified at the time of the purchase. The Authority reserves the right where any of these conditions are departed from, to adjust the interest rate and/or to require a repayment of the balance of purchase money in full.

The Scheme does not extend to providing funds for the purchase of live-stock, improvements, plant or machinery and any purchaser of reconstruction land will be expected to either finance these requirements from his own resources or through normal commercial channels.

Further particulars and application forms may be obtained on personal or written enquiry to the Director of Lands, Department of Lands, Treasury Building, King William St., Adelaide (Box 293 A, G.P.O., Adelaide, 5001).

## THE FUTURE OF DAIRYING—A MINISTERIAL VIEW

*An off-the-cuff response is often more revealing than the most carefully prepared press release. The following extract is from a discussion between the Minister of Trade and Marketing (Hon. J. D. Anthony) and members of the Farm Writers' and Broadcasters' Society, in Sydney on 15/7/71.*

- Q. The Canadians officially, and the New Zealanders unofficially, are taking a great deal of notice of the forecast of a world shortage of dairy produce in five to ten years. Are we? Do you think it's right?
- A. Well, it's always nice to be optimistic. I find it's one of the delightful qualities of the New Zealanders.
- Q. They back it with dough, don't they?
- A. Of course we lack it today. There have been two unfavourable seasonal periods in both Europe and countries in the Southern Hemisphere; that's New Zealand and Australia—our production is well down—and this is why there is a shortage of dairy products around the world and it's even entering Britain from the U.S. at the moment. I believe there will be a shortage of dairy proteins, but I'm afraid I'm not so optimistic on butter-fat. If the price of butter is to go up by more than 100% as a result of Britain going into the Common Market—and Britain now receives 80% of the butter that is traded around the world—I believe half of that market is just going to be lost. You can't lift the price from about 42 cents Australian up to \$A1.22 a pound without it having very serious effects on consumption. So you can take it that 200,000 tons of butter will no longer have a market. And that's the problem.
- Q. You misunderstood my remark. I didn't say that we lack it today—I said that they were backing it with dough. It seems New Zealand is spending a tremendous amount of money on increased production. You say they're optimistic—do you think on a false premise?
- A. I would say on very false premises. Even a 20% reduction in New Zealand butter exports to Britain is a very big reduction, and that is what they are going to be phased out to over the five-year period. A 20% reduction is equivalent to about 36,000 tons of butter. And their cheese exports to Britain are to be phased out to nothing. So where are they going to find their alternative markets? And don't let them forget they're going to be competing with Australia for other markets—we won't be sitting back idle.

. . . . . LATER . . . . .

- Q. Mr. Anthony, should the situation arise in Australia where we have a mountain of butter and are wanting to know what to do with it, would you speculate on what this might mean to the oilseed industry in Australia? While at the same time we could have a lucrative market in oilseeds in Europe, in view of the fact that they import something like 4½ million tons of seed oil a year, and also presuming that Britain cuts her consumption of butter by half, the market could even increase quite dramatically.
- A. It could. Europe also has the potential to produce certain vegetable oils. What worries me about the enlarged Common Market is that they find it very convenient to select certain countries to be associate members, and many of these associate members have one or two raw materials that are of particular interest to the Common Market. A lot of these countries could supply large quantities of vegetable oils, ground nut, palm oil; indeed, they are supplying it now. We would have to get in there over a tariff barrier with any oils we produced. Our main competitor with relation to Europe is Russia, which is the biggest pro-

ducer of vegetable oil in the world. So there may be opportunities, there may not—I'm just pointing out the difficulties.

Q. The other part of the question—what effect do you think a mountain of butter would have on local production of oilseeds. Would you care to speculate on that one?

A. I couldn't see it altering the present situation very much, unless you're going to break down the equalisation scheme and alter the marketing arrangements for butter, which means that butter would be sold at a lower price. And this means that it would have some effect on the consumption of vegetable oils. I don't see that happening. I don't see the present situation changing very much.

## RURAL EDUCATION

### The Association's Views and the Report of the Committee of Enquiry

It is now just over 10 years since the Association, at the Central Council meeting held on April 27, 1961, formed a Special Sub-committee on Rural Education, to examine the teaching of agriculture in secondary schools and to make recommendations concerning this subject and the training of farmers generally.

In its Report the Special Sub-committee was very critical of the teaching of agriculture as a secondary school subject, seeing it as a semi-"craft" subject offered to students who were considered to be incapable of taking the Public Examinations course, with an emphasis on so-called "practical" work which offered the students neither challenge nor interest.

The Committee believed that there was a very great need for a course in "agricultural science" of a much higher quality, covering the whole range of sciences pertaining to agriculture at a standard which would provide the student with the theory upon which he would eventually base his practical farming, and simultaneously provide pre-requisite qualifications which would permit him, if he so wished, to continue his studies in agricultural science at advanced levels or in agricultural economics or farm management.

At the same time such a course would be of considerable value to students generally, particularly for those entering on careers intimately connected with farming, such as veterinary surgery, stock agency, surveying, country banking and so on.

The nature of the course, in the opinion of the Committee, would be essentially scientific and theoretical, practical exercises being confined to laboratory and experimental work.

The Committee considered, however, that its recommendation on this subject did not solve the problem of the supply of competent young farmers, possessing not only manual skills but "know how", and it believed that the young farmers' occupational training should be provided in the same manner as a tradesman in industry, or a practitioner in a profession, including full-time courses of practical work and study on "farm schools". For persons connected with, but not actually engaged in practical farming, the Committee recommended part-time attendance, or a correspondence course, at an equivalent of the Institute of Technology, followed by formal examination and certification.

Although the Association, at that stage, was not able to convince the Education Department of the necessity to change the form of the "agricultural science" curriculum, it continued to campaign through the now defunct National Farmers' Union of S.A. for an enquiry into the whole matter of rural education, and eventually, in 1968, a "Committee of Enquiry into Agricultural Education in South Australia" was set up by the State Government, to which the Association submitted the findings and recommendations of its own Committee of seven years earlier.

The Report of the Committee of Enquiry has now been published, and can be seen to be based on principles which closely follow the thinking of the Association's Committee, as may be seen from the following extracts from the summary of the major recommendations:

**"Agriculture in Secondary Schools.**—That vocational training in agriculture at the secondary school level be discontinued (except at Urrbrae); that agricultural curricula in the schools be redeveloped as the study of biological principles exemplified in agriculture; that agriculture be taught to Matriculation level and be presented as an alternative subject to biology;

**Education in Farm Colleges.**—That a system of residential farm colleges, designed for the vocational training of future farmers and farm managers, be established; that the requirements for entry be satisfactory completion of the 4th year of secondary education and one year of acceptable experience on a farm; that the farm colleges accept both young men and young women; that the farm college course be of one year's duration; that the course be based on economic and managerial aspects of farming and on applied technical aspects of agriculture, with the whole course oriented towards the concept of running a farm as a sound business venture.

**Education for Ancillary Occupations.**—That a part-time post-secondary school certificate course equivalent to one year's full-time training be established, first in the metropolitan area and later in the country, for the training of persons in occupations ancillary to agriculture; the course should be designed initially for livestock and agricultural merchandise salesmen.

The Report also contains recommendations concerning education for agricultural technologist, University studentships in agriculture, adult educational agriculture, rural research, and agricultural extension.

## PRICES AND STATISTICS

### ADELAIDE METROPOLITAN MILK SUPPLY AREA

	PRODUCTION (000 gallons)				Total since Jan. 1	
	For month		Total since July 1		1970	1971
	1970	1971	1970/71	1971/72	1970	1971
July ... ..	4,787	4,531	4,787	4,531	29,921	28,303

	MILK SALES (000 gallons)				RATIO		C.M.B.	
	For month		Total since July 1		per cent		cents	
	1970	1971	1970/71	1971/72	1970	1971	1970	1971
July ... ..	1,874	1,891	1,874	1,891	39.1	41.7	25.22	26.36

### MOVING AVERAGE RATIO for 12 months ended

	1970	1971
31st July ... ..	37.20%	38.76%

### CREAM PROMOTION CAMPAIGN

Sales expressed as multiples of sales for  
Same month in previous year  
July, 1971 ... .. 1.123

### INTERIM PRICES TO LICENSED SUPPLIERS

(Prices are interim only and subject to retrospective adjustment)

	Basic	C.M.B.	Total	3.5%	4%	4.5%	5%
1971	(cents per lb. butterfat)			(cents per gallon)			
July ... ..	28.28	26.36	64.69	23.34	26.68	30.01	33.35

### LONDON PROVISION EXCHANGE QUOTATIONS

(Pounds Sterling per ton)

	July	
	1970	1971
Butter—Choicest Australian (£'s)	310	460
Cheese—Rindless Australian (£'s)	255	355

# Insure totally and save with Federation

PROMPT CLAIMS ATTENTION

Your helpful Federation man will offer you expert advice on all insurance matters — and serve you promptly when making a claim. And, the unique Federation service to Associations, benefits Members in many ways.



## Federation for total protection

check the "one-renewal-date" plan

### A SECURE FUTURE?

Can you afford to take a risk?

In fact your family's future, and your own, depends on carefully planned Life-retirement assurance from The Federation Insurance Limited. Let your helpful

Federation man assess your needs and establish a sound insurance plan. All your insurance commitments can be easily covered by Federation's unique insurance service . . . so why take the risk?

7x4-1200

### The Federation Insurance Limited

342 Flinders St., Melbourne, 3000. Tel. 62 0101.  
 158 George St., Sydney, 2000. Tel. 27 2266.  
 378 Queen St., Brisbane, 4000. Tel. 2 2388.  
 Cnr. King William St. and South Terrace,  
 Adelaide, 5000. Tel. 8 4541.  
 208 Adelaide Tce., Perth, 6000. Tel. 23 1931.  
 71 St. John St., Launceston, 7250. Tel. 2 4085.



your helpful Federation Man

100%  
 Australian Company—  
 you insure well  
 with F.I.L.

THE SOUTH AUSTRALIAN

DAIRYMEN'S . . .

# Journal

Official Publication of the



Published Bi-monthly

Vol. 11, No. 1.

Adelaide, JULY/AUGUST, 1971.



## THE DAIRY MOOBILE

The travelling demonstration unit which now operates in conjunction with the Dairy Foods Information Centre.

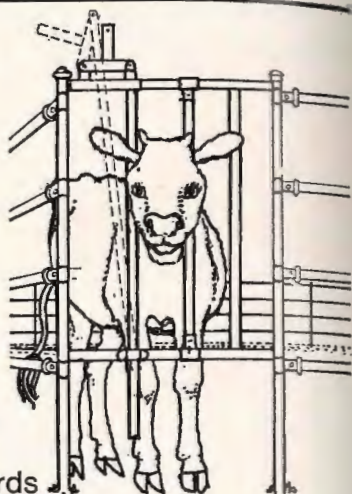
PRICE

20c

\$1.20 per Year, Post-Paid

Registered at G.P.O., Adelaide  
for transmission by post as a periodical.

# The Steriline Adjustable Dehorning Bail



- ★ Positive locking
- ★ Quick to release
- ★ Galvanised pipe construction
- ★ Adjustable yoke width
- ★ Fits existing pipe or timber yards

Obtainable from your local supplier . . . or . . .

**Steriline** DISTRIBUTORS PTY. LTD.

Mannum Rd., Murray Bridge, S.A.

Write Box 434. Telephone 32 2033, A.H. 32 1851 or 32 1605

## THE DAIRY MOOBILE

Although the Dairy Foods Information Centre at 20 Leigh Street, Adelaide, is very conveniently located for visitors to the city, the South Australian Regional Officer of the Australian Dairy Produce Board (Mr. David Leicester) believes that the dairying industry can no longer afford (if it ever could) to wait until the customer comes to us.

Mr. Leicester, who came to the dairying industry with a wide knowledge and experience of food marketing, insists that we must "get up and go" to where the buying action is, and, to set an example to the rest of the industry, designed this DAIRY MOOBILE which will be used to demonstrate the use of dairy foods and cooking with dairy products at suburban shopping centres, in country towns, at the Royal and country shows, at school and church fêtes . . . in fact, wherever there's a customer, there's a place for the MOOBILE.

Members who are connected with organisations which might wish to make use of the MOOBILE are invited to contact Mr. Leicester (51 6563) for details and conditions of hiring.



# THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL

Published by

**THE SOUTH AUSTRALIAN DAIRYMEN'S ASSOCIATION  
INCORPORATED**

Aston House, 13 Leigh Street, Adelaide, 5000. 51 3034

President:

General Secretary:

N. M. GREEN, Esq.

DAVID J. HIGBED, B.Ec.

Advertising Rates on application

## General President Reports on Year Ended 30th June, 1971

Gentlemen,—To say that the year under review has been one of unprecedented activity for the Association does not depreciate our record in past years, as can be seen when I state that, during the year, the Association held or participated in 94 meetings of its own committees or of various dairy industry and related bodies.

Certainly it should not be inferred that the effectiveness of an association is to be measured by the number of meetings it holds, or attends, but this number does reflect the high degree of organization that characterizes the Australian dairy industry today, and the very great influence that this Association wields in the affairs of the industry, both in this State and at the Federal level.

The Association's activities have not, however, been confined to formal meetings. During the year we have continued to work in fields that range from the overall economic aspects of the whole dairy farming sector to more personal matters of individual assistance and advice, for the welfare of our members, and here the scope of the Association's operations runs parallel with the growing productivity and economic efficiency of its members, who have, whilst remaining almost exclusively as family units, far more than doubled the average production per farm during the past 10 years.

### PRODUCTION AND SALES

As a result of increased productivity, and despite a less favourable season, the total output of producers licensed by the Metropolitan Milk Board was 58,026,000 gallons, 0.8 per cent lower than the total output of 58,505,000 gallons recorded in the previous year. During the same period sales of market milk and cream reached a record combined total of 22,375,000 gallons, the 2.2 per cent advance on the previous year's total of 21,891,000 being almost exactly equal to the estimated growth in the population of the region, and the combined result of a fall in output and increased consumption has been to increase the ratio between these two items from 37.42 per cent to 38.56 per cent.

It would be wrong to assume from these figures that the dairying industry in this State is in a buoyant position. It can be claimed that producers have, by increasing productivity, been able to offset some of the effects of increasing factor costs, but the uncertainty of the future, with regard both to the continuation of the general inflationary trend and to the export marketing of our surplus dairy products, is not conducive to optimism.

### U.K. MARKET AND PRODUCTION CONTROL

The probability, amounting almost to a certainty, of Britain's entering the European Common Market on terms which will effectively exclude Australia

from a market which has, until now, absorbed by far the greater portion of our exported dairy produce, has caused the industry to look to the desirability of curbing production by the introduction of a disincentive scheme, and a scheme of this type, in the form of a two-price market participation plan, will be submitted to the Federal Minister for Primary Industry, when representatives are made later this year concerning the terms of the next 5-year period of the Commonwealth Dairy Stabilisation Plan, with the recommendation that it be introduced only if such action is necessitated by a deterioration in the relationship between supply and markets.

At this time it is not possible to predict when, if ever, such a circumstance will arise. Britain's entry into the European Economic Community is expected to occur on 1st January, 1973, but the move to full Community prices will not be made immediately. The present butter shortage in the E.E.C. may continue; the E.E.C. may take steps towards its promised participation in a world commodity agreement on dairy products. Certainly it is not, and never will be, possible to find new markets for the butter that will be displaced from the U.K. market, and, just as certainly, the adoption of Community prices for butter will cause British butter consumption to drop dramatically, but, on the other hand, we may have some breathing space in which to initiate and implement a diversification of dairy manufacturing capacity into the many new products that cry out for development and marketing.

### PRODUCTION CONDITIONS

Turning from the future to the year under review, we see a period of almost unprecedented complexity, commencing with relatively low export prices and equalized values, due to world surplus stocks, and an anticipated level of output in Australia, which, because of the possibility of over-production, would require close control if we were to avoid creating our own surpluses. At the close of the year the total Australian output of milk had declined to 3.3 per cent below that of the previous year, with corresponding reductions in the production of butter, casein and skim milk powder, and a slight increase (2.5 per cent) in cheese production, whilst the values of all these commodities on the United Kingdom and world markets had reached record levels.

### SALES AND CONSUMPTION

The new season, as a consequence, opens on a much more confident note, particularly in the case of cheese, to which commodity the interests of this Association are most closely related. Despite an increase in November of 1c per lb. cheese in the wholesale price, this increase representing one half of the 2 cent increase sought by the Association earlier in the year, (the additional 1 cent was added on 3rd August, 1971), total cheese consumption in Australia is estimated to have increased by 18 per cent to 53,000 tons, and consumption per head lifted by 16 per cent to 9.3 pounds. At the same time cheese imports, reacting to the provisional anti-dumping action by the Commonwealth Government, in the form of security deposits, pending the outcome of the latest Tariff Board enquiry into the dumping of cheese on to the Australian market, declined by 12 per cent to 5,800 tons, so reversing a trend which has caused grave concern during the past 10 years. Although the 1 per cent increase in cheese exports to Japan was slight, in comparison with other years, this country retained its position as Australia's largest market for cheese, in a year which saw increased cheese exports to many markets outside Europe.

For butter the outlook, as we have come to expect, is less favourable, sales on the home market having risen only marginally by less than 1/3rd of 1 per cent, whilst consumption per head fell by 2 per cent to 20.1 pounds, and although the demand for Australian butter on export markets was far higher than could be supplied from the available output, we must continue to deplore the unsatisfactory marketing of butter in Australia, our most profitable outlet, and the position of South Australia as the State having the lowest rate of consumption per head.

## BUTTER AND CHEESE PROMOTION

The total expenditure, on the promotion of butter, by the Australian Dairy Produce Board and by butter marketers through the Butter Marketing Allowance, of funds provided by the producers now approaches \$2 million per year, with no apparently worthwhile result. Because of South Australia's unfortunate performance this Association has taken a great interest in the operation of the Butter Marketing Allowance Scheme, and has recently been responsible for some revisions, one of which is the collecting of data relating to the manner in which the Allowance is spent in each State, with the intention of providing, as soon as sufficient data are available, an analysis of the effects of each type of promotional activity in market performance in the various States.

In view of the importance which is placed, by the producer organizations and the butter marketers, on the Butter Marketing Allowance as a promotional tool, it is disappointing that the Association's several attempts to have a similar Allowance provided for cheese marketing, although supported by the Cheese Manufacturers' Federation, have not met with success. Nevertheless the Association was successful, at the latest meeting of the Australian Dairy Farmers Federation, in obtaining support for a continuous Market Survey for cheese, similar to that now provided for butter, and the information which is obtained from that Survey will, we believe, provide a new starting point for the initiation of a Cheese Marketing Allowance.

## MILK PROMOTION

Reference has already been made to a larger than usual increase in the sales of market milk. It is too early to ascribe positively this trend to the promotional work now being carried out by the Metropolitan Milk Board under the guidance of the Milk and Cream Promotion Advisory Committee, in the deliberations of which the representatives of this Association plan an important part, but an increase of comparable magnitude during the coming year will permit a more accurate assessment of the value of promotion and allow the Committee to be more selective in the activities undertaken.

## MILK PRICES AND RETURNS

During the year the price of milk has risen in every other Australian capital city, with Adelaide the only city still retaining a pint bottle priced at 10 cents. The Association has deliberated frequently on this situation, and, being conscious of the tendency for higher prices to depress the consumption of basic foodstuffs, (in contrast with the consumption of non-essential items, which often seem to be more eagerly bought as prices rise), and the extent to which, overall, increasing productivity had enabled the average producer to absorb some part of his higher factor costs, had earlier resolved that it would not initiate a request for an increase in the price paid to producers for market milk. Subsequent examination of cost movements revealed, however, that, for producers in the 40 to 50 cow herd size group, costs have risen to the point where an application for increase could be justified, and the Association has consequently submitted to the Metropolitan Milk Board a request, that, in the event of a general price rise involving all sectors of the industry, the return to the producers be increased by a substantial amount.

Although the Metropolitan Milk Board has not announced any decision concerning a price review for standard milk, consideration is being given by the Board to gazetting regulations for quality standards and prices for a range of "modified milks", including skim, low fat, high fat, and various grades of flavoured milks, and the Association has provided considerable assistance to the Board in this quite complex subject, particularly in relation to the pricing structure, where our participation in the Milk Prices Equalisation Scheme has proved of considerable value.

## CREAM MARKETING

We are pleased to be able to report the continued success of the Cream Promotion Campaign which the Association initiated in October, 1969 and which has, in less than two years, succeeded in increasing the sales of "Fresh as the Morning" South Australian cream to 2½ times the previous level, thus reversing the relative position of the shares of the market held by local and Victorian cream from 30 : 70 to 70 : 30. Discussions on the next steps to be taken will be held early in September.

## SCHOOL MILK REFRIGERATION

But probably the greatest reward for the Association's efforts is the success achieved by the introduction of a plan for the refrigeration of school milk, a plan for which the Association has worked for many years, and which, with the assistance of the South Australian Public Schools' Committees' Association, is now a reality. Although, at the time of writing, only two schools had been equipped with the special refrigerators designed and built for the purpose, the equipping of other schools can now proceed without check, and virtual coverage of all State and private schools participating in the Commonwealth Free Milk Scheme can be expected within a period that is limited only by the ability of the parties concerned to arrange for the manufacture and installation of the refrigerating equipment.

## DAIRY LEGISLATION

In many other fields the Association's activities have, during the year, been rather less spectacular but no less intense. Its views and support have been sought in connection with new and amended legislation relating to primary production, particularly the Cattle Compensation Act, Dairy Cattle Improvement Act, and the Branding Act, in each of which the changes incorporated the Association's recommendations, and various Regulations under the Metropolitan Milk Supply Act.

## SERVICE TO MEMBERS

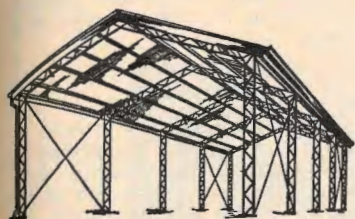
But there is one field of the Association's activities which is less noteworthy and less wide-ranging in its effects, but no less important, namely the very large extent of the service which is given to members on a personal level, such as legal, financial and technical advice, contact with Government and other Departments, and a variety of assistance in other matters, in which the Association acts in what may be regarded as the role of an ombudsman. We believe that, in this activity, the Association is acting in the best interests of its members, and we would not wish to see this most important work curtailed.

## DAIRY RECONSTRUCTION

What of the future? The dairying industry, one of the most efficient rural industries, is also one of the most highly organized, and although it must expect changes it must ensure that these changes are to its advantage. As efficiency and productivity increase the number of producers will decrease, as those who can no longer call upon reserves of energy or resources withdraw from its demanding discipline. In this matter we welcome the implementation in this State of the Marginal Dairy Farm Reconstruction Scheme, and although, at this time, only two applications have been approved out of less than a dozen submitted, the Association is compiling a register to bring together producers wishing to use the assistance provided either to sell or to buy, in order to make the most effective and immediate use of the Scheme.

## RESTRICTION OF LICENSING

But the withdrawal of producers from the industry will not, while productivity continues to rise, reduce the total output of dairy products or eliminate the effect on farm income of the lower prices received for exports. If the combination of productivity and low export returns leads to the imposition of the



## Steriline Clear Span Hay and Machinery Sheds

- Fully galvanised 1½" pipe frames eliminate maintenance
- Standard bays simplify future extensions
- First grade timber purlins—all bolts galvanised or cadmium plated
- Continuous Custom Orb sheeting—long length gutters, downpipe, ridge and barge caps.

Length Feet	Complete Shed \$	Frame Only \$
30	610	300
45	840	400
60	1060	500
75	1280	600
90	1500	700
105	1600	800
120	1700	900

### Hay

30 ft. clear spans

14 ft. eaves

15 ft. bays

WALL SHEETING—25c per sq. ft.

### Machinery Sheeting—Roof, Rear and 2 Ends

Length	22 ft. SPAN				26 ft. SPAN				30 ft. SPAN			
	Complete		Frame Only		Complete		Frame Only		Complete		Frame Only	
	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.	10 ft.	12 ft.
25 ft.	544	588	208	226	593	661	223	241	733	797	278	307
37 ft. 6 in.	712	762	284	308	796	858	296	328	937	1002	372	402
50 ft.	864	920	344	374	989	1039	369	399	1125	1217	450	487
62 ft. 6 in.	1024	1090	412	448	1162	1228	442	478	1331	1425	536	580
75 ft.	1182	1251	480	522	1335	1409	515	557	1537	1628	622	673
87 ft. 6 in.	1342	1411	547	589	1502	1584	582	629	1727	1829	702	759
100 ft.	1497	1577	610	663	1675	1768	655	708	1923	2034	788	859
<b>Extras</b>												
25 ft. Opening	\$30				\$30				\$35			
	SLIDING DOORS—(G.C. Iron) with single track—70c per sq. ft. twin track—80c per sq. ft.											
	6 BLADE LOUVRE WINDOW IN FRAME—\$14											
	P.A. DOOR—L & B with fittings \$17; Steel \$21											

# Steriline

Distributors Pty. Ltd.

Mannum Rd., Murray Bridge, S.A. 5253 Telephone 32 2033, A.H. 32 1851

two-price market participation plan we must ensure that the greatest possible flexibility is granted to each State to apply the plan as its producers see most appropriate in the light of conditions in each State.

### MARKETING PROBLEMS

But basically the problem with which the industry must solve, if it is to do more than cling to a precarious liquidity, is still, as always, the inadequacy of its marketing, and the Association will continue to use all its influence, as it has in the past, towards improvement in this sector, seeing the extension of the Dairy Research Levy to all milk, with emphasis on studies into marketing and consumption, and the changes that will result from the application of the metric system, as providing opportunities to express its views in this most important area.

### APPRECIATION

Certainly we can say that the dairying industry continues to provide ample challenge for the Association and its members, and we are fortunate that, in meeting this challenge, we have the ready assistance of the Minister of Agriculture, the Honourable T. M. Casey, and his staff, the members and staff of the Metropolitan Milk Board, whose new member, Mr. G. Bywaters, we welcome as an old friend, and to the officers of the Department of Agriculture.

To the Executive Committee, the Central Council and the members and staff I extend my personal gratitude for their singleminded efforts and loyalty.

—N. M. GREEN, President.

## "A Guide To Australian Cheese"

INFORMATION AND ENTERTAINMENT IN A NEW BOOK BY  
JOSEF VONDRA

South Australian cheese and cheese factories figure prominently in the just-published, comprehensively illustrated (20 full page colour photographs, and more than 50 black and white illustrations) book, "A GUIDE TO AUSTRALIAN CHEESE", the first major work on the vast variety of Australian cheese, and the story of the fascinating cheese industry — its history; its developments; the factories and the cheesemakers, their styles and differences, and the individual qualities of the cheeses they make.

The book, which has been handsomely produced by Lansdowne Press, will be extremely valuable as a text for dairy factory executives and other persons connected with the industry, including the dairy farmers who supply the milk from which the cheese is made, and, as well as making an excellent gift, will undoubtedly lead to a greater interest in cheese, and a greater consumption of the Australian product.

"A GUIDE TO AUSTRALIAN CHEESE" can be obtained from all bookshops for the retail price of \$3.95, but members may buy their copies direct from the Association, which has arranged to purchase a bulk order, on their behalf.



**Use the  
new simple  
formula for successful  
cattle raising**

**+ add BOVIZOLE\***  
**- subtract WORMS**  
**X multiply PROFITS**

See your THIBENZOLE\*  
supplier for details

**BOVIZOLE** Trademark  
**FEED WORMER OR LIQUID**  
**The Wormer with a Warranty**



MERCK SHARP & DOHME (Australia) Pty. Limited, Granville, N.S.W.

\*Trademark

MSDB 21 VcAu80.68

# anderson

## The most advanced refrigerated farm milk tank for the Dairy Farmer

- \* Certificates of Test of Performance for all models to comply with Australian Standard N46-1963.
- \* Low height for easy cleaning  
Automatic in-place cleaning device optional extra.
- \* 12 months' free service on refrigeration equipment.
- \* Competitively priced—better value.



**anderson**  
**equipment**  
co-operative ltd.

N.S.W.: Wetherill & Egerton Sts., Lidcombe. 648 1084; VIC.: 63 Charles St., North Coburg. 35 2347. QLD.: 491b Stanley St., Sth. Brisbane. 4 5452. S.A.: 179 Gilles St., Adelaide. 23 4155.  
N.Z.: Box 488, P.O., Hamilton.

FROM AUSTRALIA'S LEADING MANUFACTURER OF DAIRY FACTORY EQUIPMENT

## General Secretary's Report on Unity — at 30th June, 1971

The state of negotiations towards unity between the South Australian Dairymen's Association and the United Farmers and Graziers at the time of the last Annual Meeting of the Central Council is described in the Report on Unity presented to the Meeting in the following words:

"The present position is that agreement has been reached on some issues, on other issues, particularly those relating to the internal administration of the Section, including the Regional arrangement, it has been agreed that a final decision will be made either at the time of amalgamation or as an early item of business following amalgamation.

"There remain some items, of greater or lesser importance, on which no agreement has been reached, and on which further negotiation is required."

At the time the Report was written, the S.A.D.A. Executive Committee's 5th Draft Agreement proposal, which was the latest result of the negotiations which had followed the rejection by the U.F.G.S.A. of the original proposals for affiliation between the two bodies, had been examined by the Finance and Administration Committee of UFGSA.

Following this examination the F.A.C. required certain amendments to be made in respect to the financial arrangements and the proposals concerning the incorporation of the proposed Dairy Section and the location of the office. Although a change was required in the method of deciding the disposition of the funds of SADA, which were to be held in trust for three years, the principle of a trust fund was retained.

The amendments requested by the FAC were accepted by the Executive Committee, at the next meeting between the two organizations, and a further clause was added giving the Dairy Section power to levy its members above the general rate of annual subscription in the event of the costs of the Section increasing beyond the amount provided by the FAC.

However, in subsequent discussions, doubt was expressed by the FAC as to whether the proposal to place the SADA funds in trust for a probationary period was in accordance with the spirit of amalgamation, and at the request of the FAC the Executive Committee agreed that the monetary assets should be included with the other assets and passed over unconditionally to the UFGSA.

At this stage no general agreement had been reached between the Executive Committee and the Dairy Section Committee concerning the internal administration of the proposed new Dairy Section, and at a joint meeting of the two Committees to examine these matters it was agreed that amalgamation on 1st July, 1971 should be aimed at.

In conformity with this decision the UFGSA's solicitor prepared a final draft Amalgamating Agreement, which, after some revision by the Governing Council of the UFGSA, was submitted to the Executive Committee for acceptance.

Although the final Draft Agreement incorporated the principles of the preceding drafts it contained some provisions which seemed to the Executive Committee, and to the Association's solicitor, whose opinion had been sought from time to time during the progress of negotiations, to weaken the position of the proposed Dairy Section insofar as its finances were concerned, and to create conditions relating to the continued employment of the staff which differed from those which had previously been accepted.

The Executive Committee was not prepared to accept the final draft Agreement in that form, but, nevertheless, it recommended to the Central Council that

the final draft Agreement be accepted subject to satisfactory negotiation of the points in dispute.

In the meantime the Executive Committee had received advice from the Association's solicitor that, in his opinion, the fact that the amalgamation proposal had been included on the agenda and discussed at numerous meetings of the Central Council during the previous year was not sufficient to conform with the requirement of Section 36 of the Association's Constitution, that "in the event of any proposal being made to amalgamate the Association with any other organization, three months' notice of the proposal shall be given to the General Secretary, who shall forthwith notify the Secretaries of the District Committees and Secretaries of Branch Committees." Accordingly the notice of motion required by the Constitution was given at a Special meeting of the Executive Committee on 22nd June, 1971 and circulated in the manner required.

In conformity with the action taken, a request was made to the signatories to the Milk Prices Equalisation Agreement for the Agreement and the Articles of Association of the Committee to be amended to substitute "Dairy Section of the UFGSA" in place of "South Australian Dairymen's Association", wherever appropriate, and, at the same time, notice of motion was sent to the Australian Dairy Farmers Federation, that the Federation's Constitution be amended in a similar fashion.

The reaction from the signatories to the Equalisation Agreement was not favourable to the proposed amendments because of concern that the degree of protection now given to the operation of the Equalisation Scheme would be displaced by the broadening of representation in the proposed Dairy Section.

As far as the ADFF is concerned, as no decision to amalgamate had been made at that time the Association's delegates to the meeting of the ADFF Council asked that the notice of motion be retained on the Agenda, and as no vote was taken, the acceptability of the proposal to the other dairy organizations making up the ADFF could not be ascertained.

In the meantime the Executive Committee discussed the points in dispute with the UFGSA at several levels, but failed to obtain the desired changes in the draft Agreement.

The notice of motion for amalgamation has now been in the possession of Branch and District Secretaries for two months, and there appears to be a re-consideration of the situation by some Branches and Districts, as well as by individuals.

The position must, of course, now be examined searchingly. On the one hand, in favour of amalgamation, are the arguments about the desirability of one voice and the backing of a large organization in the wider matters that affect all primary producers.

On the other hand is the fact that in the terms for amalgamation that now exist, and which fall short of the requirements of the Executive Committee in several respects, the principles involved no longer conform to those which were set when the Association again began to give serious consideration to unity in 1968.

In his Annual Report for that year the General President said, with reference to unity, ". . . any form of organization that did not retain the Association as a completely self-governing, representative, recognizable identity could serve our members less effectively", and the first proposals for unity through affiliation in July, 1969 were drafted on this principle, and received the unqualified endorsement of the Central Council.

The Annual Report of the General President in that year (1969) reported that ". . . it appears that the basic principle of our proposals, our desire to remain a separate, identifiable organization, having a direct personal relationship with our members, is not yet acceptable to the UFGA. . . . If on the other

**MARGINAL DAIRY FARM RECONSTRUCTION SCHEME****EVEN IF YOU CONSIDER YOU ARE INELIGIBLE**

for assistance to sell, or to buy, under this scheme, please remember that there are provisions under which farms which do not comply with the requirements **MAY BE GIVEN SPECIAL DISPENSATION**, so register your farm with this office—Phone 51 3034, or after hours, 61 4508.

hand . . . agreement can be reached on this point there is the definite possibility that we may reach an even greater degree of unity, involving also the South Eastern Dairymen's Association, which has long been our colleague in the Australian Dairy Farmers Federation, and with which, if the negotiations with the UFGA are unfruitful, we should consider some formal arrangement of affiliation or amalgamation."

It was in that year also that the "Report on Unity" presented to the Annual Meeting of the Central Council stated . . . "It is possible that the apparently increased support for unity has resulted from the belief that the two organizations may be able to achieve a degree of unity less than full amalgamation, permitting the continued existence of the SADA as a separate entity affiliated with the UFGA."

This original principle of separate identity became a thing of the past when negotiations were transferred from the Dairy Section Committee level to the top management level of the UFGSA, and full amalgamation was stated by the UFGSA to be the only course that would be considered by that body, from which point onward the possibility of separate existence with autonomy in administration and finance became obvious impossibilities.

In deciding the course to be taken by the Association from this stage on, we must re-examine whether we now consider the original guidelines to be indispensable to the Association's continual effectiveness at its present level. We must re-examine also the extent to which the interests of the members may be jeopardised particularly in relation to the present milk marketing system.

In the interstate field there is news from N.S.W. of the proposal to form a completely new, and autonomous, dairy organization, comprising the members of Primary Producers' Union, the N.S.W. Milk Producers' Association, and the Dairy Section of the United Farmers' and Woolgrowers' Association, affiliated with the UFWA and having representation on the Governing Council of that body, but having a completely separate existence and financial status.

In Victoria the talks between the Victorian Dairymen's Association and the Victorian Farmers' Union have again reached a stalemate over the issue of separate existence and adequate control of finances, the V.D.A. requirement for affiliation being unacceptable to the VFU, even though the VFU has a much more flexible and accommodating Constitution than the UFGSA in regard to the status of its commodity sections.

Beyond this we must remember that amalgamation between this Association and the UFGSA will not bring about "one voice", as the South Eastern Dairymen's Association will still exist as a separate voice.

Early in our negotiations it had been hoped that a tripartite agreement could have been possible, between SADA, SEDA and UFGSA, and the possibility of such action was explored with the SEDA over several years. It now appears that our fellow foundation members and one-time close associates in the ADFP have moved further away rather than closer.

Whatever course the Association now takes should be taken with a hard-headed intention to provide the greatest degree of effectiveness in the areas in which the Association is most active, within the industry and at State and Federal level, seeing the concept of unity as a desirable but not over-riding accessory to be achieved on whatever terms the Association considers will best add to its effectiveness in working for the well being of its members.

**storing  
milk . . .**



**or moving it . . .**

**“DAIRY KOLD”  
has the answer!**

“Dairy Kold” Refrigerated Farm Milk Vats and “Dairy Kold” Bulk Milk Collection Tankers, articulated or rigid chassis, represent the ideal combination for storing and moving milk. Available in a range of capacities and incorporating many exclusive features, “Dairy Kold” units will meet your needs. Full details are available from the Head Office . . .



**M. J. MARSHALL PTY. LTD.**

A DIVISION OF H. P. GREGORY & CO. LTD.

92 Belmore Road Nth., Riverwood, N.S.W. 2210

Telephone 533 1044 (5 lines)

# New Dairy-Vegetable Oil Spreads for Asian Markets?

## Minister's Forecast of Future Trends

When opening the Annual Meeting of the Association's Central Council on 31st August, the Minister of Agriculture (the Hon. T. M. Casey) referred to the possibility of a new spread, containing butter oil and vegetable oils, for sale to markets in Japan and South East Asia. This product has proved to very popular in Sweden, where it is known as "Bregott", and contains about 10 per cent of vegetable oil and 70 per cent of butter oil. The product, although lacking the superior flavour of pure butter, is very spreadable, and particularly attractive to people living in warm climates, where the spreads are stored in household refrigerators.

The Ministers' address was as follows:

Mr. Chairman,—I would say that we are at the cross roads now regarding the future of the dairying industry right throughout Australia, and, of course, this means South Australia also. We are faced with the inevitability of England going into the Common Market, a step which is going to affect the Australian dairying industry to the extent of some 70,000 tons of butter a year. This is a lot of butter and it means that we in the industry must take a good look at our situation as it may be in the future, to see just how we are going to regulate the production of dairy products in this country in order to orient ourselves with the markets that are available outside.

Perhaps it is a little premature, at this stage, to say that the industry must look at controlled production, as I, for one, find it very difficult to find out just exactly how we are going to achieve this type of action in an industry as complex as the dairying industry. So much depends upon factors which are outside of the control of the average dairyfarmer. Be that as it may, I believe that we must realize that there are problems ahead of us, and we should be very mindful of the fact that whatever is done will be done in the interests of the dairyfarmers themselves.

There had been suggestions concerning the introduction of a two-price plan, which I believe your Association has been studying. I would like to have another really good look at this situation. I will not commit myself, at this stage, one way or the other because there are so many factors to consider. Nevertheless I believe that eventually it may be possible to evolve some scheme along these lines, although at this stage I think it is premature to indicate just which way the industry will move. Certainly I believe that we must look very closely at the licensing of all dairyfarms in the Commonwealth. This matter was raised at the meeting of the Australian Agricultural Council just recently, and I informed the Council that we have a type of licensing scheme for dairyfarms in South Australia; to use an outdoor phrase, it is a defacto type of licensing. A scheme of this type is essential to the industry, for when a farm is licensed then all the information relative to that farm can be obtained. It is going to be in the interests of the Department of Agriculture, it is going to be in the interest of the producer, it is going to be in the interests of the industry generally, and there is nothing to be afraid of when we talk about the actual licensing of dairyfarms. Licensing provides, at least, a more effective method of collating information and this information is capable of bringing stability into the fields of promotion and research by providing us with the background for our plans. I think this is what your Association wants, and I think that this is what the Australian dairying industry should be looking at very closely. However, I did indicate to the Agricultural Council that I thought that, at this stage, licensing of

farms was not essential to the industry, although it could be beneficial to the industry and we have a defacto type licensing in South Australia.

I was very pleased to see that the milk factories in South Australia are looking at their own problems very closely. It would appear to me that there is a very great need for an increase in the efficiency of the manufacturing sector of the industry generally. There has been several cases of companies being in difficulties over recent years; I'm hoping that they can weather the storm so that we can bring our product to the consuming public in the way in which it is supposed to be presented. In this respect the wider use of bulk tanks and bulk handling of milk is a factor which, I believe, has to be encouraged, and I give the industry full marks for the steps which it has taken in this direction.

Referring now to cream marketing: I can remember that just after I came into office the Victorians were pouring cream into this State in ever increasing quantity, and our side of the industry was looking rather glumly at the whole situation and claiming that the Victorians had stolen a march on us again. Nevertheless your Association rallied to the situation, you made yourselves acquainted with the problems of marketing cream in this State, and you got off your backsides and did something about it. The situation now is, of course, the reverse from that which prevailed less than two years ago. Where, then, Victoria was selling 70% of the cream consumed in South Australia and we were supplying the rest, we in South Australia are now selling 70% of the cream, and I don't think Mr. Bolte will be very happy with those results when he eventually reads them. In any case, as well as being on the spot, we have another advantage in that we sell better cream, or at least I think so, as the additives, whatever they were, didn't suit my palate anyway.

Turning now from dairy production to the subject of your competition, we have had some very interesting information regarding the margarine situation. You know the position of the wool industry, and its relation to synthetic fibres, and the fact that many people have said over the years, "Well, if you can't beat them, then join them." I believe that there is a lot of scope here, in the future, for the dairying industry to align itself with the oil seed industry, which is part of the margarine industry in this country, and I say this because we have got to produce a commodity which is marketable in countries outside Australia, and even on the export market the only profitable policy is that you give the customer what he wants.

The Japanese have recently shown that they are very interested in a combination of vegetable oils and butter oil, which produces a commodity that is very readily spreadable, and apparently is acceptable to their palate. I believe that, if this is the case, there is no reason why we can't take the initiative here, and combine Australian vegetable seed oils, which are produced in this country, together with our butter oil, which is produced in this country and develop a product which is acceptable to the South East Asian market.

I am sure that your members would agree that, if we can market a product of this nature, it is not only going to be beneficial to the dairying industry, it is also going to be beneficial to the Australian oil seed industry. Be that as it may, there have been moves to call a special meeting of the Australian Agricultural Council, to discuss this very matter, and I am of the opinion that we should really be elated at this prospect, because if we can't sell butter as a butter product in these areas, at a profitable price, why not sell a product which contains a substantial portion of butter and the remainder of vegetable oils. I think we will be very foolish if we don't take this opportunity when it presents itself on this occasion.

It is inevitable that, increasingly in the future, we will have to look to Japan and the South East Asian regions for our markets. I believe that we are getting to the stage now where far too much of the return we receive for our products is being absorbed by the freights that are incurred in shipping our goods between Australia and the U.K., and between Australia and some of the countries within

# Insure totally and save with Federation

PROMPT  
CLAIMS  
ATTENTION

Your helpful Federation man will offer you expert advice on all insurance matters — and serve you promptly when making a claim. And, the unique Federation service to Associations, benefits Members in many ways.

## Federation for total protection

check the "one-renewal-date" plan



### A SECURE FUTURE?

Can you afford to take a risk?

In fact your family's future, and your own, depends on carefully planned Life-retirement assurance from The Federation Insurance Limited. Let your helpful

Federation man assess your needs and establish a sound insurance plan. All your insurance commitments can be easily covered by Federation's unique insurance service . . . so why take the risk?

7x4-1200

### The Federation Insurance Limited

342 Flinders St., Melbourne, 3000. Tel. 62 0101.  
168 George St., Sydney, 2000. Tel. 27 2266.  
376 Queen St., Brisbane, 4000. Tel. 2 2386.  
Cnr. King William St. and South Terrace,  
Adelaide, 5000. Tel. 8 4541.  
209 Adelaide Tce., Perth, 6000. Tel. 23 1931.  
71 St. John St., Launceston, 7250. Tel. 2 4085.



your  
helpful  
Federation  
Man

100%  
Australian Company—  
you insure well  
with F.I.L.

# PRICES AND STATISTICS

## ADELAIDE METROPOLITAN MILK SUPPLY AREA

	PRODUCTION (000 gallons)					
	For month		Total since July 1		Total since Jan. 1	
	1970	1971	1970/71	1971/72	1970	1971
August ... ..	5,314	5,066	10,101	9,597	35,235	33,369

	MILK SALES (000 gallons)				RATIO		C.M.B.	
	For month		Total since July 1		per cent		cents	
	1970	1971	1970/71	1971/72	1970	1971	1970	1971
Aug. ... ..	1,844	1,869	3,718	3,760	34.7	36.9	22.53	23.54

### MOVING AVERAGE RATIO for 12 months ended

	1970	1971
31st August ... ..	37.14%	39.02%

### CREAM PROMOTION CAMPAIGN

Sales expressed as multiples of sales for  
Same month in previous year  
August, 1971 ... .. 1.071

### INTERIM PRICES TO LICENSED SUPPLIERS

(Prices are interim only and subject to retrospective adjustment)

1971	Basic C.M.B.		Total	3.5%	4%	4.5%	5%
	(cents per lb. butterfat)						
August ... ..	38.28	23.54	61.82	22.33	25.52	28.71	31.90

### LONDON PROVISION EXCHANGE QUOTATIONS

(Pounds Sterling per ton)

	August	
	1970	1971
Butter—Choicest Australian (£'s) .....	313	480
Cheese—Rindless Australian (£'s) .....	260	375

the European Common Market. We must realise that one of the greatest problems that we are going to face in the marketing of our primary products in the E.E.C. is the high cost of freight, to which will be added the extra burdens imposed by the Common Agricultural Policy that operates within the E.E.C., which includes an external tariff and, in some cases, an internal tariff also. All these combined make it virtually prohibitive to get many of our primary products into these areas, and this is why we have to orient our thinking towards the South East Asian regions and if we do not recognise that then we are merely burying our heads in the sand.

I believe that your Association, because its members supply milk to factories whose output has a ready entry to Japan and other nearby Asian countries, has been very conscious of this fact, and I congratulate your organization on the way in which you really grasp the problems which confront the industry, and put forward very worthwhile suggestions which can only benefit the industry in the long term.

### MARGINAL DAIRY FARM RECONSTRUCTION SCHEME

If you wish to sell your property, or buy a property to add to yours, register the details with this office—Phone 51 3034, or, after hours, 61 4508.

milking is  
made easier  
with

# MASPORT

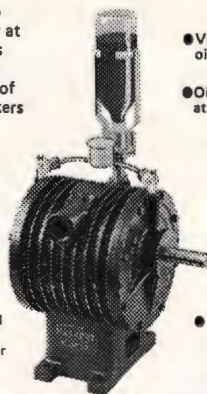
*the great value*

## VACUUM PUMP

● GREATER CAPACITY ● LOWER SPEEDS ● LONGER LIFE

Masport Vacuum Pumps are designed specifically to operate milking machines with maximum efficiency at minimum cost. As a result, Masports are specified as standard equipment on top grade milking machines sold in New Zealand, Ireland and the United States of America, and are also recommended by leading makers in Australia.

When you buy a new milking machine, or when you replace an existing vacuum pump, look for the name Masport — it's a mark of quality. The rugged design, simplicity of operation and precision engineered construction ensure long and satisfactory operating life. IT'S QUIET TOO!



- Visible metered oil flow.
- Oil reserve seen at a glance.
- Constant lubrication to all belt races.
- Automatic oil supply to all moving parts.
- Mounting holes provide easy interchangeability.

- Every pump factory tested and fully guaranteed for 12 months.

**JAQUES  
McDONALD  
Pty. Ltd.**

299 Prospect Rd., Blairathol  
5084 S.A. Phone 65 6117.

POST TODAY TO YOUR NEAREST STATE OFFICE.

Please send illustrated brochure and details of Masport Vacuum Pumps.

Name .....

Address .....

..... Post Code .....

Please tick if for School Project

THE SOUTH AUSTRALIAN

DAIRYMEN'S . . .

# Journal

Official Publication of the



Published Bi-monthly

Vol. 11, No. 2.

Adelaide, SEPTEMBER/OCTOBER, 1971.

In this issue:

## **DECISION ON UNITY**

•

## **UNITY IN OTHER STATES**

•

## **DAIRY STABILIZATION**

**THE LONG TERM PLAN**

and

**THE TWO PRICE QUOTA SCHEME**

PRICE

**20c**

**storing  
milk . . .**



**or moving it . . .**

**“DAIRY KOLD”  
*has the answer!***

“Dairy Kold” Refrigerated Farm Milk Vats and “Dairy Kold” Bulk Milk Collection Tankers, articulated or rigid chassis, represent the ideal combination for storing and moving milk. Available in a range of capacities and incorporating many exclusive features, “Dairy Kold” units will meet your needs. Full details are available from the Head Office . . .



**M. J. MARSHALL PTY. LTD.**

A DIVISION OF H. P. GREGORY & CO. LTD.

92 Belmore Road Nth., Riverwood, N.S.W. 2210  
Telephone 533 1044 (5 lines)

# THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL



Published by  
**THE SOUTH AUSTRALIAN DAIRYMEN'S ASSOCIATION  
INCORPORATED**

Aston House, 13 Leigh Street, Adelaide. 5000. 51 3034

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

Advertising Rates on application

**South Australian Dairymen's Association --  
United Farmers and Graziers (S.A.) Inc.**

## **Joint Statement on Cessation of Unity Negotiations**

*The possibility of achieving unity between the United Farmers and Graziers Association and the South Australian Dairymen's Association has been the subject of continuing discussion since the idea was first proposed in 1967.*

*The negotiations that have taken place since that time achieved, at every level, a very large measure of understanding and agreement, and proposals whereby the full amalgamation of the two organizations could be brought about were subjected to frequent and searching examination.*

*In view of the time and the sincere effort contributed by all parties at the many conferences that were held, and the necessity for primary producer organizations to be strong and united, it is to be regretted that it was not possible to draft terms which were completely acceptable to the two Associations, and that, as a consequence, amalgamation did not result.*

*Nevertheless, the United Farmers and Graziers Association and the South Australian Dairymen's Association continue to support the principle of unity of primary organizations.*

### **S.A.D.A. ON THE AIR**

#### **NEWS AND VIEWS IN ABC'S AGRICULTURAL COMMENT**

The General Secretary is now featured regularly in the A.B.C.'s Country Hour, in the feature "Agricultural Comment", on alternate Mondays.

As well as comments on current dairying topics, up-to-the-minute information is given on prices, bonuses, and production and sales statistics.

When space, time and relevancy permit, the text of the talks will be printed in the Journal.

# UNITY

## Central Council Decides: "No Amalgamation at Present"

During the three years that have elapsed since serious discussion began in 1968 on the possibility of an amalgamation between the South Australian Dairymen's Association and the United Farmers' and Graziers' Association, the progress of the talks and the stages of agreement reached have been reported from time to time, and fully at the close of each year in the "Report on Unity" which was presented to each Annual Meeting of the Central Council.

At the Annual Meeting held on 31 August, 1971, the position then was that a draft Amalgamation Agreement had been prepared by the UFGA's legal adviser on the basis of the agreement that had been reached at that stage by the two negotiating bodies, and, in conformity with the SADA Constitution, which requires three months' notice to be given of any proposal to dissolve or amalgamate the Association, the Executive Committee had, on 5th July, 1971, submitted to all Branch and District Secretaries a notice of motion "That on the expiry of not less than three months from the 22nd June, 1971, the South Australian Dairymen's Association Incorporated amalgamate with the United Farmers' and Graziers' of South Australia Incorporated".

Shortly after the expiry of the required three months, a Special Meeting of the Central Council, attended by 31 of the 34 delegates entitled to be present, was held on 5th October, and the motion, of which notice had been given, was formally moved by the General President (Mr. N. M. Green), on behalf of the Executive Committee, and, upon being put to the vote, was unanimously rejected.

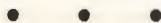
A motion submitted by the Meadows District, "that, as the SADA/UFGSA merger proposals failed to guarantee for the members of the SADA the continuity of specialist service and representation acquired during 35 years of existence, the negotiations for amalgamation be discontinued" was moved and seconded by the Meadows delegates. An amendment "that negotiations for the amalgamation of the SADA and the UFGSA be discontinued for 12 months" was not carried, and the Meadows motion then passed.

### DOOR TO UNITY STILL OPEN

Although the Central Council's defeat of the motion for amalgamation brought the present series of negotiations to an end, it was felt that much valuable insight into the problems involved with unity had been gained, and progress had been made that would, as circumstances change, permit a reappraisal of the situation, and the Central Council finally resolved "that this Association believes that one voice to speak for the whole dairying industry in this State is desirable, and will consider any proposal which would achieve this result whilst preserving the full effectiveness of the present organisation."

### JOINT STATEMENT

A joint statement prepared by the two associations appears on page 1 of this issue.



# Your cows will love Hydropulse.

Constant balanced pulsations at a factory set speed plus constant vacuum, free from fluctuations and oscillations, give you increased milk yield, faster milking and reduction in labour.

**ALFA-LAVAL**

*Hydropulse*

For conversions, new installations and the full range of Alfa-Laval equipment, contact your local supplier, milk factory, or . . .

**Steriline**

DISTRIBUTORS  
PTY. LTD.,

For service when you need it.

HEAD OFFICE: MANNUM RD., MURRAY BRIDGE (BOX 434)

Tel. 32 2033 AH 32 1851

ADELAIDE OFFICE: 73 McLAREN ST., Tel. 23 4103



## UNITY IN OTHER STATES

In **Victoria** the negotiations which had been carried on intermittently over the last three years were eventually abandoned when no compromise could be reached between the Victorian Dairyfarmers' Association's proposal for affiliation, with the VDA maintaining a separate identity as the dairy body, and the Victorian Farmers' Union's insistence on full integration, with the VDA becoming absorbed as a VFU commodity section.

A recent proposal by the VFU, for a form of affiliation somewhat different from that favoured by the VDA, has been rejected by the latter body.

In **New South Wales** a Dairy Industry Council has been formed as a step toward the eventual full amalgamation of the Milk Zone Dairymen's Union, the Primary Producers' Union, and the Dairy Section of the United Farmers' and Wheat-growers' Association, into a separate dairy organisation with identifiable membership, but affiliated with the UFWA for general purpose matters and with representation on the Council of the UFWA.

In **Tasmania** the Dairy Section of the Tasmanian Farmers' Federation has withdrawn from membership of the Federal Dairy Council (a body formed out of the Federal Dairy Section of the now defunct APPU).

# DAIRY STABILIZATION

## The Long Term Plan and The Two Price Quota Scheme

The sequence of events which caused the Federal Government to demand a production control scheme for the Australian dairying industry, and which eventually led to the drafting of the Two Price Quota Scheme, has been fully reported in this Journal: first, the forecast, in March 1970, of a probable 15,000 tons butter surplus at the end of the 1970-71 season, coupled with the possibility of Britain's entry into the European Economic Community; second, the options offered by the Federal Government, either production control or a revision of the bounty and underwriting support; third, the adoption, by the industry, of an "honour" system of production restraint; fourth, a downturn in seasonal conditions and an upturn in world demand for dairy products that caused all restraints to be lifted within 6 months of their imposition.

But, despite this dramatic change in the dairy situation, the Federal Government, fearing the effects on the dairying industry of Britain's then probable (and still not certain) integration with Europe, continued to demand, from the industry, a plan for production control, and its demand was strengthened by the fact that the current 5 Year Stabilisation Plan (by which the industry is subsidised by way of bounty and a guaranteed opening price) was due to expire on 30th June, 1972, and be renewed by the passing of legislation if the bounty and the other support was to continue.

Consequently, despite the reversal in its fortunes, and the now rosy outlook (though even the most optimistic could not, for certain, say how long the outlook would last), the Australian dairying industry was in no position to argue (and those few bold ones who tried were smartly slapped down). The issue was clear—if the industry was to receive the support that it wanted from the Federal Government, it must, at the same time, impose a curb on its output. So the industry accepted, with as good a grace as possible, the condition laid down by the Government, and included a proposal for production control, in the form of a Two Price Quota Scheme (this form having been insisted upon by the previous Minister for Primary Industry, the Hon. J. D. Anthony), to be introduced if necessary, at the end of a long list of other, more positive, proposals, in what was titled "A Long Term Plan for the Australian Dairy Industry".

In effect these proposals, of which there were 8 in all, (including the Two Price Quota Scheme), formed a blue-print for the next 5 Year Stabilisation Plan, but it was a much more detailed blue-print than the industry had submitted for earlier 5 Year Plans, containing, as it did, practically everything the industry had ever asked from the Government, even though some of the requests were beyond the power of the Federal Government to grant.

The Long Term Plan was submitted to the Federal Government at a widely representative meeting on 1st November, 1971. It was intended that the Plan (and the Two Price Quota Scheme which is part of the Plan) would be submitted to each State Government for its support, and that, eventually, the Australian Agricultural Council, which comprises the Ministers of Agriculture from each State, with the Federal Minister for Primary Industry, would give its blessing to the Plan in time for the passing, by Federal Parliament, of the enabling legislation, and its introduction on 1st July, 1972.

*In press and radio comment the Two Price Quota Scheme has received most of the attention, but the Scheme is only part of the Plan, a one-eighth part to be exact, and each of the other items is equally part of the Plan, though none would claim that each is equally important.*

*The dairy industry, itself, must realize that the urgency lies in getting legislation through that will allow Stabilisation to continue.*

*Therefore, the whole Plan must be examined, and, although some of the detail may seem to be unnecessarily tedious, the full contents of the Plan (including the full working explanation of the Two Price Quota Scheme, much of which will be seen to be a repetition of earlier tentative Plans printed in this Journal) will be contained in this and subsequent Journals.*

## AUSTRALIAN DAIRY INDUSTRY COUNCIL

### PROPOSAL FOR A LONG-TERM PLAN FOR THE AUSTRALIAN DAIRY INDUSTRY

#### Introduction:

Because of—

- The need to ensure for dairy farmers a stabilised return at the highest possible level and, at the same time, maintain a viable dairy industry in each State.
- The record level of Australian milk production in 1969-70 and the possibility that, under good seasonal conditions in the main dairy-producing areas, the upward trend in production could continue.
- The almost certain entry of the United Kingdom into the European Economic Community and the consequent loss of an established market for up to 67,000 tons of butter and 12,000 tons of cheese.
- The difficulty of obtaining alternative markets which would provide a reasonable return to dairy farmers for the surplus production if World production of butter and related butterfat products increased again in the near future—

—the Australian Dairy Industry Council is of the opinion that it would be in the best interests of dairy farmers for Australian dairy production to be planned as far as is practicable to do, to a level sufficient to meet Australian requirements and available, viable export markets.

After investigating a number of proposals, the Council believes that one way of planning production to maximise producers unit returns, ensure an equitable share of the best available markets for each dairy farmer and, at the same time maintain a viable dairy industry in each State, is by a "Two-Price Quota Scheme" for the manufacturing sector of the industry.

The Council has drafted a quota scheme which is designed to restrain production if necessary by ensuring that each individual dairy farmer will know that his return for any production above a specific quota quantity (i.e. his share of all markets for manufactured dairy products which provide a reasonable return to the industry) will be substantially below the return for his quota quantity.

With increasing costs dairy farmers could not be expected to accept any scheme designed to restrain their farm dairy production which would have the effect of reducing their incomes, unless they were assured of **continued Federal**

**Government financial assistance, protection of the Australian market for Australian produced dairy products and control on the entry of new farmers into the industry.** The Council therefore has incorporated its "Two-Price Quota Scheme" as part of an overall long-term plan for the industry.

The provisions of the plan are as follow:

### PROVISIONS OF PLAN FOR THE AUSTRALIAN DAIRY INDUSTRY

1. ACTION BY ALL STATE GOVERNMENTS TO LICENSE EXISTING DAIRY FARMS WITH PROVISION THAT NO NEW LICENCES BE ISSUED EXCEPT UNDER A POLICY AGREED TO AT THE AUSTRALIAN AGRICULTURAL COUNCIL AFTER CONSULTATION WITH THE AUSTRALIAN DAIRY INDUSTRY COUNCIL AND TAKING INTO CONSIDERATION THE MARKET REQUIREMENTS FOR DAIRY PRODUCTS.

**Comment:** Because of the present uncertainty of future export markets and the likelihood of the need to introduce some form of production restraint, the Australian Dairy Industry Council and the Australian Dairy Farmers' Federation are of the opinion that the entry of new producers into the industry should be controlled and that existing producers should be discouraged from further investment which would have the effect of increasing production.

While thousands of dairy farmers have ceased dairy production during recent years, the influence of the loss of production from these farms on Australian overall production has been offset by the entry into the industry of new farmers through the development for dairy production, in many cases on a large scale, of properties not previously used for dairying.

Both the Council and the Federation are strongly of the opinion that it is vitally important that action be taken to protect the interest of existing dairy farmers by controlling the entry of new farmers into the industry.

In adopting this policy neither organisation is advocating a closed industry but they believe that any future expansion of the industry should be on a planned basis agreed to at the Australian Agricultural Council after taking into consideration market requirements.

While this policy is designed to protect the industry on an Australia-wide basis, it would not restrict the expansion of the industry in a particular State or district if the Australian Agricultural Council agreed that it would be in the best interests of the industry for such expansion to take place.

Action along the lines recommended is considered to be essential whether or not any form of production restraint is introduced.

2. AGREEMENT BY THE FEDERAL GOVERNMENT TO PROVIDE FINANCIAL ASSISTANCE TO THE INDUSTRY AT LEAST AT THE PRESENT LEVEL FOR A PERIOD OF FIVE YEARS.

**Comment:** The five year period is proposed to cover the term of the new stabilisation plan which will commence on July 1, 1972.

3. ACTION BY THE FEDERAL GOVERNMENT TO PROHIBIT THE IMPORTATION OF CHEESE UNTIL AUSTRALIAN MILK PRODUCTION LEVELS ARE ADJUSTED TO MEET FUTURE DOMESTIC AND OVERSEAS MARKET REQUIREMENTS FOR DAIRY PRODUCTS.

**Comment:** The Australian market is the major base on which the income structure of the Australian dairy industry depends.

As a direct result of the promotion programmes financed by the dairy industry, cheese consumption increased during the 1960's. From an average of 5.7 lbs. per head for the three years ended 1958-59 consumption increased to an average of 8.3 lbs. per head for the three years ended 1970-71.

These figures include imported cheese which, in 1970-71, amounted to 5,809 tons or 11.4% of total Australian cheese consumption. A substantial proportion of cheese imports originates from countries which prohibit imports of any Australian dairy products including cheese. In addition, some of the imported cheese is produced in countries which are members of the European Economic Community and a major reason for any scheme for production restraint in Australia would be to safeguard the industry should the United Kingdom enter the E.E.C. Therefore, the importation of cheese, particularly from countries which have trade barriers against Australian dairy products is not acceptable to the dairy industry.

Dairy farmers have contributed to cheese promotion in Australia but the full benefit of this expenditure has been lost because of the substantial quantities of cheese being imported into Australia.

4. THE INTRODUCTION BY ALL STATE GOVERNMENTS OF LEGISLATION TO CONTROL THE PRODUCTION AND SALE OF COOKING MARGARINE COLOURED AND FLAVOURED TO RESEMBLE BUTTER, ALONG SIMILAR LINES TO THE LEGISLATION IMPLEMENTED IN VICTORIA AND TASMANIA.

**Comment:** Apart from rising costs and the level of returns, the greatest single threat to the stability of the dairy industry on the Australian market comes from competition with margarine. Competition with table margarine is limited by production quotas, but the increasing sales of special types of cooking margarine coloured and flavoured to resemble butter, in States without controlling legislation, is a major problem to the industry.

5. THE INTRODUCTION BY ALL STATE GOVERNMENTS OF LEGISLATION TO CONTROL THE PRODUCTION AND SALE OF IMITATION MILK, ALONG SIMILAR LINES TO THE LEGISLATION IMPLEMENTED IN VICTORIA.
6. THE EFFECTIVE POLICING OF THE TABLE MARGARINE PRODUCTION QUOTA LEGISLATION BY STATE AUTHORITIES.
7. APPROPRIATE ACTION BY STATE AUTHORITIES TO ENSURE AT ALL LEVELS, UNIFORM HIGH QUALITY OF DAIRY PRODUCTION.
8. AGREEMENT BY THE AUSTRALIAN DAIRY INDUSTRY, THE FEDERAL GOVERNMENT AND ALL STATE GOVERNMENTS TO INTRODUCE, IF NECESSARY, A TWO-PRICE QUOTA SCHEME ALONG THE LINES OF THE SCHEME OUTLINED IN THE ATTACHED DOCUMENT.

●   ●   ●

## AUSTRALIAN DAIRY INDUSTRY COUNCIL

### TWO-PRICE QUOTA SCHEME FOR THE MANUFACTURING SECTOR OF THE DAIRY INDUSTRY

#### General Principles:

Under a two-price quota scheme dairy farmers would be allotted a butterfat production quota based on an estimate of Australian market sales of manufactured dairy products plus a quantity for exports to be determined. For quota

butterfat production a dairy farmer would receive a premium price, whilst the price received for over-quota butterfat production would be based, in the case of butter and cheese, on equalised export market returns and for all other manufactured products, on the basic factory return. Federal Government financial assistance would be restricted to quota production and would be allocated on the recommendation of the Australian Dairy Industry Council between butter, cheese and other prescribed products produced from quota supplies, for distribution on a butterfat basis.

The quota scheme would be operated and the Australian market protected by the application of a Federal levy on production of prescribed dairy products with a rebate of the levy made on products exported. The rates of levy for butter and cheese would be equal to the difference between the estimated realisations from sales on the Australian and export markets. In the case of all other prescribed manufactured products, the rate of levy would be a butterfat rate prescribed within a specified maximum on the recommendation of the Australian Dairy Industry Council. The proceeds of the levy would be paid into Consolidated Revenue and an equal amount appropriated for payment into a Fund to be known as the Dairy Industry Fund.

The premium payments to producers on quota production would be achieved by the Commonwealth Dairy Produce Equalisation Committee Ltd. making payments to manufacturers of amounts equal to the proceeds of the levy after export rebates had been made and costs met, plus amounts equal to Federal Government financial assistance. Guaranteed loans to enable the Committee to make these payments would be arranged by the Federal Government.

Monies in the Dairy Industry Fund, together with the amounts of Federal Government financial assistance available, would be remitted by way of grants to State Governments for payment to the Equalisation Committee to offset the losses incurred by the Committee in making the premium payments.

### **Basic Provisions:**

#### **1. Australian Butterfat Quota—**

- 1.1 The determination each year by the Australian Agricultural Council on the recommendation of the Australian Dairy Industry Council, of an Australian butterfat quota based on an estimate of the butterfat in all prescribed products sold on the Australian market plus the butterfat in a determined quantity of the same products sold on export markets.
- 1.2 Prescribed products shall include all dairy products of a specified minimum butterfat content, other than market milk sold in Australia as liquid milk for immediate consumption as such.

#### **2. State Butterfat Quotas—**

The allocation by the Australian Agricultural Council on the recommendation of the Australian Dairy Industry Council, of a butterfat quota to each State based on an estimate of the quantity of butterfat in all milk and cream supplied by dairy farmers for manufacture into prescribed products taken as an average over a previous base period to be determined. The sum of all State quotas to equal the total Australian quota.

#### **3. Farm Butterfat Quotas—**

- 3.1 The allocation by an Authority, set up in each State (see paragraph 4), of a farm butterfat quota, on a basis to be determined by each State Authority, to each dairy farmer supplying milk and cream to a factory for manufacture into prescribed products.

# anderson

## The most advanced refrigerated farm milk tank for the Dairy Farmer

- \* Certificates of Test of Performance for all models to comply with Australian Standard N46-1963.
- \* Low height for easy cleaning. Automatic in-place cleaning device optional extra.
- \* 12 months' free service on refrigeration equipment.
- \* Competitively priced—better value.



**anderson**  
equipment  
co-operative Ltd.

N.S.W.: Wetherill & Egerton Sts., Lidcombe. 648 1084. VIC.: 63 Charles St., North Coburg, 35 2347. QLD.: 4916 Stanley St., Sth. Brisbane. 4 5452. S.A.: 179 Gilles St., Adelaide. 23 4155. N.Z.: Box 488, P.O., Hamilton.

FROM AUSTRALIA'S LEADING MANUFACTURER OF DAIRY FACTORY EQUIPMENT

- 3.2 The State Authority in each State shall take into consideration when determining the level of a farm quota, the butterfat equivalent in market milk supplied from such farm as liquid milk for immediate consumption as such.
  - 3.3 Part of the State Quota shall be held under the control of a Farm Quota Appeal Committee (see paragraph 5), for allocation to a dairy farmer successfully appealing against the quota allocated to him by the State Authority, or for the allocation of a quota to a dairy farmer who has not received a quota from the State Authority and who, in the opinion of the Appeal Committee, is entitled to a quota.
  - 3.4 A dairy farmer receiving a farm quota shall lodge the quota with the dairy factory of his choice. Except with the written approval of the State Authority, no transfer of a farm quota from one dairy factory to another factory shall take place except on July 1 in any year and such transfer shall be subject to three months' prior notice.
  - 3.5 Any matter in relation to farm quotas in dispute between a dairy farmer and a manufacturer shall be referred to the State Authority for determination.
  - 3.6 Farm quotas shall remain with the farm concerned unless a transfer to another farm is approved by the State Authority.
4. **State Dairy Authorities—**
- 4.1 There shall be a Statutory Dairy Authority in each State.
  - 4.2 The Constitution of any State Authority could be designed to meet the requirements of the particular State.
  - 4.3 All milk produced shall be vested in the State Authority. This provision is essential to prevent over-quota milk being withheld from supply for manufacturing purposes and diverted to market milk supply to the detriment of the milk price structure.
  - 4.4 State Authorities shall have power to:—
    - (a) Control all milk produced in the State.
    - (b) Determine the level of each farm butterfat quota and allocate such quota to the farm concerned.
    - (c) Approve or disapprove of the transfer of a farm quota to another farm.
    - (d) Approve or disapprove of the transfer of a farm quota from one factory to another factory other than on July 1 in any year.
    - (e) Determine any matter in relation to farm quotas in dispute between a dairy farmer and a manufacturer which has been referred to it.
5. **Farm Quota Appeal Committees—**
- 5.1 There shall be a Farm Quota Appeal Committee in each State.
  - 5.2 The Constitution of any Farm Quota Appeal Committee could be designed to meet the requirements of the particular State.

5.3 Farm Quota Appeal Committees shall have power to:—

- (a) Consider an appeal by a dairy farmer against the level of the farm quota allocated to him by the State Authority.
- (b) Consider an appeal by a dairy farmer against a decision by the State Authority not to allocate a farm quota to him.
- (c) Allocate a farm quota to a dairy farmer, in addition to the quota allocated by the State Authority, or an original quota, where, in the opinion of the Appeal Committee, the appeal made by such farmer under (a) or (b) above should be allowed.

6. **Australian Dairy Industry Council—**

6.1 The Australian Dairy Industry Council shall:—

- (a) Recommend to the Australian Agricultural Council each year the level of the Australian butterfat quota and the level of each State's butterfat quota.
- (b) Recommend the rates of levy to be determined each year (see paragraphs 9 and 13).
- (c) Recommend the allocation of Federal Government financial assistance between butter, cheese and other prescribed products produced from quota supplies.

7. **Equalisation Arrangements - Butter and Cheese—**

- 7.1 The Commonwealth Dairy Produce Equalisation Committee Ltd. shall administer separate equalisation pools for butter (including butteroil) and cheese, with a single pool for each product.
- 7.2 The butter and cheese equalisation pools shall be based, in each case, on realisations from Australian sales less the levy (see paragraph 8) paid thereon and realisations from all exports.
- 7.3 The Equalisation Committee shall make allowances for freight, cold storage or other marketing or administration costs along similar lines to the present equalisation scheme.

8. **Dairy Produce Levy and Dairy Industry Fund—**

- 8.1 For the purpose of stabilising domestic market values and ensuring the effective operation of the two-price quota scheme, there shall be a separate Federal levy on butter, cheese and on all other prescribed products.
- 8.2 Pending distribution, the proceeds of all levies imposed shall be paid into a Fund to be known as the Dairy Industry Fund and held under a separate account for each product.

9. **Levy Collection and Rebates - Butter and Cheese—**

- 9.1 There shall be a separate **product levy** on all butter and cheese produced on a product weight basis.
- 9.2 The levy shall be payable by the manufacturer of the butter and cheese within a specified time. To facilitate the collection of levies and minimise the financial burden on factories, the Equalisation Committee shall have authority to pay the levies on behalf of manufacturers who are parties to the equalisation scheme.

- 9.3 The rates of levy for butter and cheese for a production period shall be the difference between the estimated net return from Australian sales and the estimated average net return from export sales. The rate of levy for butteroil shall be the **butterfat rate** equivalent to the rate of levy for butter.
  - 9.4 The rate of levy shall be prescribed, on the recommendation of the Australian Dairy Industry Council, within a specified maximum rate for each product.
  - 9.5 Pending distribution (see paragraph 10), levy collections on butter and cheese shall be placed in the Dairy Industry Fund in separate Butter and Cheese accounts.
  - 9.6 The levy shall be rebated on all exports of butter and cheese at the rate of collection. Provision shall be made for rebates to be paid to the Equalisation Committee where the levy payment was made by the Committee.
  - 9.7 Appropriate payments shall be made to the Equalisation Committee from the Fund in respect of approved concessional sales on the local market (e.g. butter for butteroil for manufacturing purposes), and approved costs.
10. **Dairy Industry Fund Distribution - Butter and Cheese—**
- 10.1 Premium returns to producers in respect of butter and cheese produced from quota supplies shall be achieved through the payment by the Equalisation Committee to manufacturers of amounts equal to the proceeds of the levy after rebates have been made to manufacturers in respect of exports and the Committee has been recouped for approved costs, plus amounts equal to Federal Government financial assistance.
  - 10.2 The Federal Government shall arrange guaranteed loans to enable the Equalisation Committee to make the payments to manufacturers in respect of butter and cheese produced from quota supplies and to meet approved costs associated with quota production.
  - 10.3 The Federal Government shall remit to each State for payment to the Equalisation Committee an amount equal to the losses sustained by the Committee arising from the payments in that State in respect of butter and cheese produced from quota supplies.
  - 10.4 The levy proceeds plus the amount of Federal Government financial assistance available shall be used to repay the loans to the Equalisation Committee to cover the losses incurred by the Committee in respect of butter and cheese produced from quota supplies.
  - 10.5 To prevent a manufacturer from equalising payments to producers for quota and over-quota production, the premium payments to the manufacturer by the Equalisation Committee shall be conditional upon prompt, full and identifiable payment of such monies by the manufacturer to dairy farmers on their quota production.
  - 10.6 Premium payments shall be made by a manufacturer on all butterfat received from a dairy farmer until such time as the farmer concerned has supplied his full quota quantity.
  - 10.7 Any part of premium payments received by manufacturers remaining undistributed because of a short fall in eligible quota intake from individual dairy farmers, or for any other reason, shall be refunded by manufacturers.

milking is  
made easier  
with

# MASPORT

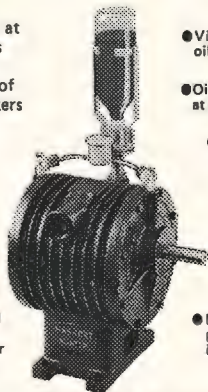
*the great value*

## VACUUM PUMP

● GREATER CAPACITY ● LOWER SPEEDS ● LONGER LIFE

Masport Vacuum Pumps are designed specifically to operate milking machines with maximum efficiency at minimum cost. As a result, Masports are specified as standard equipment on top grade milking machines sold in New Zealand, Ireland and the United States of America, and are also recommended by leading makers in Australia.

When you buy a new milking machine, or when you replace an existing vacuum pump, look for the name Masport — it's a mark of quality. The rugged design, simplicity of operation and precision engineered construction ensure long and satisfactory operating life. IT'S QUIET TOO!



● Every pump factory tested and fully guaranteed for 12 months.

● Visible metered oil flow.

● Oil reserve seen at a glance.

● Constant lubrication to all ball races.

● Automatic oil supply to all moving parts.

● Mounting holes provide easy interchangeability.

**JAQUES  
McDONALD  
Pty. Ltd.**

299 Prospect Rd., Blairathol  
5084 S.A. Phone 65 6117.

**POST TODAY TO YOUR NEAREST STATE OFFICE.**

Please send illustrated brochure and details of Masport Vacuum Pumps.

Name .....

Address .....

..... Post Code .....

Please tick if for School Project

**11. Payments to Producers - Butter and Cheese Manufacturers—**

- 11.1 Butter and cheese factory payments on dairy farmers on **quota** production shall comprise:—
- (i) The average net export return less factory costs.
  - (ii) The net levy proceeds, and
  - (iii) Grants in replacement of present bounty payments.
- 11.2 Factory payments on **over-quota** production shall comprise the average net export return less factory costs.
- 11.3 Any other earnings distributed by manufacturers shall be uniformly applied as at present over total production.

**12. Arrangements for all other Manufactured Dairy Products—**

The purpose of including all other manufactured products (including table cream) hereinafter called processed milk products—in the scheme is to protect producers supplying milk for manufacture into these products from competition from over-quota milk produced by suppliers to butter and cheese factories. Unless such products are included competition for supply between manufacturers could develop to the disadvantage not only of producers but also of the manufacturers of the products concerned. The arrangements set out below aim at providing the necessary protection.

**13. Levy Collection and Rebates - Processed Milk Products—**

- 13.1 There shall be a **butterfat levy** on the production of all dairy products of a specified minimum butterfat content, other than market milk, butter, butteroil and cheese.
- 13.2 The levy shall be payable by the manufacturer of the processed milk product within a specified time.
- 13.3 The rate of levy shall be prescribed on the recommendation of the Australian Dairy Industry Council, within a specified maximum.
- 13.4 Pending distribution (see paragraph 14) levy collections on processed milk products shall be placed in the Dairy Industry Fund in a Processed Milk Products account.
- 13.5 The levy shall be rebated on all exports of processed milk products at the rate of collection.
- 13.6 Appropriate payments shall be made to the Equalisation Committee from the Fund in respect of approved costs.

**14. Dairy Industry Fund Distribution - Processed Milk Products—**

- 14.1 Premium returns to producers in respect of processed milk products produced from quota supplies shall be achieved through the payment by the Equalisation Committee to manufacturers of amounts equal to the proceeds of the levy after rebates have been made to manufacturers in respect of exports and the Committee has been recouped for approved costs, plus amounts equal to Federal Government financial assistance.
- 14.2 The Federal Government shall arrange guaranteed loans to enable the Equalisation Committee to make the payments to manufacturers in respect of processed milk products produced from quota supplies and to meet approved costs associated with quota production.

- 14.3 The Federal Government shall remit to each State for payment to the Equalisation Committee an amount equal to the losses sustained by the Committee arising from the payments in that State in respect of processed milk products produced from quota supplies.
  - 14.4 The levy proceeds plus the amount of Federal Government financial assistance available shall be used to repay the loans to the Equalisation Committee to cover the losses incurred by the Committee in respect of processed milk products produced from quota supplies.
  - 14.5 To prevent a manufacturer from equalising payments to producers for quota and over-quota production, the premium payments to the manufacturer by the Equalisation Committee shall be conditional upon prompt, full and identifiable payments of such monies by the manufacturer to dairy farmers on their quota production.
  - 14.6 Premium payments shall be made by a manufacturer on all butterfat received from a dairy farmer until such time as the farmer concerned has supplied his full quota quantity.
  - 14.7 Any part of premium payments received by manufacturers remaining undistributed because of a short fall in eligible quota intake from individual dairy farmers, or for any other reason, shall be refunded by manufacturers.
15. **Payments to Producers - Processed Milk Product Manufacturers**
- 15.1 Payments to dairy farmers by Processed Milk Product manufacturers shall comprise a basic factory return on **all production**, with additional payments on **quota** production for—
    - (i) The net levy proceeds, and
    - (ii) Grants in replacement of present bounty payments.
  - 15.2 Any other earnings distributed by manufacturers will be uniformly applied as at present over total production.

## ABC TO REPEAT FARM MANAGEMENT COURSE

The very successful and informative televised course on farm management "The Modern Farmer" was featured by the ABC at a time which was not convenient to most dairy farmers, and, consequently the Association wrote, asking whether the television series could be repeated at a time when it could be readily available to dairy farmers, who, although they are among the most efficient in the world, are not so efficient that they can disregard any special information on the latest, easy methods for farm management, planning, budgeting, and financial control.

The course will now be repeated, at 1.15 p.m., daily from Monday to Friday, from 8th to 12th, and 15th to 19th May. To participate in the course it is essential to obtain the Modern Farmer handbook, "FARM MANAGEMENT, PLANNING, BUDGETING AND FINANCIAL CONTROL", available at \$2.25 (including postage) from the Finance Department, A.B.C., Box 1419 H, G.P.O., Adelaide, 5001.

**ADELAIDE METROPOLITAN MILK SUPPLY AREA**

	PRODUCTION (000 gallons)					
	For Month		Daily Average		12 Months' Cumulative	
	1970	1971	1970	1971	1970	1971
September ... ..	5,774	5,450	192.5	181.6	58,331	56,078
October ... ..	6,570	6,435	211.9	207.6	59,126	57,063

	MILK SALES (000 gallons)					
	For Month		Daily Average		12 Months' Cumulative	
	1970	1971	1970	1971	1970	1971
September ... ..	1,773	1,645	59.1	54.8	21,909	22,042
October ... ..	1,811	18,42	60.0	59.4	21,998	22,237

	RATIO (Sales to Production, per cent)				C.M.B.	
	For Month		12 Months' Cumulative		(Cents)	
	1970	1971	1970	1971	1970	1971
September ... ..	30.7	30.2	37.6	39.3	20.30	20.65
October ... ..	28.3	28.6	37.2	39.0	19.40	19.72

**INTERIM PRICES TO LICENSED SUPPLIERS**

(Prices are interim only, and subject to retrospective adjustment.)

1971	Basic	C.M.B.	Total	3.5%	4%	4.5%	5%
	(cents per lb. butterfat)			(cents per gallon at above test)			
September ... ..	38.28	20.65	58.93	21.29	24.33	27.38	30.41
October ... ..	40.00	19.72	59.72	21.57	24.65	27.73	30.82

**LONDON PROVISION EXCHANGE QUOTATIONS**

(Pounds Sterling per Ton)

	September		October	
	1970	1971	1970	1971
Butter—Choicest Australian (£S) .....	315	480	315	500
Cheese—Rindless Australian (£S) .....	260	375	275	400

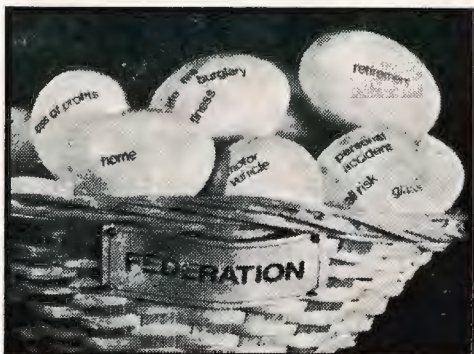
**CHANGE IN PRESENTATION OF STATISTICS**

The production and sales statistics are now shown in a way that should be more clearly comprehended. The totals for the financial year and the calendar year to date have been replaced by the "daily average", which allows better comparison of trends, as these are not obscured by the alternation of 30 and 31 day months, and by cumulative totals for the whole 12 months up to and including the latest month recorded. The ratio between total sales and total production during the 12 months up to and including the latest month recorded is also included in order to show the relative decline or increase in market milk sales relative to production.

# Insure totally and save with Federation

PROMPT  
CLAIMS  
ATTENTION

Your helpful Federation man will offer you expert advice on all insurance matters — and serve you promptly when making a claim. And, the unique Federation service to Associations, benefits Members in many ways.



## THE RIGHT BASKET TO PUT ALL YOUR EGGS IN!

A Federation package deal to cover all insurance problems. Now you can have all your insurance commitments handled by the one Company — The Federation Insurance Limited. With Federation's unique service you save time, trouble and

money — up to \$1 in every \$5 on premiums. Your helpful Federation man will tailor a complete plan to cover all business and personal insurance requirements. Be wise, get total coverage through Federation.

7x4-900

## Federation for total protection

check the "one-renewal-date" plan

### The Federation Insurance Limited

342 Flinders St., Melbourne, 3000. Tel. 62 0101.  
168 George St., Sydney, 2000. Tel. 27 2266.  
376 Queen St., Brisbane, 4000. Tel. 2 2386.  
Cnr. King William St. and South Terrace,  
Adelaide, 5000. Tel. 8 4541.  
206 Adelaide Tce., Perth, 6000. Tel. 23 1931.  
71 St. John St., Launceston, 7250. Tel. 2 4085.



your  
helpful  
Federation  
Man

100%  
Australian Company —  
you insure well  
with F.I.L.

THE SOUTH AUSTRALIAN

AIRYMEN'S . . .

# Journal

The Official Publication of the



Published Bi-monthly

Vol. 11, No. 3

Adelaide, NOVEMBER/DECEMBER, 197

In this issue:

## **THE ASSOCIATION'S VIEW**

on

### **THE A.D.I.C. LONG TERM PLAN**

and the

### **TWO PRICE QUOTA SCHEME**

PRICE

**20c**

---

---

**WAY**

---

---

# **BOOSTER-MATIC MILKING MACHINE AND REFRIGERATED FARM TANKS**

The Way Deluxe Milking Machine recently released on the Australian Market is now available to South Australian Dairymen. This machine features:

## **Completely Re-designed Releaser System**

giving high capacity output on all machines.

## **Exclusive Pulsation Booster System**

eliminates fade giving fast constant and safe milking without periodic adjustment as is experienced on less advanced designs.

## **Our Inflation and Teat Cup Design**

must be seen by all Dairymen.

For further information and quotation for all types of installations, contact your Dairy Company or:

## **F. V. WAY INDUSTRIES PTY. LTD.**

(Receiver Appointed)

A.M.P. TOWER, 535 BOURKE STREET,  
MELBOURNE, 3000

Telephone: 622 174

Postal Address: Box 1676 P, G.P.O., Melbourne

Telex: IYOVIC 32319.

# THE SOUTH AUSTRALIAN DAIRYMEN'S JOURNAL



Published by

**THE SOUTH AUSTRALIAN DAIRYMEN'S ASSOCIATION  
INCORPORATED**

Aston House, 13 Leigh Street, Adelaide, 5000. 51 3034

President:

N. M. GREEN, Esq.

General Secretary:

DAVID J. HIGBED, B.Ec.

Advertising Rates on application

## DAIRY STABILISATION AND THE A.D.I.C.'S LONG TERM PLAN

### The Association's View

Although the Long Term Plan for the Australian Dairy Industry is, basically, a proposal for the next 5 Year Dairy Stabilization Plan, and, consequently, can be put into effect only by the passing of legislation by the Federal Parliament, the support necessary for its adoption by the Federal Government must come from the States, and each State dairy body has a duty to ensure that its own State Government, and its Minister of Agriculture, is fully informed on the details of the Plan, the necessity for the Plan, and the support which is given to the Plan by the dairy bodies.

Furthermore, several of the proposals in the Plan are not Federal matters, but require action by State Governments, and in these cases the pressure for action can only come from the State bodies.

But, right at the end of the Plan, though now almost overshadowing all the other proposals, is the Two Price Quota Scheme for production control, a Scheme which, although it is a Federal Scheme must be carried separately by each State, under legislation passed by each State Government. Again, each State dairy organisation must ensure that the Government and the Minister are fully briefed, but, equally as important, it must ensure that the working of the Scheme (and each State can, within certain guidelines, shape its legislation to suit local conditions) in the State is designed for the benefit of dairy farmers within the State, and makes full allowance for local conditions.

In accordance with these requirements, the Association has made the following submission to the South Australian Minister of Agriculture, the Hon. T. M. Casey, M.L.C.

#### A. INTRODUCTION

In October, 1971, the Australian Dairy Industry Council submitted to the Federal Minister for Primary Industry a "Proposal for a Long Term Plan for the Australian Dairy Industry; including a Two Price Quota Scheme, for the Manufacturing Sector of the Industry"; to provide the Commonwealth Government with a basis, acceptable to the industry, for the continuation, during the period 1972-1977 of the Dairy Stabilisation Scheme which has been in operation since 1947.

The submission contained, in addition to proposals concerning the continuation of the Commonwealth bounty payment and other legislative support for the Australian dairy industry, a proposal for the introducing, if necessary, of a two price market participation (or quota) scheme, to be set up under co-ordinated State and Federal legislation and administered in each State by a statutory authority instituted for that purpose.

The composition and function of the statutory authority which would be required in the event of the adoption of a two price quota scheme was the subject of a submission presented to you by the Association on 6th December, 1971.

The submission of which this introduction forms part sets out, for your consideration, the policy and opinions of the Association concerning each of the items which make up the ADIC's Proposal and the application and operation of the two price quota scheme, both generally and in respect to South Australia, other than the composition and function of the statutory authority.

## **B. THE STATUS OF THE ASSOCIATION**

The South Australian Dairymen's Association, which was founded in 1906, assumed its present title in 1935 when it was reconstituted in order to participate in the orderly marketing of dairy produce in this State, and in the years which have followed it has occupied a leading place, on behalf of dairy producers, in the administration of the dairy industry in this State.

The Association, as a foundation member of the Australian Dairy Formers Federation, has been actively involved in the Federal organisation of the industry, particularly in the deliberations which have taken place during the last 20 months concerning the form and operation of some system of supply management and which have culminated in the proposals which will shortly be considered by the Australian Agricultural Council and which form the subject of this submission.

It is on this intimate and detailed knowledge of the proposals and of the processes by which they were derived and the alternatives that were discarded that the submission is based.

## **C. THE LONG TERM PLAN**

- (1) Action by all State Governments to license existing dairy farms, with provision that no new licenses be issued except under a policy agreed to at the Australian Agricultural Council after consultation with the Australian Dairy Industry Council and taking into consideration the market requirements for dairy products.

The present world shortage of dairy produce will, according to authoritative estimates, continue during at least the next two years (and, in sharp contrast to the position in early 1970, when an unsaleable surplus of 15,000 tons of butter was forecast, Australia has, during the present season, been forced to refuse orders for over 200,000 tons of butter, a quantity at least 2½ times its average annual exported total of that commodity. But even at the present high prices which are, because of shortages, prevailing on the world's dairy produce market, the producer's return from the export sales is considerably below the return from domestic sales, and as the additional output resulting from any increase in the number of producers in the industry can only add to the quantity exported, the effect of any such increase is to reduce the equalised unit return received by producers throughout the Commonwealth.

As there is practically no possibility of any early diminution of the present inflationary trend, the corresponding reduction in net farm

income which would accompany a lowering of the equalised return will add to the hardship already being felt by dairy producers and lead to a demand for additional Commonwealth bounty or for correspondingly increased domestic prices in order to restore the rate of net farm income. The present dairy shortage is, however, probably temporary, and the relatively high world market prices will eventually be replaced by the much lower returns which are normally received for exported dairy produce, thereby creating a situation which, in order to prevent further deterioration of the producers' economic position, will almost certainly bring about the introduction of the two price quota scheme, and the restrictive licensing of all producers which is necessary for the administration of the quota scheme.

The immediate closing of the industry by licensing all existing dairyfarms and refusing licenses to newcomers will consequently serve to protect the income of producers against the reduction in unit return that is inevitable if more producers enter the industry, pending the introduction of the two price quota scheme, and will additionally prevent the massive influx into the industry which may subsequently be brought about by persons wishing to qualify for quotas under the two price scheme, in expectation of its introduction.

The objection to this proposal, first, that very few newcomers are entering the industry at the present time, and second, that producers are continually leaving the industry, and can be replaced without further deteriorating the present income position, may be answered by the argument that the output of every new producer, whether he adds to the number of producers in the industry or replaces a producer leaving the industry, is sold on the export market at a price that must reduce the equalised unit return, and consequently either lowers the income of the producers now in the industry or prevents the improvement that would otherwise follow a producer's exit.

The Association strongly supports this proposal, and, drawing your attention to its previous submissions of 23rd June, 1971 and 15th July, 1971, asks for your support, at the meeting of the Agricultural Council, for uniform and simultaneous action by all States, and early implementation in South Australia.

- (2) Agreement by the Federal Government to provide financial assistance to the industry at least at the present level for a period of 5 years.

Contrary to opinion that is all too widely held, the Australian dairyfarmer is highly efficient by world standards. Although the productivity per cow is lower than in some (not all) of the world's major dairying countries, productivity per labour unit and economic efficiency are both high, as demonstrated by the fact that domestic prices for dairy produce in Australia are among the lowest in the world; (domestic prices are lower only in New Zealand, and, until recently, in Great Britain).

Furthermore, at least during the post war period, productivity (and consequently efficiency) have increased steadily.

During this period, however, increases in unit costs, which have resulted from the general inflationary trend which has prevailed in the post war period, have outstripped the increases in productivity, whilst, at the same time, the unit return for dairy produce has also lagged behind the upward movement of prices from a combination of domestic price movements which have been less than general price movements in the economy (the retail prices of butter, cheese and liquid milk are less than 3 times the 1947 figures in each case) and stable to falling unit returns

from exported dairy produce (e.g. butter, per cwt. 1947: \$24.35—1969: \$26.67). Consequently, the Commonwealth bounty, at its present level, can no longer be regarded as adequate to fulfil the purpose for which it was first provided, namely, to bridge the gap between receipts and production costs; in contrast to the situation during the first Five Year Stabilisation Scheme, from 1947 to 1952, in which the bounty rose from \$10 million in the first year to \$34½ million at the end of the period, the bounty was subsequently reduced, in 1956, to \$27 million, a level which has remained unaltered in the 15 succeeding years, except for the inclusion, in 1971-72, of the compensation paid to the dairy industry for losses inflicted by the Federal Government's retention of the value of the Australian dollar at the time of the devaluation of the pound sterling. At the same time the Australian dairy industry has seen substantial increases granted to the dairy industries in almost all the other dairying countries in the world (with the exception of New Zealand), particularly those in the European Economic Community, and has experienced a feeling of utter frustration as it watched action being taken by those countries which, whilst protecting the interests of their own producers, would gravely effect the returns to Australian producers.

Although, owing to the rapid changes in monetary values which are a feature of the economy at the present time, it is not possible to place precise figures on production costs, it is hoped that the investigation now being undertaken by the Bureau of Agricultural Economics into dairy production costs will be completed before 1st July, 1972, and provide substantiation for the case submitted above.

- (3) Action by the Federal Government to prohibit the importation of cheese until Australian milk production levels are adjusted to meet further domestic and overseas marketing requirements.

This proposal is supported on two grounds. On the one hand there is evidence that imported cheese may be a source of infection of both human and animal diseases, particularly where the cheese is made from unpasteurized milk, and Regulations prohibiting the importation of cheese made from unpasteurized milk were introduced in 1967 on the recommendation of the National Health and Medical Research Association. These Regulations were, however, repealed at the insistence of the then Federal Minister for Trade, and have not been reinstated.

The other basis, which may simply be termed retaliatory, is that the countries from which most of Australia's supplies of imported cheese are received, are members of the European Economic Community, the import levy system of which practically precludes the export of cheese to those countries.

Cheese imports into Australia have increased steadily each year, except for 1970-71, and the present level of 5,800 tons is approximately one-eighth of all cheese consumed in Australia. Some of the varieties imported are not made in Australia, but the great majority are made in Australia and their replacement by locally made cheese would have a worthwhile effect on both the Australian dairy industry and the Australian balance of payments, as the landed value of the imported cheese is approximately \$6 million, although the return to the Australian industry from the export of that quantity of locally made cheese which is displaced by imported cheese is only half of this figure.

- (4) The introduction by all State Governments of legislation to control the production and sale of cooking margarine coloured and flavoured to resemble butter, along similar lines to the legislation introduced in Victoria and Tasmania.

# anderson

## The most advanced refrigerated farm milk tank for the Dairy Farmer

- \* Certificates of Test of Performance for all models to comply with Australian Standard N46-1963.
- \* Low height for easy cleaning Automatic in-place cleaning device optional extra.
- \* 12 months' free service on refrigeration equipment.
- \* Competitively priced—better value.



**anderson**  
equipment  
co-operative ltd.

N.S.W. - Wetherill & Egerton Sts., Lidcombe, 648 1084. VIC. - 63 Charles St., North Coburg, 36 2347. QLD. - 4916 Stanley St., Stn. Brisbane, 4 5452. S.A. - 179 Gilles St., Adelaide, 23 4155.  
N.Z. - Box 488, P.O., Hamilton.

FROM AUSTRALIA'S LEADING MANUFACTURER OF DAIRY FACTORY EQUIPMENT

The opinion of this Association, which has been made known to you on several occasions, is that whilst we do not oppose the sale and marketing of a cheap substitute product, we believe that the addition of colouring and flavouring substances in order that the substitute may, by masquerading as the more expensive product which it replaces, find a more ready sale, is a specious and fraudulent device. Although manufacturers of such substitutes may defend the use of colouring and flavouring substitutes by claiming that the consumer is adequately protected by the labelling of the product, there is evidence of the sale of a considerable volume of cooking margarine being sold in bulk, in hotels and workshops, by unscrupulous persons implying that the substance is "hot" (i.e. illegally marketed or imported) butter. Unfortunately the nature of the transactions is such that punitive action is difficult. The prohibition of the use of colouring and flavouring would put an end to this disreputable and dishonest practice.

- (5) The introduction by all State governments of legislation to control the production and sale of imitation milk, along similar lines to the legislation implemented in Victoria.

Legislation already exists in South Australia controlling the production of "filled milk", which is a substance made by replacing the milk fat with a fat derived from other than a dairy source. The term "imitation milk" applies to milk substitutes other than "filled milk", and the grounds upon which prohibition is sought are similar to those which apply to cooking margarine, namely that the prosperity of an industry which is built on the intrinsic value and appeal of its product should not be at the mercy of the manufacturers of a specious imitation, the attraction of which is directly related to the extent to which it copies the product which it seeks to replace. It is notable that in the many (far too many) cases where substitute products, generally, but not always cheaper than their originals, are legally permitted (imitation aerated fruit drinks being typical), great pains are taken to imitate as closely as possible without committing an actual breach of the law. The Association believes that if, for reasons of economy, or diet, replacement for natural foodstuffs is considered to be desirable, such replacement should be marketed without the addition of any substance which, not being necessary for the preparation of the product, will have the effect of allowing the product to imitate another product prepared without the use of additives.

- (6) The effective policing of the table margarine production quota legislation by State authorities.

The opinion of the South Australian Dairymen's Association varies from that of the Australian Dairy Farmers Federation on this subject, the Association believing that all quantitative (i.e. quotas for table margarine) and qualitative (i.e. the legal differentiation between table margarines and cooking margarines) restrictions on margarine should be removed, and be replaced by an overall prohibition on the use of colouring and flavouring additives in all types of margarine, thereby permitting the manufacture of unlimited quantities of high quality margarine produced from Australian grown vegetable oil seeds which would then be sold in its natural form (and colour), on its merits, without relying for its acceptability on the degree to which it successfully masquerades as butter. (If the Minister is in doubt as to the extent of such reliance he should note the brand names that despite implied prohibition, are used by margarine manufacturers—"Meadow Lea" and "Golden Pastures" being typical of an attempt to conjure up a mental picture of a dairy scene, whilst other manufacturers use labels carrying scenes of old-world rural activities, e.g. to exploit the belief that the products within are derived from living, rather than dead, cows.)

In the present submission the Association supports the policy of the Australian Dairy Farmers Federation as set out in this item.

- (7) Appropriate action by State authorities to ensure, at all levels, uniform high quality of dairy produce.

There is no doubt that the Australian dairy industry is capable of achieving very high quality; its record in international awards for butter and cheese, and its ability to comply with the standards demanded by its export markets are evidence of this. But however gratifying this record may be to the industry itself, the quality of our dairy produce is not always so evident to the Australian consumer. Considerable criticism has been, and continues to be, made of the general lack of attention to quality, both of the product and of its presentation, in the marketing of cheese, particularly by comparison with imported cheese, but despite a continuing campaign, for many years, by State and Commonwealth authorities for improvements in these matters, the industry has, generally, failed to respond positively either to lift the standard of quality and presentation, to make superior quality cheese more readily available and identifiable, or to prevent unsatisfactory cheese from reaching the retail market.

In the case of butter it is, perhaps, significant that South Australia, the State having the lowest consumption per head, is also the only State in which no butter of a higher quality than "First Grade" is available. Because the return to the producer from sales on the home market is so much greater than that from export sales, there is at least as great a necessity to ensure the quality of dairy produce intended for the home market as for the export markets which the Australian dairy industry is so successfully supplying.

The Association is, at the same time, conscious that the quality of manufactured dairy produce, of which the foregoing statement appears to be a criticism, tends to reflect the quality of the output of the dairyfarmers, and accepts that this item refers as much to the milk and cream produced on the farm as it does to the manufactured product.

- (8) Agreement by the Australian Dairy Industry, the Federal Government and all State Governments to introduce, if necessary, a Two Price Quota Scheme.

The Association's submission on this far-reaching proposal is dealt with, clause by clause, in the following section.

## **D. THE TWO PRICE QUOTA SCHEME**

### **1. The Australian Butterfat Quota:**

The purpose of the various schemes of orderly marketing which have now evolved into the Commonwealth Dairy Produce Equalisation Scheme have been to distribute equitably, between all producers, the varying returns received from the home and export markets, and during the period in which such orderly marketing schemes have been operating the returns received from the export market for butter have not always, been the lower. Furthermore, during the early years of orderly marketing, the differential between the returns from the two markets (home and export), regardless of which was the higher, was generally small, rarely exceeding 30 per cent.

Since 1956, however, the differential between the returns, of which, from that date, that from the home market has constantly been the greater,

has increased to the extent that, in the latest officially completed year (1968/69), the differential is 87 per cent. This means that, during the last 15 years, the Equalisation Scheme, in addition to equalising returns, has succeeded in concealing from the industry, and from producers particularly, the very low prices received from export markets, and the deleterious economic effect on the dairyfarming sector of the increasing production which has taken place during the same period.

The intention of the market participation scheme submitted to the Dairy Industry Committee of Enquiry in 1959 by a group of agricultural economists, headed by Professor Gruen, whose name is now generally applied to the original scheme, was to provide to each producer not at equitable share of the total receipts from home and export sales, but an equitable share of the higher price now received from the home market, and the ability to make a reasoned decision concerning the extent to which, if at all, he would produce above this share, in return for the much lower receipts from the export market.

The economists' plan contained several flaws, the chief of which was that, as the return from the export market was so low (the figure of 20 cents per pound butterfat is sufficiently accurate to be used as an example), a larger portion of producers might prefer to apply their assets and labour to other commodities; the consequent reduction in milk supply would be reflected in factory operations by decreased production volumes and higher costs, of magnitudes sufficient, in many cases, to render factories uneconomic, resulting in their closing down, with severe, even fatal, results to the community of which they are, often, the mainstay. Additionally the return received from export markets for milk produced in excess of the home demand (and producers would, if they had not made a conscious decision to produce for the export market, seek to safeguard their quota by producing at least marginally in excess of quota) tend to be higher from markets which could be supplied on a regular contractual basis, than from markets which were sought for the disposal of irregular quantities of surplus produce. There have, however, been changes in the industry since the economists' plan was submitted; in the processing sector major amalgamations and restructuring have occurred in several States; in the producing sector the profitability of the commodities to which producers could have diverted the surplus assets which resulted from reduced output has generally declined; in the distributing sector, as far as exports are concerned, there has been set up an intricate structure of contractual arrangements including the establishing of processing plants in overseas countries.

The result is that the Australian dairy industry, in which all 3 sectors, producers, processors, and distributors, are co-ordinated, is now based on a volume of output which has, during the last 8 years, with the exception of 1969-70, varied by no more than 3.6 per cent from a mean figure, and present indications are that, providing wise counsel prevails in the immediate future, this stability can be maintained.

It may, consequently, be argued that in the overall interests of the industry, the purpose of a market-participation scheme introduced at this time should be not to provide producers with an incentive to reduce output to a level sufficient to satisfy the domestic market only, but to provide a disincentive to expansion, and although it must be admitted that spectacular examples of seemingly excessively uneconomic export sales have been cited from time to time, most of these examples are sales of relatively small amounts of the marginal surplus which is inseparable from the contractual marketing of a primary commodity (e.g. although in 1970/71, the price received for export butter ranged from \$10.33 to \$37.65 per cwt., the quantity sold at \$18 or less was only 567 tons, or less than 1 per cent of total exports).

milking is  
made easier  
with

# MASPORT

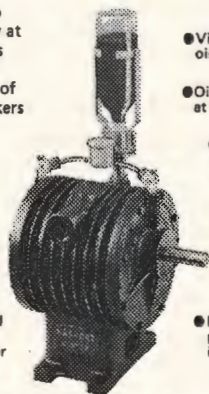
the great value

## VACUUM PUMP

● GREATER CAPACITY ● LOWER SPEEDS ● LONGER LIFE

Masport Vacuum Pumps are designed specifically to operate milking machines with maximum efficiency at minimum cost. As a result, Masports are specified as standard equipment on top grade milking machines sold in New Zealand, Ireland and the United States of America, and are also recommended by leading makers in Australia.

When you buy a new milking machine, or when you replace an existing vacuum pump, look for the name Masport — it's a mark of quality. The rugged design, simplicity of operation and precision engineered construction ensure long and satisfactory operating life. IT'S QUIET TOO!



● Every pump factory tested and fully guaranteed for 12 months.

● Visible metered oil flow.

● Oil reserve seen at a glance.

● Constant lubrication to all bell races.

● Automatic oil supply to all moving parts.

● Mounting holes provide easy interchangeability.

**JAQUES  
McDONALD  
Pty. Ltd.**

299 Prospect Rd., Blairathol  
5084 S.A. Phone 65 6117.

POST TODAY TO YOUR NEAREST STATE OFFICE.  
Please send illustrated brochure and details of Masport Vacuum Pumps.

Name .....

Address .....

..... Post Code .....

Please tick if for School Project

On this ground the initial use of an "Australian Butterfat Quota" which included both the dairy produce required by the home market and that which it is confidently expected can be sold on export markets at "reasonable" rates (which the Association does not here define), the total of which is not greater than the present output of the industry, is considered to be more in the interests of the present stability of the Australian dairy industry than any amount which would provide an inducement to producers to restrict output.

The Association is not of the opinion that the composition of the Australian Dairy Industry Council is such that it is best fitted to advise the Australian Agricultural Council concerning the magnitude of the Australian butterfat quota. The ADIC, although ostensibly representing the Australian Dairy Farmers Federation, the Australian Dairy Produce Board, and the Commonwealth Dairy Produce Equalisation Committee Limited, may be more accurately regarded as representing the producers, processors and distributors of the Eastern States, and of the butter section of the industry, and although, as the paramount organization in the Australian dairy industry, its advice may be regarded as being unbiased, the Association considers that body more representative of State interests and reflecting the extent of the dairying industry in each State, would be better fitted to advise the Agricultural Council in this matter.

The Association holds strongly to the opinion that the "prescribed products" which make up the Australian Butterfat Quota should not include table cream, which, in most States, with the notable exception of Victoria, is included in the legislation and administration of the market milk industry. Additionally although it is realized that the Two-Price Quota Scheme is a device which, despite the implication of its title, does not, in fact, return to each producer one price for produce sold on the home market and a lower price for exported produce, such is at least the ostensible basis of the scheme, and as no quantity of table cream whatsoever is exported its inclusion in the "prescribed products" is inconsistent with the basis of the quota scheme, and must be seen only as a device to increase the size of the Quota at the expense of the market milk industry.

## 2. State Butterfat Quotas:

It is proposed that the State Butterfat Quota be calculated by dividing the Australian Butterfat Quota by the relative production in each State during a predetermined base period. Because seasonal and economic conditions have caused a decline in the production of some States during recent years there may be pressure from other States for the State Butterfat Quota to be calculated on a base period at a time when production in these States tended to be higher than in recent years. The use of any base period in which the relative production between States varies considerably from the present situation will give each State in which the production expressed as a fraction of the total Commonwealth production was greater during the base period than at present, a higher State Butterfat Quota.

This may be seen as (and argued as) providing a more equitable allocation than would result from the use of more recent years, in recognition of the deleterious effect of continuous poor seasons. Such action would however, be oblivious of the fact that declining production in the States has been also accompanied by a substantial reduction in the number of producers engaged in dairy farming, and the granting of a State Butterfat Quota based on an earlier period will, additionally, result in the remaining producers in the disadvantaged States receiving higher farm quotas than those received by producers in States where production has not fallen in recent years.

The Association is of the opinion that the "previous base period to be determined" should be relatively short and recent.

**Production of Milk for all Purposes during the last 10 years**  
(million gallons)

Year	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	ACT	Australia
1961/62 ... ..	345	631	240	96	58	73	1	1444
1962/63 ... ..	324	668	245	95	56	79	1	1468
1963/64 ... ..	323	695	240	98	57	83	1	1496
1964/65 ... ..	292	746	230	102	62	87	1	1520
1965/66 ... ..	301	751	221	98	62	88	1	1522
1966/67 ... ..	323	797	238	99	56	91	1	1605
1967/68 ... ..	310	734	217	89	55	91	1	1497
1968/69 ... ..	279	816	172	103	58	102	1	1531
1969/70 ... ..	311	892	191	106	56	103	1	1661
1970/71 ... ..	276	899	168	104	55	98	1	1600

### 3. Farm Butterfat Quota:

- 3:1. The Association has already presented its views on the function and composition of the Statutory Authority necessary to carry out the allocation, in accordance with this sub-clause, of the farm butterfat quotas. The Association reiterates its opinion that the function of the Statutory Authority should be confined to the allocation of the farm butterfat quotas and the audit of the Dairy Fund.
- 3:2. It is intended that market milk (to which, in the opinion of the Association, should be added the related product, table cream) should not be included in the "prescribed products", the butterfat content of which make up the Australian Butterfat Quota. There has, however, during the compilation of the Two Price Quota Scheme, been considerable discussion as to whether market milk should be taken into account, and, if so, whether entirely or in part only, when allocating farm butterfat quotas. Certainly there was no such intention in the original proposal of the agricultural economists (the "Gruen Plan"), which provided that "milk zone suppliers . . . would be entitled to quotas on . . . that part of their output which they sold at butterfat prices (i.e. 'prescribed products') during the base period."

The Association submits (but refrains from providing excessively long mathematical proof of its proposal) that market milk should not be "taken into consideration" when determining the level of a farm quota, but that the farm quota should, in all cases, be calculated on the amount of milk supplied during the base period, for manufacture into prescribed products, and asks that Clause 3:2 be deleted from the provisions of the Two Price Quota Scheme.

- 3:3. The Association has already presented its views on the composition of the Farm Quota Appeal Committee. The Association, however, wishes to make further reference to this sub-clause in connection with the matter of "the allocation of a quota to a dairyfarmer who has not received a quota from the State Authority . . ."

The Two Price Quota Scheme and the "Gruen Plan" which preceded it, places no limit on the amount of milk which any quota holder may produce in excess of his quota, but the "Gruen Plan" also permits the entry of persons into the industry after the initial allocation of quotas, who, by reason of their late entry, do not receive a quota, but who are free to produce an unlimited quantity of milk at the over quota price.

The Association can foresee only two cases where the Farm Quota Appeal Committee may need to allot a quota to "a dairyfarmer who has not received a quota from the State Authority . . ." as provided in this sub-clause.

The first of these cases is where the qualifying period on which the issue of the farm quota is based is considerably earlier than the introduction of the Two Price Quota Scheme; for example, if the Scheme were to be introduced on the 1st July, 1973, and the qualifying period were to be prior to 30th June, 1970, producers entering the industry between 30/6/70 and 1/7/73 would not qualify for a farm quota, and as, in the opinion of the Association, the State Authority should have limited discretionary powers, the allocation of quotas to such producers would be decided by the Appeal Committee. Because the allocation of farm quotas, in the absence of a qualifying criterion, will be completely empirical, inevitably leading to invidious comparisons, and because "hard cases make bad laws" the Association believes that the number of instances brought before the Appeal Committee on the grounds that a dairyfarmer has not received a quota from the State Authority, should be very small and preferably non-existent, if the issuing of quotas is to be, and to be seen to be fair and equitable. Consequently, the Association is strongly of the opinion that all dairyfarmers should be licensed immediately, and no new licences issued within the foreseeable future, in order that there will be no cases where dairyfarmers have entered the industry too late to qualify for the allocation of a farm quota by the State Authority.

On cognate grounds, the Association holds the opinion that producers should not be permitted to enter the industry after the introduction of the Two Price Quota Scheme on the understanding that they will not receive a farm quota, but may produce unlimited output at over-quota

## Your cows will love Hydropulse.

Constant balanced pulsations at a factory set speed plus constant vacuum, free from fluctuations and oscillations, give you increased milk yield, faster milking and reduction in labour.

**ALFA-LAVAL**

*Hydropulse*

For conversions, new installations and the full range of Alfa-Laval equipment, contact your local supplier, milk factory, or . . .

**Steriline** DISTRIBUTORS  
PTY. LTD.,

*For service when you need it.*

HEAD OFFICE: MANNUM RD., MURRAY BRIDGE (BOX 434)

Tel. 32 2033 AH 32 1851

ADELAIDE OFFICE: 73 McLAREN ST., Tel. 23 4103



prices, as expressly provided in the "Gruen Plan" but on which the present Scheme is silent. It is inevitable, on the one hand, that, sooner or later, based either on hardship, or privilege, application will be made by a few such producers for farm quotas to be issued to them, and it is not impossible that, if the number of such producers is large, political pressure for the issuing of farm quotas may ensue. On the other hand it must be clearly understood that the more likely crisis which the Australian dairy industry will face with the closing of the United Kingdom market following that country's full integration into the E.E.C. will not be one of lower export returns, but that of a large stock of dairy produce which cannot be sold. It is essential that such a crisis situation be delayed as long as possible, and its severity kept as small as possible, by preventing, now, the entry of new producers into the industry, and by prohibiting, at all times, the entry of producers with permission to produce, without restraint, at over-quota prices, as such production could only be economic, if at all, at very high levels of output.

- 3: 4. The Association believes, on the basis of experience, that the transfer of farm quotas from one factory to another on one day in the year is unsatisfactory, and recommends that transfer be allowed "on any day in the calendar month following the efflux of a period of twelve months after notice has been given by the holder of the farm quota to the factory where such farm quota is lodged that it is his intention to withdraw his quota from that factory."
- 3: 5. The Association is of the opinion that, within the context of this sub-clause, farm quotas should, in principle, remain with the farm to which they would be first issued, and that the transfer of a quota to another farm should, again in principle, be permitted only where the original farm can no longer be used for dairying, for reasons such as sub-division or compulsory acquisition, and transfer to another farm should be only to such other farm as may be purchased by the holder of the quota to replace the farm which is no longer available.

However, the Association believes that there is considerable merit in allowing farm quotas to be freely negotiable entirely, or to be leased on an annual basis, and requests permission to confer with you on this principle which, we believe, you do not, at present, favour.

4. **State Dairy Authority:**

The submission on this subject will be printed in the next issue.

5. **Farm Quota Appeal Committee:**

The submission on this subject will be printed in the next issue.

6. **Australian Dairy Industry Council:**

The Association has already expressed (in page 7) its opinion that the composition of the Australian Dairy Industry Council, being representative, at present, mainly of the eastern States, with, consequently, the possibility of a bias in favour of the butter section of the industry, is not such as to make it the most suitable body to "recommend to the Australian Agricultural Council each year the level of the Australian Butterfat Quota" and has proposed the substitution, for this function, of a body "more representative of State interests, and reflecting the extent of the dairy industry in each State". For the same reason, but even more strongly, the Association considers a body representative of State interests is necessary to "recommend (each year) . . . the level of each State's butterfat quota."

Again, for the same reason, and equally as strongly as in the immediate foregoing, the Association considers that the ADIC should not be the body responsible for "(recommending) the allocation of Federal Government financial assistance between butter, cheese and other prescribed producers . . .". In support of this contention, the Association states that although the problems which is giving the Australian dairy industry the greatest concern, and which has caused the industry to give consideration to a Two Price Quota Scheme, is the diversion to other products, within the next 3 years, of the butterfat in the 65,000 tons, or thereabouts, of butter exported annually to the United Kingdom, there being insufficient markets in the rest of the world to absorb this quantity of butter, the ADIC has failed to allot the Federal Bounty in a way that will discourage the production of butter in favour of other products, particularly cheese, and so correct the present situation, in which the high prices of the by-products of butter manufacture, namely skim milk powder and casein, are, with the assistance of a continued high allocation of bounty to butter, encouraging a massive expansion of butter manufacture, at the expense of cheese.

### E. THE CONFLICT BETWEEN RESTRAINT AND THROUGHPUT

There has, since the deterioration of returns from the export markets for dairy produce, appeared to be a conflict of interests between the producing sector on the one hand and, on the other hand, the processing sector, sometimes in combination with State Governments and other interests, owing to the fact that, although the return received by the processing sector from sales on export markets at rates much lower than those received from the home market (and it may generally be demonstrated that, as export sales increase, the return received from each incremental sale tends to decrease even further), the unit margin gained by the processing sector from increased output sold on the export market is virtually the same as that retained from sales on the home market, whilst the resultant economy of scale yields an increased profitability.

Consequently pressure is constantly applied by the processing sector to increase output, and hence throughput, which, although the gross revenue of the industry in toto is enhanced, reduces the unit price received by the producing sector, and lowers the income of any dairy farmer who has reached a peak of productivity and is unable to expand his output yet further in order to maintain his economic position.

The present situation provides an outstanding example of this conflict; there now exist unprecedented demands for butter, cheese, milk powder and casein which cannot be filled, and which will continue during at least the next 2 years, but which yield returns which are lower (though the difference is not currently as great as previously) than those from the home market. No figures derived from Australian practice are available to permit an accurate assessment to be made of the extent to which the increased profitability resulting from the higher throughput of the factory will offset or exceed the lower returns received by the producers for the additional supply.

It is, however, possible, that additional throughput will have very little effect (possibly even inversely) on the profitability of the processing sector and the ability of the processing sector to recompense the producers, by means of profit distribution, for the reduction in the rate of equalised return that would result from increased throughput.

The Association consequently submits (see example on next page) particularly because of the uncertainty of the export situation following the full integration of Great Britain into the E.E.C., that no action should be taken, in response to any demand for increased production, to allow additional producers into the industry, or to permit the resumption or initiation of sponsored development of dairying areas.

**storing  
milk . . .**



**or moving it . . .**

**“DAIRY KOLD”  
has the answer!**

“Dairy Kold” Refrigerated Farm Milk Vats and “Dairy Kold” Bulk Milk Collection Tankers, articulated or rigid chassis, represent the ideal combination for storing and moving milk. Available in a range of capacities and incorporating many exclusive features, “Dairy Kold” units will meet your needs. Full details are available from the Head Office . . .



**M.J. MARSHALL PTY. LTD.**

A DIVISION OF H. P. GREGORY & CO. LTD.

92 Belmore Road Nth., Riverwood, N.S.W. 2210  
Telephone 533 1044 (5 lines)

### ADELAIDE METROPOLITAN MILK SUPPLY AREA

	PRODUCTION (000 gallons)					
	For Month		Daily Average		12 Months' Cumulative	
	1970	1971	1970	1971	1970	1971
November ... ..	6,156	6,254	205.2	208.5	59,254	57,161
December ... ..	5,653	5,822	182.3	187.8	59,388	57,330

	MILK SALES (000 gallons)					
	For Month		Daily Average		12 Months' Cumulative	
	1970	1971	1970	1971	1970	1971
November ... ..	1,848	1,819	61.6	60.6	22,044	22,210
December ... ..	1,824	1,812	58.8	58.5	22,087	22,198

	RATIO (Sales to Production, per cent)				C.M.B. (Cents)	
	For Month		12 Months' Cumulative		1970	1971
	1970	1971	1970	1971		
November ... ..	30.0	29.1	37.2	38.9	20.30	18.95
December ... ..	32.3	31.1	37.2	38.7	20.61	20.36

### INTERIM PRICES TO LICENSED SUPPLIERS

(Prices are interim only, and subject to retrospective adjustment.)

1971	Basic	C.M.B.	Total	3.5%	4%	4.5%	5%
	(cents per lb. butterfat)			(cents per gallon at above test)			
November ... ..	43.20	18.95	.	22.45	25.66	28.86	32.07
December ... ..	43.20	20.36	.	22.96	26.24	29.52	32.80

### LONDON PROVISION EXCHANGE QUOTATIONS

(Pounds Sterling per Ton)

	November		December	
	1970	1971	1970	1971
Butter—Choicest Australian (£S) .....	330	530	330	530
Cheese—Rindless Australian (£S) .....	295	440	295	440

### ESTIMATED EFFECT OF INCREASED PRODUCTION ON EQUALISED RETURN

(For explanation see last paragraph on page 14)

Per Cent Increase in Exports	Reduction in Return (cents lb. b.f.)	
	1969-70 values	1970-71 values
10 .....	1.5	0.8
20 .....	2.7	1.4
30 .....	3.8	2.0

# Insure totally and save with Federation

PROMPT  
CLAIMS  
ATTENTION

Your helpful Federation man will offer you expert advice on all insurance matters — and serve you promptly when making a claim. And, the unique Federation service to Associations, benefits Members in many ways.

## Federation for total protection

check the "one-renewal-date" plan

### The Federation Insurance Limited

342 Flinders St., Melbourne, 3000. Tel. 62 0101.  
168 George St., Sydney, 2000. Tel. 27 2266.  
376 Queen St., Brisbane, 4000. Tel. 2 2386.  
Cnr. King William St. and South Terrace,  
Adelaide, 5000. Tel. 3 4541.  
206 Adelaide Tce., Perth, 6000. Tel. 23 1931.  
71 St. John St., Launceston, 7250. Tel. 2 4085.



### HAVE YOU A 'SCORCHED EARTH' POLICY?

Let Federation safeguard your assets against FIRE!

High winds, summer heat, good growth — a dangerous combination. A Federation fire protection policy covers hay, livestock, fencing, machinery and buildings. Your helpful Federation

Inspector will assess your requirements and recommend a cover, tailored to your needs, which can save you up to \$1 in every \$5. Immediate fire insurance, or a review of all your insurance commitments, is safer with Federation's unique insurance service.

724-300



your  
helpful  
Federation  
Man

100%  
Australian Company —  
you insure well  
with F.I.L.