

# SADA President Report

John Hunt SADA President report December 2016

It has been six months since I was elected President of SADA and I am pleased to provide the South Australian dairy community with a report on the achievements of this period.

In August, I attended the federal government's dairy symposium in Melbourne, convened by federal agriculture minister Barnaby Joyce. The aim of the event was to consider solutions to the challenges facing the dairy industry with dairy farmers, politicians, and processors all under the same roof. It was also the first time in a very long time that our industry received such exposure, and this was aided by the fact that the Prime Minister, Deputy Prime Minister, and Treasurer were all involved.

The most important outcome from the symposium was that transparency was achieved between farmers and processors. The next crucial step is to have retailers in the same room, in order to fully achieve a chain of transparency for our industry.

We also await the findings of the ACCC's investigation into the dairy industry, which will go beyond a simple market study of the sector and include an inquiry into retailer's discounted milk. This broader investigation commenced last month and is due to report on its findings in the second half of 2017.

This month, we have seen the federal government introduce the s46 'effects test' legislation, aimed at addressing the current unequal distribution of market power held by big retailers. If this legislation does get over the line, it will help control over-dominant retailers and encourage a chain of transparency to the benefit of producers, consumers, and retailers.

While the dairy industry in South Australia has faced one of its toughest years, one bright light has been the overwhelming support shown to us by consumers. The response by members of the consumer public in the wake of these challenges has buoyed us all and I not only thank them for their support but encourage our industry to continue thinking of them as we work to improve dairy in Australia.

On this note, one area of particular frustration for me is the export domestic clause. It seems the only benefactors are the retailers; the consumers certainly don't benefit. Along with the dramatic rise in export prices, we would expect to hear good signals from processors but everybody is keeping tight lipped and this is a concern.

When I took on the role as President of SADA, I expected to be dealing frequently with State Government and the Public Service. The process of working with these parties is one requiring much patience and perseverance; charging like a bull at a gate, or being too soft, are not the answers. It is a process. I liken my frustrations to this environment as per 'the leaky trough': every farmer sees the leaky trough, knows it needs to be fixed and gets to the job of fixing it before the leak becomes a bigger problem. Government and bureaucrats also see the leaky trough but first commission a study into the leak, await findings, form task forces and create ten point plans. Meanwhile, water loss mounts and the problem grows.

How much money, time and resources would be saved through a simpler, more straightforward process?

It is my aim to help simplify and smooth these processes, develop better systems, guidelines and rules that will provide clarity for producers in areas such as concessional loans, water resources and so on.

*Giving Dairy Farmers A Voice*

One of the issues I am particularly focused on is the 'right to farm'. It is getting harder and harder to make a living, and we need to be careful that we don't get pushed out. The State Government says it wants SA to grow and be 'the place to do business' yet it does not remove those hurdles that prohibit such growth and confidence. Its cost recovery is one such area in need of urgent attention: figures are simply applied and not explained, costs are being claimed that are unjustified and all the while, the farming community is being used as its cash cow. A 'user pays' system is okay, but a user pays twice system is simply not acceptable.

I am pleased that SADA goes to government with solutions to problems and answers. It is proactive as well as being appropriately reactive when necessary. Our biggest challenge is getting these common-sense, simple, and smooth solutions implemented – but we will not give up the fight.

I have stated from the outset that my role is to give SA farmers a voice. Communication is key. If you have a concern, or an idea, or know of someone who needs assistance, please get in touch. I want to achieve a better dairy industry for all dairy people, not just members.

The last six months have been equally enjoyable and challenging; I look forward to working hard in 2017 to better our industry and in the meantime, wish you and your family a safe and happy Christmas and New Year.