

30 June 2020

Mr. Gerry McInally
Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport

Via email - rrat.sen@aph.gov.au

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Dear Mr. McInally,

Re: Inquiry into the Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020

Thank you for providing the opportunity to respond to the inquiry into the proposed Primary Industries (Customs) Charges Amendment (Dairy Cattle Export Charge) Bill 2020 by the Senate Rural and Regional Affairs and Transport References Committee. As the peak body representing Australia's 5,200 dairy farmers, it is important that Australian Dairy Farmers has input into proposals which impact dairy farmers.

Australian Dairy Farmers has the following policy, which has been in place since 2019:

The Australian Dairy Industry agrees to the introduction of a statutory levy on the exporters of dairy cattle to fund LiveCorp activities, with any funds raised to be spent in consultation with the dairy industry, in order to facilitate improvements in the dairy cattle export trade

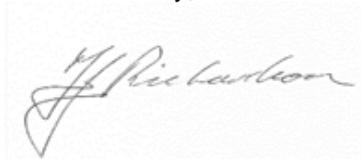
ADF supports the levy on the live export of dairy heifers to enable the important in-market work undertaken by LiveCorp, and that this work can be extended to specifically support the buyers of Australian dairy heifers. In 2018-19, 92,456¹ Australian dairy heifers were exported to the world. With the \$6/head levy, this would have provided \$554,736 direct funding. ALEC's proposal directs \$1/head to R&D (and therefore matched), and the remaining \$5/head to Marketing (unmatched), which may include activities such as in-market support. These funds should be managed in consultation with the dairy industry, ensuring that projects to ensure the ongoing care of animals on their journey, as well as at their end destination, are undertaken.

Australian heifers are sought for their milk production, robustness, and disease-free status, sold to countries establishing their own dairy industries for food and economic security. The sale of excess heifers is also important economically for Australian farmers, as they provide a diversified income stream which is vital in poor milk price years. In 2018-19, the total value of dairy heifers sold to export was approximately \$188,500,000², with 1/3 of dairy farmers choosing to sell heifers to live export.³

We ask that this fund will assist in ensuring that the care of exported Australian dairy heifers meets the expectations of both dairy farmers and the broader Australian community, allowing for this important income stream for dairy farmers to continue.

In summary, Australian Dairy Farmers support the proposal of the levy on the export of dairy cattle, however request that proceeds from the levy are spent with approval from the dairy industry's peak body and reports on progress and outcomes from the expenditure will be clearly articulated in LiveCorp's annual report.

Yours sincerely,



Terry Richardson
President, Australian Dairy Farmers

¹ ABS

² ibid

³ Dairy Australia – Animal Husbandry Survey