

10 March 2021

Committee Secretary
Senate Standing Committees on Rural and Regional Affairs and Transport
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Canberra ACT 2600

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Dear Sir/Madam,

Inquiry into the performance of Australia's dairy industry and the profitability of Australian dairy farmers since deregulation in 2000.

Response by Australian Dairy Farmers to allegations made during the inquiry.

I refer to your request to address allegations made against Australian Dairy Farmers (ADF) at the inquiry into the performance of Australia's dairy industry and the profitability of Australian dairy farmers since deregulation in 2000. These allegations are made in the Farmer Power submission (number 17) and during Farmer Power's testimonies to the Committee.

To satisfy your request, ADF has assessed the allegations made by Farmer Power, and a summary of responses is provided in the attached table. The table consolidates and supplements material previously provided to the Committee on 23 June 2020, which includes: a response to Farmer Power's written submission, ADF's submission to the Rural Development Corporation system review, Australian Dairy Industry Council (ADIC) investment plan and performance report, ADF's response to the Dahlsen Report, and several documents concerning the transfer to ADF of \$11 million in assets previously held by the ADIC. Please also find attached additional documents that may assist the inquiry with regard to outlining some of the work undertaken by ADF on behalf of dairy farmers and the wider dairy industry.

We consider that the allegations made against ADF are serious and therefore deserved of a comprehensive response. It is unclear to us on what basis Farmer Power purports to represent the interests of the Australian dairy industry in making these allegations.

We request that the Committee, before finalising their report, ask Farmer Power to provide details of their organisation's constitution, membership, audited accounts, annual reports, policy setting processes and outcomes achieved on behalf of the dairy industry. We believe this will assist the Committee to both determine the status of Farmer Power as a representative of the Australian dairy industry and assess the weight that should be given to their evidence.

As one of Australia's longest serving farmer representative organisations, ADF has for nearly 79 years successfully advocated on behalf of the Australian dairy industry and represented the interests of individual dairy farmers through periods of significant change, including deregulation in 2000. For example, I am proud of the work that this organisation and its members delivered as one of the partners in the development of the Australian Dairy Plan. I would urge all committee members to visit the Plan's website at www.dairyplan.com.au.

During 2019, significant and well-publicised industry-wide consultation was undertaken, with 25 workshops convened nationally, including workshops held in each of the six dairying states. In total, 1,500 dairy farmers and other industry stakeholders engaged in the process, either face-to-face or online. As a result of this initiative, there was a collective agreement to reform the dairy industry's organisational structures. ADF is now working with other industry partners to undertake a process of complex organisational reform to support a more profitable, confident, and united industry. It is our ambition to deliver the change sought by farmers to take the industry forward for success.

As evidenced in the attached documents, we have responded to the more serious accusations levelled at ADF. There were further comments contained in evidence throughout the inquiry where individuals and organisations accused ADF of not being representative of the dairy farmer voice and not listening; I reject such assertions.

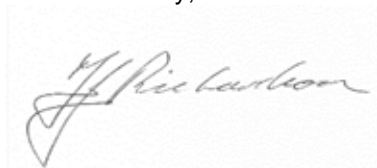
Our federated structure, encompassing six state dairy farming organisations, has served this industry well, often through difficult and turbulent times. All of our member organisations are comprised of hard-working, grass roots dairy farmers who have chosen to dedicate their time towards building a better industry for all.

As outlined above, dairy farmers have spoken regarding the need to reform our structures, and I remain committed to delivering a process that can achieve this goal. I would urge all organisations and individuals who have provided evidence at this inquiry to engage in this reform process throughout 2021 and beyond.

I am confident that if we can build a more profitable, confident and united dairy industry, then the concerns expressed throughout this inquiry will have been addressed.

If you have any further questions, please contact Mr Craig Hough, Director Strategy and Policy via phone number 0437 057 022 or email chough@australiandairyfarmers.com.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Terry Richardson', is shown on a light grey background.

Terry Richardson
President
Australian Dairy Farmers