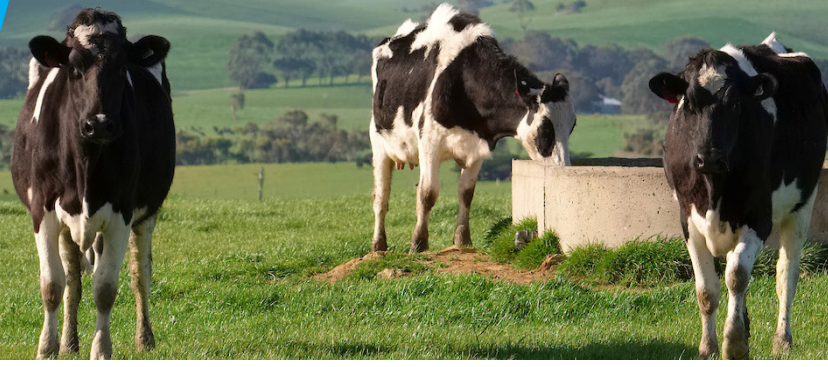


Australian Dairy Farm Fund



\$120 Million



Priority

The Australian Dairy Farm Fund is a \$120 million initiative aimed at supporting the next generation of dairy farmers. Heavy debt burdens and limited access to capital significantly hinder generational renewal and modernisation within Australia's dairy industry. This fund provides essential financial assistance to new, young and family succession farmers looking to purchase their first farm or take over a family operation. The fund specifically targets those with limited access to capital or cash reserves. Without this support, generational renewal will continue to fall, farm closures will continue, threatening Australia's national milk supply and regional economies.

Relevance

Without support, many farmers struggle to acquire farmland or take over the family farm and invest in infrastructure to establish sustainable operations. The Australian Dairy Farm Fund seeks to bridge this gap by reducing the high costs of land acquisition, farm establishment, and sustainability investments. This initiative aims to ensure the next generation of dairy farmers can access the resources needed to build viable, modern, and resilient dairy businesses.

Budget		
Year 1	Year 2	Year 3
\$30 million	\$40 million	\$50 million

Proposal

A \$120 million fund that over three years provides:

- Land acquisition support including financial assistance for land purchases and family farm succession
- Infrastructure development to support essential farm upgrades, including dairy modernisation, energy-efficient cooling (including retrofitting), irrigation, and storage systems to reduce operating costs and environmental impact
- Funding climate and sustainability projects such as solar energy, battery storage, bioenergy, and methane reduction initiatives, ensuring long-term viability

Target

- New or young farmers looking to purchase a first dairy farm
- New, young and family succession farmers looking to transition onto an existing dairy farm
- New, young and family succession farmers experiencing financial pressures impacting farm improvements
- New, young and family succession farmers impacted by high production costs

Justification

- Encourages generational renewal and innovation in dairy farming
- Helping new entrants navigate the rising cost of farmland, high deposit requirements, and competition from corporate and non-agricultural buyers
- Reduces production costs while enhancing sustainability and low carbon footprint
- Supports economic stability and growth in dairy-reliant rural communities
- Enables farms to modernise without increasing debt burdens

Case study: Supporting the next generation of farmers in the EU

The European Union (EU) has made significant strides in supporting young farmers through targeted programs under the Common Agricultural Policy (CAP), with a strong focus on generational renewal.

EU countries are required to dedicate at least 3% of their direct payments budget to support young farmers. This mandatory allocation can be delivered through income support, investment support, or start-up aid. Importantly, only 50% of the relevant investment support counts towards this target, placing a strong emphasis on direct income assistance to ensure young farmers receive immediate, tangible financial benefits.

A key pillar of this support is the Complementary Income Support for Young Farmers (CISYF), which provides additional financial assistance to farmers under the age of 40.

The CISYF is a voluntary scheme within this framework that allows EU Member States to offer top-up payments on direct income support, provided either per hectare or as an annual lump sum. This support helps to ease the financial burden associated with farm establishment and modernisation, addressing key barriers such as high land costs, limited access to credit, and the need for investment in new technologies.

For example:

- In France, young farmers can access up to €70,000 in grants through CAP's Pillar II measures, complementing CISYF payments to support business start-ups and modernisation projects.
- Italy supplements CISYF with tax incentives and training programs, facilitating smoother transitions in family-owned farms and encouraging youth participation in agriculture.

The impact of these programs has been profound, with increased numbers of young farmers entering the sector, investing in innovative technologies, and adopting sustainable agricultural practices.

By mandating that Member States allocate a portion of their direct payments to support young farmers, the EU ensures consistent, meaningful support across all countries, fostering a resilient, productive, and future-focused agricultural industry and intergenerational renewal.

About Australian Dairy Farmers

Australian Dairy Farmers (ADF) is the national policy and advocacy body working to improve the sustainability and profitability of Australian dairy farming. Since 1942, ADF has represented farmers across six dairying states on key issues like trade, water, environment, milk pricing, workforce, biosecurity and animal welfare. ADF provides industry-good functions and serves as a strong collective voice to government, industry, and the community. Australian dairy provides crucial high-quality nutritional products, ensures food security, and strengthens the economy. The industry's viability and productivity is essential for a strong reliable dairy supply that supports communities and Australians' health.

Contact Us

P: (03) 9607 1399

E: reception@australiandairyfarmers.com.au

W: australiandairyfarmers.com.au

A: Level 3, HWT Tower, 40 City Road, Southbank VIC 3000

