

Standing Committee on Regional Agriculture

Shepparton, 21 January 2011



Witness Submission – D & M Stockfeeds

Sup

Submission No: *106-1*

Date Received: *21/1/11*

Secretary: *SC*

BACKGROUND

D&M Stockfeeds is a stockfeed company located in Kyabram, in the heart of the Goulburn Valley. We mainly produce stockfeeds for dairyfarmers.

We started our business from a Greenfield site and have now been operating for 16 years. We started with a staff of 2 and currently employ 14 people.

The attraction to the Goulburn Valley was the concentration of dairy farms in the region and the reliability of the area because of irrigation.

We, like the farmers we service, have survived huge changes over the past 16 years. Deregulation, extended droughts, low milk prices, unbundling of water, the global financial crisis and most recently the modernisation/rationalisation of irrigation infrastructure, the Murray Darling Basin Plan and continuing non-strategic water buybacks by the Water minister.

Taking more irrigation water away from our region will put us into a permanent drought and this will cause a massive contraction in businesses.

This committee needs to understand that there is a limit to how long businesses and communities can survive when they continue to lose their customer and consumer base.

EFFECTS OF GOVERNMENT DECISIONS ON WATER

Government decisions on water policy remain focused on the direct effect they have on farmers. Buybacks give compensation to the farmer, as they should, but give no consideration to businesses and communities that have invested on the back of these farmers.

It is time to look at these social and economic impacts otherwise our rural communities will continue to fall apart.

From 2006 to 2010 there was a decline in dairying properties in our region, from 2721 farms in 2006 to 1143 farms in 2010, a loss of 57.9% (Appendix A & B).

These losses in farm businesses have already had an impact on downstream businesses and our communities – for example, our local secondary college

has had a decline in student numbers from approx. 1000 students in 2006 to just over 700 students in 2010, a loss of approx. 30% (Appendix C).

From my own business perspective I know that any further losses of irrigation water will make my business unviable. Every other business in our region will also be impacted to some extent, not just agribusinesses, as most other businesses and service industries depend on our sector for their own ongoing viability.

THE FUTURE

The MDBA (guide to the draft) plan needs a rapid review so that we can get solutions for our water issues that will provide a definite win-win outcome for irrigated agriculture, rural communities and the environment.

The current flood events have already triggered revised concerns by environmentalist groups that maybe the "science" used to determine water to be returned to the environment is overstated. This shows that government decisions that could decimate irrigated farming and rural communities need to be flexible enough to change if new information comes to hand.

Australia needs a strong irrigation industry that produces fresh healthy food at affordable prices as well as providing valuable export income. We therefore need our government to support irrigated agriculture so that we have the confidence to continue to invest in farms, our businesses and our rural communities.

Failure to protect irrigation in our region will give us the sense that we are all dead men walking, our businesses are dead, and we just don't know it yet.

Appendix A.

Where have all the dairies gone?

From report: 'Changing land use in the GMID 2006-2010. Where have all the dairies gone?' prepared for Northern Victoria Irrigation Renewal Project (NVIRP) and Department of Primary Industries (DPI).

'The visual representation of the shift is compelling... It is noted that milk production in northern Victoria, whilst significantly reduced

from historical high levels, has not fallen in proportion to the drop in both farms and area primarily devoted to dairying, as follows (source: Dairy Australia):

Reduction in Dairy Farm numbers 2006-2010: 52%

Reduction in land devoted to dairying 2006-2010: 55%

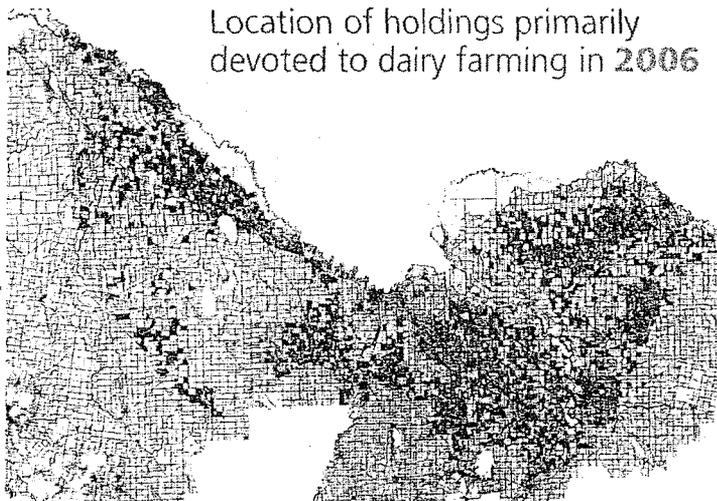
Reduction in total milk production 2006-2010: 32%

The report found that in Greater Shepparton in 2006 the number of properties primarily devoted to dairying was 664 compared to 227 in 2010. A decline of 65.8%.

The report also found that Moira experienced a 56.6% decline, Campaspe a 56.5%, Loddon a 60% and Cannawarra a 49.1%.

An average total decline of 57.9%.

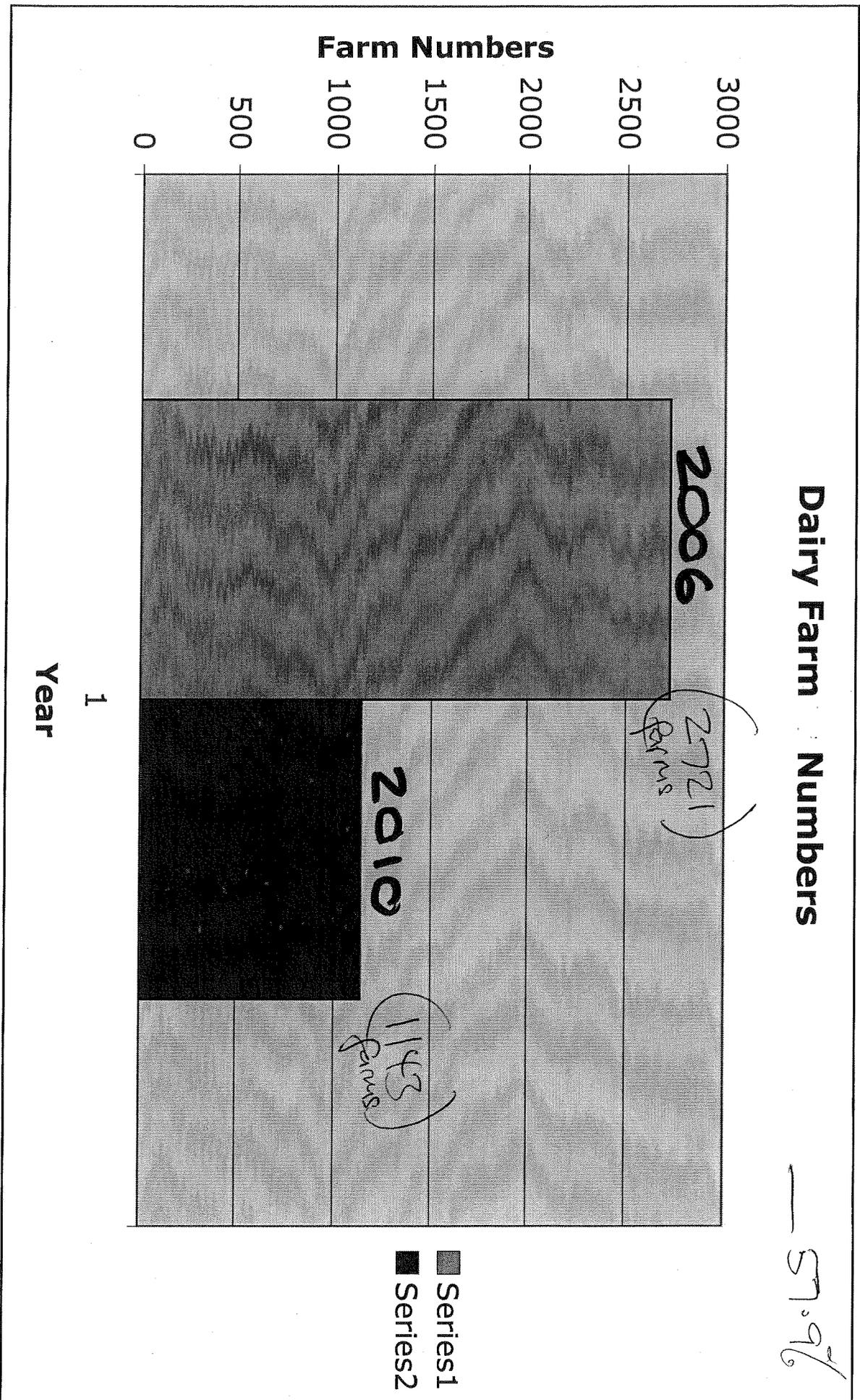
Location of holdings primarily devoted to dairy farming in 2006



Location of holdings primarily devoted to dairy farming in 2010



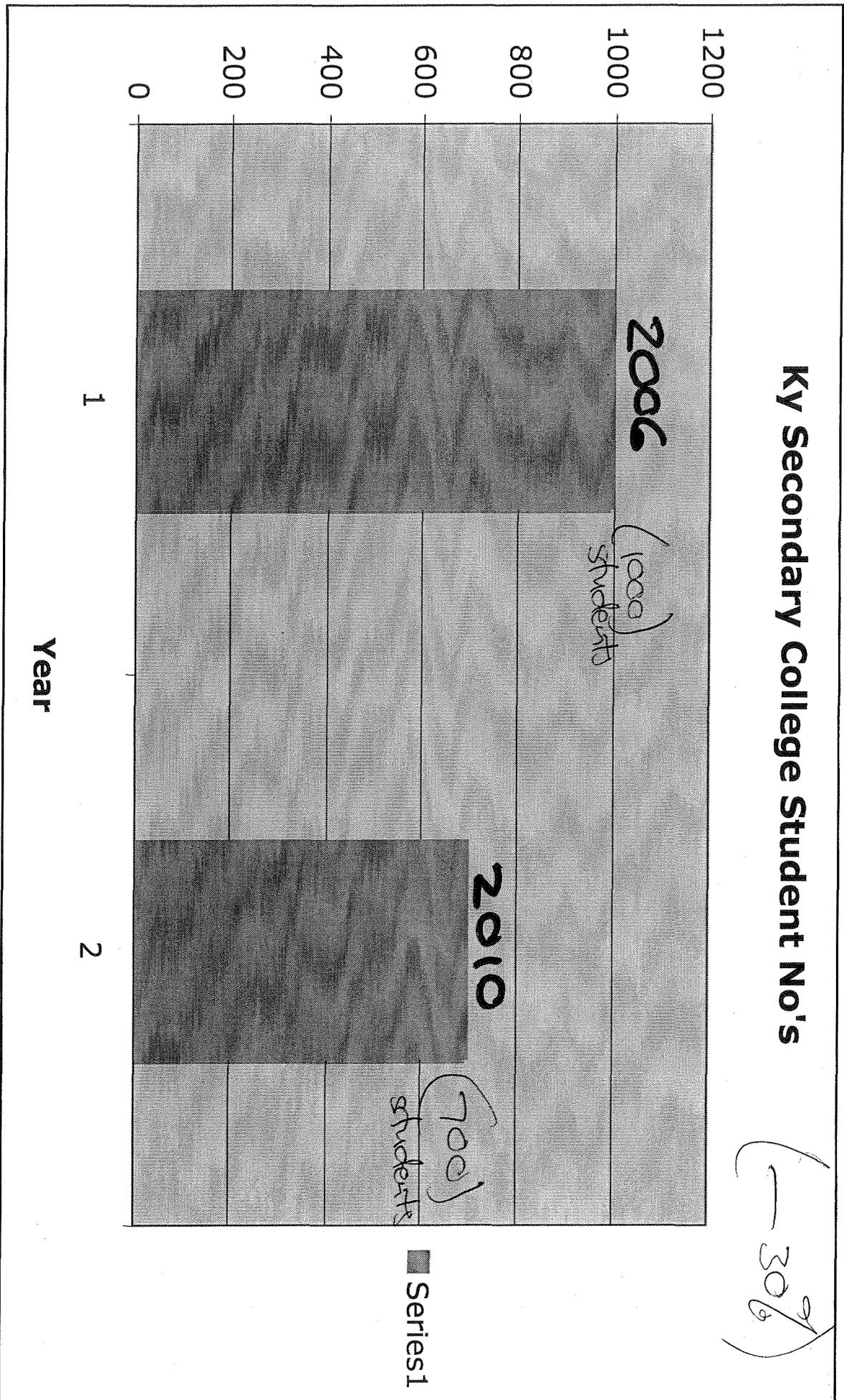
Appendix B.



Appendix C

Ky Secondary College Student No's

(-30%)



The Age

Victoria

Wet future predicted

January 20, 2011

A MELBOURNE University floods expert says many Victorian towns are "sitting ducks" for flooding, which has been frequent through history.

He says policy-makers should have been better prepared.

Associate Professor Brian Finlayson told *The Age*: "The rivers are going to produce these floods regularly, absolutely. That is what they do."

Advertisement: Story continues below

He said dams and levees were the "worst option" for controlling flooding. In many cases they did more harm than good because they gave people a false sense of security.

Houses should never have been built on the flood plains, he said. But since people were already living there, they should be better protected with higher levees and more preparation.

Victoria should expect another run of years with frequent flooding, Professor Finlayson said.

MARIS BECK

Close