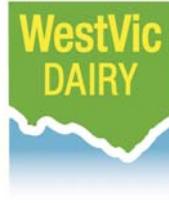


Funded by
Dairy Australia
and your
dairy service
levy



FARMERS TOLD `DON'T PANIC'

Although many dairy farmers in Western Victoria are going through tough times, the long-term outlook isn't so bleak.

Tactics for Tight Times workshops hosted by WestVic Dairy in early October at Colac, Timboon, Macarthur and Warrnambool were told that the medium to long-term prospects are fairly positive.

CBA Dairy Business Manager for south west Victoria, Rhonda Henry said dairy was rated as a medium risk industry.

"Don't panic," she told nearly 50 dairy farmers and service providers at the Warrnambool workshop. "There is going to be a need for more food for the world and Australian dairy is well positioned to capitalise on that."

Mrs Henry said dairy farmers should look at all aspects of their business to focus on profits, including income protection, interest rates, equipment, herd size and cost of production. They should also aim to increase use of home grown fodder.

"Every farm is different. You don't have to compare or try to keep up with your neighbour," she said.

"Preparing early cash flow, ensuring you compare budget to actual regularly to identify any issues, and maintaining good communication with your bank is important.

"It is better to talk early rather than wait until your top drawer is full of bills," Ms Henry said.

The workshop also heard from rural financial counsellor Brian Gardiner who said the cumulative effect of prolonged drought, floods and the global financial crisis had left many farms with reduced assets and higher levels of debt.

"Many farmers are trying to service higher levels of debt to rebuild their business but are doing it from a lower income base," he said.

Mr Gardiner said farm values had dropped by around 20 per cent, milk prices were relatively low and grain prices relatively high. "I don't see grain prices changing in the near future," he said.

While admitting it is "not a particularly cheerful scenario", Mr Gardiner said help is available and he encouraged struggling farmers to talk to rural financial counsellors.

Dairy Australia has developed the Tactics for Tight Times campaign as a levy-funded initiative to support dairy farmers through the milk price downturn.

Funded by
Dairy Australia
and your
dairy service
levy

