

FLOOD IMPACTS ON DAIRY BUSINESSES IN THE MURRAY DAIRY REGION

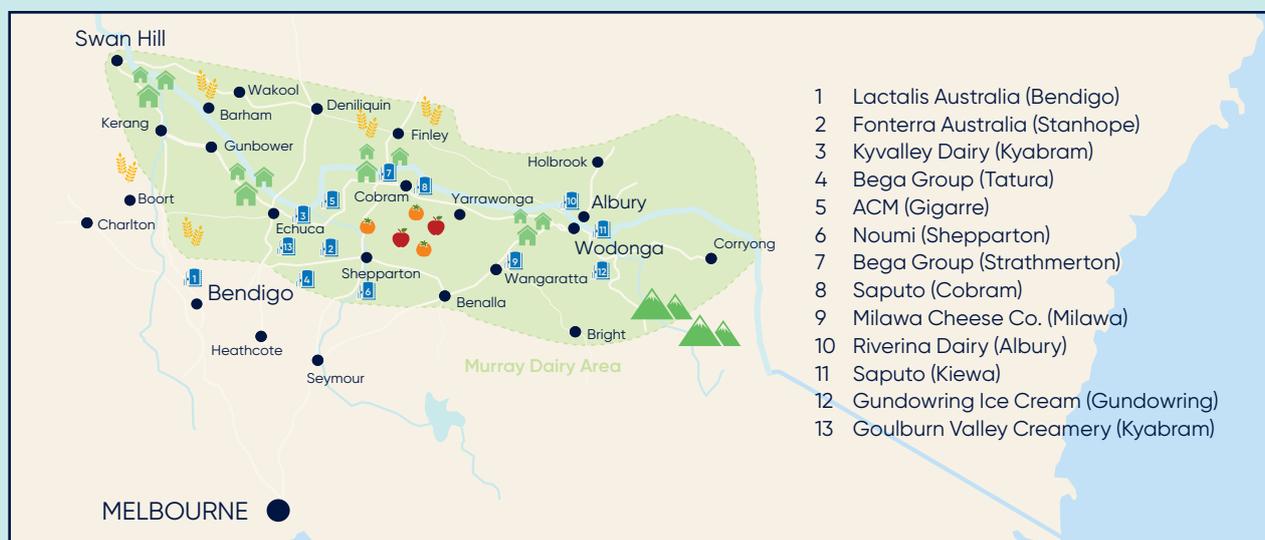
The Murray Dairy region takes in an area of the north of Victoria and the Southern Riverina of NSW, often called Australia's Food Bowl.

This is an important irrigation region, with billions of dollars of investment in irrigation to make the most of catchment water from Goulburn, Murray irrigation systems.

Murray Dairy region across NSW and Victoria

Dairy farming areas

- Dairy NSW
- Dairy SA
- Dairy TAS
- GippsDairy
- Murray Dairy
- Subtropical Dairy
- WestVic Dairy
- Western Dairy



The dairy industry is a significant employer in the Murray Dairy region, with around 8,000 jobs from farm, to transport and through to processing of raw milk. This includes 977 dairy farms and 14 processing plants – with the main processors all having a footprint, including Bega, Fonterra Australia, Saputo Dairy Australia, Lactalis, Noumi, Kyvalley Dairy and Australian Consolidated Milk (ACM).

Dairy in the Murray Region 2020/21

AVERAGE HERD SIZE

343
COWS



977

registered dairy farms



\$2 billion

investment in irrigation infrastructure



PRODUCING

1,776ML
of milk

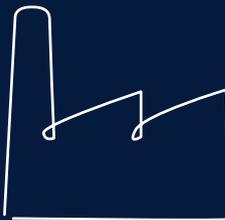
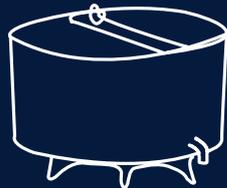


8,000

people directly working in dairy

MILKING

300,000
COWS



14

processing facilities active in the region

Source: Murray Dairy Trends Report 2020/2021

The Murray Dairy region produces one fifth of Australia's milk; 1.7 billion litres worth over \$950 million at the farmgate in 2021/22. This high-quality milk is a critical input to a range of dairy products for domestic and export markets, as well as putting fresh milk on supermarket shelves along the east coast of Australia.

Located centrally between Australia's two largest cities and with some of the country's most advanced dairy processing facilities, the Murray Dairy region is also an important hub connecting the milk production regions of southern Victoria, with major dairy markets in the northern states.

In 2021-22, at least 97 million litres of milk went to NSW, and 62 million litres of milk went to Queensland, much of this to be bottled for the retail market.

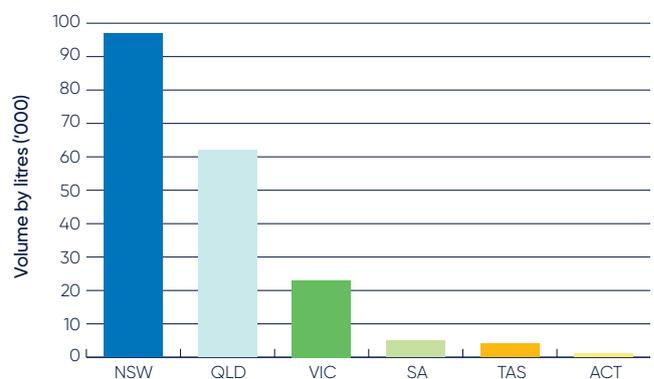
This represents 15% of the total liquid milk consumed in NSW and 11% of liquid milk consumed in Qld.

Milk movement map (2021-22)



Source: Booth's Transport Data ex-Strathmerton, used with permission.

Milk movement volume graph (2021-22)



Source: Booth's Transport Data ex-Strathmerton, used with permission.

Three years of La Nina weather cycles have brought wetter than usual conditions to the region, breaking the long-running drought, but bringing other issues including the extreme flooding events seen in October 2022.

Farmers and processors worked tirelessly and collaboratively to ensure milk was collected and dairy products remained on shelf.

Unfortunately, many towns and businesses in the region were inundated or cut off by floodwaters, impacting the ability to access, feed and milk cows, particularly in instances where there were power outages. Milk tankers were also unable to get to many farms to collect milk and transport it to processing sites, leading to milk shortages at some facilities and reduced production capacity and product prioritisation.

The floods have wiped out a majority of the region's crops, significantly reducing the milking quality fodder reserves in the region. As a result, farmers will need to transport fodder for their herds at higher cost to fill the feed gap until Autumn next year.



Land surrounding a 600 cow dairy farm and barn near Macorna inundated.

Dairy farmers have invested in risk management strategies to reduce exposure to climate change, drought conditions and extreme weather events, including feed storage facilities, feed pads, fencing, sheds, pumps and irrigation infrastructure. Much of this infrastructure has now been impacted due to this flooding event.



Photo taken by Tom Acocks, dairy farmer in Rochester.



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As well as this, farmers and processors face a massive clean-up of their properties, homes and local community facilities, all while juggling family and business responsibilities.

Dairy farmers and processors in the region require significant assistance to manage the immediate and longer-term impacts of these floods and get back to providing fresh milk supplies for Australians as well as to continue to meet manufacturing and export demand.

This support must address power supplies, infrastructure and logistics at a catchment scale. On farm, large fodder losses of both already conserved fodder and crops destroyed before harvest, mean that farms urgently require quality fodder for the milking herd, as well as assistance with agistment for young stock. Beyond fodder, there are a number of other significant impacts on-farm including destroyed fencing, laneways, tanker access tracks and feed storage facilities (such as concrete feed-pads, bunkers, sheds and silos).

The negative mental health impacts of this flood event should also not be underestimated, particularly when combined with the existing farmer-fatigue, workforce shortage challenges and the ongoing warnings of more rainfall and an extended La Nina weather cycle. The lengthy nature of a flood response and recovery effort takes a particular toll on the mental health of impacted farmers, as we saw in this region in 2011.



Photo taken by Malcolm Holm.



Flood water rising over Patchell Bridge west of Kerang. Photo taken by Belinda Batchelor.



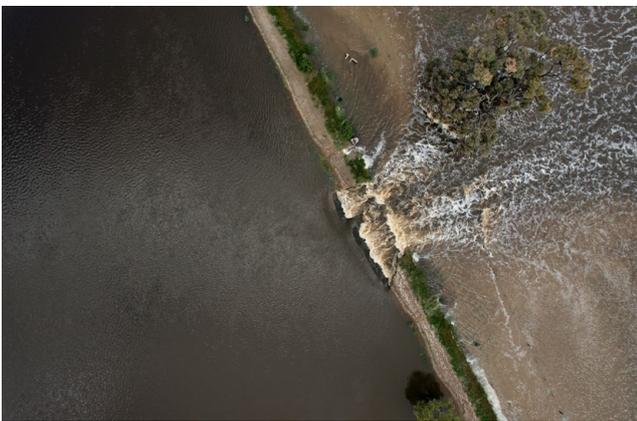
William Orr Campus GoTafe, Shepparton.



Photo taken by Nick Hunter.



William Orr Campus GoTafe, Shepparton.



Burst levee bank. Photo taken by Jason Saraj.



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