

Regional Workshop: Toowoomba

Workshop Output Report



Background

The Toowoomba regional workshop is one of 23 regional workshops designed to contribute to the development of the Australian Dairy Plan – a nationwide plan for a profitable, confident and united dairy industry. This report captures the discussions held at that workshop. It is intended to provide a record for workshop attendees and a basis for those who could not attend the workshop to contribute to the conversation. This report will be combined with the reports of the other 22 regional workshops in the development of the Australian Dairy Plan.

Workshop sessions

1. **The Set-Up: Why will this Plan be different?**
2. **How big is the appetite for change?**
3. **What needs to change?**
4. **What needs to be done?**
5. **What is success for the Australian dairy industry?**

Workshop details

Date: 23 May 2019

Location: Cathedral Centre, 123 Neil St, Toowoomba

Facilitator: Stephen Petris Nous Group

Coordinator: Subtropical Dairy, QDO

Attendees: 40 attendees including 31 dairy farmers. Included were representatives from Subtropical Dairy, QDO and various service providers.

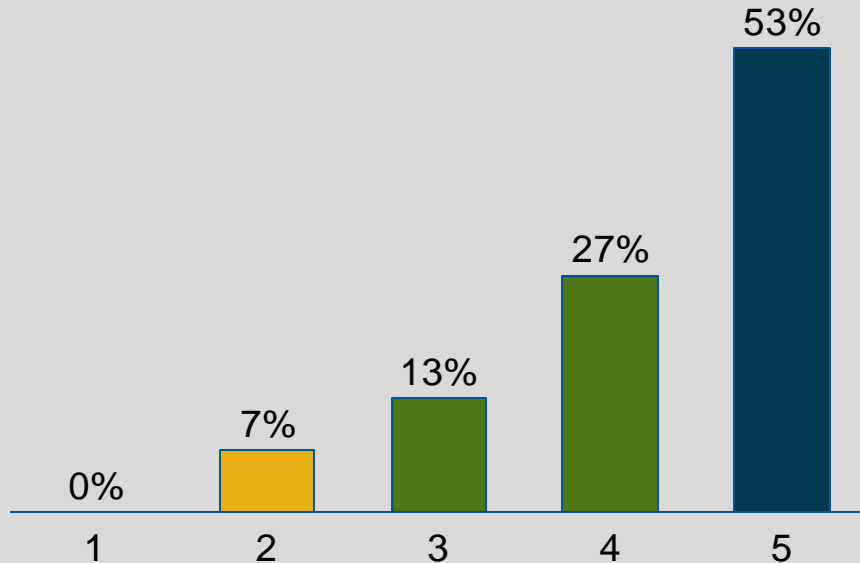
1. The Set-Up: Why will this Plan be different?

The facilitator set out the purpose of the Australian Dairy Plan and the workshop

- This is a great opportunity to shape the future of dairy by contributing to the development of the ADP
- But you've heard this before - what's different about this Plan? Why get involved?
 - The key players are working towards one national dairy plan, one set of national priorities, one voice in championing these priorities – that gives us more ability to drive change
 - This time the plan is being built from the 'bottom-up' i.e. by the people with 'skin in the game' – you!
 - The partners are committed to turning the plan into action through their individual strategic plans

2. How big is the appetite for change?

Participants voted on “how much change is required to get the industry to a better place”



N=30

1 = minor change, 5 = major change

In discussing the results, we agreed...

Why do we need to change:

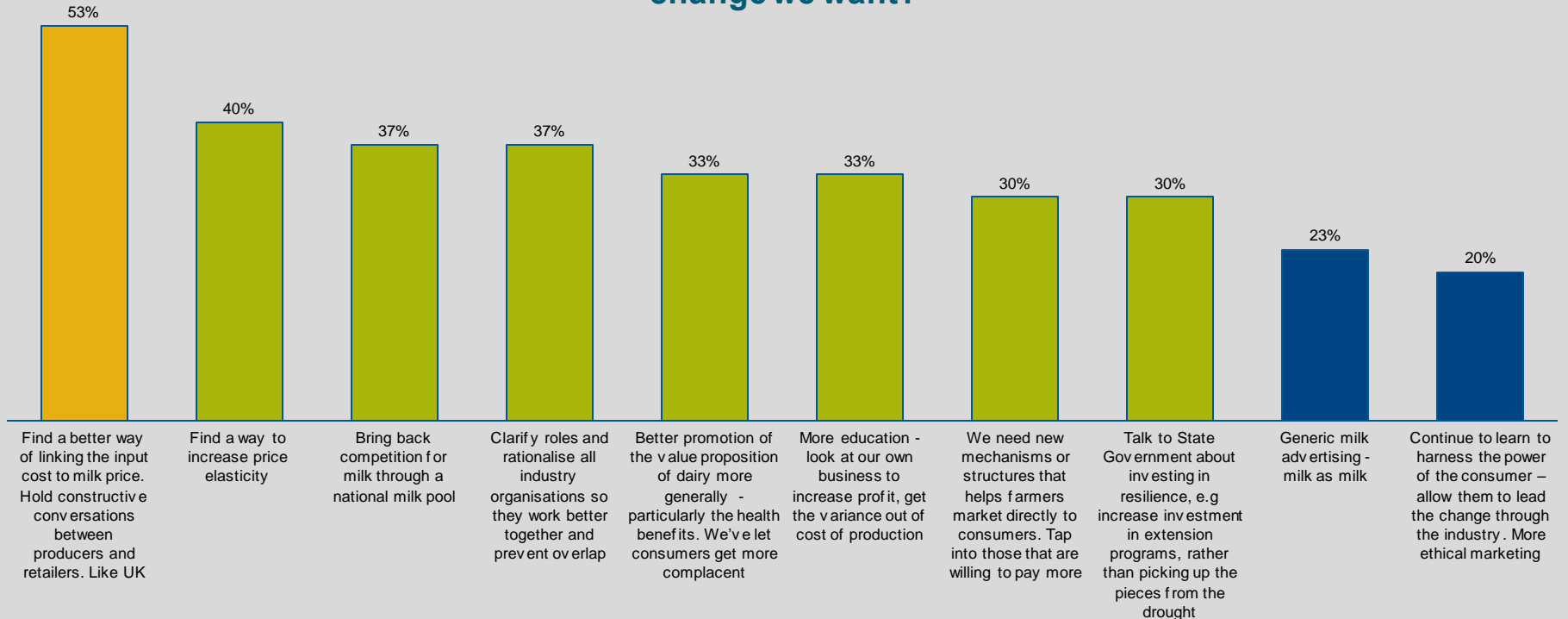
- We need a fair price that reflects the cost of production - largely foreign owned processors focus on shareholder profits and don't respect the supplier base
- Licence to farm challenges will only increase – our methane production and reliance on fossil fuel looms as a target
- There is a lot of overlap in our service organisations – in a shrinking industry we need these organisations to be more efficient/streamlined
- We are too divided, we need more unity:
 - our industry/service organisations need to clarify their respective roles in the light of these challenges and work more effectively together
 - as our numbers fall we need to use communication technologies more effectively to overcome the 'tyranny of distance'
 - farmers need to get better organised – we are too complacent

On the other hand:

- There are young scientists/leaders championing a lot of new practices/technologies – we need to extend these
- There are 23 million consumers who are prepared to pay more for the right product
- There are not many few cowboys left in the industry

3. What needs to change?

Participants voted on “where should we be focusing our efforts and energy to get the change we want?”



N= 40

Top 10 ideas by votes, as a percentage of participants voting on their Top 4

4. What needs to be done?

We further developed our top 5 prioritised ideas by thinking about what success would look like, how we might get there and what might hold us back.

Find a way to increase price elasticity

For us to still be here in 2025, the industry needs to grow profit sustainably. This starts with breaking the retailer and processor price control so that dairy farmers are no longer 'price takers'.

We propose a government and industry funded and managed incubation process to establish new farmer-owned brands.

Dairy must better leverage consumers price capability – there is a willingness to pay, but we keep pushing prices down.

Bring back the milk pool

We need a profitable business that can adapt to evolving market conditions and production parameters. Currently we are focusing on the wrong issues, which are holding us back. Can we afford natural attrition to fix this?

Establishing a milk pool will require more structured coordination between farmers. This would include more transparent, interactive benchmarking of costs.

We note ACCC approval would be needed here.

4. What needs to be done?

Customers need to value dairy more – we need to better educate the consumer

Rationalise the industry bodies so that they work better together

We need to streamline our current structures, and rationalise them based on their value proposition to industry.

The single industry body needs to be well defined with clear roles, and attract specialists to the correct areas.

To achieve this we must start with consultation. We will challenge all the current dairy organisations on their role and contribution to industry.

Better promotion of dairy

We need to make dairy the “new avocado”. Currently marketing is not adequate. We should market dairy, both the product and industry, as being sexy/cool again.

We need to communicate to consumers the hard work that goes into producing their dairy products. Educate where this food come from, including its purity and naturalness.

Marketing should reflect the emotional connections we have with dairy – i.e. a warm glass of milk, delicious cheese, chocolate ice cream etc.

5. What is success for the dairy industry?

Imagining the future of the industry, we articulated our vision by developing the front page of the industry newspaper.

THE DAIRY TIMES

June 2025

In this issue, we look at dairy's journey to 2025 & celebrate the people and successes that have got the industry to where it is today.

The dairy industry has changed a lot since 2019. Now we see a lot of young people moving into farming. Dairy in 2025 is vibrant, profitable, sustainable and resilient.

“ Life is good being a dairy farmer.

”

- Dairy farmer

“ It's great to have secured milk supply in our local region.

”

- Processor

“ Happy to see one of Australia's great agricultural industries return to its former glory.

”

- Minister for Agriculture & Water Resources

Appendix. What needs to change? (full list of results)

Participants completed a survey on the workshop

- Find a better way of linking the input cost to milk price. Hold constructive conversations between producers and retailers. Like they do in the UK
- Find a way to increase price elasticity
- Bring back competition for milk through a national milk pool
- Clarify roles and rationalise all industry organisations so they work together better and prevent overlap
- Better promotion of the value proposition of dairy more generally – particularly the health benefits. We've let consumers get complacent
- More education – look at our own business to increase profit, get the variance out of the cost of production
- We need new mechanisms or structures that help farmers market directly to consumers. Tap into consumers that are willing to pay more
- Talk to State Government about investing in resilience, e.g. increasing investment in extension programs, rather than picking up the pieces from the drought
- Generic milk advertising – milk as milk
- Continue to learn to harness the power of the consumer – allow them to lead the change through the industry. More ethical marketing
- We need to swallow our pride and start talking to processors, they are part of the problem, but they are also part of the solution
- Improve the promotion and uptake of good R&D stories to farmers
- Identify efficiencies in the transportation of milk
- Build a better business model that gets the cost of production down to be competitive
- We need to talk to the facts, so we are more influential when talking with government and industry
- We need to find more innovative ways of connecting farmers over wider distances, overcoming the tyranny of distance