

Farm Online

Crisis talks spark response

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COLIN BETTLES



Senator Joe Ludwig.

FEDERAL Agriculture Minister Joe Ludwig says the government will consider individual recommendations and proposals from various farmer crisis meetings held last week, once they are formally presented.

A crisis meeting in the WA Wheatbelt town of Merredin last week was attended by 1000 people and proposed 12 key recommendations involving a combination of state and federal assistance measures.

Another meeting last week saw about 180 farmers from Victoria, South Australia, NSW and Queensland attend the Farmer Power-hosted Rural Finance Roundtable at Colac, Victoria. The Colac meeting advocated an overhaul of agricultural economic policy to address rising rural debt levels and ensure the agricultural industry remains viable.

Farmer Power put forward its consumer-paid 50 cents per litre Dairy Industry Support Initiative on milk.

The Merredin meeting's number one resolution described the recent WA Drought Pilot program – backed heavily by Minister Ludwig - as a "failure" and an approach "rejected outright by the meeting".

But the Minister stood by the reformed drought package that was agreed to at a meeting of commonwealth, state and territory governments late last year.

At the time, Minister Ludwig said the new national framework, scheduled to be implemented from July 1 next year, would help farmers proactively address risks and prepare for challenges associated with drought.

His statement to Fairfax Agricultural Media last week reflected similar sentiment, while outlining various government support programs and funding measures for Australian farmers.

"I know from talking to producers that many farmers are doing it tough when it comes to managing their debt and the consistently high Australian dollar," Minister Ludwig said.

"The Gillard government has been a strong supporter of our farmers and primary producers.

"We have a plan for agriculture that builds on the strong foundation of the farming sector in order to create new opportunities and to support farmers to prepare for future challenges.

"We are working to implement policies that strengthen agriculture's foundation.

"These include the National Food Plan, biosecurity reform, and the \$1.7 billion land sector package.

"To help farmers prepare for the future, the Gillard government ran the \$65 million Drought Pilot in WA.

"The pilot was designed to make farmers more resilient and better prepared for future drought and included business planning assistance, income support, social support and farm exit support.

"We are also working to ensure farmers have the flexibility to manage their business to meet these opportunities.

"Australia is well placed to take the full advantage of the Asian century, and our farmers should and can be at the forefront.

"There isn't a silver bullet to today's concerns - but all levels of government have a responsibility to respond and to guarantee our farmer's futures."

Minister Ludwig said he convened the Rural Finance Roundtable last month and had heard directly what was happening on the ground.

Minister's Ludwig's office pointed to a Productivity Commission report that estimated in 2010-11 that Australia's agriculture sector received \$1461.6 million in combined tariff, budgetary assistance and agricultural pricing and regulatory assistance, with \$1364.9 million comprising budgetary assistance alone.

The PC report said the grain, sheep and beef cattle farming industry received the highest level of budgetary assistance for all sectors across the economy, totalling \$644.4 million.

Shadow Agriculture Minister John Cobb said many areas of Australian agriculture were "doing it really tough at the moment", including WA grain producers, livestock exporters of sheep and cattle, the dairy industry and many areas of horticulture.

He said poor seasonal conditions were hurting many producers and the sustained high Australian dollar was also creating cost and marketing pressures.

Mr Cobb said the Coalition was considering what could be done to help the industry.

"I am meeting with all the major banks in the next couple of weeks and will be discussing the financial situation of the industries that are having some trouble and making sure they realise that the long term outlook for these industries is still very positive," he said.

Mr Cobb said the Merredin meeting's calls for a government and bank moratorium on forced farm sales until financial relief measures are in place and a \$300 per tonne guaranteed minimum wheat price were unlikely to happen.

"If the government gets between banks and businesses they don't like it," he said.

"And the government is hardly going to back a wheat crop for more than it's worth.

"Is this \$300/t just for WA, or all of Australia - that's the question?

"You couldn't do it just for part of the country."

Mr Cobb said he had spoken to banks about the debt crisis facing growers in the WA Wheatbelt and "undoubtedly it's a hot spot".