

Australian dairy farmers protest over milk price cuts

By Margaret Rees
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Dairy farmers demonstrated in Melbourne, Adelaide and Brisbane on Wednesday after major milk processors recently reduced the farm-gate price for milk solids.

On April 27, processor Murray Goulburn announced that it was cutting the price for milk solids from \$5.60 per kilo to between \$4.75 and \$5. A week later rival processor Fonterra slashed its payments to \$5 a kilo. The cuts, which will be retrospective under “clawback” agreements in current contracts, will drive many small farmers into bankruptcy.

The largest demonstration on Wednesday was in Melbourne, where about 800 farmers and their supporters travelled from the north, east and west of the state and marched on the Victorian parliament.

Socialist Equality Party Senate candidate for Victoria Chris Sinnema attended the protest, discussing the party’s socialist program with farmers and their families. He received a warm welcome as he spoke to participants who listened carefully as he explained the connection between the worsening world economic crisis and their plight. They told Sinnema about the deepening social crisis in their areas that was leading to a spate of suicides.

The economic situation facing small farmers is dire, with predictions that 20 percent of dairy farmers will be bankrupted by the price drop. Abattoirs in Victoria and Tasmania currently have a 4–6 week queue of dairy cows awaiting slaughter, sent by desperate farmers struggling to pay their debts.

According to the *Age* newspaper, 75 percent of Victorian dairy farmers have an average “clawback” debt of \$128,000 as a result of the latest price cuts. With rising suicide rates among small farmers, some of Murray Goulburn’s dairy truck drivers are reportedly afraid to enter farms, concerned about what they might find.

The crisis in the dairy farms is mirrored in the country towns that service the farmers, with estimates that the jobs of over 30,000 people will be directly affected by the

flow-on impact. The dairy industry is the third largest sector in Australian agriculture with 6,100 farms and 120 associated factories.

Early this week the Victorian Labor government announced \$11.4 million aid package in collaboration with Murray Goulburn, which contributed \$1 million. This pittance will do nothing to overcome the economic catastrophe facing hundreds of dairy farmers.

The aid package consists of “Dairy Extension” programs, community initiatives, financial counselling services and welfare services. The package is only slightly more than the \$10 million “golden handshake” recently paid to Murray Goulburn CEO Gary Helou who resigned his position last month.

On the day of the protest, Deputy prime minister and National Party leader Barnaby Joyce announced a \$555 million concessional loans scheme for dairy farmers and almost \$2 million in financial advice and counselling services.

The “concessional loan” scheme, which resolves nothing for dairy farmers but pushes them further into debt, is a crude attempt before the July 2 double-dissolution federal election to deflect mounting hostility by small farmers against the National Party. Dairy farmers attending the Melbourne protest were deeply sceptical about the so-called government initiatives.

The platform was dominated by various third-party politicians and independents seeking to win votes in the federal election by posturing as opponents of the major parliamentary parties. All of them called in one way or another for a return to forms of national economic regulation that have long ago been rendered obsolete by the globalisation of production.

Senator Nick Xenophon called for Australia’s competition laws to be changed, the establishment of an emergency milk levy and a “pathway to sustainability.”

He falsely hailed various other federal cross-bench politicians in attendance as “champions” of the dairy industry.

So-called independent, Queensland federal MP Bob Katter called for a return to a nationally-regulated economy, praised the other parliamentary “independents” saying, “We’ve got to work closer together for the sake of our nation.”

The response of the crowd to this nationalist and populist posturing was fairly muted throughout. At the end of the rally, Blair Cottrell, a member of the right, racist United Patriot Front began speaking but quickly stopped after being denounced by several farmers at the front of the rally.

SEP Victorian Senate candidate Chris Sinnema spoke with farmers and their friends at the demonstration. A farmer from the northern district of Nathalia explained that the situation facing the family was so bad that they were forced to sell 100 of their herd of 300 dairy cows to the abattoirs.

Peter and Melanie, a farming couple from Kongwak in South Gippsland, explained their plight to Sinnema. “We are smaller—at the bottom end of farms—but it doesn’t matter how big or small you are the price cut is going to hurt for a long time,” Peter said.

Peter said that milk processor Murray Goulburn had previously been a farmers’ cooperative but had been taken over by investors. “Now because you have \$500 million put into it by outside investors, the focus has shifted away from being purely from returns to the farmer, to returns for the corporate investor ...

“At the moment Murray Goulburn are leasing seven warehouses that have \$200 million worth of product they cannot sell. Why is that our fault? Now we have to wear a clawback’ because there is no money ...

“Unfortunately farmers are very reserved characters, that’s why a lot of suicides happen. Generally the only time you go to town is if you have to buy food or to get product to run the farm. As a result you don’t get much social interaction like most people from the city get. I’ve heard rumours that there was a feed truck driver who turned up to [a farm] and found a husband and wife dead.”

Peter said there had been nine suicides since Murray Goulburn cut farm-gate milk prices in Victoria. “How are people meant to survive when you start pushing the returns to farmers below the cost of production? We are price takers, not price makers because our commodity is so perishable. We are forced into a corner where we get

what they want to pay.”

Debra and her daughter **Jasmine** travelled from Nyora in Gippsland to support the dairy farmers. Jasmine, a former university student, is unemployed. “Ninety-five percent of our friends are farmers,” Debra said. “Our area is primarily dairy. Our shops, our suppliers, all rely on the farmers.

“Ten years ago I could go from one farm to another and be certain of getting a job. Then I worked at the GM Holden Testing Ground at Lang Lang but four years ago we all got the sack with four hours’ notice. There were 220 on the day shift, doing safety and durability, and 65 on our afternoon shift. I’m fully for the unity of workers.

“My husband worked as a maintenance electrician at Tabro Meats in Wonthaggi for nine years but it was closed down on 18 September and only just reopened now. He had to use up all his sick leave. There were hundreds out of work.”

Debra explained that she and her husband had originally been sharefarmers. “We made \$120 a week for a 7-day week for the two of us. You couldn’t go to the bank and borrow money for even a car.

“I don’t trust anything that comes out of politicians’ mouths. They’re selling us out. If they cared we wouldn’t have this situation. I can’t believe politicians have been so silent about this. It is a good idea to protest but it is not enough to just have a single protest ...”

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