

Consider the cost benefits before hitting the GM highway

Dairy farmers wanting to know more about the pros and cons of genetically modified (GM) foods and crops were given much food for thought at the recent DairySA Central Region Innovation Day at Murray Bridge.

Keynote presenter Peter Carr emphasised the importance of determining whether there is a genuine commercial benefit from specific GM's before considering going down the GM road. "Unless they offer genuine commercial benefit then, like any other new technology, they would not be adopted," Mr Carr said. "There is no point trying to generalise about GMs – they need to be considered on a case by case basis."

The first GM pastures likely to be available to Australian farmers would offer significant increases in digestibility, nutrition and resistance to some diseases, such as Alfalfa Mosaic Virus in White Clover. Some existing GM pastures offer weed control advantages, such as Roundup Ready® Lucerne, which is currently cultivated in USA.

Mr Carr said it was a myth that Australian livestock industries are GM-free with domestic cottonseed meal at least 90 per cent GM, and non-segregated maize, canola and soy periodically imported to supplement shortfalls in local feed stocks. He also said the EU and Japanese domestic livestock industries, are heavily dependant on imported feed, with very large imports of non-segregated maize and soy. About 80 per cent of all cheese in these markets is made with rennin derived from genetically modified bacteria rather than from the traditional calf stomach extract.

Mr Carr said those developing GM crops need to demonstrate that the use of the GM pastures, forages and grains provide a better business return. GM technology in plants could play a role in sustainable farming through such developments as high phytase grains, reducing the phosphorus in effluent pollution, and herbicide tolerant pastures reducing the environmental impact of agrichemicals.

However, there are currently no GM pastures or forages for immediate commercial use within Australia, and it will be several years before the agronomic performance of new White Clovers and Rye grasses have been determined and have met all required health and environmental safety assessments. "Even when developed and licensed, their adoption will only be driven by the economic advantage their use might confer," Mr Carr said.

Currently in Australia there are limited supplies of GM grains that could be utilised in supplementary formulated feeds, but these are not used at present because of a blanket approach by the industry for a low or no GM requirement so that processors can sell into sensitive markets such as Japan. "All stakeholders in the supply chain need to benefit from their introduction," he said. "Until specific GM products are available and their terms of use and agronomic performance is understood, then who benefits from GM's remains a hypothetical question".

Public perception creates the market climate for GMs, and any use of GM pastures and formulated feeds requires full understanding of the market issues involved, and these apply across the whole supply chain. Not all markets for dairy products are GM sensitive. While milk powder for baby food might be seen as a "sensitive" market, the market for grilling cheese on fast foods is probably not, so a non-segregated supply chain might be able to be established to supply that segment. Any additional net costs in the supply chain due to segregation would need to be met from sales revenues or lower product prices, hence the importance of GM pastures needing to provide a business solution – principally through cheaper milk production costs.

Producers wanting absolute zero GM will need to manage the risk of accidental incorporation of GM material into their farming systems via feedstuffs and pastures. "Those who operate in a low GM, but not zero, supply chain will be able to accommodate accidental inclusion of GM material more easily and at lower cost," he said. "Those markets that want certified low or no GM may see price premiums to cover the cost of that identity preservation."

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DairySA Contact: Verity Ingham, Executive Officer T: 08 87660127 F: 08 87660005 dairysa@bordnet.com.au

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Exceptional Circumstances ~ What do I need to know?

Dairy Regions and Exceptional Circumstances (EC)

For EC to be granted, first a region needs to apply. Different dairy regions in SA are at different stages of the regional EC application process. Once a region is declared EC, individuals can then apply for EC subsidies and programs.

Exceptional Circumstances (EC) **declared areas** with dairy farms:

- Upper South East (includes Naracoorte Lucindale, Tatiara, Kingston councils and parts of Coorong Council)
- Murray Mallee (part of river Murray corridor located in buffer zone)

Exceptional Circumstances (EC) **prima facie** declared areas with dairy farms:

- Fleurieu Peninsula
- River Murray Corridor & Lower Lakes

Other areas with dairy farms that have regional EC **applications under development**:

- Barossa Mid North (all dairy farms in this dairy region will be covered by a regional EC application but there will be different applications going from different regions)
- Lower South East – discussions are underway to put in an EC application for this region/

For individual maps of EC declared areas within South Australia are available online at www.pir.sa.gov.au/drought or ring the drought hotline (180 20 20) and they can post them to you. This will help you determine what area you are if you are unsure.

If my region is EC declared, what benefits can I access?

Once a region is declared, individual dairy businesses can apply for different levels of EC support. Some examples are: Income support (Centrelink); Interest Rate Subsidy (PIRSA); health care card; Drought Force jobs and Youth Allowance. **Prima facie** declared areas can access *EC income support* now. These areas need to wait for announcements on full EC region declaration before applying for *interest rate subsidies*.

There are also various other state and national initiatives that have been highlighted in previous DairySA newsletters. *Contact DairySA if you would like another copy.*

EC Interest Rate Subsidies

Administered by	PIRSA.
What is it?	The subsidy assists farm businesses that are considered to be viable in the long-term, but for the exceptional circumstances, are experiencing financial difficulties.
When can I apply?	If in Upper SE and Murray Mallee EC declared areas you have until 18 Jan 2008 to apply however you are encouraged to apply now .
What's available?	<ul style="list-style-type: none"> - Interest rate subsidies are available for interest payable on commercial borrowings taken out by the farm business enterprise. - You can access up to 50% IRS in the first year and 80% in the second year. - IRS are calculated on your cash flow going forward. This needs to be approved by your bank before being submitted as part of your application. - All farm related loans can be included in your application. - The maximum amount payable to a farm business is \$100 000 per annum and a cumulative total of support of \$500 000 over five years applies (where an area is extended beyond the initial period of two years).
To apply	<p>Obtain and fill in a form (go to www.pir.sa.gov.au/drought or ring 1800 182 235)</p> <ul style="list-style-type: none"> - The form has a checklist on the front that details the information you need to supply. Make sure you supply all the information requested. - As part of the form you need to demonstrate a severe impact on your farm business over an extended period of time (eg: not just an additional fodder bill in the last 6 months) - For IRS you will need to apply each year. Be aware that eligibility in one year doesn't guarantee support in the second year.
To be eligible	<p><i>This is not a full list – please see the application guidelines for full details</i></p> <ul style="list-style-type: none"> - Your main farm business needs to be in a region that is EC declared to apply.

To be eligible (cont.)	<ul style="list-style-type: none"> - your off farm assets cannot exceed \$458,000 <u>NET</u> - You have to be working in your farm business 75% of the time - You need to demonstrate that you: <ul style="list-style-type: none"> o contribute at least 75% of your labour to the farm business o derive at least 50% of income from farming and o have been a farmer for at least two years. o are in need of government financial assistance. - Sharefarmers can apply as well and are encouraged to provide details regarding the farm ownership and income and expense sharing - please contact PIRSA T:1800 182 235 to discuss your situation.
Where can I get more information and assistance?	<p>PIRSA (Rural Financial Services) EC Interest Rate Subsidy forms and assistance T:1800 182 235 or www.pir.sa.gov.au/drought</p> <p>Rural Financial Counselling Service – help with accessing and filling in EC forms T:1800 836 211</p>

Exceptional Circumstances Income Support

What is it?	A payment is paid fortnightly at a rate equivalent to the Newstart Allowance
Administered by	Centrelink
Important dates	Farmers can apply following the announcement that a region is EC declared (this includes interim/prima facie declaration). There are cut off dates to back date payments – contact Centrelink drought hotline for details T:13 2316
What's available?	- allowance up to \$758 per fortnight
To apply	<ul style="list-style-type: none"> - You need to request an EC certificate from Centrelink by calling the Drought Assistance Hotline T:13 2316. You should make this request as soon as possible to ensure you receive the maximum backdated payment that may be available to you. - You can then complete the Exceptional Circumstances Relief Payment claim forms and return them to your nearest Centrelink Customer Service Centre. - Dependant on your business structures you <i>may</i> need the assistance of your accountant or a rural financial councillor to fill in the forms – don't let this prevent you from applying, go ahead and start your application.
To be eligible	<p><i>This is not a full list – please see the application guidelines for full details</i></p> <p>You may get Exceptional Circumstances Relief Payment if you</p> <ul style="list-style-type: none"> - are a farmer (this include sharefarmers) - are at least 18 years old - are an Australian resident and living in Australia, and - your farm is in an EC declared area (Note: for Interim Income Support your farm must be located in an area that is being considered for EC). <p>If you are not in an EC declared area you can apply for the Farm Help subsidy which is a similar payment but does not require EC status. Contact Centrelink for details.</p>
Where can I get more information and assistance?	<p>Centrelink Drought Assistance Hotline 13 2316</p> <p>Rural Financial Counselling Service – help with accessing and filling in forms T:1800 836 211</p>

Other types of assistance:

Health Care Card - A Health Care Card entitles you to reduced cost medicines as well as a limited number of other concessions. You can get a card if you received EC Relief Payment. Contact Centrelink (details above).

Youth Allowance - Youth Allowance helps if you are a young person who is studying, undertaking training or an Australian Apprenticeship, looking for work, or sick. This may be of help to younger people in the dairy industry. Contact Centrelink (details above).

Drought Force jobs - Drought Force assists farming properties with their workforce needs and helps keep the pool of farm labour from moving away from the region. **You can take part if you can offer farm work in a drought declared area**, or you are unemployed, for example due to the effects of drought, you are eligible for income support, or live in a drought affected area and would like to work on a farm. www.workplace.gov.au/droughtforce or T: 1800 004 226

Forms, forms and more forms!

To access nearly all of the EC programs you are going to need to do some form filling out and some searching through your files for relevant documents. Whilst this may seem like a bit too much work, especially with all the jobs on the farm, it's important that if your businesses needs this assistance, that you take the time to fill the forms in.

It may take a day of your time in the short term, but the financial benefit to your farm in the long term should be far greater that the day spent collecting the information.

Help is at hand filling in the forms. Contact the Rural Financial Counselling Service (T:1800 836 211). Your dairy consultant, accountant, bank manager, field service officer and alike may also be able to provide you with information and assistance – just ask!

Managing the Pressures of Farming – New Self-Help Resource

A new support resource for rural communities was launched this week (March 5th) to help people manage the pressures of farming.

The resource, produced with the help of farmers, is available in a printed booklet, in an interactive CD ROM, and in the form of an interactive website.

To use the resource online log onto: www.aghealth.org.au/pressures and click on the SA version

For further information about the Managing the Pressures of Farming resource, or to obtain your free copy of the booklet and CD ROM please contact Geoff Cook on 8412 6339 or geoff.cook@health.sa.gov.au

Action Packed! South East Dairy Innovation Day, Dinner and Tour

The SE Dairy Innovation Day is on again this year in Mount Gambier. Topics include GM pastures, Innovation in Fertilisers, FutureDairy technology and Climate Change. Updates from local projects will include SE Forage Innovation, FORAGE Skill\$ and Red Sky. The popular **Dairy Innovation Dinner** will be held on Wednesday 30th May for networking with speakers, industry leaders and fellow farmers. The **Innovation Farm Tour** on Friday 1st June will have a close look at the SE Forage Innovation trial site as well as other innovative dairy businesses. A bus is planned from Flaxley to attend the 3 days - bookings are essential. *Look out for a detailed flier soon or contact Kirstie Murphy (T: 8536-3958) for a registration form.*

Congratulations Meg!

Megan Shawyer, a DairySA FORAGE Skill\$ coach, recently wed her Lower SE farmer beau George Beck. A busy past six months Meg with a new baby, a new husband and a new business!

And the winners are....

There were some fabulous prizes on offer at the recent Central Region Dairy Innovation Day at Murray Bridge in early March. The inaugural trade display competition saw farmers get stamps from 6 of the participating trade displays and then enter a draw with prizes kindly donated from the trade stands. In the prize basket there were milking aprons, bags of feed, kids' books, wet weather gear and even beer! A getaway to Mt Gambier was also included so the lucky winner could head down to the South East Dairy Innovation Day in May.

Kaye Williams from near Meningie was the winner of the loot with Jeff Wright kindly delivering the prize to Kaye's at Meningie – hopefully the lager made the trip and wasn't needed as a refreshment for Jeff on the way home!

The feedback sheet competition was won by **John Nietschke** from Koonunga. A long time supporter of the industry and Innovation Days it was a well deserved win!